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NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

CONFIDENTIAL/XGDS

February 6, 1973

National Security Decision Memorandum 203

TO: The Secretary of State  
The Secretary of Defense  
The Director, Office of Emergency Preparedness  
The Director, Office of Management and Budget  
The Administrator, General Services Administration

SUBJECT: Revised Guidelines for Stockpile Planning

The President has reviewed the current guidelines for Stockpile planning. To bring the National Stockpiles of Strategic and Critical Materials into correspondence with national security requirements, he has directed that the determination of the quantitative levels and materials composition of stockpile inventories shall be based on three principal assumptions:

1. The impact on material demand and supply during a national emergency will be no greater than that which would occur if:

A. Military conflict arose in Europe and Asia for a period of up to one year.

B. The U.S. were to support a military force of up to 5,000,000 men for the duration of conflict.

2. Imports to the United States during such a conflict will be available as normal with the following exceptions:

A. Imports will not be available from Communist bloc countries and countries in the war zone.

B. Imports will be available at reduced levels from other countries where political disruption or hostile action at sea is expected to impede normal import patterns.

3. Extraordinary measures, including limitations on real personal consumption, will be taken if necessary within the national economy to sustain defense production. These measures shall not cause per capita

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living standards to fall significantly below levels attained in the most recent preconflict year.

Determination of specific material requirements shall:

-- Take into account the capacity of the national economy to adjust to rapid change in the demand for and availability of materials.

-- Reflect, in particular, the possibilities for substitution of non-critical materials for critical materials in production processes.

The aggregate value of materials held against estimated inventory requirements shall not exceed \$1,500 million (June 1972 prices).

The Director, Office of Emergency Preparedness, shall adjust the stockpile inventory requirements to reflect the Revised Guidelines. New material purchase or disposal actions shall not be initiated until the Director has prepared a Stockpile Report which includes:

-- A comprehensive list of material requirements.

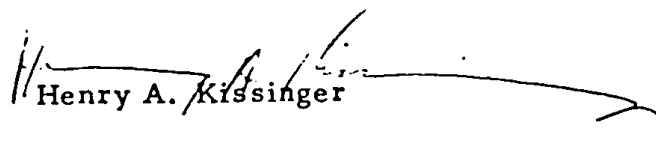
-- A review of demand estimates for materials, where purchase or disposal action in the FY 1973-75 time period appears contingent upon substitution possibilities.

-- A determination as to any need for adjustment in the dollar value of the ceiling on stockpile inventory requirements.

This report shall be submitted to the Assistant to the President for National Security Affairs within fifteen days from this issuance.

The Administrator, General Services Administration, shall advise the Secretary of State and the Assistant to the President for Economic Affairs with regard to possible market entries by the Government for major disposals or purchases pursuant to the specific material requirements established by the Office of Emergency Preparedness.

The Secretary of State shall advise the President with regard to the implications of stockpile disposal actions for United States foreign relations.

  
Henry A. Kissinger

cc: The Secretary of the Treasury