

# Estimates Indicate Half the Material Stockpiled Is Surplus

By PATRICK J. SLOYAN  
United Press International

WASHINGTON (UPI) — When some caveman first piled a few rocks near his den to guard against future attacks, he created history's first critical materials stockpile.

—Enlarging on the same idea, the United States now has \$8.9 billion worth of strategic materials stockpiled in warehouses across the nation—in case there should be another war.

—It is, as President Kennedy told a news conference Jan. 31, 1962, "an astonishing" collection. Studies he initiated at that time now have produced tentative estimates that more than half of the stockpile is surplus.

—But the mere thought of the government dumping the excess has — as one government official put it — "terrified" foreign nations and U. S. industries producing materials which also go into the stockpile.

## Hero When Buying

"You're a hero when you're buying but a villain when you're selling," according to director Edward A. McDermott of the office of emergency planning, the stockpile chief. It's McDermott's job to balance the stockpile to meet military and industrial needs during a national emergency without playing havoc with commercial markets.

Involved are 76 agricultural and mineral products weighing 50 million tons—everything from sperm whale oil to copper. Most of them — 58 items — are metals and minerals.

"Enough? Too much? Do we need more?"

During that January news conference, the President called the stockpile "excessive" and said the program was "a potential source . . . of unconscionable profits."

## Report About Ready

Now, almost two years later, Sen. Stuart Symington, D-Mo., is about ready to submit a report on an intensive—and sometimes stormy—investigation of the stockpile program.

It didn't take Symington's investigators long to discover they were digging into a complicated and tangled question.

The aim of the program, of course, is to make sure that the United States in wartime would have adequate supplies of materials which might be cut off by enemy action.

Among these are aluminum and its key ingredient, bauxite, tungsten, zinc chrome ore, copper, lead, manganese ore, nickel and tin. In fact, these items account for two-thirds of the total U.S. stockpile.

## Doesn't Stop There

But the problem doesn't stop there. "How much" is as just as important as "what" in building strategic stockpiles. And "how much" depends on "how long will the war last."

Current planning is based on a three-year conventional war. But the spectre of a deadly and swiftly concluded nuclear holocaust has injected an entirely new element into the picture.

McDermott, in an interview with UPI, declined to estimate how a short war would affect U. S. stockpiling needs. "It is premature," he said, "to predict how the picture will be altered."

## Proposed Hoarding 42 Items

An inkling of what was to come in modern stockpiling occurred in 1921 when the U. S. Army general staff proposed hoarding 42 items — including 14 which still are stockpiled.

But it wasn't until 1939, as war loomed in Europe, that Congress passed the Strategic Materials Act. It authorized \$70 million for purchases of rubber, tin, quartz crystals and chromite.

The program was strengthened in 1946 with passage of the Strategic and Critical Materials Stockpiling Act. Under it, the United States stockpiled \$5.4 billion worth of materials. Of this, \$1.4 billion now is considered surplus.

With the Korean conflict, a new concept of stockpiling came into being—the Defense Production Act. It enabled the government to make or guarantee loans to permit U.S. industries to expand production of critically needed items and provided funds for finding and mining strategic and critical minerals.

## To Provide Incentive

To provide incentive, the government sometimes contracts to buy for as long as 10 years, materials the firms couldn't sell on the commercial market. Out of thousands of such contracts, the government has only three left. But it accumulated \$865 million worth of materials under the program.

Finally, the Agriculture department barters surplus farm production for strategic materials produced by other nations. This, known as the Supplemental Stockpile, has a \$1.1 billion inventory.

One of the first moves by Symington's special Senate stockpile investigating subcommittee was to rip the secret label off the stockpile's operations—a label Symington called "ridiculous, silly and damaging to the taxpayer."

Subsequently subjected to the sharpest scrutiny were the Defense Production Act contracts. The subcommittee spotlighted what it considered some gems of apparent mishandling. For example:

—The government spent \$7.5 million on an experimental nickel plant, but never bought any of the nickel it produced.

—Government contracts to spur domestic tungsten production resulted in U. S. buying of more tungsten—above market rates—than could be used in 20 years.

—\$31 million was spent for low-grade U. S. chrome ore that the government doesn't want and can't use. "A useless mountain of junk," said one subcommittee member.

"I think we can say," Symington said at the end of the investigation, "we found some fantastic profit taking at a minimum of risk."

Of the 76 stockpile items, 72 were termed in excess of what was needed.

## Change In Estimate

One reason for the \$4.4 billion excess was the change in the estimate of a war's duration. In 1958, the estimate of a five-year war was changed to three years.

Why the stockpile wasn't reduced between 1958 and 1963 is one of the most ticklish questions confronting the government. Kennedy apparently provided a partial answer, however, in announcing the inquiry originally.

"I am very much aware," the President said, "of the intricate and interrelated problems involved in this area, including the difficulties experienced by certain domestic minerals industries, the impact on the world markets and the heavy reliance of certain countries on producing one or more of these minerals."

"And, I can say that we will take no action which will disrupt commodity prices."

## Proposed Disposal Methods

Proposed disposal methods include government use of stockpile surpluses directly (nickel and copper for the mint) and indirectly (aluminum for TVA power house generators).

Another way would be to pay off U. S. firms with stockpiled goods for their finished products—a dollar's worth of government tungsten, for example, for a dollar's worth of lightbulbs.

Still another method calls for upgrading stockpile materials. The government might pay a U. S. firm in surplus copper cathode for manufactured high conductivity copper which is needed for the stockpile.

Meanwhile, McDermott said \$60 million worth of surplus aluminum will be disposed of over a three-year period as a result of lengthy discussions with aluminum industry officials who basically accepted the plan.

"Nobody's ever completely happy," McDermott said. "But it's a give-and-take situation. You have to respect each other's position."

"These disposals will be discussed with industry representatives. And, the disposals will be slow and orderly—done over a period of several years."

## Burelson's Store Is Purchased by Hirsh, Company

P. N. Hirsh and company, owners of Miller's Department store, has purchased Burelson's Fashion store at Main and Bartlett sts., Medford.

Announcement of the sale was made Friday by Hirsh and Mr. and Mrs. C. M. Lizberg, former owners of the store.

Miller's Department stores are located in Klamath Falls, Roseburg, Eugene, Salem, Portland and McMinnville, in Oregon; in Olympia, Everett, Mount Vernon, Wenatchee, Yakima and Shelton in Washington. There is one store in Idaho, located at Lewiston.

Mrs. Marjorie Green, who has been with Burelson's for 15 years, will be the store manager and there will be no change in personnel, according to the announcement. The same lines of merchandise also will be continued.

Robert Magette, district manager of the Miller stores, handled the negotiations for the purchase. He said Miller's had been wanting to come into the growing Medford area for some time.

The store name will not be changed and the same credit policies will be maintained.

Announcing the sale, Mrs. Lizberg said she wished to thank the Medford people for the patronage given Burelson's for the past 16 years.

She said she expected Miller's to be a great asset to this city since the establishment has shown confidence in "downtown Medford." She explained that due to growth of the business she found it necessary to enlarge the establishment or sell to a growing concern such as Miller's.

## NO MONEY DOWN ON CREDIT AT WARDS—JUST SAY "CHARGE IT!"



**MONTGOMERY WARD**  
**91<sup>ST</sup> ANNIVERSARY SALE**  
SATURDAY LAST DAY

### SAVE ON SLACKS



**STURDY COTTON IN PLAY COLORS FOR BOYS, GIRLS**

**99¢**  
REG. 1.39 EACH

Pick favorite play-time colors in rugged, machine washable cotton. Elasticized at waist for easy fit, reinforced at strain points. Sizes 3 to 6x. REG. 69¢ SHIRTS—no-iron cotton knit in colors for boys, girls too. Machine washable. Sizes 3 to 6x . . . . .55¢

### SALE-PRICED



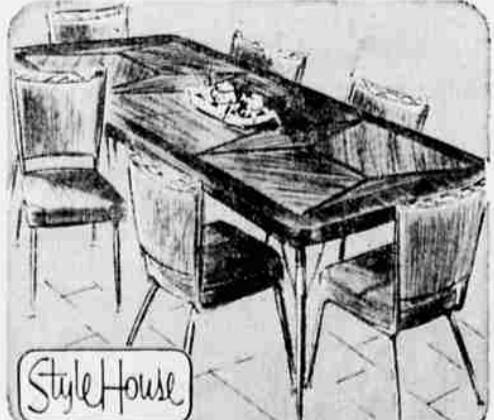
**POWR-HOUSE WASH 'N WEAR ARMY TWILL SETS**

**6<sup>88</sup>**  
Reg. 8.18

FOR SHIRT & PANTS  
Don't miss this buy! Made of extra-rugged Galey & Lord Cramerton Cloth for long wear, fine appearance. Proportion-sized for maximum comfort. Sanforized-Plus\*, vat-dyed.

Reg. 3.59 shirts 3.23  
Reg. 4.59 pants 4.13  
Reg. 1.49 hat . . . 1.28

\*5-ways tested for wash 'n wear



### 7-PIECE DINETTE

**MAR-RESISTANT PLASTIC TABLE TOP**  
36x48" self-edged table extends to 72" with 2 leaves. Intricate design crafted in high-pressure, walnut-grain plastic. 6 vinyl-covered chairs. **99<sup>88</sup>** Reg. 129.95  
NO MONEY DOWN



**TESTED, APPROVED SEAMLESS NYLONS**

**3 for 1<sup>65</sup>**  
Tested for fit, quality, wear. Wards plain or micro-mesh dress sheers with reinforced heel, toe. Sizes 8 1/2 to 11.



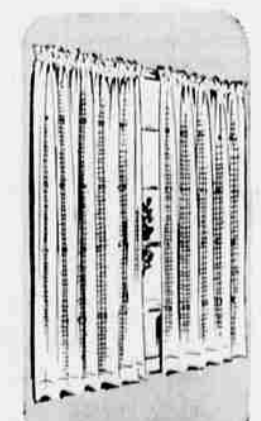
**LACY TRIMMED WOMEN'S BRIEFS**

**44¢**  
Reg. 59¢. Runproof, easy-care acetate, elastic-leg style. Lovely lacy trims. White, pastels. Sizes 34 to 42.



**MEN'S BRENT ARGYLE SOCKS**

**58¢ pr.**  
Reg. 79¢ pr. Supima\* cotton reinforced with nylon at heel, toe for longer wear. Comfort tops, 10 1/2 to 13.



**SHEER WASHABLE DACRON PANELS**

**96¢ Ea.**  
Reg. 1.19 to 1.49  
One price for all 4 sizes! 41" width panels of Dacron polyester, in 54, 63, 72 and 81" lengths. Ivory.

### CAROL BRENT



**REGULARLY 5.98 POWERNET SIDES LYCRA GIRDLE**

**2 for \$9**  
OR 4.88 EA.

Wards Carol Brent Lycra\* Spandex slimmer gives the value and performance you want. White. Sizes S-M-L-XL. Reg. 1.98 Lycra bra with "uplift" ability in Lycra\* Spandex; embroidered cotton on cups. A, 32-36; B, 32-38; C, 34-40. . . 2 for \$3

### NO-IRON KNITS



**REGULARLY 2.49 BRENT PREP ACRILAN SHIRTS**

**1<sup>99</sup>**  
SIZES 8-18

These handsomest to wear Acrilan\* acrylic knit shirts are also the easiest to care for . . . machine wash, dry and wear! Choose from an exciting collection of up-to-the-minute styles . . . embroidered motifs, contrast trims 'n collars, more! Big color array! Snap up this value!

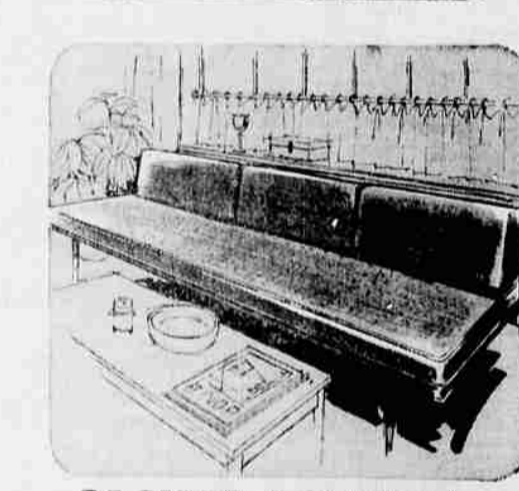


### \$2 SAVINGS

**REGULAR 10.99 POWR-HOUSE CUSHIONED WORK SHOES**

**8<sup>99</sup>**  
6-INCH Sizes 8-11, 12D, 7-11, 12E

Soft glove leather shoes with deep, sponge cushioned insoles. Crushproof perma-counters. Goodyear welts. Crepe rubber soles, heels.  
Reg. 9.99 popular oxfords, 7-11, 12D . . . 7.99  
Reg. 12.99 8-inch boots, 7-11, 12E . . . 9.99  
4.99 boys' 8 1/2-3D shoes . . . 3.99



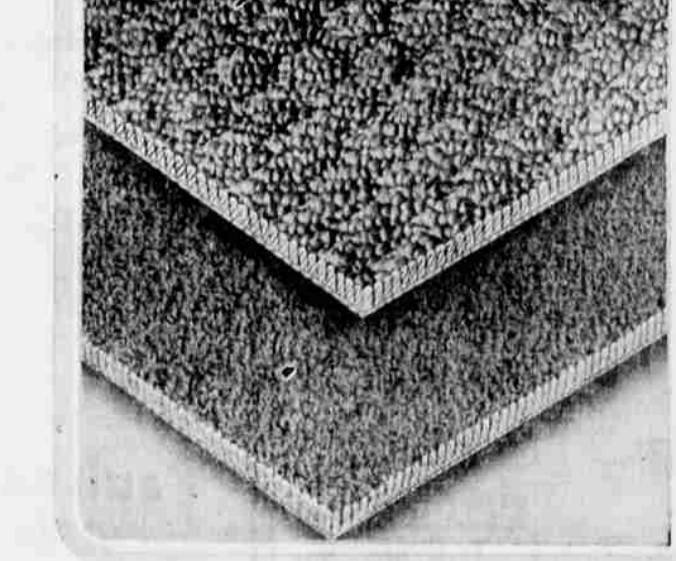
### CASUAL LOUNGE

**DANISH STYLE, CONVERTS TO BED**

**39<sup>88</sup>** Reg. 64.95  
NO MONEY DOWN

4" Ward-Foam\* cushion, resilient rubber webbing, solid elm back frame, 3 bolsters. Cushions reverse from solid to stripe; char-brown or orange. 72" long.

### SAVE! NYLON OR WOOL PILE



**LOW PRICE INCLUDES PAD AND INSTALLATION**

**5<sup>99</sup>**  
Reg. 7.23

**50 SQ. YD. INSTALLED**

Continuous filament nylon pile has amazing resilience, is dense and rich-looking, won't pill or shed. 4 colors stay clear. The imported wool pile carpet resists rugged wear and crushing, cleans nicely. Pretty loop texture in 3 solids, 2 tweeds, Both in 9', 12' widths. Expertly installed!

117 S. Central—773-7301

Open 9:30 to 5:30, Fridays 'Til 9

Free Parking