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26 July 1972

MEMORANDUM FOR: Cmdr. Tom Barnett, ACDA

SUBJECT : Cost Comparison of US and Soviet ICBM and SLBM Programs

1. This memorandum responds to your request for information on the costs of US and Soviet ICBM and SSBN/SLBM programs. Three sets of data are provided:

--A comparison of the estimated dollar costs of Soviet programs* with comparable US outlays for the period from 1972, the year of the SAI Interim Agreement, through 1978. These data provide a measure of the relative size of the activities of the two countries.

--An analysis of the shares of total expenditures for strategic intercontinental missile forces devoted to ICBM and to SSBN/SLBM forces for the 1972-78 period and for the 1969-78 period. The data are presented in the currency of each country to provide an indication of the priority assigned to the two programs.

--A comparison, in ruble terms of Soviet expenditures on selected ICBM and SLBM programs.

2. All data are in constant prices so that they exclude the effects of inflation. The dollar cost figures for the USSR are estimates of what it would cost in the US to carry out the Soviet activities. The dollar expenditure figures for the US are derived from DoD data, converted to outlays and stated in 1978 dollars. The ruble data for the USSR reflect our estimate of Soviet expenditures for these programs in terms of the prices prevailing in 1970. The calculations included investment (procurement of weapons and construction of facilities) and operating expenditures (personnel and operating and maintenance); they exclude RDT&E. Please note that we have less confidence in our cost estimates at the mission or program level than at the level of total defense expenditures.

*The Soviet and US ICBM and SSBN/SLBM programs compared in dollar terms in this memorandum are defined according to the US Defense Planning and Programming Categories (DPPC).

Relative Size of SLEM and ICBM Programs in Dollars

3. For the 1972-78 period the estimated dollar cost of Soviet ICBM programs exceeds comparable US outlays by over 400 percent; the dollar cost of Soviet SSBN/SLEM programs are estimated to be about 60 percent greater than US outlays for comparable programs.

Expenditure Priority of Intercontinental Missile Systems

4. From 1972 to 1978, US outlays for SSBN/SLBM programs were a little over 50 percent larger than outlays for ICBM programs. In the USSR, estimated ruble expenditures for ICBM programs were 20 percent higher than those for SSBN/SLBM programs.

5. US investment and operating expenditures for intercontinental SSBN/SLBM programs for 1969 to 1978, measured in 1978 dollars, were almost twice as large as expenditures for ICBM programs. In the Soviet case, estimated expenditures for ICBM programs, in constant 1970 rubles, were 15 percent greater than those for SSBN/SLBM programs.

Expenditures for Selected Weapon Systems

6. Estimated ruble expenditures for selected Soviet SSBN/SLBM programs (D, Y, H, and Typhoon-class) and ICBM programs (SS-9, 11, 13, 17, 18 and 19), both in the 1972-78 and the 1969-78 periods were about the same. These estimates do not reflect the cost of the Golf class SSBN/SLBM program for intercontinental attack, nor the cost of the Hotel II SSBN/SLBM program for peripheral attack. They include some investment for the Typhoon class SSBN/SLBM which will not be deployed until 1980. The estimates for selected ICBM programs excludes operating costs of deployed systems being phased out in the 1970s, like the SS-7 and 8, as well as investment expenditures for the follow-on systems to the SS-11, 17, 18 and 19 to be deployed in the 1980s. Thus, the estimates for the selected programs do not provide a balanced measure of Soviet priorities in spending for SSBN/SLBM and ICBM programs.

