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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: WHORM: Subject File

Archivist: mjd

File Folder: FG378 128509 - 130576

Date: 7/16/97

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo (128509)	Horace Russell thru Richard Boverie to William Clark re fifth board meeting, 2p	6/16/82	P5
2. talking points	re fifth EMPB meeting, 2p	n.d.	P5
3. memo	Lewis to Clark re fifth board meeting, 2p	6/15/82	P5
4. position paper	re: National Emergency Mobilization Policy Statement and the Defense Production Act, Title III, 2p	n.d.	P5 MJD 7/16/97
5. letter	A.G. Anderson to Lewis re industrial mobilization section of the EMPB policy statement, 1p	6/16/82	P5
6. option paper	from Commerce, 4p	n.d.	P5
7. paper	from FEMA, 1p	n.d.	P5
8. letter	David Stockman to Casper Weinberger re Defense Production Act, title III, 2p	4/15/82	P5
9. memo (129873)	Russell to Clark re fourth EMPB board meeting, 1p	4/28/82	P5
10. talking points	for fourth EMPB meeting, 2p	n.d.	P5

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

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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 material needed to prosecute successfully a major military conflict and to lend credibility to national strategic policy.

The program will:

- improve the capability of U.S. industry to meet current and mobilization requirements by identifying production and supply deficiencies and maintaining a domestic stockpile 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;
- provide for assessment of the impact on the industrial base resulting from existing and proposed agreements for co-production of defense material, related offset arrangements with our allies, and other reciprocal trade agreements;
- make effective use of stockpile metals, minerals, and materials essential for mobilization production through improved implementation of National Defense Stockpile policy; and
- rely primarily on the strategic stockpile as the primary means of providing for national defense objectives, and the Administration will determine whether circumstances exist under which the use of Defense Production Act incentives would be more cost effective than stockpile purchases.

National Security Council
The White House

RECEIVED

Package # 4138

22 JUN 16 P 2: 22.

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u><i>[initials]</i></u>	<u> </u>
Bud McFarlane	<u> </u>	<u> </u>	<u> </u>
Jacque Hill	<u>2</u>	<u><i>[check]</i></u>	<u> </u>
Judge Clark	<u>3</u>	<u><i>[check]</i></u>	<u>A</u>
John Poindexter	<u> </u>	<u> </u>	<u> </u>
Staff Secretary	<u> </u>	<u> </u>	<u> </u>
Sit Room	<u> </u>	<u> </u>	<u> </u>

I-Information A-Action R-Retain D-Dispatch

DISTRIBUTION

cc: VP Meese Baker Deaver

Other

COMMENTS

For EAPB mtg today
Judge,
It is essential you go today
or we should cancel the meeting.
[Signature]

NSC/S PROFILE

UNCLASSIFIED

ID 8204138

RECEIVED 16 JUN 82 16

TO

CLARK

FROM RUSSELL

DOCDATE 16 JUN 82

BOVERIE

16 JUN 82

KEYWORDS: EMERGENCY PREPAREDNESS

MOBILIZATION

DEFENSE POLICY

AC

SUBJECT: FIFTH EMERGENCY MOBILIZATION PREPAREDNESS BOARD MTG RE NATIONAL POLICY
STATEMENT

ACTION: FOR DECISION

DUE: 16 JUN 82 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS

REF#

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ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

C 6/17 Clark approved recon

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MEMORANDUM OF INFORMATION FOR THE FILE

128509

EXECUTIVE

FG378

DATE

LETTER, MEMO, ETC.

TO:

FROM:

SUBJECT:

CORRESPONDENCE FILED CENTRAL FILES - CONFIDENTIAL FILE

91
MEMORANDUM OF INFORMATION FOR THE FILE

129873

~~EXECUTIVE~~

FG378

~~DATE~~

~~LETTER, MEMO, ETC.~~

~~TO:~~

~~FROM:~~

SUBJECT:

CORRESPONDENCE FILED CENTRAL FILES - CONFIDENTIAL FILE

MEMORANDUM

NATIONAL SECURITY COUNCIL

4138

128509

FG378

ND008

WPC HAS SEEN

ND004-02

FG013

FG006-12

ACTION

June 16, 1982

MEMORANDUM FOR WILLIAM P. CLARK

THROUGH: RICHARD T. BOVERIE

FROM: HORACE L. RUSSELL *HL*

SUBJECT: Fifth Board Meeting

Emergency Mobilization Preparedness Board

Ben Lewis at Tab III provided a memorandum outlining the expected issues for the fifth Board meeting scheduled for 5:00-5:50 p.m. today in Room 305 of the OEOB. Talking points for your use are provided at Tab I. The primary purpose for today's meeting is to approve the latest draft of the National Policy Statement (Tab II). As a result of an interagency meeting yesterday, there is one unresolved issue: Should the Policy Statement contain reference to use of the Defense Production Act (DPA)?

The Defense Production Act (DPA) of 1950 provides two key authorities pertinent to mobilization preparedness:

Under Title I, priority treatment of Defense Orders (DO) is authorized to help ensure defense programs are maintained on schedule. There are two types of rating. DO is normally applied to all Defense Orders and gives preferential treatment over unrated orders. DX, the second rating, takes priority over DO and is used for urgent national programs. A DX rating must be approved by the President.

Under Title III, the government is authorized to underwrite expansion of domestic production of critical materials when the U.S. has substantial dependence on imports. Specifically, the government can help establish or support mining and metal producing industries by establishing floor prices or guaranteed markets, by guaranteed loans or by allowing accelerated write-offs of capital investments. This is a powerful mobilization preparedness tool, but each proposed program under Title III must be submitted to the Congress for appropriation. This requirement for Congressional approval as part of the budget process provides safeguards against improper use.

NSC# 8204138

Lewis is prepared to lead a discussion on the DPA issue and seek final Board approval of the draft National Policy Statement. Also, Defense, Commerce, FEMA, and OMB have been asked to present option papers on the issue at the meeting.

I recommend that you let Lewis open the discussion on the DPA issue and allow adequate time for the views to be expressed. However, it is crucial that the final outcome includes a reference to DPA in the Policy Statement. Without DPA the industrial mobilization section of the policy will be a meaningless hollow shell with our industrial preparedness for national security from a policy perspective overly dependent on the free market forces.

Of equal importance, the omission of reference to DPA runs counter to Presidentially approved policy and the Administration's request to the Congress for extension of the Defense Production Act.

Richard Levine concurs.

RECOMMENDATION

Chair today's meeting using the talking points at Tab I.

Approve _____ Disapprove _____

Ask Ben Lewis to open the discussion on the DPA issue.

Approve _____ Disapprove _____

TALKING POINTS
FOR
FIFTH EMPB MEETING

Opening Comments

- Our primary goal today is to approve the latest draft of the National Policy Statement.
- The sixth draft was distributed this morning and has only one outstanding issue. An agreement could not be obtained concerning the Defense Production Act on page 6.
- Prior to starting the meeting, I have a few announcements.

-- Richard Boverie is our newest Board member and recently joined my staff as the Director of Defense Programs.

-- You will be receiving a memo from me concerning the upcoming joint civil/military mobilization exercise this Fall.

~~---~~ I encourage all of you to give this exercise your personal attention.

~~---~~ Exercise preparation is now underway and a number of agencies have already been briefed.

~~---~~ This will provide a unique opportunity for active participation to obtain valuable insight into problem areas that would likely occur in an actual mobilization.

Discussion

Now, we should try to resolve the remaining issue. Ben, would you open the discussion.

- I believe we should forward the Policy to the President for approval. (If issue resolved by including reference to DPA)))
- We have had a good exchange of views. With the Board's agreement, I would like to forward the Policy to the President for a decision, including the unresolved issue. (To end the discussion if issue not resolved by including reference to DPA)

Closing Comments

- The next milestone is the development of a plan of action.
- Guidance pertaining to the plan will be provided within two weeks.
- Again, I would like the Secretariat to consolidate the input and prepare the draft plan for Board consideration.



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EMERGENCY MOBILIZATION PREPAREDNESS BOARD
Washington, D.C. 20472

JUN 15 1982

MEMORANDUM FOR: WILLIAM P. CLARK
CHAIRMAN

FROM: Bennett L. Lewis *Bennett Lewis*
Executive Secretary

SUBJECT: Fifth Board Meeting

The fifth Board meeting is scheduled for 5:00-5:50 p.m., on Wednesday, June 16, 1982, in Room 305 of the Old Executive Office Building.

The main purpose will be to discuss the final draft of the National Policy Statement.

The Board members have been given an opportunity to comment on the fifth draft and all but one major issue has been resolved. The issue is whether or not preparedness measures should be available for intervention in the market other than in a declared national emergency. The issue can be separated into two parts:

(1) To what extent, if any, should the policy statement contain reference to use of Defense Production Act Title III?

(2) Should the Policy Statement provide for economic controls to be available in peacetime to improve National Security Preparedness?

I have scheduled a meeting at 3:30 this afternoon to attempt to resolve this issue. Attending will be Mr. McNamar, Deputy Secretary of the Treasury; Mr. Morris, Under Secretary, Department of Commerce; Mr. Devine, Director, OPM; Mr. Wright, Deputy Director, OMB; and representatives from DOD, DOE, JCS and FEMA. If we are unable to agree on appropriate language today, the issue must be discussed at the Board meeting tomorrow. At your discretion, I will be prepared to lead a discussion of this issue and seek final Board approval of the draft National Policy Statement.

A copy of the final draft of the policy statement will be provided to you and the Board members no later than 9:30 a.m. tomorrow.

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OF CLASSIFIED ENCLOSURE(S)

MJD 7/10/97

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bearing a protective marking

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On June 11, I forwarded some suggested remarks for opening comments concerning the Board members' participation in the upcoming REX 82 mobilization exercise. A copy of the suggested remarks is at attachment 1.

It is suggested that you make reference to our next milestone, the Plan of Action, in your closing remarks. Proposed comments are at attachment 2.

Attachments

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ATTACHMENT 1

National Security Decision Directive

6th DRAFT

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 requirement to have 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. The general principles apply to all emergency programs, while the division between National security and domestic emergency principles emphasizes that the respective and appropriate response for each category may differ. Taken together, however, these principles 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 the effects of those that are unavoidable, and to mitigate the effects of those that do occur.

Authorities for direct economic controls (wage and price controls and consumer rationing) in national security emergencies 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 to the efficiency of the market as a means to achieve essential objectives, and not as an automatic response to all national security emergencies.

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.
- Initial preparedness measures should focus on short-term improvements and make effective use of the existing mobilization base. Measures to increase adequate mobilization base capabilities should be developed in the longer term.
- 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 disruptions of essential supplies from foreign sources, and serious disruptions of services (e.g., transportation or communications) that 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 Constitutional roles of the Federal, State, and local governments. In peacetime, principal responsibility for preparing for, and responding to domestic emergencies rests with State and local governments.
- Primary emphasis should be placed on natural disasters or other domestic emergencies of a catastrophic nature 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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- Federal preparedness measures should assist State and local jurisdictions in increasing their capabilities to meet their responsibilities.
- Domestic preparedness programs should be developed in close coordination with the private sector.
- Preparedness measures for allocation of resources during domestic emergencies should rely on market-based mechanisms.
- Economic stabilization preparedness measures should provide mechanisms that do not rely on the imposition of direct economic controls.
- 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 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;
- reducing 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 to national security 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 attracting workers to critical mobilization tasks, if necessary, during national security emergencies;
- 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 complement economic stabilization plans and procedures for mobilization.

Health

It is the policy of the United States to develop systems and plans that will ensure 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;
- 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 national security emergencies, 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 national security 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 and the basis for funding; 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 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;
- 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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12

- 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 and prepare 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. Any issue which cannot be resolved by the Board within the frame work of current Administration policy will be referred to the National Security Council for resolution and Presidential decision.

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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AGENCY PERSONNEL BRIEFED ON EXERCISE REX-82 BRAVO

ORGANIZATIONS ON BOARD

<u>AGENCY</u>	<u>TELEPHONE NUMBER</u>
<u>Department of Agriculture</u>	
Gay, Harold E.	447-4283
Horton, Buster	447-5711
<u>Department of Commerce</u>	
Hendon, Harold (ITA)	377-4042
Weaver, Loran A. (NOAA/OA-1)	433-8831
<u>Department of Defense</u>	
Eley, John W. (MCDC)	693-8282
Rumph, Robert (Detailed to FEMA)	287-0040
Yarborough, Lee	694-1308
<u>Department of Education</u>	
Peabody, Brent	245-9582
<u>Department of Energy</u>	
Brown, James M. Jr. (EP-42)	252-5150
LaBarre, Vicki (EP-43)	252-4391
Nawrocki, Carolyn (EP-42)	252-5150
<u>Department of Health and Human Services</u>	
Angrist, Walt (HCFA)	(FTS) 934-7030
Doherty, R. B.	245-0645
Marks, Franklin (PHS)	443-1167
Stratton, Nick	(FTS) 987-3124
Suzuki, Michio (OHPS)	245-7027
<u>Department of Housing and Urban Development</u>	
Monihan, Terrence	755-2855
<u>Department of Justice</u>	
Cross, Bill	633-4534
Adrian, Sharon (FBI)	324-5602
Kardash, William (FBI)	324-5602
<u>Department of Labor</u>	
McLaughlin, Bill	523-6963
Tabb, Eldridge	523-6230
<u>Department of Transportation</u>	
Barry, George W. (OET)	426-4118
Ing, Bryon (USCG)	755-0968
Norris, Jack (DPB30)	426-4270
Schneider, Tom	426-4118

AGENCYTELEPHONE NUMBERDepartment of the Treasury

Cory, Walt

376-0325

Federal Emergency Management Agency

Benedict, Donald F. (NP-GP-OE)

287-0133

Callaway, Connie (NP-GP-GC)

287-0156

Dover, Art (NP-RP)

287-3749

Marvin, Arnie (NP-RP-PL)

287-3956

McKay, Thoma J.

287-3985

Richard, Eugene W. (NP-CS)

287-3983

Treichel, Ron (CD)

287-3998

Wilson, Bob (IRM-IR-CM)

287-0085

Office of Personnel Management

Conners, James

632-4533

Miller, Schelia

632-4533

ORGANIZATIONS NOT ON BOARDEnvironmental Protection Agency

Verell, T. Jackson

382-2021

Export Import Bank

Stavroy, Paul

566-8951

Federal Deposit Insurance Corporation

O'Neill, Tom

389-4684

Federal Home Loan Bank Board

Henderson, Lynnae

377-6229

Federal Reserve System

Bennett, Charles

452-3442

Frazier, R. E.

452-3817

General Service Administration

Eucare, Alexander J.(ORM)

566-1877 or 31

Interstate Commerce Commission

Shullaw, Richard

275-7639

National Communication System

Moreau, William O.

692-2816

Votel, Jerry

692-2816

National Credit Union Administration

Robinson, Troy T.

357-1003

AGENCYTELEPHONE NUMBERNuclear Regulatory Commission

Weiss, Bernard (OIE)

492-9575

Securities and Exchange Commission

Kanyan, Richard

523-5980

Kundahl, George

272-2700

Selective Service System

Dower, James

724-0851

United States Postal Service

Jusell, Ralph

245-5325

Veterans Administration

Barbee, William H. Jr. (EMS-00IC)

389-2107



OFFICE OF THE UNDER SECRETARY OF DEFENSE

WASHINGTON D C 20301

POLICY

16 June 1982

MEMORANDUM FOR BENNETT L. LEWIS, EXECUTIVE SECRETARY, EMERGENCY MOBILIZATION
PREPAREDNESS BOARD

SUBJECT: Defense Production Act, Title III

As you requested in the meeting on June 15th, here is a paper which sets out the position of the Department of Defense on the issues associated with Title III of the Defense Production Act, and the mention of that title and act in the National Emergency Mobilization Policy Statement.

This position paper has the approval of General Richard Stilwell and Lieutenant General James Dalton.

A handwritten signature in black ink, appearing to read "Craig Alderman, Jr.", is positioned above the typed name.

Craig Alderman, Jr.
OSD EMPB Liaison Officer

Attachment
a/s

POSITION PAPER

NATIONAL EMERGENCY MOBILIZATION POLICY STATEMENT AND THE DEFENSE PRODUCTION ACT, TITLE III

The Department of Defense (apparently along with some 17 other board members) prefers the language of the industrial mobilization program objectives as stated on page 6 of the fifth draft of the national emergency mobilization policy statement.

There are two rationale to be considered: why DPA Title III, and why should Title III be explicitly mentioned in this policy statement?

Why DPA Title III?

- o DPA Title III is a principal mechanism to stimulate new or increased domestic capability to produce material, goods, or services for national security.
- o DPA Title III is most practicable method of providing new or increased manufacturing or production capabilities. Stockpiling is patently not workable in these instances.
- o In those instances where industries would require large initial investment and would be subject to market control from large, international producers, Title III incentives provide acceptable alternatives to direct government investment.
- o Compared to the stockpile, use of DPA Title III is an economically and politically practicable method of decreasing dangerous reliance on offshore sources for strategic and critical materials.
 - Current stockpile is ^{38%}~~48%~~ of established goals, and contains \$6.8 billion excess or obsolete material.
 - Assuming we could obtain Congressional approval, market constraints would require us to take more than ten years to sell the excess and obsolete stockpile material, and apply the proceeds against new stockpile purchases -- and we would still be approximately \$6 billion short of established goals.
 - Title III, on the other hand, provides greater flexibility, reduces the stockpile goal, increases the gross national product, provides employment, and decreases balance of payments deficits.

- o Use of Title III is within the normal budget process, and subject to same Executive and Congressional review as any other budget program.
- o Each Title III case is processed individually, and allows the Administration to select form of incentives most appropriate to circumstances (e.g., loan guarantees, purchase guarantees, etc.)
- o Title III has proven record of success in providing long term, cost effective, economic incentives to encourage domestic production.

Why Should the National Policy Statement Address DPA ?

- o The use of DPA Title III is obviously controversial within this Administration.
 - We need to resolve this controversy with a clear and unambiguous statement of policy regarding the use of DPA to increase our national preparedness.
 - The chapeau policy document for emergency mobilization preparedness is the appropriate locale for that statement.
- o The use of DPA Title III is an issue in the EMPB structure.
 - We have been working this issue for four months and six drafts.
 - The EMPB is chartered to resolve mobilization preparedness issues. We should face this one squarely.
- o There are some agencies who hold that our national policy is to rely on the stockpile in all instances where Defense would use the DPA. Unless the national mobilization policy statement clearly contradicts this belief, each successive attempt to use DPA Title III will refight the basic issue.
- o The national policy statement does not commit us to specific actions, but rather provides for a range of options and responses to different emergencies. The industrial mobilization section has been revised to apply only to national security emergencies. The use of Title III as one of the mechanisms in the industrial mobilization program is an option we must retain.
- o The use of DPA Title III is clearly within the decisions and policies set forth in NSDD-32 and NSSD 1-82, and is consistent with other functional areas addressed by those documents.

JUN 16 1982

Major General Bennett N. Lewis
Executive Secretary
Emergency Mobilization Preparedness Board
Washington, D.C. 20472

Dear General Lewis:

Enclosed is OMB's suggested redraft of the Industrial Mobilization section of the EMPE policy statement. I strongly urge that it be inserted instead of the present language.

Sincerely,

/s/ A. G. Anderson

Annelise Anderson
Associate Director for
Economics and Government

Enclosure

16/16/82

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 material needed to prosecute successfully a major military conflict and to lend credibility to national strategic policy.

The program will:

- improve the capability of U.S. industry to meet current and mobilization requirements by identifying production and supply deficiencies and maintaining a domestic stockpile to overcome;
- increase the availability and efficient use of industrial resources, including transportation and energy necessary to support industrial production and expansion of the industrial base;
- provide for assessment of the impact on the industrial base resulting from existing and proposed agreements for co-production of defense material, related offset arrangements with our allies, and other reciprocal trade agreements; and
- make effective use of stockpile metals, minerals, and materials essential for mobilization production through improved implementation of National Defense Stockpile policy.

OPTIONS PAPERIssue

Should the EMPB's national policy statement provide for increasing the availability and efficient use of industrial resources needed for mobilization through full utilization of the authorities of the Defense Production Act (DPA)? Some have criticized that this may look like "subsidizing" U.S. industry.

Background

The fifth draft of the EMPB national policy statement contains the following language concerning industrial mobilization and use of the DPA: "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 the availability and efficient use of industrial resources...through appropriate utilization of Defense Production Act authorities and systems..."

As stated by the President in his December 17, 1981 Executive Memorandum establishing the EMPB, "One of the most compelling tasks still facing us is 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."

The Industrial Mobilization Working Group (IMWG) intends to analyze a broad spectrum of authorities and to make recommendations to the EMPB concerning the most cost effective means to improve the responsiveness of the industrial base to mobilization requirements. It is not the intent of the IMWG to use DPA authorities merely to maintain existing productive capacity (i.e., to subsidize failing industries). In fact, the Act provides safeguards against its use for such purposes but, frankly, it may be necessary in wartime.

Other provisions of the DPA (Titles I and VII) are currently used in peacetime. These provisions neither state nor imply any incentives or subsidies to industry. However, continued use of these provisions is essential to continue to provide for the national defense and national security. Conversely, if the policy statement does not allow for full utilization, certain options may be precluded during emergencies.

Option 1:

Clearly provide in the national policy statement for full utilization of the authorities of the Defense Production Act of 1950, to strengthen the defense industrial base.

Pros:

- o The Defense Production Act is the principal legislative authority for industrial mobilization programs.
- o The DPA provides safeguards against misuse of its broad authorities. In addition, before implementation of any Title III program, funds would have to be appropriated by the Congress, and OMB review of expenditures would be required.
- o If properly utilized, the loan and loan guarantee provisions of Title III of the DPA do not represent a cost to the taxpayer. Past experience with Title III programs indicates that new domestic markets are stimulated by creation or expansion of the U.S. industrial capability. Jobs are created for U.S. citizens, and our reliance on imports is reduced.
- o In cases involving strategic and critical materials that we must stockpile, every pound of such material produced annually in the U.S. reduces the stockpiling requirement by three pounds. The Administration is currently reviewing stockpile policy to determine whether DPA incentives would be more cost effective than purchasing additional materials for the stockpile.

Cons:

- o A Presidential statement of national policy that contains reference to full use of the authorities of the DPA (i.e., Title III) could be misconstrued as being inconsistent with the Administration's free market policies.
- o Any suggestion of or reference to potential incentives/subsidies to industry may be perceived by the public as another case of an administration bail-out of a failing industry, such as Lockheed or Chrysler.
- o Use of Title III could increase Federal costs, especially in the near term and in cases where the expanded capability gained is applicable only to military surge/mobilization requirements (i.e., no commercial market).

Option 2:

Provide in the national policy statement for appropriate utilization of the authorities of the Defense Production Act of 1950, as a means of strengthening the defense industrial base.

Pros: o Same pros as option 1.

- o From the viewpoint of those who advocate option 3, option 2 would not commit the Administration to use of Title III of the DPA and would, therefore, obviate the cons of option 1.

Con:

- o Option 2 is not as strong a statement of Administration commitment to strengthening national security as is option 1.

Option 3:

Eliminate any reference in the policy statement to the Defense Production Act authorities and simply state that the Industrial Mobilization Working Group program will: " increase the availability and efficiency of industrial resources, including transportation and energy necessary to support industrial production and expansion of the industrial base."

Pro:

Will not constrain the activities of the IMWG from considering the full authorities of the DPA in developing recommendations which should be taken to enhance the mobilization potential of the U.S. defense industrial base.

Con:

Does not answer the "policy question" of whether or not the Administration will support the use of DPA Title III authorities when shown to be effective to enhance industrial mobilization capability.

Recommendation: - Option 1

Full use of the authorities of the Defense Production Act may well be required in order to have the capability to mobilize industry when necessary. The concern that a statement which support the full use of DPA authorities may be construed as authorizing a blank check for Government incentives or subsidies to industry is without merit. In fact, the Act itself and the budgetary process provides safeguards against any inappropriate use of the authorities. The policy statement should retain reference to utilization of the authorities of the Act.

Accordingly, we recommend that the following specific language be included in the policy statement:

"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;"

The U.S. industrial base contributes to the Nation's defense posture. To the extent that national security needs can be provided with "free-market" incentives, the Government does not have to pay for this increment of preparedness. However, if the market place incentives do not provide for all our needs, the Government should pay for additional increments with specific incentives, either by direct purchases (a demand-side solution) or by increasing industrial capacity (a supply-side solution).

The President has consistently supported use of multiple approaches to solve national security problems. In his statement of March 13, 1981, he stated:

"In addition to strategic stockpiling, I am considering other measures to decrease the Nation's vulnerability, including ways to expand domestic capacity to produce strategic and critical materials".

He repeated this philosophy in his Mineral Policy Statement of April 5, 1982, by indicating the stockpile would be the primary means of providing for national defense objectives, but continued:

"However, analysis is now ongoing to determine whether the use of Defense Production Act incentives would be more cost-effective than stockpile purchases".

The authorities of the Defense Production Act were designed specifically to increase the Nation's ability to provide an industrial base which could be mobilized rapidly to meet national security needs. The existence of an adequate industrial base reduces national security expenditures for programs such as the National Defense Stockpile and the War Reserves Materiel Inventories. If the use of Title III incentives are more cost-effective than traditional programs in meeting national security, it would seem foolish to restrict the President's use of them. This is particularly true in light of this Administration's priorities regarding national security and fiscal responsibility.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Jim Jordan
For info

APR 15 1982

Honorable Casper Weinberger
Secretary
Department of Defense
Washington, D.C. 20301

Dear Cap:

This is in response to your March 22, 1982 proposal to amend the Defense Production Act (DPA), Title III to grant the Defense Department \$2.5 billion in revolving Treasury borrowing authority, to subsidize domestic materials production.

As indicated in the recent Presidential Minerals Policy Statement, it is Administration policy to rely on the marketplace to improve the competitiveness of our industries to help reduce dependence on foreign sources. Several recent initiatives, such as the Defense build-up, tax reductions, improved depreciation schedules to foster investment, and reduction of regulatory burdens, will significantly strengthen our materials posture. The strategic stockpile provides substantial additional protection to insure that defense material needs can be met in case of emergencies or supply disruptions. Planned stockpile acquisitions will further improve this protection. In spite of our commitment to the stockpile as the primary means of providing for national defense objectives, the Administration has also supported a five year extension to the current DPA Title III so that authorities would be available, should analysis indicate that they would be more cost-effective than stockpile measures.

In addition to altering the Administration's basic policy with regard to Title III, the proposed legislation requests blanket project approval and "backdoor" borrowing authority which is contrary to the provisions of the Congressional Budget Act of 1974.

Our analysis of the DOD proposal to subsidize domestic cobalt production indicates that it is substantially less costly to acquire stockpile protection by direct purchase. Currently, cobalt transactions are being reported at about \$10 per pound, nearly 45% less than the level necessary to induce domestic production. Even with significantly higher world prices, stockpile acquisition would continue to be a less costly approach.

In view of these concerns, I regret that I cannot support your proposed amendment to the Defense Production Act. We would, however, be happy to continue to work with you to extend the existing DPA and to consider any specific cases where the Defense Department believes the use of DPA authorities would be cost-effective.

Sincerely,

David A. Stockman
David A. Stockman
Director

Official File - NSD/AF Branch
DO Records - OMB Control #12110
DO Chron
Mr. Wright
Mr. Kudlow
Mr. Moran
Mr. Schneider
Mr. Khedouri
Dr. Anderson
Mr. Glozer
✓ Mr. Adkins
Division Office (2)
AF Chron

OMB/NSD:JFCampbell:lmj 4/5/82

Original Text:

- 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;

Replacement Text:

- Improve the capability of U.S. industry to meet current and mobilization requirements by identifying production and supply deficiencies and initiating actions to overcome them;

Original Text:

- 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;

Replacement Text:

- Increase the capability of industry and infrastructure systems, including transportation and energy, to support industrial expansion to meet national security needs through use of import and export controls, improved guidance on resource claimancy, and cost-effective use of DPA authorities in cases where the free market does not provide the required national security capability;

Original Text:

- increase the availability of domestic metals, minerals, and materials essential for mobilization production through improved implementation of National Defense Stockpile policy and other means;

Replacement Text:

- Increase the availability to the U.S. of strategic and critical minerals, metals, and materials through stockpiling, use of DPA Title III authorities, or a combination of both of these methods, depending on the costs and benefits for each specific case.

JAN 8 1982

Honorable William Proxmire
United States Senate
Washington, D.C. 20510

Dear Bill:

This is in response to your October 7, 1981 letter concerning Federal subsidies for domestic production of certain critical materials under Title III of the Defense Production Act (DPA).

As is evident from your letter, you are aware that the Federal Emergency Management Agency has proposed four projects for Federal support under Title III. The Administration has been examining the use of these authorities for this purpose in some detail over the last few months. We do not plan to make use of Title III authorities to subsidize domestic industry. Instead, the Administration intends to rely on the market place to improve the competitiveness of our industries and help reduce our dependence on foreign sources of critical materials. We are confident that several of our recent initiatives--such as tax reductions, depreciation schedules designed to provide new incentives for capital investment, and reduction of the immense regulatory burden now imposed on business by the Federal Government--should significantly strengthen our minerals posture.

Please be assured that any budget initiative that proposes use of Title III authorities will receive our closest scrutiny.

Sincerely,

DAVID A. STOCKMAN

David A. Stockman
Director

cc: Official file - JTGMD/JGMBBranch
DO Records - OMB #9737
DO Chron
Mr. Harper
Mr. schleede
Legis. Affairs
Dr. Anderson (2)
Mr. MacRae (2)
Mr. Seidl
Ret. Mr. Atherton

JTGM:JGMB:JAtherton:pea/11/5/81

REW:JTGM:JGMB:JAtherton:pea/12/3/81



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 5, 1982

Honorable Fernand J. St Germain
Chairman, Committee on Banking,
Finance and Urban Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I understand that your Banking, Finance, and Urban Affairs Committee plans to mark up the Defense Industrial Base Revitalization Act (H.R. 5540) in the near future. As you know, the bill provides \$6.75 billion in price supports, loan guarantees, and other subsidies for domestic production of defense-related materials. While I appreciate your concerns about the Defense industrial base readiness, I find it difficult to support these provisions.

I would like to take this opportunity to explain the Administration's position.

As indicated in the President's recent Minerals Policy Statement, it is our policy to rely on the marketplace to improve the competitiveness of our industries and thereby reduce reliance on foreign sources. Several recent initiatives, including the Defense build-up, tax reductions, improved depreciation schedules to foster investment, and reduction of regulatory burdens will significantly strengthen our materials posture. These broad measures to strengthen the economy are already in place, and will be increasingly effective in the recovery.

The strategic stockpile provides substantial additional protection to insure that defense material needs can be met in case of declared national emergencies. Planned stockpile acquisitions will further improve this protection.

For these reasons, we strongly oppose H.R. 5540. We understand that Senator Schmitt recently introduced a bill which would extend existing Defense Production Act authorities for five years. We support such an extension. This would ensure that Title I and Title II authorities will be preserved and that Title III authorities are available, should analysis indicate that they would be more cost-effective than stockpile measures.

Thank you for the opportunity to express the Administration's views.

cc: Offical File
DO Records/DO Chron
Deputy Dir.

Khedouri Howard
Anderson Adkins
LA Seidl
Glozer Atherton

CC: Honorable James J. Blanchard
Honorable Stewart McKinney

Sincerely,

David A. Stockman

David A. Stockman
Director

Identical letter sent to Honorable William Stanton

This Administration will rely primarily on the strategic stockpile as the primary means of providing for national defense objectives. However, analysis is now ongoing to determine whether circumstances exist under which the use of Defense Production Act incentives would be more cost-effective than stockpile purchases.

International Minerals Policy Coordination

Most industrial free market countries are more heavily dependent upon imported minerals than the United States (the two principal exceptions are Canada and Australia), but the United States is the only industrial nation with a significant stockpile of minerals and other critical materials for national defense. Other nations have investigated economic or strategic stockpiling of certain materials, but few programs have been carried out. Therefore, this Administration will initiate and conduct periodic and ad hoc consultation and coordination of the strategic and security policy aspects of non-fuel minerals and associated processing capabilities among industrial nations which are consumers of key materials.

We recognize our interest in policies which would create and maintain international markets for critical materials and the need of producing and consuming countries to cooperate to their mutual trade benefit.

C. F.

MEMORANDUM

NATIONAL SECURITY COUNCIL

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1140

FG378

FG006-12

ACTION

April 28, 1982

MEMORANDUM FOR WILLIAM P. CLARK

FROM: HORACE L. RUSSELL *HR*

SUBJECT: Fourth EMPB Board Meeting

The meeting to discuss the third draft of the Policy Statement is scheduled for today in the Indian Treaty Room at 5:00 p.m. for 50 minutes.

Ben Lewis provides at Tab II the third draft of the National Policy Statement including the statements prepared by the Working Groups. Also at Tab II, he provides a description of unresolved issues.

Lewis indicates he is prepared to lead the discussion, but I strongly believe that you should chair and control this meeting and all subsequent meetings. In your absence, I believe Tom Reed, Bud McFarlane or John Poindexter should chair. Your active presence is crucial to setting the proper tone and importance of Board activity. If you agree, I have provided talking points for your use at Tab I.

RECOMMENDATION

That you chair and lead the discussion using the talking points provided at Tab I.

Approve _____

Disapprove _____

Chair

Attachments

Tab I Talking Points
Tab II Draft National Policy Statement and
Unresolved Issues

NSC#8202983

TALKING POINTS
FOR
FOURTH EMPB MEETING

Opening Comments

- The major purpose of today's meeting is to discuss any unresolved issues pertaining to the Policy Statement.
- Ben Lewis and the Secretariat prepared the third draft that you have been provided using comments from both Board members and Working Group Chairmen.
- Prior to starting the discussion, I have a few announcements:
 - A subgroup to address the strategic stockpile issue will be established under the Industrial Mobilization Working Group.
 - I am increasing NSC staff participation in Working Group activity. Staff members are already attending Emergency Communications and Military Mobilization working group meetings.

Discussion

- I am going to continue my "honest broker" role today, but after today's meeting I would like for Ben Lewis to provide me all Policy Statement issues that are not resolved by May 12. Prior to May 12 I would appreciate your full cooperation with Lewis and the Secretariat to resolve the remaining issues.
- Let us now start with the overall Policy Statement. I would like to have all of the comments on an agency by agency basis starting with State.

- Let us now move to the statements prepared by the Working Groups (There might not be sufficient time to complete discussion on the Working Group Statements.)

Closing Comments

- I would like to emphasize, again, that it is important to try and resolve the remaining issues as soon as possible. Lewis will provide a complete status report by May 12.
- I would like to schedule our next meeting for May 26.

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EMERGENCY MOBILIZATION PREPAREDNESS BOARD
Washington, D.C. 20472

APR 27 1982

MEMORANDUM FOR: WILLIAM P. CLARK
CHAIRMAN

FROM: Bennett L. Lewis
Executive Secretary

John R. Lilley II, for

SUBJECT: Fourth Board Meeting

The fourth Board meeting is scheduled for 5:00-5:50 p.m., on Wednesday, April 28, 1982, in the Indian Treaty Room 474 of the Old Executive Office Building.

The main purpose will be to discuss the third draft of the complete National Policy Statement (attachment 1) which includes the statements prepared by the Working Groups. This draft was prepared using the comments provided by Board members and Working Group Chairmen on the first and second drafts. Most comments were accommodated, but those that were not incorporated may generate discussion at the meeting. A description of the unresolved issues is included (attachment 2).

If you desire, we can proceed as we did at the last meeting. You or I, at your direction, would inform the Board members that the current draft incorporates most of the comments provided on the previous draft and any unresolved issues should be discussed now. I will be prepared to lead the discussion of any unresolved issues the members believe merit further consideration.

It is suggested that the next Board meeting be scheduled for May 26, 1982, prior to which the Secretariat will have distributed minutes of this meeting and a final draft.

Attachments 2

This marking is CANCELLED when
separated from the material
bearing a protective marking

FOR OFFICIAL USE ONLY

National Security Decision Directive

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. An integral part of that obligation is the development of an emergency mobilization preparedness program which will provide an effective capability to meet defense and essential civilian needs in national security emergencies and major domestic emergencies.

UNITED STATES EMERGENCY MOBILIZATION PREPAREDNESS POLICY

It is the policy of the United States to develop and maintain emergency mobilization preparedness programs through which governments at all levels, in partnership with the private sector and the American people, can respond effectively to major wartime and peacetime emergencies. These programs are to be directed initially at the correction of the most serious emergency mobilization deficiencies in our capabilities to respond to emergencies that threaten national security.

In the context of such emergencies, emergency mobilization preparedness programs must contribute to:

- ° deterrence of nuclear attack and other forms of aggression against the nation and its allies;
- ° effective responses to attempts at coercion, nuclear blackmail and economic warfare;
- ° successful prosecution and favorable termination of armed conflict;
- ° preservation of constitutional government;
- ° prompt recovery of affected areas and the restoration of national systems, including the armed forces; and
- ° maintenance of alliances and continuation of mutually beneficial interaction and arrangements with allies before, during, and after armed conflict or disruptive activities;
- ° effective allocation and management of scarce essential resources.

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

- ° effective natural disaster predictions, risk assessment and warning systems;
- ° mitigating the vulnerability to essential infrastructure systems, goods, and services from natural and man-caused catastrophic events;
- ° effectively improve the survivability of the national defense capability;
- ° prompt and coordinated federal assistance to affected state and local governments and communities; and
- ° effective federal management and allocation of resources to facilitate both emergency response operations and long-term rehabilitation and recovery.

PREPAREDNESS PROGRAMS

In order for emergency mobilization preparedness programs to make these contributions, appropriate Federal Agencies, making use of existing programs where possible, must develop and maintain:

- ° military mobilization preparedness programs which will increase capabilities to:
 - expand the size of the force through total mobilization
 - increase combat readiness of forces
 - deploy forces to theaters of operation
 - sustain the armed forces in protracted conflict
 - consistent with defense priorities, provide assistance to civilian authorities and support to civil defense
 - meet commitments to allies
- ° industrial mobilization preparedness programs which will increase capabilities to:
 - to support an expansion of current force structure, sustain and resupply our total force and, as necessary, those of our allies in protracted conflict
 - maintain essential civilian production
 - retain access to a secure, reliable, and sufficient supply of critical raw and processed materials
- ° human resource preparedness programs which will increase capabilities to:
 - support and sustain the armed forces
 - provide for essential civilian needs

- ° health preparedness programs which will increase capabilities to:
 - make more effective use of existing medical assets to meet military and civilian needs
 - expand the amount of critical supplies, facilities and human resources that would be needed in emergency
- ° economic stabilization preparedness programs which will increase capabilities to:
 - maintain stable economic conditions nationally and internationally
 - minimize the adverse economic consequences of emergencies and emergency operations
- ° public finance preparedness programs which will increase capabilities to:
 - develop and implement tax programs to raise revenues
 - reallocate appropriated funds to finance emergency operations
- ° civil defense preparedness programs which will:
 - provide for protection of essential population supporting and war sustaining industries and services
 - increase substantially the proportion of the American public expected to survive a nuclear attack
 - maintain government continuity at State and local levels
 - maintain State and local capabilities to direct survival operations after nuclear attack
 - increase the capability for effective response to peacetime emergencies
- ° natural catastrophic disaster preparedness programs which will:
 - reduce the loss of life and destruction of property
 - enhance Federal/State planning and response mechanisms
 - enhance the survivability of the national defense capability
- ° Federal government operations preparedness programs which will increase capabilities to:
 - accomplish a rapid and effective transition from routine to emergency operations
 - ensure the continuous performance of all essential Federal government functions and Presidential roles
- ° emergency communications preparedness programs which will increase capabilities to:
 - maintain effective and survivable telecommunications systems essential for all emergency mobilization operations

- ° law enforcement and public safety preparedness programs which will increase capabilities to:
 - maintain public safety and the continued enforcement of federal, state, and local laws during emergency conditions
 - prevent or control large scale social disorders
- ° food and agriculture preparedness programs which will:
 - ensure maximum support to our armed forces and our allies
 - provide for essential civilian needs
 - honor international responsibilities
- ° social services preparedness programs which will increase capabilities to:
 - provide emergency social services to meet survival needs of recipients.

PRINCIPLES FOR EMERGENCY MOBILIZATION PREPAREDNESS PROGRAMS

WARTIME EMERGENCIES

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

- Preparedness measures should address the full spectrum of wartime/national security emergencies.
- The development of the structure of policies, plans, authorities, and processes for full mobilization should receive priority attention. Within this effort, foundations for total mobilization planning should be introduced concurrently.
- Where applicable, preparedness measures should emphasize the partnership between Federal and State/local governments upon which effective programs depend.
- Preparedness programs must be developed in close coordination with the private sector upon which many of the requirements for effective emergency responses must fall. To the maximum degree possible, consistent with security requirements, the private sector must be brought into partnership with responsible government agencies.
- Resource management and economic stabilization programs must develop plans and procedures for governmental intervention into the market place to ensure the enhancement of supply and the allocation of resources to essential civilian and military needs. These mechanisms should provide for both gradual and abrupt replacement of market forces by governmental regulations.
- Plans and procedures should be designed to retain maximum flexibility for the President and other senior officials in the implementation of emergency actions below and above the threshold of declared national emergencies and wars. Plans should avoid rigid "either-or" choices that limit Presidential options.

- Mobilization for war will require new public policies many of which differ substantially from those pursued in peacetime. The implementation of these policies will be greatly facilitated by policy planning which identifies and evaluates alternative policies appropriate to emergency situations.
- 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 will emphasize a rapid and effective transition from routine to emergency operations and will be designed to make effective use of any periods of time which may be available following the receipt of political, strategic, and tactical warnings. It is imperative that the Government develop capabilities to minimize the start-up time required for emergency responses.
- All designated Federal claimant agencies should attach high priority to improved capabilities to identify and prioritize their requirements for national resources.
- All designated Federal resource agencies should improve their capabilities to identify, evaluate, and manage (allocate) the resources under their cognizance to meet military and essential civilian requirements.
- Preparedness measures to be specified in the Plan of Action must 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 have been carefully identified and that will not be met by the dynamics of the market-based economy.
- Preparedness measures must seek reductions in the administrative lead time required before the Nation's resources can be effectively applied to management of the consequences of emergencies.
- Preparedness measures that will facilitate 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 measures should include all necessary coordination with our allies.

DOMESTIC EMERGENCIES

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

- Primary emphasis must be placed on natural disasters and other domestically generated emergencies which (a) impact substantially upon established national governmental, economic and defense objectives, and/or; (b) produce multi-State consequences which cannot be managed effectively without substantial Federal presence and/or; (c) arise within spheres of activity in which there is an established Federal preeminence.
- Preparedness programs must 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, which cripple economic activity and threaten national defense.
- Peacetime preparedness programs should emphasize the partnership between Federal and State/local governments upon which effective response depends.
- Preparedness programs must be developed in close coordination with the private sector upon which many of the requirements for effective emergency responses must fall. To the maximum degree possible, consistent with security requirements, the private sector must be brought into partnership with responsible government agencies.
- Preparedness measures for allocation of resources during peacetime emergencies should emphasize procedures which rely primarily on market-based mechanisms.
- Economic stabilization preparedness measures should provide mechanisms which avoid the imposition of direct economic controls except on a temporary basis in affected areas.
- Preparedness measures for peacetime emergencies should facilitate responses which may be necessary for only temporary and selective departures from established public policies and the prompt restoration of routine policies and programs.

MANAGEMENT

Consistent with the policy outlined in this statement, 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 a United States Emergency Mobilization Preparedness Program which will provide the capability to respond to major emergencies in accordance with the attached detailed programs, and other programs which might be developed subsequently.

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. 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

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Emergency Mobilization Preparedness

Military Mobilization

Policy. It is the policy of the United States to develop systems and plans that will ensure sufficient forces and materiel be available to support the Nation's ability to mobilize, deploy, and sustain military operations in a wartime emergency. It is also policy that these forces and materiel be available to assist civilian authorities during domestic emergencies, consistent with national security priorities.

Program. The military mobilization preparedness program will increase capabilities to:

- expand the size of the force from partial through total mobilization
- increase combat readiness of forces
- deploy forces to theaters of operation
- sustain the armed forces in protracted conflict
- provide assistance to civilian authorities and support to civil defense consistent with national security priorities.

Implementation Measures. Military mobilization preparedness programs will:

- develop, maintain, and exercise plans and procedures for the implementation of partial, full, and total military mobilization (FY 83)
- develop plans and procedures for the rapid enhancement of the combat readiness of forces (FY 83)
- refine plans and procedures for the deployment of forces to theaters of operation (FY 83)
- develop plans for a system of military support to civilian authorities and civil defense (FY 84)

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Emergency Mobilization Preparedness

Industrial Mobilization

Policy. It is the policy of the United States to develop systems and plans which will increase the capability of the industrial base to respond to demands for rapid and significant increases in production under all conditions of emergency.

Program. To ensure an adequate and responsive industrial base, an effective emergency mobilization preparedness program will:

- ensure the ability of the Nation's industrial base to surge selective production;
- ensure the ability of the industrial base to respond to increased demands for defense and essential civil production;
- enhance the ability of defense and essential civilian sectors to determine and communicate demands for resources essential for production expansion;
- increase the ability of existing Defense Production Act (DPA) systems ^{during an emergency} to expand their scope of operations and to accelerate the processes required to support expanded production;
- ensure an effective system to adjudicate conflicts over scarce resources; and
- increase the quantities and qualities of stocks of domestic minerals and metals essential for industrial production expansion.

Implementation Measures. Industrial emergency mobilization preparedness programs will:

- increase capabilities for surge production and industrial mobilization (FY-83);
- develop plans and procedures necessary to determine and evaluate requirements for production expansion (FY-83);
- develop a program to assist the industrial base to respond to demands for defense and essential civil production (FY-84);
- develop processes to address demands for resources essential for production (FY-84);
- reduce legislative impediments to industrial responsiveness (FY 85);

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- develop initiatives to improve stockpile of essential minerals and metals (FY-84);
- revise current DPA Title I systems to meet requirements of production expansion (FY-84);
- review and revise current plans for the adjudication of resource conflicts (FY-84); and
- develop and evaluate actions to increase quantities and qualities of domestic minerals and metals essential for production expansion (FY-85).

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Emergency Mobilization Preparedness

Human Resources

Policy. 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 to a full range of wartime and peacetime emergencies. It is further the policy to assure that, during emergency periods, scarce human resources are allocated to required mobilization tasks.

Program. The human resources emergency mobilization preparedness program will:

- minimize delays in identifying the required skills and potential supply problems for implementing the allocation of workers to essential defense industries and other critical mobilization tasks;
- ensure that skilled workers are channeled 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;
- ensure that labor-management conflicts do not disrupt defense production expansion efforts;
- enhance the Nation's base of human resources to assure the availability of the requisite scientific, engineering, technical and other human resource requirements to support both military and industrial mobilization needs; and,
- ensure that human resources policies enhance economic stabilization plans and procedures for emergency mobilization.

Implementation Measures. Program implementation procedures will:

- develop information systems essential to identify required skills needed for emergency mobilization tasks and potential supply problems (FY-83);
- develop plans for managing priority and allocation techniques that ensure needed quantities and quality of workers for critical industries, mobilization tasks, and occupations (FY-84);
- establish a set of procedures and policies for voluntary allocation of human resources (FY-84);

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- develop plans for operation of mechanisms that will facilitate 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).

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Emergency Mobilization Preparedness

Health

Policy. 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 during major peacetime and wartime emergencies.

Program. Emergency mobilization preparedness programs to ensure provision of sufficient medical care will substantially enhance recovery from emergencies and will reduce physical suffering. The Nation's ability to sustain military operations will be substantially improved by a health preparedness program. The health preparedness program will:

- provide for maximum reliance on existing federal, state, and private sector personnel, supplies and facilities;
- enhance the Nation's ability to recover from major emergencies and protect the population from the spread of disease;
- provide for military assets to supplement medical services provided by state and local governments and the private sector during a major peacetime emergency;
- increase the capability to provide adequate medical care to military casualties in civilian and military facilities; and
- provide mechanisms for the allocation of scarce supplies and skilled professionals (specialists) to the highest priority needs.

Implementation Measures. Health care emergency mobilization preparedness program implementation will:

- develop plans to increase availability of Federal and private sector health care personnel (FY-83);
- establish plans to increase availability of necessary medical supplies and equipment (FY-83);
- develop plans for improved utilization of existing medical facilities to cover domestic emergencies (FY-83); and
- prepare plans to provide improved measures to prevent epidemics or other threats to the public health caused by major emergencies (FY-83).

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Emergency Mobilization Preparedness

Economic Stabilization and Public Finance

Policy. 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. Particular emphasis should be given to measures which will minimize inflation and shortages; enhance morale and assure that the burdens of the emergency are being fairly shared; assure the efficient functioning of the Federal fiscal system, including maintenance of Federal check disbursing activities, and the continued operations of private financial institutions; and facilitate an orderly return to a normal economy as soon as possible. The allocative efficiencies of the free market should operate where possible, with alternative measures involving direct Government intervention in the economy to be used only at the latest appropriate time.

Program. The success of this preparedness policy will be determined by programs for economic stabilization and public finance which can be implemented, as required, in a timely manner and which will:

- 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 national needs;
- facilitate resource reallocation necessitated by any relocation of the populace;
- assure an equitable distribution of essential consumer goods;
- provide for the protection of U.S. financial resources including currency production, Federal check disbursement, and precious monetary metals;
- preserve and facilitate operations of the financial institutions system, and provide for any necessary restoration of its functioning after a major emergency;
- provide the government with efficient and equitable financing sources and payments mechanisms for emergency situations; and
- provide fiscal authorities with adequate revenue-raising powers to stabilize the economy in the face of any additional resources requirements needed to deal with or recover from a major emergency; available fiscal measures should be selected to provide maximum efficiency and equity, preserve incentives, and minimize administrative burdens.

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Implementation Measures. The Executive Branch should have a complete set of draft authorities and plans for responding quickly to emergency-generated threats to national economic stability. Authority is also needed under certain circumstances to implement draft banking regulations providing for emergency operation of depository institutions. Major elements of the economic stabilization and public finance preparedness program can be implemented through the Draft Defense Resources Act (DDRA), other draft authorities and existing law. Implementing organizations will:

- review and revise the 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).

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Emergency Mobilization Preparedness

Civil Defense*

Policy. It is the policy of the United States to enhance the deterrence of strategic nuclear war through a strong and balanced program of strategic forces, including effective capabilities for strategic defense. Civil Defense, along with an effective Continuity of Government program, emergency mobilization, and secure and reconstitutable telecommunications systems, is an essential ingredient of our nuclear deterrent forces. It is a matter of national priority that the United States have a Civil Defense program which provides for the survival of the United States population.

Program. The Civil Defense program will provide an improved basis for dealing with crises and carrying out eventual national recovery and will:

- enhance deterrence and stability in conjunction with our strategic offensive and other strategic defensive forces. Civil Defense, as an element of the strategic balance, should assist in maintaining perceptions that this balance is favorable to the United States;
- reduce the possibility that the United States could be coerced in time of crisis;
- provide for survival of a substantial portion of the United States population in the event of nuclear attack preceded by strategic warning and for continuity of government, should deterrence and escalation control fail; and
- provide an improved ability to deal with natural disasters and other large-scale domestic emergencies.

This policy complements primary United States reliance on strategic offensive nuclear forces as the preponderant factor in maintaining deterrence.

Implementation. To implement the foregoing policies, the President has directed that the program consist of three major elements:

* This unclassified statement of United States Civil Defense policy has been prepared from National Security Decision, Directive Number 26, dated March 16, 1982 (unclassified version).

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- the development of plans and deployment of supporting operational systems for population protection will be completed; primary reliance will be placed upon relocating the population of United States metropolitan and other potential high-risk areas to surrounding areas of lower risk during a period of international crisis, taking advantage of extensive United States transportation resources (FY-89);
- analyses and preparations will be completed for industrial protection which will allow a funding decision to be made on a program to protect key defense and population relocation support industries; and
- analyses and preparations will be completed which will allow a funding decision on blast shelters for key industrial workers in defense and population relocation support industries.

These measures will fully support continuity of government, survival and endurance in time of war.

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Emergency Mobilization Preparedness

Earthquake

Policy. 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.

Program. Preparedness plans and programs can substantially reduce the effects of a catastrophic earthquake. This can be done by improving earthquake prediction, hazard, and risk assessment capabilities, warning systems, public education and awareness programs, response and recovery operations, by further developing and applying earthquake resistant design and construction techniques, and land use planning. The initial concentrated action shall focus on California, but will be applied to other states in consideration of their relative risk from a similar event. The program tasks to provide such an emergency mobilization preparedness capability will:

- evaluate, as a national priority, 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 financial, medical, transportation, shelter, communications and other resources necessary to assist recovery operations and provide for priority allocation authority;
- provide plans to reduce the negative effects on military installations and defense related industries;
- ensure more fully-developed 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
- insure the sufficiency of current federal legislative or other provisions and regulations to improve response capabilities.

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Implementation Measures. Earthquake preparedness program implementation will:

- 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).

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Emergency Mobilization Preparedness

Government Operations

Policy. It is the policy of the United States to develop systems and plans which will ensure the maintenance of necessary government functions at the federal, state and local levels in the event of major peacetime or wartime emergencies and to provide for a timely and effective transition into emergency modes of operation.

Program. Under all conditions of emergency, the government operations preparedness 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 catastrophic emergencies, as required; and
- ensure that government officials at all levels are capable of responding effectively to emergency conditions.

Implementation Measures. Specific programs will be developed in order to complete a government operations emergency mobilization preparedness program that will:

- 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);
- insure 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).

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Emergency Mobilization Preparedness

Emergency Communications

Policy. It is the policy of the United States that communications resources be available and adequate to respond to the Nation's needs in wartime and peacetime emergencies.

Program. To achieve telecommunications emergency mobilization preparedness objectives, reliance upon the private sector will be continued when implementing this policy. Programs must be established that will ensure that telecommunications resources are present and remain accessible through all phases of a national emergency. Specifically, these programs will ensure that:

- emergency telecommunications operations concepts are viable;
- complete and updated information is available on both government and private telecommunications needs and resources.
- deficiencies in needed capabilities are remedied and funded;
- planning is conducted under adequate conceptual and policy guidance; and,
- necessary preparatory measures are effectively implemented and arrangements for a smooth transition to emergency status are developed.

Implementation Measures. To meet these program criteria, the Federal Government will:

- identify and prioritize disaster and wartime telecommunications requirements (FY 82);
- evaluate the Nation's critical 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)

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- 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);
- identify issues and prepare an implementation plan to address non-electronic postal requirements (FY 83).

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Emergency Mobilization Preparedness

Law Enforcement and Public Safety

Policy. It is the policy of the United States to develop systems and plans that will provide for the public safety and will ensure continued enforcement of federal, state and local laws during major peacetime and wartime emergencies. It is also national policy to develop systems and plans that will ensure internal security and the control of United States borders and waters subject to the jurisdiction of the United States.

Program. The law enforcement and public safety program will:

- maintain law and order in a variety of major crisis situations: e.g., terrorist incidents, civil disturbances, natural disasters, nuclear emergencies, crises involving large movements of people, and war-related matters;
- ensure the physical security of critical public and private facilities;
- 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.

Implementation Measures. Program implementation procedures will:

- identify existing resources, plans, programs and interagency agreements among federal, state and local agencies (CY-82);
- determine whether additional resources, plans, programs and interagency agreements 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).

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Emergency Mobilization Preparedness

Food and Agriculture

Policy. In order to provide an adequate flow of agricultural products to the general population, the defense establishment, and to meet our international responsibilities during major emergencies it is the policy of the United States to develop systems and plans, which are coordinated between all levels of government and industry, to reduce the impact of emergency conditions upon our agricultural system. These plans must reduce the vulnerability of our food and fiber resources; ensure a responsive production, delivery, and distribution system to accommodate needs during emergencies caused by natural disaster, terrorist activity, or war; and, must contain provisions for the rapid recovery and restoration of the agricultural system after emergency conditions have passed.

Program. The national emergency mobilization preparedness program to provide for food and agriculture 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 scarce resources for the production and use of available food and fiber during emergencies; assessment of national and international requirements upon food and fiber, to decrease dependence on foreign sources;
- ensure maximum support to our armed forces and our allies;
- maintain production capabilities to contribute to our world trade objectives;
- establish emergency marketing, processing, inspection and grading systems for government-owned and privately-held commodities; civil transportation resource priorities to support agricultural needs; provisions for secure storage capabilities and priorities;
- plan to protect the health and well-being of the Nation's livestock and poultry; ensure the protection of crops and croplands, protection of the nation's forest resources, and reduce susceptibility to manipulated economic pressures;
- provide for timely information under emergency conditions to assure adequate food and fiber production, and priority distribution; and
- provide continuous assessment of the adequacy of emergency plans.

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Implementation Measures. The program elements to be accomplished will:

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

Emergency Mobilization Preparedness

Social Services

Policy. It is the policy of the United States to develop a social services emergency preparedness program and to ensure that existing social services (including entitlement programs) be maintained to the maximum extent possible during major wartime and peacetime emergencies.

Program. The social services emergency mobilization preparedness program will:

- maximize reliance on voluntarism and on state and local governments;
- assist in the preparation of 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 accurately assessed and necessary services efficiently delivered to meet highest priority needs.

Implementation Measures. Social services emergency mobilization preparedness program implementation will:

- develop plans to assure timely and effective federal support for state/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-82); and
- develop an Emergency Social Services Mobilization and Delivery System (FY-84).

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	<i>c 5/01</i>	<i>Pomdexter disapproved</i>		
		<i>rechartered meeting</i>		<i>HR</i>

DISPATCH

W/ATTCH

FILE

WH(C) *418*