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17 OCT 1957

MP-200

MEMORANDUM FOR: Colonel Howard P. Parsons, Jr.  
Chief, Technical Division, ACST  
Department of the Army

ATTENTION : Mr. Dexter Wood

SUBJECT : Information on Military Cost Study

1. The attachment, classified Top Secret, Background Use Only, constitutes our response to your request of 7 October 1957. While these are the best current estimates available, they are still preliminary in certain respects.

2. The data should not be employed in greater detail, especially, than that shown in Table II, Appendix B, of XE 11-4-56 (TS), issued 2 August 1956. Specifically, the estimates relating to nuclear energy should not be shown or combined in such a way that they can be obtained by subtraction.

3. Should you or your staff have further questions please feel free to contact us.

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Attachment:  
Tables on Estimated Soviet Military Expenditures in 1957 (II)

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Estimated Soviet Military Expenditures in 1957 <sup>a</sup>

	Billion Dollars (1955)	Billion Dollars (1955)
<b>Major Programs <sup>b</sup></b>	<b>22.0</b>	<b>14.3</b>
<b>Ground Forces</b>	<b>10.3</b>	<b>8.4</b>
APVs	3.8	1.0
Weapons	2.0	0.4
Ammunition	2.8	0.7
Support Equipment	1.0	0.2
Vehicles	0.6	0.1
<b>Aerial Forces</b>	<b>10.4</b>	<b>8.2</b>
Naval Vessels	9.9	8.1
Mines & Torpedoes	0.4	0.1
Vehicles	0.1	•
<b>Air Forces</b>	<b>27.7</b>	<b>11.3</b>
Fighter Aircraft	9.9	1.9
Light Bomber	5.4	1.1
Medium Bomber	7.7	1.5
Heavy Bomber	1.7	0.3
Other Aircraft	1.6	0.3
Aerial Bombs	0.2	•
Organizational Equipment	0.9	0.2
Vehicles	0.2	•
<b>Guided Missiles</b>	<b>7.3</b>	<b>1.3</b>
Major Equipment	6.8	1.2
Organizational Equipment	0.5	0.1
<b>Personnel &amp; Manning</b>	<b>0.9</b>	<b>0.1</b>
Communications	0.7	0.1
Construction	3.7	0.5
<b>Research &amp; Development</b>	<b>19.8</b>	<b>3.8</b>
Nuclear Energy	12.0	1.5

<sup>a</sup> Less than \$50 million.

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Enclosure No. 1, p. 1 to

Estimated Soviet Military Expenditures in 1977 g/ (continued)

	Billion Roubles (1975)	Billion Dollars (1975)
<b>Personnel e/</b>	<b>22.8</b>	<b>17.2</b>
<b>Ground Forces</b>	<b>21.8</b>	<b>16.9</b>
Pay & Allowances	11.9	9.2
Other	12.6	1.8
<b>Naval Forces</b>	<b>6.9</b>	<b>5.4</b>
Pay & Allowances	3.8	2.9
Other	3.1	0.4
<b>Air Forces</b>	<b>12.3</b>	<b>9.0</b>
Pay & Allowances	8.3	6.4
Other	3.7	0.9
<b>MVD-KGB</b>	<b>7.7</b>	<b>6.0</b>
Pay & Allowances	3.4	2.6
Other	2.3	0.9
<b>Reserve Subsistence</b>	<b>1.7</b>	<b>0.8</b>
<b>Support Programs f/</b>	<b>22.1</b>	<b>17.2</b>
<b>Ground Forces</b>	<b>1.4</b>	<b>0.6</b>
Major Equipment Operating Expenses	0.8	0.2
POL	0.4	*
Vehicle Operating Expenses	1.1	0.2
Other	1.0	0.2
<b>Naval Forces</b>	<b>3.1</b>	<b>2.5</b>
Maintenance & Alteration, vessels	1.1	0.9
Operating Material, supplies, equipment	0.7	0.1
POL	0.2	0.1
Vehicle Operating Expenses	0.1	*
<b>Air Forces</b>	<b>6.9</b>	<b>5.0</b>
Aircraft Operating Expenses	2.1	0.4
Organizational Equipment Maintenance	1.4	0.3
Vehicles Operating Expenses	0.2	*
POL	1.2	0.3

\* Less than \$50 million.

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Estimated Soviet Military Expenditures in 1957 <sup>a</sup> (continued)

	Billion Rubles (1957)	Billion Dollars (1957)
Guided Missiles	1.7	0.3
Major Equipment Operating Spares	1.3	0.2
Training Missiles	0.2	0
Other	0.2	0
Command & Warning	0.9	0.1
Communications	0.8	0.1
Construction Maintenance	3.1	0.4
Purchased Transportation	0.6	0.2
Medical	0.9	0.1
Printing & Publishing	0.3	0.1
Civilian Personnel Pay	4.0	1.9
Military Pensions	3.2	0.4
Reserve Pay	2.6	1.3
NOAAAF	0.5	0.1
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<b>Total of Program</b>	<b>176.9</b>	<b>42.0</b>

<sup>a</sup> Less than \$50 million.

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Estimated Soviet Military Expenditures in 1957 a/ (continued)

The estimates presented here include all known Soviet defense expenditures, irrespective of whether these expenditures are made from the announced military budget or from other sources. The figures provided in the table should not be employed, generally, in greater detail than that shown in Table II, Appendix of NDA 11-4-56, issued 2 August 1956 (TS). Specifically, the figures relating to nuclear energy should not be revealed or combined in such a way that they can be obtained by subtraction.

It should be noted here that the breakdown by forces is not comparable to US usage. For example, the Naval Air Forces have been included in the Air Force program.

Major programs contain estimates of initial procurement of major items of equipment related to the military forces together with the associated initial spare parts and also expenditures for construction of new facilities, military research and development, and the nuclear energy program.

Personnel expenditures relate to pay and allowances for active uniformed military personnel and militarized elements of the MVD and KGB, food, clothing, and miscellaneous personnel supplies. Also included are expenditures for subsistence for reservists on active duty training.

Support expenditures relate to a variety of operating, training and maintenance expenses excluding personnel costs (shown above). Also included are estimates for military pensions, pay of reserves on active duty training (borne by their normal place of employment), and expenditures in support or

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Enclosure No. 1-1-1