

# The Economics of Soviet Defense Spending, / John Tedstrom / 1988 / RFE/RL, 1988

The Soviet economy was a product of global wars and of the beliefs and technologies of the early twentieth century. During its lifetime, many other countries made similar or greater social and economic gains with more consent and less violence. On its centenary, the Soviet economy should be remembered but not mourned. Davies, R W (1994), "Changing Economic Systems: An Overview." in R W Davies, M Harrison and S G Wheatcroft (eds), *The Economic Transformation of the Soviet Union, 1913-1945*, Cambridge: Cambridge University Press, pp. 1-23. Davies, R W, M Harrison, O Khlevniuk, and S G Wheatcroft (in preparation), *The Industrialisation of Soviet Russia*, vol. 7. *The Soviet Economy and the Approach of War, 1937-1939*. Basingstoke: Palgrave. The estimate of Soviet defense spending in dollar terms was inherently biased in the direction of increasing the apparent Soviet defense budget. This could be seen if the US budget was depicted in ruble terms. The ratio of Soviet military expenditures to U.S. military expenditures both priced in dollars will tend to be higher than a similar ratio priced in rubles. The Central Intelligence Agency said Soviet military spending is between 115 billion rubles and 125 billion rubles - the equivalent of about \$200 billion. Kremlin officials generally mistrusted official Soviet analyses of the USSR's economy, and whenever possible would read or at least scan restricted Western studies. Kosygin and Gorbachev, for instance, indicated in their memoirs that they read Western studies of the Soviet Union. Defense economics, field of national economic management concerned with the economic effects of military expenditure, the management of economics in wartime, and the management of peacetime military budgets. There is no such thing as an inexpensive war. First, there is the human cost in loss of life. Introduction. Opportunities foregone: the cost of war. Defense expenditure: the cost of deterrence. Measuring the burden. Comparing burdens.