

SECRET/SECURITY INFORMATION

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4. The Department of Defense, consuming hundreds of thousands of tons of meat, does not buy it from commercial organizations because it cannot afford to pay 20 rubles for a kilogram of meat. If it did, the upkeep of the Armed Forces would not cost 96-100 billion rubles a year but many times more. In order to demonstrate the Kremlin's "peaceful" disposition, the Department of Defense buys the cattle from Zagotskot at 33 kopeks a kilogram, of which 27 kopeks goes to the kolkhoz and 6 kopeks to the Zagotskot for overhead expenses, while a kilo of slaughtered meat thus costs the Department of Defense 70-72 kopeks. The Department of Defense has its own slaughtering grounds where cattle is slaughtered for the army and for the creation of enormous "NZ" reserves. It sells the hides to the industry, and the receipts from such sales cover the total cost of the cattle. In this instance, the Department of Defense needs an intermediate agency. 50X1

5. [redacted] one cannot consider as an intermediate stage such arsenals or warehouses as, for instance, those situated in Leningrad on Porokhovyye, where tremendous stocks of air force equipment, tanks, trucks, and artillery are concentrated, or the arsenals on Vyborgskaya Storona in Leningrad [redacted] 50X1
[redacted] because these supplies cannot be handed over to military districts, for they would constitute tremendous surpluses over the quota of materiel fixed for military districts. They are simply a tremendous surplus reserve accumulated in anticipation of war eventualities and kept in charge of the Minister of Defense USSR. As soon as they are needed, they will be sent directly to the military districts, armies, and divisions without any intermediary stages. 50X1

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