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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#2 report	summary notes of 592nd NSC meeting <i>open 6-17-87 NLS 86-178</i> secret <i>2 p</i>	10/31/68	A
#4 memo	to the President from Walt Rostow secret <i>open 1-29-91 NLS 90-134</i> <i>1 p</i>	10/30/68	A
#4a chart	US supply secret <i>open 9/6/02 per FEMA Guidelines</i> <i>1 p</i>	undated	A
#6 report	summary of NSC meeting <i>open 6-17-87 NLS 86-178</i> Secret <i>4 p</i>	10/31/68	A
#8a memo	to the President from Gov. Price Daniel Secret <i>open 9/6/02 per FEMA Guidelines</i> <i>2 p</i>	10/07/68	A
#9a memo	to Gov. Price Daniel from Pres. Johnson Secret <i>1 p</i>	10/31/68	A

FILE LOCATION

NATIONAL SECURITY FILE, National Security Council File
NSC Meetings, Vol. 5 Tab 74, 10/31/68, Stockpile Criteria

RESTRICTION CODES

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~~SECRET/SENSITIVE~~
FOR THE PRESIDENT ONLY

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 86-178
By up, NARA, Date 6-17-87

SUMMARY NOTES OF 592nd NSC MEETING
October 31, 1968; 12:07 to 12:35 P. M.

Stockpile Criteria

The President: Read the order of business. (Copy at TAB A) He asked Governor Daniel to summarize the report of the committee which had reviewed the criteria upon which stockpile objectives are determined.

Governor Daniel: Presented several charts to illustrate his summary of the report. (At TAB B is Governor Daniel's presentation, including his account of the meeting, and copies of the charts he used.)

The President: Expressed interest in the copper stockpile. Several persons, including Assistant Secretary of State for Economic Affairs Tony Solomon, responded. The copper stockpile is or soon will be in balance. The shortage will be met by production from a new Arizona mine which will be available shortly.

Governor Daniel: The only strategic material which causes us trouble on the Hill is copper. We can not take our copper stockpile to zero because Congress will not approve. We can sell the Congress if we have a conservative approach. We will be able to convince those interested Congressmen that we are not cutting our stockpile objectives down merely in order to obtain funds from sales to help balance the budget. We will not ask for any money to purchase materials for the stockpile. It is possible for us to sell some of the materials we don't want in order to buy what we need.

Under Secretary Katzenbach: No comment on the report. It gives us no problems in the foreign policy area which we don't already have.

Assistant Secretary Solomon: Approved the report. It gives us more rational criteria.

General Wheeler: The Joint Chiefs reviewed the committee's recommendations and found them sound and prudent.

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Deputy Secretary of Defense Nitze: Suggested a modified approach. There could be criteria to use in determining what critical materials should be retained in the stockpile. Other criteria would be used in deciding what materials should be purchased to add to the stockpile.

Governor Daniel: The only purchase problem is copper. He argued strongly for one set of criteria and feared that if we singled out, in effect only one product, namely, copper, we would confuse the Congressional committees which traditionally follow the stockpile situation closely.

Secretary Clifford: Read paragraphs written by the Defense stockpile expert who made the same point mentioned by Mr. Nitze, ie., acquisition for the stockpile would be made only on the basis of criteria for acquisition, but disposal would be based on separate retention criteria.

Governor Daniel: The Defense expert sounds more like a budget officer than an Assistant Secretary of Defense. Restated his opposition to two sets of objectives. There would be no meaningful difference if we give more consideration to retention objectives than we do to acquisition objectives. He said the letter he would send to the President for signature would represent the understanding reached at the meeting. (Copy of draft letter is at TAB C)

The President: Welcomed Ambassador Wiggins to the meeting and said that he hoped he would be present when the Council had a more dangerous subject under discussion.

Brouley Smith

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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Wednesday, October 30, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Meeting on Stockpile Objectives
Noon -- October 31 -- Cabinet Room

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 90-134
By [signature] NARA. Date 1-8-91

The purpose of the meeting is to hear a report of the interdepartmental committee appointed by you to review the criteria upon which stockpile objectives are determined.

At Tab A is a paper describing the report and summarizing the one major change recommended.

1. Governor Daniel is prepared to summarize the report and present the one major recommended change in the criteria. (His presentation will take 5-7 minutes.)
2. Secretary Clifford is prepared to give his views and support the committee's recommendations.
3. General Wheeler is prepared to comment on the military aspects of the stockpile report.
4. Under Secretary Katzenbach may wish to comment on the foreign policy implications.
5. Questions you may wish to put to Governor Daniel or Secretary Clifford:
 - a. Are you recommending only one major change in the criteria? -- Most Free World nations can be regarded as available sources of supply in a non-nuclear war instead of limiting consideration to the North American continent and adjacent countries.
 - b. Does everyone agree that for planning purposes we should assume that any future non-nuclear war will last three years?
6. Conclude the meeting by saying you will decide on the Council's recommendation when you have before you an appropriate action document to sign.

[signature]
W. W. Rostow

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF EMERGENCY PLANNING
WASHINGTON, D. C. 20504

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OFFICE OF THE DIRECTOR

October 18, 1968

MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

RE: Report on Stockpile Criteria

The President on December 1, 1964 established a Special Committee on Stockpile Objectives chaired by a Special Assistant to the President, with representatives from the Departments and Agencies listed on Attachment A. Since that time the Committee has had under continuing review the criteria upon which the stockpile objectives are determined.

President Johnson specifically charged the Committee to give particular attention to:

"(1) The major military and economic assumptions used in calculating existing conventional war stockpile objectives.

"(2) The assumptions, techniques, and goals used in the establishment of post-nuclear attack supply requirements.

"(3) The relationship of economic rehabilitation requirements to other post-nuclear requirements, such as those for food, shelter, medicine, and other resources required for the survival of the remaining population in the period of extreme emergency."

The Committee has completed its Report, and the President has asked that it be considered in the National Security Council, especially its one major recommended change in the criteria concerning accessibility to and reliance upon certain Free World foreign sources of supply in the event of a war involving only the use of non-nuclear weapons.

Criteria and assumptions governing stockpile objectives were set forth by an order of the Security Council (NSC Doc. 5810/1, May 5, 1958) and by the President's letter of February 24, 1964, addressed to the Director of the Office of Emergency Planning, copy of which is Attachment B.

DECLASSIFIED

Authority E. O. 11652 SEC. 5(A) and (D)

By iq, HARS, Date 1-31-80

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GROUP 4

Downgraded at 2 year intervals; declassified after 12 years

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That portion of the President's letter which continued the policy of limiting consideration of emergency sources of supply to those foreign countries which are contiguous to the United States is the provision which the Committee recommends be changed so as to:

Permit consideration of emergency supply sources from those countries listed by the Joint Chiefs of Staff as probably accessible during a wartime emergency, subject to discounts by the Joint Chiefs for possible losses in transit and additional discounts by the State Department and OEP based on political and economic reliability and other national security considerations.

Each of the participating members of the Committee shown on Attachment A has a complete copy of the Report for further reference.

It was originally intended that key members of the Armed Services Committees of the Congress be invited to attend the discussion. However, in light of the adjournment of Congress, the Committee will brief them at a later date if this basic change is approved by the President.

SIGNED

Price Daniel
Director

Attachments - 2
As noted above

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MEMBERS - SPECIAL COMMITTEE ON STOCKPILE OBJECTIVES

E. Ernest Goldstein, Special Assistant to the President,
Chairman

Price Daniel, Director, Office of Emergency Planning.

Anthony M. Solomon, Assistant Secretary of State.

Thomas D. Morris, Assistant Secretary of Defense.

J. Cordell Moore, Assistant Secretary of the Interior.

Lawrence C. McQuade, Assistant Secretary of Commerce

Phillip S. Hughes, Deputy Director, Bureau of the Budget

Merton J. Peck, Council of Economic Advisers

Joe E. Moody, Deputy Administrator, General Services Administration.

Edward R. Fried, National Security Council Staff.

THE WHITE HOUSE
WASHINGTON

February 24, 1964

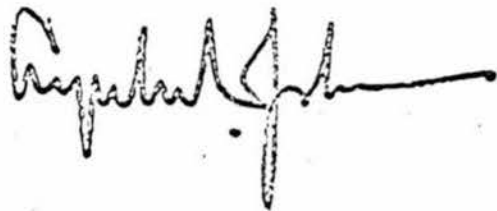
MEMORANDUM TO Mr. Edward McDermott

SUBJECT: National Stockpiles

I have had an opportunity to review the materials which you prepared last month summarizing significant developments during the past two years and setting forth two basic questions in the handling of the national stockpiles.

With regard to the question of whether the stockpile objectives for the various items should be based on criteria which assumes the availability of materials from friendly nations not contiguous to the United States in developing new objectives I believe it is desirable to remain with the present criteria which includes as emergency sources of supply only those which are domestic or from contiguous countries. I understand that this will in no way affect the disposal program as recommended by the Executive Stockpile Committee. Should it become clear that application of this criteria requires new acquisition of materials now in the stockpile inventory, please bring this to my immediate attention.

With regard to basic guidelines in disposing of surplus materials, existing practices should be continued, namely, that disposals are to be made only when this can be done without serious disruption of domestic or foreign markets and after proper evaluation of international considerations. The general procedural machinery established for making these determinations now in effect appears to be appropriate and desirable, and should also be continued.



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STOCKPILE OBJECTIVES

THE DIFFERENCE BETWEEN...

1.

ESTIMATES OF REQUIREMENTS FOR
EMERGENCY PERIOD

(DOD, ATOMIC ENERGY COMM., STATE & COMMERCE)*

AND...

2.

ESTIMATES OF AVAILABLE SUPPLIES
DURING EMERGENCY PERIOD

(COMMERCE, INTERIOR, AGRICULTURE)*

* ALL DATA REVIEWED BY OEP WITH COMMODITY COMMITTEE OF TECHNICAL
EXPERTS FROM DOD, STATE, COMMERCE, INTERIOR, AGRICULTURE, GSA,
TARIFF COMM. AND AGENCY FOR INTERNATIONAL DEVELOPMENT

PROCESSING STOCKPILE DATA BY OEP

AFTER COMMODITY COMMITTEE REVIEW

DISCOUNTING SUPPLY

IMPORTS

- LOSSES IN TRANSIT
- WARTIME DEPENDABILITY OF FOREIGN GOVERNMENTS

— Department of Defense
(Joint Chiefs of Staffs)

— Department of State

DOMESTIC OUTPUT

- POSSIBLE LOSS DUE TO ...
 - ATTACK (Coastal Locations)
 - SABOTAGE
 - DISASTER

} Office of Emergency Planning

- A PROPOSED STOCKPILE OBJECTIVE DEVELOPED BY OEP
- PROPOSED OBJECTIVE REVIEWED BY INTERDEPARTMENTAL MATERIALS ADVISORY COMMITTEE (IMAC)

- Committee advisory to the Director, OEP. Chaired by OEP with high-level membership from...

Departments of... Defense, Agriculture, Commerce
Interior, Labor and State
and
GSA, AID and NASA

- IMAC reviews and recommends approval or disapproval of the proposed objective to the Director, OEP

- APPROVAL OF OBJECTIVE

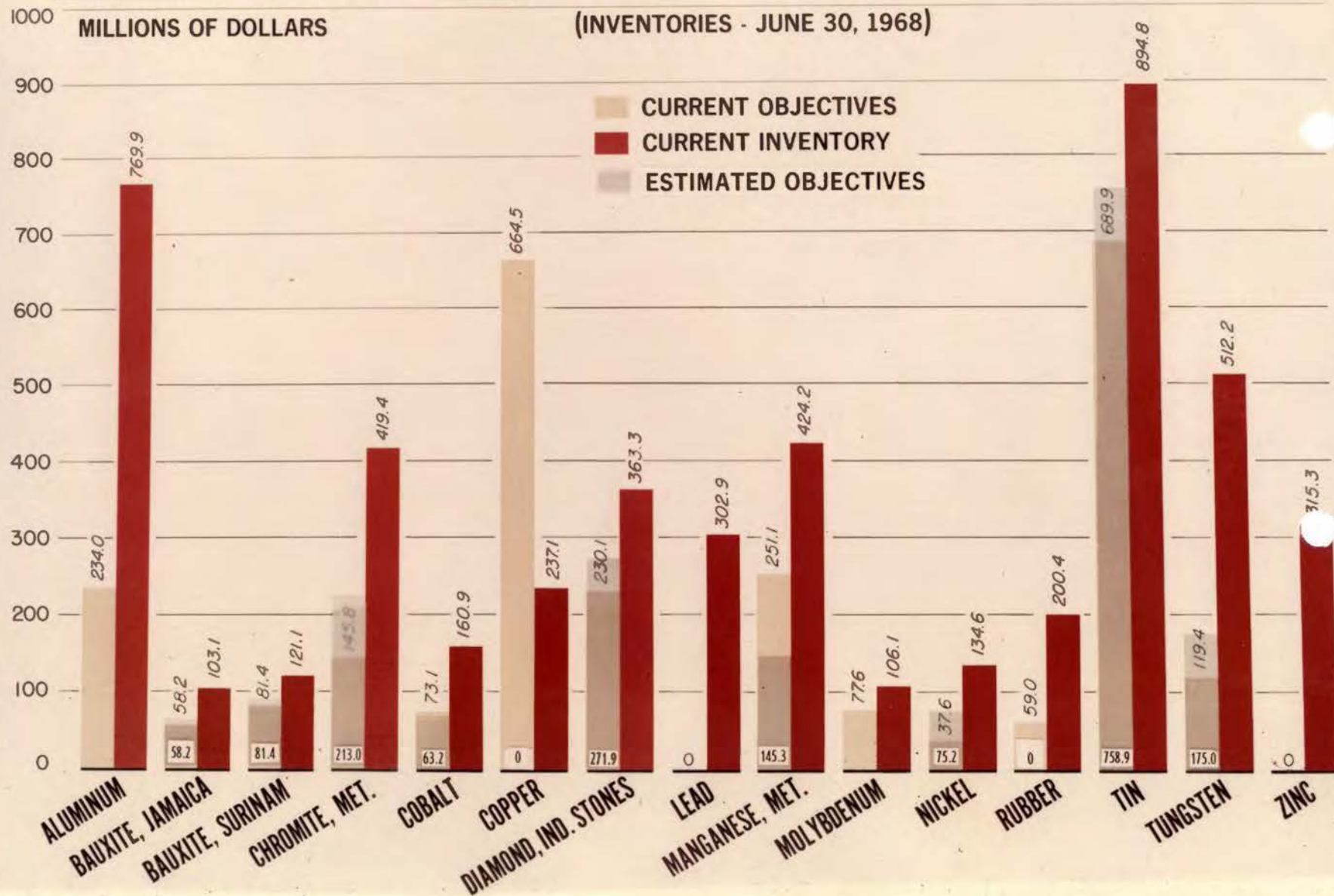
- The Director, OEP establishes stockpile objectives based on these procedures

CRITERIA USED IN MAKING STOCKPILE ESTIMATES

	<u>SOURCE</u>
• <u>LENGTH OF EMERGENCY (3 YEARS)</u>	National Security Council (Joint Chiefs of Staff)
• <u>FORCE STRENGTHS, DOLLAR VALUE OF MILITARY PROCUREMENT & CONSTRUCTION</u>	Department of Defense (Installation & Logistics)
• <u>ESTIMATED GROSS NATIONAL PRODUCT IN EMERGENCY PERIOD</u>	Office of Emergency Planning (w/ Office of Business Economics Department of Commerce and Council of Economic Advisers)
• <u>SOURCES OF SUPPLY IN WAR EMERGENCY</u> (Only from U.S. & Contiguous Countries) Including Caribbean Area "I believe it is desirable to remain with the present criteria which includes as emergency sources of supply only those which are domestic or from contiguous countries"	President Johnson (February 24, 1964)
• <u>M-DAY FOR STOCKPILE PLANNING PURPOSES</u>	Department of Defense & Office of Emergency Planning

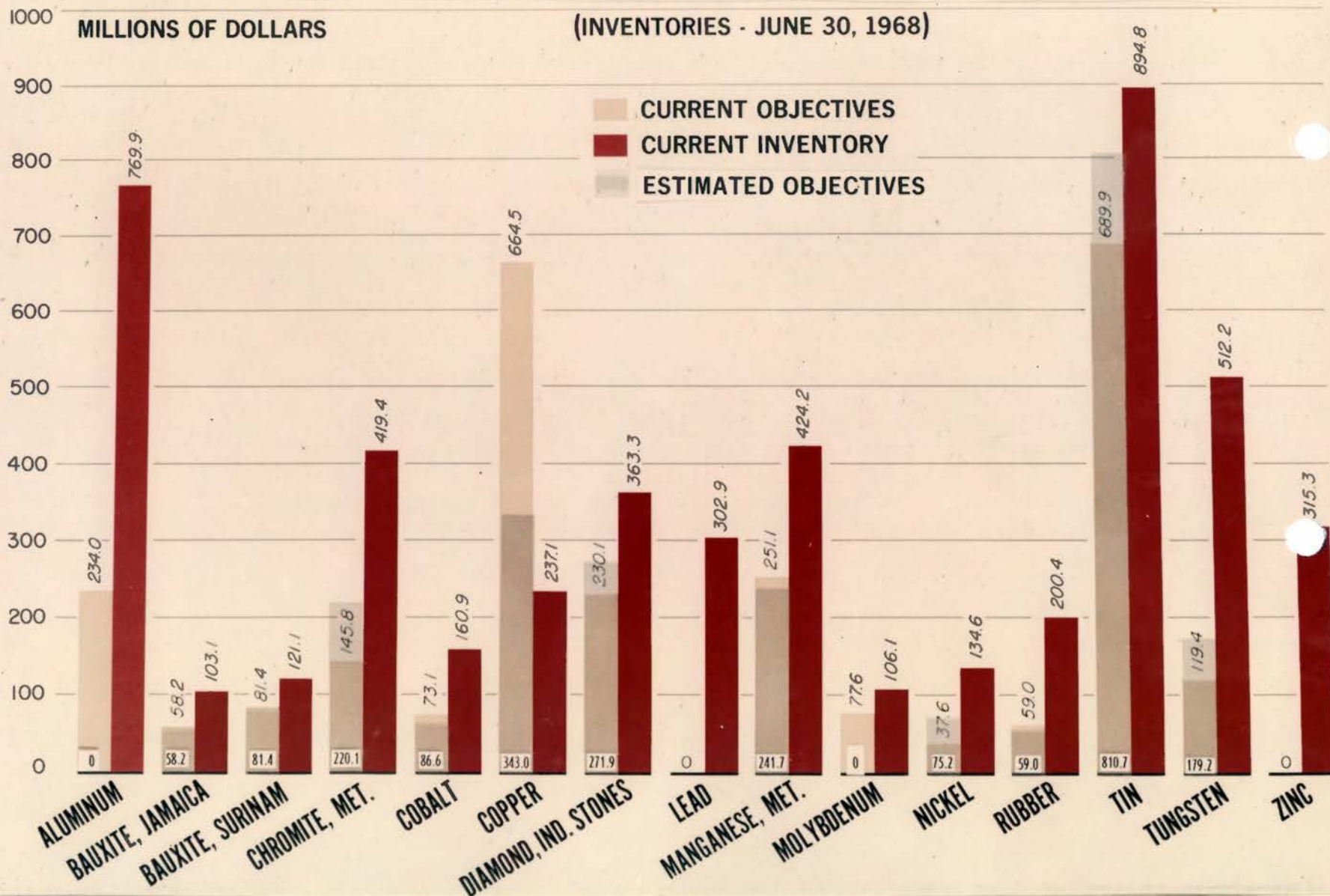
FIFTEEN MATERIALS ACCOUNTING FOR LARGEST DOLLAR VALUES IN STOCKPILE

FREE WORLD ACCESS TO SUPPLIES IN WARTIME - ALL THREE YEARS



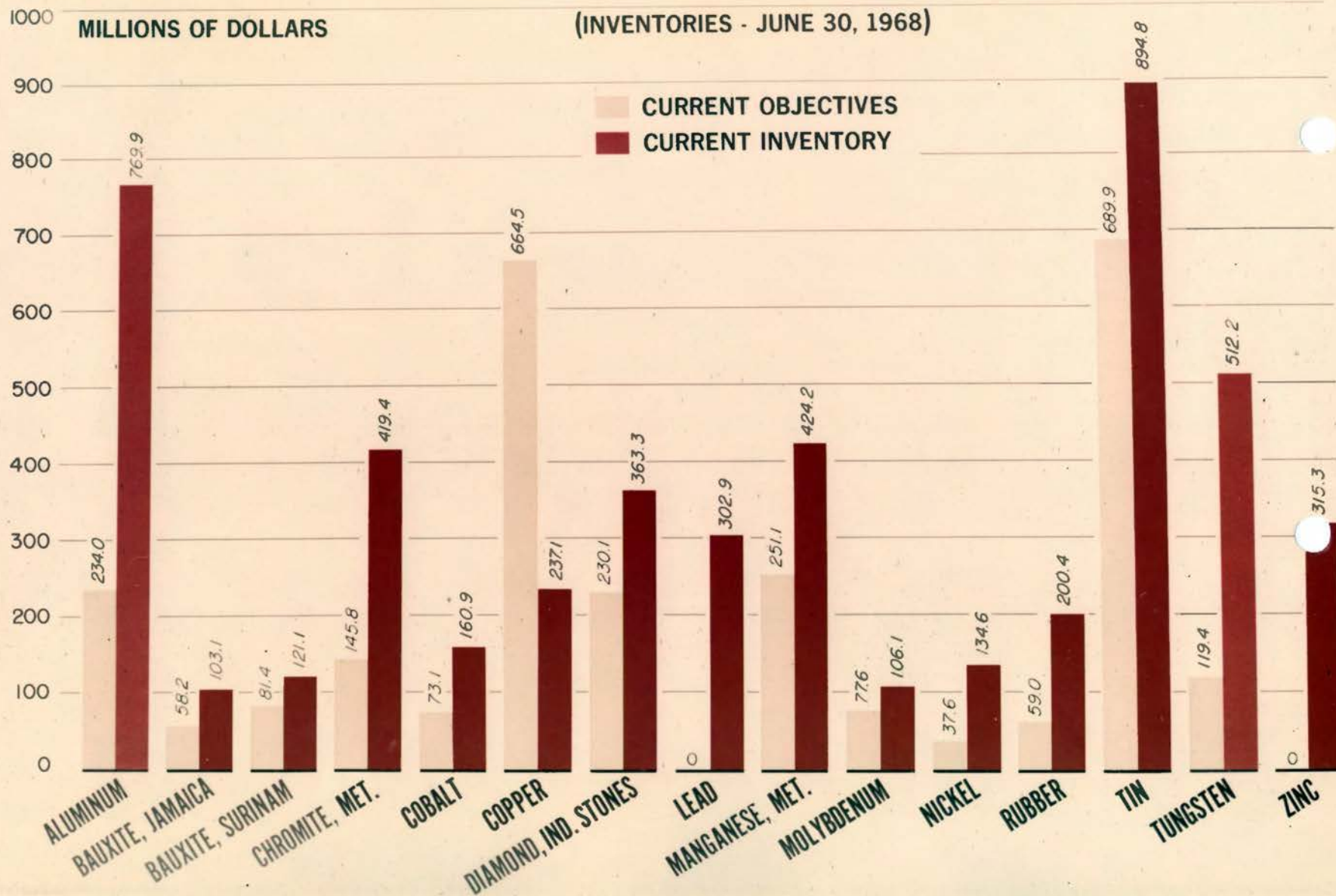
FIFTEEN MATERIALS ACCOUNTING FOR LARGEST DOLLAR VALUES IN STOCKPILE

FREE WORLD ACCESS TO SUPPLIES IN WARTIME - YEARS II & III ONLY



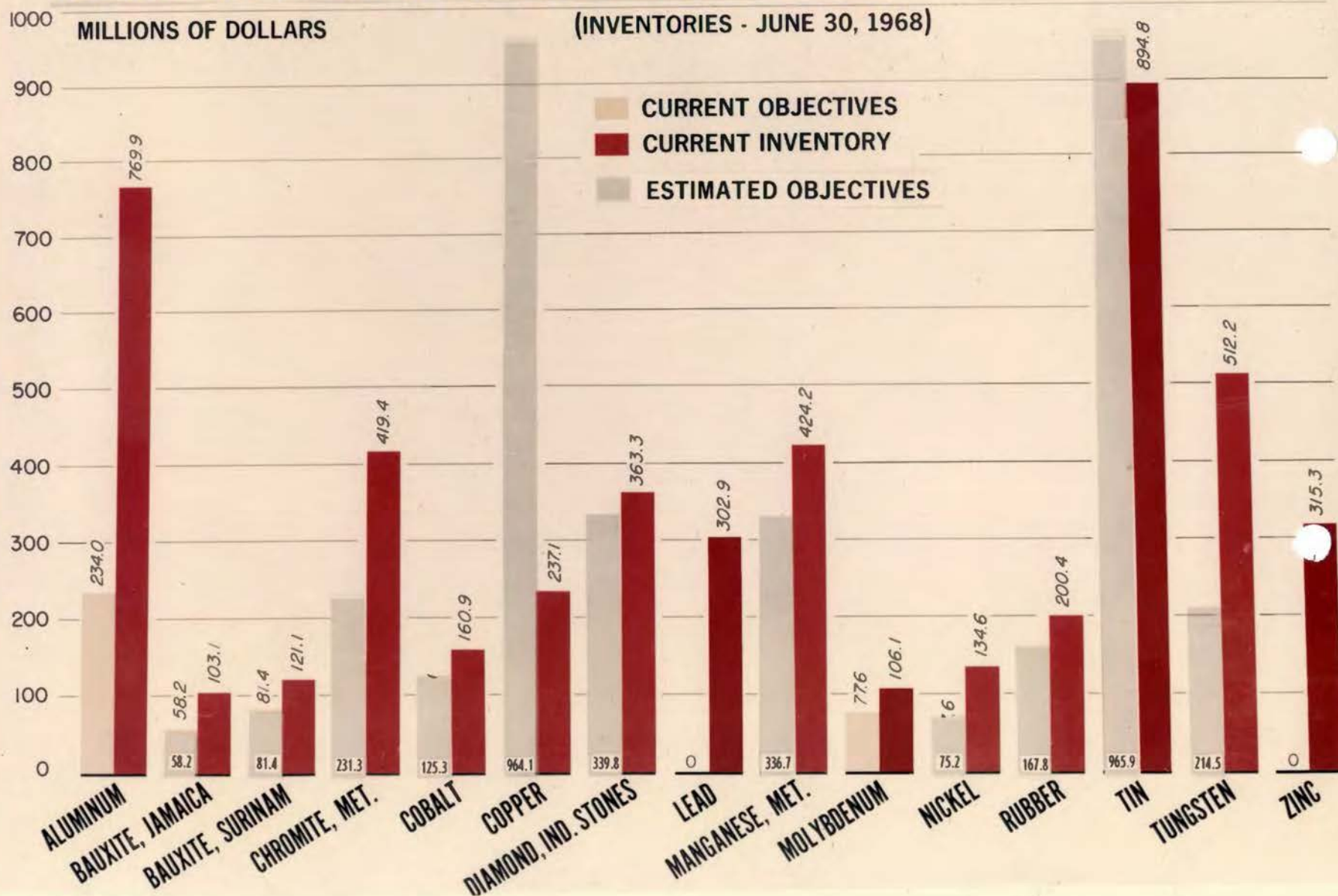
FIFTEEN MATERIALS ACCOUNTING FOR LARGEST DOLLAR VALUES IN STOCKPILE

CURRENT OBJECTIVES (C.Y. 1964) EMERGENCY SUPPLIES ONLY FROM N. AMERICA & CONTIGUOUS COUNTRIES



FIFTEEN MATERIALS ACCOUNTING FOR LARGEST DOLLAR VALUES IN STOCKPILE

EMERGENCY SUPPLIES ONLY FROM N. AMERICA & CONTIGUOUS COUNTRIES

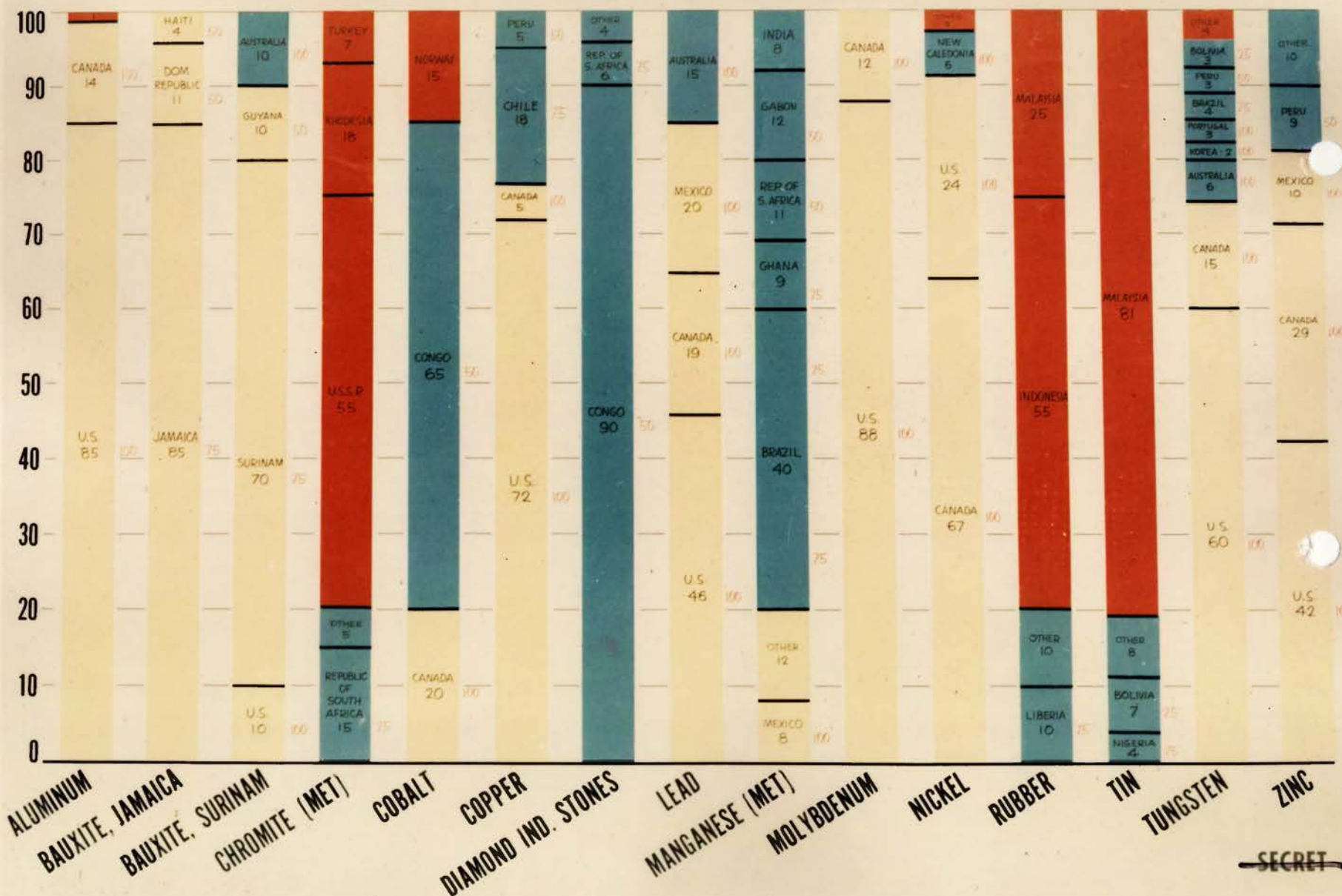


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PRINCIPAL SOURCES OF U.S. SUPPLY

1. FIGURE IN BAR DENOTES PERCENTAGE OF NORMAL IMPORTS
2. FIGURE OPPOSITE SOURCE SHOWN IN BAR INDICATES PERCENTAGE OF DEPENDABILITY

ALL COUNTRIES LISTED AS INACCESSIBLE BY JCS
FREE WORLD COUNTRIES OTHER THAN NORTH AMERICA AND CONTIGUOUS TERRITORIES
NORTH AMERICA AND CONTIGUOUS COUNTRIES



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SUMMARY OF MEETING - N.S.C. - October 31, 1968

Governor Daniel presented a brief summary of the procedures and criteria used to establish objectives for the National Stockpile.

The presentation included the following:

1. Stockpile objectives are the difference between estimates of requirements for an emergency period which are received from Defense, AEC, State, and Commerce, and estimates of supplies received from Commerce, Interior, and Agriculture.

2. The criteria used in making these estimates include:

- a. Length of emergency (3 years) (supplied by J.C.S.).
- b. Force strengths, dollar value of military procurement and construction (supplied by Department of Defense).
- c. Estimated Gross National Product (supplied by OEP and Commerce).
- d. Sources of supply in wartime (only from U.S. and contiguous countries including Caribbean area) -- President Johnson, February 24, 1964.
- e. M-Day for stockpile planning purposes (supplied by Department of Defense and OEP).

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 86-175

By 1-17-91, NARA, Date 6-17-97

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3. After data are assembled and reviewed, wartime supplies are discounted by OEP for losses in transit (J.C.S.) and dependability of foreign governments in wartime (State Department).

Domestic output is discounted if overly concentrated.

4. Final review of stockpile objectives is made by the Interdepartmental Materials Advisory Committee, which recommends approval or disapproval to Director of OEP. Director, OEP, establishes objectives.

Governor Daniel observed that Special Committee on Stockpile Objectives had recommended only/^{major}one change in the criteria. It recommended that the U.S. depend on all military accessible Free World countries for supplies in all three years of the emergency. Adoption of this change would require a revision of the President's policy issued February 24, 1964.

He stated that as of June 30, 1968, total inventories on all stockpiles amounted to \$7.0 billion, the value of stockpile objectives was \$4.2 billion, and the value of excess inventories was \$3.3 billion.

If OEP updated stockpile objectives under current rules, the value of objectives would increase to \$5.1 billion and the excess inventories would decrease to \$2.6 billion.

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- 3 -

Using the Special Committee's recommendation of three-year dependence on Free World sources would result in updated objectives valued at \$2.9 billion. The value of excess inventories would increase to \$4.0 billion.

Governor Daniel then observed that he and Mr. Goldstein recommend a more conservative approach. This would provide that no objective would be lower than the first year's emergency requirement, less available supplies from North America and contiguous areas. Free World sources of supplies would be included in the second and third emergency years. This approach could result in objectives valued at \$3.8 billion and excess inventories valued at \$3.4 billion. He said this would not put us in a "buy" position for anything but a small amount of copper and a few other items totaling approximately \$100 million, but that OEP could meet these additional requirements through authorized exchange of excess materials for needed materials.

After discussion, all members approved the recommendation of the Special Committee as modified by the recommendation of Governor Daniel and Mr. Goldstein.

Governor Daniel submitted the attached draft of a proposed memorandum for the President to sign in lieu of his memorandum of February 24, 1964.

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF EMERGENCY PLANNING

WASHINGTON, D. C. 20504

OFFICE OF THE DIRECTOR

10/16/68

Brom:

Here is a
copy of Stockpile
Memo and the
President's notation.

10 to 15 minutes
should suffice. I
have charts.

Price Daniel

F C 8a

~~SECRET~~
EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF EMERGENCY PLANNING
WASHINGTON, D. C. 20504

October 7, 1968

OFFICE OF THE DIRECTOR

TO THE PRESIDENT

Subject: Revisions in Stockpile Criteria - Discussions with
Senators Russell and Symington, and Congressmen
Rivers and Philbin

On July 26 Ernest Goldstein and I submitted a joint memorandum to you stating that the Special Committee on Stockpile Objectives appointed by you on December 1, 1964, had finally reached agreement on criteria which should be used in establishing next year's objectives.

Because the only major recommended change would require an amendment to your directive of February 24, 1964 (limiting our reliance on emergency sources of supply to domestic sources and "contiguous countries"), your entire Committee recommended that its Report be considered by the NSC in a preliminary discussion so that you could determine whether the Council, and especially the Joint Chiefs, are adequately prepared in support of the change. If so, our Committee recommended that you have a final discussion and consideration at a subsequent meeting of the NSC, at which the Chairmen and Subcommittee Chairmen of the Senate and House Armed Services Committees would be invited "so that they may hear the discussion, understand the reasons for the change, and realize that it is a matter which has been given careful and thorough consideration since December 1, 1964."

I have recently visited with these Members, Senators Russell and Symington and Congressmen Rivers and Philbin, and have explained the meticulous way in which we are arriving at the objectives, with the national security as our primary consideration. I have also explained that for 4 years a Presidentially-appointed Special Committee has been studying recommended changes and that there was a change concerning the possible future reliance on additional Free World sources that should be made. I asked if they would like to hear a review of the matter and each expressed a real interest in doing so.

FEMA Guidelines
8-23-02

cbm

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After you have seen our charts and heard a brief review as to our present and proposed procedure, and the support thereof by the Joint Chiefs, I believe you will conclude that it would be wise to have these four Members of Congress attend an NSC meeting for the purpose of hearing the discussion of this change, which could lessen present stockpile objectives by about \$1 billion in value. We do not think the change in policy should be made by you without discussion in the NSC or without these Senate and House Chairmen knowing the reasons and hearing them advocated by the Joint Chiefs.

This matter should be concluded as soon as possible, while all of the executive agencies are in agreement, and before it is too late to use the new criteria in our calculations of objectives for next year.

Price Daniel

Price Daniel
Director

*OK.
Proceed*

cc: Mr. Califano - for information
Mr. Goldstein - for information

*GEORGE
GOLDSTEIN*

THE WHITE HOUSE
WASHINGTON

Nov. 19, 1968

The attached copy of President Johnson's letter implements his decision taken following the NSC Meeting on Stockpile objectives.

Bromley Smith

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LIST OF ATTENDEES
MEETING WITH GOVERNOR DANIEL

Thursday, October 31, 1968 - 12:00 noon

Under Secretary of State Katzenbach
Assistant Secretary Solomon

Ambassador Wiggins

Secretary of Defense Clifford
Deputy Secretary Nitze

Secretary of Treasury Fowler

CIA Director Helms

JCS Chairman Wheeler

OEP Director Daniel
Deputy Director M. M. Merker
Mr. William Lawrence

USIA Director Marks

Walt Rostow
Bromley Smith
Ernest Goldstein
Ed Fried