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THE STRATEGIC AND CRITICAL MATERIALS STOCKPILE

What is the Stockpile?

The stockpile consists of 93 minerals, metals, and other industrial materials stored at 122 locations in the United States. The aggregate value of the stockpile as of June 1976 was \$7.4 Billion. Most of the materials were acquired prior to 1959. The basic law governing the stockpile is the Strategic and Critical Materials Stock Piling Act.

Why a Stockpile?

The purpose of the stockpile is to ensure that our Government will have available the necessary raw materials to support military requirements and the basic civilian economy during periods of extended conflict and when normal foreign supplies of these materials are disrupted. By maintaining appropriate levels of these materials in the stockpile, our dependence upon foreign nations in time of war can be prevented or reduced.

How is the Composition of the Stockpile Determined?

Every major raw material is analyzed on a continuing basis to determine whether it should be designated as strategic and critical. Currently, there are 93 such materials covering a wide range of minerals, metals, and materials. Materials may be added to or deleted from the list as technological, economic, or political changes occur which affect the design levels and composition of the stockpile. The amounts of materials held in the stockpile are determined by estimating the difference between the quantities needed in a major war and the quantities available. If the estimated supply will satisfy the requirement, the amount of that material held in the stockpile will be zero. If the supply is inadequate, the shortfall is the amount which should be in the stockpile.

Recent Changes in Stockpile Planning

A major review of stockpile policy was conducted in 1972-1973 and resulted in an announcement of a revised stockpile policy. This revised policy would have significantly reduced the aggregate value of the stockpile. In the interim, there have been several changes in foreign material sources, in military production requirements, and in technological developments in the materials industries. In view of these changes, as well as other military and political developments, a decision was made to conduct another review of overall stockpile policy and procedures.

The Federal Preparedness Agency (FPA) of the General Services Administration chaired this interagency review. The study was extensive, involving thousands of manhours and requiring approximately one year to complete. As a result of this effort, the President has issued new stockpile policy guidance.

The New Policy Guidance

The assumptions used to establish new stockpile objectives (or stockpile goals as we now call them) are based upon conservative estimates about possible future wars and go well beyond the stockpile guidance issued in 1973. Specifically, the new policy calls for a materials stockpile capable of supporting U.S. defense requirements:

- during a major war;
- over a three-year period;
- assuming large-scale industrial mobilization (and the associated increased materials demands); and
- providing at the same time for a broad range of basic civilian economic needs to ensure the health and vitality of the wartime economy.

In dollar terms, the new stockpile goals exceed the current inventory. Additionally, a significant portion of present stockpile (in terms of dollar value) consists of materials not required even under the new conservative guidance. In order to fully implement the new policy, major programs of both acquisitions and disposals must be conducted. Market considerations required by the basic stockpiling statute will constrain the rate at which materials can be bought or sold. Therefore, achievement of all of the new stockpile goals will be a long-term proposition stretching over a number of years. It is fully recognized that for some materials there are considerable shortfalls between what is presently in the stockpile and the requirements of the new stockpile goals. For these materials, there is no intention to move injudiciously to offset these shortfalls. In particular, very careful considerations will be given to the effects of stockpile decisions on current market conditions.

New Stockpile Procedures

The interagency study reviewed the basic procedures and methodology used to implement the new policy guidance. An important procedural change known as the "variable-confidence level" approach was adopted. In this approach:

- Materials required during a war period are specifically identified in three groups (Defense, Essential Civilian, and General Civilian).
- The planning factors used to estimate the supply sources and amounts available can be varied for the different requirement groups.
- Conservative factors can be used for the defense portion of the requirement with more moderate factors for the other requirements.
- Separate estimates for each year of an assumed war and a relative priority based upon the three groups can also be used.

New Stockpile Planning Process

During the course of the study it became apparent that the prior stockpile planning process was not adequate to accomplish a major restructuring of the stockpile.

In particular,

- more frequent reviews of data and planning assumptions were needed;
- stockpile objectives were often out of date because of changes in economic, national security, material, or foreign policy conditions; and
- better coordination was needed between disposal and acquisition decisions.

The interagency study developed a procedure to overcome these problems. Provisions have been made to:

- maintain current data and planning factors;
- develop an annual plan for acquisition and disposal--the "Annual Materials Plan"--that will allow for changes in national security planning, market and other economic conditions, international events, and budgetary considerations (The plan will be integrated into the current budget cycle.); and
- review stockpile policy guidance every four years or sooner if required.

The study and the new policy is based on the recognition that the stockpile goals are not static, but rather that they may change with the conditions noted above. Under this concept, stockpile goals, which will be updated

as necessary, are not planned commitments by the U.S. to buy or sell any specific quantities of materials; rather, they are flexible targets toward which progress will be made, as long as policy guidance and planning factors remain the same.

Implications for Materials Program and Planning

The new stockpile planning process and flexible stockpile goals mean that corporate planners may need to develop equally flexible plans that can be readily adjusted for changes in the levels of the stockpile. Industry should be able to utilize stockpile planning goals for long-run planning because the goals will provide a general indication of the Government's intention in the marketplace over an extended period.

Since frequent changes can be anticipated in economic, strategic, and technological factors, corporate planners should not interpret a specific goal as an actual quantity to be bought or sold in any particular period of time. Stockpile goals for a given year will be determined in the Annual Materials Plan, which will itself be subject to budget constraints, Congressional actions, and changing market conditions. Stockpiling actions will be planned so as not to disrupt commercial markets in affected materials. The rate of acquisition and disposal for a given material may therefore vary from year to year even if the goal is unchanged.

The attached list presents the new goals. As indicated earlier, updates of these goals will be issued, as required, by the Federal Preparedness Agency of the General Services Administration.

Attachment

STOCKPILE GOALS, OCTOBER 1, 1976

MATERIALS AND UNITS

QUANTITIES

ALUMINUM OXIDE, FUSED CRUDE - ST	147615
ALUMINUM OXIDE, ABRASIVE GRAIN - ST.	75000
ANTIMONY - ST.	20130
ASBESTOS, AMOSITE - ST	26291
ASBESTOS, CHRYSOTILE - ST.	0
BAUXITE, METAL JAMAICA - TH LDT.	523
BAUXITE, METAL SURINAM - TH LDT.	0
ALUMINA - TH ST.	11532
ALUMINUM - TH ST	0
BAUXITE, REFRACTORY - TH LDT	2083
BERYL ORE - ST - 11 % BEO CONCENTRATES	0
BERYLLIUM COPPER MASTER ALLOY - ST	16710
BERYLLIUM METAL - ST	895
BISMUTH - TH LBS	771
CADMIUM - TH LBS	24701
CASTOR OIL, SEBACIC ACID - TH LBS	0
CHROMITE, CHEMICAL - TH ST	734
CHROMITE, METALLURGICAL, ORE - TH ST GROSS WT.	2550
CHROMIUM, FERRO, HIGH CARBON - TH ST	236
CHROMIUM, FERRO, LOW CARBON - TH ST.	124
CHROMIUM, FERRO, SILICON - TH ST	69
CHROMIUM, METAL - TH ST.	10
CHROMITE, REFRACTORY - TH ST GROSS WT.	642
COBALT - TH LBS CONTAINED.	85415
COLUMBIUM CONCENTRATES, CONTAINED CB - TH LBS.	3131
COLUMBIUM CARBIDE POWDER, CONTAINED CB - TH LBS.	0
COLUMBIUM, FERRO, CONTAINED CB - TH LBS.	0
COLUMBIUM, METAL, CONTAINED CB - TH LBS.	0
COPPER - TH ST	1299
CORDAGE FIBERS, ABACA - MIL LBS.	24
CORDAGE FIBERS, SISAL - MIL LBS.	114
DIAMOND DIES, SMALL - NUMBER	0
DIAMOND, INDUSTRIAL BORT - TH KT	14974
DIAMOND, INDUSTRIAL STONE - TH KT.	5559
FEATHERS AND DOWN - TH LBS	6494
FLUORSPAR, ACID GRADE - TH ST.	1594
FLUORSPAR, METALLURGICAL - TH ST	1914
GRAPHITE, NATURAL, CEYLON - ST	6271
GRAPHITE, NATURAL, MALAGASY - ST	20472
GRAPHITE, OTHER - ST	34748
IODINE - TH LBS.	3333
JEWEL BEARINGS - TH OF UNITS	224623
LEAD - TH ST	865
MANGANESE, BATTERY NATURAL - ST.	12736

MATERIALS AND UNITSQUANTITIES

MANGANESE, BATTERY, SYNTHETIC DIOXIDE - ST	19105
MANGANESE ORE, CHEMICAL - SH TONS	247136
MANGANESE ORE, METALLURGICAL - TH ST	2092
MANGANESE, FERRO, HIGH CARBON - TH ST.	439
MANGANESE, FERRO, LOW CARBON - TH ST	0
MANGANESE, FERRO, MEDIUM CARBON - TH ST.	99
MANGANESE, FERRO SILICON - TH ST	81
MANGANESE METAL, ELECTROLYTIC - TH ST.	15
MERCURY - 76 LBS/FLASK	54004
MICA, MUSCOVITE BLOCK - TH LBS	6188
MICA, MUSCOVITE FILM, 1 AND 2 QUALITY - TH LBS	90
MICA, MUSCOVITE SPLITTINGS - TH LBS.	12631
MICA, PHLOGOPITE BLOCK - LBS	206064
MICA, PHLOGOPITE SPLITTINGS - TH LBS	932
MOLYBDENUM DISULPHIDE - TH LBS CONTAINED MOLYBDENUM.	0
MOLYBDENUM FERRO - TH LBS CONTAINED MOLYBDENUM	0
NICKEL - ST CONTAINED.	204335
OPIUM, GUM - LBS	0
OPIUM, SALT - LBS.	75000
PLATINUM GROUP, IRIIDIUM - TR OZ.	97761
PLATINUM GROUP, PALLADIUM - TH TR OZ	2450
PLATINUM GROUP, PLATINUM - TH TR OZ.	1314
PYRETHRUM - LBS.	377851
QUARTZ CRYSTALS - TH LBS	0
QUINIDINE - TH AV OZ	6841
QUININE - TH AV OZ	3045
RUBBER - LT.	513134
RUTILE - ST.	173928
SAPPHIRE AND RUBY - TH KT	0
SHELLAC - TH LBS	8529
SILICON CARBIDE, CRUDE - ST.	306628
SILVER - TH TR OZ.	0
TALC, STEATITE BLOCK AND LUMP - ST	104
TANTALUM MINERALS, CONTAINED TA - TH LBS	5452
TANTALUM CARBIDE POWDER, CONTAINED TA - TH LBS	889
TANTALUM METAL, CONTAINED TA - TH LBS.	1650
THORIUM NITRATE - TONS OF THO2	418
TIN - LT	32499
TITANIUM SPONGE - ST	131503
TUNGSTEN ORES AND CONCENTRATES - TH LBS CONTAINED.	8823
TUNGSTEN CARBIDE POWDER - TH LBS CONTAINED	12845
TUNGSTEN, FERRO - TH LBS CONTAINED	17769
TUNGSTEN, METAL POWDER, - TH LBS CONTAINED.	3290
VANADIUM FERRO - ST.	10095
VANADIUM PENTOXIDE- ST	2576
VEGETABLE TANNIN, CHESTNUT - LT.	6942
VEGETABLE TANNIN, QUEBRACHO - LT	37998
VEGETABLE TANNIN, WATTLE - LT.	20208
ZINC - TH ST	1313

1. Which materials will be acquired and disposed of?

A. The actual lists of materials which would be acquired or disposed of are determined through an Interagency Group. The resulting list, called an Annual Materials Plan (AMP), details acquisitions and disposals for the ensuing fiscal year. The AMP forms an integral part of the budget process and acquisitions will be reflected in the Administration's budget submission to Congress while disposals will be part of the Administration's legislative program. Consequently, actual acquisition and disposal plans will not be firmed up until Congress passes the necessary appropriation and disposal legislation. Of course, actual acquisitions and disposals will ultimately be determined by market conditions.

2. Why are some materials listed with zero goals?

A. A zero goal indicates that expected supplies for a three year emergency planning period exceed expected requirements, and therefore we do not need to stockpile any quantities of that material. It does not mean that the material is no longer considered to be strategic and critical.

3. Were the materials industries consulted during the stockpile study of the past year and did they help determine the goals?

A. The establishment of stockpile goals was accomplished solely within an interagency framework. Industry may have been contacted during parts of the study to advise on highly technical matters relating, for example, to new technological developments.

4. How much of the current stockpile can be utilized under your new goals? What would be the cost of acquiring additional materials to meet your new goals?

A. Approximately half of the current stockpile inventories of \$7.4 billion can be used to meet the new goals. In terms of the 93 strategic and critical materials, current inventories are sufficient to meet the new goals for about 50 materials.

It is impossible to determine the cost of converting the existing stockpile inventories to the desired levels specified by the new goals. This conversion process, involving both acquiring and disposing of materials, will take place over a number of years. During this time the goals will change many times requiring adjustments to acquisition and disposal plans. Consequently, goals will be implemented in an incremental fashion through an annual planning process.

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION

Federal Preparedness Agency
Washington, D C 20405

30 SEP 1976

MEMORANDUM TO: Randy Jayne
National Security Council

Subject: Information on Public Briefing to be held
October 1, 1976

Per your request, the following information is provided relative to the "public briefing" on the stockpile, scheduled for October 1, 1976, GSA Auditorium, 18th & F Streets, N.W., at 3:30 PM.

For the briefing, we have called or are in the process of alerting:

- Federal Agencies-
- General Media-
- Trade Journals and Papers-
- 103 trade organizations and major firms that represent metal, minerals, ores, and agricultural commodities-
- Congressional committee staffs-

I propose to conduct the briefing personally, with my Assistant Director for Stockpile Disposal and the Chief of our Stockpile Policy and Objectives Division as "technical" backup. After passing out the "fact sheet," I plan to illuminate on its contents in 10 to 15 minutes. A question/answer period will follow which I intend to limit to 45 minutes.

For the Press Secretary's (Mr. Nessen) purposes, I would think the media might ask the following types of questions:

- (1) Which materials will be acquired and disposed of?
- (2) Why are some materials listed with zero goals?

- (3) Were the materials industries consulted during the stockpile study of the past year and did they help determine the goals?
- (4) How much of the current stockpile can be utilized under your new goals? What would be the cost of acquiring additional materials to meet your new goals?

Attached are the questions with responsive answers.

Also attached is the final "fact sheet" incorporating the changes transmitted by your clearance memorandum of September 28, 1976.

Should questions arise concerning this subject matter, my point of contact is Edward Zabrowski, 566-0800.



LESLIE W. BRAY, JR.
Director

Attachments

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ALUMINUM - TH ST	0
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CHROMIUM, FERRO, SILICON - TH ST	69
CHROMIUM, METAL - TH ST.	10
CHROMITE, REFRACTORY - TH ST GROSS WT.	642
COBALT - TH LBS CONTAINED.	85415
COLUMBIUM CONCENTRATES, CONTAINED CB - TH LBS.	3131
COLUMBIUM CARBIDE POWDER, CONTAINED CB - TH LBS.	0
COLUMBIUM, FERRO, CONTAINED CB - TH LBS.	0
COLUMBIUM, METAL, CONTAINED CB - TH LBS.	0
COPPER - TH ST	1299
CORDAGE FIBERS, ABACA - MIL LBS.	24
CORDAGE FIBERS, SISAL - MIL LBS.	114
DIAMOND DIES, SMALL - NUMBER	0
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MANGANESE, FERRO, HIGH CARBON - TH ST	439
MANGANESE, FERRO, LOW CARBON - TH ST	0
MANGANESE, FERRO, MEDIUM CARBON - TH ST	99
MANGANESE, FERRO SILICON - TH ST	81
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MICA, MUSCOVITE BLOCK - TH LBS	6188
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MICA, PHLOGOPITE BLOCK - LBS	206064
MICA, PHLOGOPITE SPLITTINGS - TH LBS	932
MOLYBDENUM DISULPHIDE - TH LBS CONTAINED MOLYBDENUM	0
MOLYBDENUM FERRO - TH LBS CONTAINED MOLYBDENUM	0
NICKEL - ST CONTAINED	204335
OPIUM, GUM - LBS	0
OPIUM, SALT - LBS	75000
PLATINUM GROUP, IRIIDIUM - TR OZ	97761
PLATINUM GROUP, PALLADIUM - TH TR OZ	2450
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TUNGSTEN, FERRO - TH LBS CONTAINED	17769
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VEGETABLE TANNIN, QUEBRACHO - LT	37998
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ZINC - TH ST	1313

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The purpose of the stockpile is to ensure that our Government will have available the necessary raw materials to support military requirements and the basic civilian economy during periods of extended conflict and when normal foreign supplies of these materials are disrupted. By maintaining appropriate levels of these materials in the stockpile, our dependence upon foreign nations in time of war can be prevented or reduced.

How is the Composition of the Stockpile Determined?

Every major raw material is analyzed on a continuing basis to determine whether it should be designated as strategic and critical. Currently, there are 93 such materials covering a wide range of minerals, metals, and materials. Materials may be added to or deleted from the list as technological, economic, or political changes occur which affect the design levels and composition of the stockpile. The amounts of materials held in the stockpile are determined by estimating the difference between the quantities needed in a major war and the quantities available. If the estimated supply will satisfy the requirement, the amount of that material held in the stockpile will be zero. If the supply is inadequate, the shortfall is the amount which should be in the stockpile.

Recent Changes in Stockpile Planning

A major review of stockpile policy was conducted in 1972-1973 and resulted in an announcement of a revised stockpile policy. This revised policy would have significantly reduced the aggregate value of the stockpile. In the interim, there have been several changes in foreign material sources, in military production requirements, and in technological developments in the materials industries. In view of these changes, as well as other military and political developments, a decision was made to conduct another review of overall stockpile policy and procedures.

The Federal Preparedness Agency (FPA) of the General Services Administration chaired this interagency review. The study was extensive, involving thousands of manhours and requiring approximately one year to complete. As a result of this effort, the President has issued new stockpile policy guidance.

The New Policy Guidance

The assumptions used to establish new stockpile objectives (or stockpile goals as we now call them) are based upon conservative estimates about possible future wars and go well beyond the stockpile guidance issued in 1973. Specifically, the new policy calls for a materials stockpile capable of supporting U.S. defense requirements:

- during a major war;
- over a three-year period;
- assuming large-scale industrial mobilization (and the associated increased materials demands); and
- providing at the same time for a broad range of basic civilian economic needs to ensure the health and vitality of the wartime economy.

In dollar terms, the new stockpile goals exceed the current inventory. Additionally, a significant portion of present stockpile (in terms of dollar value) consists of materials not required even under the new conservative guidance. In order to fully implement the new policy, major programs of both acquisitions and disposals must be conducted. Market considerations required by the basic stockpiling statute will constrain the rate at which materials can be bought or sold. Therefore, achievement of all of the new stockpile goals will be a long-term proposition stretching over a number of years. It is fully recognized that for some materials there are considerable shortfalls between what is presently in the stockpile and the requirements of the new stockpile goals. For these materials, there is no intention to move injudiciously to offset these shortfalls. In particular, very careful considerations will be given to the effects of stockpile decisions on current market conditions.

New Stockpile Procedures

The interagency study reviewed the basic procedures and methodology used to implement the new policy guidance. An important procedural change known as the "variable-confidence level" approach was adopted. In this approach:

- Materials required during a war period are specifically identified in three groups (Defense, Essential Civilian, and General Civilian).
- The planning factors used to estimate the supply sources and amounts available can be varied for the different requirement groups.
- Conservative factors can be used for the defense portion of the requirement with more moderate factors for the other requirements.
- Separate estimates for each year of an assumed war and a relative priority based upon the three groups can also be used.

New Stockpile Planning Process

During the course of the study it became apparent that the prior stockpile planning process was not adequate to accomplish a major restructuring of the stockpile.

In particular,

- more frequent reviews of data and planning assumptions were needed;
- stockpile objectives were often out of date because of changes in economic, national security, material, or foreign policy conditions; and
- better coordination was needed between disposal and acquisition decisions.

The interagency study developed a procedure to overcome these problems. Provisions have been made to:

- maintain current data and planning factors;
- develop an annual plan for acquisition and disposal--the "Annual Materials Plan"--that will allow for changes in national security planning, market and other economic conditions, international events, and budgetary considerations (The plan will be integrated into the current budget cycle.); and
- review stockpile policy guidance every four years or sooner if required.

The study and the new policy is based on the recognition that the stockpile goals are not static, but rather that they may change with the conditions noted above. Under this concept, stockpile goals, which will be updated

as necessary, are not planned commitments by the U.S. to buy or sell any specific quantities of materials; rather, they are flexible targets toward which progress will be made, as long as policy guidance and planning factors remain the same.

Implications for Materials Program and Planning

The new stockpile planning process and flexible stockpile goals mean that corporate planners may need to develop equally flexible plans that can be readily adjusted for changes in the levels of the stockpile. Industry should be able to utilize stockpile planning goals for long-run planning because the goals will provide a general indication of the Government's intention in the marketplace over an extended period.

Since frequent changes can be anticipated in economic, strategic, and technological factors, corporate planners should not interpret a specific goal as an actual quantity to be bought or sold in any particular period of time. Stockpile goals for a given year will be determined in the Annual Materials Plan, which will itself be subject to budget constraints, Congressional actions, and changing market conditions. Stockpiling actions will be planned so as not to disrupt commercial markets in affected materials. The rate of acquisition and disposal for a given material may therefore vary from year to year even if the goal is unchanged.

The attached list presents the new goals. As indicated earlier, updates of these goals will be issued, as required, by the Federal Preparedness Agency of the General Services Administration.

Attachment

STOCKPILE GOALS, OCTOBER 1, 1976

MATERIALS AND UNITS

QUANTITIES

ALUMINUM OXIDE, FUSED CRUDE - ST	147615
ALUMINUM OXIDE, ABRASIVE GRAIN - ST.	75000
ANTIMONY - ST.	20130
ASBESTOS, AMOSITE - ST	26291
ASBESTOS, CHRYSOTILE - ST.	0
BAUXITE, METAL JAMAICA - TH LDT.	523
BAUXITE, METAL SURINAM - TH LDT.	0
ALUMINA - TH ST.	11532
ALUMINUM - TH ST	0
BAUXITE, REFRACTORY - TH LDT	2083
BERYL ORE - ST - 11 % BEO CONCENTRATES	0
BERYLLIUM COPPER MASTER ALLOY - ST	16710
BERYLLIUM METAL - ST	895
BISMUTH - TH LBS	771
CADMIUM - TH LBS	24701
CASTOR OIL, SEBACIC ACID - TH LBS	0
CHROMITE, CHEMICAL - TH ST	734
CHROMITE, METALLURGICAL, ORE - TH ST GROSS WT.	2550
CHROMIUM, FERRO, HIGH CARBON - TH ST	236
CHROMIUM, FERRO, LOW CARBON - TH ST.	124
CHROMIUM, FERRO, SILICON - TH ST	69
CHROMIUM, METAL - TH ST.	10
CHROMITE, REFRACTORY - TH ST GROSS WT.	642
COBALT - TH LBS CONTAINED.	85415
COLUMBIUM CONCENTRATES, CONTAINED CB - TH LBS.	3131
COLUMBIUM CARBIDE POWDER, CONTAINED CB - TH LBS.	0
COLUMBIUM, FERRO, CONTAINED CB - TH LBS.	0
COLUMBIUM, METAL, CONTAINED CB - TH LBS.	0
COPPER - TH ST	1299
CORDAGE FIBERS, ABACA - MIL LBS.	24
CORDAGE FIBERS, SISAL - MIL LBS.	114
DIAMOND DIES, SMALL - NUMBER	0
DIAMOND, INDUSTRIAL BORT - TH KT	14974
DIAMOND, INDUSTRIAL STONE - TH KT.	5559
FEATHERS AND DOWN - TH LBS	6494
FLUORSPAR, ACID GRADE - TH ST.	1594
FLUORSPAR, METALLURGICAL - TH ST	1914
GRAPHITE, NATURAL, CEYLON - ST	6271
GRAPHITE, NATURAL, MALAGASY - ST	20472
GRAPHITE, OTHER - ST	34748
IODINE - TH LBS.	3333
JEWEL BEARINGS - TH OF UNITS	224623
LEAD - TH ST	865
MANGANESE, BATTERY NATURAL - ST.	12736

MATERIALS AND UNITSQUANTITIES

MANGANESE, BATTERY, SYNTHETIC DIOXIDE - ST	19105
MANGANESE ORE, CHEMICAL - SH TONS	247136
MANGANESE ORE, METALLURGICAL - TH ST	2052
MANGANESE, FERRO, HIGH CARBON - TH ST.	439
MANGANESE, FERRO, LOW CARBON - TH ST	0
MANGANESE, FERRO, MEDIUM CARBON - TH ST.	99
MANGANESE, FERRO SILICON - TH ST	81
MANGANESE METAL, ELECTROLYTIC - TH ST.	15
MERCURY - 76 LBS/FLASK	54004
MICA, MUSCOVITE BLOCK - TH LBS	6188
MICA, MUSCOVITE FILM, 1 AND 2 QUALITY - TH LBS	90
MICA, MUSCOVITE SPLITTINGS - TH LBS.	12631
MICA, PHLOGOPITE BLOCK - LBS	206064
MICA, PHLOGOPITE SPLITTINGS - TH LBS	932
MOLYBDENUM DISULPHIDE - TH LBS CONTAINED MOLYBDENUM.	0
MOLYBDENUM FERRO - TH LBS CONTAINED MOLYBDENUM	0
NICKEL - ST CONTAINED.	204335
OPIUM, GUM - LBS	0
OPIUM, SALT - LBS.	75000
PLATINUM GROUP, IRIIDIUM - TR OZ.	97761
PLATINUM GROUP, PALLADIUM - TH TR OZ	2450
PLATINUM GROUP, PLATINUM - TH TR OZ.	1314
PYRETHRUM - LBS.	377851
QUARTZ CRYSTALS - TH LBS	0
QUINIDINE - TH AV OZ	6841
QUININE - TH AV OZ	3045
RUBBER - LT.	513134
RUTILE - ST.	173928
SAPPHIRE AND RUBY - TH KT	0
SHELLAC - TH LBS	8529
SILICON CARBIDE, CRUDE - ST.	306628
SILVER - TH TR OZ.	0
TALC, STEATITE BLOCK AND LUMP - ST	104
TANTALUM MINERALS, CONTAINED TA - TH LBS	5452
TANTALUM CARBIDE POWDER, CONTAINED TA - TH LBS	889
TANTALUM METAL, CONTAINED TA - TH LBS.	1650
THORIUM NITRATE - TONS OF THO2	418
TIN - LT	32499
TITANIUM SPONGE - ST	131503
TUNGSTEN ORES AND CONCENTRATES - TH LBS CONTAINED.	8823
TUNGSTEN CARBIDE POWDER - TH LBS CONTAINED	12845
TUNGSTEN, FERRO - TH LBS CONTAINED	17769
TUNGSTEN, METAL POWDER, - TH LBS CONTAINED.	3290
VANADIUM FERRO - ST.	10095
VANADIUM PENTOXIDE- ST	2576
VEGETABLE TANNIN, CHESTNUT - LT.	6942
VEGETABLE TANNIN, QUEBRACHO - LT	37998
VEGETABLE TANNIN, WATTLE - LT.	20208
ZINC - TH ST	1313

1. Which materials will be acquired and disposed of?

A. The actual lists of materials which would be acquired or disposed of are determined through an Interagency Group. The resulting list, called an Annual Materials Plan (AMP), details acquisitions and disposals for the ensuing fiscal year. The AMP forms an integral part of the budget process and acquisitions will be reflected in the Administration's budget submission to Congress while disposals will be part of the Administration's legislative program. Consequently, actual acquisition and disposal plans will not be firmed up until Congress passes the necessary appropriation and disposal legislation. Of course, actual acquisitions and disposals will ultimately be determined by market conditions.

2. Why are some materials listed with zero goals?

A. A zero goal indicates that expected supplies for a three year emergency planning period exceed expected requirements, and therefore we do not need to stockpile any quantities of that material. It does not mean that the material is no longer considered to be strategic and critical.

3. Were the materials industries consulted during the stockpile study of the past year and did they help determine the goals?

A. The establishment of stockpile goals was accomplished solely within an interagency framework. Industry may have been contacted during parts of the study to advise on highly technical matters relating, for example, to new technological developments.

4. How much of the current stockpile can be utilized under your new goals? What would be the cost of acquiring additional materials to meet your new goals?

A. Approximately half of the current stockpile inventories of \$7.4 billion can be used to meet the new goals. In terms of the 93 strategic and critical materials, current inventories are sufficient to meet the new goals for about 50 materials.

It is impossible to determine the cost of converting the existing stockpile inventories to the desired levels specified by the new goals. This conversion process, involving both acquiring and disposing of materials, will take place over a number of years. During this time the goals will change many times requiring adjustments to acquisition and disposal plans. Consequently, goals will be implemented in an incremental fashion through an annual planning process.