

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

## STATE TRADING

### Notifications Pursuant to Article XVII:4(a)

#### UNITED STATES

#### I. Enumeration of State-trading enterprises

- (A) Department of Energy: by-product, source, and special nuclear material as defined in 42 USC 2014, uranium enriching services, and heavy water.
- (B) United States Department of the Interior - Bureau of Mines: helium.
- (C) General Services Administration: national stockpile of critical and strategic materials.
- (D) Department of Agriculture - Commodity Credit Corporation: dairy and miscellaneous agricultural product.

#### II. Reason and purpose for introducing and maintaining State-trading enterprises

##### A. Department of Energy

The provisions of the Atomic Energy Act of 1954, as amended, include Government control of the possession, use and production of atomic energy and special nuclear material, whether owned by the Government or others, so as to encourage the development and utilization of atomic energy for peaceful purposes to the maximum extent consistent with the common defense and security and with health and safety. 42 USC Chapter 20.

##### B. Bureau of Mines

Historically, the Bureau of Mines began the production of helium during World War I, to supply a non-flammable lifting gas for lighter-than-air craft. Production continued in order to supply military and defense needs and, more recently, governmental space, atomic energy, and other helium-using programmes.

By the Act of 13 September 1960 ("The Helium Act", 74 Stat. 918; P.L. 86-777): "The Secretary is authorized to maintain and operate helium production and purification plants together with facilities and accessories thereto; to acquire, store, transport, sell, and conserve helium-bearing natural gas, and helium-gas mixtures, to conduct exploration for and production of helium on and from the land acquired, leased, or reserved; and to conduct or contract with public or

private parties for experimentation and research to discover helium supplies and to improve processes and methods of helium production, purification, transportation, liquefaction, storage, and utilization .... (The Helium Act, Sec. 4.)

#### C. General Services Administration

The stockpile of strategic and critical materials is maintained for the sole purpose of assuring sufficient materials to fulfill national requirements in an emergency. In order to meet this goal and minimize program cost, the requirements for each stockpiled material are continually re-evaluated.

These activities are carried out under the authority of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.). Under Presidential Executive Order 11725, the Administrator, General Services Administration, was delegated responsibility for the execution of this law. The Administrator redelegated these functions to the Director of the Federal Preparedness Agency (FPA). FPA determines what materials are strategic and critical and sets the quality and quantity of such materials which shall be stockpiled to meet national security needs.

#### D. Department of Agriculture

Price support programs for agricultural commodities under the Agricultural Act of 1949 permit government acquisition of surplus commodities during times of distressed market prices. Section 407 of the Act permits Government sales from stocks of such commodities at times when their market price exceeds support levels by specified amounts. In addition, the Commodity Credit Corporation is charged, in determining its sales policies for basic agricultural commodities or nonbasic commodities, with the consideration of policies with respect to prices, terms and conditions that will not deter or discourage manufacturers, processors and dealers from acquiring and carrying normal inventories of the commodity.

### III. Description of the Functioning of the State-Trading Enterprises

#### A. Department of Energy \*/

Byproduct Material: The DOE is authorized to distribute byproduct material to nations pursuant to an agreement for cooperation or, upon determination that such activity will not be inimical to the interests of the U.S., to persons outside the U.S. at charges as would be charged for the material if it were distributed within the U.S. The charge for byproduct material must be established on an equitable basis which will provide reasonable compensation to the Government, and will not discourage the use of the material or the development of sources of supply independent of DOE and will encourage research and development. (42 U.S.C. Sec. 2112)

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\*/Explanatory note concerning transfer of functions: The Energy Reorganization Act of 1974 (42 U.S.C. Sec. 5801, et seq) abolished the Atomic Energy Commission and established the Energy Research and Development Administration (ERDA) and the Nuclear Regulatory Commission (NRC). In general, that act transferred to the NRC the regulatory functions previously exercised by the AEC and vested ERDA with research and development functions, including the uranium enrichment function previously exercised by AEC as well as the responsibility for distributing source, byproduct, and special nuclear material. Under the Department of Energy Organization Act (P.L. 95-91, August 4, 1977) all of the functions of ERDA were transferred to the Department of Energy (DOE), which that Act established (DOE came into existence on October 1, 1977).

**Source Material:** The DOE is authorized to distribute source material abroad pursuant to the terms of an agreement for cooperation or, upon determination that such activity will not be inimical to the interests of the U.S. DOE's distribution authority, other than under an export license issued by the NRC, is limited to three metric tons per year per recipient. (42 U.S.C. Sec. 2094)

**Special Nuclear Material:** The DOE may distribute special nuclear material abroad pursuant to the terms of an agreement for cooperation at not less than the DOE's published charges applicable to the domestic distribution of such material, except certain limited quantities of such material may be distributed (in the manner provided by the Atomic Energy Act) without charge for research on peaceful uses, for medical therapy and for international cooperative programs. DOE's authority to distribute special nuclear material other than under an export license granted by the NRC is limited to 1) specified small quantities which are contained in laboratory samples, medical devices and monitoring, or other instruments or, 2) the distribution of which is needed to deal with an emergency situation in which time is of the essence. DOE may sell special nuclear material to qualified applicants within the U.S. at reasonable prices established on a nondiscriminatory basis which will provide reasonable compensation to the Government. \*\*

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\*\*/DOE may not distribute any special nuclear material or source material, other than under an export license issued by the NRC, until 1) DOE has obtained the concurrence of the Department of State and has consulted with the Arms Control and Disarmament Agency, the Nuclear Regulatory Commission and the Department of Defense under mutually agreed procedures and 2) DOE finds that the criteria in 42 U.S.C. Sec. 2156 and any applicable criteria in 42 U.S.C. 2157 are met and that the proposed distribution would not be inimical to the common defense and security.

Uranium Enriching Services: The Atomic Energy Act of 1954, as amended, allows DOE to enter into contracts with domestic and foreign entities for toll enrichment (uranium feed is provided to DOE and a lesser quantity of enriched material is delivered.) For this service, DOE levies an enrichment services charge established in accordance with and within the period of an agreement for cooperation entered into under Section 123 of the Atomic Energy Act, as amended (42 U.S.C. Sec. 2153).

Heavy Water: DOE is authorized to operate heavy water production facilities and to sell available material to both domestic and foreign customers at published prices based upon the principle of full cost recovery.

Imports: No significant import purchases are being made by DOE at present.

#### B. The Bureau of Mines

The Bureau of Mines operated one large helium extraction plant. It is one of several producers of high-purity helium in the United States, the others being private companies having no connection with the Government's helium program.

Bureau of Mines sales of helium are primarily to other governmental (Federal) agencies, although the Bureau is willing to sell helium to non-governmental customers.

The Bureau of Mines also stores helium as a conservation measure to "provide ... a sustained supply of helium which, together with supplies available or expected to become available otherwise, will be sufficient to provide for essential Government activities." (The Helium Act, Sec. 15.)

The Bureau of Mines will sell helium to private distributors for resale for consumption or export. The Bureau itself does not engage in the export or import of helium.

#### C. General Services Administration

Stockpile goals are keyed to the first three years of a war of indefinite duration. These goals are not static but flexible targets which depend upon policy guidance, economic, strategic, technological, and political factors. The planning process provides for periodic review of Presidential stockpile guidance

and for continuous updating in the computation of goals. Stockpile goals are implemented through an Annual Materials Plan of acquisitions and disposals which will vary in accordance with marketing, strategic and budget considerations.

Procurement of materials for which the stockpile goals are not yet fulfilled is made through open bidding, without discrimination as to foreign or domestic bidders. As materials are usually stockpiled because they are not available in the United States in adequate supplies in wartime, most purchases are from foreign sources.

Disposal of materials in excess of stockpile goals must be conducted in a manner designed to protect the United States against avoidable loss on the sale of the materials, and to protect producers, processors and consumers against avoidable disruption of their usual markets.

#### D. Department of Agriculture

The Commodity Credit Corporation stocks are an integral part of the Government's price support program for certain basic agricultural commodities, and the quantity and quality of these stocks varies with market conditions for each product. Sales from CCC stocks cannot be made at prices less than five per centum above the current support price for each commodity, plus reasonable carrying charges. For upland or extra long staple cotton, sales for unrestricted use cannot occur at less than 15 per centum above the current support price; for rice, at less than 105 per centum; for wheat, corn, grain sorghum, barley, oats and rye, at less than 150 per centum of the current national average loan rate. Exceptions to the above are possible if the Secretary of Agriculture deems it in the public interest to make available farm commodities for use in relieving distress from major disasters or economic causes, provided the President finds that such use will not displace or interfere with normal marketing of agricultural commodities.

Sales from CCC stocks can be made for export use or for unrestricted use. No sales from stocks designated for export only occurred during 1975-1977. Stocks sold for unrestricted use may be exported or used domestically; no record is kept of the destination of these sales.

The Commodity Credit Corporation does not import any commodities.

IV. Statistical Information

A. DOE

\$ - in millions

<u>Fiscal Year</u>	<u>Nuclear Materials</u>	<u>Heavy Water</u>	<u>Isotopes</u>	<u>Uranium Enriching Services</u>	<u>Misc. Products</u>	<u>Total</u>
<u>FY 1969</u>						
Sales	\$26.1	16.6	\$1.2	\$19.6	\$.7	\$64.2
Value of Material on Lease at 6/30/69	36.7	8.3				45.0
<u>FY 1970</u>						
Sales	15.0	34.3	1.3	24.7	1.0	76.3
Value of Material on Lease at 6/30/70	35.1	9.9	.9			45.9
<u>FY 1971</u>						
Sales	14.2	42.8	1.2	72.2	.8	131.2
Value of Material on Lease at 6/30/71	34.4	7.7	.6			42.7
<u>FY 1972</u>						
Sales	48.0	14.5	2.7	154.1	1.3	220.6
Value of Material on Lease at 6/30/72	442.7	11.5	3.8			438.0
<u>FY 1973</u>						
Sales	57.2	34.8	3.2	246.2	.7	342.1
Value of Material on Lease at 6/30/73	381.0	10.1	3.4			394.5

<u>Fiscal Year</u>	<u>Nuclear Materials</u>	<u>Heavy Water</u>	<u>Isotopes</u>	<u>Uranium Enriching Services</u>	<u>Misc. Products</u>	<u>Total</u>
<u>FY 1974</u>	25.0	5.2	3.2	541.4	.6	576.3
Value of Material on Lease at 6/30/74	105.0	10.7	3.7			119.4
<u>FY 1975</u>						
Sales	23.7	.2	1.7	211.3	.7	237.6
Value of Material on Lease at 6/30/75	85.4	10.6	3.8			99.8
<u>FY 1976 (July 1, 1975 - September 30, 1976)</u>						
Sales	56.9	.6	3.8	634.1	1.72	697.1
Value of Material on Lease at	56.9	10.6	3.4			70.9
<u>FY 1977</u>						
Sales	29.5	2.7	3.9	688.4	1.0	
Value of Material on Lease at 9/30/78	.6					

B. Bureau of Mines:

Bureau of Mines production of helium during the last three years:

1974 - 308 million cubic feet  
1975 - 336 million cubic feet  
1976 - 297 million cubic feet



**TABLE 1**  
**GOVERNMENT INVENTORIES OF**  
**STRATEGIC AND CRITICAL MATERIALS**

March 31, 1978

	Acquisition Cost	Market Value <sup>1</sup>
<b>TOTAL INVENTORIES</b>		
Excluding Unshipped Sales .....		\$8,566,164,400
Reserved for Goals .....		\$4,664,940,300
Excess to Goals .....		3,901,224,100
Including Unshipped Sales .....	\$3,699,117,800	\$9,012,773,500
Reserved for Goals .....	\$2,169,592,100	\$4,664,940,300
Excess to Goals .....	1,529,525,700	4,347,833,200
By Inventory		
National Stockpile .....	\$2,507,987,300	\$7,012,289,500
Supplemental Stockpile .....	1,050,650,300	1,886,701,600
Defense Production Act .....	140,480,200	113,782,400

<sup>1</sup> Market values are computed from prices at which comparable materials were being traded; or, in the absence of current trading, at an estimate of the price which would prevail in commercial markets. Market values are unadjusted for normal premiums and discounts relating to contained qualities, or for inherent materials-handling allowances. *Market values do not necessarily reflect the amount that would be realized at time of sale.*

**TABLE 2**  
**INVENTORIES, GOALS, EXCESSES OR DEFICITS,**  
**AND BALANCE OF DISPOSAL AUTHORIZATIONS**  
**OF BASIC STOCKPILE MATERIALS**

March 31, 1978

(Market Value - Millions of Dollars)

Commodity	Unit	Goal <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess Adjusted for Offset <sup>a</sup>	Deficit Adjusted for Offset	Balance of Disposal Authorization
1. Alumina .....	ST	11,532,000	0	\$ 0	0	5,018,567 <sup>a</sup>	0
2. Aluminum .....	ST	0	1,684	1.8	0 <sup>a</sup>	0	0
3. Aluminum Oxide, Abrasive Grain ..	ST	75,000	50,905	36.6	0	0 <sup>b</sup>	0
4. Aluminum Oxide, Fused, Crude ...	ST	147,615	249,403	45.0	74,079 <sup>b</sup>	0	0
5. Antimony .....	ST	20,130	40,730	146.4	20,600	0	0
6. Asbestos, Amosite .....	ST	26,291	42,533	14.5	16,242	0	16,242
7. Asbestos, Chrysotile .....	ST	0	10,956	5.0	10,956	0	0
8. Bauxite, Metal Grade, Jamaica .....	LDT	523,000	8,858,881	213.9	0 <sup>a</sup>	0	0
9. Bauxite, Metal Grade, Surinam .....	LDT	0	5,299,597	153.2	0 <sup>a</sup>	0	0
10. Bauxite, Refractory .....	LCT	2,083,000	174,599	24.4	0	1,908,401	0
11. Beryl Ore (11% BeO) .....	ST	0	17,986	8.1	0 <sup>c</sup>	0	0
12. Beryllium Copper Master Alloy ...	ST	16,710	7,387	48.4	0	0 <sup>c</sup>	0
13. Beryllium Metal .....	ST	895	229	34.4	0	549 <sup>c</sup>	0
14. Bismuth .....	LB	771,000	2,081,298	7.3	1,310,298	0	0
15. Cadmium .....	LB	24,701,000	6,328,622	15.1	0	18,372,378	0
16. Castor Oil, Sebacic Acid .....	LB	0	5,009,697	6.8	5,009,697	0	0
17. Chromite, Chemical Grade Ore ...	SdT	734,000	242,413	15.0	0	491,587	0
18. Chromite, Metallurgical Grade Ore .....	SdT	2,550,000	2,484,281 <sup>s</sup>	281.9	0	0 <sup>d</sup>	0
19. Chromite, Refractory Grade Ore .....	SdT	642,000	391,414	32.9	0	250,586	0
20. Chromium, Ferro, High Carbon ...	ST	236,000	402,695	227.8	0 <sup>d</sup>	0	0
21. Chromium, Ferro, Low Carbon ...	ST	124,000	197,183	204.1	2,301 <sup>d</sup>	0	0
22. Chromium, Ferro, Silicon .....	ST	69,000	58,356	34.4	0	10,644	0
23. Chromium, Metal .....	ST	10,000	3,763	21.0	0	6,237	0
24. Cobalt .....	LB Co	85,415,000	40,802,914	279.5	0	44,612,086	0
25. Columbium Carbide Powder ...	LB Cb	0	21,372	0.4	0 <sup>e</sup>	0	0
26. Columbium Concentrates .....	LB Cb	3,131,000	1,780,244	8.1	0	177,657 <sup>c</sup>	0
27. Columbium, Ferro .....	LB Cb	0	930,911	4.8	0 <sup>e</sup>	0	0
28. Columbium, Metal .....	LB Cb	0	44,851	1.3	0 <sup>e</sup>	0	0

TABLE 2  
INVENTORIES, GOALS, EXCESSES OR DEFICITS,  
AND BALANCE OF DISPOSAL AUTHORIZATIONS  
OF BASIC STOCKPILE MATERIALS (Continued)

March 31, 1978

(Market Value - Millions of Dollars)

Commodity	Unit	Goal <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess Adjusted for Offset <sup>4</sup>	Deficit Adjusted for Offset	Balance of Disposal Authorization
29. Copper .....	ST	1,299,000	21,690	\$ 28.4	0	1,277,310	0
30. Cordage Fibers, Abaca .....	LB	24,000,000	0	0	0	24,000,000	0
31. Cordage Fibers, Sisal .....	LB	114,000,000	0	0	0	114,000,000	0
32. Diamond Dies, Small .....	PC	0	25,473	1.1	25,473	0	0
33. Diamond, Industrial, Crushing Bort .....	KT	14,974,000	27,922,442	83.8	12,790,716	0	4,222,402
34. Diamond, Industrial, Stones .....	KT	5,559,000	20,000,003	231.1	14,441,003	0	0
35. Feathers and Down .....	LB	6,494,000	0	0.2	0	6,494,000	0
36. Fluorspar, Acid Grade .....	SDT	1,594,000	892,139	93.7	0	701,861	0
37. Fluorspar, Metallurgical Grade ...	SDT	1,914,000	411,738	35.8	0	1,502,262	0
38. Graphite, Natural - Ceylon, Amorphous Lump .....	ST	6,271	5,499	2.3	0	772	0
39. Graphite, Natural - Malagasy, Crystalline .....	ST	20,472	17,911	9.3	0	2,561	0
40. Graphite, Natural - Other than Ceylon & Malagasy .....	ST	34,748	2,802	0.5	0	31,946	0
41. Iodine .....	LB	3,333,000	8,013,448	20.8	4,680,448	0	0
42. Jewel Bearings .....	PC	224,623,000	66,173,648	46.3	0	158,449,352	0
43. Lead .....	ST	865,000	601,056	396.7	0	263,944	0
44. Manganese, Battery Grade, Natural Ore .....	SDT	12,736	262,325	28.4	233,495 <sup>f</sup>	0	126,134
45. Manganese, Battery Grade, Synthetic Dioxide .....	SDT	19,105	3,011	1.4	0	0 <sup>f</sup>	0
46. Manganese Ore, Chemical Grade .....	SDT	247,136	220,810	14.6	0	26,326	0
47. Manganese Ore, Metallurgical Grade .....	SDT	2,052,000	3,644,179	166.4	1,346,581 <sup>f</sup>	0	1,029,197
48. Manganese, Ferro, High Carbon ...	ST	439,000	599,763	213.9	160,763	0	0
49. Manganese, Ferro, Low Carbon ...	ST	0	0	0	0	0	0
50. Manganese, Ferro, Medium Carbon .....	ST	99,000	28,921	19.6	0	0 <sup>g</sup>	0
51. Manganese, Ferro, Silicon .....	ST	81,000	23,574	8.8	0	0 <sup>g</sup>	0

**TABLE 2**  
**INVENTORIES, GOALS, EXCESSES OR DEFICITS,**  
**AND BALANCE OF DISPOSAL AUTHORIZATIONS**  
**OF BASIC STOCKPILE MATERIALS (Continued)**

March 31, 1978

(Market Value - Millions of Dollars)

Commodity	Unit	Goal <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess Adjusted for Offset <sup>4</sup>	Deficit Adjusted for Offset	Balance of Disposal Authorization
52. Manganese, Metal, Electrolytic . . . .	ST	15,000	14,171	\$ 16.4	0	0 <sup>g</sup>	0
53. Mercury . . . . .	FL	54,004	200,058	29.5	146,054	0	0
54. Mica, Muscovite Block, Stained and Better . . . . .	LB	6,188,000	5,108,133	24.0	0	1,079,867	0
55. Mica, Muscovite Film, First and Second Qualities . . . . .	LB	90,000	1,273,434	15.0	1,183,434	0	7,135
56. Mica, Muscovite Splittings . . . . .	LB	12,631,000	21,981,718	11.0	9,350,718	0	2,802,086
57. Mica, Phlogopite Block . . . . .	LB	206,064	130,745	.06	0	75,319	0
58. Mica, Phlogopite Splittings . . . . .	LB	932,000	2,821,115	2.4	1,889,115	0	1,857,275
59. Molybdenum Disulphide . . . . .	LB Mo	0	0	0	0	0	0
60. Molybdenum, Ferro . . . . .	LB Mo	0	0	0	0	0	0
61. Nickel . . . . .	ST Ni+Co	204,335	0	0	0	204,335	0
62. Opium, Gum . . . . .	AMA LB	0	31,795	7.2	0 <sup>h</sup>	0	0
63. Opium, Salt . . . . .	AMA LB	75,000	39,508	21.4	0	3,697 <sup>h</sup>	0
64. Platinum Group Metals, Iridium . . . . .	TrOz	97,761	16,990	5.1	0	80,771	0
65. Platinum Group Metals, Palladium . . . . .	TrOz	2,450,000	1,255,004	87.8	0	1,194,996	0
66. Platinum Group Metals, Platinum . . . . .	TrOz	1,314,000	452,642	96.2	0	861,358	0
67. Pyrethrum . . . . .	LB	377,851	0	0	0	377,851	0
68. Quartz Crystals . . . . .	LB	0	2,701,212	16.2	2,701,212	0	2,253,909
69. Quinidine . . . . .	AvOz	6,841,000	1,800,341	12.2	0	5,040,659	0
70. Quinine . . . . .	AvOz	3,045,000	3,246,164	15.2	201,164	0	0
71. Rubber . . . . .	LT	513,134	119,202	121.5	0	393,932	0
72. Rutile . . . . .	SDT	173,928	39,186	12.2	0	134,742	0
73. Sapphire and Ruby . . . . .	KT	0	16,305,502	0.2	16,305,502	0	0
74. Shellac . . . . .	LB	8,529,000	0	0	0	8,529,000	0
75. Silicon Carbide, Crude . . . . .	ST	306,628	80,366	22.9	0	226,262	0
76. Silver (Fine) . . . . .	TrOz	0	139,500,000	729.7	139,500,000	0	0
77. Talc, Steatite Block and Lump . . . .	ST	104	1,105	0.4	1,001	0	903
78. Tantalum Carbide Powder . . . . .	LB Ta	889,000	28,688	1.2	0	860,312	0

**TABLE 2**  
**INVENTORIES, GOALS, EXCESSES OR DEFICITS,**  
**AND BALANCE OF DISPOSAL AUTHORIZATIONS**  
**OF BASIC STOCKPILE MATERIALS (Continued)**

March 31, 1978

(Market Value - Millions of Dollars)

Commodity	Unit	Goal <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess Adjusted for Offset <sup>4</sup>	Deficit Adjusted for Offset	Balance of Disposal Authorization
79. Tantalum Metal	LB Ta	1,650,000	201,133	\$ 10.2	0	1,448,867	0
80. Tantalum Minerals	LB Ta	5,452,000	2,551,226	79.4	0	2,900,774	0
81. Thorium Nitrate	LB	1,800,000	7,221,402	16.2	5,421,402	0	5,421,646
82. Tin	LT	32,499	200,659	2413.5	168,160	0	180
83. Titanium Sponge	ST	131,503	32,331	191.3	0	99,172	0
84. Tungsten Carbide Powder	LB W	12,845,000	2,032,833	29.2	0	0 <sup>i</sup>	0
85. Tungsten, Ferro	LB W	17,769,000	2,025,491	22.5	0	0 <sup>i</sup>	0
86. Tungsten, Metal Powder	LB W	3,290,000	1,898,814	25.4	0	0 <sup>j</sup>	0
87. Tungsten Ores and Concentrates	LB W	8,823,000	102,237,844	908.9	61,622,601 <sup>i</sup>	0	61,465,947
88. Vanadium, Ferro	ST V	10,095	0	0	0	10,095	0
89. Vanadium Pentoxide	ST V	2,576	540	5.3	0	2,036	0
90. Vegetable Tannin Extract, Chestnut	LT	6,942	19,065	14.8	12,123	0	9,636
91. Vegetable Tannin Extract, Quebracho	LT	37,998	156,332	92.8	118,334	0	106,473
92. Vegetable Tannin Extract, Wattle	LT	20,208	16,397	8.4	0	3,811	0
93. Zinc	ST	1,313,000	373,052	216.4	0	939,948	0

FOOTNOTES

<sup>1</sup> Stockpile goals established as of October 1, 1976. In some cases, where the stockpile grade material on hand was insufficient to meet goals, nonstockpile grade material has been temporarily applied. Future analysis may result in changes to material selections.

<sup>2</sup> Total inventory consists of stockpile and nonstockpile grades and reflects uncommitted balance.

<sup>3</sup> Market values are computed from prices at which comparable materials are being traded; or, in the absence of current trading, at an estimate of the price which would prevail in commercial markets. Market values are unadjusted for normal premiums and discounts relating to contained qualities or for inherent materials-handling allowances. *The market values do not necessarily reflect the amount that would be realized at time of sale.*

<sup>4</sup> Includes excess materials for which Congressional disposal legislation was pending.

<sup>i</sup> Includes \$28,225 SDT of nonstockpile grade material not credited toward goal.

**Offsets**

All conversion and processing loss factors, where applicable, have been taken from the Office of Emergency Planning Strategic and Critical Materials Reference Data Booklet, dated November 1, 1966.

<sup>a</sup>8,335,881 LDT of surplus bauxite, metal grade, Jamaica type, were used to offset 3,748,562 ST of alumina shortfall. 5,299,597 LDT of surplus bauxite, metal grade, Surinam type, were used to offset an additional 2,761,621 ST of alumina shortfall. 1,684 ST of surplus aluminum metal were used to offset another 3,250 ST of alumina shortfall.

<sup>b</sup>27,709 ST of surplus aluminum oxide, fused, crude, were used to offset a 24,095 ST shortfall in aluminum oxide, abrasive grain.

<sup>c</sup>13,319 ST of surplus beryl ore (11% BeO) were used to offset 100% of the 9,323 ST shortfall of the beryllium copper master alloy. An additional 4,667 ST of surplus beryl ore were used to offset 117 ST of the beryllium metal shortfall.

<sup>d</sup>166,695 ST of surplus chromium, ferro, high carbon, were used to offset 416,738 SDT of the chromite, metallurgical grade ore, shortfall. Also 70,882 ST of surplus chromium, ferro, low carbon, were used to offset an additional 177,206 SDT shortfall of the chromite, metallurgical grade ore.

<sup>e</sup>21,372 LB of surplus columbium carbide powder were used to offset 25,144 LB of columbium concentrates shortfall. 44,851 LB of surplus columbium, metal, were used to offset 52,766 LB of columbium concentrates shortfall. 930,911 LB of surplus columbium, ferro, were used to offset 1,095,189 LB of columbium concentrates shortfall.

<sup>f</sup>16,094 SDT of surplus manganese, battery grade, natural ore were used to offset 16,094 SDT of manganese, battery grade, synthetic dioxide, shortfall on a 1/1 basis.

<sup>g</sup>140,158 SDT of surplus manganese ore, metallurgical grade, were used to offset a shortfall of 70,079 ST of manganese, ferro, medium carbon. 103,367 SDT of surplus manganese ore, metallurgical grade, were used to offset a shortfall of 57,426 ST of manganese, ferro, silicon. 2,073 SDT of surplus manganese ore, metallurgical grade, were used to offset a shortfall of 829 ST of manganese metal, electrolytic.

<sup>h</sup>31,795 AMA LB of surplus opium gum were used to offset 31,795 AMA LB of opium salts shortfall on a 1/1 basis.

<sup>i</sup>13,028,661 LB of surplus tungsten ores and concentrates were used to offset a shortfall of 10,812,167 LB of tungsten carbide powder. 17,128,938 LB of surplus tungsten ores and concentrates were used to offset a shortfall of 15,743,509 LB of tungsten, ferro. 1,634,644 LB of surplus tungsten ores and concentrates were used to offset a shortfall of 1,391,186 LB of tungsten, metal powder.

**Abbreviations**

AMA LB	- Anhydrous Morphine Alkaloid (Pounds)	LCT	- Long Calcined Ton
AvOz	- Avoirdupois Ounce	LDT	- Long Dry Ton
FL	- Flask (76-Pound)	LT	- Long Ton
KT	- Karat	PC	- Piece
LB	- Pound	SDT	- Short Dry Ton
LB Cb	- Pounds of Contained Columbium	ST	- Short Ton
LB Co	- Pounds of Contained Cobalt	ST Ni+Co	- Short Tons of Contained Nickel plus Cobalt
LB Mo	- Pounds of Contained Molybdenum	ST V	- Short Tons of Contained Vanadium
LB Ta	- Pounds of Contained Tantalum	TrOz	- Troy Ounces
LB W	- Pounds of Contained Tungsten		

**OTHER MATERIALS IN GOVERNMENT INVENTORIES**

Inventories of materials removed from the stockpile list are shown in table 3. Also included are materials acquired principally by transfer of Government-owned surpluses.

There are no stockpile goals for these materials. These inventories are not included in the previous tabulation.

**TABLE 3**  
**INVENTORIES**  
**OF MATERIALS NOT ON THE LIST OF**  
**STRATEGIC AND CRITICAL MATERIALS<sup>1</sup>**

March 31, 1978

(Market Value - Millions of Dollars)

Commodity	Unit	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>
Asbestos, Crocidolite .....	ST	2,383	\$ 0.2
Celestite .....	SDT	14,407	0.4
Diamond Tools .....	PC	113	0.0006
Kyanite-Mullite .....	SDT	2,658	0.2
Magnesium .....	ST	1,862	3.7
Mica, Muscovite Block, ST.B/lower .....	LB	123,404	0.1
Mica, Muscovite Film, Third Quality .....	LB	219,352	0.03
Rare Earths .....	SDT ReO <sup>4</sup>	4,090	4.2
Talc, Steatite Ground .....	ST	2,389	0.01

<sup>1</sup> Disposal authorization exists for all of these inventories.

<sup>2</sup> Inventory reflects uncommitted balance.

<sup>3</sup> Market values are computed from prices at which comparable materials were being traded; or, in the absence of current trading, at an estimate of the price which would prevail in commercial markets. Market values are unadjusted for normal premiums and discounts relating to contained qualities or for inherent materials-handling allowances. *The market values do not necessarily reflect the amount that would be realized at time of sale.*

<sup>4</sup> ReO - Rare Earths Oxide.

C. GENERAL SERVICE ADMINISTRATION:  
DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS  
January-June 1975

Material	Unit	Quantity	Sales Commitments		
			Government Use	Industrial Use	Total Sales Value
<b>NATIONAL AND SUPPLEMENTAL STOCK PILE INVENTORIES:</b>					
Aluminum .....	ST	10,967	\$	\$ 8,796,427	\$ 8,796,427
Asbestos, Amosite .....	ST	4,160		1,447,989	1,447,989
Asbestos, Chrysotile .....	ST	652		314,126	314,126
Cadmium .....	LB	-4,200 <sup>1</sup>		-17,810 <sup>1</sup>	-17,810 <sup>1</sup>
Cobalt .....	LB	1,277,907		6,628,050	6,628,050
Columbium Ores and Concentrates .....	LB	-131,966 <sup>1</sup>		-	-
Diamond, Industrial, Bort .....	KT	1,269,884		2,743,597	2,743,597
Diamond, Industrial, Stopes .....	KT	799,067	3,094,500	5,076,549	8,171,049
Feathers and Down .....	LB	340,677	1,191,759		1,191,759
Lead .....	ST	-2,756 <sup>1</sup>	-1,311,584 <sup>1</sup>	245,980	-1,065,604 <sup>1</sup>
Manganese, Battery Grade, Natural Ore .....	SDT	72		3,600	3,600
Manganese Ore, Chemical Grade, Type B .....	SDT	3,060		210,180	210,180
Mica, Muscovite Block .....	LB	109,464		190,501	190,501
Mica, Muscovite Film .....	LB	8,730		29,988	29,988
Mica, Muscovite Splittings .....	LB	2,344,557		561,675	561,675
Mica, Phlogopite Flock .....	LB	1,260		1,300	1,300
Molybdenum, Disulphide .....	LB	1,762,800		3,465,257	3,465,257
Molybdenum, Ferro .....	LB	291,048		859,735	859,735
Opium, Gum .....	AvLB	11,234		1,195,670	1,195,670
Quartz Crystals .....	LB	155,200		815,906	815,906
Rare Earths .....	SDT	1,050		911,636	911,636
Rubber .....	LT	2,320		5,916,076	5,916,076
Silicon Carbide, Crude .....	ST	8,112		2,492,775	2,492,775
Talc, Steatitic, Block, and Lump .....	ST	1		283	283
Tin .....	LT	340		2,581,906	2,581,906
Tungsten Ores and Concentrates .....	LB	2,083,477		11,183,370	11,183,370
<b>Vegetable Tannins:</b>					
Chestnut .....	LT	101		31,601	31,601
Quebracho .....	LT	588	21,000	217,089	238,089
Wattle .....	LT	1,173		467,584	467,584
Zinc .....	ST	-1,735 <sup>1</sup>		-1,253,093 <sup>1</sup>	-1,253,093 <sup>1</sup>
<b>Total NATIONAL AND SUPPLEMENTAL STOCKPILES .....</b>			<b>\$2,995,675</b>	<b>\$ 55,117,947</b>	<b>\$ 58,113,622</b>



DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS (Continued)

January-June 1975

Material	Unit	Quantity	Sales Commitments		
			Government Use	Industrial Use	Total Sales Value
DEFENSE PRODUCTION ACT INVENTORY:				4	
Aluminium .....	ST	1,417	\$	\$ 1,144,550	\$ 1,144,550
Manganese, Metallurgical .....	SDT	66,640		730,000	730,000
Mica, Muscovite Block .....	LB	116,907		326,940	326,940
Mica, Muscovite Film .....	LB	964		3,478	3,478
Titanium .....	ST	746		1,819,174	1,819,174
Tungsten Ores and Concentrates...	LB	478,713		2,649,421	2,649,421
<b>Total DPA .....</b>			<b>\$</b>	<b>\$ 6,673,563</b>	<b>\$ 6,673,563</b>
OTHER:					
Gold .....	TrOz	754,800	\$	\$ 93,179,960 <sup>2</sup>	\$ 93,179,960 <sup>2</sup>
Lithium .....	LB	1,000		800	800
Mercury .....	FL	501	162	112,080	112,242
<b>Total OTHER .....</b>			<b>\$ 162</b>	<b>\$ 93,292,840</b>	<b>\$ 93,293,002</b>
<b>GRAND TOTAL .....</b>			<b>\$2,995,837</b>	<b>\$155,084,350</b>	<b>\$158,080,187</b>

<sup>1</sup> Negative figure represents adjustment of sales contract in previous report period.

<sup>2</sup> Represents that portion of the total proceeds of Treasury gold in excess of the U. S. monetary value based on \$42.2222 per ounce. 754,800 ounces of gold were sold at an average price of \$165.67.

## DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS

July-December 1975

Material	Unit	Quantity	Sales Commitments		
			Government Use	Industrial Use	Total Sale Value
<b>NATIONAL AND SUPPLEMENTAL STOCKPILE INVENTORIES:</b>					
Aluminum Oxide, Fused, Crude .....	ST	1,000	\$ <sup>1</sup>	\$ 165,000	\$ 165,000
Asbestos, Amosite .....	ST	-262 <sup>1</sup>		-91,394 <sup>1</sup>	-91,394 <sup>1</sup>
Cadmium .....	LB	-5,759 <sup>1</sup>		-14,091 <sup>1</sup>	-14,091 <sup>1</sup>
Cobalt .....	LB	2,943,916		10,673,835	10,673,835
Columbium Ores and Concentrates .....	LB	42,279		167,614	167,614
Diamond, Industrial, Bort .....	KT	1,059,500		2,209,939	2,209,939
Diamond, Industrial, Stones .....	KT	270,690	92,879	4,077,587	4,170,466
Feathers and Down .....	LB	599,345	2,195,037		2,195,037
Lead .....	ST	-1,173 <sup>1</sup>	56,216	-558,283 <sup>1</sup>	-502,067 <sup>1</sup>
Manganese, Battery Grade, Natural					
Ore .....	SDT	43,622		2,853,540	2,853,540
Manganese, Battery Grade, Synthetic					
Dioxide .....	SDT	50		22,500	22,500
Manganese Ore, Chemical Grade,					
Type B .....	SDT	15,000		967,500	967,500
Manganese, Metallurgical .....	SDT	382,178		18,643,418	18,643,418
Mica, Muscovite Block .....	LB	391,571		511,960	511,960
Mica, Muscovite Film .....	LB	12,752		44,103	44,103
Mica, Muscovite Splittings .....	LB	2,480,656		1,026,871	1,026,871
Mica, Phlogopite Splittings .....	LB	79,200		57,175	57,175
Molybdenum Disulphide .....	LB			1,030,312 <sup>2</sup>	1,030,312 <sup>2</sup>
Molybdenum, Ferro .....	LB			50,227 <sup>2</sup>	50,227 <sup>2</sup>
Molybdic Oxide .....	LB			30,124 <sup>2</sup>	30,124 <sup>2</sup>
Opium, Gum .....	AvLB	6,485		1,157,982	1,157,982
Quartz Crystals .....	LB	44,804		208,407	208,407
Silicon Carbide, Crude .....	ST	29,675		8,374,723	8,374,723
Thorium Nitrate .....	LB	1,400		3,150	3,150
Tin .....	LT	245		1,695,008	1,695,008
Tungsten Ores and Concentrates .....	LB	1,485,613		7,247,706	7,247,706
Vegetable Tannins:					
Chestnut .....	LT	150		51,164	51,164
Quebracho .....	LT	5,050 <sup>1</sup>		2,238,321	2,238,321
Wattle .....	LT	2,621 <sup>1</sup>		1,125,566	1,125,566
Zinc .....	ST	-622 <sup>1</sup>		-440,762 <sup>1</sup>	-440,762 <sup>1</sup>
<b>Total NATIONAL AND SUPPLEMENTAL STOCKPILES .....</b>			<b>\$2,344,132</b>	<b>\$ 63,529,202</b>	<b>\$ 65,873,334</b>

## DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS (Continued)

L/4623/Add.16

Page 19

July-December 1975

Material	Unit	Quantity	Sales Commitments		
			Government Use	Industrial Use	Total Sale Value
<b>DEFENSE PRODUCTION ACT INVENTORY:</b>					
Columbium Ores and Concentrates .....	LB	14,680	\$	\$ 33,000	\$ 33,000
Manganese, Metallurgical .....	SDT	24,999		* 998,433	998,433
Mica, Muscovite Block .....	LB	1,082,578		1,217,599	1,217,599
Mica, Muscovite Film .....	LB	2,450		12,200	12,200
Tantalum Minerals .....	LB	64,653		1,031,469	1,031,469
Tungsten Ores and Concentrates .....	LB	86,754		421,361	421,361
<b>Total DPA .....</b>			<b>\$</b>	<b>\$ 3,714,062</b>	<b>\$ 3,714,062</b>
<b>OTHER:</b>					
Gold .....	TrOz	499,672	\$	\$ 61,373,545 <sup>1</sup>	\$ 61,373,545 <sup>1</sup>
Lithium .....	LB	740,500		710,312	710,312
<b>Total OTHER .....</b>			<b>\$</b>	<b>\$ 62,083,857</b>	<b>\$ 62,083,857</b>
<b>GRAND TOTAL .....</b>			<b>\$2,344,132</b>	<b>\$129,527,121</b>	<b>\$131,671,253</b>

<sup>1</sup> Negative figure represents adjustment of sales contract in previous report period.

<sup>2</sup> Figure represents price adjustments to prior contract.

<sup>3</sup> Represents that portion of the total proceeds of Treasury gold in excess of the U.S. monetary value based on \$42.2222 per ounce. 499,672 ounces of gold were sold at an average price of \$165.05.

## DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS

January-June 1976

Material	Unit	Quantity	Sales Commitments		
			Government Use	Industrial Use	Total Sale Value
<b>NATIONAL AND SUPPLEMENTAL STOCKPILE INVENTORIES:</b>					
Aluminum .....	ST	9,487	\$	\$ 7,733,873	\$ 7,733,873
Aluminum Oxide, Fused, Crude .....	ST	16,973		3,063,796	3,063,796
Asbestos, Crocidolite .....	ST	103	1,424	16,500	17,924
Cadmium .....	LB	125,000		241,999	241,999
Cobalt .....	LB	4,626,183		18,094,061	18,094,061
Columbium Ores and Concentrates .....	LB	24,819		78,682	78,682
Copper, Other .....	ST	-1,205 <sup>1</sup>		-2,731,433 <sup>1</sup>	-2,731,433 <sup>1</sup>
Diamond, Industrial, Bort .....	KT	1,146,769		2,479,703	2,479,703
Diamond, Industrial, Stone .....	KT	-576 <sup>1</sup>	825,000		825,000
Diamond Tools .....	PC	3,995		20,000	20,000
Feathers and Down .....	LB	350,122	1,797,341		1,797,341
Lead .....	ST	459	167,076		167,076
Magnesium .....	ST	500	835,000		835,000
Manganese, Battery Grade, Natural					
Ore .....	SDT	73		3,650	3,650
Manganese, Battery Grade, Synthetic					
Dioxide .....	SDT	545		231,127	231,127
Manganese, Chemical Grade,					
Type A .....	SDT	1,000		65,250	65,250
Manganese, Chemical Grade,					
Type B .....	SDT	6,009		420,360	420,360
Mica, Muscovite Splittings .....	LB	19,344		207,201	207,201
Mica, Phlogopite Block .....	LB	19,112		13,001	13,001
Mica, Phlogopite Splittings .....	LB	134,124		68,466	68,466
Molybdenum Disulphide .....	LB			23,783 <sup>1</sup>	23,783 <sup>1</sup>
Molybdenum Ferro .....	LB			55,086 <sup>1</sup>	55,086 <sup>1</sup>
Quartz Crystals .....	LB	173,443		1,087,720	1,087,720
Rare Earths .....	SDT	27		17,514	17,514
Scelenium .....	LB	2,500		42,529	42,529
Thorium Nitrate .....	LB	2,800		6,300	6,300
Tin .....	LT	2,749		19,370,921	19,370,921
Tungsten Ores and Concentrates .....	LB	1,271,377		7,425,221	7,425,221
Vegetable Tannins:					
Chestnut .....	LT	351		126,821	126,821
Quebracho .....	LT	607		283,512	283,512
Wattle .....	LT	1,187		513,317	513,317
<b>Total NATIONAL AND SUPPLEMENTAL STOCKPILES .....</b>			<b>\$3,625,841</b>	<b>\$ 58,938,960</b>	<b>\$ 62,564,801</b>

## DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS (Continued)

L/4623/Add.16  
Page 21

January-June 1976

Material	Unit	Quantity	Sales Commitments		
			Government Use	Industrial Use	Total Sale Value
<b>DEFENSE PRODUCTION ACT INVENTORY:</b>					
Cobalt .....	LB	24,199	\$	\$ 122,399	\$ 122,399
Columbium Ores and Concentrates .....	LB	44,089		142,801	142,801
Manganese, Metallurgical .....	SDT	18,132		611,509	611,509
Tungsten Ores and Concentrates .....	LB	618,686		3,639,483	3,639,483
<b>Total DPA .....</b>			<b>\$</b>	<b>\$ 4,516,192</b>	<b>\$ 4,516,192</b>
<b>OTHER:</b>					
Lithium .....	LB	640,425	\$	\$ 474,766	\$ 474,766
Mercury .....	FL	520	2,360	49,000	51,360
<b>Total OTHER .....</b>			<b>\$ 2,360</b>	<b>\$ 523,766</b>	<b>\$ 526,126</b>
<b>GRAND TOTAL .....</b>			<b><u>\$3,628,201</u></b>	<b><u>\$ 63,978,918</u></b>	<b><u>\$ 67,607,119</u></b>

<sup>2</sup> Represents adjustments to prior year contracts.

**TABLE IV**  
**DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS**

July-September 1976

Material	Unit	Quantity	Sales Commitments		Total Sale Value
			Government Use	Industrial Use	
<b>NATIONAL AND SUPPLEMENTAL STOCKPILE INVENTORIES:</b>					
Aluminum	ST	278	\$	\$ 216,840	\$ 216,840
Asbestos, Amosite	ST	150		51,750	51,750
Asbestos, Crocidolite	ST	-99 <sup>1</sup>		-15,020 <sup>1</sup>	-15,020 <sup>1</sup>
Cobalt	LB	553,841		2,866,295	2,866,295
Copper Oxygen Free, High Conductivity	ST	500	700,000		700,000
Copper, Other	ST	1,205	1,687,000		1,687,000
Diamond, Industrial, Bort	KT	485,500		1,058,357	1,058,357
Diamond, Industrial, Stones	KT		5,283,154 <sup>1</sup>		5,283,154 <sup>1</sup>
Mica, Muscovite Film	LB	2,824		10,569	10,569
Mica, Muscovite Splittings	LB	625,000		584,340	584,340
Mica, Phlogopite Splittings	LB	88,481		55,002	55,002
Molybdenum Disulphide	LB	130,151		888,514	888,514
Molybdenum Oxide	LB			5,600 <sup>1</sup>	5,600 <sup>1</sup>
Quartz Crystals	LB	56,907		305,711	305,711
Rare Earths	SDT	28		8,611	8,611
Talc, Steatite Block and Lump	ST	30		9,200	9,200
Thorium Nitrate	LB	6,300		14,175	14,175
Tin	LT	350		2,853,480	2,853,480
Tungsten Ores and Concentrates	LB	614,451		4,224,677	4,224,677
Vegetable Tannin:					
Quebracho	LT	63	29,666		29,666
<b>Total NATIONAL AND SUPPLEMENTAL STOCKPILES</b>			<b>\$7,699,820</b>	<b>\$ 13,138,101</b>	<b>\$ 20,837,921</b>
<b>DEFENSE PRODUCTION ACT INVENTORY:</b>					
Manganese, Metallurgical	SDT	2,800	\$	\$ 97,346	\$ 97,346
Mica, Muscovite Film	LB	991		4,645	4,645
Tungsten Ores and Concentrates	LB	756,518		5,333,145	5,333,145
<b>Total DPA</b>			<b>\$</b>	<b>\$ 5,435,136</b>	<b>\$ 5,435,136</b>

**TABLE IV**  
**DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS (Continued)**

July-September 1976

Material	Unit	Quantity	Sales Commitments		
			Government Use	Industrial Use	Total Sale Value
<b>OTHER:</b>					
Lithium .....	LB	943,444	\$	\$ 766,124	\$ 766,124
<b>Total OTHER</b> .....			\$	\$ 766,124	\$ 766,124
<b>GRAND TOTAL</b> .....			<u>\$7,699,820</u>	<u>\$ 19,339,361</u>	<u>\$ 27,039,181</u>

<sup>1</sup> Represents adjustments to prior year contracts.

**Industrial diamonds are the hardest naturally - occurring substance.**

**TABLE I**  
**SUMMARY OF GOVERNMENT INVENTORIES OF**  
**STRATEGIC AND CRITICAL MATERIALS**

September 30, 1976

	Acquisition Cost	Market Value <sup>1</sup>
<b>A. I. Inventories Reserved for Objectives</b>		<b>\$1,523,268,400</b>
<b>II. Uncommitted Excess Inventories<sup>2</sup></b>		<b>\$5,955,739,100</b>
<b>Total</b> .....		<b>\$7,479,007,500</b>
<b>B. I. Total Inventories in Storage<sup>3</sup></b>		
National Stockpile .....	\$2,490,814,200	\$5,824,059,000
Supplemental Stockpile .....	1,080,207,100	1,910,981,800
Defense Production Act .....	304,549,000	265,856,300
<b>Total on Hand</b> .....	<b>\$3,875,570,300</b>	<b>\$8,000,897,100</b>
<b>II. Inventories Within Objective (in storage)</b>		
<b>Total</b> .....	<b>\$ 715,773,700</b>	<b>\$1,523,268,400</b>
<b>III. Excess Inventories in Storage</b>		
<b>Total</b> .....	<b>\$3,159,796,600</b>	<b>\$6,477,628,700</b>

<sup>1</sup> Market values are computed from prices at which similar materials are being traded; or, in the absence of current trading, at an estimate of the price which would prevail in commercial markets. Market values are unadjusted for normal premiums and discounts relating to contained qualities, or for inherent materials-handling allowances. *Market values do not necessarily reflect the amount that would be realized at time of sale.*

<sup>2</sup> Uncommitted Excess Inventories exclude unshipped sales.

<sup>3</sup> Inventories in storage include quantities that have been sold but not shipped.



**TABLE II**  
**SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES,**  
**EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS**

Basic Stockpile Materials  
September 30, 1976

(Market Value - Millions of Dollars)\*

Commodity	Unit	Objective <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess <sup>4</sup>	Market Value <sup>3</sup>	Balance of Disposal Authorization
1. Aluminum	ST	0	5,426	\$ 5.2	5,426	\$ 5.2	5,426 <sup>5</sup>
2. Aluminum Oxide, Abrasive Grain	ST	17,200	50,905	15.8	33,705	10.4	0
3. Aluminum Oxide, Fused, Crude	ST	0	249,009	44.9	249,009	44.9	0
4. Antimony	ST	0	40,714	132.6	40,714	132.6	0
5. Asbestos, Amosite	ST	0	42,665	14.7	42,665	14.7	24,265
6. Asbestos, Chrysotile	ST	1,100	10,955	5.0	9,855	4.4	0
7. Bauxite, Metal Grade, Jamaica	LDT	4,638,000	8,858,881	213.9	4,220,881	101.9	1,370,077
8. Bauxite, Metal Grade, Surinam	LDT	0	5,300,000	153.2	5,300,000	153.2	0
9. Bauxite, Refractory	LCT	0	173,000	20.4	173,000	20.4	0
10. Beryl Ore	ST	0	17,986	8.1	17,986	8.1	0
11. Beryllium Copper Master Alloy	LB	0	14,773,731	45.4	14,773,731	45.4	0
12. Beryllium Metal	ST	88	229	34.3	141	21.1	0
13. Bismuth	LB	95,900	2,051,258	15.6	1,985,353	14.9	0
14. Cadmium	LB	4,446,500	6,328,955	19.0	1,862,455	5.6	522,955
15. Castor Oil							
a. Castor Oil	LB	0	0	0	0	0	0
b. Sebacic Acid	LB	0	5,009,697	6.0	5,009,697	6.0	0
16. Chromite, Chemical Grade	SDT	8,400	250,000	12.7	241,600	12.3	0
17. Chromite, Metallurgical	SDT	444,710	2,484,655	267.1	2,039,945	208.7	0
18. Chromium, Ferro, High Carbon	ST	11,476	402,694	300.1	391,218	291.5	0
19. Chromium, Ferro, Low Carbon	ST	0	318,893	374.1	318,893	374.1	0
20. Chromium, Ferro, Silicon	ST	0	58,356	42.0	58,356	42.0	0
21. Chromium, Metal	ST	0	3,763	18.4	3,763	18.4	0
22. Chromite, Refractory	SDT	54,000	399,960	25.3	345,960	21.9	0
23. Cobalt	LB	11,945,000	40,693,169	179.0	28,748,169	126.5	2,493,169
24. Columbium Concentrates	LB	0	1,751,553	5.2	1,751,553	5.2	0
25. Columbium Carbide Powder	LB	16,000	21,372	0.4	5,372	0.09	1,372
26. Columbium, Ferro	LB	748,000	930,911	4.4	182,911	0.9	0
27. Columbium, Metal	LB	36,000	44,851	1.1	8,851	0.2	0
28. Copper							
a. Copper Oxygen Free, High Conductivity	ST	0	0	0	0	0	0
b. Other	ST	0	0	0	0	0	0

TABLE II  
SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES,  
EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS (Continued)

Basic Stockpile Materials  
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess <sup>4</sup>	Market Value <sup>5</sup>	Balance of Disposal Authorization
29. Cordage Fibers, Abaca .....	LB	0	0	\$ 0	0	\$ 0	0
30. Cordage Fibers, Sisal .....	LB	0	0	0	0	0	0
31. Diamond Dies, Small .....	PC	7,900	25,473	1.1	17,573	0.8	0
32. Diamond, Industrial, Crushing Bort .....	KT	0	31,944,377	70.6	31,944,377	70.6	8,244,377
33. Diamond, Industrial, Stones .....	KT	0	19,999,999	163.0	19,999,999	163.0	0
34. Feathers and Down .....	LB	1,938,000	617,080	3.3	0	0	612,080 <sup>6</sup>
35. Fluorspar, Acid Grade .....	SDT	0	889,991	93.4	889,991	93.4	0
36. Fluorspar, Metallurgical Grade ...	SDT	159,000	411,788	35.8	252,788	22.0	0
37. Graphite, Natural, Ceylon .....	ST	3,100	5,499	2.3	2,395	1.0	0
38. Graphite, Natural, Malagasy .....	ST	8,200	17,939	9.3	9,739	5.1	0
39. Graphite, Natural, Other than C&M Crystalline .....	ST	0	2,802	0.5	2,802	0.5	0
40. Iodine .....	LB	0	8,011,698	20.7	8,011,698	20.7	0
41. Jewel Bearings .....	PC	62,740,000	49,222,612	28.5	0	0	0
42. Lead .....	ST	65,100	601,060	297.5	535,560	265.3	71,162 <sup>5</sup>
43. Manganese Battery Grade, Natural Ore .....	SDT	10,700	264,583	28.7	253,883	27.3	129,583
44. Manganese, Battery Grade, Synthetic Dioxide .....	SDT	0	3,008	1.4	3,008	1.4	1,108
45. Manganese Ore, Chemical Grade, Type A .....	SDT	12,800	145,586	9.5	132,786	8.7	110,586
46. Manganese Ore, Chemical Grade, Type B .....	SDT	12,800	75,410	5.1	62,610	4.2	40,410
47. Manganese Ore, Metallurgical ...	SDT	750,500	3,706,813	232.5	2,956,313	178.4	1,101,213
48. Manganese Ferro, High Carbon ...	ST	200,000	600,000	227.7	400,000	151.8	0
49. Manganese Ferro, Low Carbon ...	ST	0	0	0	0	0	0
50. Manganese, Ferro, Medium Carbon .....	ST	10,500	20,920	19.6	18,420	12.5	0
51. Manganese, Silicon .....	ST	15,900	23,574	11.0	7,674	3.6	0
52. Manganese Metal, Electrolytic ....	ST	4,750	14,166	16.4	9,416	10.9	0
53. Mercury .....	FL	42,700	200,058	23.8	157,358	18.7	0

TABLE II

SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES,  
EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS (Continued)Basic Stockpile Materials  
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess <sup>4</sup>	Market Value <sup>3</sup>	Balance of Disposal Authorization
54. Mica, Muscovite Block, Stained and Better .....	LB	1,600,000	5,108,133	\$ 27.2	3,508,133	\$ 16.3	0
55. Mica, Muscovite Film, First and Second Qualities .....	LB	413,000	1,346,605	15.8	933,605	10.9	78,526
56. Mica, Muscovite Splittings .....	LB	2,200,000	23,084,075	27.7	20,884,075	25.1	4,024,200
57. Mica, Phlogopite Block .....	LB	51,000	127,773	0.04	76,773	0.02	76,773
58. Mica, Phlogopite Splittings .....	LB	200,000	3,183,323	3.8	2,983,323	3.6	2,233,323
59. Molybdenum							
a. Molybdenum Disulphide .....	LB	0	0	0	0	0	0
b. Molybdenum, Ferro .....	LB	0	0	0	0	0	0
c. Molybdic Oxide .....	LB	0	0	0	0	0	0
60. Nickel .....	LT	0	0	0	0	0	0
61. Opium							
a. Opium, Gum .....	LB	0	30,205	12.2	30,205	12.2	0
b. Opium, Salt .....	LB	0	39,509	16.0	39,509	16.0	0
62. Platinum Group Metals, Iridium ..	TrOz	1,800	17,002	5.2	15,202	4.6	12
63. Platinum Group Metals, Palladium .....	TrOz	328,500	1,254,994	72.2	926,494	53.3	0
64. Platinum Group Metals, Platinum .....	TrOz	187,500	452,645	79.2	265,145	46.4	0
65. Pyrethrum .....	LB	0	0	0	0	0	0
66. Quartz Crystals .....	LB	209,000	2,696,578	7.6	2,487,578	7.0	2,376,578
67. Quinidine .....	OZ	1,059,000	1,800,356	14.8	741,356	6.1	0
68. Quinine .....	OZ	779,500	3,246,166	20.1	2,466,666	15.3	0
69. Rubber .....	LT	0	120,190	106.7	120,190	106.7	0
70. Rutile .....	SDT	0	39,186	11.8	39,186	11.8	0
71. Sapphire and Ruby .....	KT	0	16,305,502	0.2	16,305,502	0.2	0
72. Shellac .....	LB	0	0	0	0	0	0
73. Silicon Carbide .....	ST	0	80,619	22.9	80,619	22.9	80,619
74. Silver .....	(Fine)TrOz	21,663,000	139,500,000	585.9	117,837,000	494.9	0
75. Talc, Steatite Block and Lump .....	ST	0	1,119	0.4	1,119	0.4	919
76. Tantalum Carbide Powder .....	LB	2,900	28,688	0.8	25,788	0.7	0
77. Tantalum Metal .....	LB	45,000	201,133	9.1	156,133	7.0	0

**TABLE II**  
**SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES,**  
**EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS (Continued)**

Basic Stockpile Materials  
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective <sup>1</sup>	Total Inventory <sup>2</sup>	Market Value <sup>3</sup>	Excess <sup>4</sup>	Market Value <sup>3</sup>	Balance of Disposal Authorization
78. Tantalum Minerals	LB	312,000	2,545,410	\$ 40.6	2,233,410	\$ 35.6	0
79. Thorium	ST	0	3,637	9.1	3,637	9.1	3,550
80. Tin	LT	40,500	203,774	1,670.6	163,274	1,338.6	3,148
81. Titanium Sponge	ST	32,329	32,329	162.3	0	0	0
82. Tungsten Carbide Powder	LB	0	2,032,833	21.9	2,032,833	21.9	2,032,833
83. Tungsten, Ferro	LB	0	2,025,463	15.7	2,025,463	15.7	2,025,463
84. Tungsten, Metal Powder, Carbon Reduced	LB	0	716,910	7.2	716,910	7.2	716,910
85. Tungsten, Metal Powder, Hydrogen Reduced	LB	0	1,048,456	11.5	1,048,456	11.5	1,048,456
86. Tungsten Ores and Concentrates	LB	4,234,000	107,248,083	815.7	103,014,083	783.5	82,080,121
87. Vanadium							
a. Vanadium, Ferro	ST	0	0	0	0	0	0
b. Vanadium Pentoxide	ST	0	539	4.7	539	4.7	0
88. Vegetable Tannin Extract, Chestnut	LT	4,400	21,465	11.5	17,065	9.1	11,965
89. Vegetable Tannin Extract, Quebracho	LT	0	164,595	85.7	164,595	85.7	113,995
90. Vegetable Tannin Extract, Wattle	LT	0	18,021	9.2	18,021	9.2	8,521
91. Zinc	ST	374,830	374,830	296.1	0	0	0

FOOTNOTES

<sup>1</sup> These objectives do not reflect the results of the stockpile study announced October 1, 1976.

<sup>2</sup> Total inventory consists of stockpile and nonstockpile grades and does not include materials already committed for sale.

<sup>3</sup> Market values are estimated from prices at which similar materials are being traded; or, in the absence of trading data, at an estimate of the price which would prevail in the market. Prices used are unadjusted for normal premiums and discounts relating to contained quantities or normal freight allowances. *The market values do not necessarily reflect the amount that would be realized at time of sale.*

**OTHER MATERIALS IN GOVERNMENT INVENTORIES**

Inventories of materials that have been removed from the stockpile list, and of other materials for which there are no stockpile

objectives, are shown in Table III. These inventories are not included in the previous tabulation.

**TABLE III**

**SUMMARY OF GOVERNMENT INVENTORIES AND BALANCE OF DISPOSAL AUTHORIZATIONS COVERING MATERIALS FOR WHICH THERE ARE NO STOCKPILE OBJECTIVES**

September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Total Inventory <sup>1</sup>	Market Value <sup>2</sup>	Balance of Disposal Authorization
Asbestos, Crocidolite . . . . .	ST	2,384	\$ 0.2	2,384
Celestite . . . . .	SDT	14,408	0.4	14,408
Diamond Tools . . . . .	PC	60,183	0.7	60,183
Kyanite-Mullite . . . . .	SDT	2,816	0.2	2,816
Magnesium . . . . .	ST	1,121	2.1	1,121
Rare Earths . . . . .	SDT	7,174	8.3	7,174
Sperm Oil . . . . .	LB	18,243	0.006	18,243
Talc, Steatite Ground . . . . .	ST	2,916	0.02	2,916

<sup>1</sup> Inventory reflects uncommitted balance.

<sup>2</sup> Market values are estimated from prices at which similar materials are being traded; or, in the absence of trading data, at an estimate of the price which would prevail in the market. Prices used are unadjusted for normal premiums and discounts relating to contained qualities or normal freight allowances. *The market values do not necessarily reflect the amount that would be realized at time of sale.*

## STOCKPILE ACTIVITIES

### Procurement

The Strategic Stockpile Procurement Directive for FY 1976, issued August 28, 1975, provided for the cash procurement of two million pieces of jewel bearings from the Government-owned William Langer Jewel Bearing Plant at Rolla, North Dakota. The plant, operated by the Bulova Watch Company, Inc., continued to produce jewel bearings for the National Stockpile and for defense contractors under the existing contract with GSA. Jewel Bearings and related items ordered from the plant for the defense program during the period July through September 1976, totaled 486,799.

Orders for "related items" totaled 27,900 during the same period. These included items made from synthetic sapphire such as domed pins, plates, knife edges, vee grooves, spacers, insulators, windows, and balls.

The plant continued to operate on a profitable basis during the report period. Net income for the three-month period ending September 30, 1976, amounted to \$20,327.

### Disposal Program

During July-September 1976, GSA disposal sales of excess strategic and critical materials from all Government inventories totaled \$27.0 million. Of the total disposals of \$27.0 million, approximately \$20.8 million were from the National and Supplemental

Stockpiles, \$5.4 million from the Defense Production Act inventory, and \$0.8 million from "other sales."

Major sales were of cobalt, \$2.9 million; tin, \$2.9 million; and tungsten ores and concentrates, \$9.6 million. The commodities and quantities making up the total sales for this period are listed in Table IV.

Cumulative fiscal year sales since the inception of the disposal program total approximately \$7.2 billion. (Figures 1 and 2, page 13.)

### Storage and Maintenance

On September 30, 1976, GSA stored approximately 33 million tons of strategic materials at 121 locations as follows:

Military Depots	34
GSA Depots	28
Other Government-owned Sites	14
Leased Commercial Sites	12
Industrial Plantsites	33
	<hr/>
Total	121

Following heavy disposals of stockpile materials during the past few years, continued progress was made in storage consolidation in order to return unneeded warehouse space to the Public Buildings Service. During July-September 1976, 240,000 square feet at GSA depots were vacated and returned to PBS.

Sales from CCC: stocks--all unrestricted use (either domestic or export), none for export only

	TOTAL	DAIRY*
July 1, 1974-June 30, 1975	\$114.0 M	\$1.7 M butter
July 1, 1975-June 30, 1976	81.4 M	32.8 NFDM 18.9 butter
July 1, 1976-September 30, 1976	22.3	21.0 NFDM
October 1, 1976-September 30, 1977	43.7	35.3 NFDM

\* Remainder of sales are miscellaneous grains, tung oil, peanuts, etc.

V. Reason Why No Foreign Trade Has Taken Place  
In Products Affected

B. Bureau of Mines

Exports of helium from the United States are about 130 million cubic feet a year. All such exports are by private traders, and practically all of the exported helium is produced by private companies. Exports of helium from the United States were 174 million cubic feet in calendar year 1976.

C. General Services Administration

Specific records with respect to exports are not kept on stockpile disposals. As explained previously, under its mandate to protect producers from disruption of their usual markets, whether in the U.S. or abroad, GSA may place certain export restrictions on certain specific materials when an analysis of the market conditions indicates that this is necessary. Most disposal sales do not have restrictions on export. Sales are usually made to both domestic and foreign buyers on a non-discriminatory basis.

VI. Additional Information

B. Bureau of Mines

In addition to the production of helium for current usage, the Bureau of Mines, under authority of The Helium Act, administers the National Helium Conservation Program. Under this program, helium in helium-bearing natural gas produced for fuel markets was extracted by private companies and purchased by the Bureau during the period 1963-1971. It is stored in a partially depleted underground natural gas reservoir near Amarillo, Texas. When needed for other future requirements, it will be withdrawn from the reservoir, purified, and sold by the Bureau. At the end of 1976 about 39 billion cubic feet of helium was in storage.

There are four large helium extraction plants in the United States which have no relation to the Government's helium program. These plants produce high-purity helium for direct sale to commercial customers and distributors including exporters.