

developing countries loom much larger when compared to their limited resources and their urgent social and economic needs. Unfortunately, the growth rate of these expenditures is running ahead of average world rates, and their share has risen from six percent ten years ago to fourteen percent today.

But it would be misleading to assume that all developing countries have increased military spending at the same rate. In South America, for example, the rate of increase was lower in the five years prior to 1978 than in the five preceding years. In addition, a large part of the overall increase among less developed countries is accounted for among Middle East countries, whose average annual growth in military spending has been 13.5 percent in each of the last 10 years, compared to a NATO average expenditure growth of less than three percent. Although increased spending in the Middle East has been due in large part to the tensions there, it is generally true that the higher the income of developing countries, the more rapid the increase in military spending. For example, the military expenditures of OPEC countries increased at an average of 15 percent annually over the past 10 years. Among non-oil-producing developing countries, it increased at a rate of 7.5 percent among those with higher incomes and at only 3.5 percent among those with lower incomes.