SOVIET MILITARY EXPENDITURES BY MAJOR MISSIONS*
1958-65

Summary and Conclusions

Allocation of the estimated military expenditures of the U.S.S.R. to the four major missions -- strategic attack, air defense, ground, and naval** -- in accordance with their requirements suggests that important changes in emphasis are occurring within the Soviet armed forces.*** The share of mission outlays (that is, the summation of all the outlays that are directly allocable to the missions) that is absorbed by the ground mission is expected to decline from 51 percent to 36 percent between 1958 and 1965.† During the same period the share for the air defense mission is expected to rise from 22 percent to 30 percent. The share allotted to the strategic attack mission also will increase, but for a limited time only -- it is expected to climb from 11 percent in 1958 to 25 percent in 1962 and then to fall back to 18 percent in 1965. The share represented by the naval mission is expected to decline only modestly, but it is estimated that by 1959-60 it was smaller than the shares going to the other missions. In 1958 this share claimed 17 percent of total mission outlays but during 1959-65 is expected to claim only 14 to 16 percent.

Total outlays for Soviet military programs during 1958-65 for these four missions, for unallocable overhead for the four missions -- command and support -- and a residual have been allocated as follows:

* The estimates and conclusions in this report represent the best judgment of this Office as of 15 March 1961.
** For definitions of the missions, see I, B, p. 6, below, and Appendix B.
*** It should be noted that the likelihood of error in the allocation of expenditures indicated in the discussion that follows is greater for 1964-65. Outlays for all missile programs could not be specified beyond 1963 in sufficient detail to assign them to individual missions. The missions most likely to be understated because of such unallocable missile expenditures (which are consigned to the residual) are air defense and strategic attack. Conceivably the decline in the later years of the period in the share absorbed by the strategic attack mission would be overcome if these missile expenditures could be allocated.
† All aggregates and percentages appearing in this report are based on unrounded figures.
The large size of the residual is caused primarily by the inability to allocate 239 billion rubles of expenditure for research and development for 1958-65 and 28 billion rubles for certain guided missile programs after 1962.

An analysis of the expenditures presented in the chart, Figure 1,** also shows the striking reallocation of expenditures within the mission structure. The most dramatic examples are the 34-percent decline in expenditures for the ground mission and the 127-percent increase in outlays for the strategic attack mission that are expected to occur from 1958 through 1962. Expenditures on air defense are expected to climb erratically during 1958-65, whereas expenditures for the naval mission are expected to fall slightly. As a result of these changes, by 1965 the ground mission no longer will hold its historically dominating position in the structure of Soviet military expenditures.

These developments indicate the effect that changing weapons technology may be having on Soviet military planning. Increasing expenditures on strategic attack reflect the replacement of the manned bomber by long-range missiles and missile-launching submarines. Similarly the substitution of missiles and highly sophisticated warning and control systems for fighter aircraft and antiaircraft artillery in air defense will require a growing share of total mission expenditures. Within the naval mission the introduction of missile-launching destroyers and nuclear submarines (torpedo) will keep outlays for this mission from falling too drastically.

As is demonstrated in the chart, Figure 2,** there also are changes in the composition of the expenditures. In all missions except strategic attack, required outlays for personnel are expected to decline.

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* All expenditures expressed in this report are in terms of 1 July 1955 rubles. From 1958 to 1965 the weighted ruble/dollar ratio for defense expenditures using Soviet weights varies between 3.6 rubles to US $1 and 4.1 rubles to US $1.

** Following p. 2.
whereas expenditures for operation and maintenance will tend to increase. The changes in relative standing among the missions reinforce these trends in that the ground mission demands proportionately higher outlays for personnel and proportionately lower outlays for operation and maintenance than do the air defense and strategic attack missions. Increasing expenditures for nuclear weapons will offset a declining level of procurement for other categories of equipment.

Finally, when the programs and activities underlying the missions are expressed in 1959 US dollars (that is, what they would cost if purchased in the US at prevailing prices of 1959), they have an annual value of roughly $30 billion during 1958-61 and some $26 billion annually thereafter. This pattern reflects, in part, the estimated change in the composition of Soviet military expenditures toward areas that would be relatively less expensive in equivalent dollar terms -- for example, nuclear weapons as opposed to manpower. Total Soviet military programs and activities, when similarly expressed in US dollars, remain somewhat more constant, at an annual level of roughly $40 billion.