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EMERGENCY MOBILIZATION PREPAREDNESS BOARD

Washington, D.C. 20472

JUN 4 1982

MEMORANDUM FOR: BOARD MEMBERS

FROM: Bennett L. Lewis
Executive Secretary

SUBJECT: Fifth Draft National Policy Statement on Emergency Mobilization Preparedness

The fifth draft of the policy statement is at attachment 1. There are three remaining issues to be resolved.

The issues are discussed here briefly and addressed in more detail at attachments 2, 3, and 4:

ISSUE #1 Does the draft policy statement clearly state the Administration's position on the preeminence of the free market while at the same time allowing for the possible use of standby controls under exceptional circumstances?

I am convinced that all members of the Board share the desire to place reliance on the allocative efficiencies of the free market. Revised language, as recommended in the issue paper at attachment 2, has been introduced in the last two sentences under "Principles" on page 1. I believe this adjustment will resolve the issue.

ISSUE #2 Should the Federal Government use existing authority under the Defense Production Act (DPA) to stimulate increased activity by the private sector in support of emergency mobilization preparedness? Should references to DPA incentives be included in the National Policy Statement?

A change in the language of the industrial mobilization program has been made to make the point that utilization of the DPA authorities would be limited to only those times when it was "appropriate". A discussion of the issue is at attachment 3. If it cannot be resolved prior to the Board meeting, the issue will be decided at that time.

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ISSUE # 3 Should a principle concerning Federalism be included in the policy statement or not?

A principle concerning the respective role of State and local governments has been reinserted in the policy statement at page 3, as recommended by the Office of Policy Development. Attachment 4 contains the request to OPD and their response concerning this issue. Members of the Secretariat will be contacting the Agencies taking issue to be certain that it is actually resolved to everyone's satisfaction.

Responses to Member's Comments

1. Several members suggested that some of the Principles from one sub-section should be repeated in the other sub-section and vice versa. To accommodate this, without being repetitious, the whole section has been reformatted to include a sub-section, General Principles. Nothing else has been changed except the addition of the principle on the role of State and local governments.

2. Several comments were received that the specific policy and program areas now being included make the statement excessive in length as compared to the previous 7 page document. The previous drafts included a 19 page attachment detailing the specific policy, program, and implementation measures which made the complete document 26 pages in length. It has always been intended that the National Policy Statement include the attachment. The changed format, in this draft, provides a document 13 pages in length, compared to the previous 26 pages. I believe that the statement of National policy is more meaningful if it contains the more specific policy and program statements that the Working Groups have developed.

3. It is planned that the implementation measures from each of the Working Groups' preparedness areas will be issued by the Chairman in a separate memorandum when he requests input to the plan of action. The implementation measures are at attachment 5 of this memorandum for your information.

Your comments on the remaining issues in this fifth draft are welcome. Please reply by close of business June 11, if you have suggestions.

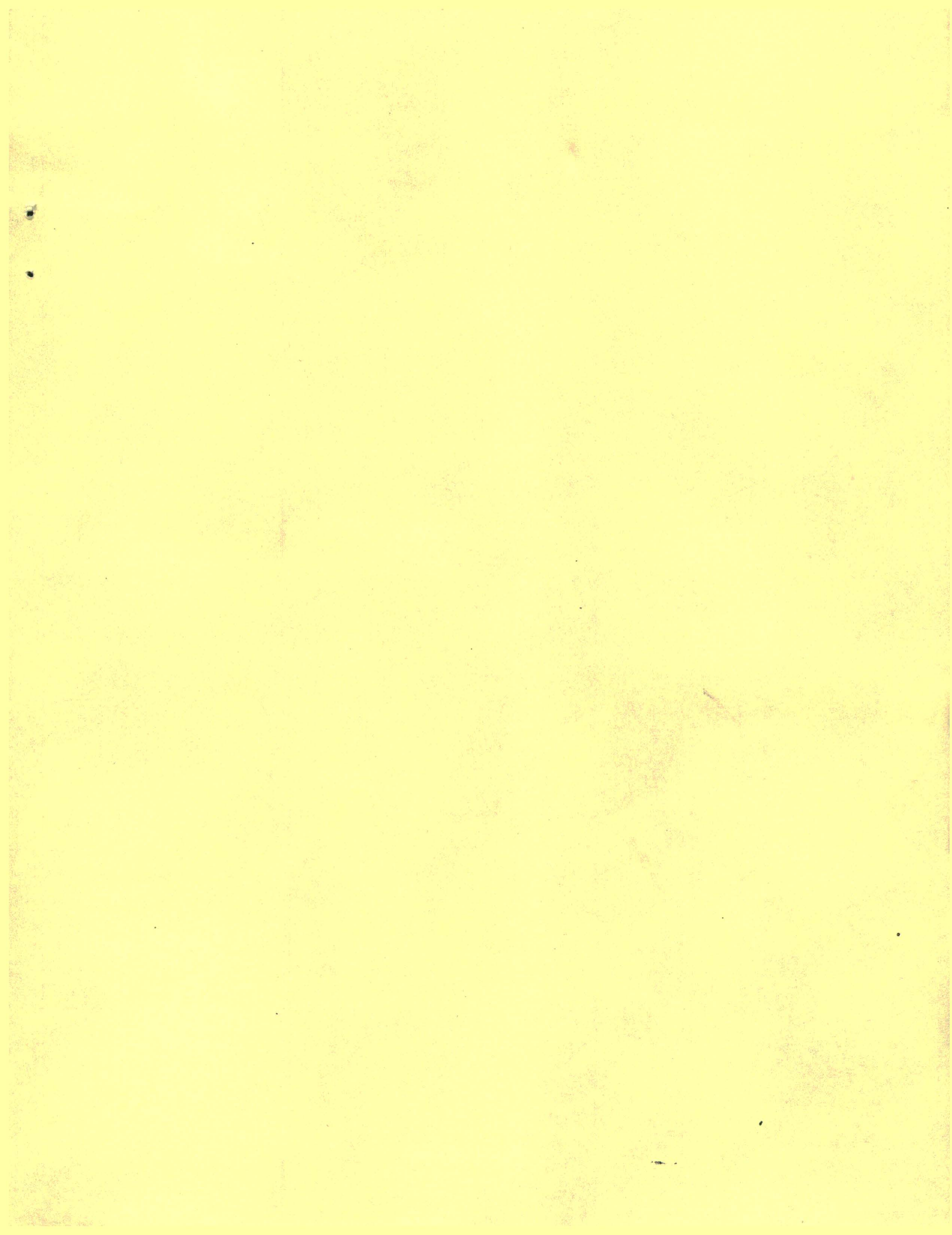
Otherwise, it is planned to introduce the document to the Board at the June 16 meeting for final approval.

Attachments 6

cc:

Agency Liaison Officers
Working Group Chairmen
Points of Contact

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Attachment 1

National Security Decision Directive

5th DRAFT
2nd Iteration

PREAMBLE

A fundamental obligation of government is to provide for the security of the Nation and to protect its people, values, and its social, economic, and political structures. Inherent in that obligation is the development of an emergency mobilization preparedness program which will provide an effective capability to meet defense and essential civilian needs during national security emergencies and major domestic emergencies. This directive aims not to commit the Federal government to a particular course of action, but rather to assure that a range of options are available in time of grave national emergency.

UNITED STATES EMERGENCY MOBILIZATION PREPAREDNESS POLICY

It is the policy of the United States to have an emergency mobilization preparedness capability that will ensure that government at all levels, in partnership with the private sector and the American people, can respond decisively and effectively to any major national emergency with defense of the United States as the first priority.

PRINCIPLES FOR EMERGENCY MOBILIZATION PREPAREDNESS PROGRAMS

Programs developed to ensure or improve the Nation's ability to mobilize will be based on the principles that follow. They have been divided into three categories. The division between the principles that apply to National security emergencies and those that apply to domestic emergencies was made to emphasize that the respective and appropriate response for each may be quite different. The objective in both cases, however, is to define a common ground upon which mobilization programs can be developed and used at the discretion of the President to prevent avoidable emergencies, to combat and reduce those that are unavoidable, and to mitigate the effects of those that do occur. Authorities for direct economic controls in emergency situations need to be provided to give responsible policymakers flexibility to deal with circumstances that can be judged only as they arise. These controls should be used only when they are clearly superior as a means to achieve essential objectives, and not as an automatic response to all emergencies. The allocative efficiency of the market should be relied upon whenever possible.

General Principles

Emergency mobilization preparedness programs for all emergencies will be based on the following principles:

- Where applicable, preparedness measures should emphasize the partnership and interdependence between Federal, State, and local governments.

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- To the maximum degree possible, consistent with security requirements, the private sector should be brought into a planning partnership with responsible government agencies prior to the outset of an emergency.
- Plans and procedures should be designed to retain maximum flexibility for the President and other senior officials in the implementation of emergency actions both above and below the threshold of declared national emergencies and wars. Plans should avoid rigid "either-or" choices that limit Presidential options.
- Preparedness measures should reflect functional interdependencies among agency activities and across preparedness programs. Close and continuous coordination between military and civilian agencies is required to ensure consistent approaches to common problems.
- Preparedness measures should recognize the importance of short-term improvements and make effective use of the existing mobilization base.
- Preparedness measures to assure adequate mobilization base capabilities should be developed in the longer term. These measures should be designed to meet those specific requirements for national emergencies that may not be met by the dynamics of the market-based economy.
- Preparedness measures that involve the waiving or modification of socioeconomic regulations that delay emergency responses should receive priority attention.
- Preparedness measures that are, or may be, impeded by legal constraints should be identified as a priority task.
- Preparedness programs should also be designed to increase capabilities to cope with resource shortages arising from politically or economically motivated disruptions of essential supplies from foreign sources, and serious disruptions of services (e.g., transportation or communications) that could cripple economic activity and threaten national security.

Principles for National Security Emergencies

Emergency mobilization preparedness programs for national security emergencies will be based on the following principles:

- Preparedness measures should address the full spectrum of national security emergencies.

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- The development of the structure of policies, plans, authorities, and requirements for full mobilization should receive priority attention. Foundations for total mobilization planning should be introduced concurrently.
- Resource management and economic stabilization programs should include standby plans and procedures for governmental intervention, as necessary, into the market place to ensure the enhancement of supply and the allocation of resources to military and essential civilian needs. These mechanisms should provide for both gradual and abrupt replacement of market forces by governmental regulations.
- Preparedness measures should emphasize a rapid and effective transition from routine to emergency operations and should be designed to make effective use of any periods of time that may be available following the receipt of strategic and tactical warnings. The Government must develop capabilities to minimize the start-up time required for emergency responses.
- High priority must be given by Federal agencies to identify and prioritize their requirements for national resources needed in a mobilization.
- Improvement in the capabilities of Federal agencies to identify and manage the resources under their cognizance to meet military and essential civilian requirements in a mobilization will be achieved.
- Preparedness measures should include all appropriate coordination with our allies.

Principles for Domestic Emergencies

Emergency mobilization preparedness programs for domestic emergencies will be based on the following principles:

- Preparedness measures must reflect the respective roles of the Federal, State, and local governments under the Federal structure of our Constitution. In peacetime, principle responsibility for emergencies lies with the State and local governments, and preparedness measures must provide for gradual realignment of responsibilities from the Federal to State and local governments and must assist those jurisdictions in the development of capabilities to handle these responsibilities.
- Primary emphasis should be placed on natural or technological disasters that have a major national impact; produce multi-State consequences that cannot be managed effectively without substantial Federal presence; or, arise within spheres of activity in which there is an established Federal preeminence.

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- Domestic preparedness programs should recognize the primary responsibilities of State and local governments.
- Domestic preparedness programs should be developed in close coordination with the private sector.
- Preparedness measures for allocation of resources during domestic emergencies should emphasize procedures that rely on market-based mechanisms.
- Economic stabilization preparedness measures should provide mechanisms that avoid the imposition of direct economic controls, except on a temporary basis, in affected areas.
- Preparedness measures for domestic emergencies should facilitate responses which may be necessary for only temporary and selective departures from established public policies. Equally, such measures should aim for the prompt restoration of routine policies and programs.

SPECIFIC POLICIES AND PROGRAMS

Based on the national emergency mobilization preparedness policy and principles stated above, the programs are to be directed initially at the development of a credible and effective capability to harness the mobilization potential of America in support of the Armed Forces, while meeting the needs of the national economy and other civil emergency preparedness requirements. These programs, making use of existing programs where possible, will contribute to:

- deterrence of attack, especially nuclear attack on the United States, our allies and friends; and defeat of attacks should deterrence fail;
- effective response to attempts at coercion, nuclear blackmail and economic warfare;
- preservation of constitutional government;

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- prompt recovery of affected areas and to the restoration of national systems, including the Armed Forces;
- maintenance of alliances and the continuation of cooperative relationships with our allies before, during, and after armed conflict or disruptive activities; and
- effective allocation and management of essential resources.

In the case of major domestic emergencies, emergency mobilization preparedness programs will contribute to:

- improving the survivability of the national security capability;
- effective natural disaster predictions, risk assessment and warning systems;
- mitigating the vulnerability of production, services and the infrastructure to catastrophic events;
- prompt and coordinated Federal assistance to affected state and local governments and communities;
- effective management and allocation of Federal resources to facilitate both emergency response operations and long-term rehabilitation and recovery.

Military Mobilization

It is the policy of the United States to develop systems and plans that will ensure that sufficient manpower and materiel are available to guarantee the Nation's ability to mobilize, deploy, and sustain military operations; and that, consistent with national defense priorities, military manpower and materiel be available to assist civilian authorities when civil resources are inadequate.

The program will increase capabilities to:

- expand the size of the force from partial through full to total mobilization;
- deploy forces to theaters of operations, and sustain them in protracted conflict; and
- provide military assistance to civil authority, consistent with national defense priorities and applicable legal guidelines.

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Industrial Mobilization

It is the policy of the United States to have a capability to mobilize industry in order to achieve timely and sufficient production of military and essential civilian materiel needed to prosecute successfully a major military conflict, to lend credibility to national strategic policy, and to respond appropriately to domestic emergencies.

The program will:

- improve the capability of U.S. industry to meet current and mobilization requirements by identifying production and supply deficiencies and recommending actions to overcome them;
- increase the availability and efficient use of industrial resources, including transportation and energy necessary to support industrial production and expansion of the industrial base, through appropriate utilization of Defense Production Act authorities and systems, new or modified legislation improved guidance on resource-claimancy for industrial production, and use of import and export controls;
- provide for assessment of the impact on the industrial base resulting from existing and proposed agreements for co-production of defense materiel, related offset arrangements with our allies, and other reciprocal trade agreements; and
- increase the availability of domestic metals, minerals, and materials essential for mobilization production through improved implementation of National Defense Stockpile policy and other means.

Human Resources

It is the policy of the United States to develop systems and plans to ensure that the Nation's human resources are available in the requisite numbers and skills to support and sustain the Armed Forces, and to provide for essential civilian needs.

The program will:

- identify the required civilian skills and potential supply problems for support of the Armed Forces, essential defense industries, and other critical mobilization tasks;
- facilitate the channelling of skilled workers toward the most critical mobilization needs;
- provide for maximum reliance on voluntary mechanisms to allocate human resources to critical industrial and other emergency mobilization tasks;

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- provide for a standby system for allocation of workers to critical mobilization tasks if necessary;
- minimize the impact of labor-management conflicts on expansion of defense production;
- enhance the availability of the requisite scientific, engineering, technical and other human resources to support both military and industrial mobilization needs; and
- ensure that human resources policies enhance economic stabilization plans and procedures for mobilization.

Health

It is the policy of the United States to develop systems and plans that will ensure that sufficient medical personnel, supplies, equipment, and facilities will be available and deployed to meet essential civilian and military health care needs in an emergency.

The program will:

- enhance the Nation's ability to recover from major emergencies and protect the population from the spread of disease;
- supplement medical services provided by state and local governments and the private sector with medical resources during a domestic emergency;
- increase the capability to provide medical care to military casualties in civilian and Federal facilities; and
- allocate scarce supplies and skilled professionals (specialists) to the highest priority needs.

Economic Stabilization and Public Finance

It is the policy of the United States to develop a variety of authorities and plans which could be used in maintaining stable economic conditions during any major national emergency, giving particular emphasis to measures which will minimize inflation and shortages; enhance morale and assure that the burdens of the emergency are being fairly shared; facilitate an orderly return to a normal economy as soon as possible; and allow the allocative efficiencies of the free market to operate where possible, with alternative measures involving direct Government intervention in the economy to be used only at the latest appropriate time.

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The program will increase capabilities to:

- minimize economic dislocations and distortions associated with major emergencies by carrying-out appropriate fiscal, monetary, and regulatory policies, including controlling inflation and shortages arising from the transfer of resources from non-essential to priority uses;
- facilitate resource reallocation necessitated by any relocation of the populace;
- assure an equitable distribution of consumer goods;
- provide for the protection of U.S. financial resources including currency production, Federal check disbursement facilities, and precious monetary metals;
- preserve and facilitate operations of public and private financial institutions systems, and provide for any necessary restoration of their functioning after a major emergency;
- provide the government with efficient and equitable financing sources and payments mechanisms for emergencies; and
- provide fiscal authorities with adequate revenue-raising powers to stabilize the economy in the face of any additional resource requirements needed to deal with or recover from an emergency; available fiscal measures should be selected to provide maximum efficiency and equity, preserve incentives, and minimize administrative burdens.

Civil Defense

The United States civil defense policy is contained in National Security Decision Directive 26 (SECRET) dated February 26, 1982. In addition, it is the policy of the United States that all Federal Agencies shall participate in, and support, the civil defense program for population protection, communications and warning, training and education, and industrial protection.

Earthquakes

It is the policy of the United States to develop systems and plans to reduce the loss of life, destruction of property, economic instabilities, and the adverse impact on our national defense capability that would result from a catastrophic earthquake.

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The program can substantially reduce the effects of a catastrophic earthquake by improving earthquake prediction, hazard and risk assessment, warning systems, public education and awareness, response and recovery; by developing further and applying earthquake resistant design and construction techniques, and land use planning. The initial action will be focused on California, but attention will be focused later on other regions in consideration of their relative risk from an earthquake.

The program will increase capabilities to:

- evaluate current earthquake prediction activities, foster the application of advanced scientific and engineering techniques for prediction and mitigation, increase and accelerate basic and applied research efforts;
- develop a coordination and integration mechanism between Federal and state governments;
- identify and allocate financial, medical, transportation, shelter, communications and other resources necessary to assist recovery operations;
- reduce the negative effects on military installations and defense related industries;
- ensure more effective public awareness programs to equip all levels of the populace with specific information to help them survive;
- promote international cooperation to increase scientific and engineering knowledge in applying mitigation measures;
- provide for the preparation, implementation and exercising of preparedness procedures; and
- ensure the adequacy of current Federal legislation and regulations to facilitate an effective response.

Government Operations

It is the policy of the United States to develop systems and plans that will ensure the maintenance of necessary government functions at the Federal, State, and local levels and provide for a timely and effective transition into emergency modes of operation.

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The program will:

- ensure continuous performance of essential government functions;
- provide timely and effective transition to emergency government operations;
- provide a mechanism for the reconstitution of the operations of government following a nuclear attack, as required; and
- ensure that government officials at all levels are capable of responding predictably and effectively to emergency conditions.

Emergency Communications

It is the policy of the United States to ensure that communications resources be available and adequate to respond to the Nation's needs.

The program will:

- assure viable communications operations concepts;
- make information available on communications needs and resources;
- identify and correct communications deficiencies;
- provide adequate communications planning guidance;
- arrange for smooth transition from normal to emergency operations.

Law Enforcement and Public Safety

It is the policy of the United States to develop systems and plans that will provide for the public safety and ensure continued enforcement of Federal, state and local laws; and ensure internal security and the control of United States borders, and waters subject to the jurisdiction of the United States.

The program will increase capabilities to:

- maintain law and order in a variety of emergencies, particularly terrorist incidents, civil disturbances, nuclear emergencies, and relocation of large numbers of people;
- ensure the physical security of critical public and private facilities;

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- provide for control of enemy aliens and persons entering or leaving the United States;
- guarantee control of United States seaports, airports, and land and sea borders;
- provide a response capability to sabotage and espionage; and
- ensure an intensified counterintelligence effort.

Food and Agriculture

It is the policy of the United States to develop systems and plans that will provide an adequate flow of agricultural products to the general population, the Armed Forces, and to meet our international responsibilities. These plans must reduce the vulnerability of our food and fiber resources; ensure a responsive production, delivery, and distribution system during emergencies, and contain provisions for the rapid recovery of the agricultural system.

The program will:

- plan for adequate research, production capabilities, and reserves of agricultural products, including livestock and poultry, to provide the Nation's farmers with production resources, including emergency financing capabilities, to meet demands;
- provide for the most effective allocation of resources for the production and use of available food and fiber during emergencies; and the assessment of national and international requirements upon supplies of food and fiber, so as to decrease dependence on foreign sources;
- ensure maximum availability of food and fiber supplies to our Armed Forces and our allies;
- maintain production capabilities to contribute to our world agricultural trade objectives, and reduce susceptibility to manipulated economic pressures;
- establish emergency marketing, processing, inspection and grading systems for government-owned and privately-held agricultural commodities; establish civil transportation resource priorities to support agricultural needs; and make provisions for secure storage capabilities and priorities;

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- plan to protect the health and well-being of the Nation's livestock and poultry; ensure the protection of crops and croplands, and the nation's forest resources; and
- provide for timely information under emergency conditions to assure adequate food and fiber production, and priority distribution to the normal wholesale level;

Social Services

It is the policy of the United States to develop systems and plans that will increase capabilities to provide emergency social services to meet survival needs of the population. Maximum reliance will be placed on voluntarism and on state and local governments.

The program will:

- provide services for persons with special needs while preparing families and individuals to care for themselves to the maximum extent possible;
- maintain existing federal, state, local, and private programs to meet ongoing social services needs;
- provide for the reception, care, and resettlement of personnel evacuated from overseas during an emergency; and
- provide for a management structure through which emergency social services requirements can be assessed accurately and necessary services delivered efficiently to meet highest priority needs.

MANAGEMENT

Consistent with this directive, the Emergency Mobilization Preparedness Board will formulate policy and planning guidance, coordinate planning, resolve issues, and monitor progress. In accomplishing these functions, the Board may assign additional tasks to its Working Groups and require the assistance of individual Federal agencies.

Accordingly, I direct the Emergency Mobilization Preparedness Board to prepare a Plan of Action to implement the programs detailed in this directive. Plans of action for programs developed subsequent to publication of this directive will be prepared within 45 days of program approval.

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I further direct that all Federal departments and agencies manage their financial and human resources consistent with the provisions of applicable law, and provisions of this and other directives to assure the development of the required capabilities. Resources for improvements in our preparedness capabilities will be obtained through the normal budget process. In the overall context of the President's budget and current regulatory, budgeting, and legislative review processes, each Department and Agency will program and budget funds and personnel for those preparedness activities which are integral to assigned missions and functions.

Presidential Directive/NSC-57 is hereby rescinded.

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ISSUE #1Issue

Does the National Policy Statement clearly state the Administration's position on the preeminence of the free market while at the same time allowing for the possible use of standby controls under exceptional circumstances?

Discussion

During the drafting of the National Policy Statement, language emphasizing the Administration's reliance on free market mechanisms as opposed to Government controls was incorporated.

Earlier drafts of the Statement were considered by some Board members as not sufficiently highlighting the Administration's free market philosophy. As a result, references to the free market were strengthened in the fourth draft of the Statement.

Now, with the Board's review of the fourth draft, comments have been received suggesting that the free market language, primarily in the Principles section, should be reconsidered.

There is no disagreement with the free market philosophy. The comments speak, however, to revising the language to more specifically indicate that while the free market shall be relied upon to the greatest degree possible, controls should be available for use under exceptional circumstances.

References

References to the free market appear in the fifth draft as follows:

1. Principles section, page 1 - the last three sentences beginning with the word "Authorities..."
2. Principles section, page 2 (General Principles) - the fifth bullet beginning with the words "Preparedness measures..."
3. Principles section, page 3 (National Security Emergencies) - the second bullet beginning with the words "Resource management..."
4. Principles section, page 4 (Domestic Emergencies) - the third and fourth bullets beginning with the words "Preparedness measures..." and "Economic stabilization..."
5. Specific Policies section, page 7 (Economic Stabilization and Public Finance) - the last portion of the paragraph beginning with the words "and allow the allocative efficiencies..."

Comments

1. The Defense, Transportation and JCS Board members commented on the language in the Principles section noted in Reference 1. These comments, in general, call for the referenced language to "...provide for exceptions to the policy which is thought to be its intent."

Defense recommends that the last sentence of the section be changed to read, "The allocative efficiency of the market should be relied upon whenever practicable."

Transportation believes that the phrase "...if not all..." referring to foreseeable emergency circumstances should be deleted.

JCS would delete the next to last sentence then go on to incorporate the following changes, "These controls should be used only when they are clearly superior as a means to achieve essential objectives, and not as an automatic response to all emergencies. The allocative efficiency of the market should be relied upon to the degree possible."

2. Defense also recommended that the language of the Specific Policies section, in Reference 5, be modified by changing the final phrase to read, "... direct Government intervention in the economy to be used only when necessary."

Recommendations

1. The revisions suggested to the Principles section, and their underlying basis, appear to be valid and in keeping with the intent of the National Policy Statement. It is recommended that the Statement be changed to incorporate a composite revision as follows:

"... Authorities for direct economic controls in emergency situations need to be provided to give responsible policymakers flexibility to deal with circumstances that can be judged only as they arise. These controls should be used only when they are clearly superior as a means to achieve essential objectives, and not as an automatic response to all emergencies. The allocative efficiency of the market should be relied upon whenever possible."

2. Concerning the modification suggested in Comment 2, if the above recommendation is adopted this proposed revision is not required and it is recommended that it not be approved.



ISSUE #2Issue

Should the Federal Government use existing authority under the Defense Production Act (DPA) to stimulate increased activity by the private sector in support of emergency mobilization preparedness? Should references to DPA incentives be included in the National Policy Statement?

Discussion

At the April 28, 1982 Board meeting concern was expressed over language in the draft industrial mobilization policy which refers to expanding the use of the DPA and to modification of the DPA and other legislation. On May 12, 1982 the Industrial Mobilization Working Group submitted a revised policy statement and a covering memorandum that reiterated their conviction that government intervention "through subsidies or incentives to industry" may be necessary to the emergency mobilization preparedness effort.

Reference

Reference to expansion of the Defense Production Act authorities and systems appears in the fifth draft on page 6 at the second item under the industrial mobilization program.

Comments

Concern has been expressed by several agencies (Treasury, Energy, OMB, OPM) about the issue of using DPA authorities. Their concerns are:

- It is inconsistent with the Administration's free market policy;
- "subsidies" could result in "bailing out" industries that are experiencing financial difficulties;
- subsidies/incentives could result in increased Federal costs.

The Treasury Department's view is that subsidization is "so contrary to Administration policy" that the policy statement should be written more tightly to prohibit subsidies explicitly or limit them to very exceptional situations. Treasury also observes that to date no exceptions to the anti-subsidy policy have been granted.

Subsidizing private industry for social or economic reasons is beyond the purview of this policy statement on emergency mobilization preparedness. The policy statement is not intended to address that kind of government action.

It would not be prudent to preclude the Government from paying for national security capability obtained from the private sector. The outright purchase of a tank, plane, or ship for the Department of Defense is not considered a subsidy. The Government pays for what it gets. Similarly, if the Government

wants the private sector to operate inefficiently or maintain excess capacity to meet national security needs, the Government should pay for what it gets. The Government is deregulating industry and adopting a free-market policy. It is possible that the products and procedures of industry under a free-market philosophy will not provide adequately for national security. The Government might want the airlines to use cargo aircraft which are useful for military purposes, but are not the most efficient for operations in a free market. The Government might want, for national security purposes, more domestic production of a particular mineral than the free market would support. The Government might want to have an excess tank production capacity, of no use in a free market in peacetime, but which would be needed immediately in a mobilization. The Government will most likely have to pay the marginal cost of these national security capabilities, whether in the form of a direct payment, a low interest loan, or a tax benefit. In each case, the Government is merely paying for something--extra emergency mobilization capability--it wants.

It is reasonable to provide for appropriate use of the DPA to improve private industry's capability for emergency mobilization preparedness. However, each case should be examined on its merits. The use or non-use of the DPA in a particular instance should be based on the need and the cost of the particular capability under consideration. Accordingly, the policy statement should be permissive on this matter. Furthermore, each DPA project should be reviewed by OMB, the NSC, and the Congress before it is accomplished.

The following Agencies are in favor of retaining the potential use of DPA authorities to stimulate the national security capability of private industry: Defense, Commerce, Interior, Transportation, Agriculture, Joint Chiefs of Staff, and FEMA. Transportation holds that peacetime economy may not always be capable of meeting critical defense needs, particularly when these needs are unique to the defense program. Moreover, Transportation feels that the national policy statement is clear that primary reliance will be on the free market. This appears also to be the rationale for the positions of the other Agencies favoring a permissive policy.

The President's National Materials and Minerals Policy (NMMP) also makes the point that the Administration is undertaking a review of strategic stockpile policy to determine whether it would be more cost-effective to use DPA incentives than to purchase materials for the stockpile. Thus, the Administration policy, as expressed in the NMMP, does recognize use of DPA incentives when they are determined to be cost effective in supporting national security objectives.

This issue needs to be resolved before the policy statement can be promulgated.

Recommendation

If it is decided that the policy statement should preclude the use of DPA authorities, the policy statement will have to be changed accordingly. Agencies and Working Groups also will have to be informed that DPA authorities may not be utilized even in the interests of national security.

If the decision is that appropriated use of DPA authorities on a case-by-case basis is permitted, the policy statement will not have to be revised. The current policy statement says only that the government would use DPA authorities only if they are appropriate. Approval of the current language would not result in these capabilities being used automatically.

MAY 11 1982

MEMORANDUM FOR: EDWIN L. HARPER
ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT, AND
BOARD MEMBER

FROM: Bennett L. Lewis
Executive Secretary

SUBJECT: National Policy Statement on Emergency
Mobilization Preparedness

At the Board meeting on March 31, 1982 an issue was raised concerning the absence, in the draft national policy statement, of a statement of principle regarding the role of State and local governments in peacetime.

The issue was raised by Donald Devine, Director of the Office of Personnel Management who was concerned with the elimination of a domestic emergency principle which had appeared in the second draft:

"Preparedness measures must reflect the gradual realignment of responsibilities from the Federal to State and local governments, and assist those jurisdictions in the development of capabilities to handle these new responsibilities."

His concern was compounded because he believes that the principle should be even stronger in order to express the President's federalism policy. Mr. Devine proposes that the principle should be placed in the first position and read as follows:

"Peacetime preparedness measures must reflect the primary place of State and local governments, in the Federal system for peacetime emergencies, and provide for a program of gradual realignment of responsibilities from the Federal to State and local governments, and for the Federal Government to assist those jurisdictions in the development of capabilities to handle these new responsibilities."

The principle had been deleted from the draft at the request of George Keyworth, Director of the Office of Science and Technology Policy. Mr. Keyworth indicated that the principle (as it appeared in the second draft) was not clearly understood, for in the entire content of the draft there was no reference to the transfer of new responsibilities from the Federal Government to the State and local level. He said that if the principle referred to a potential transfer of some responsibilities under the President's "new Federalism" concept, he urged caution in consideration of the difficulties expressed by the States. He thought it might be premature to include it in a National Security Decision Directive when in fact the responsibilities to be transferred have not been articulated.

This issue is one that must be resolved prior to preparation of the final draft. At the April 28th Board meeting the Acting Chairman asked that your opinion be sought before a final decision is made. Accordingly, it is requested that you give this issue consideration and transmit your opinion to us at the earliest possible time as the Secretariat is in the final stages of the statement revision.

cc:

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THE WHITE HOUSE

WASHINGTON

May 18, 1982

FOR: BENNETT L. LEWIS
Executive Secretary,
Emergency Mobilization Preparedness Board

FROM: MICHAEL M. UHLMANN
Special Assistant to the President,
Office of Policy Development

SUBJECT: National Policy Statement on Emergency
Mobilization Preparedness

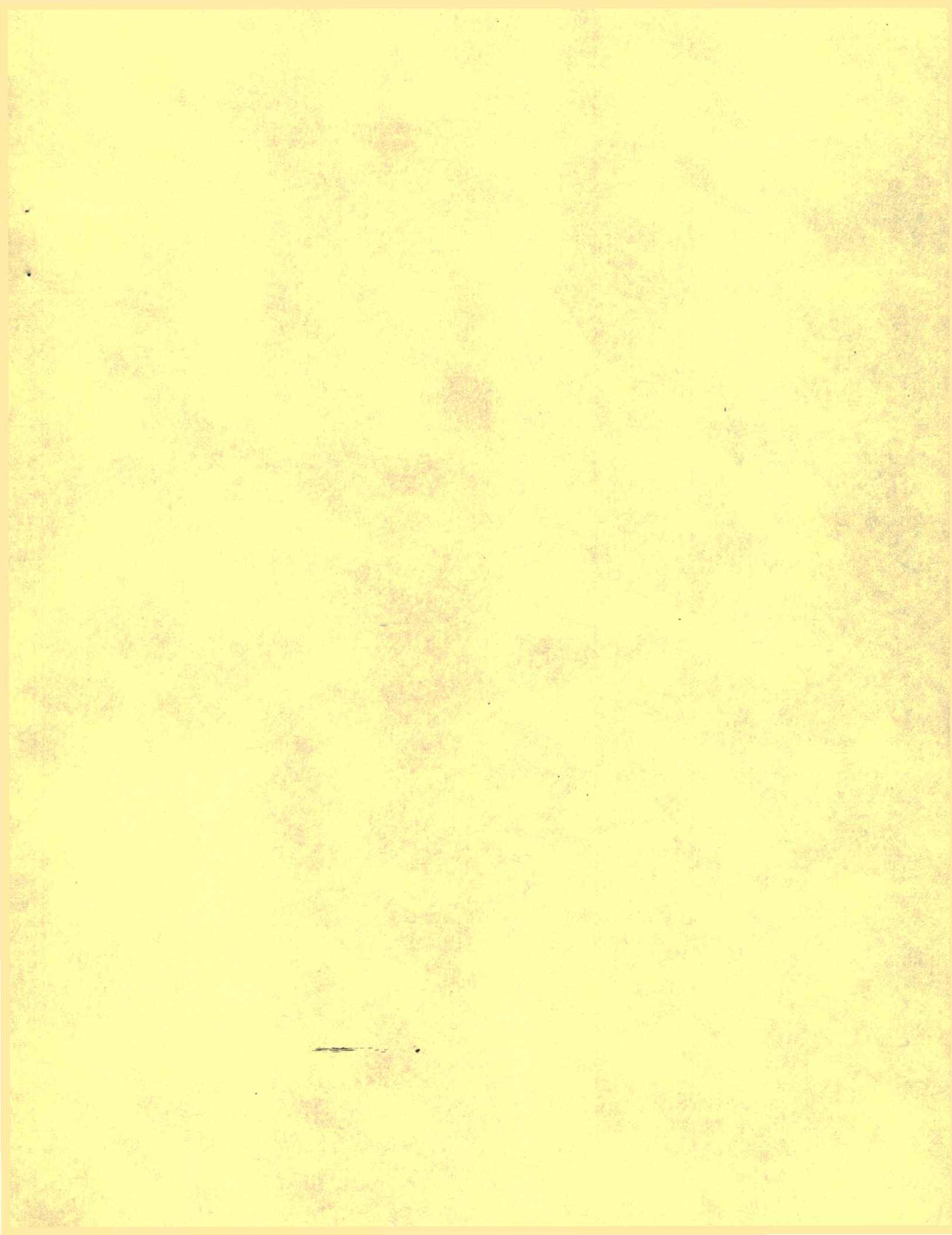
Ed Harper has asked me to respond to your May 11 memorandum requesting his views on the draft national policy statement.

Generally, we believe that the draft should include a statement regarding the role of State and local governments in peacetime. In this regard, we would prefer Donald Devine's language over that originally contained in the second draft.

We suggest the following as another possibility:

"Preparedness measures must reflect the respective roles of the Federal, State, and local governments under the Federal structure of our Constitution. In peacetime, principle responsibility for emergencies lies with the State and local governments, and preparedness measures must provide for gradual realignment of responsibilities from the Federal to State and local governments and must assist those jurisdictions in the development of capabilities to handle these responsibilities."

cc: Edwin L. Harper



IMPLEMENTATION MEASURES which will be distributed as a memorandum from the Chairman to the Working Group Chairmen for use in preparation of the Plan of Action:

Military Mobilization

The implementation measures that correspond to the programs are as follows:

- develop, maintain, and exercise plans, procedures, or other peacetime actions to ensure the availability of resources necessary for the implementation of military mobilization (continuous);
- develop plans and procedures for the rapid enhancement of the combat readiness of existing forces (FY 83);
- develop and maintain plans and procedures for the deployment of forces to theaters of operations (FY 83);
- develop a system for military support to civil authority (continuous); and
- identify and coordinate military mobilization support programs of all Federal Agencies (FY 83).

Industrial Mobilization

The implementation measures that correspond to these programs are as follows:

- develop plans and procedures for determining industrial capability to meet current and mobilization requirements for defense and essential civilian needs (FY 83);
- assess industrial output and capacity of essential industries to reveal deficiencies in capabilities to accommodate mobilization requirements (FY 83);
- develop policy options to improve the capability of industry to respond to emergencies which will include:
 - new or revised legislation and Executive Orders,
 - stockpiling policy and program initiatives,
 - voluntary industry actions,
 - revisions of policies and regulations that impact upon industrial productivity,
 - international trade agreements,
 - improved effectiveness of the Defense Materials System and the Defense Priorities System, and
 - more extensive use of the Defense Production Act of 1950, the Export Administration Act of 1979, the Trade Expansion Act of 1962 and other legislation (FY 84).

Human Resources

The implementation measures that correspond to these programs are as follows:

- develop plans for information systems essential to identify skills needed for emergency mobilization tasks and potential supply problems (FY 83);
- develop plans for priority and allocation systems that ensure needed quantities and quality of workers for the Armed Forces, critical industries, mobilization tasks, and occupations (FY 84);
- develop plans for resolution of labor-management disputes (FY 84);
- develop plans and procedures for enhancing the human resources base. This encompasses education, training, and retraining objectives particularly for highly skilled and professional and technical occupations (FY 85); and
- prepare plans and procedures that will enhance the human resources aspects of overall economic stabilization plans (FY 85).

Health

The implementation measures that correspond to these programs are as follows:

- develop plans to increase availability of Federal and private sector health care personnel in an emergency (FY 83);
- establish plans to increase availability of necessary medical supplies and equipment in an emergency (FY 83);
- develop plans for improved utilization of existing medical facilities to cover emergencies (FY 83);
- prepare plans to provide improved measures to prevent epidemics or other threats to the public health caused by major emergencies (FY 83);
- develop plans for public information and professional education (FY 83);
- develop systems for improved interagency coordination and communications on health related matters (FY 83);
- develop plans and systems for emergency medical transportation (FY 83); and

- develop plans and systems to ensure reimbursement by the Federal government of health care services provided by the private sector to casualties of major emergencies (FY 83).

Economic Stabilization and Public Finance

The implementation measures that correspond to these programs are as follows:

- review and revise the Draft Defense Resources Act (DDRA) and other authorities, both draft and existing, for direct and indirect controls on prices, wages, salaries and rents, the rationing of consumer goods and emergency banking measures in the event of a national defense emergency; and review, revise or initiate authorities for direct and indirect controls as may be required in the event of other major emergencies (FY 82); and develop plans for the implementation of these authorities (FY 83);
- review existing authorities for emergency foreign trade controls and, as may be necessary, revise existing authorities or propose new or supplemental authorities (FY 82); and develop plans for the implementation of these authorities (FY 83);
- assess the types of emergency public finance measures, revenue-raising powers, and payment mechanisms that would be suitable for the full range of national emergencies requiring such measures; review the authorities for such measures (including the DDRA, other draft authorities and existing law), propose new authorities as required (FY 82); and develop plans for their implementation (FY 83); and
- investigate and make recommendations concerning the need for investment in facilities which will enhance the survivability of important financial records, the Nation's gold stock and supplies of currency and coin, and maintenance of a functioning electronic financial transfer system and other computer facilities (FY 83); and initiate appropriate action, as may be required, for undertaking the physical investment required for this protection and for managing a protection program (FY 84/85).

Civil Defense

As detailed in NSDD-26

Earthquakes

The implementation measures that correspond to these programs are as follows:

- evaluate future basic and applied research needs in earthquake prediction and mitigation (FY 83);
- enhance the earthquake prediction and mitigation measures (FY 85);
- improve scientific and engineering mitigation capabilities (FY 85);
- continue formal coordination with State of California authorities;
- evaluate current level of federal earthquake preparedness and response capability (FY 84);
- develop Federal earthquake mitigation and response plans including resource identification (FY 84);
- assess the implication of earthquake hazards on defense and national security requirements (FY 84);
- develop an improved public awareness program for all levels of the populace emphasizing survival (FY 84);
- continue to promote international cooperation to increase scientific and engineering knowledge as to prediction and mitigation measures;
- establish procedures for the preparation, implementation, and exercising of preparedness and response plans (FY 85); and
- conduct a legislative and regulatory review (FY 83).

Government Operations

The implementation measures that correspond to these programs are as follows:

- develop plans for the rapid and efficient transition of government from routine to emergency operations (FY 83);
- develop plans for the reconstitution of the Federal government following nuclear attack or other catastrophic emergencies (FY 84);
- ensure preservation of emergency authorities and functional responsibilities of any Federal agency proposed for termination (FY 82); and

- review current government emergency authorities and organizational structures, and based thereon recommend new or revised policies, authorities, or organizations as required (FY 83).

Emergency Communications

The implementation measures that correspond to these programs are as follows:

- identify and prioritize national security and domestic emergency telecommunications requirements (FY 82);
- evaluate the Nation's telecommunications systems, identifying and prioritizing emergency telecommunications preparedness issues (FY 82);
- identify deficiencies between existing capabilities and anticipated needs and develop corrective approaches, including funding (FY 83);
- establish a joint planning effort to initiate a series of government and industry conferences to identify ways of accomplishing specific emergency telecommunications preparedness objectives (FY 83);
- recommend necessary legislative changes and incentive approaches to assist government and industry in mobilization planning and in improving the survivability of the Nation's telecommunications capabilities (FY 83);
- establish an emergency telecommunications planning process and provide a basis for funding the implementation and operation of emergency telecommunications capabilities involving both government and the civil sector (FY 83);
- develop a smooth, effective process for shifting telecommunications from a non-emergency to an emergency status (FY 83); and
- identify issues and prepare an implementation plan to address non-electronic postal requirements (FY 83).

Law Enforcement and Public Safety

The implementation measures that correspond to these programs are as follows:

- identify existing resources, plans, programs and interagency agreements among Federal, state and local agencies (CY 82);
- determine whether additional resources, plans, programs and interagency agreement are required to ensure timely response (FY 83);

- determine whether existing laws, presidential directives or executive orders are adequate to meet the needs of the program, and if not, draft new authorities (FY 85); and
- determine whether existing treaties and other agreements with Canada and Mexico are adequate to meet the needs of the program, and if not, draft new ones (FY 84).

Food and Agriculture

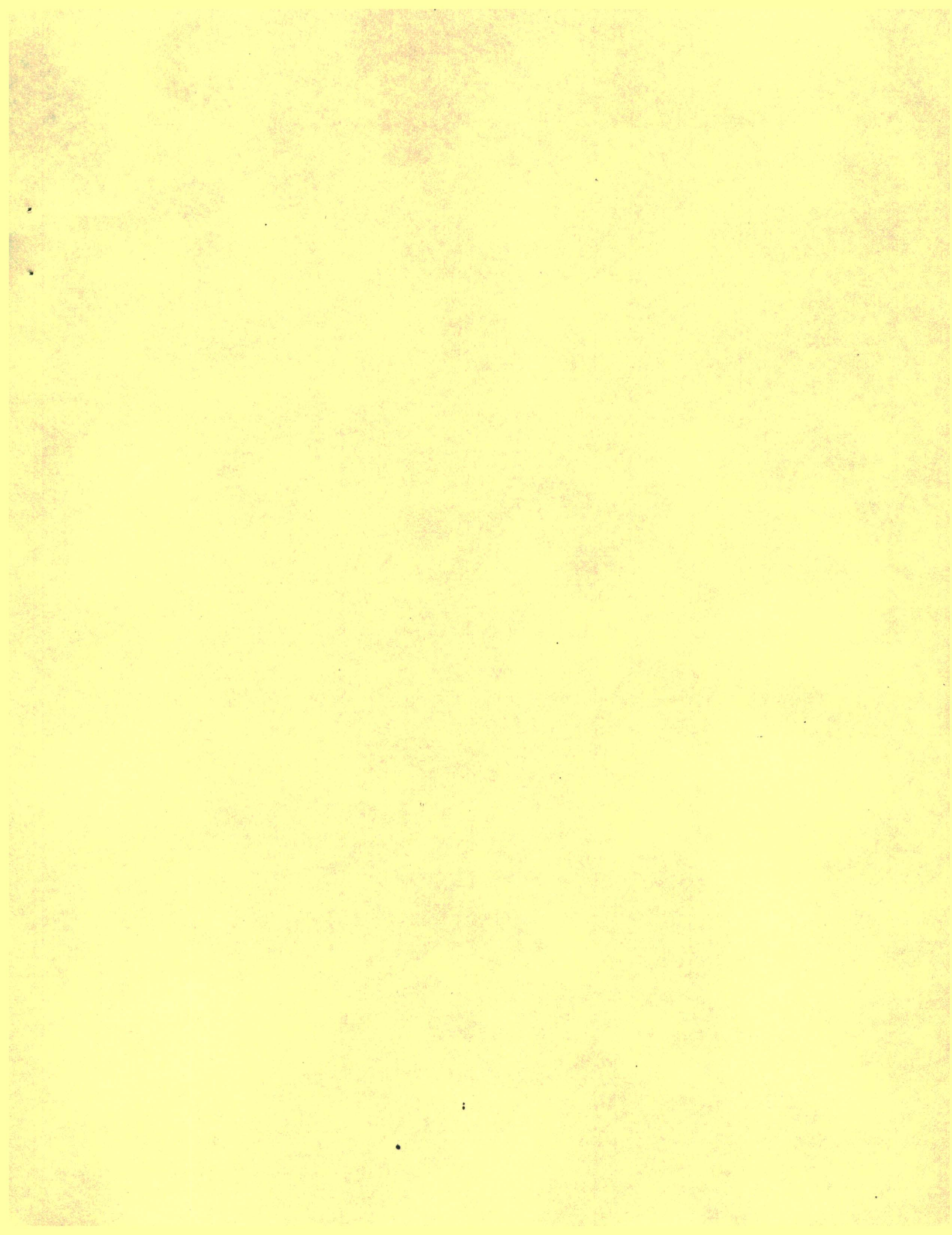
The implementation measures that correspond to these programs are as follows:

- develop proposed legislation to provide efficient mobilization capabilities (FY 83/85);
- establish regulations and procedures based on emergency mobilization legislation (FY 85);
- establish emergency food allocation plans (FY 84); and
- establish alternate inspection and grading procedures for raw, semi-processed and processed food and fiber (FY 85).

Social Services

The implementations measures that correspond to these programs are as follows:

- develop plans to assure timely and effective Federal support for state and local governments and the private sector in the provision of social services during major emergencies (FY 83);
- prepare plans to stimulate additional private sector involvement in provision of emergency social services (FY 83);
- initiate plans for providing specialized social services necessitated by emergencies (FY 83);
- develop plans to ensure maintenance of existing federal, state and local, and private social service programs during emergencies (FY 83);
- prepare plans to receive and help resettle persons evacuated from overseas during an emergency (FY 83); and
- develop an Emergency Social Services Mobilization and Delivery System (FY 84).





THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

May 26, 1982

MEMORANDUM FOR BENNETT L. LEWIS
EXECUTIVE SECRETARY, EMPB

FROM : R. T. McNamar

R. T. McN.

SUBJECT : National Policy Statement on Emergency
Mobilization Preparedness

As you requested, we have reviewed the fourth draft of the policy statement, and I have the following comments:

-- The language on the "free market" in the principles section is now acceptable.

-- The standards to be met in funding the Emergency Preparedness Program remain ambiguous. The last paragraph of the policy statement appears to require departments and agencies to fund activities which are essential for the Program, while the next sentence appears to give flexibility to reduce funding in favor of activities considered higher priority.

It also remains unclear who has this flexibility. The draft policy statement is silent, while the issues paper on this subject contains text which supposedly is a direct quotation from the policy statement, but which includes a phrase giving this flexibility to each agency.

-- Subsidization of industries is so contrary to Administration policy that exceptions to the policy, if any, would have to be very limited. They should be made only after a very strong case had been made for each specific exception, and to date, no such cases have been made. Therefore, the text of the present draft is too permissive. It should be much more tightly drawn, or an absolute prohibition of subsidies included as part of the statement.

I attach a memorandum from Treasury's representative to the Industrial Mobilization Working Group, which contains more appropriate language. It also contains a rationale for the policy which might be included in the statement.

-- Mobilization planning must take account of communications other than telecommunications. If the existing Communications Working Group limits itself to telecommunications, the issue will have to be considered elsewhere. However, it would be more efficient for the existing Working Group to address all forms of communication.

-- I support shortening the policy statement by eliminating implementation measures. Indeed, the statement is still too long. Consideration should also be given to deleting the specific working group policy statements, particularly since some of them, such as the Industrial Mobilization Working Group's, raise issues which have not been adequately considered by the Board.

I am also attaching a draft of the statement, with editorial suggestions indicated.

Attachments



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

DEPUTY ASSISTANT SECRETARY

May 25, 1982

MEMORANDUM FOR ASSISTANT SECRETARY BRADY

From: Mark Stalnecker *MS*
Treasury Department

Subject: Industrial Mobilization W.G. Draft Policy Statement

I was unable to attend the May 10 meeting of the Working Group. However, I would like to suggest that the Working Group's policy statement affirm that any use of the Defense Production Act (DPA) to provide special incentives or subsidies be contemplated only in emergency situations in which the allocative efficiencies of the marketplace break down. It is not apparent that non-emergency use of DPA is appropriate.

As I stated at the Working Group's March 12 meeting, any Governmental action undertaken to provide for the Nation's industrial preparedness should fully disclose the true cost of Government's actions, and not be hidden through the use of subsidies or special non-emergency assistance.

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National Security Decision Directive

4th DRAFTPREAMBLE

A fundamental obligation of government is to provide for the security of the Nation and to protect its people, values, and its social, economic, and political structures. Inherent in that obligation is the development of an emergency mobilization preparedness program which will provide an effective capability to meet defense and essential civilian needs during national security emergencies and major domestic emergencies. This directive aims not to commit the Federal government to a particular course of action, but rather to assure that a range of options are available in time of grave national emergency.

UNITED STATES EMERGENCY MOBILIZATION PREPAREDNESS POLICY

It is the policy of the United States to have an emergency mobilization preparedness capability that will ensure that government at all levels, in partnership with the private sector and the American people, can respond decisively and effectively to any major national emergency.

PRINCIPLES FOR EMERGENCY MOBILIZATION PREPAREDNESS PROGRAMS

Programs developed to ensure or improve the Nation's ability to mobilize will be based on the principles that follow. They have been divided into those that apply to national security emergencies and those that apply to domestic emergencies to emphasize that the respective and appropriate response for each may be quite different. The objective in both cases, however, is to define a common ground upon which mobilization programs can be developed and used at the discretion of the President to prevent avoidable emergencies and to mitigate the effects of those that are unavoidable. Authorities for direct economic controls in emergency situations need to be provided to give responsible policymakers flexibility to deal with circumstances that can only be judged as they arise. However, in most, if not all foreseeable emergency situations, the allocative efficiency of the market should be relied upon. Controls should be used only when they are clearly superior as a means to achieve essential objectives, and not as an automatic response to all emergencies.

National Security Emergencies

Emergency mobilization preparedness programs for national security emergencies will be based on the following principles:

- Preparedness measures should address the full spectrum of national security emergencies.

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- The development of the structure of policies, plans, authorities, and requirements for full mobilization should receive priority attention. Planning for total mobilization should be accomplished concurrently.
- Where applicable, preparedness measures should emphasize the partnership and interdependence between Federal, State, and local governments.
- To the maximum degree possible, consistent with security requirements, the private sector should be brought into a planning partnership with responsible government agencies prior to the outset of an emergency.
- Resource management and economic stabilization programs should include standby plans and procedures for governmental intervention, as necessary, into the market place to ensure the enhancement of supply and the allocation of resources to military and essential civilian needs. These mechanisms should provide for both gradual and abrupt replacement of market forces by governmental regulations.
 - ~~PLANS~~ ^{APPLICABLE} ~~PROCEDURES~~ ^{TO} ~~PRINCIPLES~~ ^{DELETED?}
 - Plans and procedures should be designed to retain maximum flexibility for the President and other senior officials in the implementation of emergency actions both above and below the threshold of declared national emergencies and wars. Plans should avoid rigid "either-or" choices that limit Presidential options.
 - Mobilization ~~will~~ ^{MAY} require new public policies, many of which may differ substantially from those pursued in peacetime. The implementation of these policies will be greatly facilitated by planning that identifies and evaluates alternatives.
- Preparedness measures should reflect functional interdependencies among agency activities and across preparedness programs. There must be close and continuous coordination between military and civilian agencies to ensure consistent approaches to common problems.
- Preparedness measures should emphasize a rapid and effective transition from routine to emergency operations and should be designed to make effective use of any periods of time that may be available following the receipt of strategic and tactical warnings. The Government must develop capabilities to minimize the start-up time required for emergency responses.
- All Federal agencies should give high priority to improved capabilities to identify and prioritize their requirements for national resources in a mobilization.

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- All Federal agencies should improve their capabilities to identify and manage the resources under their cognizance to meet military and essential civilian requirements in a mobilization.
- Preparedness measures should recognize the importance of short term improvements in the Government's ability to make effective use of the existing mobilization base.
- Preparedness measures to expand the size or improve the quality of the mobilization base should be developed in the longer term. These measures should be designed to meet those specific requirements for national emergencies that ~~will~~ not be met by the dynamics of the market-based economy.
- Preparedness measures that involve the waiving or modification of socioeconomic regulations that delay emergency responses should receive priority attention.
- ^{THE IDENTIFICATION OF} Preparedness measures that are, or may be, impeded by legal constraints should be ~~identified as~~ a priority task.
- Preparedness measures should include all appropriate coordination with our allies.

Domestic Emergencies

Emergency mobilization preparedness programs for domestic emergencies will be based on the following principles:

- Primary emphasis should be placed on natural or technological disasters that (a) have a major national impact; (b) produce multi-State consequences that cannot be managed effectively without substantial Federal presence; or, (c) arise within spheres of activity in which there is an established Federal preeminence.
- Preparedness programs should also be designed to increase capabilities to cope with (a) resource shortages arising from politically or economically motivated disruptions of essential supplies from foreign sources, and (b) serious disruptions of services (e.g., transportation or communications) that could cripple economic activity and threaten national security.

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- Domestic preparedness programs should recognize the primary responsibilities of State and local governments, emphasizing their partnership with the Federal government.
- Domestic preparedness programs should be developed in close coordination with the private sector.
- Preparedness measures for allocation of resources during domestic emergencies should emphasize procedures that rely ~~primarily~~ on market-based mechanisms. *primarily is redundant with emphasis*
- Economic stabilization preparedness measures should provide mechanisms that avoid the imposition of direct economic controls except on a temporary basis in affected areas.
- Preparedness measures for domestic emergencies should facilitate responses which may be necessary for only temporary and selective departures from established public policies. Equally, such measures should aim for the prompt restoration of routine policies and programs.

SPECIFIC POLICIES, PROGRAMS AND IMPLEMENTATION MEASURES

Based on the national emergency mobilization preparedness policy and principles stated above, preparedness programs will be directed initially at correcting the most serious emergency mobilization deficiencies in our present capabilities to respond to emergencies that threaten national security. These programs, making use of existing programs where possible, will contribute to:

- deterrence of nuclear attack and other forms of aggression against our Nation and its allies;
- effective response to attempts at coercion, nuclear blackmail and economic warfare;
- successful prosecution and favorable termination of armed conflict;
- preservation of constitutional government;

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- prompt recovery of affected areas and to the restoration of national systems, including the armed forces; ~~and~~
- maintenance of alliances and the continuation of mutually beneficial relationships with our allies before, during, and after armed conflict or disruptive activities: *and*
- effective allocation and management of essential resources.

In the case of major domestic emergencies, emergency mobilization preparedness programs will contribute to:

- ~~improvement of~~ ^{*ING*} the survivability of the national security capability;
- effective natural disaster predictions, risk assessment and warning systems;
- ~~mitigating the~~ ^{*LIMITING*} vulnerability ^{*to*} of adverse impact^s on production, services and the infrastructure;
- prompt and coordinated Federal assistance to affected state and local governments and communities;
- effective management and allocation of Federal resources to facilitate both emergency response operations and long-term rehabilitation and recovery.

Military Mobilization

It is the policy of the United States to develop systems and plans that will ensure that sufficient manpower and materiel ^{*are*} available to guarantee the Nation's ability to mobilize, deploy, and sustain military operations; and that, consistent with ~~defense~~ ^{*national*} priorities, these military forces and materiel be available to assist civilian authorities.

The program will increase capabilities to:

- expand the size of the force from partial through full to total mobilization;
- deploy forces to theaters of operations, and sustain them in protracted conflict; and
- provide military support to civil authority, consistent with ^{*national*} ~~defense~~ priorities.

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Industrial Mobilization

It is the policy of the United States to have a capability to mobilize industry in order to achieve timely and sufficient production of military and essential civilian materiel needed to prosecute successfully a major military conflict, to lend credibility to national strategic policy, and to respond appropriately to domestic emergencies.

The program will increase capabilities to:

- ~~improve the capability of U.S. industry~~ (to meet current and mobilization requirements by identifying production and supply deficiencies and recommending actions to overcome them;
- increase the availability and efficient use of industrial resources, including transportation and energy necessary to support industrial production and expansion of the industrial base, through full utilization of Defense Production Act authorities and systems, new or modified legislation, improved guidance on resource-claimancy for industrial production, and use of import and export controls;
- provide for assessment of the impact on the industrial base resulting from existing and proposed agreements for co-production of defense materiel, related offset arrangements with our allies, and other reciprocal trade agreements; and
- increase the availability of domestic metals, minerals, and materials essential for mobilization production through improved implementation of National Defense Stockpile policy and other means.

Human Resources

It is the policy of the United States to develop systems and plans to ensure that the Nation's human resources are available in the requisite numbers and skills to permit an effective response; and to assure that scarce human resources are allocated to required mobilization tasks.

The program will increase capabilities to:

- identify the required skills and potential supply problems for support of the Armed Forces to essential defense industries, and other critical mobilization tasks;
- facilitate the channelling of skilled workers toward the most critical mobilization needs;
- provide for maximum reliance on voluntary mechanisms to allocate human resources to critical industrial and other emergency mobilization tasks;

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- provide for a standby system for allocation of workers to critical mobilization tasks if necessary;
- minimize the impact of labor-management conflicts on expansion of defense production;
- enhance the Nation's base of human resources to assure the availability of the requisite scientific, engineering, technical and other human resources to support both military and industrial mobilization needs; and
- ensure that human resources policies enhance economic stabilization plans and procedures for mobilization.

Health

It is the policy of the United States to develop systems and plans that will ensure that sufficient medical personnel, supplies, equipment, and facilities will be available and deployed to meet essential civilian and military health care needs in a mobilization.

The program will increase capabilities to:

- enhance the Nation's ability to recover from major emergencies and protect the population from the spread of disease;
- supplement medical services provided by state and local governments and the private sector with medical resources during a domestic emergency;
- increase the capability to provide medical care to military casualties in civilian and military facilities; and
- allocate scarce supplies and skilled professionals (specialists) to the highest priority needs.

Economic Stabilization and Public Finance

It is the policy of the United States to provide a variety of authorities and procedures which could be used in maintaining stable economic conditions during any emergency, giving particular emphasis to measures which will minimize inflation and shortages, enhance morale and assure that the burdens of the emergency are being shared fairly; facilitate an orderly return to a normal economy as soon as possible, and allow the allocative efficiencies of the free market to operate where possible, with alternative measures involving direct Government intervention in the economy to be used when necessary and only at the latest appropriate time.

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The program will increase capabilities to:

- minimize economic dislocations and distortions associated with major emergencies by carrying-out appropriate fiscal, monetary, and regulatory policies, including controlling inflation and shortages arising from the transfer of resources from non-essential to priority uses;
- facilitate resource reallocation necessitated by any relocation of the populace;
- assure an equitable distribution of consumer goods;
- provide for the protection of U.S. financial resources including currency production, Federal check disbursement facilities, and precious monetary metals;
- preserve and facilitate operations of public and private financial institutions systems, and provide for any necessary restoration of their functioning after a major emergency;
- provide the government with efficient and equitable financing sources and payments mechanisms for emergencies; and
- provide fiscal authorities with adequate revenue-raising powers to stabilize the economy in the face of any additional resource requirements needed to deal with or recover from an emergency; available fiscal measures should be selected to provide maximum efficiency and equity, preserve incentives, and minimize administrative burdens.

Civil Defense

The United States civil defense policy is contained in National Security Decision Directive 26 (SECRET) dated February 26, 1982. The unclassified version of the directive, issued by the White House on March 16, 1982, is attached. In addition, it is the policy of the United States that all Federal Agencies shall participate in, and support, the civil defense program for population protection, communications and warning, training and education, and industrial protection.

Earthquakes

It is the policy of the United States to develop systems and plans to reduce the loss of life, destruction of property, economic instabilities, and the adverse impact on our national defense capability that would result from a catastrophic earthquake.

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The program can substantially reduce the effects of a catastrophic earthquake ~~which can be done~~ by improving earthquake prediction, hazard and risk assessment, warning systems, public education and awareness, response and recovery; by developing further and applying earthquake resistant design and construction techniques, and land use planning. The initial action will be focused on California, but attention will be focused later on other regions in consideration of their relative risk from an earthquake.

The program will increase capabilities to:

- evaluate current earthquake prediction capabilities, foster the application of advanced scientific and engineering techniques for prediction and mitigation, increase and accelerate basic and applied research efforts;
- develop a coordination and integration mechanism between Federal and state governments;
- identify and allocate financial, medical, transportation, shelter, communications and other resources necessary to assist recovery operations;
- reduce the negative effects on military installations and defense related industries;
- ensure more effective public awareness programs to equip all levels of the populace with specific information to help them survive;
- promote international cooperation to increase scientific and engineering knowledge in applying mitigation measures;
- provide for the preparation, implementation and exercising of preparedness procedures; and
- ensure the adequacy of current Federal legislation and regulations to facilitate an effective response.

Government Operations

It is the policy of the United States to develop systems and plans that will ensure the maintenance of necessary government functions at the Federal, State, and local levels and provide for a timely and effective transition into emergency modes of operation.

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The program will:

- ensure continuous performance of essential government functions;
- provide timely and effective transition to emergency government operations;
- provide a mechanism for the reconstitution of the operations of government following a nuclear attack, as required; and
- ensure that government officials at all levels are capable of responding predictably and effectively to emergency conditions.

Emergency Communications

It is the policy of the United States to ensure that communications resources be available and adequate to respond to the Nation's needs.

The program will increase capabilities to:

- assure viable communications operations concepts;
- make information available on communications needs and resources;
- identify and correct communications deficiencies;
- provide adequate communications planning guidance; and
- arrange for smooth transition from normal to emergency operations.

Law Enforcement and Public Safety

It is the policy of the United States to develop systems and plans that will provide for the public safety and ensure continued enforcement of Federal, state and local laws; and ensure internal security and the control of United States borders, and waters subject to the jurisdiction of the United States.

The program will improve capabilities to:

- maintain law and order in a variety of emergencies, particularly terrorist incidents, civil disturbances, nuclear emergencies, and relocation of large numbers of people;
- ensure the physical security of critical public and private facilities;

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- provide for control of enemy aliens and persons entering or leaving the United States;
- guarantee control of United States seaports, airports, and land and sea borders;
- provide a response capability to sabotage and espionage; and
- ensure an intensified counterintelligence effort.

Food and Agriculture

It is the policy of the United States to develop systems and plans that will provide an adequate flow of agricultural products to the population, the Armed Forces, and to meet our international responsibilities; ensure a responsive production, delivery, and distribution system that will reduce the vulnerability of our food and fiber resources and facilitate the rapid recovery of the agricultural system after emergency conditions have passed.

The program will improve capabilities to:

- plan for adequate research, production capabilities, and reserves of agricultural products, including livestock and poultry, to provide the Nation's farmers with production resources, including emergency financing capabilities, to meet demands;
- provide for the most effective allocation of resources for the production and use of available food and fiber during emergencies; and the assessment of national and international requirements upon supplies of food and fiber, so as to decrease dependence on foreign sources;
- ensure maximum availability of food and fiber supplies to our Armed Forces and those of our allies;
- maintain production capabilities to contribute to our world agricultural trade objectives, and reduce susceptibility to manipulated economic pressures;
- establish emergency marketing, processing, inspection and grading systems for government-owned and privately-held agricultural commodities; establish civil transportation resource priorities to support agricultural needs; and make provisions for secure storage capabilities and priorities;

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- plan to protect the health and well-being of the Nation's livestock and poultry; ensure the protection of crops and croplands, and the nation's forest resources;
- provide for timely information under emergency conditions to assure adequate food and fiber production, and priority distribution to the normal wholesale level; and

Social Services

It is the policy of the United States to develop systems and plans that will ensure that existing social services (including entitlement programs) be maintained to the maximum extent possible during emergencies. Maximum reliance will be placed on voluntarism and on state and local governments.

The program will increase capabilities to:

- prepare families and individuals to care for themselves to the maximum extent possible;
- provide specialized social services;
- maintain existing federal, state, local, and private programs to meet ongoing social services needs;
- provide for the reception, care, and resettlement of personnel evacuated from overseas during an emergency; and
- provide for a management structure through which emergency social services requirements can be assessed accurately and necessary services delivered efficiently to meet highest priority needs.

MANAGEMENT

Consistent with this directive, the Emergency Mobilization Preparedness Board will formulate policy and planning guidance, coordinate planning, resolve issues, and monitor progress. In accomplishing these functions, the Board may assign additional tasks to the Working Groups and require the assistance of individual Federal agencies.

Accordingly, I direct the preparation of a Plan of Action to implement the emergency mobilization preparedness programs detailed in this directive and other programs which might be developed subsequently.

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I further direct that all Federal departments and agencies manage their financial and human resources consistent with the provisions of applicable law, and provisions of this and other directives to assure the development of the required capabilities. Resources for improvements in our preparedness capabilities will be obtained through the normal budget process. Each Department and Agency will program and budget funds and personnel for those preparedness activities which are integral to assigned missions and functions. Emergency mobilization preparedness programs will be considered in the overall context of the President's budget and current regulatory, budgeting, and legislative review processes.

Presidential Directive/NSC-57 is hereby rescinded.

Attachment

by each Agency (?)