

OUTGOING MESSAGE

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Approved For Release 2000/09/14 : CIA-RDP78S01932A000100200007-9

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CIA/OCI/WHIZWH 740102

DATE-TIME GROUP CITE MESSAGE REFERENCE NUMBER
 022304Z CIA/WHSS 22796

SOURCE REF:

ROUTING	1	4	7	10
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ITEM 6

25X1A

TO: IMMEDIATE WHITE HOUSE//SITUATION ROOM FOR [REDACTED]
 WARNING NOTICE SENSITIVE INTELLIGENCE SOURCES AND METHODS INVOLVED

ITEM NO: WH-6 DATE: 2 JAN 74

SUBJECT: COMPARISON OF US AND SOVIET DEFENSE EFFORTS

REF : 31 DEC 73 WASHINGTON POST ARTICLE--THE KREMLIN'S FUTURE POWER--BY ROLAND EVANS AND ROBERT NOVAK

THE EVANS AND NOVAK ARTICLE CONCENTRATES ON TWO OFTEN-COMPARED FINANCIAL STATISTICS FOR THE US AND SOVIET DEFENSE EFFORTS--MILITARY R&D EXPENDITURES AND MILITARY PAY--AND ADDS A NEW COMPARISON, NAVAL SHIP CONSTRUCTION.

MILITARY R&D EXPENDITURES

IN THE COMPARISON OF MILITARY R&D EXPENDITURES, EVANS AND NOVAK STATE THAT "US INTELLIGENCE ANALYSIS SHOWS MOSCOW SPENDING TWICE AS MUCH AS WASHINGTON ON MILITARY RESEARCH AND DEVELOPMENT." IT GIVES 1970 FIGURES {"THE LATEST AVAILABLE YEAR"} OF \$16 BILLION FOR THE USSR AND \$7.4 BILLION FOR THE US. CIA ESTIMATES THE DOLLAR COST EQUIVALENT OF SOVIET MILITARY R&D SPENDING IN

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1970 AT ABOUT \$9 BILLION.

THE US FIVE YEAR DEFENSE PROGRAM LISTS US OBLIGATIONAL AUTHORITY FOR FY-74 UNDER PROGRAM VI, RESEARCH AND DEVELOPMENT, AS \$7.4 BILLION. TOTAL US MILITARY RDT&E INCLUDES AN ADDITIONAL \$3.1 BILLION CARRIED UNDER OTHER PROGRAMS FOR A TOTAL OF \$10.5 BILLION.

CIA DOES ESTIMATE THAT SOVIET MILITARY R&D EXPENDITURES HAVE BEEN RISING RAPIDLY SINCE 1970 WHILE US MILITARY R&D SPENDING HAS REMAINED RELATIVELY STABLE. AS A RESULT, CIA'S ESTIMATE FOR 1973 SHOWS THE USSR SPENDING THE EQUIVALENT OF \$12.4 BILLION COMPARED TO \$9.6 BILLION FOR THE US.

MANPOWER EXPENDITURES

EVANS AND NOVAK STATE THAT SOVIET MILITARY MANPOWER COSTS AMOUNT TO 25 PERCENT OF THE TOTAL DEFENSE BUDGET COMPARED WITH 57 PERCENT FOR THE US. WE ESTIMATE THAT IN 1973 USSR MILITARY MANPOWER EXPENDITURES--INCLUDING PAY FOR CIVILIAN EMPLOYEES AND RETIRED PERSONNEL--ACCOUNTED FOR ABOUT 38 PERCENT OF TOTAL DEFENSE OUTLAYS COMPARED WITH 52 PERCENT FOR THE US. (ALL

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CALCULATIONS OF SHARES OF DEFENSE SPENDING ARE MADE IN DOMESTIC CURRENCIES--RUBLES FOR THE USSR AND DOLLARS FOR THE US. SHIPBUILDING EXPENDITURES

THE SHIPBUILDING COMPARISON PRESENTED BY EVANS AND NOVAK IS CONSIDERABLY DIFFERENT FROM CIA ESTIMATES. IT GIVES SOVIET NAVAL SHIPBUILDING AT 15 PERCENT OF TOTAL DEFENSE OUTLAYS COMPARED WITH 4 PERCENT FOR THE US. WE ESTIMATE THAT THESE ACTIVITIES ACCOUNT FOR ABOUT THE SAME SHARE OF TOTAL DEFENSE IN BOTH COUNTRIES--ABOUT 5 PERCENT FOR THE USSR AND NEARLY 4 PERCENT FOR THE US. E2 IMPDET.H

(SPECIAL INSTRUCTIONS: OSR & NIO [REDACTED] 25X1A

DATE: 2 JAN 74
ORIG: [REDACTED] WHSS 25X1A
UNIT: CIA OPERATIONS CTR
EXT: 9340

[REDACTED] 25X1A

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