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Attachment

Comparisons of US and Soviet Expenditures
for Selected Defense Programs

Statistical Note

Comparison of any economic measures between countries presents difficult conceptual problems because of the use of different currencies and the differences in structures and orientations of the economies involved. This is especially true in comparing defense expenditures of the US and USSR because of the great disparity between the nature of the two economies and a general scarcity of reliable data for the defense area. As a result such comparisons should be viewed more as reasonable approximations than as precise measures.

Reliable data on US defense spending on a mission basis are not available for the period prior to FY 1962. Adjustments were made to the official US data contained in the Department of Defense Five-Year Defense Program (dated 1 April 1968--Top Secret) to obtain as much comparability as possible with the CIA estimates of Soviet defense spending expressed in dollars. The data on US defense spending contained in this attachment, therefore, do not agree precisely with the data contained in the DoD document.

Suggested Responses

Question 1: For how long has the Soviet Union outspent the United States in the area of strategic offensive forces? In what years, in the past two decades, has the United States outspent the Soviet Union?

Response: Data for making the necessary comparisons are not available for the period before FY 1962. For the entire period 1962-69, the cumulative spending of the two countries on strategic offensive forces is roughly equal at between 45 and 50 billion dollars. The timing of expenditures, however, is quite different.

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For each year in the 1962-64 period, US spending exceeded Soviet spending by a substantial margin. For the three-year period as a whole, US spending was about 23 billion dollars and Soviet spending about 16 billion dollars. In 1965, spending levels were about equal and since 1965 Soviet spending has been higher than US spending. For the 1965-69 period, Soviet spending is about 30 billion dollars and US spending about 25 billion dollars.

The difference in timing of expenditures is a reflection of the difference in timing of major strategic offensive programs. By 1965, the major phases of deployment of Titan, Minuteman, and Polaris systems were essentially complete while the deployments of the counterpart Soviet systems--SS-9, SS-11, and Y-Class submarine--were in their early stages. Spending for these programs in 1967 and 1968 was largely responsible for a ratio of Soviet to US spending of about 3 to 2 in these years.

Question 2: What weapons do the Soviets include in strategic offensive forces? In particular, do they include medium or intermediate range ballistic missiles?

Response: The estimates of Soviet expenditures for strategic offensive forces include outlays for all elements of Soviet Long Range Aviation (heavy and medium bombers), all elements of Soviet Strategic Rocket Forces (ICBMs and MR-IRBMs), and the ballistic missile submarine element of the Soviet Navy.

It is known that the Soviet concept of strategic offensive forces includes their Long Range Aviation and Strategic Rocket Force organizations. It is not known whether or not they include the ballistic missile submarines subordinate to the Soviet Navy.

Question 3: For how long has the Soviet Union outspent the United States in the field of strategic defense? What has been the ratio over the past decade?

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Response: The USSR has spent far more for strategic defense than the US in every year during the 1962-69 period. In cumulative terms, the USSR has spent the equivalent of more than 40 billion dollars-- some 2.7 times as much as the US. The Soviets face a large and varied threat; they have a much larger land mass to defend than the US; and they have potential adversaries in much closer proximity to their borders.

The USSR has spent more money on both SAMs (19 billion dollars) and continual modernization programs for interceptor aircraft and control and warning (20 billion dollars) than the US has on its total strategic defense force (15 billion dollars). Neither country has undertaken, as yet, any extensive outlays for deployment of ABM and antisatellite systems.

Question 4: What weapons systems compose strategic defense and what has been the ratio of Soviet to US spending over the past five years for each (e.g., ABM systems and interceptor aircraft)?

Response: The estimates of Soviet expenditures for strategic defensive forces include outlays for all elements of the Soviet Air Defense Forces (PVO) organization. Included are surface-to-air missiles, interceptor aircraft, the control and warning system, and ABM and antisatellite systems.

For the five-year period, 1965-69, spending by the USSR for surface-to-air missile systems is nearly 9 times as high as that for the US. Interceptor aircraft expenditures for the USSR are some 3 times as high, and spending for ABM and anti-satellite systems by the USSR are about 1 1/2 times that of the US. Soviet spending for control and warning, consisting primarily of operating costs, is some 20 percent greater than US spending.

Question 5: Against what threat do Soviet strategic defense forces defend? Do US strategic defense forces defend?

Response: The Soviets have deployed radars, interceptor aircraft, and surface-to-air missiles (SAMs) in great numbers throughout the USSR. These forces were developed to counter US and allied bomber forces,

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but can be used against air attack from any nation including China. Soviet air defense systems can engage small, highspeed air-to-surface missiles as well as large subsonic bombers.

The Soviets are deploying an ABM system around Moscow which evidently is designed to provide some limited capability for defending the Soviet capital against ICBMs from the US. There is no evidence that the Soviets are planning ballistic missile defenses against China, although there are some early warning facilities that will cover that sector.

Note: We believe that it would be more appropriate for the Department of Defense to address the second half of this question.

Question 6: How do Soviet and US expenditures for military RDT&E compare for the past five years?

Response: For the 1965-69 period, US spending for RDT&E is about 50 billion dollars, and Soviet spending for the same period is about 40 billion dollars. During this period, however, the level of US spending has been fairly constant while the Soviet level has grown by about 3 billion dollars to almost equal the US level of about 10 billion dollars a year.

Although current information will not permit estimates of Soviet RDT&E expenditures on an individual weapon basis, it is believed that the majority of their expenditures are for strategic offensive and defensive weapons.

Comparison of US and Soviet Expenditures for Selected Defense Programs*
1962-69

Billion 1968 Dollars

	Cumulative Expenditures				Annual Expenditures															
	1962-64		1965-69		1962-69		1968		1969											
	USSR	US	USSR	US	USSR	US	USSR	US	USSR	US										
Strategic Offense	15.6	23.1	31.3	25.0	47.0	48.1	5.6	8.0	5.2	7.9	4.8	7.1								
Strategic Defense	14.3	6.3	26.7	8.9	41.0	15.3	5.4	2.2	4.3	2.1	4.6	2.1								
Control & Warning	3.5	1.9	4.4	3.8	7.8	5.7	1.6	0.6	1.0	0.6	1.0	0.7								
Fighter Aircraft	4.2	3.3	8.3	2.9	12.5	6.2	1.5	1.3	1.2	1.0	1.5	1.0								
IAM Systems	6.3	0.7	12.8	1.5	19.1	2.1	2.2	0.2	2.0	0.3	2.0	0.2								
ABM & Antisatellite	0.3	0.5	1.3	0.8	1.6	1.2	0.1	0.2	0.1	0.1	0.1	0.2								
RDT&E (Including Military Space)	20.9	28.7	38.3	47.7	59.2	76.4	6.6	8.9	7.2	9.8	7.1	10.1								
	1965				1966				1967				1968				1969			
	USSR	US	USSR	US	USSR	US	USSR	US	USSR	US	USSR	US	USSR	US	USSR	US	USSR	US	USSR	US
Strategic Offense	5.0	5.1	5.9	4.8	6.6	4.4	6.8	4.8	7.0	5.9										
Strategic Defense	4.6	1.8	5.0	1.6	5.3	1.6	5.7	1.8	6.1	2.1										
Control & Warning	0.9	0.8	0.9	0.8	0.8	0.7	0.8	0.8	0.8	0.7										
Fighter Aircraft	1.5	0.7	1.5	0.6	1.6	0.6	1.8	0.6	2.0	0.5										
IAM Systems	2.0	0.2	2.4	0.1	2.6	0.1	2.9	0.3	3.0	0.7										
ABM & Antisatellite	0.2	0.2	0.2	0.1	0.3	0.1	0.2	0.2	0.3	0.2										
RDT&E (Including Military Space)	6.6	9.2	6.8	9.4	7.3	9.7	8.0	9.6	9.6	9.9										

*US data are on a total obligational authority (TOA) and fiscal year basis, whereas the USSR data are estimated expenditures and are on a calendar year basis. Totals and subtotals are based on unrounded data and therefore may not equal the sum of the rounded components.