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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Letter w/ attachment	Manatos to Casey Jones	2/27/68	C
Letter	Howard Shuman to Manatos (Cross Ref: TA 6/Aluminum)	11/10/65	C

FILE LOCATION

Gen ND 4-3

kfr

RESTRICTION CODES

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(C) Closed in accordance with restrictions contained in the donor's deed of gift.

12/08
CONGRESSIONAL

GENERAL

ND 4-3

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY
WASHINGTON, D.C. 20506

November 29, 1968

Dear Chairman Aspinall:

I have read your remarks before the Grand Junction, Colorado, Geological Society on November 15 and was most pleased that you took the occasion to emphasize the importance of looking at our energy fuel resources as a whole.

As you pointed out in your talk, we have taken a small step in that direction in the past year by establishing an Energy Policy Staff within my Office, headed by Mr. David Freeman, to coordinate energy policy on a government-wide basis. As you well know, this is a monumental task which will require a continuing effort, but we have made a beginning. We hope that in the coming year we can undertake the program for adequate and comprehensive planning which you so correctly suggest is needed. The success of this venture will, of course, depend upon the support it receives from the Executive Branch and the Congress. I shall be leaving government in January, but I trust that this effort will be continued by the next Administration with the support of congressional leaders such as yourself.

Sincerely yours,

(signed) DONALD HORNIG

Donald F. Hornig
Director

X
Honorable Wayne N. Aspinall
Chairman, Interior and Insular
Affairs Committee
House of Representatives
Washington, D. C. 20515

cc: Fay Steiner, WH ✓

RECEIVED
JAN 10 1969
CENTRAL

mc/

THE WHITE HOUSE OFFICE

GENERAL

ND 4-3

ND 21

Follow-on Bomber

REFERRAL

To: The Secretary of Defense

Date: May 22, 1968

ACTION REQUESTED

- ☐ Draft reply for:
- ☐ President's signature.
- ☐ Undersigned's signature.
- ☐ Memorandum for use as enclosure to reply.
- ☐ Direct reply.
- ☐ Furnish information copy.
- ☒ Suitable acknowledgment or other appropriate handling.
- ☐ Furnish copy of reply, if any.
- ☐ For your information.
- ☐ For comment.

NOTE

Prompt action is essential.

If more than 48 hours' delay is encountered, please telephone the undersigned immediately, Code 1450.

Basic correspondence should be returned when draft reply, memorandum, or comment is requested.

REMARKS:

Description:

☒ Letter: ☐ Telegram: ☐ Other:

To: The President
From: Emmett C. McGaughey, 101 North June Street, Los Angeles, Calif. 90004
Date: 5/10/68 x
Subject: Alarmed at obsolete equipment at S.A.C.--urges President instruct the Secy of Defense to take immediate action to get project started to add missiles and bombers to the S.A.C. inventory.

By direction of the President:

RECEIVED
MAY 23 1968
CENTRAL FILES

rah
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Whitney Shoemaker
Assistant to the President

(White House File Copy)

Emmett C. McGaughey

May 10, 1968

H
The President
The White House

Mr. President:

You are aware that the former Secretary of Defense consistently refused to authorize the production of a Follow-On Bomber for the Strategic Air Command.

After attending a briefing at S.A.C. recently, I am greatly alarmed at the obsolete equipment that S.A.C. is using. My alarm is compounded by the fact that it would take seven years to get a new airplane into the inventory.

I am firmly convinced we need both missiles and bombers in S.A.C's inventory. I strongly urge that you instruct the present Secretary of Defense to take immediate action and get this project started.

The air defense of our country is truly in a pitiful condition when one realizes that there are no new fighter planes in inventory and none are planned that will intercept supersonic airplanes of the type Russia might have. The United States will not be able to check incoming commercial supersonic airplanes such as Concorde, to say nothing of military aircraft.

Finally, my sincere and heartfelt compliments to you for the stand you have taken regarding the Presidency - we must have an honorable peace, and must not give Vietnam to the Communists.

Respectfully submitted,

Emmett C. McGaughey

Emmett C. McGaughey

101 North June Street
Los Angeles, California 90004

dg
1
GENERAL

ND 4-3 (5)
CO 312
ND 19/CO 312
ND 18

February 15, 1968

Dear Mrs. Camp:

On behalf of the President, I want to acknowledge your telegram concerning nuclear weapons and Vietnam.

I trust that various statements by authorized Government spokesmen have made it abundantly clear that there is no truth whatsoever to the recent irresponsible rumors concerning the stockpiling or intended use of nuclear weapons in Vietnam. Moreover, the stories that certain scientists were in South Vietnam to study the possible use of nuclear weapons are false. The scientists in question were visiting in Southeast Asia, not South Vietnam, in connection with certain defense problems that have absolutely nothing whatever to do with nuclear weapons.

I am indeed sorry that these incorrect and irresponsible press reports alarmed you and your organization.

Sincerely yours,

(signed) W. W. Rostow

W. W. Rostow

✓
Mrs. Catherine Camp
President, National Board
✓ Women's International League for Peace and Freedom
120 Maryland Avenue, N. E.
Washington, D. C.

SMKeeny:jb:2-15-68/5p
bcc: SMK file & chron
WWR (2)
SMK comeback cy

RECEIVED
FEB 13 1968
CENTRAL FILES

Date

2/13

Referred to

Keeny

Mr Rostow

by Mr. Hopkins' Office

2/14

10 AM

The White House
Washington

1968 FEB 13 AM 3 23

WA002 NL PD 6 EXTRA

WASHINGTON DC 12

THE PRESIDENT

THE WHITE HOUSE

ALARMED BY PRESENCE OF NUCLEAR SCIENTISTS AND SHOCKING RUMORS OF
STOCKPILING OF TACTICAL NUCLEAR WEAPONS IN SOUTH VIETNAM

WE DECLARE ABSOLUTE CONDEMNATION OF USE OF NUCLEAR WEAPONS
IN VIETNAM OR ANYWHERE ELSE IN THE WORLD, WE URGENTLY

REQUEST GOVERNMENT PLEDGE THAT U.S. WILL NEVER BE FIRST TO

USE NUCLEAR WEAPONS IMMEDIATE DISMANTLING OF NUCLEAR STOCKPILES

AND WITHDRAWAL OF ALL NUCLEAR ARMED CARRIERS FROM
THAT AREA

THE NATIONAL BOARD WOMENS INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM
CATHERINE CAMP PRESIDENT.

FORM 0805 PRINTED BY THE STANDARD REGISTER COMPANY, U. S. A.

FORM 0805 PRINTED BY THE STANDARD REGISTER COMPANY, U. S. A.

THE WHITE HOUSE OFFICE

REFERRAL

To: Secretary of Labor

Date: August 26, 1967

ND4-3

GENERAL

L.A. Paper

ST28

ST26

ST3

ST44

ST31

ACTION REQUESTED

- ☐ Draft reply for:
- ☐ President's signature.
- ☐ Undersigned's signature.
- ☐ Memorandum for use as enclosure to reply.
- ☐ Direct reply.
- ☐ Furnish information copy.
- ☒ Suitable acknowledgment or other appropriate handling.
- ☐ Furnish copy of reply, if any.
- ☐ For your information.
- ☐ For comment.

NOTE

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REMARKS:

Copy to: Secretary of Defense
Secretary of the Interior

Description:

Letter: ☒ Telegram: ☐ Other: ☐

To: The President

From: Governors of Nevada, Montana, Arizona, Utah and New Mexico

Date: August 25, 1967

Subject: Strike of copper workers

Gov. Paul Laxalt

Gov. Tim Babcock

Gov. Jack Williams

Gov. Carl Rampton

Gov. David Lango

Send Spec. Memo - Re 829 - 10:30 A.M. 8/28

By direction of the President:

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AUG 28 1967

CENTRAL FILES

Joseph A. Califano, Jr.
Special Assistant to the President

(White House File Copy)

GENERAL

LE/ND 4-3

ND 4-3

June 20, 1967

Dear Mr. Shriver:

President Johnson asked me to acknowledge your letter. He appreciates your interest in letting him have your views in support of the legislation you mention.

Sincerely,

Whitney Shoemaker
Assistant to the President

Mr. James C. Shriver
Assistant General Manager
Superior Plating Company
915 North 20th Street
Columbus, Ohio 43219

GENERAL

THE WHITE HOUSE OFFICE

REFERRAL

To: The Secretary of State

Date: June 20, 1967

ACTION REQUESTED

- ☐ Draft reply for:
☐ President's signature.
☐ Undersigned's signature.
- ☐ Memorandum for use as enclosure to reply.
- ☐ Direct reply.
☐ Furnish information copy.
- ☒ Suitable acknowledgment or other appropriate handling.
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REMARKS:

Description:

☒ Letter: ☐ Telegram: ☐ Other:

To: The President
From: Mrs. John C. Pearce, 4038 Sequoia St., Riverside, Calif. 92503
Date: 6/15/67
Subject: Pro no trade policy with East European red-bloc nations; son in Viet-Nam

By direction of the President:

Whitney Shoemaker
Assistant to the President

CWS

9

(White House File Copy)

THE WHITE HOUSE OFFICE

REFERRAL

GENERAL

LE/ND4-3

CM/Nickel

ND4-3

①

To: Administrator of General Services

Date: June 16, 1967

ACTION REQUESTED

- _____ Draft reply for:
_____ President's signature.
_____ Undersigned's signature.

_____ Memorandum for use as enclosure to reply.

_____ Direct reply.
_____ Furnish information copy.

☒ Suitable acknowledgment or other appropriate handling.
_____ Furnish copy of reply, if any.

_____ For your information.

_____ For comment.

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REMARKS:

Description:

_____ Letter: _____ Telegram: Other: _____

To:

From: Numerous telegrams to the President requesting release of nickel

Date: from Government stockpiles. (over)

Subject:

By direction of the President:

RECEIVED
JUN 17 1967
CENTRAL FILES

Copies of Communications filed Name file

Joseph A. Califano, Jr.

Special Assistant to the President

rah

4

(White House File Copy)

THE WHITE HOUSE OFFICE

REFERRAL

GENERAL

3

ND 4-3

CM/Nickel

To: Administrator of General Services

Date: June 15, 1967

ACTION REQUESTED

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- ☐ President's signature.
- ☐ Undersigned's signature.
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REMARKS:

Description:

Telegrams to the President fm the following urging release of nickel from Government stockpile:

Letter: ☒ Telegram: ☒ Other: ☒

To: **Henry A. Kafarski, Pres, Michigan Assn of Metal Finishers, Detroit,**

From: **Michigan, 6/14;**

Date: **Richard G. O'Neil, President, Howard Plating Inds, Inc., 819 East 10**

Subject: **Mile Road, Royal Oak, Michigan, 6/14;**

Electric Coatings, Inc., Park Ridge, Illinois, 6/14/67;

Clinton K. Thaxton, Fabra Finish, Inc., La Puente, Calif, 6/14.

By direction of the President:

rah

Joseph A. Califano, Jr.
Special Assistant to the President

RECEIVED
JUN 15 1967
CENTRAL FILES

(White House File Copy)

The White House
Washington

1967 JUN 14 AM 11 20

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DETROIT MICH 14 1017A EST

THE PRESIDENT

THE WHITE HOUSE

WE URGENTLY REQUEST THAT YOU EXERT YOUR EFFORTS IN RELEASE
OF NICKEL AS AN EMERGENCY MEASURE TO THE MEMBERS OF OUR SOCIETY
WHO ARE DEPENDENT UPON THE SUPPLY OF NICKEL TO PREVENT
INTERRUPTION OF OUR SMALL BUSINESS OPERATIONS

MICHIGAN ASSOC OF METAL FINISHERS HENRY A KAFARSKI PRES.

1400

GENERAL

1104-3

cm/nickel

3

THE WHITE HOUSE OFFICE

REFERRAL

To: Administrator of General Services

Date: June 15, 1967

ACTION REQUESTED

- ☐ Draft reply for:
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☐ Undersigned's signature.
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REMARKS:

Description: Telegrams to the President from the following urging release of nickel from government stockpiles:

Letter: Telegram: Other:

To: Myron Miller, Exec Secy, Metal Fjnishing Association of Southern
From: California, Los Angeles, Calif - 6/14;
Date: J. W. White, Secretary, Natl Assn of Metal Fnishers, SanFran, Calif, 6/14;
Subject: Bob M. Taylor, Vice President, Production Plating Co., Inc.,
Adel, Georgia, 6/14/67.

By direction of the President:

RECEIVED

JUN 16 1967

CENTRAL FILES

Joseph A. Califano, Jr.

Special Assistant to the President

rah

(White House File Copy)

The White House
Washington

1967 JUN 14 PM 9 34

WA662 NL PD

ADEL GA 14

THE PRESIDENT

THE WHITE HOUSE

MR PRESIDENT THE SHORTAGE OF NICKEL HAS BEEN SERIOUSLY FELT
BY THE METAL INDUSTRIES THROUGHOUT THE COUNTRY. IN MANY CASES
3 WE HAVE HAD TO PAY "OUTRAGEOUS" PREMIUMS OVER THE PRODUCERS
PRICE TO MAINTAIN PRODUCTION AND PREVENT THE LAY OFF OF EMPLOYEES.
WE REQUEST THAT YOU TAKE ACTION ON YOUR OWN AS YOU DID SOME
2 TWO YEARS AGO DURING THE COPPER SHORTAGE. THE METAL FINISHING

INDUSTRIES NEED THE RELEASE OF 60 MILLION POUNDS OF NICKEL
FROM THE FEDERAL STOCKPILE AND OUR LAST HOPE APPARENTLY IS
IN YOUR HAND. YOUR CONSIDERATION AND ACTIONS REGARDING THE
NICKEL RELEASE WILL BE VERY MUCH APPRECIATED RESPECTFULLY
PRODUCTION PLATING CO INC BOB M TAYLOR VICE PRESIDENT.

49/BB

GENERAL
DD4-3
Cmt/nickel

3

THE WHITE HOUSE OFFICE

REFERRAL

To: Administrator of General Services

Date: June 15, 1967

ACTION REQUESTED

- _____ Draft reply for:
_____ President's signature.
_____ Undersigned's signature.
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Date: // J. W. White, Secretary, Natl Assn of Metal Finishers, SanFran, Calif, 6/14; //
Subject: Bob M. Taylor, Vice President, Production Plating Co., Inc.,
Adel, Georgia, 6/14/67.

By direction of the President:

RECEIVED

JUN 16 1967

CENTRAL FILES

Joseph A. Califano, Jr.

Special Assistant to the President

rah

(White House File Copy)

The White House
Washington

1967 JUN 15 AM 6 00

WA017 NL PD

SAN FRANCISCO CALIF 14

THE PRESIDENT

THE WHITE HOUSE

RE PRESIDENTIAL RELEASE OF NICKLE MY DEAR MR. PRESIDENT I AM
COMMUNICATING WITH YOU ON BEHALF OF THE SAN FRANCISCO BRANCH
3 OF THE NATIONAL ASSOCIATION OF METAL FINISHERS THE SHORTAGE
OF NICKLE IN THE ELECTROPLATING INDUSTRY IS QUICKLY REACHING
PROPORTIONS WHERE SOME OF OUR MEMBERS MAY BE FORCED OUT OF BUSINESS
2 BECAUSE OF THE SHORTAGE OF NICKLE SUPPLIES. IN ADDITION

A SERIOUS BLACK MARKET IN NICKLE IS DEVELOPING WHICH CANNOT
HAVE ANY EFFECT EXCEPT TO RESULT IN HIGHER PRICES AND CONTRIBUTE
TO AN INFLAMMATORY SPIRAL THERE IS NO AVAILABLE SUBSTITUTE FOR NICKLE
IN THE ELECTROPLATING INDUSTRY FOR THESE REASONS OUR ASSOCIATION
EARNESTLY REQUESTS THAT YOU IMMEDIATELY RELEASE AS MUCH NICKLE
FROM THE FEDERAL STOCKPILE AS IN YOUR CONSIDERED OPINION IS POSSIBLE
3 NATIONAL ASSOCIATION OF METAL FINISHERS J W WHITE SECRETARY.

19/BB

THE WHITE HOUSE OFFICE

GENERAL ③

REFERRAL

ND 4-3
cm/nickel

To: Administrator of General Services

Date: June 15, 1967

ACTION REQUESTED

- _____ Draft reply for:
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Letter: _____ Telegram: _____ Other: _____

To: **Myron Miller, Exec Secy, Metal Finishing Association of Southern**
From: **California, Los Angeles, Calif - 6/14;**
Date: **J. W. White, Secretary, Natl Assn of Metal Finishers, SanFran, Calif, 6/14;**
Subject: **Bob M. Taylor, Vice President, Production Plating Co., Inc.,**
Adel, Georgia, 6/14/67.

By direction of the President:

RECEIVED

JUN 16 1967

CENTRAL FILES

Joseph A. Califano, Jr.

Special Assistant to the President

rah

(White House File Copy)

The White House
Washington

1967 JUN 15 AM 6 29

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LOS ANGELES CALIF 14

THE PRESIDENT

THE WHITE HOUSE

MEMBERS OF THE METAL FINISHING ASSOCIATION OF SOUTHERN CALIFORNIA
ARE CRITICALLY IN NEED OF NICKLE IF IMMEDIATE DRASTIC
CUTBACKS MAY OCCUR APPRECIATE YOUR ATTENTION TO THIS URGENT
MATTER

METAL FINISHING ASSOC OF SOUTHERN CALIF MYRON MILLER EXEC
SECTY 8170 BEVERLY BLVD LOS ANGELES CALIF.

THE WHITE HOUSE OFFICE

REFERRAL

GENERAL

ND 4-3

CM/Nickel

3

To: Administrator of General Services

Date: June 15, 1967

ACTION REQUESTED

- ☐ Draft reply for:
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REMARKS:

Description:

Telegrams to the President fm the following urging release of nickel from Government stockpile:

Letter: ☐ Telegram: ☐ Other: ☐

To: Henry A. Kafarski, Pres, Michigan Assn of Metal Finishers, Detroit,
From: Michigan, 6/14;
Date: Richard G. O'Neil, President, Howard Plating Inds, Inc., 819 East 10
Subject: Mile Road, Royal Oak, Michigan, 6/14;
Electric Coatings, Inc., Park Ridge, Illinois, 6/14/67;
Clinton K. Thaxton, Fabra Finish, Inc., La Puente, Calif, 6/14.

By direction of the President:

rah

Joseph A. Califano, Jr.
Special Assistant to the President

(White House File Copy)

RECEIVED
JUN 15 1967
CENTRAL FILES

The White House
Washington

1967 JAN 14 PM 4 17

WA614 PD

TDAZ LA PUENTE CALIF 14 1035A PDT

THE PRESIDENT

THE WHITE HOUSE

WE RESPECTFULLY CALL YOUR ATTENTION TO THE CRITICAL SHORTAGE
OF NICKEL WHICH WE AND MANY OTHER BUSINESSES ARE NOW
3 EXPERIENCING. WE URGE A SWIFT RELEASE FROM THE FEDERAL STOCKPILE
OF AS MUCH NICKEL AS IS CONSISTENT WITH THE SAFETY AND SECURITY
OF THE NATION

2 CLINTON K THAXTON FABRA FINISH INC.

JW
fy

GENERAL

(2)

THE WHITE HOUSE OFFICE

ND 4-3

CM/NICKEL

REFERRAL

To: Administrator of General Services

Date: June 15, 1967

ACTION REQUESTED

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From: Michigan, 6/14;
Date: Richard G. O'Neil, President, Howard Plating Inds, Inc., 819 East 10
Subject: Mile Road, Royal Oak, Michigan, 6/14;
// X Electric Coatings, Inc., Park Ridge, Illinois, 6/14/67; //
Clinton K. Thaxton, Fabra Finish, Inc., La Puente, Calif, 6/14.

By direction of the President:

RECEIVED
JUN 15 1967
CENTRAL FILES

rah

Joseph A. Califano, Jr.
Special Assistant to the President

(White House File Copy)

1967 JUN 14 PM 2 14

WA511 PD

PARK RIDGE ILL 14 1010A CDT

THE PRESIDENT

THE WHITE HOUSE

UNLESS A QUICK RELEASE OF NICKEL AS AN EMERGENCY MEASURE IS
ACTED UPON WE FACE PARTIAL SHUTDOWN AND LAY-OFF

ELECTRIC COATINGS INC

3

2

GENERAL

ND 4-3 (3)
CM/NICKEL

THE WHITE HOUSE OFFICE

REFERRAL

To: Administrator of General Services

Date: June 15, 1967

ACTION REQUESTED

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Date: Richard G. O'Neil, President, Howard Plating Inds, Inc., 819 East 10
Subject: Mile Road, Royal Oak, Michigan, 6/14;
Electric Coatings, Inc., Park Ridge, Illinois, 6/14/67;
Clinton K. Thaxton, Fabra Finish, Inc., La Puente, Calif, 6/14.

By direction of the President

RECEIVED
JUN 15 1967
CENTRAL FILES

rah

Joseph A. Califano, Jr.
Special Assistant to the President

(White House File Copy)

1400



The White House
Washington

1967 JUN 14 PM 2 16

WA513 PD

TDDE ROYAL OAK MICH 14

THE PRESIDENT

THE WHITE HOUSE

WE RESPECTFULLY AND URGENTLY REQUEST THAT YOU CAUSE TO BE RELEASED
FROM NATIONAL STOCKPILE ANY SURPLUS NICKEL THIS IS NECESSARY

FOR PRODUCTION OF 1968 AUTOMOGILE PARTS ESPECIALLY THOSE PARTS
SUBJECT TO THE NEW SAFETY STANDARDS SINCERELY YOURS

HOWARD PLATING INDS INC RICHARD G ONEIL PRES 819 EAST 10 MILE
RD ROYAL OAK.

THE WHITE HOUSE OFFICE

REFERRAL

GENERAL

LE/ND 4-3

ND 4-3

Conrad

To: Administrator of General Services

Date: June 13, 1967

ACTION REQUESTED

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REMARKS:

Description:

☐ Letter: ☐ Telegram: ☐ Other:

To: Numerous telegrams to the President urging expedite passage of H.R. 4314
From: authorizing release of certain quantities of nickel from the national
Date: stockpile: (over)
Subject:

By direction of the President:

Joseph A. Califano, Jr.
Special Assistant to the President

(White House File Copy)

rah

Pink Copies filed in
Name File

THE WHITE HOUSE OFFICE
CONGRESSIONAL
REFERRAL

GENERAL

Pg 2
ND 4-3

To: Secretary of Defense

Date: April 20, 1967

ACTION REQUESTED

- ☐ Draft reply for:
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REMARKS:

Description:

☐ Letter: ☐ Telegram: ☐ Other: ☐ Route slip

To: Congressional Liaison, White House

From: Sen. Jacob K. ~~X~~Javits

Date: April 19, 1967

Subject: Copy of telegram fr Emanuel H. ~~X~~Light re sleeping bag contracts

RECEIVED
APR 21 1967
ORIGINAL FILES

By direction of the President:

Mike Manatos
Administrative Assistant
to the President

(White House File Copy)

RD

4

GENERAL

CO232

NDH-3

December 8, 1966

Dear Arleigh:

Thanks for your letter of December 5 concerning
the Center's Panama Canal Study.

With respect to the questions you ask, I am not in a position to give you a reading, officially or unofficially. The decision on when a new canal should be built and whether it should be a sea-level canal will be influenced by the outcome of the negotiations with Panama and the conclusions and recommendations of the Inter-Oceanic Canal Study Commission.

In the meantime, the Administration's views on the canal remain as expressed in the President's statement of December 18, 1964 and the joint statement with President Robles of September 24, 1965.

Sincerely yours,

/s/ Walt

W. W. Rostow

Admiral Arleigh Burke (USN Ret.)
Director, The Center for Strategic Studies
x Georgetown University
810 - 18th Street, N.W.
Washington, D. C. 20006
4

RECEIVED
DEC 10 1966
CENTRAL FILE

GENERAL

TAI ②

CO303
PU2-2/P*

ND4-3

November 28, 1966

Dear Mr. Pinchbeck:

Mr. Moyers has asked me to give you his thoughts in reply to your recent letter asking for clarification in our trade policies with the Soviet Union.

He wishes me to assure you that the editorial in question is overdrawn and suggests a cause-and effect relationship between our trade in non-strategic goods with Communist powers and their support of the North Vietnamese which cannot be substantiated.

Rigid controls remain in force to inhibit trade in strategic goods with the Communist bloc. What the Soviet Union does with its own resources and production from its own truck plants is not readily susceptible to U.S. control. You doubtless noted the editorialist's acknowledgments that the Export Import Bank is an independent entity, and that the Fiat contract in any event is just getting underway and is years away from completion.

With Mr. Moyers' good wishes,

Sincerely,

Donald W. Ropa
National Security Council Staff

Mr. W. S. Pinchbeck
142 Belt Boulevard
Richmond, Virginia 23224

RECEIVED
NOV 29 1966
GENERAL FILES

cc
GENERAL
N194-3
BE5-3

November 10, 1966

Dear Mr. Low:

Thank you for your letter of November 9th which arrived in the office today. We will check on the information you need regarding stock pile material and send it to you as soon as possible.

With best regards,

Sincerely,

W. Marvin Watson
Special Assistant
to the President

Mr. Sam D. W.^X Low
Treasury Department
United States Customs
Service
Houston, Texas

WMW:RKH:meg
FILE TO JIM JONES

RECEIVED
NOV 22 1966
CENTRAL FILE

Jim:

Get the information from
Lawson Knott or whoever and
send it to Mr. Low.

Marvin

File



TREASURY DEPARTMENT
UNITED STATES CUSTOMS SERVICE
HOUSTON, TEXAS

Sam D. W. Low

November 9, 1966

Mr. Marvin Watson
The White House
Washington, D. C.

Dear Marvin:

I am scheduled to appear before the Industrial Management Club of Houston on Thursday, November 17, to defend the Government's use of stock piled materials in order to curb inflationary prices. It seems probable that the staff did some research on this question before the President threatened to use the aluminum stock pile when the price of this commodity seemed to be getting out of hand.

If there is any background material on this subject which would aid me in defending the action taken by the President in the aluminum case and the general theory of using stock pile material in the public interest, I hope you will send it to me by airmail. Best delivery will be assured if it is addressed in care of P. O. Box 13361, Houston, Texas 77019.

Best personal regards,

Yours very sincerely,

A handwritten signature in blue ink, appearing to read "Low", with a long horizontal flourish extending to the right.

SAM D. W. LOW
Program Advisor, Customs Region VI

- 2 -

P. S. If Mr. Watson is not available to give this matter attention, I hope Jake Jacobson or some other member of the staff will come to my rescue.

SS 3 10 10 10 10

RECEIVED
HOSPITAL DIVISION

- 2 -

P. S. If Mr. Watson is not available to give this matter attention, I hope Jake Jacobson or some other member of the staff will come to my rescue.

1966 NOV 10 PM 3 22

RECEIVED
W. MARVIN WATSON

GENERAL

THE WHITE HOUSE OFFICE

REFERRAL

To: Chairman, Council of Economic Advisors

Date: May 5, 1966

ACTION REQUESTED

- _____ Draft reply for:
_____ President's signature.
_____ Undersigned's signature.
- _____ Memorandum for use as enclosure to reply.
- _____ Direct reply.
_____ Furnish information copy.
- ☒ Suitable acknowledgment or other appropriate handling.
_____ Furnish copy of reply, if any.
- _____ For your information.
- _____ For comment.

NOTE

Prompt action is essential.

If more than 48 hours' delay is encountered, please telephone the undersigned immediately, Code 1450.

Basic correspondence should be returned when draft reply, memorandum, or comment is requested.

REMARKS:

Description:

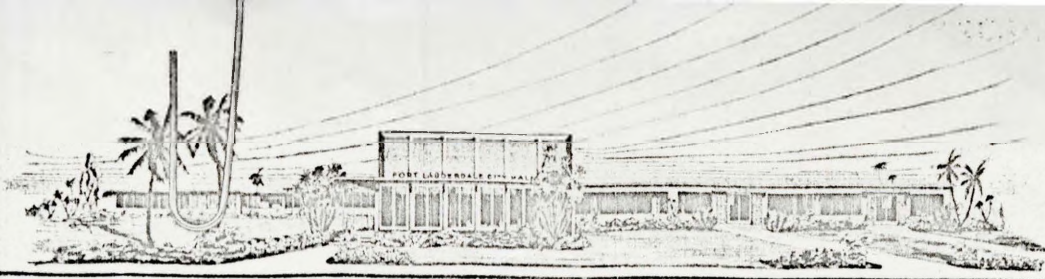
☒ Letter: _____ Telegram: _____ Other: _____
To: The President
From: Marie L. ^XCrow, City Clerk, Fort Lauderdale, Florida
Date: May 3, 1966
Subject: Encloses a Resolution urging amendment of the Defense Materials System and Priorities to include priorities for municipalities for critical materials necessary for the protection of health and welfare of citizens

By direction of the President:

Clifford L. Alexander, Jr.
Deputy Special Counsel
to the President

(White House File Copy)

RECEIVED
MAY 5 1966
CENTRAL FILES



CITY OF FORT LAUDERDALE, FLORIDA

MARIE L. CROW, CITY CLERK

May 3, 1966

ca
The President
The White House
Washington 25, D. C.

Mr. President:

There is inclosed for your information copy of Resolution No. 66-120 described below, as passed and adopted by the City Commission of the City of Fort Lauderdale, Florida, on the 3rd day of May, 1966.

A RESOLUTION URGING THE FEDERAL GOVERNMENT
TO AMEND THE DEFENSE MATERIALS SYSTEM AND
PRIORITIES ESTABLISHED BY CONGRESS TO INCLUDE
A SYSTEM OF PRIORITIES FOR MUNICIPALITIES FOR
CRITICAL MATERIALS NECESSARY FOR THE PROTECTION OF HEALTH, WELFARE AND SAFETY OF CITIZENS.

Respectfully yours,

Marie L. Crow
City Clerk

MLC:fr
Incl. ✓

March 25, 1966

Mr. W. L. Geffney
Coast Foundry & Manufacturing Company
2700 East First Street
La Verne, California

Dear Mr. Geffney:

Thank you for your letter of March 22.

We appreciate your taking the time to give us your
ideas on this subject and we will look into them
immediately.

Sincerely,

Joseph A. Califano, Jr.
Special Assistant to the President

Nothing else sent to
Central Files as of 2/8/68
W.L.

GENERAL
CM/copper
ND4-3
CM/Plastic
BE4/Plumbing

(5)



U.S. DEPARTMENT OF COMMERCE
BUSINESS AND DEFENSE SERVICES ADMINISTRATION
WASHINGTON, D.C. 20230

OFFICE OF THE ADMINISTRATOR

GENERAL

ND4-3

CM/Copper

FB155

(8)

APR 11 1966

X
Mr. Wellington Manning
President
Local 3885
X United Steelworkers of America
A.F.L. - C.I.O.
Reading, Pennsylvania

Dear Mr. Manning:

This is in reply to your letters of March 28, 1966, to Assistant Secretary Trowbridge and Honorable Joseph A. Califano, Jr., Special Assistant to the President. Carbon copies of this letter have been sent to Mr. Edward Steffy, Mr. Richard Schearer, and Mr. Richard Bossler who signed the letters with you. Your letters indicated a concern that the Reading Metals Refining Corporation, Reading, Pa., may not receive a portion of the 200,000 tons of refined copper released from the national stockpile by President Johnson March 21, 1966, if distribution is made through the producers of refined copper.

The procedure for distributing the stockpile release has not yet been decided, but a decision should be reached in the next few days. Your thoughts on this problem are being given very careful consideration. We shall inform you of the distribution procedure as soon as it has been determined.

Sincerely yours,

(Sgd) Forrest D. Hockersmith

Forrest D. Hockersmith
Acting Administrator

cc:

Honorable Joseph A. Califano, Jr. ✓

1000 APR 15 AM 10 30
TOE CIVILIAN'S '78'
RECEIVED

Filed by Califano's Office 4/5/68

GENERAL

44-3

C. J. Goggin

4/1/53

U.S. DEPARTMENT OF COMMERCE

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

WASHINGTON, D.C. 20230



OFFICE OF THE ADMINISTRATOR

APR 11 1966

Mr. Wellington Manning
President

Local 3885

United Steelworkers of America

A.P.I. - C.I.O.

Reading, Pennsylvania

Dear Mr. Manning:

This is in reply to your letter of March 28, 1966, to Assistant Secretary Townsend and Honorable Joseph A. Califano, Jr., Special Assistant to the President. Copies of this letter have been sent to Mr. Edward Steffy, Mr. Richard Schaefer, and Mr. Richard Foster who signed the letters with you. Your letter indicated a concern that the Reading Metals Refining Corporation, Reading, Pa., may not receive a portion of the 200,000 tons of refined copper released from the national stockpile by President Johnson March 21, 1966. If distribution is made through the producers of refined copper.

The procedure for distributing the stockpile release has not yet been decided, but a decision should be reached in the next few days. Your thoughts on this problem are being given very careful consideration. We shall inform you of the distribution procedure as soon as it has been determined.

Sincerely yours,

(Sgd) Forrest D. Hockersmith

Forrest D. Hockersmith
Acting Administrator

1966 APR 12 AM 10 30

Honorable Joseph A. Califano, Jr.

RECEIVED
JOE CALIFANO, JR.

Filed by Califano's Office 4/20/66

3

McJ
File

United States Steel Corporation

1625 K Street, N.W.
Washington, D.C. 20006



GENERAL
LE/ND 4-3
ND 4-3

WILLIAM G. WHYTE
VICE PRESIDENT

May 4, 1966

The Honorable
W. Marvin Watson
Special Assistant to the President
The White House
Washington, D. C.

Dear Marvin:

You and Joe Califano certainly moved things rapidly for, as you probably know, Stu Symington held a subcommittee meeting today, is going to hold a full committee meeting tomorrow and the bill could well be through the Senate a day or two later. S. 28

The vanadium shortage is really critical so all of us in the steel industry are grateful to you for what you did to break loose the logjam.

Hope to see you soon.

Sincerely,

Bill

Nothing else sent to 5/13/66
Central Files as of

RECEIVED
MAY 5 1966
CENTRAL FILES

GENERAL

ND 4-3

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

OFFICE OF THE DIRECTOR

JAN 21 1966

Honorable Daniel B. Brewster
United States Senate
Washington, D. C. 20510

Dear Senator Brewster:

This is in further reply to your letter of January 5, 1966, to the Honorable Mike Manatos, Administrative Assistant to the President, regarding the quinine situation.

You have no doubt been informed by now that the Department of Defense has terminated the contract negotiations to which you referred. A press clipping based on the announcement of the termination is enclosed. The Defense Department is presently reviewing its current usage rates and will shortly request that they be met from the stockpile inventory.

Our interagency committee is continuing to sift a great deal of seemingly contradictory information with respect to the quinine-quinidine shortage. You may find of interest the notes on the January 18 meeting of the group prepared for me by the member of my staff who attended.

Please let me know if there is any further information I can furnish you.

Sincerely,



Franklin B. Dryden
Acting Director

Enclosures - 2

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

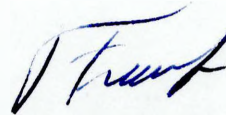
OFFICE OF THE DIRECTOR

JAN 21 1966

CONGRESSIONAL

MEMORANDUM FOR HONORABLE MIKE MANATOS
ADMINISTRATIVE ASSISTANT TO THE PRESIDENT

Attached is a copy of the correspondence I sent to Senator Daniel B. Brewster in further reply to his letter to you of January 5 which you forwarded to this Office.



Franklin B. Dryden
Acting Director

Enclosure

NO 4-3
1-11

RECEIVED
JAN 25 1966
CENTRAL FILES

Notes on meeting - Interagency Quinine Group - January 18, 1966

Two problems presented for committee comment:

1. Proposal for Ex-Im Bank loan to increase capacity of Indonesian Government processing plant.
2. Kasky proposal to build domestic processing plant to use Bolivian barks (50-100 tons monthly) at cost of \$1.3 million.

Commerce confirmed estimates of U.S. quinine and quinidine supply in 1965 at 1,100,000 ounces each--requirements at 1,500,000 and 1,000,000 respectively; about same balance in first half of 1966 and probably for entire year.

Noted that Indonesian Government processing plant operating at about 50% on Government plantation barks and apparently selling in world market at reasonable prices--but unable to control non-government bark supplies and unwilling to pay prices for bark asked by non-government growers. Indonesia recently indicated its quinine products would be sold on bid rather than fixed price list.

Commerce tabulation of world bark supplies indicates no drop in total supply--must conclude that bark traders are holding up supplies for higher prices and this action reflected in currently high prices of quinine and quinidine products.

Termination of military contract negotiation and probable call on stockpile noted--no market or price reaction yet noted.

Agriculture has seedling trees of type high in desirable quinidine which might be traded to Guatemalan plantations for long term growing--in return they might deliver current bark to a U.S. processor, esp. in U.S. Government were supporting same. Dr. Parks will write up for minutes and send copy to Office of Emergency Planning.

Group consensus was one of disinterest in Indonesian project in favor of establishment of a domestic processing plant, especially if it could be tied into a supply of Guatemalan bark with Agriculture's help.

P.S. Possibility of military procuring quinine in India with counterpart funds under P.L. 480, was raised; no one present familiar with details of such operation but it will be explored.

WALL ST. J.
1-14-66

Pentagon Drops Purchases Of Quinine; High Bids Cited

By a WALL STREET JOURNAL Staff Reporter

PHILADELPHIA—The Defense Personnel Support Center said it is canceling procurements of quinine and a related drug, quinidine, "due to unreasonable bid prices" and will obtain them from Federal stocks.

Quinine has been used heavily for treating malaria among U.S. troops in Vietnam. The drug has been in short supply, partly because some malaria strains apparently have developed resistance to the synthetic antimalarial drugs that largely replaced quinine after World War II.

The support center, a field activity of the Defense Supply Agency, had asked for bids on 291,000 ounces of quinine and 59,630 ounces of quinidine, used for treating irregular heartbeat in cardiac patients. Maj. Gen. Oliver C. Harvey, commander of the center, said future requirements for the drugs "will be satisfied from national stockpiles of bulk materials, which have sufficient stocks to meet all Government needs."

The agency didn't disclose the names of the bidders or the prices they quoted. A spokesman explained that the bids had been made in private negotiations, not in response to a public invitation for bids.

The shortage of quinine and quinidine has been aggravated in recent years by political unrest in Indonesia and the Congo, two big growers of cinchona bark, from which the drugs are extracted.

GENERAL ①

ND4-3

Con/Quinine

CONGRESSIONAL

January 11, 1966

Dear Dan:

Many thanks for your letter of January 5th supplementing your views on the quinine situation. I hope that we will be in a position to write you on this shortly.

With kind personal regards,

Sincerely,

Mike Manatos
Administrative Assistant
to the President

Honorable Daniel B. Brewster
United States Senate
Washington, D. C.

MM/ncza

Copy to :
Honorable Buford Ellington
Director
Office of Emergency Planning

RECEIVED
JAN 15 1966
CENTRAL FILES

RICHARD B. RUSSELL, GA., CHAIRMAN

JOHN STENNIS, MISS.
HARRY FLOOD BYRD, VA.
STUART SYMINGTON, MO.
HENRY M. JACKSON, WASH.
SAM J. ERVIN, JR., N.C.
HOWARD W. CANNON, NEV.
ROBERT C. BYRD, W. VA.
STEPHEN M. YOUNG, OHIO
DANIEL K. INOUE, HAWAII
THOMAS J. MCINTYRE, N.H.
DANIEL B. BREWSTER, MD.

LEVERETT SALTONSTALL, MASS.
MARGARET CHASE SMITH, MAINE
STROM THURMOND, S.C.
JACK MILLER, IOWA
JOHN G. TOWER, TEX.

United States Senate

COMMITTEE ON ARMED SERVICES

WILLIAM H. DARDEN, CHIEF OF STAFF
CHARLES B. KIRBOW, CHIEF CLERK

January 5, 1966

CARDED

JAN 13 1966

Mr. Mike Manatos
Administrative Assistant to the
President
The White House
Washington, D. C.

Dear Mike:

Since writing to the President on December 10th, regarding the shortage of quinine, I have continued to check on this situation which is of considerable concern to me.

From my contacts with the Office of Emergency Planning and the Department of Defense, it is my understanding that we currently have stockpiled approximately four million ounces of quinine. Last May, the Department of Defense borrowed 150,000 ounces from the stockpile - a sufficient quantity to meet the estimated needs of the Armed Forces for three years.

I have learned that the Department of Defense is currently negotiating to purchase over two hundred thousand ounces of quinine. This would be used to fill the needs of our Armed Forces, the Public Health Service, and the Veterans Administration. In addition, it would be used to repay the loan from the strategic stockpile.

In view of the fact that the wholesale price of quinine has increased from approximately \$.40 an ounce in early 1964 to over \$3.00 an ounce today due to factors of supply and demand and possible price speculation, I am concerned by the wisdom of the contemplated action by the Department of Defense.

*filed
Name file*

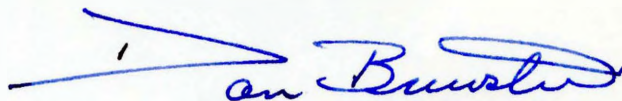
Mr. Manatos
Page two
January 5, 1966

As you know, the price of quinidine (a drug used by many elderly people who have suffered heart attacks) is directly related to the price of quinine. These people, many of whom are living on social security or small pensions, are being forced to pay triple the amount they paid a year ago for their medicine. This is obviously a much greater price increase than those the President has rightly opposed for copper, aluminum, or steel.

On the basis of the information I now have, it appears to me that the Department of Defense could continue to borrow from the stockpile during the current emergency without endangering our National Defense. If the Defense Department was not in the market to purchase large quantities of quinine, perhaps the prices of quinine and quinidine could at least be stabilized.

With appreciation for your interest in this matter and with kindest personal regards, I am

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Dan Brewster", with a long horizontal line extending to the left.

DANIEL B. BREWSTER
United States Senator

DBB:mdd

54A

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

OFFICE OF THE DIRECTOR

GENERAL
ND 4-3

JAN 18 1966

Honorable Pat McNamara
United States Senate
Washington, D. C. 20510

Dear Senator McNamara:

Your letter of January 7, 1966 to the President on the subject of copper has been referred to this Office for reply.

While the major U. S. copper producers are holding their prices of refined copper to 36 cents per pound, the custom smelters and refiners are compelled to sell at higher prices. They do not own copper mines in the U. S., but process raw materials and scrap for others, including foreign mine operators. The foreign producers will ship copper and copper bearing raw materials to the U. S. only if they can obtain the same price they would receive in Europe - presently 42 cents per pound. The speculative price on the London Metal Exchange recently reached 75 cents per pound.

Scrap purchased by custom smelters for conversion to refined copper presently costs more than refined copper. During 1965, refiners buying price for No. 2 copper scrap ranged from 30 cents per pound in January to 48 cents in mid-November. These materials prices, plus processing costs help to explain the higher prices charged for refined copper by the custom smelters.

Most brass mills are unable to fill their total needs for refined copper at 36 cents. It is necessary for them to purchase part of their requirements for refined copper at higher prices from custom smelters and from dealers who use the London Metal Exchange prices as their guide. In addition, the brass mills traditionally purchase a substantial amount of scrap in order to meet their total needs for raw materials.

While the Government is unable to compel the maintenance of the price line on all items it is trying to encourage major industry

Encl 1

Honorable Pat McNamara

- 2 -

groups to hold the line on the more important base materials so as to minimize any justification for price increases of manufactured items which use these base materials.

The Federal Government has relied on industry to keep prices of the most basic materials from rising above the levels of recent months. It has not, however, resorted to complete price controls of all commodities and manufactured goods as was done during World War II and the Korean emergency when priority and allocation controls were also in effect.

Some consideration is currently being given to the release of some additional copper.

If you have any further questions, I shall be happy to discuss them with you.

Sincerely,



Franklin B. Dryden
Acting Director

CONGRESSIONAL

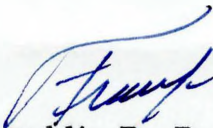
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF EMERGENCY PLANNING
WASHINGTON, D.C. 20504

OFFICE OF THE DIRECTOR

JAN 18 1966

MEMORANDUM FOR HONORABLE MIKE MANATOS
ADMINISTRATIVE ASSISTANT TO THE PRESIDENT

I am attaching a copy of my reply to Honorable Pat McNamara, as
requested in your route slip of January 13, 1966.


Franklin B. Dryden
Acting Director

Encl - 1

RECEIVED
JAN 20 1966
CENTRAL FILES

GENERAL

2

January 12, 1966

ND 4-3
CH/Copper
CONGRESSIONAL

Dear Senator:

May I acknowledge your letter of January 7 to the President urging the release of additional copper from the national stockpile. You also suggest the establishment of a priority system for the benefit of users of copper for educational purposes.

Your recommendations are appreciated, and are being referred to the appropriate officials for consideration.

Sincerely,

Mike Manatos
Administrative Assistant
to the President

Honorable Pat McNamara
United States Senate
Washington, D. C.

JL/sla

RECEIVED
JAN 13 1966
CENTRAL FILES

558 /
CONGRESSIONAL

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO Hon. Buford Ellington, Director

Office of Emergency Planning

PROMPT HANDLING IS ESSENTIAL.
WHEN DRAFT REPLY IS REQUESTED
THE BASIC CORRESPONDENCE MUST
BE RETURNED. IF ANY DELAY IN
SUBMISSION OF DRAFT REPLY IS
ENCOUNTERED, PLEASE TELEPHONE
OFFICE OF THE SPECIAL ASSISTANT.

Date January 13, 1966

FROM THE SPECIAL ASSISTANT

Sen. Pat McNamara

ACTION:

Comment

Draft reply for undersigned's signature

Direct reply, with information copy to undersigned

~~XXXXXXXX~~ Further reply, with information copy to undersigned

For background briefing on which to base
reply from this office

For appropriate handling

For your information

See below

Remarks:

gpo 761-436-h

By direction of the President:

~~XXXXXXXX~~ Lawrence P. O'Brien
~~XXXXXXXX~~ Special Assistant
~~XXXXXXXX~~ to the President

Mike Manatos

Administrative Assistant to the President

PAT MCNAMARA, MICH., CHAIRMAN

JENNINGS RANDOLPH, W. VA. JOHN SHERMAN COOPER, KY.
STEPHEN M. YOUNG, OHIO HIRAM L. FONG, HAWAII
EDMUND S. MUSKIE, MAINE J. CALEB BOGGS, DEL.
ERNEST GRUENING, ALASKA JAMES B. PEARSON, KANS.
FRANK E. MOSS, UTAH GEORGE MURPHY, CALIF.
LEE METCALF, MONT.
B. EVERETT JORDAN, N.C.
DANIEL K. INOUE, HAWAII
BIRCH BAYH, IND.
JOSEPH M. MONTOYA, N. MEX.
FRED R. HARRIS, OKLA.

RON M. LINTON, CHIEF CLERK AND STAFF DIRECTOR

United States Senate

COMMITTEE ON PUBLIC WORKS

January 7, 1966

CARDED

JAN 13 1966

MM
Honorable Lyndon B. Johnson
The White House
Washington, D. C.

Dear Mr. President:

I learn in consequence of an inquiry from a constituent that there is a great shortage of copper and that domestic users of copper are able to obtain on the average only two-fifths of their needs.

The inquiry came to me from a supplier of copper products needed in construction of certain specific school buildings. There is no priority for such construction, comparable to the priorities for defense, space and atomic energy needs.

I hope that it will be possible to release additional copper from the stockpile to help meet the current shortage and that thought can be given to assignment of some kind of priority to educational purposes.

With best wishes,

Sincerely,

Pat. McNamara

PAT. McNAMARA, U. S. S.

BROUGHT FORWARD

~~GENERAL~~

NJ 4-3

1/17/66

Previously filed

Date

NAME Sen Pat McNamara

ORGANIZATION _____

~~GENERAL~~

Same

1/18/66

New File Symbol

Date

FINAL ACTION DEP Dir. Dryden's

ack'g to Sen McNamara

ew 1 ✓
GENERAL
ND 4-3
cm/Aluminum
(2)
THE WHITE HOUSE OFFICE

REFERRAL

To: Director

Date: November 9, 1965

Office of Emergency Planning

ACTION REQUESTED

- ____ Draft reply for:
____ President's signature.
____ Undersigned's signature.

____ Memorandum for use as enclosure to reply.

☒ Direct reply.
____ Furnish information copy.

____ Suitable acknowledgment or other appropriate handling.
____ Furnish copy of reply, if any.

____ For your information.

____ For comment.

NOTE

Prompt action is essential.

If more than 48 hours' delay is encountered, please telephone the undersigned immediately, Code 1450.

Basic correspondence should be returned when draft reply, memorandum, or comment is requested.

REMARKS:

Description:

☒ Letter: ____ Telegram; Other:

To: Mr. Califano

From: Mrs. Floyd Bohn, 4911 Wigton, Houston, Texas 77035

Date: 11/3/65

Subject: Wants to know amount of government's stockpile of aluminum and how it's used.

By direction of the President:

Joseph A. Califano, Jr.
Special Assistant to the President

RECEIVED
NOV 10 1965
CENTRAL FILES

Send to
OEP for
response on
why

9, 1965

Nov. 3, 1965

Dear Mr. Califano,

I have read in the news-
paper of the government's
stockpile of aluminum.
How much does it have
and how is it used?

Thank you
Mildred Boker

E

delay is encountered,
resigned immediately,

be returned when draft
ment is requested.

um and how it's

JAC
Joseph A. Califano, Jr.
Special Assistant to the President

(Copy to remain with correspondence)

THE WHITE HOUSE OFFICE

GENERAL

ND4-3
00235

③

REFERRAL

To: **The Secretary of State**

Date: **October 26, 1965**

ACTION REQUESTED

- ☐ Draft reply for:
☐ President's signature.
☐ Undersigned's signature.
- ☐ Memorandum for use as enclosure to reply.
- ☐ Direct reply.
☐ Furnish information copy.
- ☒ Suitable acknowledgment or other appropriate handling.
☐ Furnish copy of reply, if any.
- ☐ For your information.
- ☐ For comment.

NOTE

Prompt action is essential.

If more than 48 hours' delay is encountered, please telephone the undersigned immediately, Code 1450.

Basic correspondence should be returned when draft reply, memorandum, or comment is requested.

REMARKS:

Description:

☐ Letter: ☒ Telegram; Other:

To: **The President**

From: **Raoul S. Bonnevie, Pres, Philippine Abaca Federation, Manila**

Date: **10/23/65**

Subject: **5 million Filipinos rejoice favorable terms of Abaca stockpile disposal law.**

By direction of the President:

RECEIVED
OCT 26 1965
CENTRAL FILES

Paul M. Popple
Assistant to the President

rah

(White House File Copy)

The White House
Washington

1965 OCT 24 AM 1-20

WN1 32 VIA RCA

MANILA 23 OCTOBER 1965 1206

THE PRESIDENT

THE WHITEHOUSE WASHINGTONDC

FIVE MILLION FILIPINOS REJOICE AND ACKNOWLEDGE WITH
GRATITUDE YOUR APPROVAL FAVORABLE TERMS OF ABACA STOCKPILE
DISPOSAL LAW WE SALUTE YOU

PHILIPPINE ABACA FEDERATION

RAOUL S V BONNEVIE PRESIDENT

PRINTED BY THE BUREAU OF PRINTING, WASHINGTON, D. C.

82/30

THE WHITE HOUSE OFFICE

GENERAL

ND 4-3

REFERRAL

To: **The Secretary of State**

Date: **September 9, 1965**

ACTION REQUESTED

- ☐ Draft reply for:
☐ President's signature.
☐ Undersigned's signature.
- ☐ Memorandum for use as enclosure to reply.
- ☐ Direct reply.
☐ Furnish information copy.
- ☒ Suitable acknowledgment or other appropriate handling.
☐ Furnish copy of reply, if any.
- ☐ For your information.
- ☐ For comment.

NOTE

Prompt action is essential.

If more than 48 hours' delay is encountered, please telephone the undersigned immediately, Code 1450.

Basic correspondence should be returned when draft reply, memorandum, or comment is requested.

REMARKS:

Description:

☒ Letter: ☐ Telegram; Other:

To: **The President**

From: **Raoul S. V. Bonnevie, Pres, Philippine Abaca Fed, Inc, Manila, Philippines**

Date: **9/3/65**

Subject: **Appre for opportunity given them to present views on our proposed disposal of U.S. abaca stockpile.**

rah

By direction of the President:

Nothing else sent to
Central Files as of 9/10/65

Paul M. Popple
Assistant to the President

(White House File Copy)

RECEIVED
SEP 9 1965
CENTRAL FILES

CABLE ADDRESS:
"PAFI" MANILA

Philippine Abaca Federation, Inc.
515 FCI Building, Dasmariñas
Room 411, 4th Floor, Dasmariñas, Davao del Sur, Philippines
MANILA, PHILIPPINES
— ★ —

TELEPHONES:
3-65-07
3-66-72
3-88-20

September 3, 1965

His Excellency
President Johnson B. Lyndon
White House
Washington D.C.
U.S.A.

Dear Mr. President:

In behalf of the Philippine Abaca Federation, Inc. and the Five Million Filipinos dependent on the abaca industry, I wish to express our appreciation for the opportunity given us by your government to present our views on your proposed disposal of United States abaca stockpile. Apprehensive about the decision of your government on the manner and rate of disposal of 97 Million pounds of United States abaca stockpile, we beg to appeal to you to extend your indispensable assistance during this crucial time for the abaca industry in the Philippines which threatens to cripple this 5th ranking industry in the Philippines and upon which about 1/6 of the total population of the Philippines depends for a livelihood.

Mr. President, last year your government decided to dispose of 47 Million pounds of your abaca stockpile. Our government after preliminary consultations with your officials finally dispatched a Philippine Abaca Mission to Washington D.C., led by our Secretary of Finance, Rufino Hechanova, and obtained a commitment from your government that the disposal of 47 Million pounds of abaca stockpile would be staggered over a period of eight to ten years. Subsequently however, the General Services Administration, proposed under United States Congress House Resolution No. 6852 to dispose your abaca stockpile at the rate of 9.5 Million pounds a year against our proposal of a maximum of five million pounds a year, and again quite recently, the United States Government has contemplated not only to dispose of the 47 Million pounds of abaca surplus in a shorter period of 5 years but also to dispose of an additional 50 Million pounds of abaca surplus. 97 Million pounds of abaca represents 173% of the total yearly export of abaca fiber to the United States.

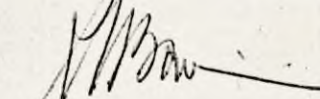
In the past, when the United States disposed of its stockpile of 21 Million pounds in 1954 and 1955, it resulted into a decrease in abaca prices of 22%. In 1955 to 1956 when your government dis-

R

posed of 22.7 Million pounds, it resulted into a price decrease of 15% and in 1959 to 1962 when the disposal was 20.6 Million pounds, the price decrease was 21.3%. It is not hard therefore, Mr. President, to imagine the disastrous effects which your proposed disposal would bring about to the Philippine economy not to mention the irritation it will bring to the good relations existing between our respective governments and the neutralizing consequences it will cause to your foreign aid program. As your staunchest ally in Asia, we feel America owe it to us to prevent the creation of situations which would adversely affect and cripple our economy.

May we hope for the same assistance your government extended us in the past in more trying times. With every good wish for the continued harmonious relationships between our governments and the ever increasing strength of democracy, we are

Very respectfully yours,



RAOUL S.V. BONNEVIE
President

Philippine Abaca Federation, Inc.
Director
Abaca Development Board

RSVB/flb

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO Director
Office of Emergency Planning

PROMPT HANDLING IS ESSENTIAL.
WHEN DRAFT REPLY IS REQUESTED
THE BASIC CORRESPONDENCE MUST
BE RETURNED. IF ANY DELAY IN
SUBMISSION OF DRAFT REPLY IS
ENCOUNTERED, PLEASE TELEPHONE
OFFICE OF THE SPECIAL ASSISTANT.

Date July 14, 1965FROM THE SPECIAL ASSISTANT

ACTION:

Comment _____

Draft reply _____

For direct reply _____

For your information _____

For necessary action _____

For appropriate handling ☒ _____

See below _____

Remarks:

Ltr to the P, 7/12/65, fm Alan L. Grant, Pres, Alan L. Grant Company, Inc.,
One Liberty Street, NYC 10005 -- urging no change be made in present
disposal program in re natural rubber stockpile.

rah
3

GPO 16-71204-2

By direction of the President:

CENTRAL FILES

Paul M. Popple
~~Douglass Cater~~
Special Assistant
to the President

GENERAL

ND 4-3

ST 7

May 3, 1965

Dear Governor Dempsey:

This is to acknowledge receipt of your recent telegram to the President regarding the release of twenty million pounds of copper from the government stockpile.

You will receive a reply within a short time.

Sincerely yours,

Hobart Taylor, Jr.
Associate Counsel
to the President

Honorable John Dempsey
Governor of the State of Connecticut
Hartford, Connecticut

HT/vp

4

RECEIVED
MAY 3 1965
CENTRAL FILES

Nothing else sent to
Central Files as of -----

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To remain with correspondence)

Date: May 3, 1965

TO: Mr. Buford Ellington, Director, Office of Emergency Planning

Prompt handling is essential. Correspondence should be answered or other necessary action taken within 48 hours after arrival at the department or agency. If any delay is encountered, please telephone office of the undersigned.

Please handle the attached correspondence as indicated below:

- A. Reply on behalf of the President
- B. Draft for presidential signature **X**
- C. Draft for undersigned's signature
- D. Other:
- (1) For background briefing on which to base reply from this office
- (2) For suitable acknowledgement or other appropriate handling
- (3) For your information
- (4) For comment

Furnish this office with a copy of your reply. Yes No

Return the original correspondence to this office. Yes **X** No

REMARKS:

Telegram to the President from Gov. John Dempsey, Hartford, Conn., requesting OEP to release 20 million pounds of copper from the government stockpile in compliance with request of Anaconda American Brass Co. 4/30/65.

Hobart Taylor, Jr.
Associate Counsel
to the President

GPO 16-70420-1

By direction of the President:

RECEIVED
MAY 4 1965
GENERAL FILES

March 12, 1965

(L)
PE 14/6X
ND 4-3
FG 240

Dear Mr. Gordon:

Your letter to the President dated February 22, 1965, and enclosure, regarding the diamond stockpile were referred to me. As I stated in my letter of April 22, 1964, there was then no basis upon which to support a further investigation. We have received no additional information since that time which could alter that conclusion.

Any question as to the termination of your employment in a reduction in force is within the jurisdiction of the Civil Service Commission, and the impartial advice and assistance of that agency are available to you.

Sincerely,

Lee C. White
Special Counsel to the President

Mr. Paul R. ^XGordon
788 Columbus Avenue
Suite 9-L
New York, New York 10025

①
GENERAL

LE/ND 4-3
ND 4-3

February 8, 1965

Dear Bill:

Thanks for sending along the copy of
S. 28 together with the Committee
Report on S. 2272

I understand that Sam Hughes in the
Budget Bureau has been talking with
you about the best means of getting
the Administration's views to the Senate
and that he was contemplating sending
a letter to you setting forth the Ad-
ministration's views.

Best regards,

Sincerely,

Lee C. White
Associate Special Counsel
to the President

x
Mr. William H. Darden
Committee on Armed Services
United States Senate
Washington, D. C.

gaj

COPY

GENERAL

LE/ND 4-3
ND 4-3

January 23, 1965

Mr. George Kramer, President
Local #5-152
Oil, Chemical and Atomic Workers
International Union
6762 Wise Avenue
St. Louis, Missouri 63139

Dear Mr. Kramer:

Thanks for your recent letter re the current industry shortage of lead and zinc.

The present law stipulates that even if the President of the United States, and the industry, and the Congress desire to sell surplus lead and zinc, the President nevertheless must wait six months.

This just doesn't make sense.

The quickest way for this surplus lead and zinc to be moved into industrial channels is for the American Mining Congress to get behind our proposed legislation in order that agencies in the Executive Branch of the Government may have the authority to move the stockpile surplus without delay and in business-like fashion.

With best wishes,

Sincerely,

^x
Stuart Symington

SS:ag

bcc: ~~Mr.~~ Lee White

Lee: Hope this might be of some use.

700
CONGRESSIONAL

GENERAL

ND4-3

cmf
Kupper

December 21, 1964

Dear Senator:

The President has asked me to reply to your letter of December 14 in which you endorsed Senator Mansfield's proposal that 100,000 tons of copper be made available to the industry from federal stockpiles on a loan basis. As I am sure you know, the Director of the Office of Emergency Planning announced last week that an additional 20,000 tons of copper from the Defense Production Act stockpile would be sold in an effort to alleviate some of the current supply pressures that have kept prices artificially high.

The specific suggestion of loans to the industry from government stockpiles has been referred to appropriate government agencies with the request that they explore the matter fully and promptly and be in a position to make recommendations early next year.

Obviously, your concern and interest in this matter are appreciated and I can assure you of the desire of the executive branch to be helpful to this important segment of the economy.

Sincerely,

Lee C. White
Associate Special Counsel
to the President

X
Honorable Abraham Ribicoff
United States Senate
Washington, D. C.

RECEIVED
DEC 29 1964
CENTRAL FILES

Thru: Mr. O'Brien

CONGRESSIONAL

December 15, 1964

Dear Senator:

For the President, may I acknowledge your letter of December 14 recommending that up to 100,000 tons of copper from Federal stockpiles be lent to copper producers for one year.

Your letter is receiving consideration, and will be responded to more fully in the near future.

Sincerely yours,

Lawrence F. O'Brien
Special Assistant
to the President

Honorable Abraham Ribicoff
United States Senate
Washington, D. C.

jl/jf

RECEIVED
DEC 29 1964
CENTRAL FILES

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO Honorable Edward A. McDermott

Director

Office of Emergency Planning

**PROMPT HANDLING IS ESSENTIAL.
WHEN DRAFT REPLY IS REQUESTED
THE BASIC CORRESPONDENCE MUST
BE RETURNED. IF ANY DELAY IN
SUBMISSION OF DRAFT REPLY IS
ENCOUNTERED, PLEASE TELEPHONE
OFFICE OF THE SPECIAL ASSISTANT.**

Date December 15, 1964

FROM THE SPECIAL ASSISTANT

Ltr fr: Sen. Abraham Ribicoff

ACTION:

Comment _____
of further

Draft/reply XX

For direct reply _____

For your information _____

For necessary action _____

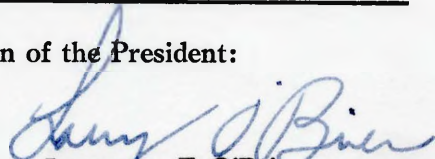
For appropriate handling _____

See below _____

Remarks: _____

GPO 16-71264-2

By direction of the President:


Lawrence F. O'Brien
Special Assistant
to the President

EMERGENCY PLANNING
OFFICE

DEC 16 10 53 AM '64

DELIVERED
OFFICE

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

PROMPT HANDLING IS ESSENTIAL.
WHEN DRAFT REPLY IS REQUESTED
THE BASIC CORRESPONDENCE MUST
BE RETURNED. IF ANY DELAY IN
SUBMISSION OF DRAFT REPLY IS
ENCOUNTERED, PLEASE TELEPHONE
OFFICE OF THE SPECIAL ASSISTANT.

TO Honorable Edward A. McDermott

Director

Office of Emergency Planning

Date December 15, 1964

Letter from: Sen. Abraham Ribicoff

FROM THE SPECIAL ASSISTANT

ACTION:

See below _____
For appropriate handling _____
For necessary action _____
For your information _____
For direct reply _____
Draft reply XX _____
Comment of further _____

Remarks: _____

By direction of the President:

Lawrence F. O'Brien
Special Assistant
to the President

OFFICE OF
EMERGENCY PLANNING

Dec 16 10 27 AM '64

WASHINGTON, D.C.
OFFICE OF
EMERGENCY PLANNING

3

HARRY FLOOD BYRD, VA., CHAIRMAN

RUSSELL B. LONG, LA.
GEORGE A. SMATHERS, FLA.
CLINTON P. ANDERSON, N. MEX.
PAUL H. DOUGLAS, ILL.
ALBERT GORE, TENN.
HERMAN E. TALMADGE, GA.
EUGENE J. MCCARTHY, MINN.
VANCE HARTKE, IND.
J. W. FULBRIGHT, ARK.
ABRAHAM RIBICOFF, CONN.

JOHN J. WILLIAMS, DEL.
FRANK CARLSON, KANS.
WALLACE F. BENNETT, UTAH
CARL T. CURTIS, NEBR.
THRUSTON B. MORTON, KY.
EVERETT MCKINLEY DIRKSEN, ILL.

ELIZABETH B. SPRINGER, CHIEF CLERK

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, D. C.

December 14, 1964

CARDED

DEC 15 1964

The President
The White House
Washington, D. C.

Dear Mr. President:

The current copper shortage is of grave concern to the State of Connecticut. Our copper and brass industry, which employs thousands of workers and is a vital cog in the economy of the state, is plagued by high copper prices resulting from the present shortage.

Representing the State that is the Nation's leading producer of brass mill products, I want to join with Senator Mansfield, whose state is a major copper producer, in urging you to give careful consideration to the proposal to lend copper producers up to 100,000 tons of copper from Federal stockpiles for one year. I will join Senator Mansfield in sponsoring the necessary legislation to ease the copper shortage.

Unless action is taken permitting the copper and brass industry to operate at greater volume, we will be faced with sharp production cutbacks resulting in defaults on industry defense contracts and high unemployment. It is imperative that this be avoided.

This proposal would relieve the situation and at the same time protect the national interest in case of emergency. I urge your favorable consideration of it.

My best wishes.

Sincerely,



Abraham Ribicoff

THE WHITE HOUSE

Dec 15 9 28 AM '64

RECEIVED

RECEIVED

DEC 15 1964

The President
The White House
Washington, D. C.

Dear Mr. President:

The current copper shortage is of grave concern to the State of Connecticut. Our copper and brass industry, which employs thousands of workers and is a vital cog in the economy of the state, is plagued by high copper prices resulting from the present shortage.

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Unless action is taken permitting the copper and brass industry to operate at greater volume, we will be faced with sharp production cutbacks resulting in deficits on industry defense contracts and high unemployment. It is imperative that this be avoided.

This proposal would relieve the situation and at the same time protect the national interest in case of emergency. I urge your favorable consideration of it.

My best wishes.

Sincerely,



Abraham Ribicoff

W

December 21, 1964

CONGRESSIONAL
GENERAL

ND4-3

CM/Copper

Dear Congressman:

For the President, may I acknowledge your letter of December 17 commending the decision made by the Director of the Office of Emergency Planning to release for sale 20,000 tons of copper from the Defense Production Act stockpile. The President has asked me to thank you for your expression of appreciation for this action.

Sincerely yours,

Lawrence F. O'Brien
Special Assistant
to the President

X
Honorable James Harvey
House of Representatives
Washington, D. C.

jl/az

RECEIVED
DEC 29 1964
CENTRAL FILES

3
JAMES HARVEY
8TH DISTRICT, MICHIGAN

1626 LONGWORTH OFFICE BUILDING
TELEPHONE: CAPITOL 4-3121, EXT. 2806

COMMITTEES:
BANKING AND CURRENCY
PUBLIC WORKS

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

December 17, 1964

DISTRICT OFFICES:
1232 NORTH MICHIGAN
SAGINAW, MICHIGAN
752-8172

409 FORT
PORT HURON, MICHIGAN
982-0591

RECEIVED
DEC 21 1964

CARDED

The Honorable Lyndon B. Johnson
The President
The White House
Washington, D. C.

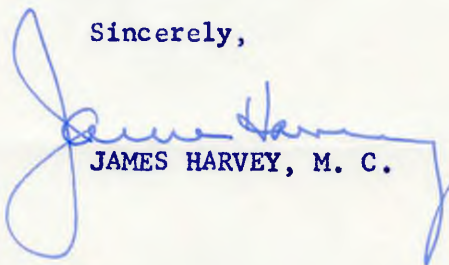
Dear Mr. President:

I have just learned that, with your approval, Edward A. McDermott, Director, Office of Emergency Planning, has authorized the sale to the copper industry of 20,000 tons of copper from the Defense Production Act inventory.

May I take this opportunity to express my deep appreciation for this vital action which should aid materially in easing the critical shortage of copper available to the industry.

Thank you, and with all good wishes,

Sincerely,


JAMES HARVEY, M. C.

JH:ja

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC WARFARE
WASHINGTON, D. C. 20513
OFFICE OF THE DIRECTOR
ATTENTION: ASSISTANT SECRETARY
FOR ECONOMIC WARFARE

JAMES HARVEY
FOR DIRECTOR, BUREAU OF
ECONOMIC WARFARE
UNITED STATES DEPARTMENT OF
COMMERCE
WASHINGTON, D. C. 20513
OFFICE OF THE DIRECTOR
ATTENTION: ASSISTANT SECRETARY
FOR ECONOMIC WARFARE

Congress of the United States

THE WHITE HOUSE

DEC 18 9 29 AM '64

RECEIVED

December 17, 1964

DEC 18 1964
CARD

The Honorable Lyndon B. Johnson
The President
The White House
Washington, D. C.

Dear Mr. President:

I have just learned that, with your approval, Howard A. McKeown, Director, Office of Emergency Planning, has authorized the sale to the copper industry of 20,000 tons of copper from the Defense Production Act inventory.

May I take this opportunity to express my deep appreciation for this vital action which should aid materially in easing the critical shortage of copper available to the industry.

Thank you, and with all good wishes,

Sincerely,

JAMES HARVEY, H. C.

JH:ja

Tw/m
CONGRESSIONAL
GENERAL

ND4-3

cm/copper

December 16, 1964

Dear Senator:

The President has asked me to reply to your letter of December 9 regarding the current copper situation and suggesting consideration be given to various means of remedying the situation.

As I am sure you know, the Director of the Office of Emergency Planning announced that an additional 20,000 tons of copper from the Defense Production Act stockpile will be sold thereby alleviating some of the current pressures that have kept prices artificially high. According to information we have received from OEP, there are only 6,000 remaining tons which could be sold without authorizing legislation.

The specific suggestion of loans to the industry from government stockpiles made in your letter has been referred to the appropriate government agencies with the request that they explore the matter fully and promptly and be in a position to make recommendations early next year.

You know, of course, of the President's desire to be helpful in connection with this segment of the economy, and I can assure you of corresponding interest in the Executive departments and agencies.

Sincerely,

Lee C. White
Associate Special Counsel
to the President

X
Honorable Mike Mansfield
United States Senate
Washington, D. C.

bc: Mr. Edward McDermott
Mr. Gardner Ackley
Mr. Wm. Capron

} sent

4
LBJ/LCW/leb

RECEIVED
DEC 17 1964
CENTRAL FILES

MIKE MANSFIELD
MONTANA

United States Senate
Office of the Majority Leader
Washington, D.C.

DEC 17 1964

CARDED

December 9, 1964

The President
The White House
Washington, D. C.

Dear Mr. President:

I am enclosing a letter which early this year I sent to Mr. Edward McDermott, Director of the Office of Emergency Planning, relative to the copper situation. I am also enclosing a reply received from Mr. McDermott in which he points out that he intends to release 30,000 additional short tons of copper to the Mint for the minting of coins. This will make a total of 70,000 tons over the past year or so that the Office of Emergency Planning has released to the Mint for this purpose. This is all to the good because otherwise the Mint would have gone into the open market where the supply is short and it would have made an extremely difficult situation that much more dangerous.

This brings me to the point that I want to emphasize and that is that the market reserve of copper, which at the present time amounts to something on the order of 58,000 short tons (and I think is exaggerated), is declining. Unless this situation is attended to very shortly a situation could be created which could well disrupt the copper economy of the nation. As one who worked in the copper mines of Montana for nearly ten years, I have a very firsthand knowledge of what occurs when there is instability of price, production and employment. I want to say at this point that in my opinion the copper producers of this country have held the line of the price structure extremely well so that copper has been selling between 30¢ - 34¢ over the past several years, whereas, according to information which has come to me, sales in fairly substantial quantities considering the actual reserve in the factories have been made at between 63¢ - 65¢ in New York to the end users. In the London market, which incidentally plays a part out of all proportion to its real significance in the field, it has been selling at approximately the same price.

The President
Page Two
December 9, 1964

To maintain stability in the copper economy it would be my hope that the government, through your office and the Office of Emergency Planning, which is directly under you, would be able to consider the possibility of a loan from the National Stockpile of somewhere around 100,000 tons to the primary producers to cover a period no longer than one year and to make it imperative that should an emergency arise this loan could be recalled within a 30 to 60 days period. In that way, I am hopeful that consideration of my suggestion for the loan of copper to the nation's primary copper producers can be developed consistent with the national security interests of the United States.

I do not know just exactly what the Administration can do but I think it is only fair to state that in view of the situation that has developed and under the law as it now exists, it is my intention to introduce legislation at the beginning of the next Congress to bring about the release of the above specified amounts of copper on a loan basis to the industry to the end that stability in employment, production and price can be maintained. This would be in accord with your announced economic objectives to hold the line because if something of this nature is not done the price of copper may well sky-rocket. If the price of copper gets out of hand, it can affect other segments of the economy, bring about the use of substitutes for copper and, in my opinion, badly damage the economy of the country.

It appears to me that some of these end users of copper, especially in the communications field, who now are paying prices well above the market for some of their copper, are entitled to protection. Furthermore, some of the fabricating plants in the nation are reducing their personnel because of the prices they must pay and the present shortages. The communications industry, as you well know, is vital to our national defense posture.

If the above suggestions could be given your most earnest and immediate consideration I believe the end result would be in accordance with your objectives, would stabilize the economy and would tide us over the period necessary to allow the industry to increase production of copper to make up the lag which now exists and which has been accentuated due to the speculation and trading at exorbitant prices.

Most respectfully,

Mike Mansfield

Enclosures

COPY

EXECUTIVE OFFICE OF THE PRESIDENT

Office of Emergency Planning
Washington, D.C.

October 22, 1964

Honorable Mike Mansfield
United States Senate
Washington, D. C. 20510

Dear Senator Mansfield:

This is in further reply to your letter of October 7, 1964, in which you suggested the release, through the regular producers, of 50,000 short tons of copper from the Government stockpile in order to keep the price from getting out of hand and to maintain the stability of the copper economy.

We have kept close watch over recent developments in the copper market and have reviewed this situation with other Federal agencies and representatives of the copper producing and consuming industries.

As I indicated in my letter of October 13, we have given further serious and close attention to this matter. After reviewing all aspects of the situation, I feel, for the reasons indicated below, that we should not sell copper through commercial channels from the Government stockpile at this time.

As of June 30, 1964, the Government inventories of copper amounted to a little over 1,100,000 short tons, including about 96,000 short tons in the Defense Production Act inventory. The recently established conventional war stockpile objective for copper is 775,000 short tons. Thus, based solely on conventional war needs, there is an identified surplus in inventory.

The present identified surplus, however, does not take into account possible needs for nuclear war and postattack reconstruction. Studies to determine these needs are under way but will not be completed for some time. Preliminary estimates indicate that copper will be an extremely important material in the postattack period, that the post-attack demand for copper will be substantially larger than that required for conventional war, and that the nuclear war stockpile objective for this material may well be greater than the present total inventory.

COPY

-2-

Honorable Mike Mansfield

I fully appreciate and share your concern about the price situation in copper, but I believe the commercial sale of copper from the DPA inventory to alleviate this situation would be a doubtful course to take.

In connection with the request made in your letter, I do however want to take this opportunity to apprise you of steps I have taken to assist the Bureau of the Mint. As you know, the Bureau of the Mint uses a substantial amount of copper which, in years past, it secured in the market under bid procedures. Since March 1960, we have authorized the release of a total of 77,000 short tons of copper from the DPA inventory for direct Government use. Almost all of this has been for the Mint. Twenty thousand tons of this total have been authorized since May 1964 when the current copper situation was beginning to make itself felt.

The Director of the Mint has recently requested the release of an additional 30,000 tons of copper. We have carefully considered this request, and we feel that by this intragovernment sale we are not only assisting the Bureau of the Mint in obtaining copper to fulfill its important Government program but we are incidentally relieving the Bureau of the necessity of using its only alternate source of supply--the open market--with consequent pressure on supply and price. This authorization, which I have made today (copy enclosed), will raise to 50,000 short tons the amount of copper which will have been released to the Mint from the DPA inventory since May 1964.

If you have any further questions on this subject, I should be happy to discuss them with you.

Sincerely,

Edward A. McDermott
Director

Enclosure

MIKE MANSFIELD
MONTANA

United States Senate
Office of the Majority Leader
Washington, D.C.

October 7, 1964

Honorable Bernard L. Boutin
Administrator
General Services Administration
Washington, D. C.

Dear Bernie:

I am enclosing herewith a letter which I have just sent to Ed McDermott, Director, Office of Emergency Planning, on the copper situation, and in which I recommend that the Government release 50,000 tons of copper from its stockpile.

In view of the fact that this copper was purchased by the Government for around 20¢ per pound, and selling in the United States market at 34¢ per pound at this time, it is my belief that under the conditions outlined in would be good for the economy of copper, stabilize employment, and prevent speculation, and at the same time return a very handsome profit to the Government.

I would appreciate your discussing this with Ed McDermott, and kindly ask that you give this matter your most serious and personal attention.

With best personal wishes, I am

Sincerely yours,

Enclosure

MIKE MANSFIELD
MONTANA

United States Senate
Office of the Majority Leader
Washington, D.C.

October 7, 1964

Honorable Edward A. McDermott
Director
Office of Emergency Planning
Executive Office Building
Washington, D. C.

Dear Ed:

I have been thinking over the copper situation in view of the fact that prices are gradually creeping up, and the possible further price increase based on the recent election in Chile. I am also keeping in mind that there is a shortage of copper at the moment and the prospects for overcoming that shortage do not seem too good at present. It is my understanding that the price of copper in the London market as of today is 54¢ per pound, whereas in the United States the price is 34¢ per pound.

I am, therefore, suggesting that you consider the release of 50,000 tons of copper from the Government stockpile, through the regular producers, so that the price will not get out of hand and the stability of the copper economy is maintained. As you know, we have gone through the ups and downs of the copper market based on the price of copper for many years now and I believe the best way to handle the situation at this time is to keep this segment of economy stable, therefore assuring continued employment to those who are engaged in the copper industry.

Again may I say that this is a matter of utmost importance and it is my very strong belief that the Government should sell 50,000 tons of copper from its stockpile, which it purchased at 20¢ per pound, and which it could now sell for 34¢ per pound, thus realizing a favorable profit for the Government. I would emphasize, though, that any release of this kind should be done through the regular copper producing companies so that such a release, if granted, would not fall into the hands of speculators and thereby make the situation more unstable than it is at the present time.

Will you please give this matter your most serious and personal attention, and let me have your views on it.

COPY

Honorable Edward A. McDermott

Page 2

October 7, 1964

With best personal wishes, I am

Sincerely yours,

P. S. I am sending a copy of this letter to Bernie Boutin, Administrator of General Services Administration which has control of the Government stockpile, but, I understand, has to receive approval from the Office of Emergency Planning before it is in a position to do anything.

Regards,

M.M.

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

GENERAL
Cm/Copper
ND4-3

TO Director
Office of Emergency Planning

PROMPT HANDLING IS ESSENTIAL.
WHEN DRAFT REPLY IS REQUESTED
THE BASIC CORRESPONDENCE MUST
BE RETURNED. IF ANY DELAY IN
SUBMISSION OF DRAFT REPLY IS
ENCOUNTERED, PLEASE TELEPHONE
OFFICE OF THE SPECIAL ASSISTANT.

Date December 15, 1964

FROM THE SPECIAL ASSISTANT

ACTION:

Comment _____

Draft reply _____

For direct reply _____

For your information _____

For necessary action _____

For appropriate handling X _____

See below _____

Remarks: _____

RECEIVED
DEC 15 1964
CENTRAL FILES

Tele to the P, 12/14/64, fm T. E. By direction of the President:
X Veltfort, Secy, X Copper and Brass Fabricators,
Emergency Committee, 225 Park Avenue, Rm 315, New York, N. Y. --
brass mill industry supports Sen. Mansfield's proposal for Cong. authority for loan
of 100,000 tons of copper fm Govt's stockpile to relieve acute shortage; industry
requests P's appvl of action proposed to prevent further cuts by mills in their production.
Douglass Cater
Special Assistant
to the President

rah - 2

EF 12/13

GENERAL

ND 4-3

②

U. S. DEPARTMENT OF COMMERCE
BUSINESS AND DEFENSE SERVICES ADMINISTRATION
WASHINGTON 25, D. C.

LG/Port Huron/PR14

OFFICE OF THE ADMINISTRATOR

NOV 27 1964

City Commission
City of Port Huron
Michigan

Attention: Mr. Robert X Krenke
City Clerk

Gentlemen:

The White House has referred to this Department for reply the Resolution of November 9, 1964, by the City Commission of the City of Port Huron, urging the release of copper from Government inventories.

The responsibility for the stockpile program, both as to the establishment of stockpile levels and release of excess stockpile materials, rests with the Office of Emergency Planning. The Department of Commerce acts as an advisor to the Office of Emergency Planning in these matters.

There are now approximately 1,046,500 tons of copper in Government stockpiles. Of this total, 1,020,000 tons are in the national stockpile and 26,500 tons in the Defense Production Act inventory. A determination has been made by the Office of Emergency Planning that the 1,020,000 tons in the national stockpiles exceeds the stockpile objective by about 245,000 tons. This was based solely on a conventional type war and did not take into account a nuclear war and post-nuclear reconstruction. Studies of these needs are under way but will not be completed for some time. Preliminary estimates indicate that copper will be an important material during such a period, and requirements may be substantially larger than that required for conventional war. The nuclear war stockpile objective for copper is therefore likely to be greater than present total inventory.

Accordingly, we have been advised by OEP that as a matter of national security no plans for the release and sale of copper in Government inventories will be considered until it is determined that a surplus exists over and above the total mobilization needs.

We appreciate the problem which faces copper consumers at this time. However, the 1965 situation is expected to show marked improvement in several respects. Absence of strikes should improve the supply of metal from domestic sources. Adequate supplies of foreign ores and increased

Nothing else sent to
Central Files as of 12/3/64

RECEIVED
DEC 1 1964
CENTRAL FILES

availability of scrap are anticipated. Total supplies of refined copper and scrap are expected to be sufficient to meet increased consumption and permit some buildup in stocks.

Sincerely yours,
Original signed by
GEORGE DONAT

George Donat
Administrator

cc: Mr. Hobart Taylor, Jr.
White House Office

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To remain with correspondence)

ND 4-3
11/27

Date: November 19, 1964

TO: Mr. Peter Jones, Department of Commerce

Prompt handling is essential. Correspondence should be answered or other necessary action taken within 48 hours after arrival at the department or agency. If any delay is encountered, please telephone office of the undersigned.

Please handle the attached correspondence as indicated below:

- A. Reply on behalf of the President ☐
- B. Draft for presidential signature ☐
- C. Draft for undersigned's signature ☐
- D. Other:
 - (1) For background briefing on which to base reply from this office ☐
 - (2) For suitable acknowledgement or other appropriate handling ☒
 - (3) For your information ☐
 - (4) For comment ☐

Furnish this office with a copy of your reply. Yes ☒ No ☐

Return the original correspondence to this office. Yes ☐ No ☒

REMARKS: Resolution by the City Commission, City of Port Huron, Michigan, urging the Federal Government to release the amount of copper declared to be in excess of emergency holdings in the interest of continued prosperity and citizens welfare.

Sent to the President - 11/9/64 - by Robert Krenke, City Clerk.

GPO 16-70420-1

By direction of the President:

Hobart Taylor, Jr.
Associate Counsel
to the President

RECEIVED
NOV 21 1964
CENTRAL FILE

RD
E.W.

GENERAL

3
3

ND 4-3
CU/Copper

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO Director
Office of Emergency Planning

PROMPT HANDLING IS ESSENTIAL.
WHEN DRAFT REPLY IS REQUESTED
THE BASIC CORRESPONDENCE MUST
BE RETURNED. IF ANY DELAY IN
SUBMISSION OF DRAFT REPLY IS
ENCOUNTERED, PLEASE TELEPHONE
OFFICE OF THE SPECIAL ASSISTANT.

Date October 23, 1964

FROM THE SPECIAL ASSISTANT

ACTION: Comment _____
Draft reply _____
For direct reply X _____
For your information _____
For necessary action _____
For appropriate handling _____
See below _____

Remarks: _____

GPO 16-71264-2

Tele to the P, 10/22/64, fm Robert W.
Hawkinson, President, Belden Mfg. Co,
Chicago, Illinois -- recommend release from U.S.
stockpile of 75,000 to 100,000 tons of copper to
stabilize market and prevent increases in dealers

By direction of the President:

Ralph A. Dungan
Special Assistant
to the President

prices which are now in excess of 26¢ per lb. above current level of operation;
without some relief will be forced to reduce employment level in Chicago plant.

4
rah

RECORDED
OCT 24 1964
CENTRAL FILE

The White House
Washington

1964 OCT 22 PM 1 30

WA182 (TLX091) THIS MESSAGE RECEIVED DIRECT FROM SENDER
VIA WU TELEX PD

TLX CHICAGO ILL 22 116P EDT

THE PRESIDENT

THE WHITE HOUSE

MR. PRESIDENT:

WITH DOMESTIC PRODUCERS UNABLE TO SUPPLY ENOUGH COPPER TO MEET
CUSTOMER REQUIREMENTS NECESSITATING GREATER THAN NORMAL IMPORTS
AND WITH EUROPEAN PRICES ABOVE DOMESTIC DEALER PRICES CAUSING
FOREIGN PRODUCED COPPER TO FLOW TO THE EUROPEAN MARKET, WE
STRONGLY RECOMMEND THE IMMEDIATE RELEASE FROM THE UNITED

STATES STOCKPILE OF 75,000 TO 100,000 TONS. THIS WILL HELP
STABILIZE A VERY SENSITIVE MARKET AND PREVENT FURTHER INCREASES
IN DEALER PRICES WHICH ARE NOW IN EXCESS OF 26 CENTS PER POUND
ABOVE THE CURRENT PRODUCER PRICE OF 34 CENTS. WE ARE UNABLE
TO MAINTAIN OUR CURRENT LEVEL OF OPERATION AT THESE PRICES
AND WITHOUT SOME RELIEF WILL BE FORCED TO REDUCE THE
EMPLOYMENT LEVEL IN OUR CHICAGO, ILLINOIS PLANT

ROBERT W HAWKINSON PRESIDENT BELDEN MFG CO.

PRINTED BY THE STANDARD REGISTER COMPANY, S. S. A.

478
GENERAL SERVICES ADMINISTRATION



GENERAL
ND 4-3
LE/ND 4-3
Defense Materials Service
Washington 25, D.C.

SEP 4 1964

IN REPLY REFER TO:

- Honorable John B. ^XAnderson
House of Representatives
Washington, D. C. 20515

CONGRESSIONAL

Dear Mr. Anderson:

Your letter of August 13 to the President concerning the management of the national stockpile of strategic and critical materials has been referred to the General Services Administration for direct reply.

The basic law under which the national stockpile is being maintained--the Strategic and Critical Materials Stock Piling Act (Public Law 520, 79th Congress)--provides for the acquisition and retention of stocks of strategic and critical materials for use in time of national emergency in such quantities as are determined by the Office of Emergency Planning.

The nature, quality, and quantity of materials needed for stockpiling purposes are affected by many factors, among which are advances in industrial technology, changes in supply-demand patterns, changes in weaponry, and revision of mobilization plans. In recognition of the effect which changing conditions might have on the stockpile, and the fact that surplus materials would be created thereby, Section 3(e) of the Stock Piling Act provides for the disposal, with certain safeguards and controls, of any materials held under the Act which are no longer needed because of revised determinations made by the Office of Emergency Planning. The Act provides that no disposals shall be made until six months after publication in the Federal Register and transmission of a notice of the proposed disposition to the Congress and to the Armed Services Committee of each House. The Act further requires that, except for obsolescent materials, no disposal shall be made without the express approval of the Congress.

In the early part of 1962, the President called for a review of the stockpile program, particularly with regard to the \$4 billion in surpluses carried in

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SEP 10 1964
CENTRAL FILES

stockpile inventories. As you are undoubtedly aware, this review was conducted by the Subcommittee on the National Stockpile and Naval Petroleum Reserves of the Armed Services Committee of the Senate headed by Senator Symington. At the same time, the President directed the administration to review the policies, programs, and goals of the stockpile, particularly with reference to the huge surpluses of strategic and critical materials, and, in early February 1962, the President appointed the Executive Stockpile Committee, chaired by the Director of the Office of Emergency Planning, to carry out this review.

The Executive Stockpile Committee made a thorough investigation of the problem and, on January 16, 1963, filed a report in which 14 recommendations were made to the President. On the subject of stockpile disposals, the Committee recommended that long-range disposal programs be prepared for each of the surpluses involved, and laid down certain general policies and criteria for the development of such programs. The President approved the recommendations made by the Executive Stockpile Committee, and procedural machinery has been set up in the executive branch to review the surpluses on a commodity-by-commodity basis. Individual disposal programs are being developed by the General Services Administration in consultation with other interested agencies, and appropriate consultation is being undertaken with the affected interests in our domestic industry as well as with friendly foreign governments concerned. Prior notice of proposed disposals is given to the appropriate committees of the Congress and the public. In implementing disposal programs, GSA works closely with industry to develop workable sales procedures and to insure that disposals are carried out as nearly as possible in accordance with trade practices. Market conditions are watched very carefully to assure that disposals are being made from the stockpile with minimum market impact and with due regard to the protection of the Government's interests.

Many changes have taken place in defense planning, and requirements as well as in economic conditions and other areas affecting the stockpile since the laws currently governing the stockpile were enacted. The job of managing the Government's nearly \$9 billion stockpile is a complex task and has been drastically affected by these changes. The stockpile is presently carried in four different inventories. As matters stand today, the management of these inventories must be carried out under the provisions of three separate acts of Congress, each of which provides different and sometimes conflicting requirements and limitations. There is, therefore, an urgent need for new legislative authority which will permit coordinated management of the several inventories and provide the necessary flexibility for timely and effective actions in the matter of disposing of the surpluses of strategic and critical materials. The

Government should be able to move promptly to take advantage of fast developing economic situations which provide frequent opportunities to move excesses into industry channels to the mutual benefit of the Government and industry.

Senator Symington has introduced a bill, S. 2272, aimed at modernizing the present stockpiling legislation while at the same time retaining appropriate Congressional safeguards and controls. S. 2272 provides the President with the necessary authority to act promptly and effectively in acquiring, rotating, upgrading, and disposing of strategic and critical materials in a manner which will best serve the overall interests of the Government. We believe that this legislation will permit more economical and more effective management of the nation's important and strategically vital stockpiles of strategic and critical materials, and will, at the same time, enable the Government to reduce the surpluses of such materials in an orderly and proper manner.

Sincerely yours,

(Signed) Maurice J. Connell

Maurice J. Connell
Commissioner

cc: Honorable Lawrence F. O'Brien

GENERAL SERVICES ADMINISTRATION



Defense Materials Service
Washington 25, D.C.

AUG 28 1964

IN REPLY REFER TO:

Honorable Lawrence F. O'Brien
Special Assistant to the President
The White House
Washington, D.C. 20501

Dear Mr. O'Brien:

In accordance with your request of August 17, 1964, enclosed is a proposed draft reply to the letter of August 13 from the Honorable John B. Anderson, regarding the management of the stockpile program.

Sincerely yours,

(Signed) Maurice J. Connell

Maurice J. Connell
Commissioner

Enclosures 2

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO Mr. Maurice J. Connell
Commissioner
Defense Materials Service
General Services Administration

PROMPT HANDLING IS ESSENTIAL.
WHEN DRAFT REPLY IS REQUESTED
THE BASIC CORRESPONDENCE MUST
BE RETURNED. IF ANY DELAY IN
SUBMISSION OF DRAFT REPLY IS
ENCOUNTERED, PLEASE TELEPHONE
OFFICE OF THE SPECIAL ASSISTANT.

Date August 31, 1964

FROM THE SPECIAL ASSISTANT

Ltr fr: Cong. John B. Anderson

ACTION: Comment _____

Draft reply _____

For direct reply XX with copy to undersigned

For your information _____

For necessary action _____

For appropriate handling _____

See below XXX

Remarks:

Thank you for preparing for my signature a further reply
to Rep. John B. Anderson's letter of August 13 to the
President. I am returning your draft with the request that
it be sent as a GSA reply.

By direction of the President:

Lawrence F. O'Brien
Special Assistant
to the President

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO Honorable Bernard L. Boutin

Administrator

General Services Administration

PROMPT HANDLING IS ESSENTIAL.
WHEN DRAFT REPLY IS REQUESTED
THE BASIC CORRESPONDENCE MUST
BE RETURNED. IF ANY DELAY IN
SUBMISSION OF DRAFT REPLY IS
ENCOUNTERED, PLEASE TELEPHONE
OFFICE OF THE SPECIAL ASSISTANT.

Date August 17, 1964

FROM THE SPECIAL ASSISTANT

Cong. John B. Anderson

ACTION:

Comment _____

of further
Draft/reply XXXXXXXX

For direct reply _____

For your information _____

For necessary action _____

For appropriate handling _____

See below _____

Remarks: _____

GPO 16-71264-2

By direction of the President:

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SEP 10 1964
CENTRAL FILES

Lawrence F. O'Brien
Special Assistant
to the President

CONGRESSIONAL

August 17, 1964

Dear Congressman:

For the President, may I acknowledge your letter of August 13 regarding management of the stockpile program.

Your letter is receiving consideration and will be responded to more fully within the near future.

Sincerely yours,

Lawrence F. O'Brien
Special Assistant
to the President

Honorable John B. Anderson
House of Representatives
Washington, D.C.

jl/bs

RECEIVED
SEP 10 1964
CENTRAL FILES

JOHN B. ANDERSON
16TH DISTRICT, ILLINOIS

MEMBER:
JOINT COMMITTEE ON
ATOMIC ENERGY
COMMITTEE ON GOVERNMENT
OPERATIONS
SPECIAL COMMITTEE
TO INVESTIGATE
RESEARCH PROGRAMS

WASHINGTON OFFICE:
1418 LONGWORTH BUILDING
WASHINGTON, D.C.

DISTRICT OFFICE:
ROCK RIVER SAVINGS BUILDING
401 W. STATE STREET
ROCKFORD, ILLINOIS 61101

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

August 13, 1964

CARDED

AUG 17 1964

The President
The White House
Washington, D. C.

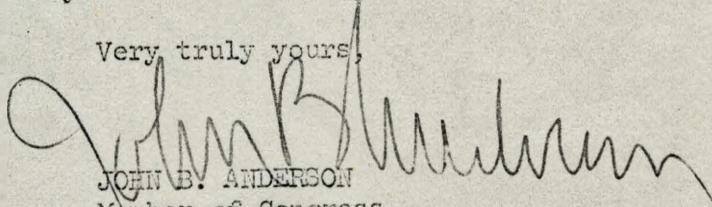
Dear Mr. President:

I am deeply concerned over the present unrealistic market price for zinc, and, in my opinion, feel that the United States stockpiles should be maintained for a national emergency under the control of the Congress of the United States.

The stockpile program was authorized by the Congress to protect our nation in case of national emergency. This action by Congress was based on known needs proven by many years of past experience. The law was written by Congress to provide for acquisition and maintenance of stockpiles as national assets, available when needed and isolated from the domestic and world markets. This relationship must be maintained. To assure this the Congress retained unto itself the control of the release of stockpiled materials, except in a national emergency, when withdrawal could be at the discretion of the President. I feel that there should be no change in this control.

The United States Government stockpiles are the property of our government and were acquired with our funds under the Laws of the United States. It is my hope and belief that the Administration will support my views in this regard.

Very truly yours,


JOHN B. ANDERSON
Member of Congress

JBA:RM

GENERAL

FG 240

ND 4-3
CM/DIAMONDS

FG 135-6

FG 11-6

April 22, 1964

Dear Mr. Gordon:

Your letter of last month to the President regarding the diamond stockpile was referred to me. I have had the benefit of reviews by interested government agencies and departments (other than GSA) and have been advised that there is no reasonable basis upon which to support a further investigation. Obviously, your own interest in bringing this matter to our attention is appreciated and if you have additional information which bears on the matter please feel free to forward it at any time.

Sincerely,

Lee C. White
Associate Special Counsel
to the President

Mr. Paul R. Gordon
Post Office Box 406
Cathedral Station
New York, New York 10025

bc: Ed McDermott

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APR 25 1964
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d

GENERAL

ND 4-3

STAR, Kansas City
Pu 2-2/B*

3

April 16, 1964

Dear Mr. Brown:

Thank you so much for your
letter of April 13. I'll see that your
views get consideration.

Sincerely,

Jack Valenti

Jack Valenti
Special Assistant to the President

x ★
Mr. Lewis F. Brown
6826 Rockhill Road
Kansas City 13, Missouri

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APR 17 1964
CENTRAL FILES

JV:mw

1 - Chrono JV
1 - Central Files with basic

LEWIS F. BROWN
6826 Rockhill Road
Kansas City 13, Missouri

4/13/64

Dear Mr. Valenti:

Enclosed is a clipping from the
Kansas City Star.

In view of the President's terrific schedule
it is possible that this enormous amount
of stockpiling has not been brought to his
attention.

Senator Symington of Missouri was
appointed about 3 years ago as the
Chairman of a Committee - at that time the
figure was about $1\frac{1}{2}$ Billion dollars,
Now if the figures are correct, much
higher.

I am sure President Johnson will
do something about this.

Thank you for bringing it to
his attention

Sincerely

L F Brown

Enc

678
GENERAL

ND 4-3

February 7, 1964

Dear Mr. McIntosh:

Mr. Salinger has asked me to send
you the attached "stockpile report."

I hope you will find it helpful.

Sincerely yours,

(Miss) E. Christine Camp
Executive Secretary to
Pierre Salinger

Mr. H. P. McIntosh, IV
x Heritage Homes
396 Tudor Avenue
New Orleans 23, Louisiana

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FEB 8 1964
CENTRAL FILES

at 8
GENERAL

ND 4-3

February 7, 1964

Dear Mr. Riggs:

Mr. Salinger has asked me to send
you the attached "stockpile report."
I hope you will find it helpful.

Sincerely yours,

(Miss) E. Christine Camp
Executive Secretary to
Pierre Salinger

Mr. W. F. Riggs, III^X
S. T. Alcus & Co.
500 Whitney Building
New Orleans, Louisiana

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CENTRAL FILES

078/

January 31, 1964

GENERAL

PO 2

BE5-5/ST47

BE4-1

ND11/FG-130

ND4-3

4

Dear Mr. May:

The President asked me to reply to your letter concerning the Air Force operation of liquid oxygen and nitrogen plants.

The Air Force procedures definitely prescribe the use of commercial sources for procurement of the products you mention wherever this can be accomplished without detriment to Air Force programs. In the case of our first line defensive operational missile sites, however, the concept of operation and related urgencies are such that the Air Force must have and operate on-site generators as the primary source of the required liquid oxygen and nitrogen.

Elaboration on the reasons and military requirements which dictate the foregoing would necessitate entering the realm of classified information. You may be sure, however, that the decision to have and operate generators with military personnel at our operational missile bases was not reached until every other possible alternative had been fully considered.

Throughout the United States, the procurement of liquid oxygen from commercial sources for research and development purposes, and other Air Force requirements, excepting that required for operational missiles, is on the increase. It is anticipated this will continue for the foreseeable future.

I hope this information will be helpful.

Sincerely,

Ralph A. Dungan
Special Assistant
to the President

Mr. William J. ^XMay
Secretary, ^XSpokane Labor Council
AFL-CIO
West 313 Riverside Avenue
Spokane 1, Washington

DRAFT PREPARED BY DEFENSE

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FEB 1 1964
CENTRAL FILES

had

WH
GENERAL

ND 4-3

CM/Aluminum (2)

January 15, 1964

Dear Keith:

I appreciated the commentary on the ^XSymington
Stockpile Draft Report. You were right, it was
of interest to me.

With all good wishes,

Sincerely,

~~WALTER JENKINS~~
Walter Jenkins
Special Assistant
to the President

^X
Mr. S. Keith Linden
Vice President
^XHarvey Aluminum
1001 Connecticut Avenue, NW.
Washington 6, D. C.

WJ:RHN:rgm

RECEIVED
JAN 21 1964
CENTRAL FILES

THE WHITE HOUSE
WASHINGTON

Nelson

Thank him &

see if there is
anything in it &
should know about.
Walter Jenkins
1-10-64

Handwritten: 11-5-1964-47

HARVEY ALUMINUM

1001 CONNECTICUT AVENUE, N. W.

WASHINGTON 6, D. C.

S. KEITH LINDEN
VICE PRESIDENT

January 9, 1964

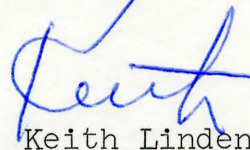
TELEPHONE
REPUBLIC 7-4366

Mr. Walter Jenkins
Special Assistant to the President
Executive Office Building
Washington 25, D. C.

Dear Walter:

I thought that the attached
commentary on the Symington Stockpile
Draft Report, written by a former
government associate of the Senator,
would be of interest to you.

Cordially,



S. Keith Linden

SAMUEL MOMENT

2019634 B. FORDSTOCK BLVD.
27TH STREET
PORTLAND 2, OREGON
PROSPECT 1-5607

CARE OF: BECKER AND SAVIN
SUITE 1657, 111 W. WASHINGTON ST.
CHICAGO, ILLINOIS
FINANCIAL 6-2662

December 11, 1963

COMMENTS ON THE SYMINGTON STOCKPILE DRAFT REPORT

The draft report to the U.S. Senate Committee on Armed Services from Senator Stuart Symington, chairman of the stockpile subcommittee, was published for the committee on October 24, 1963. Although the draft report was not accepted then by a majority of the subcommittee, it is now on the public record where it is subject to use or abuse by anyone. Those most familiar with the story of the aluminum industry after World War II will recognize that the draft report makes serious errors of omission in reviewing the aluminum situation in the period 1953-1955. The report condemns U.S. Government officials for living up to the Government's commitments and entering a final agreement for the Harvey Aluminum Company to build an aluminum plant, for not trying to negotiate a way out, and for subsequently purchasing 165,000 tons of aluminum for \$82 million from the Harvey company.

The writer believes the errors of fact behind such criticisms should be corrected on a public record. Otherwise, an unjust condemnation would stand, and could be extended to the entire Korean War program and to Government officials who had approved before the Harvey contract similar contracts with Alcoa, Kaiser and Reynolds; who subsequently purchased 682,000 tons and over \$300 million of aluminum during 1957-1961; and who approved a temporary reduction in U.S. Treasury income tax receipts by granting in the period 1953-1955, after approval of the Harvey arrangement, some \$50 million in tax amortization certificates to Alcoa, Kaiser and Reynolds for miscellaneous aluminum facilities; and who approved as part of the same program as the Harvey arrangement a tax certificate of \$76 million to Olin Mathieson for an aluminum plant that did not start to produce until the same year as the Harvey plant (1958). If there

was anything wrong with Government policy toward the Harvey contract, then the Olin Mathieson company, the entire U.S. aluminum industry and the entire Governmental Korean War aluminum program would have to share the same criticisms from the Symington committee. And if the criticisms probed far enough, they would have met the fact that the program, including the Harvey contract, was the product of policies and orders issued by the Chairman of the National Security Resources Board in 1950, Stuart Symington.

This writer had no direct connection with the Harvey-GSA Government contract but was associated with the Government policies during the Korean War from which that contract arose as did the much larger aluminum contracts with Alcoa, Kaiser, Reynolds, and the income tax benefits to these companies and to Anaconda and Olin. Over the entire period, 1940-1954, the writer worked for the Bonneville Power Administration on promoting the sale of power to aluminum plants, and backed this effort with roving assignments to other government agencies. In this way the writer became consultant to Stuart Symington as head of the Surplus Property Board in 1945, and drafted the Board's program to dispose of all the government-owned aluminum plants so as to create competition with Alcoa. The writer then was consultant to the War Assets Administration on disposal of plants to Kaiser, Reynolds and the Torrance plant to Harvey; aided the aluminum investigations of the Senate Small Business Committee in 1945 and 1946; was consultant to the U.S. Department of Justice on phases of the Alcoa anti-trust case from 1948 through 1953 when the foundations of the Harvey contract were laid; was consultant to the House Judiciary Committee in 1950-1951 and drafted a report favoring expansion of U.S. aluminum capacity rather than increased reliance on expansion in Canada; was consultant to the Secretary of the Interior on the Korean War aluminum expansion program and the policies of bringing in new producers including Harvey among others; and helped the Defense Electric Power Administration in programming certain power supplies to expand capacity of Alcoa, Kaiser, Reynolds, and to provide power for Anaconda and Harvey. Having left the Government

in 1954, the writer again reviewed the Government's aluminum program in drafting the report on aluminum and small business for the House Small Business Committee in 1955-1956. This investigation grew out of the aluminum shortages of 1955 when the Government suspended stockpile acquisitions in order to protect the civilian industry including small business. This was the period when the Harvey contract was finally signed. From this background the writer can supply a few observations to correct the Symington draft report.

(1) The draft report asserts that shortly after the Government (GSA) entered a letter of intent agreement on May 19, 1953 for Harvey to build an aluminum plant, "it became obvious the Harvey expansion would not be needed" because (a) Alcan was expanding in Canada, and (b) U.S. producers were expanding aluminum facilities beyond requirements of their contracts with the Government.

The pertinent facts at that time were quite different. At the end of 1952 the aluminum capacity of the country was 1,142,000 tons and the official national defense objective was greater by 604,000 tons. The major primary producers were expanding but did not then plan to meet the full objective. The Government adopted in 1952 a 200,000 ton (third round) expansion program to be limited only to new producers. Harvey and Olin were approved for this program. The major producers were excluded and not permitted to complete the Government's objective. Canadian aluminum expansion was in controversy, some U.S. officials wanting to include it as part of the U.S. defense programming, others wanting to exclude it. Two Congressional committees had adopted reports favoring U.S. aluminum expansion without reliance upon Canadian expansion. These were the House Judiciary Committee (report of 1951) and the Joint Committee on Defense Production (report of 1952). The Secretary of the Interior, responsible for the aluminum program in 1950-1951, had adopted this policy and was planning power supplies to support U.S. aluminum expansion. The Department of Justice was opposing the Alcan contract to supply aluminum to Alcoa and filed a court action on July 20, 1953, threatening to remove some of the Canadian supply. The whole point at issue was whether the U.S. aluminum program would be moulded toward further concentration in the hands of big companies or toward increasing competition by giving new producers a share. The Federal policy was toward competition. The Harvey letter of intent was the result in May, 1953. At the same time the Government was negotiating with Olin to have that company become a new producer and firm up its proposed participation in the program.

(2) The draft report states that by 1955 the Government was not making further stockpile calls for aluminum under its contracts, and Dr. Flemming testified that he would not have made another aluminum contract at the time the formal Harvey contract was signed (September 13, 1955).

The implications derived by the draft report from these facts are incorrect. Dr. Flemming's statement to the Symington committee was made in December, 1962, seven years after his official position fully supported the Harvey contract. Dr. Flemming could not be expected to remember the details of the situation seven years earlier.

The reason the Government was not making further calls for aluminum under its contracts

in 1955 was that a severe aluminum shortage had developed in the spring. Some 800 million pounds were scheduled for delivery to government stockpile that year, but Dr. Flemming approved deferments of 550 million in order to protect supplies for the aluminum industry and small business. It was this shortage that prompted the hearings of the House Small Business Committee in 1955 and the report issued in 1956. The aluminum industry repeatedly advised the Department of Commerce that 1955 and 1956 would see a deficit in aluminum supply. The shortage continued past the signing of the Harvey contract in September, 1955, and Dr. Flemming announced even two months later in November, 1955, that no stockpile calls would be made in the first half of 1956. Dr. Flemming testified before the Joint Committee on Defense Production in April, 1955 that aluminum was not in excess of stockpile requirements and that the Government had a long way to go to reach its stockpile objective.

At the time the Harvey contract was signed in 1955, the Canadian aluminum expected by some Government officials to relieve the U.S. situation had not done so. Canadian shipments to the U.S.A. were less in 1954 and 1955 than in 1953 even though the court had upheld in 1954 the Alcan contract with Alcoa. The U.S. stockpile of aluminum was less than 900,000 short tons compared with an objective of 2.5 million tons. Dr. Flemming announced on September 22, 1955, only one week after the Harvey contract was approved, that the Government's aluminum capacity goal was closed because the "capacity, in place, under construction and planned will reach a total of 1,778,000 tons" and would exceed the goal by 32,000 tons. The expected capacity he listed included 131,000 tons from Alcoa, 54,000 tons from Harvey, and 60,000 tons from Olin Mathieson. In other words, the Harvey contract was part of the expansion considered necessary by Dr. Flemming in 1955 to meet the Government's goal.

(3) The draft report criticizes the acquisition by the Government of 165,000 tons of aluminum from Harvey after 1958. But the report is silent on the fact that the Government in 1957-1959 purchased aluminum from Alcoa, Kaiser and Reynolds under the obligations of contracts identical in principle with, but adopted before the Harvey contract. The Government purchased 202,000 tons from Alcoa, 212,000 from Kaiser, and 278,000 from Reynolds. All this metal became surplus to these companies. The Government never expected it would have to purchase that much metal when it signed the contracts in 1950-1952. The explanation for the large sales is that Alcoa, Kaiser and Reynolds expanded productive capacity between 1955 and 1958 much faster than the market could absorb the output. After the Harvey contract was signed they added 250,000 tons of capacity by the end of 1958.

The race for new capacity and for competitive position took place between these companies starting late in 1955, well advertised by press announcements. Had this capacity not been built, the companies would have had much less surplus metal to sell. The excessive capacity built by the other companies competed with and caused some of the Harvey surplus, unforeseen by the Government. On this record, the draft report says nothing.

(4) The draft report fails to place the Harvey contract in the proper context with all the other aluminum contracts. These were made by the Government not to buy metal for the stockpile but to assure sufficient expansion of aluminum capacity to meet the needs of national security growing out of the Korean War. In order to encourage companies to build aluminum capacity, the Government offered them the incentives of income tax reduction through certificates for accelerated depreciation; the guarantee of private loans to make the new investment; and the guarantee to purchase surplus metal from the new capacity over a 5 year period. This program was started under the Truman Administration and announced by Mr. Symington himself in his capacity as head of the National Securities Resources Board in October, 1950. He issued the policy

guides to the Secretary of the Interior to program the new aluminum expansion after meeting with aluminum companies, including the Harvey officials. These policies were based on the desire of the Government to avoid building aluminum plants as it had in World War II and to avoid problems of disposal of plants that had been Mr. Symington's earlier responsibility as head of the Surplus Property Board in 1945. The writer was Mr. Symington's consultant in 1945 on the aluminum disposal program, and was consultant to the Secretary of the Interior on the aluminum program ordered in 1950 by Mr. Symington as chairman of the National Security Resources Board.

It may be recalled that the Government after World War II sold its largest aluminum plants for 33¢ on the dollar and scrapped others, all at a loss of a few hundred millions of dollars. As a result of the Korean War policies, the government avoided such losses, acquired large amounts of aluminum at market price, and probably will be able to dispose of surplus aluminum at little or no loss, other than interest on the investment in the metal. The program launched by Mr. Symington as head of the NSRB proved a success. Of the Harvey contract the Comptroller General wrote in his audit report in October, 1962:

"Our review showed that the contract with Harvey has been successful in achieving its basic purpose of expanding the primary production facilities in the United States. However, because of the reduction in the national stockpile objective for aluminum in 1958, about 3 years after the contract with Harvey was signed, GSA has been required under this contract to buy aluminum which it does not need."

The Comptroller might have added also that the excessive capacity built by the other aluminum companies after the Harvey contract was signed helped make some of the Harvey metal excessive to the market.

Thus, the history of the aluminum program of which the Harvey contract was a part shows that the staff who wrote the Symington report lacked sufficient background for their conclusions. They were wrong in stating that before the Harvey contract was signed "the aluminum shortage disappeared and the Government no longer needed either the Harvey aluminum capacity or the 270,000 tons of aluminum." They ignored that the Government not only wanted the Harvey contract in 1953 but continued working with Olin for an arrangement for another 60,000 tons of aluminum capacity. The Harvey and Olin capacity was needed and was justified by Dr. Flemming, the Defense Mobilization Administrator, one week after the Harvey contract was adopted in 1955. This contract enabled the Government to terminate its aluminum expansion program, bringing to a successful conclusion an epoch in the history of the aluminum industry. The industry had been committed within five years to more than double its pre-Korean War capacity.

This accomplishment was initiated by the Chairman of the National Securities Resources Board, Stuart Symington under policies of the Truman Administration.

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ANALYSIS OF S. 2272 - SYMINGTON STOCKPILE LEGISLATION

The Symington stockpile bill (S.2272) contains many provisions which have been favored by Bureau staff over the years. The major features of the bill are as follows:

1. Congressional approval of disposal plans

The present requirement for specific legislative approval of the Congress, after a six month waiting period, would be changed to make disposal plans effective sixty days after submission to the House and Senate Armed Services Committees. This amendment would facilitate disposals.

2. Stockpile inventories

The inventories of the national stockpile (\$5.8 billion), the Defense Production Act (\$1.5 billion), and the Supplemental Stockpile (\$1.3 billion) are currently maintained separately under separate statutory authority. The Symington bill would combine these inventories into two major stockpiles eg., a national stockpile comprising materials within objectives and a materials reserve inventory of surplus materials. This provision would facilitate management of the materials. It would also permit disposal of Supplemental stockpile materials which heretofore have been considered exempt from the disposal clause of the Stockpiling Act. Surplus inventories would also be used to pay for acquisition, upgrading and replacement of stockpile materials. Treasury notes outstanding on DP Act borrowing authority would be canceled, interest thereon would be waived and borrowing authority reduced accordingly.

3. Stockpile objectives

Stockpile objectives would be determined on the basis of military requirements of the Nation during a national emergency (including industrial requirements for defense purposes). Allowance would be made for any material which would be available from domestic or other sources. This language makes it clear that stockpiling would be based on military and defense needs of the Nation. Civilian requirements in wartime would be downgraded. The bill would require the President to issue a regulation setting forth criteria to be used in determining new objectives within six months after enactment of the Act.

4. Reporting requirements

Advance reports to the Senate and House Armed Services Committees would be required on the following.

- a. The proposed regulation on criteria for new objectives (effective in sixty days).

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