

~~CONFIDENTIAL~~

4791

**CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
1999**

9 December 1975

MEMORANDUM FOR THE RECORD

SUBJECT: Convertibility of Soviet Industrial
Capacity to Military Production

1. The attached S-Project was prepared in response to a request by Admiral Joseph W. Russel, levied orally, at Headquarters, on 26 November 1975. Admiral Russel requested the information for use in a speech to be delivered at OFFUTT AFB on 1 December.

2. Because of the short deadline the information was sent out by cable on 28 November 1976.

Office of Economic Research

ATTACHMENT:
as stated

(S.08912)

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

ATTACHMENT

Convertibility of Soviet Industrial Capacity
to Military Production

1. In our judgement, Soviet industry is prepared to expand production of military goods on very short notice. Plants that now produce mainly for the military can preempt capacity currently being devoted to civilian product -- according to Mr. Brezhnev, more than 40% of the output of the defense industry is civilian product -- and civilian plants can mobilize capacity being held in "stand-by" status.

2. How extensive is stand-by capacity in civilian plants? We don't know precisely. We do know that all plants in the Soviet electronics industry, for example, keep special tools, parts, power facilities and a two month's supply of materials in a state of readiness. Each plant is assigned specific military-production obligations under a "First Year of the War" plan which is up-dated annually. We also know from the experience of the Korean War, that at the outset of the war, in some plants of the agricultural machinery industry, conversion to military production took place extremely rapidly; and, at the end of the war, reconversion to civilian product was equally rapid. The rapidity of the change indicates that special military production machinery, and probably capacity, had been held in reserve. -- Generally, we believe that most large plants in important civilian industries (automotive, agricultural machinery, construction machinery, and the like) -- especially plants with heavy casting capacity -- probably keep stand-by patterns for casting military parts, and special machine tools, jigs, and fixtures, and other production facilities, in-place, for military production.

3. What kinds of military products do civilian plants stand ready to produce? Probably conventional types of arms and ammunition. Here are a few examples from historical data: agricultural machinery plants -- ammunition; tractor plants -- tanks, tank engines, primer movers for heavy artillery; automotive plants -- self-propelled guns, and military trucks; railroad freight car and locomotive plants -- tanks.

4. Finally, a word about the Soviet machine tool industry which plays a critical role in determining how fast industry can be reconverted. The Soviets tend to produce mostly general-purpose machine tools, rather than special-purpose ones, and

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

have accumulated an enormously large inventory of such machines. Thus, the average Soviet civilian plant probably can convert over to military production -- strictly from the standpoint of available machinery -- faster than its average counterpart in the United States. As the Soviets expand their inventory of numerically-controlled machining centers, the most versatile of all general-purpose machine tools, they will further increase their flexibility for conversion to military production.

-2-

~~CONFIDENTIAL~~