



A Metal Scandal

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BACK IN 1973, Richard Nixon exercised his presidential powers to sell off strategic metals from the national stockpile. It was a \$3 billion decision that benefitted the industrial giants.

The sales came at a time when strategists were warning that the United States would run short of many vital minerals in another decade.

Yet Nixon unloaded the taxpayers' valuable metals at bargain prices. His decision to reduce the strategic stockpile was accompanied by quiet pressure from the White House to sell the scarce minerals to Nixon's friends and contributors in the metals industry.

Among the corporations that wound up with the boodle were Alcoa, Bethlehem Steel, Englehardt Industries, General Electric, Kaiser Aluminum, Reynolds Metals, U.S. Steel and Westinghouse.

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MEANWHILE, the National Security Council has conducted a top-secret study to determine whether the stockpile has been reduced too low. The conclusion is that Nixon made a huge mistake and that the stockpile levels must be raised.

We broke the news of the stockpile sales last April and offered to assist anyone in Congress who was interested in investigating the scandal. Senator Lee Metcalf, (Dem-Mont.), took us up on our offer. Working with the senator, we have dug out the details of a chrome

sale that cost the taxpayers \$20 million.

The General Services Administration paid \$35.35 a ton for metallurgical chrome ore, which was set aside for an emergency in the Nye, Mont., stockpile. Chrome of similar quality was still selling around \$35 a ton when Nixon ordered the stockpile depleted.

The GSA, acting on Nixon's orders, sold 803,526 tons of the chrome ore to Metallurg, Inc., for an average of \$7.64 a ton. The difference between the market price and the government price amounted to a whopping \$20 million.

All told, Nixon lowered the chrome requirements from 2.9 million tons to a mere 440,000 tons. But a few weeks ago, the requirements were quietly raised back to 2.5 million tons.

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THE PRICE of metallurgical chrome, meanwhile, has soared on the world market. The GSA must now pay \$38 to \$46 a ton for chrome that was sold to Metallurg, Inc., for \$7.64 a ton less than three years ago.

Metallurg is an international consortium. The company is still moving its \$7.64-a-ton ore out of Nye.

We discovered that the bulk of this chrome is being delivered not to U.S. mills but to processing plants in the Scandanavian countries. Some of the finished chrome, meanwhile, has been sold back to U.S. companies at a fat profit.