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1. Q. What do you think is the purpose of the State Reserves Program?

A. I believe that the basic purpose of the Reserves Program is that of providing for war needs. I am not familiar with the post-World War II situation in this respect, for 1946 was a year of crop failure and many of the reserves must have been depleted during World War II. Intensity of the stockpiling effort is contingent on the international military and political situation as evaluated by the Politburo. For example, if Stalin considers war to be imminent, he will make no attempt to stockpile steel, but will rather rush all available steel into the production of tanks. But if war is not expected, then Stalin will avoid committing large supplies of steel into obsolescent tanks; he will hold the steel in reserve. In this connection, there was a heightened interest in stockpiling in 1937 when it became apparent that war was unavoidable.

2. Q. How does the Reserves Program operate?

- A. The following establishments would participate in the Reserves Program.
 - (a) The Politburo and its working apparatus (rabochiy apparat)
 - (b) Military Section of the Party Central Committee (Voyennij Otdyel TsKa Partiyi)
 - (c) War Ministry (Voyennoye Ministerstvo)
 - (d) Chief Quartermaster Directorate (Glavnoye Intendantskoye Upravleniye)
 - (e) Gosplan and the Committee of Reserves
 - (f) The various ministries
 - (g) Procurement organizations such as zagotserna, zagotkhlodka etc
 - (h) Trusts

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- (i) Factories
- (j) Kolkhozes and sovkhozes

Functions of the Committee of State Reserves were formerly fulfilled by Gosplan. The Committee is concerned exclusively with planning and works on a Gosplan basis, having an apparatus in each republic just as Gosplan does; however, it should be emphasized that control is concentrated in Moscow. Both Gosplan and the Committee of State Reserves are subordinate to the Council of Ministers; Gosplan is concerned with current planning while the Committee is concerned with planning of reserves.

The preliminary figures (kontrol'niye tsyfri) are determined by Gosplan in conjunction with the appropriate division of the Central Committee about July. These figures are worked into the general economic and financial plan which is confirmed about October or November for the ensuing year.

Reserves are distributed for storing by regions and provisions for storing are made by Gosplan and the Committee of Reserves together with the various ministries, Administration over storing of reserves is decentralized in establishments of Union and local subordination. Warehouse facilities are constructed in accordance with the economic plan and partly at the expense of the kolkhozes since they provide the labor.

Responsibility for fulfilling directives concerned with formation of reserves rests on:

- (a) The Committee of Reserves
- (b) The USSR and the Union Republic gosplans
- (c) The Council of Ministers, USSR
- (d) Union and Republic ministries
- (e) Directors of trusts, factories, and sovkhozes and chairmen of kolkhozes
- (f) Party and state supervisory organs.

Reserves are financed in accordance with the financial plan which has as its sources of funds:

- (a) The USSR and Union Republic budgets
- (b) Gosbank credits
- (c) Kolkhoz and sovkhoz funds

The reserves are divided into two categories:

- (a) Untouchable funds (nyeprikosnovyenniye fondy)
- (b) Reserves for satisfying the needs of current unusual enterprises

Reserves are exploited by permission of the Committee of State Reserves with the agreement of Gosplan and confirmation of the Council of Ministers. In exceptional cases access to reserves can be had by a Politburo directive in the form of a Council of Ministers order (postanovleniye).

If reserves for current unusual needs prove inadequate in some given year, access can be made to untouchable funds but these must be replaced in the ensuing years.

Factories and plants producing consumers goods exclusively carry reserves only for use in fulfillment of current production plans and these are not reserves as such.

- Q. How long do you think this program has been in operation?
- A. The Committee of State Reserves has always been in existence but it was formerly a part of Gosplan. I do not know when it became a separate organization.
- Q. What do people who live near a state reserve say about such an installation? What do they think it to be?
- A. People in the USSR simply do not permit themselves to be curious. If they see something which may have strategic importance, they try to refrain from seeing it or thinking about it.
- Q. How large a supply you think is controlled by state reserves locally and/or nationally for the following products: grain, petroleum, tires, hay, canned meat and/or tushenka, butter, metals, etc?
- A. I have no information on this subject.

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