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April 22, 1954

Honorable Edmund F. Mansure
Administrator
General Services Administration
Washington, D. C.

Dear Mr. Mansure:

There is enclosed a revised directive covering the procurement of stockpile materials for the fiscal year 1954. This directive supersedes the amended directive of March 19, 1954, and covers new procurement for the period March 1, 1954 to June 30, 1954.

In preparing this directive we have taken full account of the adjustments and questions raised in your letters of April 5, 1954 and April 22, 1954. We are confident that the directive now accurately reflects prior 1954 commitments and provides the financial flexibility necessary to accomplish the balance of the 1954 procurement program.

The analysis of purchases and the related financing furnished with your letter of April 5th assisted us greatly in planning this program. A similar analysis within the near future will be most helpful in preparing the procurement program for fiscal 1955 and re-examining financial requirements.

In order to provide maximum flexibility and complete utilization of the current obligation and expenditure ceilings, the General Services Administration is authorized to schedule the obligation of stockpile funds for the purchase of Defense Production Act inventories in such a manner as to provide for the purchase of commodities authorized in this directive which are available only in the open market. My letter of March 19, 1954 transmitting the purchase directive of that date should also be taken into account in carrying out the provisions of the revised directive.

Sincerely yours,

NOTE: THIS DOCUMENT DID
NOT COME FROM PPG FILES

Arthur S. Flemming
Director

BB 0018103

Attachment

*Downgraded to Unclassified per
Federal Register Notice 4/10/82 by
Acting Director, Office of
Emergency Planning*
CEN-7527

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PROGRAM FOR OBTAINING
STRATEGIC AND CRITICAL MATERIALS
FISCAL YEAR 1954

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(Supersedes Stockpile Purchase Directive
dated March 19, 1954 and Amendment thereto)

Pursuant to Section 3 of the Strategic and Critical Materials Stock Piling Act as amended by the Federal Property and Administrative Services Act of 1949 and Reorganization Plan No. 3 of 1953, and Title III of the Defense Production Act as amended, the General Services Administration is hereby authorized and directed to purchase for the National Stockpile the kinds and quantities of strategic and critical materials set forth in the attached table titled "Planned Procurement of Strategic and Critical Materials, Fiscal Year 1954." The program authorized under this directive shall be carried out in accordance with the following provisions and procedures:

A. General Provisions:

1. All materials purchased or held for the stockpile shall meet the established stockpile purchase specifications. Exceptions will be made only after prior approval by the Office of Defense Mobilization.
2. Procurement is authorized to replace materials under approved rotation programs.
3. Prior to the open market purchase of any material in this directive, consideration and preference shall be given to the availability of supply from any Government-owned surplus or purchase program for that material.

In addition, and insofar as feasible, consideration shall be given to the procurement of the materials authorized in this directive through barter as provided for in Public Law 85, 81st Congress; and to the use of surplus food commodities in making payment for materials not produced in the United States, as provided for in Section 416 of the Agricultural Act of 1949

4. Procurement of the materials authorized in this directive shall be additional to any free acquisitions of the same materials which may occur prior to June 30, 1954, provided the stockpile objectives for such materials are not exceeded.
5. In carrying out the program for achieving minimum stockpile objectives, the attention of the General Services Administration is directed to the following policy objectives of the Office of Defense Mobilization:

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1/9/82 by Sec. Dir., ODP

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- (a) Minimum stockpile objectives will be achieved in the shortest possible period of time, keeping in mind the considerations set forth in (b), (c) and (d) below.
- (b) Minimum stockpile objectives will be achieved without interfering with the current defense program and without creating undue hardship within the civilian economy.
- (c) The procurement program for achieving minimum stockpile objectives shall make the maximum contribution to strengthening our domestic sources of supply and, at the same time, keep the United States in a position where we can continue to turn to foreign sources of supply in those areas where we know it will be impossible for us to rely completely on domestic sources of supply.
- (d) In providing the amounts programmed for each fiscal year every effort shall be made to procure the materials in the most economical manner possible.

B. Provisions Applicable to Specific Materials:

- 1. Aluminum: To be purchased in accordance with the letter of instruction issued by the Office of Defense Mobilization on March 10, 1954.
- 2. Asbestos, Amosite: The procurement authorized for the balance of fiscal 1954 may be made against fiscal 1955 stockpile expenditure authority.
- 3. Castor Oil: To be procured only from the domestic production program of the Department of Agriculture.
- 4. Copper: To be purchased in accordance with instructions contained in the amendment to the Stockpile Purchase Directive dated March 19, 1954. To the extent necessary this purchase shall be given priority over purchases from Defense Production Act inventories.
- 5. Diamond, bort: To be procured only if obtainable without obligation to take industrial diamond stones.
- 6. Feathers and Down: Procurement limited to materials of non-Chinese origin.

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7. Magnesium: The General Services Administration is hereby authorized to acquire that portion of the previously contracted for production of the Velasco plant necessary to complete the stockpile objective.
8. Manganese Ore, Metallurgical Grade: To be procured only from expansion program acquisitions under the Defense Production Act.
9. Mercury: To be procured only by barter of surplus agricultural commodities.
10. Nickel: Based upon ODM policy regarding the decontrol of nickel and the minimum rate at which the stockpile shall be completed. Provision is also made for the open-market procurement of 2,688,000 lb. of French nickel for delivery in calendar year 1955.
11. Rubber: Procurement shall be pro-rated over the balance of the fiscal year at an approximately even rate. Expenditures in fiscal 1955 are authorized for procurement after March 1, 1954.

This directive shall take effect on April 22, 1954.

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(Signed) Arthur S. Flemming

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