

**The original documents are located in Box 23, folder “Stockpiles (Defense)” of the Loen and Leppert Files at the Gerald R. Ford Presidential Library.**

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THE WHITE HOUSE

WASHINGTON

January 16, 1975

MEMORANDUM FOR:

JEANNE DAVIS  
National Security Council

THROUGH:

MAX FRIEDERSDORF  
VERN LOEN

FROM:

CHARLES LEPPERT, JR. *CLJr.*

SUBJECT:

Rep. Charles Bennett  
Defense Stockpiles

On January 13, 1975, I conferred by telephone with Rep. Charles Bennett as a follow-up to his Presidential correspondence. Mr. Bennett felt that the President should have the benefit of his thoughts and information on the subject since it is his Subcommittee that is concerned with defense stockpiles.

Mr. Bennett's points were:

- 1 - Hearings conducted in the 93rd Congress to draw down defense stockpiles were based upon the assumption of a one (1) year war.
- 2 - The reaction of Mr. Bennett and Subcommittee Members was that stockpile drawdowns should not be based on the assumption of a one (1) year war. The thrust behind Administration proposals in the 93rd Congress was the desire to use this as a source of revenue in balancing the federal budget. The Administration position was factually incorrect and he cited as an example the errors concerning the opium stockpile.
- 3 - The Members of the subcommittee feel that the common sense approach would be to base defense stockpiles on the assumption of a (3) year war. The Subcommittee will not go along with a one (1) year war assumption.
- 4 - If the Administration intends to send similar legislation to the 94th Congress the Administration should be prepared to accept defense stockpiles to be based upon a three (3) year war or involvement

Mr. Bennett further stated that if the Administration sends up similar legislation in the 94th Congress based upon the one (1) year war assumption the Administration will be required to answer the following questions:

- 1 - What is the basis for the Administration's assumption of a one (1) year war?
- 2 - Can that position be explained logically and with intellectual integrity by the Administration to the Subcommittee?
- 3 - What is the Administration's position on defense stockpiles being based upon a three (3) year conflagration or involvement and why?

If Mr. Bennett can be supplied with preliminary answers to the above questions it may smooth the way for similar legislation to be submitted in the 94th Congress.

*Suspense*

January 9, 1975

Dear Mr. Bennett:

Max Friedersdorf has asked me to acknowledge your letter of December 12, 1974, concerning defense stockpiles and express his regrets for not being able to meet with you on this matter during the closing days of the 93rd Congress.

I have this date spoken with Stephen Johnson of your staff and suggested that, at your convenience, I will be pleased to meet with you on the information you feel the President should have in this regard.

Sincerely,

Charles Leppert, Jr.  
Special Assistant  
to the President

Honorable Charles E. Bennett  
House of Representatives  
Washington, D. C. 20515

bcc: Jean Davis, NSC

CL:nb



MEMORANDUM  
OF CALL

TO:

Charlie  
☐ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

OF (Organization) Jean Davis

NSC  
☐ PLEASE CALL → PHONE NO. - 3440  
☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU  
☒ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

Situation generally as described  
in Kennedy's letter. Admiration are  
deep - study completed, being stopped  
out to agencies & policy options being  
prepared for Pres & MEET w/ BENNET  
on return to work of his committee.

RECEIVED BY

DATE

TIME

THE WHITE HOUSE  
WASHINGTON

DATE: 12-16-78

TO: Vum

FROM: Max L. Friedersdorf

Please handle ✓

Please see me

For your information

Other

*Pls. return  
phone call  
for me*

MAX —

see attached

U.

---

Jean Davis  
3440

FEF-

Can I have  
a copy of the  
Dec 6 MF reply?  
h.



CHARLES E. BENNETT

MEMBER  
3D DISTRICT, FLORIDA

ARMED SERVICES COMMITTEE

CHAIRMAN OF SEAPOWERS  
SUBCOMMITTEE  
SENIOR MEMBER OF MILITARY  
INSTALLATIONS AND FACILITIES  
SUBCOMMITTEE

AUDREY W. STRINGFELLOW  
ADMINISTRATIVE ASSISTANT  
IN CHARGE OF JACKSONVILLE OFFICE  
352 FEDERAL BUILDING 32202  
TELEPHONE 904-791-2587

BRENDA TAYLOR

Congress of the United States  
House of Representatives

Washington, D.C. 20515

December 12, 1974

STEPHEN R. JOHNSON  
ADMINISTRATIVE ASSISTANT

JOHN W. FARLEY  
LEGISLATIVE ASSISTANT

SHARON H. DAVIS  
SHIRLEY BRYANT  
HELENA STRAUCH  
JEAN MANN  
BARBARA PELLEY  
LAURA MAY  
SECRETARIES

Mr. Max L. Friedersdorf  
Deputy Assistant to the President  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

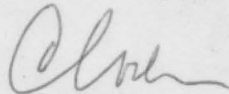
DEC 14 1974

Dear Max:

Thank you for your December 6 letter. I believe that it would be wise for me to talk with you or someone about this matter. Could you give me a telephone call? I think the President or someone close to the President should make a decision that is apparently not going to be made unless someone presents to him some information he should have.

With kindest regards, I am

Sincerely,



Charles E. Bennett

CEB/b1



December 6, 1974

Dear Charlie:

I wish to acknowledge receipt and thank you for your December 4 letter to the President advising him that you will hold no hearings in committee on drawing down defense stockpiles until completion of the restudies of stockpile matters has been completed by the Administration.

You may be assured your letter will be called to the President's attention at the earliest opportunity.

With kindest regards,

Sincerely,

Max L. Friederodorf  
Deputy Assistant  
to the President

The Honorable Charles E. Bennett  
Chairman, Subcommittee #3  
Committee on Armed Services  
House of Representatives  
Washington, D.C. 20515

bec: w/incoming to General Scowcroft for follow-up action.  
bec: w/incoming to Bill Timmons - FYI

MLF:EF:VO:vo



attach to previous file

CHARLES E. BENNETT

MEMBER

3D DISTRICT, FL

ARMED SERVICES

CHAIRMAN OF SENATE  
SUBCOMMITTEE

SENIOR MEMBER OF MILITARY  
INSTALLATIONS AND FACILITIES  
SUBCOMMITTEE

AUDREY W. STRINGFELLOW  
ADMINISTRATIVE ASSISTANT  
IN CHARGE OF JACKSONVILLE OFFICE  
352 FEDERAL BUILDING 32202  
TELEPHONE 904-791-2587

BRENDA TAYLOR

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

December 4, 1974

STEPHEN R. JOHNSON  
ADMINISTRATIVE ASSISTANT

JOHN W. FARLEY  
LEGISLATIVE ASSISTANT

SHARON H. DAVIS  
SHIRLEY BRYANT  
HELENA STRAUCH  
JEAN MANN  
BARBARA PELLEY  
LAURA MAY  
SECRETARIES

encl  
BT  
The Honorable Gerald R. Ford, Jr.  
The White House  
Washington, D.C. 20500

Dear Mr. President:

I have received a November 29 letter and an enclosure from General Scowcroft in response to my letter of July 25. I enclose a copy of this material for your observation.

Since this material clearly shows that the Executive Branch is still restudying the matter, and that "the President has not yet considered the policy options," it would clearly be premature to proceed with drawing down defense stockpiles on the basis of conclusions made previously and now being restudied. Hence, no action will be taken on these stockpile matters until you inform the committee that the studies are complete, and that you have specific recommendations based on these restudies now underway.

Perhaps this will not occur until 1975; but whenever it does occur, if you will let me know I will be glad to immediately set these matters down for hearings, including such hearings on lead, tin, and silver, which were mentioned in your recent message to Congress.

With kindest regards, I am

Sincerely,



Charles E. Bennett

cc: Lt. General Brent Scowcroft

CEB:bp



NATIONAL SECURITY COUNCIL

December 2, 1974

MEMORANDUM FOR: VIRGINIA OLSON. . . . .

FROM

Jack Murphy

SUBJECT

Stockpiles...& Rep Bennett...

The attached should clear/sooth the air...Sorry.  
The ball is now in the Chairman's court, & we  
have this in suspense waiting for his request...



12/4 rec'd  
Copy sent to BT-who  
is holding copy  
of our file -

THE WHITE HOUSE

WASHINGTON

November 29, 1974

Dear Mr. Chairman:

This is in response to your letter to President Nixon of July 25, 1974, and your letter to Dr. Kissinger of September 26, 1974, both of which request information concerning changes in strategic stockpile guidance.

First, please accept my apologies for the delay in answering your July 25 letter. It was caused in part by the reorganization involved in the Presidential transition and in part by our desire to get preliminary results from our interagency study of critical commodities before responding. Although portions of the study are still going on and the President has not yet considered the policy options, we have made considerable progress in understanding the extent of our dependence on foreign sources and the associated risks. Based on our preliminary findings I have appended a set of responses to the questions raised in your July 25 letter.

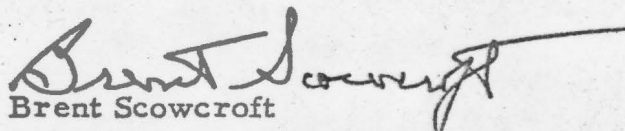
Concerning your September 26 request for NSC documents, we would be pleased to allow you to personally review this material. The documents would, however, remain under our control. At that same time, we will be prepared to brief you on NSC Staff activities relating to strategic stockpile guidance.





I believe that such a briefing would help to satisfy your concern about the manner in which stockpile planning guidance decisions were made. Please advise me if and when you would like a member of the NSC Staff to bring the documents to you for your review.

Sincerely,



Brent Scowcroft

Lieutenant General, USAF

Deputy Assistant to the President  
for National Security Affairs

The Honorable Charles E. Bennett  
Chairman, Subcommittee #3  
Committee on Armed Services  
The House of Representatives  
Washington, D. C. 20510



November 14, 1974

Responses to like numbered questions in July 25, 1974 letter from  
Rep. Charles E. Bennett to President Nixon

1. Access to National Security Decision Memoranda and supporting internal policy planning papers normally is restricted to Executive Branch personnel directly involved in their preparation, particularly prior to consideration by the President. In the case of NSDM 203, however, the substantive content of the document was related to Rep. Bennett in Administration testimony before his subcommittee and in two letters dated November 14, 1973 and May 20, 1974 from General Scowcroft. General Scowcroft also met with Rep. Bennett on November 1, 1973 and discussed the content of the decision memorandum in detail.

2. President Nixon made the decision upon which current stockpile planning is based.

3. The review of stockpile policy was initiated and headed by the NSC and the Office of Emergency Preparedness and included participation from the Department of Defense and other relevant agencies. The basic task was to ensure that stockpile objectives were in line with national security requirements. Various studies relating to specific commodities and stockpile planning assumptions were conducted over a period of three years. Relevant agencies, including DOD, participated in these studies and made specific recommendations regarding the planning assumptions in May 1972, long before the guidance was issued in February 1973. The Department of Defense recommendations were carefully considered and many were accepted in whole in the new policy. Others, while not adopted in total, nevertheless were obviously taken into account in the final decision.

4. Decisions were transmitted to responsible agencies by means of a National Security Decision Memorandum.

5. A full scale, interagency study of the potential threat posed by dependence on foreign sources and by foreign manipulation of the supply of critical non-fuel commodities has been directed. This study examines the impact of commodity shortages on national defense. It also reevaluates the assumptions underlying our strategic stockpile planning in light of the current world resources outlook.



6. Preliminary results of the study indicate that for most commodities the current guidelines are clearly adequate. For a few commodities, the ~~current outlook~~ may require modification of the stockpile objective. The Administration has, and will continue, to modify the disposal program to accommodate possible changes in stockpile objectives.

7, 10, 12. The NSC study identified a few commodities as potential problem areas. Because of their relative importance and sensitivity, the NSC has instituted further detailed studies of these commodities, one of which is chrome. When completed, the results can be made available to Committee #3.

8, 9. The current stockpile objectives are consistent with the intent of Congress to decrease costly and dangerous dependency on foreign sources of supply in time of an emergency. Direct and indirect defense requirements of all commodities can be met in a three year emergency from our projected supply sources. For most commodities, unessential civilian requirements could be met as well. In those few cases where total demand exceeds total supply in the second and third years of an emergency, some civilian austerity might be required under current stockpile objectives. However, this would not impose a costly and dangerous dependency on foreign sources of supply. Nonetheless, each of the materials which might cause significant civilian austerity in the second or third years is included in the detailed studies presently underway.

11, 13, 14. The current guidance specifies that imports will be available from countries outside the war zone and the Communist bloc, but at reduced levels where political disruption or hostile action at sea is expected to impede normal import patterns. The stockpile manager now has flexibility concerning reliability of imports from all sources. If he has information which indicates that a source might be unreliable during a war, he can discount that source in whole or in part. Similarly, shipping losses are flexible. The estimates currently used were provided by the Navy. In the event the Navy should decide that the estimates should be revised, the revised numbers will be used. The political status of each major producer country is being reevaluated to determine the extent to which that country should be considered a reliable source during a war. The NSC will provide suitable guidance to GSA if any changes are warranted. In view of the foregoing, there appears to be little basis for a six month import hedge. It should be noted, however, that private US inventories, which would be available in wartime under Defense Production Act authorities and which are not considered in stockpile calculations, provide a significant hedge which reflects experience in the dependability of foreign supply sources.





15, 16, 17. As noted above, the Administration has undertaken a major interagency study of potential commodity problems. In connection with that study, it is reexamining the assumptions underlying current strategic stockpile planning. Policy options, including possible changes to strategic stockpile guidance, will be considered by the President upon completion of the study. It is premature to speculate on whether he will decide to change the planning guidance. For the present, the current guidelines are in force and are being used to determine stockpile objectives. See, also, responses to questions 5, 6, 7, and 8.

18. At current market value, the current overall stockpile objective amounts to roughly \$1.2 billion.

19, 20. Current stockpile objectives are based on the following planning assumptions:

-- Stockpile levels should be based on requirements to support US military forces up to five million men during the first year of a war in both Europe and Asia.

-- Imports would not be available during the emergency from Communist bloc countries and countries in the war zones; imports from other countries where political disruption or hostile action at sea is expected would be reduced.

-- Domestic personal consumption would be reduced if necessary to sustain defense production; however, per capita living standards should not fall significantly below that of the last non-war year.

-- Specific material levels should reflect the national economy's capacity to adjust to rapid changes in demand for and availability of materials, including substitution of non-critical for critical materials.

21. The objectives are developed by the Office of Preparedness (OP) within GSA, which makes straightforward supply-demand calculations for strategic and critical materials through the use of econometric models. Basically, available supplies, with attrition at sea and loss of sources accounted for, are matched against estimated military and civilian consumption requirements for the first year in a conventional war scenario. If supply equals or is greater than demand, then the commodity is in balance and the objective is zero. If consumption requirements are greater than supply, a stockpile objective is computed to fill the gap.



THE WHITE HOUSE

WASHINGTON

January 16, 1975

MEMORANDUM FOR:

JEANNE DAVIS  
National Security Council

THROUGH:

MAX FRIEDERSDORF  
VERN LOEN

FROM:

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THE WHITE HOUSE

WASHINGTON

February 21, 1975

MEMORANDUM FOR:

JEANNE DAVIS  
National Security Council

THRU:

MAX FRIEDERSDORF  
VERN LOEN *VL*

FROM:

CHARLES LEPPERT, JR. *CLJ.*

SUBJECT:

Rep. Charles Bennett  
Defense Stockpile Hearings

Rep. Charles Bennett called in response to the January 9th correspondence requesting a meeting with him on information he felt the President should have on defense stockpiles.

Mr. Bennett stated he would be pleased to meet with me or others from the Administration on the matter of defense stockpiles. He felt that such a meeting was not necessary unless the Administration has changed or is willing to change its position on the one year basis for the national stockpiles. Mr. Bennett will take the time to meet if the Administration people desire to do so but he felt the Committee position on stockpiles could be based on the assumption of a three year war rather than the Administration's basis of a one year war.

Mr. Bennett then stated that his Subcommittee would begin hearings on legislation for releases from the national defense stockpile at 10 a.m. on February 28, 1975.