

5/11/78 [1]

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THE PRESIDENT'S SCHEDULE

Thursday - May 11, 1978

7:30 Dr. Zbigniew Brzezinski - The Oval Office.

9:00 Meeting with Congressional Hispanic Caucus.
(30 min.) (Mr. Frank Moore) - The Cabinet Room.

10:15 Greet National and State Officers of the
(10 min.) Distributive Education Clubs of America.
(Ms. Fran Voorde) - The Rose Garden.

10:30 Mr. Jody Powell - The Oval Office.

1:30 Meeting with Environmental Leaders.
(20 min.) (Mr. Stuart Eizenstat) - The Cabinet Room.

11 W = 9 CPI = Wages $3\frac{1}{4} = \frac{1}{2}$
Emp $5\frac{1}{2}$ Now \rightarrow 4Q'79

DIST ED CLUBS OF AMERICA
MKT - MERCH - MGMT

Pres KEN CONNORS

Comp NORM MINETA

No DECA, 8PN \rightarrow 5 HOUSES
2500⁰⁰ 90% - H. ED

185000, 6000

FREE ENT VS PLANNED ECON

Distribution Education
Clubs of America 5/11/78

THE WHITE HOUSE
WASHINGTON
May 11, 1978

Tim Kraft
Jim Gammill
Frank Moore
Joe Aragon

The attached letters were returned in the President's outbox today and are forwarded to you for your information. The letters and copies have been sent.

Rick Hutcheson

RE: HISPANIC-AMERICANS

THE WHITE HOUSE
WASHINGTON

rick--

file copies of attached
memos are also attached,
with indications of to
whom blind carbon copies
were sent...please note
that the copies have already
been sent.

-- susan

THE WHITE HOUSE

WASHINGTON

5-11-78

To Juanita Treps

Please talk to Congress-
man Garcia about the
Census Bureau and its
employment and accurate
counting of Spanish speaking
Americans -

Thanks -

Jimmy

bcc: The Honorable Edward Roybal
The Honorable Robert Garcia

THE WHITE HOUSE

WASHINGTON

5-11-78

To Joe Califano

We need a good director
of the Bilingual Education
Office, preferably an Hispanic-
American.

Please assess for me &
keep me informed.

Jimmy

p.s. What % of employees
are Spanish American?

bcc: The Honorable Edward Roybal

THE WHITE HOUSE
WASHINGTON

5-11-78

To Jack Gilligan

I am concerned that so few of AID personnel are Spanish-Americans, even in those serving the Latin American Community.

Please give me a brief assessment of present status & what we can do in the future.

Best wishes

Jimmy

bcc: The Honorable Edward Roybal

9
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THE WHITE HOUSE
WASHINGTON

THURSDAY - MAY 11, 1978
1:15 P.M.

MR. PRESIDENT

CONGRESSMAN HAROLD FORD OF TENNESSEE
CALLED TO RECOMMEND FRANK BANKS
FOR THE TVA BOARD.

BANKS WILL BE CONTACTED BY THE
PERSONNEL PEOPLE AND ASKED TO
COME IN FOR AN INTERVIEW.

PHIL

THE WHITE HOUSE
WASHINGTON

5-11-78

Rosalynn -

I don't think
this is good

J

'First Dog' Helps With PR Coup

Heartworm Ploy Aids Vet's Cause

By Vernon A. Guldry Jr.
Washington Star Staff Writer

There in the brilliant spring sunshine on the South Lawn of the White House stood Steven Melman, a veterinarian of extraordinary optimism.

Melman had dared hope that he might get the Executive Mansion as a backdrop and a member of the First Family as a prop to promote his favorite cause:

The odds were very long against it. When it comes to fostering good works, the prospect of a White House endorsement is enough to set any good promoter's instincts atingle. The president and First Family are thus constantly in demand to appear with poster children or endorse causes. Only a handful of such requests are honored in a year.

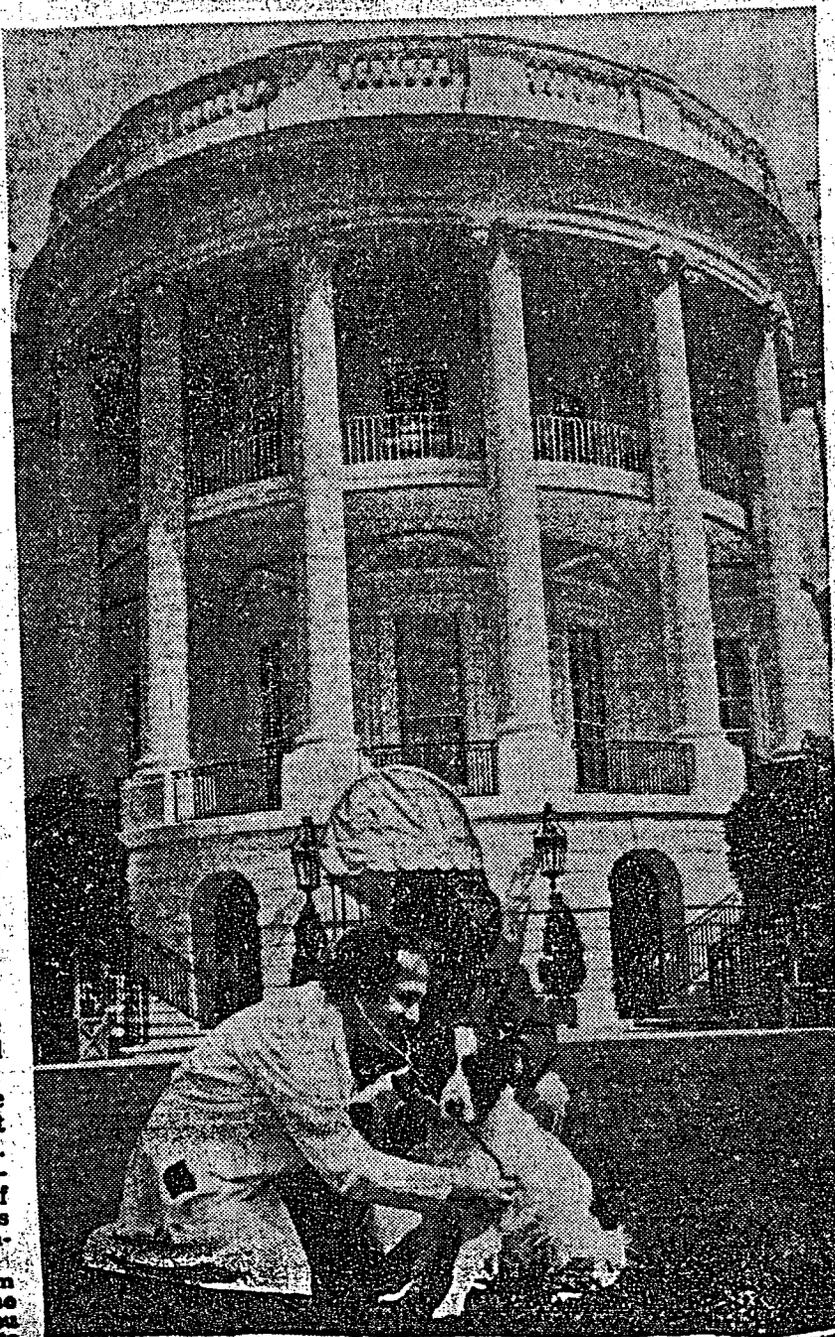
"We get hundreds of them," says Ann Anderson of the First Lady's press office in the East Wing of the White House, where social and family events are handled. "Everybody wants to push their cause."

Even the less-taxing proclamations of special "weeks," "months" and "days" are held to a minimum with nearly iron discipline.

"WE HAVE TO. It's the only way we can keep some sense of order," says Steven Needle of the office within the Office of Management and Budget that handles such things.

Usually some 60 proclamations are issued each year. They almost always fall in one of two categories. There is the traditional, non-controversial proclamation such as that of Thanksgiving Day or Red Cross Month. And then there is the proclamation requested by Congress:

"Every time they depart from these two, they get beat over the head by other groups who say, 'You did them, why not us?'" reports Needle.



Washington Star Photographer Paul A. Schuman
Veterinarian Dr. Steven Melman examines Amy Carter's dog Grits on the South Lawn to launch a drive against canine heartworms.

THE WHITE HOUSE

WASHINGTON

May 11, 1978

9
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MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: HEW Desegregation Action Against
North Carolina

Attached is a copy of a memorandum I sent to Ham summarizing the higher education desegregation issue in North Carolina.

I understand that the HEW staff will present the results of the most recent negotiations with the North Carolina officials to Secretary Califano when he returns to the office today. If the Secretary feels that the plan is not satisfactory and wishes to sue, I would recommend that you ask him to fully explain his reasons. I would like the opportunity of being present when you do this.

As I indicated in the attached memo, other states' plans were promulgated by political officials who cannot speak for the school system. Last month the Virginia State Council of Higher Education in Virginia said they are not going to endorse the plan agreed to by Governor Dalton. In North Carolina, government and education officials have participated in the ongoing negotiations. Therefore, the agreement reached in North Carolina is not merely a pledge but one that Bill Friday has the authority to fulfill. Moreover, North Carolina starts from a higher base than the other Southern states. A suit would be a substantive (let alone political) mistake.

S

THE WHITE HOUSE

WASHINGTON

April 24, 1978

MEMORANDUM FOR:

HAMILTON JORDAN

FROM:

STU EIZENSTAT *Stu*

SUBJECT: HEW Desegregation Action Against North Carolina

I understand there is a feeling by some within HEW that this action should be settled. I believe that Peter Libassi, the General Counsel, shares the view that the University has done enough in light of the particular situation presented by North Carolina. The NAAC Legal Defense Fund is the only party pushing this suit. If HEW accepted U.N.C.'s last offer, the "Inc. Fund" could still sue (and probably would). If they were successful, it would be the courts and not HEW that would be viewed as the culprit. I am told that the heads of the black colleges in North Carolina support the University's latest plan.

Following are key facts to take into account:

- 1) North Carolina has far more established black colleges than the other Southern states. It has 5 black institutions in the 16-campus University system with 21,000 of the 107,000 students in the University system. Moreover, there are 6 private black institutions. These 11 black institutions cream off a large percentage of the quality black students from the pool available to U.N.C. -- Chapel Hill.
- 2) North Carolina starts from a higher base than the other Southern states in terms of help to black colleges and black students. Ardent liberals in the State, like Joel Fleishman, feel the State's plan is fair and should be accepted.
- 3) Some of the plans accepted by other states (e.g., Virginia) were promulgated by political officials who cannot speak for the school system. U.N.C.'s offer is binding.
- 4) In the initial stage, HEW wanted better integration of North Carolina white colleges. The University of North Carolina system committed, with HEW concurrence, to a good faith effort to achieve a goal of increasing black enrollment by 150% over the 1976 base by 1981-1982. Then in January, for the first time, HEW shifted to integration of the State's black colleges.

5) Since at the college level there is no mandatory pupil attendance, HEW has suggested removing duplicate degree programs in black and white schools. The black colleges oppose this as does U.N.C. In its last offer, U.N.C. agreed that it would study eliminating such duplication for non-traditional students (e.g., adults) in career advancement courses and for its nursing program. More than this makes no sense since most whites probably would not go to a black school for a particular degree; neither black nor white schools want to close down major programs (e.g., law schools); it might limit black participation if their program is closed and they must compete for slots in a predominately white school.

6) The attached memorandum indicates the newest steps U.N.C. is committing to do to upgrade black colleges and assist black college students.

Attachment

xc: Peter Labasi

MEMORANDUM ON
THE UNIVERSITY OF NORTH CAROLINA AND
ITS EFFORTS TO ELIMINATE RACIAL DUALITY

There are two distinctive characteristics of The University of North Carolina that should be taken into consideration in evaluating the plan it has submitted to HEW in response to the Criteria.

The first is that there are five traditionally black institutions in the 16-campus University system. Three of the traditionally black institutions -- Elizabeth City State University, Fayetteville State University, and Winston-Salem State University -- are general baccalaureate universities, as are three of the traditionally white institutions. Two of the traditionally black institutions -- North Carolina A & T State University and North Carolina Central University -- are comprehensive universities, as are four of the traditionally white University institutions. As comprehensive universities, both A & T and Central offer a broad range of programs at the master's level. At North Carolina A & T these master's programs include engineering. At Central there is a School of Law as well as a graduate school.

The second distinctive characteristic is that, since 1972, when these five institutions became a part of The University of North Carolina, the Board of Governors, acting for the State, has worked consistently to strengthen each of them. This sustained effort has not been directed toward the maintenance of a racially dual system through a policy reminiscent of "separate but equal." On the contrary, the Board has defined clearly the educational mission of each of these five institutions, in the context of a comprehensive plan for all of The University of North Carolina. That plan has placed restrictions on unnecessary program duplication that might contribute to the perpetuation of racial duality or otherwise weaken the quality of the educational programs of The University.

The measures taken to strengthen the traditionally black institutions will have an increasingly significant impact in enabling them to attract students of all races. The University believes this process of institutional development -- in the framework of a state system that operates under a single governing board -- is a more promising means of eliminating racial duality than indirectly coercive measures of program elimination that would disrupt institutions and generate antagonisms. This is particularly the case when measures to strengthen and improve the black institutions are joined, as they are, to vigorous efforts to increase the enrollment of black students in traditionally white institutions. This process of promoting integration has been aided by three annual appropriations of \$300,000 to support "minority presence" student grants in all institutions. These "minority presence" grants will be maintained in future years.

The following are the principal actions taken by the Board of Governors since July 1, 1972, to improve the traditionally black constituent institutions:

1. Improvements in basic institutional support

Annual operating budgets (State funds) of the 16 constituent institutions of The University of North Carolina had increased 111% in 1977-78 over the 1972-73 level. Annual operating budgets of each of the five traditionally black institutions have increased over this same period by 154%, 129%, 156%, 161%, and 161%. Major additional operating funds for new programs and for general program improvements have been requested for 1978-79.

2. Capital improvements

A total of \$28.5 million in State-appropriated funds has been provided for the construction of new buildings. The budget request now pending before the General Assembly seeks an additional \$10.3 million for these five institutions.

3. New degree programs

Eighteen new degree programs have been established in these five institutions, as a continuation of the effort to diversify their curricula and enhance their attractiveness to students of all races. There are an additional fifteen new programs that have been authorized for planning in these five institutions, including two new master's programs in engineering at North Carolina A & T State University.

4. Establishment of the Fayetteville Graduate Center

A resident-credit graduate center has been established on the campus of Fayetteville State University, a traditionally black baccalaureate institution. Master's programs in education are offered there by a consortium of University institutions, as an initial step in developing at Fayetteville State University a comprehensive university to serve a rapidly-growing urban area.

5. Remedial education

A special study of remedial education was made in 1977. For 1977-78 The University received the first State appropriation explicitly for the support of such programs. Of \$550,000 available, \$500,000 went to the five traditionally black institutions. A request for an annual increase to \$950,000 is pending.

6. Improvements in the North Carolina Central University School of Law

The School of Law at Central was threatened in 1972 with the loss of accreditation. A major effort has been made to improve it, including construction of a new building and large increases in its operating budget. Progress has been dramatic. Petitions from traditionally white University institutions to establish new law schools have been denied.

7. Faculty and administrative salaries

Budget requests now pending will, if funded by the General Assembly, bring to completion a program of the Board to establish "parity" in State-appropriated funds for each teaching position -- i.e., State appropriations per faculty position among general baccalaureate institutions and among all comprehensive institutions in the University will be the same. A special study of administrative salaries by outside consultants in 1973 led to the creation of salary ranges for all institutions, and no disparities in these salaries now exist between traditionally black and traditionally white institutions.

8. Faculty doctoral study leaves

Funds have been requested to give qualified faculty lacking the doctoral degree paid study leaves to complete doctoral studies. Special priority will be given to faculty in the black institutions. It is expected that at least \$200,000 will be available to support such leaves next year after General Assembly action on the pending budget request.

9. Special fellowships for graduate and professional study

Each year the Board of Governors has provided fifteen new medical scholarships that pay tuition and a \$4,500 stipend. Of the 60 Medical Scholars now enrolled, 38 are black. A request for \$200,000 to establish a comparable scholarship program in dentistry and other fields where blacks are in particularly short supply is now pending.

10. Library improvements

A general plan establishing basic library collection standards for all institutions, and a basic continuing support level for each library, was developed in 1974. Four-fifths of the required new money has been appropriated, and the last increment is being requested this year. Two black institutions have had serious library deficiencies corrected as a result of this plan.

These actions and commitments are indicative of the determination of the Board of Governors to work toward the elimination of racial duality, and of its capacity to do so in the framework of the established governance, planning, and budgeting processes of The University of North Carolina.

April 17, 1978

THE WHITE HOUSE

WASHINGTON

5-11-78
To Joe Califano

Contact me re
N.C. desegregation suit.
(Your two weeks are
up.)

Jimmy

2486

THE WHITE HOUSE
WASHINGTON
May 11, 1978

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

Parti -
send SE a c
of Form note
on this -
O. L.

THE WHITE HOUSE
WASHINGTON
May 11, 1978

C
/

Mr. President:

There are negotiations now ongoing to attempt to make the Lock and Dam 26 bill acceptable. While we cannot be certain that these efforts will be successful, Dan Tate urges, as do I, that you should not commit to veto any Lock and Dam 26 bill, regardless of what the conference may agree to do, in your meeting with the environmentalists. It is to our advantage, even if we ultimately veto the conference bill, to have as good a conference bill as possible, so that Congress can work from a higher base if they wish to pass another bill that you will not veto.

If you are asked, you can certainly say that the bill as it passed the House and the bill as it passed the Senate are, at this point, unacceptable.



Stu Eizenstat

2485

THE WHITE HOUSE
WASHINGTON

May 11, 1978

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

Frank -

THURSDAY - MAY 11, 1978
12:55 P.M.

MR. PRESIDENT
CHARLES SCHULTZE CALLED.

TIM

I
Called Tim

He's ok

[Signature]

THE WHITE HOUSE
WASHINGTON

5-11-78

To Joe Califano & Stu Eizenstat

Something has been of concern to me for some time:

The White House Conference on The Family can be a very fine effort or a political catastrophe. The thrust must be toward strong and stable families. The staff and committee membership must be exemplary.

Please advise me of status and plans.

Jimmy C.

THE WHITE HOUSE
WASHINGTON

May 11, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *Fm.*

There has been another shift in the Senate Foreign Relations Committee. Baker has been to Byrd and Church this morning and asked that the committee take no action on the arms sales but welcome a discharge motion. McGovern is now taking the same tack. He thinks the committee should report out the arms sales on the floor with no recommendation.

Byrd is going to talk to Baker on the floor to try to get him to go ahead and get 8-8 tie today which would strengthen us on the floor. Byrd may be calling you to ask you to call Baker and McGovern to ask them to stand firm. I will go ahead and call McGovern and say I am calling for you; I will ask McGovern to stand firm.

for tomorrow
Absentee count shows us down 14 Democrats--some of them our votes, so Byrd may prevent a vote tomorrow by not bringing the Senate into session.

2466
THE WHITE HOUSE
WASHINGTON

May 11, 1978

The First Lady

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

cc Rosalynn
C
/

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

May 10, 1978

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: Federal Reserve Action on the Discount Rate and
Regulation Q

The Federal Reserve Board will announce tomorrow morning (Thursday, May 11) at 9:30 a.m. two regulatory actions made necessary by the recent increase in short-term interest rates.

(1) The Federal Reserve discount rate -- the interest rate charged by Federal Reserve Banks on loans to their member commercial banks -- has been increased from 6-1/2 to 7 percent. During the past month, member bank borrowings from the Federal Reserve Banks have shot up, because loans from the Fed at 6-1/2 percent are a "bargain" when the rate banks have to pay when borrowing from one another (the Federal funds rate) is around 7-1/4 percent. This increase in the discount rate was widely expected by financial market participants, and so it will not of itself tend to push interest rates up further. It "confirms" the recent 1/2 percent increase in the Federal funds rate which the Federal Reserve effected over the past two weeks and signals to the market that the Fed has no intention of letting market interest rates come down in the near future.

(2) Rates of interest that banks and thrift institutions may pay on consumer-type time and savings deposits are limited by ceilings set under Regulation Q. These ceilings, which are coordinated by the four major regulatory agencies in the banking field -- the Fed, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Federal Home Loan Bank Board -- are being relaxed.

The rise in market interest rates during 1977 began last fall to divert savings flows from banks and thrift institutions into higher-yielding market securities. Early this year, deposit inflows dropped further, and more attrition

would lie ahead because of the rise in market interest rates in recent weeks. The regulatory action to be announced tomorrow is designed to increase the ability of depository institutions to bid for the savings of individuals. It is carefully tailored to avoid an excess rise in costs to the institutions. Savings and loan associations, in particular, have relatively limited "ability to pay."

The ceilings on deposit interest rates will be relaxed by permitting the institutions to sell two new forms of certificates:

(1) A 6-month nonnegotiable certificate, in minimum denominations of \$10,000, on which the interest rate paid by banks is equal to the average yield on 6-month Treasury bills sold in the current week's auction. (Thrift institutions will be able to pay 1/4 percent more, maintaining the differential set by law). Banks will be able to offer interest compounded daily, so that the yield they can offer savers can be somewhat above the 6-month bill rate.

(2) An 8-year certificate with a rate of 7-3/4 percent for banks and 8 percent for thrift institutions. The previous maximum rate was 7-1/2 percent for banks and 7-3/4 for thrifts on certificates with 6 years or more to maturity.

This liberalization of deposit ceilings is highly desirable. It will mean that depository institutions have a better chance to bid for funds that they invest heavily in mortgages. This will reduce the chances of "disintermediation," a drying up of mortgage credit, and a sharp drop of housing activity in response to recent market interest rate increases. Housing starts will probably still decline late this year and in 1979, but this step will moderate the downturn. It would not, however, insulate the housing industry from further sizeable increases in market interest rates.

246

THE WHITE HOUSE
WASHINGTON

May 11, 1978

Landon Butler

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

LABOR ANTI-INFLATION MEETING

THE WHITE HOUSE
WASHINGTON

cc: London
Headlines negative.
J

MEMORANDUM TO THE PRESIDENT
FROM: LONDON BUTLER *[Signature]*
DATE: MAY 10, 1978
SUBJECT: LABOR ANTI-INFLATION MEETING

~~Attached~~ is a copy of the statement which Mr. Meany released at a press conference at 12:30pm this afternoon. The statement makes the following general points:

- Applauds you for focusing on the inflation problem, which you inherited from previous administrations.
- Says that your "success in encouraging American business and the banking community to hold the line on prices and interest rates will be naturally reflected at collective bargaining settlements."
- Pledges cooperation in identifying inflationary forces and support for programs designed to tackle specific inflation pressures.
- States that "we will not deceive the President by committing the labor movement to any kind of fixed figure or predetermined percentage increase."

Laurie Lucey attended the press conference. She reports that, in both his statement and the question-and-answer period afterwards, Mr. Meany did, in fact, make every attempt to accentuate the positive in his report of the meeting. Generally, the reporters attempted to force Mr. Meany to say that the AFL-CIO rejected your program because they refused to commit themselves to specific deceleration guidelines.

My guess is that the reporting will not be sufficiently negative to cast doubt on the progress of the inflation effort, but instead will place some pressure on labor to be more forthcoming in the future.

not sub.

Statement by the AFL-CIO Executive Council

on

Inflation

Washington, D.C.

May 10, 1978

American workers, along with retirees, suffer more than anyone else because of inflation and want a workable anti-inflation policy which deals with the real sources of inflation. We applaud the President for focusing attention on the problems of inflation, which he inherited from previous Administrations.

The ability of workers to provide for their families is being threatened by forces they cannot control. In the first quarter of 1978, the annual inflation rate, as measured by the Consumer Price Index, is running at more than 9 percent. The leading index items -- the 15.8 percent increase in food prices, the 9.9 percent increase in housing costs, the 11.4 percent increase in fuel and the 8.9 percent increase in medical costs -- are not the result of wage increases. In these areas, labor costs have a negligible impact on price increases. In fact, in one of the most labor-intensive industries, apparel, costs increased only 1%.

Price increases, however, are the principal economic fact of life which govern the wage levels unions must seek. When any union sits down at the collective bargaining table, it must seek the wage that will enable union members to meet the price increases which have already taken place. Wage increases are an attempt to catch up and to stay even; they do not start the inflation cycle. Cost-of-living clauses only operate to partially cover already imposed price increases.

We have pressed this fact on the Administration. We candidly told the President and his economic advisers that the Administration's success in encouraging American business and the banking community to hold the line on prices and interest rates will be naturally reflected in collective bargaining settlements.

We pointed out that many wage increases are tied to consumer prices -- the lower the price increases, the lower the resulting wage increases will be.

We urge the President to reconsider his proposal to place a ceiling on this year's catch-up pay raise for federal workers and his encouragement to state and local governments to do the same. Presidents Nixon and Ford sought to make federal workers the scapegoats, and neither was able to defeat inflation by further widening the gap between pay in the federal and private sector.

An anti-inflation policy which attacks wage increases of workers, while ignoring continuing unjustified price increases, would be more than unfair -- it would be unworkable.

An anti-inflation program which zeroes in on collective bargaining negotiations, while making no attempt to bring down exorbitant high interest rates and spiraling profits, would be more than unworkable -- it would be self-defeating.

We have pledged three things to the Administration:

1--That we are ready, willing and able to cooperate in identifying inflationary forces and support programs designed to tackle specific inflationary pressures.

2--That we will not deceive the President by committing the labor movement to any kind of fixed figure or predetermined percentage increase. Such a figure would stultify the give-and-take process of collective bargaining and exacerbate existing inequities. In the final analysis these decisions properly rest in the hands of millions of union members affected by the more than 50,000 collective bargaining agreements negotiated every year.

3--That we will not follow the business community in their promises of support for the Administration's anti-inflation program while planning and effectuating unjustified price increases.

We have asked the President's advisers not to undercut the President's anti-inflation efforts by veiled references to guidelines or controls, when in fact the President has wisely rejected them. The present surge in price increases is evidence that American business is deliberately raising prices in anticipation of a controls program.

Inflation

-3-

Those price increases, in the absence of specific inflationary causes, smack of price-fixing and profit-padding. The reported profit increases for 1977 -- 15.5 percent after taxes -- demonstrate that the profit-push is a prime cause of inflation.

The President is absolutely correct in opposing controls. They have not worked; they will not work; they cannot work.

There are, however, several steps we believe the Administration should take to reduce inflationary price pressures:

* An immediate reduction in interest rates, particularly for home mortgages, and the allocation of credit to socially necessary investment.

The recent actions of the Federal Reserve Board in returning to the discredited policies of tight money and high interest rates threaten the entire anti-inflation program. High interest rates push up costs throughout the economy.

* Continued emphasis on job-creating programs to reduce the level of unemployment.

Unemployment is inflationary, since idle workers are not producing goods and services. Increased production, brought about by higher employment levels, will reduce unit costs and the wasteful costs of maintaining unused plant and equipment.

* Establishment of reserve stockpiles and effective export controls on agricultural commodities and other raw materials in short supply.

We recognize the fact that the family farmer is not responsible for food price increases. Taking the profit out of commodity speculation would increase the return to the farmer and reduce the price to the consumer. We believe that the government should assert some measure of control over food exports to assure stable prices to both the farmer and the consumer, and over the export of other raw material in short supply, such as lumber.

* Continued regulation of natural gas.

While we have long supported increased development of domestic energy sources, we believe that deregulation of natural gas would only add to the price consumers pay without increasing supplies and would be severely inflationary.

* Enactment of a hospital cost containment program.

An effective program which holds down rapidly escalating medical costs -- without placing the burden on the wages of the low-paid hospital workers whose wages are not responsible for medical cost increases -- would reduce one of the most inflationary pressures. An effective program is necessary to hold down physician fees -- another major factor in medical cost inflation.

* A roll back in the Social Security tax rate to 5.85 percent.

Rolling back the Social Security tax rate to 5.85 percent in 1979 -- and maintaining the rate at that level for the future -- would reduce costs for workers and employers alike. The integrity of the Social Security Trust Fund would be maintained by substituting a general revenue contribution for the rate increases. This would reduce taxes on employers by \$2.6 billion, on employees by \$2.5 billion and on the self-employed by \$.3 billion.

* * *

We have stated before -- and we repeat -- American workers are prepared to sacrifice as much as anyone else, as long as anyone else. But they cannot and will not sacrifice alone.

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2469

THE WHITE HOUSE
WASHINGTON

May 11, 1978

Jim McIntyre

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Peter Bourne

BORDER MANAGEMENT

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
/	MCINTYRE
	SCHULTZE

	ARAGON
/	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

*a M^cIntyre
J*

THE WHITE HOUSE

WASHINGTON

May 9, 1978

MEMORANDUM TO THE PRESIDENT

FROM: PETER BOURNE *P.B.*

SUBJECT: DRUG REPORT #9

The Office of Drug Abuse Policy was formally phased out on March 31st, and this week as required by law we will be submitting an annual report to the Congress. In the future I plan, unless you prefer otherwise, to send you a monthly summary of all my activities rather than just drugs.

Members of Congress, particularly Rogers, Wolff, Hathaway, Percy and Culver continue to monitor closely our efforts to coordinate drug policy, with nine Congressional hearings in the last month.

BORDER MANAGEMENT

Senator Culver at one hearing questioned us as to why we have not submitted a border management reorganization plan to the Hill. I furnished to OMB in September of last year following a comprehensive interagency study, a detailed report recommending a consolidation of the Immigration and Naturalization Service and Customs Service, into a new border management agency. The General Accounting Office furnished a similar report shortly thereafter. OMB has been working on a border management reorganization, but has not produced final recommendations. (One reason that we had hoped to meet a January or earlier submission date, was the mandatory retirement of significant numbers of senior enforcement officials in January provided a unique opportunity to minimize the problems handling senior officials during reorganization.)

There is substantial agreement that significant overlap and duplication exist and that a reorganization is needed. The controversy is over the form of the reorganization. Our proposal was structured to avoid as much opposition as possible, recognizing that some opposition from the Unions is inevitable. The favored OMB alternative would split up the Immigration Service by transferring Inspectors and the Border Patrol to Customs. I personally do not agree with splitting either agency

*Jim
Comment*

MEMORANDUM TO THE PRESIDENT
FROM: PETER BOURNE
SUBJECT: DRUG REPORT #9

because this is the reason that previous attempts to straighten out this area have failed. I do agree with placing the Border Management Agency in Treasury. Given the Congressional attention on this effort, and the negative effects that delay has on the morale of the two agencies involved, I hope you can encourage the submission of the reorganization proposal at the earliest possible date.

HEROIN - We have maintained for a year now the nationwide heroin shortage resulting in, among other benefits, a 40 percent drop in overdose deaths and a saving, we estimate, of 600 lives. The success of the eradication program in Mexico is constantly vulnerable to larger political problems and we could face a reversal at any time. We also have in Mexico at present a corruption problem of a highly sensitive nature.

In sharp contrast to our domestic situation which is the best in 10 years, there is a very serious and growing heroin problem in Europe, especially in Germany, Italy and Scandinavia. The source of the heroin in Europe is the Golden Triangle, where although we have had marked recent success with the Thais and especially the Burnese, substantial heroin still is produced.

The other European source is South Asia. Since my last report to you on this subject, the situation has become considerably worse. Based on the latest intelligence reports, this year's regional (Afghanistan-Pakistan) opium production is expected to reach 1,000 tons; far more than the production of Mexico and the Golden Triangle, combined. Because of internal political factors in Pakistan we focused our efforts over the past year on Afghanistan. Last week's coup has probably negated any progress in this area and we will have to begin again under a new and complex set of circumstances. We have assessed last year's efforts, and while we can point to a long list of specific steps taken, the bottom line is that this is now the largest illicit opium producing region in the world and our efforts have been unsuccessful in halting the increase.

These facts are not likely to be overlooked by the Congress; and while we can point to political upheaval as indicative of the difficulties in dealing with the regional narcotics problem, we are vulnerable to criticism for this year's bumper crop which was planted last Fall and now being harvested, and we can be expect to be asked what steps we are taking to deal with it.

MEMORANDUM TO THE PRESIDENT

FROM: PETER BOURNE
SUBJECT: DRUG REPORT #9

While the Afghanistan-Pakistan situation is very serious, as far as the Europeans are concerned, it poses no immediate threat with regard to the heroin situation in the United States.

OTHER

- Following the decision a year ago to restrict barbiturate use, deaths from these substances have declined 27 percent.

- The court case involving the use of the herbicide paraquat to spray marijuana in Mexico is under advisement. It appears unlikely that the court will enjoin the program, but may make a precedent setting and far reaching ruling concerning the requirement that we conduct environmental impact studies for such programs overseas. The paraquat issue remains highly volatile and emotional with more calls and letters to the White House on this issue than almost any other (mostly negative).

- Our cooperative relationship with Latin American countries, especially Colombia, continues to improve with steadily larger drug seizures.

- Large amounts of money, in the hundreds of millions of dollars, are regularly moved internationally in connection with narcotic trafficking. I plan to launch a major initiative in the next few weeks to look at the economic, political and other deleterious aspects of this money flow. We have already begun interagency activities to begin looking at this problem, and are examining possible control measures we could take.

PGB:ss

2891

THE WHITE HOUSE
WASHINGTON
May 11, 1978

Tim Kraft
Phil Wise
Fran Voorde

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim Fallows
Stu Eizenstat
Jody Powell

THE WHITE HOUSE
WASHINGTON

May 10, 1978

MR. PRESIDENT,

Attached is a revised May 25-26 schedule. One major event has been added - a forum on Civil Service Reform in Springfield, Illinois.

PR:Q

Jordan, Powell, Moore, Eizenstat have all approved this schedule.

Thursday, May 25

- 2:00 p.m. Depart South Lawn
- 2:20 p.m. Depart Andrews AFB
- 3:00 p.m. Arrive Chicago
- 4:00 p.m. Regional Press Conference
- 4:45 p.m. Fundraiser Reception for Alex Seith, Democratic challenger to Senator Percy
- 5:15 p.m. Free Time
- 6:15 p.m. Reception for dias of Cook County Democratic Dinner
- 7:00 p.m. Cook County Dinner
- 8:15 p.m. Remarks
- 8:30 p.m. Depart
- 9:15 p.m. Overnite with Jim Wall

*ok
J*

*Tim
I need early
draft of speech*

Friday, May 26

- 7:30 a.m. Depart Wall Residence
- 8:00 a.m. Depart Chicago
- 8:40 a.m. Arrive Springfield
- 9:15 a.m. Civil Service Reform Forum - Sangamon State Univ. This University has a strong program in public service degrees, which makes it a good forum for emphasis on this Administration initiative. You would open with a 10-15 minute statement on civil service reform and then take 30 minutes of questions from students. Eizenstat, Moore, Powell, Jordan and Scotty Campbell have approved.
- 10:15 a.m. Fundraiser for Mike Bakalis, Democratic challenger to Governor Jim Thompson
- 11:00 a.m. Depart Springfield
- 1:10 p.m. Arrive Charleston, W. Va.
- 1:30 p.m. Fundraiser for Senator Jennings Randolph
- 2:15 p.m. Depart Charleston
- 3:05 p.m. Arrive Andrews AFB

Campbell needs to be there

Friday, May 26 (con't.)

- 3:25 p.m. Arrive South Lawn
6:00 p.m. Work Dinner with President Giscard
7:45 p.m. Depart to Camp David
8:15 p.m. Arrive Camp David

Saturday, May 27

Camp David

Sunday, May 28

- 2:00 p.m. Depart Camp David
3:00 p.m. Attend Amy's violin solo at Wolftrap

✓ Approve

_____ Disapprove

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

May 10, 1978

C

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*

Subject: Retail Sales in April

Tomorrow (Thursday, May 11) at 2:00 p.m. the Census Bureau will release its preliminary estimate of retail sales in April. The news is moderately good.

Total retail sales rose strongly in April -- by 2.0 percent over March. The increase was concentrated rather heavily in sales of autos and food. Auto sales jumped sharply, the rise in sales of food in April (2.2 percent) probably stemmed principally from higher prices.

The estimate of March retail sales was revised downward -- to a 1 percent rise from the earlier estimate of almost 2 percent. This downward revision, together with the modest rise in April rates outside of food and autos suggests that consumer spending may now be rising a little less rapidly than we had expected. Despite this qualification, sales are strong. April sales outside of autos and food were 2.2 percent above the first quarter average. This kind of increase is still consistent with a strong growth of real GNP in the second quarter -- a rise at an annual rate of something like 8 to 10 percent.

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

C/

per frank moore--

no vote today in energy conference.
waggonner is still not convinced.
vote has been put off until monday.
schlesinger is now meeting with
waggonner.

May 10, 1978

C

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze^{c<5}

SUBJECT: Briefing Notes for Tomorrow's meeting with
Giaino and Muskie

1. Recent economic developments have somewhat changed our economic prospects.

A. Inflation rose sharply in the early months of this year: 11 percent annual rate for wholesale prices and 9 percent for consumer prices.

11 W
9 R

Most of this is food and should taper off after a few months. But there has also been a disturbing rise in the rate of wage increase. After allowing for the impact of the January minimum wage increase, wages are now rising at about 7-3/4 percent a year compared to 7 percent a year ago.

Wages + 3/4

While the dollar has stabilized, its depreciation to date will also add some to our inflation rate in 1978.

Dep = 1/2

In short, while much of the recent surge in prices is temporary, there are some disturbing signs on the inflation front.

B. We have done much better than expected on employment and unemployment. The gain in employment last year and the first four months of this year has been phenomenal -- almost 5-1/2 million new jobs since December 1976. Unemployment has fallen by almost 2 percentage points. In the last six months alone, employment increased by 2-1/2 million and the unemployment rate fell by 0.8 percentage points.

Emp + 5 1/2 m
Unemp - 2%

Frankly, given the growth in GNP we've had, we can't fully explain why employment rose this fast and unemployment fell this far. But it has happened. At the time we put together the January budget, we estimated that unemployment would fall to slightly below 6 percent by the end of 1979; this April we were almost there. Of course, some of the gain may reflect a temporary aberration, but it's impossible to believe most of it will disappear.

- C. The facts are, that we are well ahead of schedule in reducing unemployment and not only making no progress on licking inflation, but falling a bit behind.
- D. There is another potential problem. Given the new economic facts, and their devotion to holding down the growth in the money supply, the Federal Reserve over the next year may be raising interest rates further. This could particularly hit housing, and other investment.
- E. We still want to keep the economy and employment growing. But, in view of these recent developments, we may need to lean more on the side of caution with respect to the budget deficit. Such a move might also help persuade the Fed to go easier on credit tightening -- although no one can be sure with a twelve-man Federal Open Market Committee that makes the decisions.
- F. In different ways, your two budget resolutions do move in the direction of more caution, and after reviewing the situation we are not averse to this kind of move. The Senate has the same size tax cut the Administration proposed, but makes it effective January 1. The House has a lower tax cut, but an October 1 effective date. The result is that both resolutions have a \$19.4 billion revenue loss from tax cuts in FY 1979. In 1980 there would be a difference -- the Senate would have its larger tax cut in effect for the full year.

Performance:
Unemp +
infl -

Fed
Res

[At this point you should ask for their views on how they saw the outcome of the Conference, and whether they thought any further tightening of the deficit was desirable, or possible at this stage of the budget process. I talked to Muskie tonight and he will then come forward with a suggestion to take the House lower tax cut and the Senate later effective date. Since he has not consulted his staff or other conferees, he will have to be tentative, but will suggest it.]

- II. Assuming agreement on their part to the kind of change discussed above, how do we best go about it? As much as possible this should be presented as the outcome of joint discussions, which take into account both the legislative situation and the economic situation.

A. Who else should be consulted?

- B. Muskie and Giaimo will have to discuss this with their colleagues and it will surely leak, including the fact that discussions had been held with the Administration.

- C. If Muskie and Giaimo agree, one way to handle the problem is to have Schultze, on a deep background basis, brief a small number of reporters on the fact that discussions are being held, the general tenor of them, and the reasons.

2476

THE WHITE HOUSE
WASHINGTON

May 11, 1978

The First Lady

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

cc hos
J

SOUTHERN BAPTIST CONVENTION

OFFICE OF THE PRESIDENT
JIMMY R. ALLEN
515 McCULLOUGH
SAN ANTONIO, TEXAS 78215
(512) 228-0363

SBC Mission Service Corps REPORT TO THE PRESIDENT: May 5, 1978

The Mission Service Corps Support Meeting on May 2 was a success from every point of view. Both the spirit of the people and their willingness to respond financially are greatly encouraging.

I had as a goal in my own plan for us to raise at least a million dollars out of that meeting. Despite the fact that many of the people were hearing for the first time about the Mission Service Corps and having to consider for a week or two what their response would be, we had three-quarters of a million dollars committed on the spot. I have every confidence that we will exceed the million dollar commitment by the end of the month. I also am convinced that this is simply the beginning. Many of the donors told me they always begin with smaller gifts and test out the turf before expanding their gifts.

I know of no way that your personal contribution could have been more effective. My heartfelt thanks both to you and Mrs. Carter for the visit in your home and for your remarks at the meeting. We are doing our utmost to make clear the differentiation between your response as personal faith and your role as the elected leader of our nation.

THE WHITE HOUSE
WASHINGTON

May 11, 1978

Jim Fallows

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Zbig Brzezinski
Phil Wise Fran Voorde
RE: NAVAL ACADEMY SPEECH

THE WHITE HOUSE

WASHINGTON

May 10, 1978

Jim

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS *JF*

SUBJECT: Naval Academy Speech

I understand from Fran that you have agreed to speak at the Naval Academy on June 7. So that we can begin our consultations and research as soon as possible, it would help me to know whether you have any subject in mind.

Jody has mentioned one theme that sounds promising to me -- a discussion of the role of the military now, after the time when they took so much abuse, and were so wounded in spirit, during Vietnam. Not only would that theme be appropriate for the audience, but also it could enable you to sound firm as at Wake Forest, when discussing the relevance of the military ideal in this generation. It would also allow you to deal with such basic policy issues as military preparedness, veterans policy, pensions, the volunteer army, military challenges of the next decade, and even SALT.

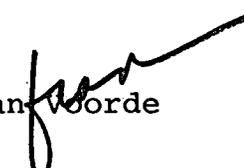
What is your advice?

*No. See JF's
re my opening statement
to JCS yesterday at
Lunch. Strength of U.S. -
Regional alliances -
Mil/Pol/econ interrelated -
also above theme can
be included. List many
individual ideas & items
& then see me -
J*

THE WHITE HOUSE

WASHINGTON

Meeting with Distributive Education Clubs of America
Thursday, May 11, 1978
10:15 a.m.
(10 minutes)
The Rose Garden

by:  Frank Voorde

I. PURPOSE:

To greet the National and State Officers of the
Distributive Education Clubs of America.

II. BACKGROUND, PARTICIPANTS & PRESS:

A. Background:

The Distributive Education Clubs of America (DECA) is one of the six national vocational student organizations. DECA is a school and community centered program which provides leadership training in the fields of marketing, merchandising and management. Its 185,000 student members are organized into 6,000 local chapters throughout the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands and Guam.

B. Participants:

52 State Chapter Presidents (High School Division)
5 National Officers (High School Division)
23 National Collegiate Officers
5 Student Alumni Leaders
17 Members, Board of Directors
3 DECA Staff Members

Harry Applegate, Executive Director, DECA
Ernest Boyer, U.S. Commissioner of Education
Rep. Norm Mineta (D-CA), Vice Chairman, DECA
Congressional Advisory Board
(DECA's Congressional Advisory Board) 35 Members
of Congress have been invited. See attached list.

C. Press:

White House Photo
Full Press Coverage

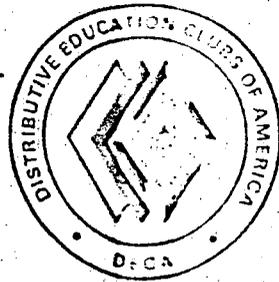
III. Talking Points:

To be provided by Jim Fallows.

Note: At the conclusion of his remarks, the President will be presented with a cardigan sweater with the DECA emblem by Ken Connors, DECA's High School National President. Ken will be introduced by Harry Applegate.

PARTICIPANTS

4



DECA'S
CONGRESSIONAL ADVISORY
BOARD

1977 - 1978

DECA's Congressional Advisory Board, organized in 1973 with nine charter members, has now more than tripled its size. The Congressional Advisory Board is a bi-partisan group of United States Senators and Congressmen coming from all areas of the country and representing varied political philosophies. They have one thing in common -- a strong interest in the youth of our country. CAB activities include: public appearances at major DECA events, hosting receptions for DECA groups, meeting with state delegates, offering advice on special projects, etc. The Chairman for 1977-78 is Congressman Larry Pressler of South Dakota, and the Vice Chairman is Congressman Norman Y. Mineta of California.

Rep. Larry Pressler, Chairman
Republican, South Dakota

Rep. William Archer
Republican, Texas

Rep. James Jones
Democrat, Oklahoma

Rep. Norman Y. Mineta, V. Chairman
Democrat, California

Rep. James Broyhill
Republican, North Carolina

Rep. Robert Kastenmeier
Democrat, Wisconsin

Sen. Robert Dole
Republican, Kansas

Rep. Clair Burgener
Republican, California

Rep. William Lehman
Democrat, Florida

Sen. James O. Eastland
Democrat, Mississippi

Rep. Robert Carr
Democrat, Michigan

Rep. Trent Lott
Republican, Mississippi

Sen. Barry Goldwater
Republican, Arizona

Rep. Norman D. Dicks
Democrat, Washington

Rep. Dan Marriott
Republican, Utah

Sen. Mark O. Hatfield
Republican, Oregon

Rep. Thomas Foley
Democrat, Washington

Rep. Dawson Mathis
Democrat, Georgia

Sen. S. I. Hayakawa
Republican, California

Rep. William Frenzel
Republican, Minnesota

Rep. Lloyd Meeds
Democrat, Washington

Sen. Jesse Helms
Republican, North Carolina

Rep. Dan Glickman
Democrat, Kansas

Rep. Abner Mikva
Democrat, Illinois

Sen. Henry Jackson
Democrat, Washington

Rep. John Hammerschmidt
Republican, Arkansas

Rep. John Rhodes
Republican, Arizona

Sen. Claiborne Pell
Democrat, Rhode Island

Rep. Mark Hannaford
Democrat, California

Rep. Ted Risenhoover
Democrat, Oklahoma

Sen. Donald W. Riegle
Democrat, Michigan

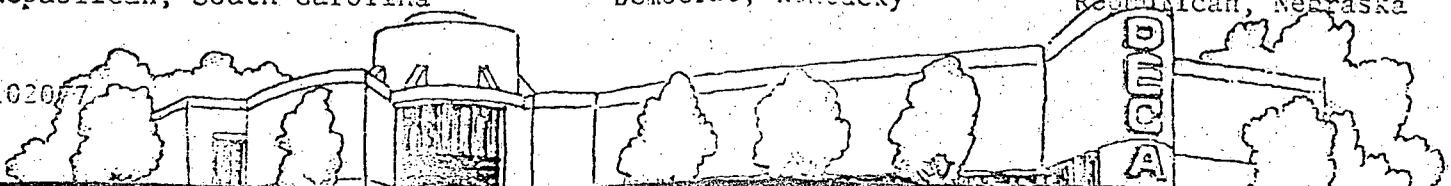
Rep. Jack Hightower
Democrat, Texas

Rep. Richard Schulze
Republican, Pennsylvania

Sen. Strom Thurmond
Republican, South Carolina

Rep. Carroll Hubbard
Democrat, Kentucky

Rep. Charles Thone
Republican, Nebraska



TALKING POINTS

THE WHITE HOUSE

WASHINGTON
May 10, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS, JERRY DOOLITTLE *JFD*
SUBJECT: Talking Points for DECA, May 11

1. One of the major differences between planned economies and those based on competitive, free-market principles lies in the relative effectiveness of marketing and merchandising techniques. Nearly all state-run economies are plagued by inefficient and unresponsive distribution systems. As DECA members learn, though, systems such as our own afford a highly efficient way of sensing and filling consumer needs.

2. There was no DECA when I was a boy in Georgia, but I learned some of the same lessons by preparing and selling boiled peanuts in town. Eventually I made enough money to buy several small houses, which I rented out for years.

3. Both small houses and peanuts were cheaper in those days. I certainly never earned anything like the \$2500 which the average DECA member makes during senior year in high school.

4. I did continue my education past high school, though -- as 90% of your members do. The same percentage of DECA

members wind up in jobs related to marketing, too. It's particularly impressive that the unemployment rate for young DECA graduates is far below the national average for their age group.

5. You have too many hundreds of projects nationwide for me to begin to mention them all, but I was particularly interested by one in my home state. DECA high school clubs throughout Georgia are carrying out an anti-shoplifting informational campaign in junior highs and elementary schools.

6. I'm sorry the Rose Garden isn't big enough to hold all of your 7,000 delegates to this years National Career Development Conference. But I hope those of you here -- national officers, state presidents, directors and staff members -- will carry my welcome back to the rest.

7. I particularly thank Ken Connors for giving me this DECA cardigan sweater. He had no way of knowing, of course, that I already have a cardigan.

#

THE WHITE HOUSE

WASHINGTON

MEETING WITH CONGRESSIONAL HISPANIC CAUCUS

Thursday, May 11, 1978

9:00 a.m. (30 minutes)

The Cabinet Room

From: Joe Aragon **JA**

I. PURPOSE

To discuss with the members of the Congressional Hispanic Caucus issues of concern relating to the Hispanic community.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: You met with the Congressional Hispanic Caucus on one previous occasion (March 1977).

At today's meeting the Caucus members will, in all likelihood, focus their attention on:

1. Hispanic appointments/employment/civil service
2. Bilingual education
3. 1980 census
4. Your undocumented worker proposal currently before the Senate Judiciary Committee.

B. Participants:

Representative Edward Roybal (D-California), Chairman of the Caucus

Representative Robert Garcia (D-New York) 100

Commissioner Baltasar Corrada (Puerto Rico)

Representative Kika de la Garza (D-Texas)

Representative Henry Gonzalez (D-Texas)

Frank Moore, Tim Kraft, Joe Aragon, Valerie Pinson

C. Press Plan:

Brief photo session.

III. TALKING POINTS

1. At the outset you may want to thank the Caucus for its support on the Panama Canal Treaties. Ed Roybal (California) and Bob Garcia (New York) were particularly helpful in the closing days by bringing Hispanic pressure to bear directly on Senator DeConcini.

**Electrostatic Copy Made
for Preservation Purposes**

2. Appointments/Employment/Civil Service - Ed Roybal is concerned about appointments and employment. Garcia is concerned about civil service.

Under your administration more Hispanics have been appointed to levels of major responsibility than under any of your predecessors. Over 100 Hispanics of Mexican-American, Puerto Rican and Cuban American background have been brought into your administration. (Some examples attached)

You recognize more needs to be done. For example, reform of the Civil Service will result in greater opportunities for federal service, for Hispanics and other minorities. In addition, you regularly admonish your own Cabinet to step up their affirmative action in hiring Hispanics and other minorities. Tim Kraft in his new role will be working closely with Joe Aragon and Presidential Personnel to increase the number of appointments of Hispanics.

3. Bilingual education - Corrada of Puerto Rico is concerned about this issue. You may want to say that you remain committed to the concept of bilingual education. In fact, funding has been increased from \$115 million in FY '77 to \$150 million in FY '79. (FY '78 - \$135 million)
4. 1980 Census - Bob Garcia is concerned that if the 1980 Census is not conducted with sufficient sensitivity to the Hispanic community a serious undercount will result. This has happened before. The result would be that the Latin community would be seriously underestimated. You need to assure him that Jack Watson and Stu's staff will work to make sure this does not occur.
3/4 mil NYC *note to Juanita*
5. Undocumented Workers - The Caucus is not in agreement on what position to take vis a vis your policy for undocumented workers. De la Garza will probably say that if legislation is enacted it should provide special aid for local communities impacted by undocumented workers. However, Bob Pastor at NSC recommends that you point out that with regard to the economic problems of Mexico you recognize it is a long term development problem. You are prepared to work through the Inter American Development Bank and the World Bank to encourage loans for rural development and job creation in Mexico, but you need their support in the House for the necessary appropriations.
6. Fundraiser - The Caucus is trying to get on its feet and establish itself. They will be hoping to get your support for a fundraiser in the fall.

Employment in fed govt '69 - 28% '77 = 34%
Bilingual - 5 yr limit = vacancy - permanent director

5/11/78

Mr President-

The influx of children of legal alien entries is causing a terrible burden to the border area - all social services are being taxed to their utmost capacity. Perhaps the hardest hit are the schools in as much as the state of Texas does not provide any funds for school construction. All costs must be borne by the local taxpayer - if we add your suggested immigration reform, it will place an even more onerous burden. Any assistance would be appreciated now, and certainly any legislation which would increase the burden should carry some compensating provisions for the local entities which will receive the added burden.

Ribera de la Haza M.C.

THE WHITE HOUSE
WASHINGTON

C
/

MEETING WITH CONGRESSIONAL HISPANIC CAUCUS
May 11, 1978

Points which the President will follow up on:

1. Agency for International Development

The President will call Gilligan to ask him for a report on the number of Hispanics at AID. Congressman Roybal (California) pointed out that only 1.5% of the employees are Hispanic. Only 4 Hispanics serve the Latin American area while 33 Blacks do.

2. Bureau of the Census

The President will call Juanita Kreps regarding Congressman Garcia's (New York) concern that the 1980 Census accurately enumerate the Hispanics in this country. Garcia has another concern which he did not make quite clear. Kreps should probably call Garcia directly. In addition, Roybal points out that only 1.1% of the Census employees are Hispanic.

3. Bilingual Education

The President will call Joe Califano to urge that the next Director of the Bilingual Education office be an Hispanic. This concern was expressed by Commissioner Corrada of Puerto Rico. Roybal also points out only 2.8% of the employees are Spanish-surnamed at HEW.

4. Civil Service

The President will call Scotty Campbell regarding the concerns expressed by Congressmen Roybal and Garcia over the low number of Hispanics in the Civil Service. Although Hispanics comprise at minimum, 7% of the national population, only 3.4% of federal employees are Hispanic.

Background Notes for Meeting with President Carter
May 11, 1978

Hispanic Unemployment and Underemployment:

I. It is critical to realize that Hispanics have unique characteristics that differentiate them from other minorities and the general population.

A. What are some of these unique characteristics?

1. 50% of the Hispanic workforce has less than a high school education. This compares to only 27% of the overall work force with less than a high school education.
2. 1 OUT OF FIVE Hispanics in the workforce is monolingual in Spanish. This figure does not reflect those who have language obstacles but still can communicate.
3. Hispanics have the biggest proportion of young workers in the labor force. 26% of the workers are between 16-24 years of age compared to 23% of all persons in the force. Significance: The low education and linguistic difficulties are not solely among the older workers but among the young for Hispanics.

B. These characteristics help explain the following:

1. Unemployment among Hispanics is usually 1.5 times that of the general workforce. For the last quarter (1978) Hispanic unemployment was 10.2% while the overall unemployment was 6.8%.
2. Unemployment among all Hispanic groups varies, but even Cuban Americans, once thought to be the group with few economic problems is experiencing unemployment. Note figures below:

	<u>3/1973</u>	<u>3/1975</u>	<u>3/1977</u>
Mexican Americans	5.7%	12.1%	10.8%
Puerto Ricans	11.1%	17.6%	14.6%
Cubans	6.8%*	14.4%*	10.9%*

3. With such unemployment it is not surprising that the median family income of Hispanics is close to 5,000 dollars below that of majority families.

	<u>1975 Median Family Income</u>
All Families	\$13,719
Spanish Origin	\$9,551
White, non-Hispanic	\$14,268

* Figures subject to error due to sampling.

4. For those Hispanics with low education and skills, there is extremely high job turnover with some studies showing that the average retention of a job is 18-24 weeks.
5. In spite of all these negative factors, Hispanics continue to exhibit an extremely high willingness to work like they always have. For example in a recent study in San Antonio, Texas, out of 211 unemployed workers only 3 had given up active job searching.

Policy Recommendations:

1. The Department of Labor should place greater emphasis in its English training for Hispanic unemployed. Right now bilingual training is not being emphasized as much as it could be. CETA prime sponsors have been reluctant to engage in such training because of its high cost. An understanding of the high costs by the Department of Labor, along with encouragement to prime sponsors, could immediately begin the process of developing language training.

ACTION: Presidential initiative recognizing the unique linguistic problems of Hispanic workers with appropriate recommendations to the Department of Labor.

2. Some long-range thinking needs to be done on how we improve the educational skills of a significant segment of the Hispanic work force. The jobs that these people are taking are not ones that provide for upward mobility. The result: stagnation at low-level and low-paying positions. Evidence that this is the case can be seen in that the major economic advances among the Hispanic work force have come about among the higher educated workers. The Hispanic professional is not encountering the problems; it is the high school dropout who faces a dead end position.

ACTION: Presidential initiative establishing a task force to look at the problems that the undereducated minority worker faces in an economy that is demanding ever-increasing qualifications.

3. We simply don't know about some of the unique characteristics of the Hispanic work force. It wasn't until several years ago that data started being published on the different groups of the Hispanic population. There is yet no monthly unemployment data being published for Hispanics. P.L. 94-311 mandated that the Bureau of Labor Statistics improve its data on Hispanics, but no specific timetables or costs associated with improving Hispanic data has been released.

ACTION: Presidential initiative requesting the Department of Labor, through the Bureau of Labor Statistics, to announce what steps will be taken, with timetables, on how to improve our knowledge of the Hispanic work force.

HISPANIC REPRESENTATION IN THE FEDERAL GOVERNMENT

Some of the problems with the Department of Labor can be traced directly to the fact that this Department, along with other Federal departments, has not recognized Hispanics as a distinct minority with unique problems. A partial explanation for this is that the Federal government has an extremely poor record in regards to Hispanic employment. If we consider that Hispanics-- at a minimum--comprise 7% of the population, then the following data highlights this problem:

OVERALL HISPANIC EMPLOYMENT IN THE FEDERAL GOVERNMENT

<u>Year</u>	<u>Total Employment</u>	<u>General Schedule (White Collar)</u>
1969	2.8%	1.8%
1975	3.3%	2.5%
1976	3.4%	2.5%
1977 (May)	3.4% .6	2.6%

Overall employment has increased by less than 6/10ths of 1 percent between 1969 and 1977. For the General Schedule employees, the increase has been a little better, 8/10ths of 1 percent during the same period. What is particularly disturbing is that if we examine the positions in government that are policy relevant (GS-12 and above), we see that only 1.4% of these positions are filled by Hispanics. Even more alarming is that the number of Hispanics in the so-called supergrades (GS-16 and above) has declined, from 74 in the Republican year of 1976 to 60 in mid-1977.

If we look at specific agencies, the record is even more tragic. For example, the following figures are illustrative

Edward R. Roybal
Meeting with President Carter - 5/11/78
Hispanic Representation in the Federal government

on our major domestic agencies:

Department of Labor -- 2.8% Hispanics

Department of HEW -- 2.8% Hispanics

For specific agencies, Mr. President, the figures are unbelievable. In the Health Resources Administration, Hispanic employment is less than 1/10th of 1 percent; in the Alcohol, Drug Abuse, and Mental Health Administration, Hispanics constitute 4/10th of one percent. In these same agencies, Black employment is 19% and 48% respectively. At the Census Bureau, Hispanics make up only 1.1% of the employees. In those agencies that have direct dealings with Latin America, the situation is no better. In fact, it is just as bad:

<u>Agency</u>	<u>1976</u>	<u>1977</u>
A.I.D.	1.6%	1.5%
Peace Corps	2.4%	2.4%
Inter-American Development Bank	--	1.4%

4. Hispanics 33% Black in Latin Am

4. Hispanics

Given this state of affairs, I recommend the following,

ACTION: Presidential initiative recognizing underrepresentation of Hispanics in the Federal government, with special emphasis on recruitment at both entry level positions, professional and non-professional, as well as recruitment of Hispanics at higher levels.

THE WHITE HOUSE
WASHINGTON

May 11, 1978

Frank Moore

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

May 10, 1978

done
J

MEMORANDUM FOR: THE PRESIDENT
FROM: FRANK MOORE *F.M./BR*
SUBJECT: Telephone Call to Dave Obey

The House Appropriations Subcommittee on Foreign Operations completed action last night on the foreign aid bill. Although we suffered a cut of slightly more than \$1 billion from the budget request (mostly in the IFIs), Dave Obey was very helpful in preventing the Subcommittee from following Chairman Long's recommendation for cuts of over \$1.5 billion.

I recommend that you call him to thank him for his help and to urge him to work with the leadership to stave off further cuts on the House floor.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
STEVE SIMMONS *Steve*

SUBJECT: Status Report on Lobby Reform Bill

The House just passed H.R. 8494, the lobby reform bill. During the campaign you supported a new and effective lobby disclosure bill, you urged passage of such a measure in your written State of the Union Message, and you instructed us to help develop and pass this bill. Over the past year, an Interagency Task Force consisting of representatives from Justice, OMB, the CSC, and chaired by DPS staff, have been meeting to develop policy amendments and work with House and Senate staff. It has worked in close coordination with Frank Moore's staff.

In our opinion, the House bill is a strong, effective measure. It includes key amendments we worked for. We believe the bill strikes a reasonable balance between the need for the public to know about significant lobbying influences on the legislative process, and the need to protect the First Amendment rights of those petitioning the government. A fundamental point about the bill is that it covers only organizations, not individuals who contact Congress on behalf of their personal views or grievances. Among the bill's key provisions are:

I. Coverage

- Organizations would have to register and disclose only if: (a) quarterly they spend \$2500 making lobbying communications and have one employee making such communications on at least 13 days or two employees making them on 7 or more days, or (b) spend \$2500 for an outside lobbyist (such as a high priced lawyer) to lobby for them.
- Lobbying of Congressmen and Congressional staffs are covered. Lobbying of high Executive Branch officials (Executive Level I--V) is also covered when organizations lobby them to in turn lobby Congress on a pending legislative matter.

II. Reporting by Organizations

Organizations which have registered as a result of passing the direct lobbying thresholds described above, must report on:

- Grass roots lobbying such as mass mailing campaigns.
- Contributions they receive from other organizations of \$3,000 or more. Contributions may be reported in categories so that exact amounts are not known. By having only organizational contributions disclosed, private individuals can be protected.
- Total lobbying expenditures, an itemized listing of expenditures over \$35 made on behalf of a Federal employee, issues lobbied on, and any business relationships between the lobbying organization and Federal employee contacted.

III. Enforcement

- Reports will be filed with the Comptroller General, and Justice will prosecute violators (if conciliation fails in civil cases). Criminal and civil penalties may be imposed.

Our Task Force is now meeting with Senate Staff to discuss the key Senate bills. Markup in the Senate Governmental Affairs Committee has been scheduled for May 10 and 11. We will continue to coordinate closely with Frank's staff to secure passage of an effective lobby bill this session.

THE WHITE HOUSE
WASHINGTON

May 11, 1978

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: TELEPHONE CALLS FOR SENATE
LOBBY REFORM MARK-UP

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
✓	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

Frank -
done
J

THE WHITE HOUSE

WASHINGTON

May 11, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*
BOB THOMSON *Bob*

RE: Telephone calls for Senate Lobby Reform Mark-up

BACKGROUND

We are facing a difficult situation in the Senate Governmental Affairs Committee mark-up on lobby reform today. Muskie and Mathias are holding 4 proxies in favor of weakening amendments. Chairman Ribicoff has not responded to this challenge forcefully enough. He has only 3 solid votes (himself, Percy and Javits), and has no proxies.

The three Senators whom we recommend you call are favorable towards a strong bill, but are doubtful attendees at today's session. Opponents - mostly big lobbyists in town - are urging them to stay away to prevent a quorum if they cannot support a weakened bill. The three Senators are Sasser, Chiles and Glenn.

ok ok ok
We recommend you call them urging that they attend today's mark-up and support a strong bill. Coincidentally, the Committee is also scheduled to mark up the White House authorization today.

We have been working the Committee hard ourselves, and we believe a bill will be reported out today or tomorrow. The weakening amendments we most oppose are the following:

1. An amendment to prevent the disclosure financial contributions from organizations to a lobbying "straw man" organization. An example would be the soft drink companies that contribute to the Calorie Council.
2. An amendment to eliminate criminal penalties. Under the House bill, violations are felonies. We could compromise to make violations misdemeanors.

Enclosed is a status memo you received earlier on the House-passed bill which we favor.

TALKING POINTS

1. It is essential to have a strong lobbying disclosure bill reported out of Committee. I think the American people have a right to know about forces affecting the passage of legislation, as long as the First Amendment right to petition government is protected.

2. Please attend the Committee mark-up this morning.
3. We basically support the House-passed bill and the positions expressed by Chairman Ribicoff, Senator Javits and Senator Percy. Our major difference with the Chairman's bill is that we think the registration threshold is too low. An excessive number of small organizations would be required to register and report.
4. However, we strongly support Chairman Ribicoff's position that organizational contributors to a lobbying organization should be disclosed. Without this provision, lobbying organizations would be encouraged to do all their lobbying through "straw man" organizations.
5. We also favor the retention of criminal penalties.

THE WHITE HOUSE

WASHINGTON

5/11/78

File

Simmons

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
STEVE SIMMONS

SUBJECT: Status Report on Lobby Reform Bill

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II. Reporting by Organizations

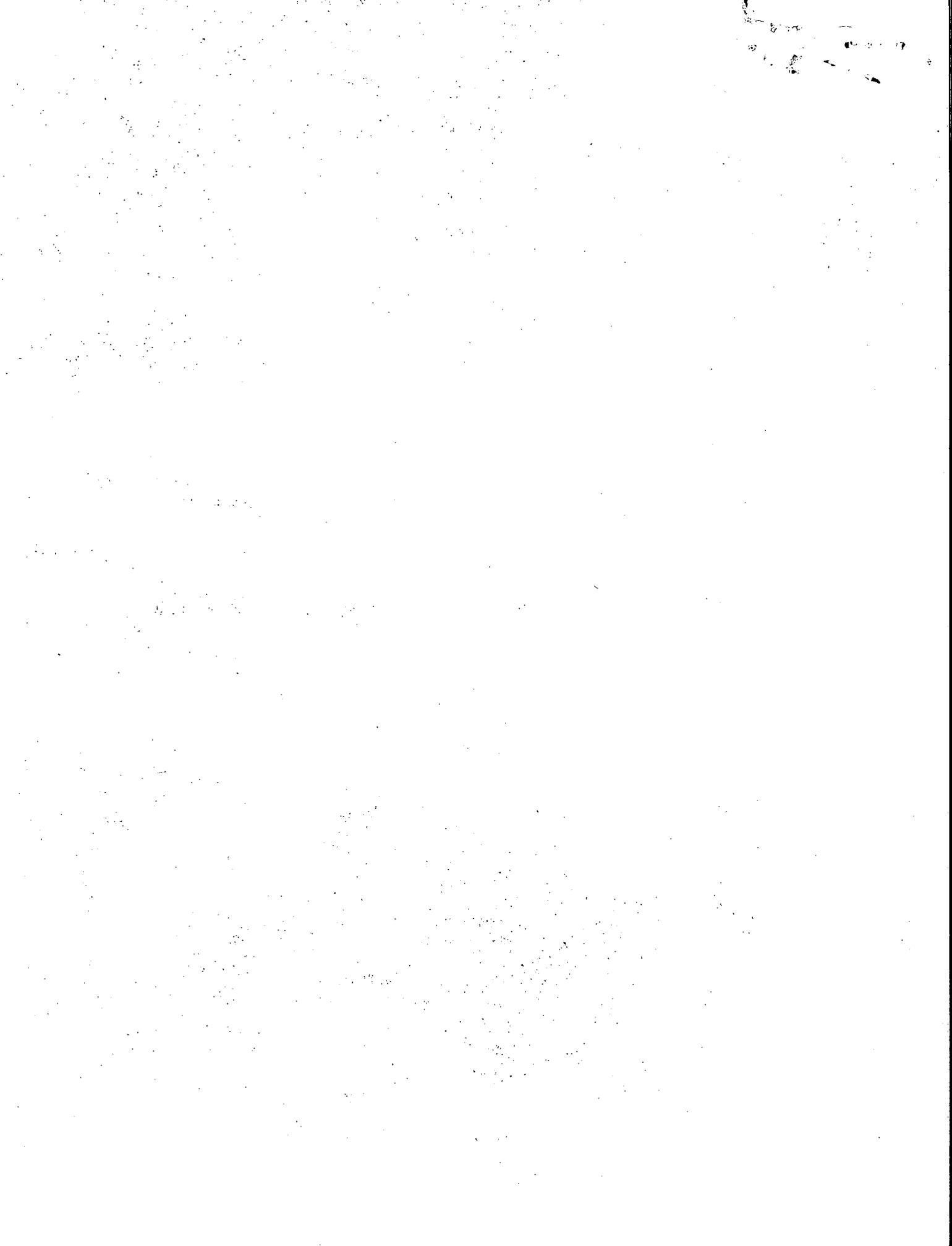
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Our Task Force is now meeting with Senate Staff to discuss the key Senate bills. Markup in the Senate Governmental Affairs Committee has been scheduled for May 10 and 11. We will continue to coordinate closely with Frank's staff to secure passage of an effective lobby bill this session.



THE WHITE HOUSE
WASHINGTON

May 11, 1978

Jim Fallows

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

MOTHER'S DAY

0339



GENERAL COUNSEL

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

MAY 4 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: WILLIAM M. *Richard*
SUBJECT: Mother's Day, 1978

Enclosed is a proposed proclamation which, in accordance with the provisions of a joint resolution of the Congress adopted in 1914, calls for the observance of the second Sunday in May (May 14, 1978) as Mother's Day.

The proposed proclamation was submitted by the Department of Health, Education, and Welfare and was revised in this office. It has been approved by the Department of Justice for form and legality and has the approval of the Director of the Office of Management and Budget.

Enclosure

*This is no
good -
redo it -
today. J*

*Jim - This is
better than the one
on contraceptives.
J*

A PROCLAMATION

Motherhood is a lifelong commitment.

It is a promise to share in fulfilling all the unique potential of a helpless newborn child, and to shape that person into an independent, responsible adult. For some, motherhood means guiding bright minds, strong bodies, and exquisite talents -- maintaining a delicate balance between humanity and the special gifts of God. For others, motherhood means helping a weak body or an unawakened mind overcome burdens that may often seem too great to bear. For both, motherhood brings the privilege of seeing the tired world through fresh eyes and the satisfaction of knowing that one has met another's needs in a way no other could.

To the mothers of America, in recognition of their achievements in the art of raising a new generation of Americans and as an acknowledgment of all they have done to shape our national character, the Congress, by joint resolution of May 8, 1914 (38 stat. 770; 36 U.S.C. 141), has set aside the second Sunday in May of each year as a day of special tribute.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby request that Sunday, May 14, 1978, be observed throughout our nation as Mother's Day. I ask all Americans to take this opportunity to express their personal gratitude to their own mothers and to thank all those women whose tireless devotion to their families has so enriched our nation.

I ask all public officials to display the flag of the United States on all government buildings and urge all

Americans to display our flag at their homes or other suitable places on that day as a public expression of our love for the mothers of our country.

IN WITNESS WHEREOF, I have hereunto set my hand this day of May, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

May 10, 1978

Jim Fallows

The attached was returned in the
President's outbox today and
is forwarded to you for appropriate
handling.

Rick Hutcheson

MOTHER'S DAY PROCLAMATION

THE WHITE HOUSE
WASHINGTON

Mr. President:

The attached proclamation, "Mother's Day, 1978", is based on a Joint Resolution of Congress adopted in 1914.

Jim Fallows' office has reviewed the attached text.

Rick (wds)

MOTHER'S DAY, 1978

- - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Today as never before, women in our country are mothers because they choose to be, giving expression to their desire to love and nurture a child. Those who engage their talents and abilities outside their homes do so in the knowledge that the responsibilities of motherhood are compatible with a greater role in the life of their society. Their choice, like the choice of others who continue to believe their best contributions can be made at home, is worthy of respect and admiration. In recognition of their achievements in the art of raising a new generation of Americans, and as an acknowledgement of all they have done to shape our national character, the Congress, by joint resolution of May 8, 1914 (38 Stat. 770; 36 U.S.C. 141), has set aside the second Sunday in May of each year as a day of special tribute to the mothers of America.

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IN WITNESS WHEREOF, I have hereunto set my hand
this day of May, in the year of our Lord
nineteen hundred seventy-eight, and of the Independence
of the United States of America the two hundred and second.

X _____

THE WHITE HOUSE
WASHINGTON

May 11, 1978

Frank Press

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

The President did not sign the transmittal to Congress.

Rick Hutcheson

cc: Stu Eizenstat
Frank Moore
Jim McIntyre
Richard Pettigrew
Greg Schneiders

NATIONAL EARTHQUAKE HAZARDS REDUCTION
PROGRAM

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
/	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
/	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
/	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
/	PETTIGREW
/	PRESS
/	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

Mr. President:

Eizenstat, Moore, Pettigrew and Charles Warren concur; Greg Schneiders also concurs and states that these recommendations will be consistent with the reorganization plans for emergency preparedness and response.

Jim McIntyre's comments are reflected in the Press memo. Watson and Wexler have no comment.

Jim Fallows' office has reviewed the text of the message to Congress.

TWO SIGNATURES REQUESTED.

Rick (wds)

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK PRESS *FP*

SUBJECT: NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

DECISIONS REQUESTED IN THIS MEMO

The "Earthquake Hazards Reduction Act of 1977" (Public Law 95-124), which you signed on October 7, 1977, was the culmination of parallel and complementary actions over several years in the Executive Branch and the Congress. The purpose of the Act is "to reduce the risks of life and property from future earthquakes in the United States ...". The Act directs Presidential establishment and maintenance of an effective earthquake hazards reduction program including target dates for meeting goals through at least 1980, and the recommendation of appropriate Federal, State, local, and private sector roles in carrying out the program.

You assigned the responsibility for developing the Administration's National Earthquake Hazards Reduction Program to me on November 4, 1977. This plan (Attachment A) is now completed and ready for your approval. A draft transmittal message (Attachment B) is also ready for your approval and signature. I have identified four key policy issues for your decision to set the course for a national earthquake hazards mitigation effort. The issues are:

- 1) the hazards mitigation strategy;
- 2) the priority activities for Federal action;
- 3) Federal assistance for State planning of hazards mitigation activities;
- 4) the Federal coordination of the program and relation to reorganization.

I have involved many individuals and organizations in the identification of issues and in the preparation of the proposed plan. Nineteen Federal agencies (Tab A), an OSTP group of non-Federal experts, 20 consultant organizations or individuals, more than 70 State and local government, professional, labor, trade, volunteer organizations, and over 100 individuals made contributions. White House Staff and concerned members and committees of Congress were consulted throughout the plan's development. The PRP Federal Emergency Preparedness and Response Project staff worked closely with us, and this plan is consistent with the recommendations they will make to you. All the concerned Departments and agencies concur in the plan except as noted below. By legislation the plan was due to Congress May 5. I have advised the concerned members that you would

*Frank -
I'm willing to
move very cautiously
to set up some thing
now. but no new
agency/office
no out a year
budget obligations
unless states
prove their
interest
J*

review the plan on return from your western trip and that it would be forwarded later in May.

1) THE HAZARDS MITIGATION STRATEGY

The nature of the earthquake threat and our current knowledge is summarized at Tab B. As you know, natural hazards mitigation as opposed to disaster relief is a comparatively new area of public policy. In considering the issues and alternative strategies for mitigation (Tab C), three considerations stand out: 1) decisions affecting earthquake safety must be made at virtually every level of society -- individual, family, organization, community, and nationally; 2) different regions of the country face widely varying degrees of seismic risk; 3) the cost of the proposed effort must be constrained to meet your overall fiscal objectives. A realistic strategy for an earthquake hazards mitigation program must, therefore, reflect the multi-faceted nature of the problem.

Current Federal activity is a loosely coordinated set of agency programs, centered primarily around research, but with participation by agencies involved in Federal and federally-assisted construction and disaster preparedness. Funding for the research program has been increased significantly in recent years (to \$63.9 in FY 1979) but mitigation efforts have lagged. Departments and agencies identified less than \$50M in Fiscal Year 1977 outlays in funding that contributed to applying these results as improved standards, codes, upgrading and reenforcement of structures, or other mitigation efforts. Of this, about \$34M was directed toward Veterans Administration hospital upgrading and Defense construction. A variety of new actions building on the current activities is possible.

On the basis of our evaluation of alternative strategies, costs, and scientific and engineering considerations, we have concluded that a sound national earthquake hazards mitigation strategy should be centered on the following policies:

o The priorities for hazards reduction should be based on relative risk; that is, the probability of significant loss of life and property, considering the population exposed, the nature and magnitude of the hazards posed by man-made structures to the population, and the likelihood and character of significant earthquakes. Regional differences in the nature and magnitude of earthquake hazards and of the perception of the risks require a flexible approach.

o The Federal Government should set a strong example in the construction and safety of its own facilities and develop guidelines and standards for federally-assisted or licensed critical facilities. The evolutionary improvement of local building codes, which are the bases for all private construction, including federally-assisted, non-critical construction, must be accomplished by encouragement and persuasion, particularly through working with State and local officials and professional organizations.

o Hazards reduction procedures, whenever and wherever possible, should be incorporated into the existing legislative, institutional and regulatory framework so that they are part of established activities rather than being superimposed. As the local building codes improve through time as a result of the encouragement and persuasion, it may

be appropriate to increase gradually the seismic provisions in requirements for Federal assistance.

o Earthquake hazards reduction must balance overall economic priorities and must be approached on a time scale of decades at a reasoned level rather than as a high cost crash effort.

Agency Views: All agencies agree with these basic points of strategy, although HUD feels the option for more forcefully mandated Federal requirements should not be precluded. Considerable debate was engendered by the discussion of joint Federal-State approval of critical Federal facilities. I believe other Administration initiatives, e.g., nuclear licensing reform and improved dam safety criteria, address the key critical facility issues that need to be faced now.

State and Local Government Views: State and local government interest groups support the proposed strategy. They recognize the need for greatest Federal attention to those regions of the country having greatest risk, and stress the need to tie earthquake hazards mitigation to a broader natural disaster mitigation strategy in those parts of the nation where there is lower, but still significant, seismic risk.

Decision One: The National Program should proceed on the basis of a balanced strategy reflecting relative seismic risk and mitigation of highest hazards on a priority basis; a Federal example in construction; evolutionary improvement of codes in partnership with State and local governments and utilization of the existing legislative, institutional, and regulatory framework. It must balance the specific goals of hazards reduction within the overall priorities and needs of the Nation in order to control costs.

Approve _____

Disapprove _____

2) PRIORITY ACTIVITIES FOR FEDERAL ACTION

For the Federal Government to have credibility and leadership in the development of a National Earthquake Hazards Reduction Program, there must be some demonstrated Federal initiative. Otherwise, the program will appear to be all talk and no action.

Much can be accomplished through more effective coordination of existing Federal activities that require little, if any, additional allocation of funds. Other actions require modest Federal commitments. Of the proposed actions, the following five are judged to be of highest priority; (agencies with lead responsibilities are indicated in parentheses)

o completion of Federal, State, and local contingency plans for responding to earthquake disasters in the densely populated areas of highest seismic risk; (FDAA)

- o development of seismic design and construction standards for consideration and subsequent application in Federal construction, and encouragement for the adoption of improved seismic provisions in State and local building codes; (Commerce, Bureau of Standards)
- o assessment of the earthquake hazards posed by existing Federal facilities to occupants or the population in surrounding communities; (GSA, other agencies)
- o studies of the possible impact of either a catastrophic earthquake or a credible earthquake prediction on the economy; and of financial mechanisms including insurance, as a means of hazards mitigation; (proposed new emergency preparedness agency, Treasury, and Federal Reserve)
- o maintenance of a comprehensive program of research including fundamental studies of earthquakes, prediction, hazards assessment (including risk maps), induced seismicity, engineering, and public policy. This program was an Administration initiative in FY 1978 and is in the planning base for FY 1980. The FY 1979 appropriation requests are: NSF, \$32.4M; Interior, USGS, \$31.5M.

Those initiatives, not in the current planning base, have the following budgetary impact:

	(BA; \$ M's)					
	79	80	81	82	83	84
Contingency Planning	.3	.5	.5	.4	.3	.1
Cost to Develop Seismic Design and Construction Standards	.2	1.5	2.0	2.0	2.0	1.5
Assessment of Earthquake Hazards in Federal facilities	.3	1.0	1.0	1.0	(see Tab D)	
Study of Financial Impacts and Financial Mitigation Mechanisms	.1	0.	0.	0.	0.	0.
Totals	^{a/} .9	3.0	3.5	3.4	2.3	1.6

a/ FY 1979 costs would be reprogrammed within current appropriations.

Further analysis of these and other costs of the proposed program can be found at Tab D.

Of these actions the one with the largest potential impact on the Federal budget is the assessment of earthquake hazards posed by existing Federal facilities. Most experts agree that the most significant national problem with regard to earthquakes is posed by the existing hazardous structures, particularly buildings. The Federal Government cannot hope to obtain voluntary cooperation of State and local governments and the

private sector in dealing with their hazardous structures unless we provide a forceful example. We are recommending a phased approach:

- o development, testing, and application of a balanced formula for the inventory of Federally-owned structures that present unacceptable risks -- considering their use, occupancy, vulnerability to earthquakes, and the magnitude of the earthquake hazard;
- o more detailed analysis of identified structures through inspection;
- o decisions about the correction of deficiencies by the departments consistent with their estimates of the hazards and costs of correction, balanced against overall departmental priorities.

The establishment of seismic standards for future construction is also very important, as some buildings built to current standards have neither performed well in recent large earthquakes nor reflect the current state-of-the-art. Even in high risk regions, the incremental cost of seismic provisions in construction is not more than a few percent of total construction costs, if they are considered from the initiation of planning and design. It is imperative, however, that the proposed standards be adequately tested and their costs carefully evaluated before a decision is made to adopt them. OMB has assisted us in making a rough estimate of standards. Assuming that a 2 percent increase in the cost of construction for seismic provisions might be required for about 15 percent of the Federal and federally-assisted construction (annual averages of \$8.3B and \$14.3B, respectively, FY 1977 through FY 1979) the additional outlays would have been \$67M. In the case of high hazard facilities such as dams, effective seismic risk planning and design has proven to cut down project overruns, saving far more in the total project cost than the additional initial costs for design.

Agency Views: The agencies are in basic agreement with these initiatives and emphasize the need to review budget priorities consistent with the ZBB and multi-year budgeting procedures established by your Administration. We agree with OMB's concern that incremental costs for construction be considered and justified before a decision is made to adopt new standards and this is why we have recommended a phased approach.

State and Local Government Views: The State and local interest groups emphasize that the Federal Government must set an example and concur in these proposed actions.

Decision Two: The National Program should include the identified high priority Federal initiatives.

Approve

Disapprove

*Be Careful
in creating
future budget
obligations
b) new bureaucracy*

3) FEDERAL ASSISTANCE FOR STATE PLANNING OF HAZARDS MITIGATION

Successful mitigation of earthquake hazards will require substantial action at the State and local level. Rather than impose universal standards, it seems more appropriate for the Federal agencies supplying assistance (through a wide variety of programs, ranging from highway construction to loan guarantees) to work with State and local officials and professional organizations to encourage the development and adoption of appropriate seismic provisions in local codes. Moreover, responsibilities for land use planning rest with the States and communities.

States can take and have taken positive action to upgrade their earthquake hazards mitigation efforts (Tab E). A program of grants is proposed to stimulate mitigation planning in all the States at major or moderate risk, even where the current perception of the hazard is low. The proposed grants would not be for the purposes of carrying out mitigation measures, but for building expertise and awareness within the State governments so they would include consideration of earthquake hazards, where appropriate, in making routine decisions.

I believe that there are several points to be considered:

- o Throughout the plan for the National Program we have, in accord with the legislation, tried to identify appropriate roles for State and local government in the effort and to avoid Federal infringement on the responsibilities that are theirs. This grant program would give the States the impetus and means to get started in meeting these responsibilities.
- o Several existing Federal aid programs can be used, at the option of the recipient, to mitigate earthquake hazards, such as the HUD Community Development Block Grant Program. The proposed planning grants would increase awareness of how these existing programs can be used for mitigation.
- o The proposed grant program would indicate to the States, along with the other proposed examples of Federal action, that the Federal Government is serious about earthquake hazards reduction, and that they must be prepared -- through time -- for a gradual stiffening of the seismic provisions in requirements for Federal assistance. Currently, such provisions would be politically unacceptable in many high risk areas. However, after the States and local communities have analyzed their own situations, such provisions will likely be much more acceptable.
- o The proposed reorganization of Federal emergency preparedness and response planning will contain a strong focus on mitigation. The proposed grant program would be a concrete example of your interest in strengthening mitigation measures.
- o While there are several areas of particular concern in the eastern United States, the awareness of the earthquake problem is generally higher in the western part of the country. The proposed grant program

would demonstrate your sensitivity to a problem particularly felt in the west.

This would not be an entitlement program. It would be administered by the Office of Earthquake Hazards Reduction (described below) which would evaluate applications for assistance in the context of the National Program. Grants would be awarded on the basis of the degree of seismic risk faced by each State and the level of commitment demonstrated by the State to develop its own program. The grants would be limited-term grants for a period of five years, and would be for salaries and operating expenses, not for capital costs. The Governor in applying for the funds must describe how he or she would organize the State's effort. In some instances, e.g., the Mississippi River Valley, a grant to a group of States might be feasible.

The California effort as described in Tab E. provides a means of estimating the maximum budget exposure. If it were duplicated simultaneously in all 39 States that could experience major or moderate earthquake damage, the yearly cost would be less than \$9M. In fact, the States would not all be ready to begin at once. Further, it is intended that the maximum yearly grant and the total eligibility over five years would be adjusted so that the annual budget for the grant program would be about \$5M.

I believe that this grant program will mean the difference between a "National" program and a "Federal Government" program. If started now, it could be operational in Fiscal Year 1979 through some reprogramming and serve as the keystone of the mitigation activities in the new combined agency; if delayed, a great deal of momentum will be lost.

Agency Views: All agencies agree with this approach, except OMB, which hold that States should use their own funds and already existing Federal assistance for this purpose. The OMB cautions that a grant program could, in future years, grow out of proportion to the problem to pose a "budget threat" or become an entitlement program through lobby efforts and Congressional action. OMB also cautions that past experience reveals few grant programs that have been terminated once they have been started. The OMB concerns are valid, but I do not believe it is prudent to allow hazards mitigation to remain an unfocused effort at the State level.

State and Local Government Views: They feel that some effort of this type is essential and for this purpose prefer limited-term grants over those with matching provisions. Local government groups feel that the assistance should come directly to the local governments rather than through the States, but I believe such assistance would tend to be inefficient since many standards and preparedness activities are based on State-wide procedures, a view shared by Federal agencies. A grant program available to communities for this purpose would pose a budget threat in my view.

The grant program has the following estimated impact:

	(\$ in M's)				
	79	80	81	82	83
State Grants For Hazards Planning	1.0 ^{1/}	3.0	5.0	5.0	5.0

^{1/} to be reprogrammed out of FY 1979 appropriations for
National Science Foundation.

Decision Three: Initiate limited-term State earthquake hazards
reduction grant program as described.

Approve _____ Disapprove _____ ✓
(OMB Recommends)

*Let's see how
1st year's effort
goes -*

4) FEDERAL COORDINATION OF THE PROGRAM AND RELATION TO REORGANIZATION

A central focus is needed to provide leadership for the diverse earthquake hazards reduction activities within the Federal Government and throughout the Nation. PRP has recommended the inclusion of the national earthquake hazards mitigation program among the natural disaster mitigation function in PRP's proposed Federal Emergency Management Administration (FEMA). I have supported this recommendation. Within FEMA, the PRP and I recommend establishment of a small Office of Earthquake Hazards Reduction.

The assignments of the Office would include evaluation of the Federal activities, assisting OMB, in the review of the pertinent budgets, and administration of the State grant program. Because the Office will fill principally a coordinating, rather than an operating role, its staffing and budgetary requirements would be, including salaries for a staff of four to six, in the range of \$500K/year. Primary operational responsibilities would remain in the appropriate Departments and Agencies, in accord with the PRP recommendations.

Initially, I propose that the Office would be adjunct to the Office of Science and Technology Policy, but pending Congressional approval of your reorganization of the disaster preparedness and response agencies, it would be assigned to the new combined agency, around January 1979.

Agency Views: The PRP strongly supports this approach. OMB and Interior are concerned that the Office could have a duplicative role in the budget process; however, as it is only a coordinating and analytical role, not final approval, safeguards remain with Departments and OMB. OMB also objects to the interim "operational" assignment of this activity to OSTP. I concur in the undesirability of having long-term management assignments with grant responsibilities in the Executive Office but think this short-term assignment is tolerable. In the event the reorganization does not take place in early 1979, I would suggest another location for the Office, outside the Executive Office.

State and Local Government Views: Strong support for this approach.

Decision Four: The Office of Earthquake Hazards will be established as a focal point for coordination.

Approve _____

Disapprove _____ ✓

Prefer an existing agency to handle - Interior?

TRANSMITTAL TO THE CONGRESS AND SUBSEQUENT ACTION

Depending on your approval of the above recommendations, the plan for the National Earthquake Hazards Reduction Program (Attachment A) will be transmitted to the Congress, along with a brief message (Attachment B) attached here for your approval and signature.

No Executive Orders or other documents appear to be needed to implement the provisions of the plan, although they may be required later to implement standards for Federal construction or other programs. A review of relevant existing legislation reveals that all the actions proposed can be carried out on the basis of existing authorities. The planning grants to States are authorized under the Earthquake Hazards Reduction Act of 1977. The only possible requirements for additional legislation are 1) resolution of questions of liability in connection with earthquake predictions, suggested by Justice, and 2) upward revision in the authorization limit in the Earthquake Hazards Reduction Act to accommodate the planning grants to States. These will be proposed if needed.

List of Tabs:

- Tab A: Federal Agency and State/Local Government Review of Proposed Earthquake Hazards Reduction Plan
- Tab B: Background on Earthquakes
- Tab C: Alternative Strategies for Earthquake Hazards Reduction
- Tab D: Costs Associated With Federal Initiatives: National Earthquake Hazards Reduction Program
- Tab E: Current Mitigation Activities at the State Level

Attachments:

- Attachment A: Plan for The National Earthquake Hazards Reduction Program
- Attachment B: Presidential Message

Federal Agency and State/Local Government Review of Proposed Earthquake
Hazards Reduction Plan

Departments/Agencies

Department of Agriculture
Department of Commerce
Department of Defense
Department of Energy
Environmental Protection Agency
General Services Administration
Department of Health, Education and Welfare
Department of Housing and Urban Development
Department of Interior
Department of Justice
Department of Labor
National Aeronautics and Space Administration
National Science Foundation
Nuclear Regulatory Commission
Small Business Administration
Department of State
Department of Transportation
Department of Treasury
Veterans Administration

State/Local Government

Academy for Contemporary Problems
Council of State Community Affairs Agency
Council of State Governments
International City Management Association
National Association of Counties
National Association of Regional Councils
National Governors Association
National League of Cities
U. S. Conference of Mayors

BACKGROUND ON EARTHQUAKES

Earthquakes pose the greatest single-event natural hazard faced by the Nation. Should an earthquake similar to the one that struck San Francisco and northern California in 1906 reoccur in that region today, the dollar losses are estimated to be in the range of \$10B to \$20B. Loss of life -- estimated between 2,800 and 10,300 depending on the time of day and barring a dam failure -- would be greatest among occupants of older buildings of unreinforced masonry construction built before the advent of seismic provisions in the local building codes, and, to a lesser extent, among occupants of poorly designed modern buildings. Single-family, wooden-frame houses are among the most seismic resistant buildings; loss of life would likely be smallest if people were at home when the earthquake occurred.

Scientists are most concerned about the possible occurrence of a large earthquake in southern California, last struck by a really large earthquake in 1857 when the land was largely undeveloped. Over the last fifteen to twenty years, seemingly anomalous movements have occurred over tens-of-thousands of square miles in the highly populated southern California coastal region. These movements may presage an earthquake in some way, based on limited observations prior to large earthquakes experienced in Japan and China.

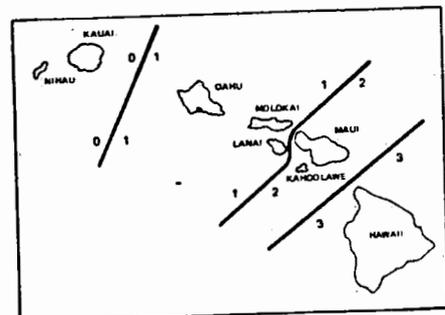
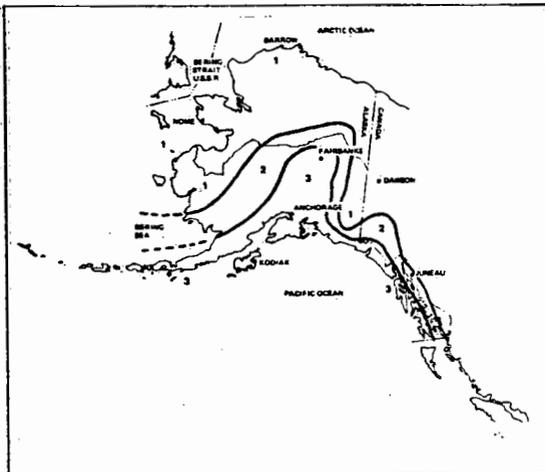
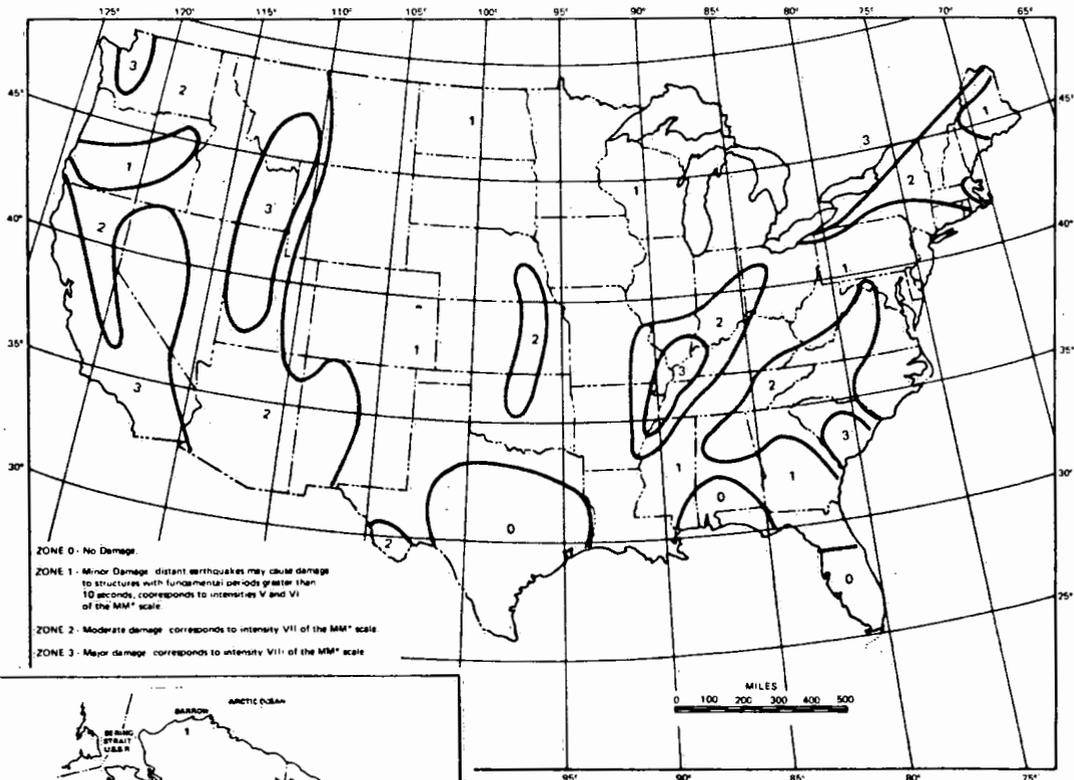
The United States earthquake problem is not limited to California. Portions of 39 States could be affected (see map). States west of the Rocky Mountains face the largest problems but the eastern states are threatened as evidenced by major earthquakes in the Central Mississippi Valley, Charleston, South Carolina, and eastern New England. Earthquakes of a given size affect a greater region in the eastern United States than in the western United States apparently because of differences in properties of the earth's crust. Whereas most earthquakes in the western United States can be attributed to faults that geologists recognize as active -- and consequently the earthquakes can be understood in the framework of plate tectonics -- the origins of earthquakes in the eastern United States are poorly understood. This uncertainty has led to serious problems in the siting of nuclear reactors.

Advances in science and engineering over the last fifteen years have established the basis for a balanced program to mitigate the hazards associated with earthquakes. Principal among these have been:

- o Development of geologic methods, applicable at least in the western United States, to identify active faults and to estimate the pre-historic occurrence and frequency of large earthquakes which permits recognition and assessment of the risk to structures.
- o Understanding of many of the effects of earthquakes, such as ground shaking, ground failure, and surface faulting, and their relationship to damage which permits the reduction of damage through judicious land use and appropriate design and construction techniques.

o Experience with earthquake damage around the world, instrumental recordings of strong ground shaking and the development of structural analysis techniques which permits prediction of how a given structure will respond to an earthquake facilitating the design and construct buildings and other structures to resist the shaking.

Earthquake prediction is an active research subject and can be expected to improve in accuracy over the next one to two decades. Some successful predictions of damaging earthquakes -- used to effect life saving measures -- have been made in the Peoples' Republic of China, but the failure of the Chinese to predict the disastrous Tangshan earthquake of 1976, in which more than 600,000 people lost their lives, indicates how far we have to go before the capability to predict earthquakes can be relied on fully. As more is learned about the nature of earthquakes and how to resist their effects, including the development of a prediction capability, the mitigation strategy must evolve to reflect this new knowledge.



TAB C

ALTERNATIVE STRATEGIES FOR EARTHQUAKE HAZARDS REDUCTION

The National Flood Insurance Program and the Coastal Zone Management Act are two of the first attempts at national natural hazards mitigation. In developing the strategy called for in P.L. 95-124, we have attempted to learn from the experience with these previous efforts. We considered a wide spectrum of possible actions. Our final recommendation represents a mixture of elements extracted from the following list of possibilities:

Continue the present level of effort

Considerations

- o Would limit the increase in Federal costs, attractive at a time of fiscal constraint.
- o Would avoid criticism about Federal interference at State and local levels.
- o Would not be responsive to Congressional intent.
- o Would not demonstrate Federal leadership in a national problem.
- o The current program is not well-coordinated and there is little uniformity in agency policies.
- o Would be inconsistent with PRP reorganization proposal.

Get the Federal house in order in Federal construction and disaster planning, but limit the assistance to States and local governments

Considerations

- o Would set an example for State and local governments and the private sector.
- o There would be modest, but incremental Federal costs.
- o It would be insufficient response to be considered a national plan for it would ignore State, local, and private sector responsibilities.

Undertake Mitigation Action based on degree of risk: that is geographic variation of the earthquake hazard, the nature and construction of a facility, its occupancy, and the potential for secondary impacts should it fail

Considerations

- o The most pressing problems would be addressed first.
- o The largest increment of hazards reduction could be obtained
- o Everyone would not have "his potential problem" solved first.

- o Basing priorities on risk is, in a sense, playing the odds. Absolute safety is not obtained.

Undertake Mitigation Actions uniformly throughout the country

Considerations

- o No State could complain about being left out.
- o Aggregate costs to obtain an adequate degree of hazards reduction in the most severely affected regions would be prohibitive.
- o Costs in the less hazardous regions could not be justified in relation to other National and State priorities.

The Federal Government could mandate seismic design and construction standards for all Federal and federally-assisted construction, whether the assistance be direct or through loans or loan guarantees, and provide State and local governments with resources to solve their earthquake problems

- o Would demonstrate decision Federal action and commitment.
- o Real reduction in vulnerability would be realized.
- o The Federal Government would commit too large a share of its resources.
- o The public perception of the threat in many regions, especially east of the Rocky Mountains, is inadequate to motivate the incremental effort and costs required.
- o Adverse criticism would be received about Federal regulation at local level.
- o The Federal standards would still have little direct effect on the local codes and standards applicable to private construction.

Based on an analysis of these alternatives OSTP recommends a strategy based on:

- o consideration of relative risk;
- o a Federal example in the construction and safety of its own facilities;
- o evolutionary improvement of codes and standards in partnership with State and local government and the private sector;
- o utilization of existing institutional structures.
- o balance of efforts for earthquake hazards reduction with other National needs and priorities and that they be carried out at a reasoned level over the long term.

COST ESTIMATES ASSOCIATED WITH FEDERAL INITIATIVES: NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

Budget authority and outlays are assumed to be equal.

(\$ in millions)

	Current OMB Base for FY 79 and all subsequent years	Potential Changes from Current Base					
		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
Completion of Federal, State, and local contingency plans for responding to earthquake disasters in the areas of dense population and high risk (HUD: FDAA)	0	.3 ^{1/}	.5	.5	.4	.3	.1
Development of seismic-resistant design and construction standards for application in Federal construction, and encouragement for the adoption of improved seismic provisions in State and local building codes (Commerce: NBS)	0	.2 ^{2/}	1.5	2.0	2.0	2.0 ^{3/}	1.5 ^{3/}
Assessment of hazards posed by existing Federal facilities (GSA, DoD)	0	.3 ^{2/}	1.0	1.0	1.0	.4 ^{4/}	.4 ^{4/}
Studies of the financial aspects of earthquake hazards mitigation (Office of Earthquake Hazards Reduction, Treasury, Federal Reserve) ^{5/}	0	.1 ^{2/}	0	0	0	0	0
Maintenance of a comprehensive program of research (including fundamental studies of earthquakes, prediction, induced seismicity, hazards assessment, engineering, and policy), (NSF, Interior: USGS)	USGS 31.5 NSF 32.4	0	8.5 ^{6/} 7.6 ^{6/}	8.5 ^{7/} 7.6 ^{7/}	8.5 7.6	8.5 7.6	8.5 7.6
Formation of an Earthquake Prediction Evaluation Council (Interior: USGS)							Cost estimated to be no more than \$30K/yr., part of USGS planning base.
National and Regional Risk Mapping (Interior: USGS)							Cost part of authorized research planning base above.
Guidelines for Decisions on Development of Federal Lands (Interior, Agriculture, Defense, Energy)							None.
Critical Facility Planning (Energy, NRC, dam building agencies)	6.0						In area of Federal Dam Safety, costs for rehabilitation of aging and/or high hazard dams have not been estimated. Identified as a possible FY 80 issue by OMB with cost estimates of \$30-40 M per year.
Information and Education							Ongoing Programs in Departments and Agencies contain some monies for information and education. Must be evaluated further by the Office of Earthquake Hazards Reduction.
Office of Earthquake Hazards Reduction (OSTP/proposed new emergency preparedness agency)	0 ^{8/}	0	.5	.5	.6	.5	.5
Planning Grants for State Earthquake Hazards (Office of Earth Hazards Reduction)	0	1.0 ^{2/}	3.0	5.0	6.0	5.0	5.0
TOTAL IDENTIFIED COSTS FOR MITIGATION ACTIVITIES	6.0	1.8 ^{9/}	6.5	9.0	8.9	7.8	7.1
TOTAL IDENTIFIED COSTS FOR RESEARCH	63.9	0	16.1	16.1 ^{7/}	16.1	16.1	16.1
ESTIMATED TOTAL ANNUAL OBLIGATIONS		69.9	92.5	95.0	94.9	93.8	92.1

^{1/} To be reprogrammed internally within the FY 79 appropriation for the Federal Disaster Assistance Administration.

^{2/} To be reprogrammed out of FY 79 appropriation for the National Science Foundation.

^{3/} The longer range budget impact of new standards can be roughly estimated as follows. Roughly 11% of the land area of the contiguous United States is considered to be high risk (Zone 3 on map of Tab B). About 15% of the population lived in these areas in 1970. Assuming that 15% of the new Federal and federally-assisted construction would also be located in these areas, we have, using estimated annual average outlays for FY 1977 - FY 1979, about \$1.2B direct Federal and \$2.1B federally-assisted construction at risk. The increased costs due to structural seismic design provisions for a building are substantially reduced if they are considered in the original architectural design. Consequently, while estimates vary, and for some structures the cost will be 5% or more, the consensus estimate is that it would require an average increase of 2% in the cost of the buildings to give them reasonable resistance to earthquakes. This would work out to an annual amount of \$25M for direct Federal and \$42M for federally-assisted construction, without applying judgment about which of these structures might not require the additional seismic resistance.

^{4/} Costs for FY 79 through FY 82 reflect the development of the strategy for the inventory, its testing, and application. Costs for detailed inspection and analysis and correction cannot be estimated now, but may be large depending on (1) the number and magnitude of problems discovered, and (2) the extent to which low cost solutions, such as combining correction with other scheduled remodeling, can be found. Following the arguments in footnote 3, we assume that about 15% of the existing Federal inventory of structures is at risk. At the end of fiscal 1976 the sum total of the original acquisition costs of all existing Federal buildings in the United States was \$37.4 billion and other Federal structures and facilities an additional \$44.4 billion. Using these assumptions, Federal buildings having an original acquisition cost of about \$5.6 billion would be located in such areas. Neither what portion of these buildings, nor what other structures, would have priority for increased structural resistance to earthquakes, nor the potential cost to make such modifications, is known. For comparison, the Federal Dam Inspection Act inventory that identified 50,000 dams in the United States and assigned relative potential hazards to them cost \$3M. The dam inspections now underway (9,000 dams) will cost about \$70M over four years.

^{5/} The studies will be targeted to (1) develop means to ensure a viable financial system in the event of a truly catastrophic earthquake; (2) understand the impact of an earthquake prediction on financial institutions and private investment; (3) explore the advantages and social dislocations of using financial mechanisms within the public and private sectors, including Federal loan, loan-guarantee, and grant programs, to effect earthquake hazards reduction; and (4) determine the proper role for earthquake insurance.

^{6/} These are the funding levels authorized in the Earthquake Hazards Reduction Act of 1977. The 1979 budget and the current planning base amounts were the results of policy decision by the agencies and OMB not to budget the full amounts authorized. The 1979 budget total is \$6.1M below the combined authorization levels for the USGS and NSF.

^{7/} OSTP and OMB will review progress of research program prior to FY 81 and make recommendations regarding FY 81 and out years.

^{8/} FY 78/79 costs of the Office of Earthquake Hazards Reduction assumed by existing agencies.

^{9/} All reprogrammed from existing levels as recommended in the President's 1979 Budget. Does not add because of rounding.

CURRENT MITIGATION ACTIVITIES AT THE STATE LEVEL

California, through a series of State laws passed since the 1920's has generally improved construction and land planning to make codes, standards, and zoning more consistent with potential earthquake hazards. The California Seismic Safety Commission has the responsibility for monitoring these mitigation efforts. Utah and Montana are also moving toward improved standards; Utah has established a State seismic safety commission and Montana plans to. These States are areas with high seismic risk. Other States where there is similar risk have begun no State-wide seismic mitigation planning. In other seismic regions such as the Mississippi River Valley some degree of State or interstate mitigation action would be desirable, but limited effort has taken place. Governors, State organizations, and local government officials and interest groups, have stated that the Federal Government could be of considerable help by assisting in the building of State expertise to coordinate mitigation efforts.

The California State Seismic Safety Commission is a useful, if not universally applicable, model of what might be accomplished. The Commission has seventeen unpaid commissioners, all experts in related fields from within the State who receive only expenses, and a full-time staff of five. The yearly budget for this Commission is \$228K, including salaries, travel and operating expenses. The success of the Commission stems from its ability to focus the attention of State and local officials, both elected and appointed, and the public on earthquake-related issues, not on any operational capability. California is unique in the amount and quality of expert talent within the State and in the awareness of the people, including officials.

THE NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

May 5, 1978

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THE NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

INTRODUCTION

The purpose of the National Earthquake Hazards Reduction Program -- in accordance with the Earthquake Hazards Reduction Act of 1977 -- is to reduce the risks of life and property from future earthquakes in the United States.

The Act (Public Law 95-124) directs the President "to establish and maintain an effective earthquake hazards reduction program." To implement such a program, the President is to develop a plan, which shall "set year-by-year targets through at least 1980, and shall specify the roles for Federal agencies and recommended appropriate roles for State and local units of government, individuals, and private organizations."

Earthquakes pose perhaps the greatest single-event natural hazard faced by the Nation. An earthquake can affect hundreds of thousands of square miles, can cause damage to property measured in the tens of billions of dollars, can cause loss of life and injury to tens of thousands of persons, and can disrupt the social and economic functioning of the affected area. During this century, earthquakes, because of their infrequency, have caused less damage in the United States than have hurricanes, tornadoes, or floods. Major earthquakes in other parts of the world, however, have shown the destruction and disruption they can cause, and the potential for disaster has multiplied here in recent years with the rapid development of the most seismically prone portions of the country.

While earthquakes in the United States occur most frequently in States west of the Rocky Mountains, 39 states are known to have the potential to experience moderate and severe earthquakes. During the history of this country, devastating earthquakes have occurred in the West, Midwest, and East, and are expected to occur again. Recent developments in earth science have lessened the mysterious nature of earthquakes, and offer promise in understanding their nature and effects. Scientific earthquake prediction is a real possibility, and in fact has already saved lives in other parts of the world. At the same time, much progress has been made in understanding the response of buildings and other structures to shaking from earthquakes, enabling us to build more resistant structures. Much remains to be learned in both the earth science and engineering aspects of earthquake problems. But, armed with the existing and emerging knowledge about earthquakes, their effects and how to reduce their consequences, we can now develop a strategy for a National Earthquake Hazards Reduction Program. As more is learned the strategy can be modified, but we can begin now.

Each year the United States spends hundreds of millions of dollars on relief to victims of natural disasters and on the reconstruction of damaged communities. Much, but certainly not all, of this post-disaster expense could be saved if mitigating actions were taken before the events occur. The Nation must strive to find the proper balance -- a balance that is both compassionate and cost effective -- between efforts to mitigate the impacts of disaster and efforts to provide relief to victims. The National Earthquake Hazards Reduction Program addresses measures to mitigate this one particular kind of natural disaster -- an earthquake -- that can cause widespread economic disruption and personal tragedy.

Although we can make some plans for future uncertainties, most people tend to avoid thinking about the possibility that a disaster may personally befall them. This tendency is reinforced by the fact that most individuals have not recently experienced a disaster and so appropriately think that the odds against the occurrence of a disaster at any given time are overwhelmingly in their favor. Differences in perception of risks also blunt recognition of the need to undertake hazards reduction and disaster preparedness measures. Hazards reduction actions based primarily on the initiative of individuals or small groups have generally failed because they failed to recognize the human tendency to deny existence of danger and to assume that everything is all right until events clearly prove otherwise. Also, plans and other actions must often be undertaken on a large and coordinated scale, beyond the capacity of individuals or small groups. Leadership is required to encourage the appropriate consideration of seismic risk in making decisions that affect the ability of a community -- and indeed the Nation -- to resist the impact of earthquakes.

To accomplish the overall goal of reducing the risks to life and property from future earthquakes, the National Earthquake Hazards Reduction Program will emphasize:

Leadership -- Actions to reduce earthquake hazards involve numerous Federal agencies, State and local governments, a variety of institutions in the private sector, and the public. Consequently, a mechanism for leadership and coordination is essential.

Partnership -- Actions taken by the Federal government alone will have little effect. State and local governments and the private sector have principal responsibilities for action. For success, the planning, execution, and review of the Program must involve non-Federal participation, including State and local government, business, industry, the design professions, the research community, and the public.

Implementation -- A National Program responsive to the legislation of the Congress must contain actions aimed at the following objectives:

- Develop measures to prepare for earthquakes, to evaluate earthquake predictions, to warn residents of an impending earthquake if possible, and to ensure that a comprehensive response will be made after the occurrence of an earthquake;

- Develop ways for governmental units, industry, and the public to use existing and developing knowledge about regional and local variations of seismic risk in making their land use decisions;
- Develop and promulgate specifications, building standards design criteria, and construction practices that will provide appropriate earthquake resistance for new and existing structures at reasonable cost;
- Consider the reduction of earthquake hazards through alternative provisions and requirements for Federal and Federally-financed construction, loans, loan guarantees, grants, and licenses;
- Determine the appropriate roles for insurance, loan programs, and public and private relief efforts in moderating the impact of earthquakes;
- Provide researchers, the design professions, the construction industry, and the public with data and information to achieve the purpose of the Program.
 - o Research - Improved techniques for hazards reduction over the long run require research into the basic causes of earthquakes, the means to try to predict and perhaps control them, the development and regional application of methods to evaluate and delineate their potential effects and seismic risk, the development of methods for increasing seismic resistance in manmade works, the exploration of impacts on the community of earthquakes and the consequences of alternative mitigation policies, and the utilization of foreign experience.

GUIDING PRINCIPLES FOR A NATIONAL PROGRAM

The National Earthquake Hazards Reduction Program is comprehensive in scope, establishing a balanced program of hazards reduction measures. The program breaks new ground in attempting to achieve, with a realistic expenditure of resources, an effective state of preparedness for, and protection from, a disaster characterized by a low probability of occurrence but with a high potential for destruction, damage, and disruption. A new organization is to be formed and staffed, and vital linkages and procedures established. The task is made even more difficult by the large number of groups in both the private and public sectors -- often with conflicting objectives and interests -- that need to be mobilized in support of the effort.

Decisions affecting earthquake safety must be made at virtually every level of society -- individual, family, community, and national. Most of these decisions are made in the private sector, often subject to some

governmental constraints and incentives. The achievement of a safe seismic environment is therefore basically a responsibility shared by all levels of the public and private sectors. This National Program can be successful only if both governmental and private leaders recognize the need for active participation in planning and management at all levels. They must all take responsibility for stimulating and supporting hazards mitigation actions by the private sector.

The numerous groups that will be involved in implementing this Program include not only Federal, State, and local government officials, but also representatives from industry, business, volunteer associations, professional groups, research and academic institutions, and the public. Within the context of the diverse roles played by these groups, the program identifies those actions that the Federal, State, and local governments and private individuals can appropriately undertake. The Federal government can play a significant, but not dominant, role. The Federal government must set an example for others to emulate by its own actions, including the institution of more effective hazards mitigation measures in its own facilities. Existing Federal government resources for providing technical assistance and the acquisition and dissemination of data and information will be amplified and used to assist State and local governments and the private sector. Appropriate State and local governmental actions, and those that groups in the private sector may undertake, are also indicated within the framework of a coherent national effort.

This Program has been formulated with, and its implementation will be governed by, the following guiding principles:

- o The priorities of hazards reduction are to be based on relative risk; that is, the probability of significant loss of life and property, considering the population exposed, the nature and magnitude of the hazards posed by manmade structures to the population, and the likelihood and character of significant earthquakes. Regional differences in the nature and magnitude of the risk and of the perception of the risk require a flexible approach.
- o While the Federal government can take a strong, exemplary position with regard to its own facilities and develop guidelines and standards for Federally-assisted or licensed critical facilities, the effort to improve local land use and building codes -- as a basis for all private construction, including Federally-assisted, non-critical construction -- must be accomplished by persuasion and encouragement, particularly through working with professional organizations and State and local officials.
- o Earthquake hazards reduction must not only take into account the direct natural hazards from faulting and vibration, but also the indirect natural hazards from tsunamis, seiches, landslides, floods, soil consolidation, soil failure, and slumping. Damage to works of man by these natural hazards leads to both primary hazards such as structural failure, and secondary hazards such as fire, flood, and the escape of contained toxic or hazardous fuels and materials.

o Experience both in the United States and abroad has proved that buildings and other structures can be designed so as to protect life safety during very strong ground shaking from major earthquakes. For some buildings and structures the additional cost of earthquake resistance is quite small; in other cases the costs would be very significant.

o Prediction cannot, in the near future, be relied upon as an effective tool to reduce earthquake casualties (for example, to avoid the problem posed by existing hazardous buildings).

However, since scientific breakthroughs could come at any time, we must prepare to cope with different levels of predictive capability.

o Hazards reduction procedures, whenever and wherever possible, need to be incorporated into existing organizations, institutions, legislation, regulations, rules, building codes, relief procedures, and loan requirements, so that they are part of established activities rather than being superimposed as separate and additional. As the local building codes improve through time as a result of persuasion and encouragement, it may be appropriate to increase gradually the seismic provisions in requirements for Federal assistance.

o Outside assistance to the local community must be planned for quick identification of needs that cannot be handled locally, and for provision of aid to supplement, rather than to replace local efforts. Our society has a great resilience and recuperative power when called upon to respond to sudden disaster.

o Special attention must be given to persons who are particularly vulnerable to earthquake hazards (the poor, the aged, the handicapped, the children) to provide them equal protection and ensure that they do not suffer disproportionately.

o To be acceptable in regions characterized by lower, but significant, seismic risk, earthquake hazards mitigation activities should lead to the reduction of risks from hazards other than earthquakes and be coordinated with efforts to protect people and property from other potential hazards and disasters.

o International cooperation on earthquake hazards research should be fostered as essential to ensure opportunities for mutual learning. Studies of foreign experience and exchange of information are therefore a fundamental part of this Program.

- o Continuing evaluation is needed to assess the strengths and weaknesses and the successes and failures of the Program.
- o An annual report to Congress will reflect the progress and evaluate the effectiveness of the Program.

PRIORITIES FOR IMMEDIATE ACTION

Some actions for earthquake hazards reduction can begin immediately while others must await research results or the commitment of financial resources. Of the tasks outlined in this plan, the highest priorities for immediate action are:

- o The establishment of the Office of Earthquake Hazards Reduction to provide national leadership and to guide and coordinate Federal activities;
- o The establishment of planning grants to States for the development of State and local strategies and capabilities for earthquake hazards reduction.
- o The completion of Federal, State, and local contingency plans for responding to earthquake disasters in the densely populated areas of highest seismic risk.
- o The development of seismic resistant design and construction standards for application in Federal construction and encouragement for the adoption of improved seismic provisions in State and local building codes.
- o The estimation of the hazard posed to life by possible damage to existing Federal facilities from future earthquakes.
- o The maintenance of a comprehensive program of research and development for earthquake prediction and hazards mitigation.

The tasks required to initiate these actions to achieve the long-term objectives of the National Earthquake Hazards Reduction Plan follow.

MOVING TOWARD A NATIONAL PROGRAM

Providing National Leadership

A central focus is needed to stimulate and coordinate earthquake hazards reduction activities within the Federal government and throughout the Nation. The Office of Earthquake Hazards Reduction will be established and will assume this role, providing leadership in coordinating earthquake hazards reduction activities in the appropriate Federal agencies and in assisting State and local governments in planning and implementing their own programs. In carrying out these responsibilities, the Office will consider regional differences in the nature and perception of the earthquake threat and encourage flexible programs embodying earthquake hazards reduction in efforts to mitigate other natural hazards where feasible and appropriate. The Office will have primary responsibility for maintaining an overview of the National Program and identifying opportunities and needs. Because the Office will fill a coordinating, rather than an operating, role, its staffing requirements will be quite modest.

The first task of this Office will be the development, by September 1978, of a phased plan for grants to assist State and local governments in planning to mitigate the potential losses in their jurisdictions from earthquake. This plan will be considered in the budget process for Fiscal Year 1980. The grants will deal first with those regions exposed to the highest level of risk; later ones will deal eventually with all regions exposed to a major and moderate level of risk.

The Office will be responsible for the development of guidelines to assist Federal agencies involved in construction in implementing earthquake hazards reduction elements in their ongoing programs. To develop these guidelines for consideration, by October 1978, the Office will organize and lead an Interagency Committee on Seismic Safety in Construction. This committee will be composed of representatives of all Federal agencies significantly engaged in construction, the financing of construction, or related activities. Following the appropriate review, the guidelines will be implemented by Executive Order as required.

By July 1979, the Office will complete a detailed work plan for its continuing role, including procedures for monitoring the assignments of responsibility contained in this Program and for participation in programmatic review and assistance in budgetary review. In addition, the work plan will describe the mechanisms the Office will use to identify additional areas for hazards reduction activity through consultation with other Federal agencies, State and local governments, and private relief groups, including the establishment of any advisory groups or interagency committees that may be required. The work plan will address procedures for developing earthquake hazards guidelines for Federal agencies to include in their ongoing programs, and the development of guidelines for reconstructing damaged communities to make them more resistant to future earthquakes. Each year the Office will summarize progress toward the goals of the Program in a report submitted to the President for transmittal to the Congress.

Improving Contingency Planning and Emergency Response

Following a destructive earthquake, all levels of government and the private sector should join to the extent necessary in providing assistance to the victims. This assistance will be most timely and effective if based on a set of coordinated Federal, State, local, and private contingency plans. General disaster planning would probably not be adequate to cope with the unique aspects of a destructive earthquake in or near a heavily populated region.

The Federal Disaster Assistance Administration will develop a schedule, covering the areas of high seismic risk throughout the country, for the completion of Federal contingency plans and for assistance to State and local governments in completing their response plans. This schedule will reflect 1) an evaluation of the contingency planning completed to date, 2) priorities accorded to the level of seismic hazards and interest of the affected communities, and 3) the recognition that contingency plans must be preceded by estimates of potential damage and casualties. These plans should consider the developing capability for predicting earthquakes and their effects. If a reliable capability develops, opportunities should be identified to utilize governmental and private resources for post-disaster action before the occurrence of an earthquake. This schedule will be completed in time to be considered for the budget for Fiscal Year 1980.

The Federal Disaster Assistance Administration will bear a continuing responsibility for overseeing the revision of Federal earthquake contingency plans and for stimulating the revision of State and local contingency plans as new information on earthquake hazards is developed and as the perception of this threat in affected communities increases. Guided by these plans, State and local governments can assess the potential impact of earthquakes on safety to life and on essential community facilities and can take steps to reduce the loss of life and to ensure the maintenance of vital services.

Evaluating Earthquake Predictions

The development of a reliable capability to predict earthquakes is a fundamental research objective. As we move toward the goal of making scientifically credible earthquake predictions, information may develop that -- although insufficient at the time for issuing an earthquake prediction -- may heighten scientific concern about the imminence of a destructive earthquake. This information must be evaluated and communicated to responsible public officials in much the same way that scientifically credible earthquake predictions will be evaluated and communicated.

The responsibility for evaluating and communicating earthquake predictions and other information of this type will rest with the Director of the U.S. Geological Survey. To resolve questions of liability, additional legislation may be proposed. The Director will be assisted in this task by the National Earthquake Prediction Evaluation Council, a Council to be composed of scientists from inside and outside government.

This Council will be established in 1978. The responsibility for warning the people about the imminent danger from a natural hazard and to advise or direct them on how to respond is principally a function of State and local government. As a basis for determining their own actions in response to earthquake predictions, State governments in highly seismic regions may decide to establish their own advisory mechanisms. Scientific societies such as the Seismological Society of America, the Geological Society of America, and the American Geophysical Union are urged to develop ethical and scientific guidelines to be followed by individual scientists and scientific institutions in issuing earthquake predictions.

The current tsunami warning system of the National Oceanic and Atmospheric Administration will be continued. Advances made in earthquake prediction will be incorporated into this system to improve its overall effectiveness and efficiency.

Much remains to be learned about the social and economic effects of an earthquake prediction and about how officials can respond so as to minimize both potential losses and possible negative impacts. The National Science Foundation will continue its program of research to provide background information for these policy decisions.

Preparing National Seismic Risk Assessments

An assessment of the relative frequency and characteristics of earthquakes in the United States is needed. National maps are needed showing the degree of seismic risk and providing information necessary for engineering design of structures. These maps are needed to establish national priorities for earthquake hazards reduction activities, for model building codes, and as a basis for incorporating earthquake hazards reduction provisions — where appropriate — in a wide variety of Federal programs, including those that observe requirements of locally adopted model codes. These maps are not intended for local zoning or the evaluation of specific sites but for showing the broad variation of seismic risk throughout the Nation. Under the recently augmented program of the U.S. Geological Survey, high priority will be given to the production of such seismic risk maps. However, fundamental scientific problems must be solved before fully satisfactory maps can be constructed, and it is not realistic to expect that one "final" map or series of maps can be produced in the near future. Instead, while researchers address the fundamental problems, a series of maps will be produced to meet immediate and growing needs. These will be revised as new information becomes available.

By July 1979, the Geological Survey will complete a review — in consultation with the Interagency Committee on Seismic Safety in Construction, professional organizations and model code groups — of the priorities and types of information to be shown on national seismic risk maps. A new draft national seismic risk map (or maps) will be available for review by interested agencies and groups by July 1980, and a completed map (or maps) will be published by July 1981. Maps will then be revised and updated as required.

In addition to the need for national-scale assessment, information is needed on a regional scale about the nature and distribution of earthquake hazards for use in making State and local decisions about construction and the use of land. The program of the Geological Survey emphasizes the development of new techniques for identifying and evaluating earthquake hazards, such as active faults and the ground conditions that affect the distribution of damage. The program also emphasizes the application of existing and developing techniques to the evaluation and regional delineation of earthquake hazards, particularly in the regions of highest risk. By January 1979, the Geological Survey will complete a priority schedule for the regional evaluation and delineation of earthquake hazards for the next five years, taking into account the views of State and local governments, hazards evaluation programs of the Nuclear Regulatory Commission and other agencies, differences in the nature of the hazards in each region, and the current state of knowledge in each. As these studies proceed, particular attention will be given to the timely publication of hazards information in a form readily understood by nonspecialists.

Although this regional information will provide a significant and necessary framework, it will rarely be sufficiently detailed to be used in making decisions about local construction, local land use planning, or the evaluation of specific sites. State and local governments may find it desirable to build on the Federal program in developing detailed information on which to base their decisions affecting construction and land use. Planning new construction to avoid especially hazardous zones, where possible, is an extremely effective mitigation measure. Agencies and firms planning special or critical facilities appropriately bear the incremental cost of information required for their detailed analysis of specific sites to comply with the guidelines and requirements of States, local communities, or the Federal government.

Making Decisions for Federal Lands

Wise decisions about the use of land are -- in the long run -- among the most effective means to mitigate the hazards of earthquakes. Most of the decisions are made by local governments and in the private sector. The Federal government must set an example by carefully considering earthquake hazards in managing the lands it owns. The planning for these largely undeveloped lands, with a few exceptions, represents the sum of many decisions made by various departments and agencies. Most of the lands are in the western half of the Nation where the hazards from earthquakes are generally greater than elsewhere. Currently, in some areas, more consideration is given to earthquake hazards in making decisions for private lands than for adjacent Federal lands. Henceforth, in developing these Federal lands, decisions about the siting and construction of facilities affecting the safety and welfare of the public or providing vital services must reflect consideration of seismic hazards. Therefore, the Office of Earthquake Hazards Reduction will work with the principal land-management agencies in the Departments of Interior, Agriculture, Defense, and Energy, and others to develop guidelines, by 1980, indicating when and how earthquake hazards should be taken into account.

Improving Codes and Construction Standards and Practices

Criteria for the earthquake-resistant design of new construction used in many current Federal, State, and local building codes, standards and practices, do not reflect the current state of the art and should be updated. These codes and standards and the professional practices underlying them should not only represent our best knowledge, but be adaptable to different areas of the United States according to differing seismic risks and the costs and benefits they entail. The Office of Earthquake Hazards Reduction, assisted by the Interagency Committee on Seismic Safety in Construction, will develop seismic design standards for Federal building construction. The target date for completion of these standards and the initiation of their testing by Federal construction agencies is 1980. Implementation of the standards will be considered following testing and analysis of costs, and will utilize an Executive Order if required. These standards should reflect regional differences in the earthquake hazards placing emphasis on providing life safety, and should build upon existing model codes where feasible.

The vast majority of the construction in this country is undertaken by the private sector and regulated by local government. To assist State and local governments, industry, and the public in developing construction standards, criteria, and practices, the National Bureau of Standards will work with the Department of Housing and Urban Development, other Federal agencies (particularly those performing research), the National Institute of Building Sciences, professional organizations, model code groups, and State and local building departments. The Bureau will assist and cooperate with these groups in continuing the development, evaluation, and improvement of model seismic design provisions suitable for incorporation into local codes and practices. Incorporation of these seismic design provisions into local codes is, of course, voluntary, but the provisions must be flexible and give consideration to costs and benefits, regional variation of seismic hazard, and adaptation to local conditions. They must also be adequately tested. This will be a continuing responsibility of the Bureau.

Reducing Hazards From Existing Buildings and Other Facilities

Most deaths and injuries in earthquakes have been caused by collapsing buildings -- generally older buildings and often those made of unreinforced masonry, although some modern buildings are also vulnerable. The public's vulnerability to earthquakes over the coming years will be dominated by these existing hazardous structures. Most of these buildings are privately owned, but many are owned by Federal, State, and local governments. Almost all are expensive to upgrade, and thus present a very difficult problem of public policy for all levels of government. Over the long term, the potential to predict, reliably, damaging earthquakes may present an economically attractive alternative to upgrading substandard structures. However, the reliable prediction of earthquakes is likely to be many years away. In the mean time, it is important that hazards be reduced from those structures presenting the greatest risk in terms of occupancy and potential secondary impacts.

Special attention must be given to those structures that provide vital community services or pose unacceptable risks because of high occupancy. Some buildings, poorly designed or constructed from the point of view of seismic resistance, may not warrant reinforcement or replacement either because the collapse of the structure would not cause loss of life, injury, significant damage to contents, or loss of critical function, or because the structure is of great historical interest, has a low occupancy, would be impractical to reinforce or replace and for which the community is prepared to accept the risk. In some cases it may be most cost effective to achieve an increment of improved seismic resistance, but not require upgrading to meet the criteria for new construction.

Because of the astronomical costs of retrofitting whole classes of hazardous buildings, it is essential to reach a realistic and cost effective solution to this problem. The Federal government must set an example. Agencies of the Federal government own or lease hundreds of thousands of buildings and other structures -- examples include warehouses and hospitals, office buildings and defense installations. The cost of even a detailed field assessment of the seismic resistance of these structures would be very high. Therefore, the Office of Earthquake Hazards Reduction will develop -- working closely with, and drawing on the expertise of, the General Services Administration, the Department of Defense, Veterans Administration, the Department of Housing and Urban Development, and other Federal agencies owning buildings and other structures -- a targeted strategy to identify the Federally-owned structures that present unacceptable risks -- considering their use, occupancy, vulnerability to earthquakes, and the magnitude of the earthquake hazard. Several methodologies to approach this problem are under development by Federal agencies and by the State of California Seismic Safety Commission. The strategy should be outlined by the first half of 1979 to allow the General Services Administration and the Department of Defense to test and improve the strategy in Fiscal Year 1981. When the strategy is developed adequately for widespread application at reasonable cost, the agencies can request additional funds for implementation.

As structures that present unacceptable risks are identified, each agency will include corrections of seismic deficiencies along with other necessary improvements to maintain a balanced annual construction program within its available resources and consistent with its other system-wide priorities. Possible corrections may include retrofitting, replacement, modification of use or occupancy, or simply removal from service. Corrective measures must consider other factors than earthquake safety alone and must be undertaken in a reasoned way. The strategy for identifying hazardous buildings will be coordinated with the Federal Energy Management Program of the Department of Energy where feasible and appropriate.

Two programs provide examples of what can be done. Since the 1971 San Fernando earthquake the Veterans Administration has achieved significant progress in reducing the seismic vulnerability of hospitals. The Department of Defense has begun the upgrading of existing barracks-type buildings in high seismic areas to improve lifesafety as part of

their modernization and is accomplishing seismic strengthening of existing hospitals in high seismic areas in conjunction with upgrading their mechanical, electrical, and safety systems.

In addition to identifying Federally-owned structures that present unacceptable risks, the General Services Administration will prepare guidelines, by January 1980, under the guidance of the Office of Earthquake Hazards Reduction, for evaluating seismic hazard in leasing of buildings. By applying standards for seismic resistance to prospective leased buildings, the Federal government will encourage the gradual reduction of hazard from existing privately-owned hazardous structures.

State and local governments wishing to explore approaches to the problems posed by existing hazardous buildings within their jurisdictions may obtain Federal assistance through the mitigation planning grant program discussed above. Some Federal assistance for actually implementing a reduction in the hazards posed by existing buildings is already available through a variety of existing Federal programs such as the Community Development Block Grant Program of the Department of Housing and Urban Development.

Ensuring the Safety of Critical Facilities

Facilities such as dams and hydraulic structures, nuclear reactors, liquid natural gas plants, and storage facilities for explosive and hazardous materials, have the potential for significantly increasing the destructive impact of an earthquake, should they fail, particularly near a populated region. Lifelines, such as transportation routes and facilities, energy transmission facilities, water supply systems, sewage disposal systems, and communication systems, are all critical to the vitality and resilience of a community. Therefore, special attention must be given to the earthquake resistance of these critical facilities. Most of them are owned by the private sector or State or local governments. The Federal government also owns many critical facilities, including dams and storage facilities for hazardous materials; it also supplies funds for construction for such facilities as transportation and sewage systems; and it licenses some private facilities including nuclear power plants. Currently, earthquake hazards normally receive substantial attention when siting and constructing these critical facilities.

Owing to the limits of our present understanding of earthquakes and their effects, however, geologists, seismologists, and engineers commonly must attach large uncertainties to their quantitative estimates of earthquake hazards. Reservoirs and fluid injection wells pose special problems because, in some instances not yet fully understood, they seem to induce earthquakes. Although it is usually possible to design and construct facilities with an appropriate degree of safety for the use intended, the quantitative uncertainties sometimes virtually immobilize the process of decision making. Delay is often excessive as arguments are made about the appropriate level of conservatism in design and construction. New information developed through research and through the regional evaluation and delineation of earthquake hazards will help to reduce these uncertainties. In other cases the delay is caused as successive organizations conduct

their safety and technical reviews. The economic cost of such a delay can equal the cost of a very substantial increment of the conservatism in design. At the same time, requirements for public safety and the satisfaction of potentially affected communities give rise to the need for independent review and public participation in the planning process.

Several activities are already underway within the Federal government to address significant problems relating to critical facilities that are of particular relevance here. The Administration is proposing legislation to revise the procedures for licensing nuclear power plants. This legislation aims both to increase the participation of State governments in the decision process and to reduce the time required to get new power plants on line. It encourages early identification of geological conditions at prospective power plant sites and the banking of sites for future use. Earthquake-related issues are among the most difficult faced by the Nuclear Regulatory Commission in the licensing process and the Commission supports a research program aimed at their generic solution. In addition, the President recently established, under the leadership of the Secretary of Energy, an Inter-agency Nuclear Waste Management Task Force to formulate recommendations for establishment of an Administration policy with respect to long-term management of nuclear wastes and supporting programs to implement this policy. Among other considerations, attention will be given to the geologic and seismologic aspects of this problem.

In November 1977, the Federal agencies responsible for dam construction completed a report containing draft guidelines for the safety of Federal dams. These guidelines contain provisions regarding earthquake resistance and independent review. Upon completion of a review of these guidelines now being conducted by the Office of Science and Technology Policy, they will be implemented by all Federal agencies. Further, both the Corps of Engineers and the Bureau of Reclamation and other agencies involved in dam construction have established requirements to include seismic design considerations -- in accordance with the latest state of the art -- for new dams and appurtenant structures. There are requirements providing for re-evaluation of existing dams to determine their earthquake resistance in accordance with the latest standards. In addition, the Corps of Engineers has begun the inspection of approximately 9,000 non-Federal dams that could be the cause of substantial loss of life and property in the event of failure. Among other considerations, the Corps will make an assessment of the potential vulnerability of these dams to seismic events and will recommend additional seismic investigation of these dams where required. Results will be made available to States to encourage them to initiate effective non-Federal dam safety programs.

Special attention must be given to facilities that will be vitally needed following a destructive earthquake. Hospitals, fire and police stations, communication and administration centers, water and fuel storage facilities, and transportation facilities and other lifelines, will be needed as much or more after an earthquake than before. The Office

of Earthquake Hazards Reduction, assisted by the Interagency Committee on Seismic Safety in Construction, will develop special guidelines for ensuring the serviceability of these facilities after a destructive earthquake. These guidelines will then be considered for new facilities of this type constructed or financed by the Federal government.

To illustrate this point, the grant and Federal-aid programs of the Department of Transportation rely upon existing national or local codes for design requirements to provide resistance to seismic forces. The fact that these codes do not provide adequate consideration for some of the special types of structures used in transportation structures has been recognized. The Federal Highway Administration, for example, has been working actively with the State of California and the American Association of State Highway and Transportation Officials to develop improved seismic requirements for bridges and tunnels, and has sponsored research on these matters to provide an adequate technological base. This work has been coordinated with the National Science Foundation and other Federal agencies engaged in such research.

Reducing Risks Through Public Information and Participation

Exchange of information is the single most important element and will be the catalyst, in motivating the vast array of individuals who must take actions -- mostly voluntary -- to effect reduction of earthquake hazards. Information must flow in many directions among the public, professionals, research workers, and public officials. Leaders of business and industry must be aware of risks; research workers must be aware of needs, and professionals must be aware of new developments. The public must be kept informed in order to support local action, and public officials must be kept informed in order to take leadership. No single administrative mechanism or agency can provide all the necessary channels for disseminating information on earthquake hazards. There are many existing capabilities that can be used for transmitting earthquake information; the extensive information and education programs of the Department of Agriculture are but one example. Examples of existing mechanisms for transmitting technical data and information include the National Technical Information Service and Environmental Data Service of the Department of Commerce and the publication program of the U.S. Geological Survey.

All Federal agencies implementing actions or supporting research must communicate with those affected of their actions and the results of their work. It will be the role of the Office of Earthquake Hazards Reduction to monitor, and stimulate as needed, the flow of information among research workers, planners and designers, the construction industry, public officials, and the public. Communication with key groups in the society, particularly engineers, architects, planners, and building and emergency preparedness officials is important: the development of earthquake hazards reduction training programs for these groups would be especially fruitful. Free flow of data and ideas among research workers is crucial to the success of the research program. The Office will seek to identify areas where communication among these groups can be strengthened and to effect it.

In carrying out its many functions the Office of Earthquake Hazards Reduction must be aware of new research results, the success or failure of various mitigation programs, and the status of all the earthquake hazard reduction actions throughout the Nation. To achieve this end the Office must develop mechanisms to allow for participation in and periodic review of its program by appropriate representatives of State and local governments, the public, and the professional and research communities. These mechanisms and other procedures for the dissemination of information will be included in the work plan to be prepared by the Office.

Expanding Understanding Through International Cooperation

The United States has neither the greatest nor the least exposure to earthquake hazards among the nations of the world. The frequent occurrence of destructive earthquakes around the world presents a two-fold humanitarian responsibility for the American people, first to assist in times of tragedy, and second to share information useful for mitigating the hazard. Lessons can be learned from earthquakes, foreign and domestic, that can be of value in mitigating hazards from future earthquakes. Several nations have earthquake research and hazard mitigation programs that are in some ways more advanced than those of the United States. Through continued and broadened cooperation with these nations we can learn much.

The Agency for International Development has a continuing responsibility to provide other nations and peoples with information that may help them moderate the impacts of earthquakes and to provide and coordinate Federal assistance when destructive earthquakes occur abroad. Several private professional organizations and Federal agencies have programs to study damaging earthquakes, both foreign and domestic. If gaps exist in the present programs, then the Office of Earthquake Hazards Reduction should identify them and assist in providing a means to fill them.

IMPROVING OUR KNOWLEDGE AND CAPABILITIES

In Fiscal Year 1978, the Nation embarked on a substantially increased program of research for earthquake prediction and hazards mitigation. This program, carried out by the U.S. Geological Survey and the National Science Foundation, is aimed at improving our fundamental capabilities to mitigate earthquake hazards. The full value of this program can be obtained only if it is continued at its present level of effort for several years, at least through Fiscal Year 1983. The main elements of the program are:

- o Fundamental studies - research into the basic causes and mechanisms of earthquakes.
- o Prediction - forecasting the time, place, magnitude and effects of an earthquake.

o Induced Seismicity - prevention or modification of an inadvertently induced or natural earthquake.

o Hazard Assessment - identification and analysis of the potential for earthquakes within a region, their frequency and their effects.

o Engineering - design and construction of structures for acceptable performance during and after an earthquake.

o Policy research - impacts of earthquakes on the community and options for dealing with them.

The technological base for mitigating earthquake hazards is far from complete. Some techniques, such as earthquake prediction and control, are still at an embryonic stage. In contrast, some techniques for earthquake hazard evaluation and engineering design have already been developed to a high degree but have not yet been applied to many hazard-prone regions. The delineation of active faults, for example, is a partially developed technique, the results of which are already being used as a basis for planning decisions. Because these techniques are in various stages of development, the results from research on earthquake prediction and hazards mitigation will become available on a variety of time scales.

Several other Federal agencies have ongoing research or service programs which, in addition to the programs aimed at the application of results discussed below, contribute to an understanding of the fundamental problems related to earthquakes. Examples include the geodetic survey and data service programs of the National Oceanic and Atmospheric Administration, the space geodesy program of the National Aeronautics and Space Administration, seismology programs of the Department of Defense, and programs of the Nuclear Regulatory Commission and the Department of Energy, among others.

Effective application of the emerging results from the research programs of the Geological Survey, the National Science Foundation and other Federal agencies will require development of capabilities through applied research and development in a number of mission agencies. Opportunities for improving capabilities for utilization in these agencies must be identified and considered, and programs of applied research selectively reinforced to ensure the effectiveness of the actions for earthquake hazards reduction taken by the respective agencies. Examples of the kind of applied research required may include the improvement, development, and testing of earthquake design provisions for complex structures other than buildings, such as bridges, dams, tunnels, reactors, and other facilities. The Office of Earthquake Hazards Reduction will play a key role in working with the agencies to identify these opportunities and in developing an overview of the entire program. In addition, the research program will be periodically reviewed by the Office of Science and Technology Policy.

ECONOMIC, FINANCIAL, AND BUDGETARY CONSIDERATIONS

The objectives of the National Earthquake Hazards Reduction Program and the tasks developed to achieve them to provide a basis for actions that will reduce loss of life and maintain the functioning of the economy in the event of an earthquake. The challenge before us is to foster policies that rationally and equitably assess the importance of earthquake impacts in relation to the benefits of competing economic and social allocations of resources. The incremental costs in future construction to accommodate the appropriate seismic resistant requirements is very small in comparison with the cost of correcting past deficiencies. As mentioned above, the cost of retrofitting even Federal buildings alone -- not to mention others -- would be astronomical. Through the coming decades many hazardous buildings will be replaced in the natural course of events by buildings built to modern earthquake resistant standards, because the older buildings have finished their useful lives. These two considerations -- astronomical costs of retrofitting whole classes of buildings, on the one hand, and the normal, gradual replacement of hazardous buildings, on the other -- illustrate the need for an evolutionary strategy based on the identification and the mitigation of the highest risks -- those risks judged to be unacceptable. One unacceptable risk concerns the functioning of the economy. There must be no question that the economic and financial system will survive a catastrophic earthquake. But in our definition of "unacceptable risk" the overall budgetary picture must be kept sharply in focus.

The program set out here attempts throughout to balance overall economic priorities. We, as a Nation, currently face substantial loss of life and property should a large earthquake occur today. The Program described here will not reduce the risk overnight. That cost would be unacceptable. Instead the Program attempts to identify those risks that are simply unacceptable, to eliminate those, and to work gradually through time to achieve a National posture in which we are less and less susceptible to the threat of earthquakes. This Federal program is best approached on a time scale of decades at a reasoned level, rather than at a high cost, crash effort out of proportion with the extent and immediacy of the problem. Several difficult financial problems about earthquake hazards and their reduction remain unsolved. The Office of Earthquake Hazards Reduction will undertake studies to examine these problems, including:

- o Develop means to ensure a viable financial system in the event of a truly catastrophic earthquake. Preparations are currently made to ensure the viability of the financial system in the face of other disasters such as nuclear attack. If a catastrophic earthquake would present different problems, these must be identified and the appropriate preparations must be made.

- o Understand the impact of an earthquake prediction on financial institutions and private investment. A credible earthquake

prediction made several months or more in advance of the predicted event might lead to severe stresses in the financial and investment systems. The nature of these stresses must be identified so that remedies can be devised in advance.

- o Explore the utilization of financial mechanisms within the public and private sectors, including Federal loan, loan-guarantee and grant programs, to effect earthquake hazards reduction. Although significant leverage for mitigation actions exist through these mechanisms, a potential for serious dislocation also exists. Consequently, a cautious, studied approach is required.

Assisting the Office in these studies will be the Federal Preparedness Agency and the Department of the Treasury. Assistance will also be requested from the Federal Reserve Board, Federal Home Loan Bank Board, Federal Deposit Insurance Corporation, Farmer's Home Administration, Federal Insurance Administration, the HUD Office of Housing, and the Small Business Administration. The result of these studies will be available by March 1980.

The role of insurance as a means to compensate victims and encourage earthquake mitigation is potentially great. While residential and commercial earthquake insurance is currently available, it is not widely purchased. Serious questions exist about the capacity of the insurance industry alone to absorb the cost of a catastrophic earthquake if such insurance were widely purchased. The Federal Insurance Administration, in cooperation with the Office of Earthquake Hazards Reduction and other appropriate agencies, will undertake a study of earthquake insurance.

Federal expenditures for earthquake hazards reduction must be weighed carefully and balanced against competing national needs. The highest priority tasks, defined by their ability to effect a reduction in the problem areas that present the greatest risk, will receive the principal budgetary attention. Among these high priorities is the establishment of the program of planning grants to States described above. These grants are intended to be limited to a five-year period, during which the States receiving them can build their own capacity and expertise to plan and implement earthquake hazards reduction actions. Money and people do not add up to capability. What is required is the development of interest, experience, and expertise.

The Office of Earthquake Hazards Reduction will assist the Office of Management and Budget in reviewing budgets for earthquake related matters. Coordinative mechanisms to accomplish this effort will be identified in the work plan that the Office will prepare. In general, however, the allocation of the resources to undertake efforts in the earthquake hazards reduction field that fall within the mission responsibilities of each agency will be considered along with that agency's budget. The Office will be concerned primarily with questions of overall balance, prevention of duplication, and filling of gaps. The Federal program will be balanced and strive to allocate neither too little nor too much

to earthquake hazards reduction and will adapt to developments in research and experience. The first task in this regard will be to address the Fiscal 1980 budgetary requirements for priority actions established in this plan.

RESPONSIBILITIES FOR IMPLEMENTING THE PROGRAM

Responsibilities for implementing the Earthquake Hazards Reduction Program are shared among Federal, State, and local government and diverse groups within the private sector. The Program identifies the roles and responsibilities for Federal agencies and recommends the appropriate roles for State and local government and the private sector as follows:

Federal Responsibilities

To provide a central focus for leading and coordinating the National Earthquake Hazards Reduction Program, the Office of Earthquake Hazards Reduction will be established. Currently the President's Reorganization Project is considering options for the organization of the Federal activities in disaster mitigation and response. Pending decisions resulting from this study, the Office of Earthquake Hazards Reduction will be adjunct to the Office of Science and Technology Policy within the Executive Office of the President.

The principal roles and responsibilities for the Federal agencies as they relate to this program include:

Office of Earthquake Hazards Reduction

- o Stimulate and coordinate actions to reduce earthquake hazards within the Federal Government and throughout the Nation.
- o Develop a phased plan for grants to State governments to assist in planning to mitigate earthquake hazards.
- o Provide leadership of the Federal Interagency Committee on Seismic Safety in Construction to:
 - develop seismic design and construction standards for Federal projects;
 - develop guidelines to ensure serviceability following an earthquake of vital facilities constructed or financed by the Federal government;

- develop guidelines that provide for independent and State and local review of seismic considerations in the construction of critical facilities constructed and financed by the Federal government, where appropriate.

o Develop guidelines for the inclusion of earthquake hazards reduction activities in ongoing Federal programs.

o Develop a strategy to identify existing Federal buildings and other structures that pose unacceptable earthquake-related risks.

o Coordinate the development of guidelines for the consideration of seismic risk in the development of Federal lands.

o Maintain liaison on earthquake-related matters with regulatory agencies such as the Nuclear Regulatory Commission and the Federal Energy Regulatory Commission.

o Develop mechanisms for the participation in and periodic review of the National Program by appropriate representatives of State and local governments, the public, and professional and research communities.

o Review and update periodically the research and implementation plans to assure that they reflect the latest developments and objectives.

o Prepare and submit an annual report on the National Earthquake Hazards Reduction program to the President for transmittal to Congress.

Office of Science and Technology Policy

o Review periodically the research program.

Department of Agriculture

o Participate with the Office of Earthquake Hazards Reduction through the Federal Interagency Committee on Seismic Safety in Construction to develop seismic design and construction standards for Federal projects and related guidelines.

o Work with professional organizations, model code groups, and State and local officials to establish appropriate local seismic requirements to be followed in Federal aid, grant, and loan programs.

o Participate in the development of guidelines for the consideration of seismic risk in the development of Federal lands.

o Assist in the dissemination of information about earthquake hazards reduction activities through existing channels within the agencies of the Department.

Department of Commerceo National Bureau of Standards

-- Assist and cooperate with the Department of Housing and Urban Development, other Federal agencies (particularly those involved in research), National Institute of Building Sciences, professional organizations, model code groups, and State and local building departments, in continuing the development, testing, and improvement of model seismic design and construction provisions suitable for incorporation in local codes, standards, and practices.

-- Research on performance criteria and supporting measurement technology for earthquake resistant construction.

o National Oceanic and Atmospheric Administration

-- Operate the tsunami warning network and issue tsunami warnings.

-- Conduct geodetic surveys through the National Geodetic Survey.

-- Provide data to researchers and the public through the Environmental Data Service.

Department of Defense

o Participate with the Office of Earthquake Hazards Reduction through the Federal Interagency Committee on Seismic Safety in Construction to develop seismic design and construction standards for Federal projects and related guidelines.

o Work with the Office of Earthquake Hazards Reduction and other Federal agencies in developing and testing a strategy to identify Federal structures that pose unacceptable seismic risks.

o Initiate corrective action where existing agency facilities pose unacceptable seismic risks.

o Corps of Engineers

o Participate with the Office of Earthquake Hazards Reduction through the Federal Interagency Committee on Seismic Safety in Construction to develop seismic design and construction standards for Federal projects and related guidelines.

-- Assess potential vulnerability of selected non-Federal dams to earthquakes and develop recommendations for additional seismic investigations as required.

-- Participate in the development of guidelines for the consideration of seismic risk in the development of Federal lands.

Department of Energy

- o Participate with the Office of Earthquake Hazards Reduction through the Federal Interagency Committee on Seismic Safety in Construction to develop seismic design and construction standards for Federal projects and related guidelines.
- o Participate in the development of guidelines for the consideration of seismic risk in the development of Federal lands.

Department of Housing and Urban Development

- o Participate with the Office of Earthquake Hazards Reduction through the Federal Interagency Committee on Seismic Safety in Construction to develop seismic design and construction standards for Federal projects and related guidelines.
- o Work with Federal research activities, professional organizations, model code groups, and State and local officials and planners to establish appropriate local seismic requirement guidelines to be followed in Federal aid, grant, and loan programs.
- o Cooperate with other Federal agencies, State and local governments, and private sector agencies in the conduct of appropriate research to improve building codes and other mitigation measures.

Federal Disaster Assistance Administration

- Prepare Federal earthquake contingency plans and assist State and local governments in the preparation of their plans.

Federal Insurance Administration

- Undertake in a study of the appropriate role of insurance in mitigating the impacts of earthquakes.

Department of Interior

- o Participate in the development of guidelines for the consideration of seismic risk in the development of Federal lands.
- o Bureau of Reclamation
 - Participate with the Office of Earthquake Hazards Reduction through the Federal Interagency Committee on Seismic Safety in construction to develop seismic design and construction standards for Federal projects and related guidelines.

o Geological Survey

- Conduct research on the nature of earthquakes, earthquake prediction, hazards evaluation and delineation, and induced seismicity.
- Evaluate, with the advice of National Earthquake Prediction Evaluation Council, earthquake predictions.
- Prepare national seismic risk maps.
- Evaluate and delineate earthquake hazards on a regional basis.
- Provide data and information on earthquake occurrences and hazards.

Department of State

o Agency for International Development

- Coordinate assistance to other nations stricken by earthquake disaster.
- Coordinate assistance to other nations in developing strategies for mitigating earthquake hazards.

Department of Transportation

- o Participate with the Office of Earthquake Hazards Reduction through the Federal Interagency Committee on Seismic Safety in Construction to develop seismic design and construction standards for Federal projects and related guidelines.
- o Work with the Office of Earthquake Hazards Reduction and other Federal agencies in developing a strategy to identify Federal structures that pose unacceptable seismic risks.
- o Initiate corrective action where existing agency facilities pose unacceptable seismic risks.
- o Work with professional associations, model code groups, and State and local officials to establish appropriate local seismic requirements to be followed in Federal aid and grant programs.
- o Cooperate with other Federal, State, and private agencies in the conduct of appropriate research to provide an adequate technological base for standards for projects, such as bridges and tunnels, not covered by common building codes.

Independent Agencies
General Services Administration

- o Participate with the Office of Earthquake Hazards Reduction through the Federal Interagency Committee on Seismic Safety in Construction to develop seismic design and construction standards for Federal projects and related guidelines.
- o Work with the Office of Earthquake Hazards Reduction and other Federal agencies in developing a strategy to identify Federal structures that pose unacceptable seismic risks.
- o Test and improve the strategy for identifying potentially hazardous Federal structures.
- o Initiate corrective action where existing agency facilities pose unacceptable seismic risks.
- o Develop guidelines for consideration of seismic hazard in the leasing of buildings.
- o Federal Preparedness Agency

Assist in the studies of financial problems related to earthquakes.

National Science Foundation

- o Support fundamental research studies on earthquakes, and basic and applied research on earthquake engineering and policy.

Veterans Administration

- o Participate with the Office of Earthquake Hazards Reduction through the Federal Interagency Committee on Seismic Safety in Construction to develop design and construction standards.
- o Work with the Office of Earthquake Hazards Reduction and other Federal agencies in developing a strategy to identify Federal structures that pose unacceptable seismic risks.

The discharge of these responsibilities by the above principal agencies will require the participation, assistance, and cooperation of many agencies and units of the Federal Government; among these are:

- Small Business Administration
- Nuclear Regulatory Commission
- Environmental Protection Agency
- Department of Health, Education and Welfare
- National Aeronautics and Space Administration
- Department of Treasury

These agencies and others as identified by the Office of Earthquake Hazards Reduction Program will assist the Office and the agencies with principal responsibilities to achieve the purpose of this plan.

Under existing authority, many Federal agencies have important responsibilities for design and construction or for emergency preparedness, response, and relief. These responsibilities will continue undiminished. Where deficiencies are identified, steps will be taken to remedy them. Most Federal responsibilities described under this program can be carried out under existing legislative authority or by executive assignment. Should specific needs for additional legislation to implement this Program be identified, these needs will be communicated to the Congress.

State and Local Responsibilities

State and local governments bear the responsibilities for preparedness, response, warning, regulating construction, and regulating the use of land. The National Earthquake Hazards Reduction Program must, to be successful, include the development of State and local strategies for defining and meeting their responsibilities in earthquake hazards mitigation. To facilitate this, a program of grants will be instituted providing States with the possibility to develop these strategies and the capability to assist local and regional governments to develop their own strategies.

This will not be an entitlement program, but rather the grants will be awarded on the basis of the degree of seismic risk faced by each State and the level of commitment demonstrated by the State to use its own resources, perhaps including revenue sharing funds to implement its program. The purpose of the grants will be to initiate a process within the most severely threatened States to analyze their own problems and find their own solutions. This process should include the modification of decision making processes to include considerations of earthquake hazards where appropriate. Many sources of funds are available to States, local governments, and the private sector through Federal aid, grant, loan, and loan guarantee programs. Most of these Federal programs base their requirements for earthquake considerations on local codes and regulations. Rather than impose universal standards on local governments, it is more appropriate for the Federal agencies supplying the aid, grants, loans, and loan guarantees to work with professional organizations and State and local officials to encourage the development and adoption of appropriate seismic provisions in local codes. The planning grants should provide the States with a chance to assess their current posture and to identify opportunities to reduce their exposure to hazards through modification of existing procedures or regulations. Under existing authority and regulations there are several Federal aid programs that can be used, at the option of the recipient, to mitigate earthquake hazards. One example is the Community Development Block Grant Program, which can be used for a variety of mitigation measures, in many instances, including the acquisition of lands or facilities in seismic hazard zones, identification and mapping of local hazard zones for land use planning, and retrofitting, razing or relocation of structures.

One area of particular concern to State and local government is how, in the future, to respond to an earthquake prediction. Effective utilization of a scientifically credible earthquake prediction for the good of the public will depend on the kinds and extent of defensive action taken in response to the prediction. The responsibilities to warn the people about imminent danger from a nature hazard and to direct them on how to take defensive action are principally State and local government functions, assisted as appropriate by the Federal government. The responsibility for the declaration of an "emergency" after an earthquake prediction rests with the Governor of a potentially affected State. He may also request the declaration of an "emergency" or a "major disaster" by the President, according to the provisions of the "Disaster Relief Act of 1974" (P.L. 93-288). If the President accedes to this request, Federal agencies will then initiate appropriate actions under this Act. The States should review existing legislation defining the responsibility and liability of Governors and other officials in regard to the evaluation of predictions and issuance of warnings, and take steps to remedy any existing deficiencies. In some cases this is already underway.

The opportunity exists for State and local governments to mandate, through legislation, including the adoption of building codes and zoning ordinances, earthquake hazards reduction actions on private property. Much has already been said about the importance of State and local codes and standards for the construction of buildings resistant to earthquakes. In the rapidly urbanizing areas of the country susceptible to earthquakes, regulation of land use through building codes or local zoning is the most effective way to avoid some earthquake hazards. The people of California, through the adoption of a variety of State and local regulations, have provided outstanding, if not universally applicable examples of what can be done. The State Planning Law requires a "Seismic Safety Element" as a part of the General Plan of each city and county. The Alquist-Priola Geologic Hazards Zones Act requires the State Geologist to delineate zones along active faults in which special geologic studies must be carried out prior to development. The Field Act, passed following the collapse of several schools during the 1933 Long Beach earthquake, has been extremely successful in improving the design and construction of schools to resist earthquakes, as most recently demonstrated by the performance of school buildings during the 1971 San Fernando earthquake. Local communities have played a strong role. The seismic provisions in the building codes in some California communities provide examples for other parts of the country with high seismic risk. The ordinances enacted by some local communities to reduce the hazards from parapets, a major life hazard should debris from parapets fall onto a crowded street below, demonstrate what can be done by communities who face their earthquake problems squarely. But appropriate application of the California experience in other seismically active parts of the country cannot be mandated by Federal fiat. State and local action is required. The identification of opportunities for State and local governments to mandate hazards reduction and the decision to act on these opportunities requires the leadership of State and local officials and the resolve of the citizenry.

The local, State, and Federal roles in earthquake hazards reduction are strongly interrelated. The Federal government has important roles in supporting State and local efforts through the provision of information, the development of guidelines and standards for some facilities, encouragement, and limited financial support as described above. But to achieve overall earthquake hazards reduction the State and local governments must identify and address their own local earthquake problems.

Private Responsibilities

As can be seen by many key points in this Program, the success of a national effort to mitigate losses and suffering from earthquakes rests largely in private hands. The role of the Federal government is limited as are the roles of State and local governments.

Business, industry, and the services sector play the lead roles in constructing new buildings and in developing land. Seismic design provisions in local codes, be they modern or outdated, are minimum standards. Thoughtful businessmen interested in providing a safe environment for their consumers and employees, and in protecting their capital investment will want to give careful consideration to earthquake hazards in planning, constructing and maintaining their facilities. The success of much of this program requires the leadership of these elements of the private sector. The interest of business and industry must be maintained in order to accomplish our objectives. In some instances short-term profits may be reduced to increase the long-term benefits of saving lives, reducing property damage, and maintaining the functioning of the economy in the face of a major earthquake. Private financial institutions, including lending agencies and insurance companies, must continue their important role. These institutions may identify opportunities to effect hazards reduction that can be beneficial to all concerned.

Voluntary organizations have traditionally played a major part in providing specialized assistance to victims of disasters. The Nation places a continuing reliance on the efforts of these citizens. Opportunities exist for these same organizations to provide even greater public service by initiating actions to mitigate losses before the disaster, particularly through the dissemination of information. This capacity will be even more important as the ability to predict earthquakes develops.

Individuals and organizations from the research and professional communities, especially practicing professionals, have developed the degree of awareness of earthquake hazards that we have today. Government must work to assist, rather than replace, these efforts. Professional organizations have a continuing and vital role to play. The improvement of model codes, their testing, and their adoption by State and local governments require the vigorous participation of the professional community. Of course any code is only as good as the practice used to carry it out. High quality workmanship and improving practice are responsibilities shared by all elements of the construction industry and local building officials.

The professional organizations also have a particularly important part in communication and the exchange of information. Opportunities for training programs focused on techniques for earthquake hazards reduction should be identified and carried out through these organizations.

Ultimately the success or failure of the National Earthquake Hazards Reduction Program will depend on the resolve of the American people, particularly in the private sector. The expenditure of dollars does not make a successful program. The enthusiasm, the expertise, the willingness to work, and the perseverance of the people are required to make the program effective.

CONCLUSION

A reduction of the earthquake hazards faced by the Nation cannot be achieved overnight -- or even in a few years. It will require continuing effort on the part of many individuals and institutions in government, and the private sector. Many actions can be taken today. Other actions must await the outcome of research. The reduction of earthquake hazards has an important place among our national priorities, and we must begin now. The National Program for Earthquake Hazards Reduction outlines an aggressive program to reduce these hazards -- a program that is balanced against our other national needs and is responsive to the intent of Congress.

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TO THE CONGRESS OF THE UNITED STATES:

Throughout its history, the human race has faced the threat of earthquakes, but in the last few years advances in science and technology have taught us more about earthquakes, and reduced the mystery of their origin and effects. These advances now permit us to anticipate earthquakes and to mitigate their potentially disastrous consequences. Today there is hope that we may eventually be able to predict earthquakes reliably.

Through the Earthquake Hazards Reduction Act of 1977 (Public Law 95-124), the Congress seeks to apply these advances by "the establishment and maintenance of an effective earthquake hazards reduction program." I am transmitting today a plan for a National Earthquake Hazards Reduction Program. This program is designed to meet the objectives of the important legislation you have passed. It deals with: predicting and preparing for earthquakes; ways in which government, industry, and the public can apply knowledge of seismic risk when making land-use decisions; and achieving earthquake-resistant design and construction.

As this program emphasizes, the Federal government must set a strong example in developing guidelines and standards for its own facilities. But Federal effort alone is not enough; to succeed in this effort, we must have the cooperative efforts of State and local governments, industry and business, professional and volunteer organizations, and the public.

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THE WHITE HOUSE,

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X _____
THE WHITE HOUSE,

THE WHITE HOUSE
WASHINGTON

Date: May 6, 1978

MEMORANDUM

FOR ACTION:

Stu Eizenstat *concern by plan*
 Frank Moore *attended*
 Jack Watson *nc*
 Anne Wexler *nc*
 Jim McIntyre *attended*

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: National Earthquake Hazards Reduction Program

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Tuesday

DATE: May 9, 1978

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur. No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAY 09 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JAMES T. MCINTYRE, JR. *Jain*

Subject:

National Earthquake Hazards
Reduction Program

My several concerns about the earthquake hazards reduction program are adequately set forth in the decision memorandum. I advise against approval of the State grant program in decision #3.

I am concerned about the proposal in decision #4 to locate operational responsibilities, even on an interim basis, for activities proposed in the plan, including administration of the grants, in the Office of Science and Technology Policy. I do not object to this proposal only because of another concern which is that locating these responsibilities in one of the agencies to be transferred to the new Federal Emergency Management Administration (FEMA) might upset the present agreement among these agencies on this reorganization proposal. If FEMA has not been established by early 1979, then it is essential that we act on the commitment by Dr. Press to relocate these activities out of the Executive Office.

5/8/78

CONGRESSIONAL LIAISON:

SUBJECT: NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

Comment: Make sure Senator Cranston is consulted; ~~DT~~

also consult Rep. George Brown of California as he and his staff have been working with Frank Press and we must let Brown have the lead in the House. (DT & JF)

Cranston - Geo Brown also
both wired in & are enthusiastic
about the proposal. - per Phil Smith.
Bill

Phil Smith
4921

(Del)
Frank Press
Cort/Santa

Date: May 6, 1978

MEMORANDUM

FOR ACTION:

Stu Eizenstat	Richard Pettigrew
Frank Moore	Greg Schneiders
Jack Watson	Charles Warren
Anne Wexler	
Jim McIntyre	

FOR INFORMATION:

The Vice President

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TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Tuesday

DATE: May 9, 1978

ACTION REQUESTED:

 Your comments

Other:

STAFF RESPONSE:

 I concur. No comment.*Please note other comments below:*

I have worked closely with Frank on this project. OSTP has done a thorough job and the plan should be well recieved on the Hill and among the various interested constituencies. It is completely consistant with the recommendations we will be making on emergency preparedness and response reorganization.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY

WASHINGTON, D.C. 20500

May 5, 1978

MEMORANDUM FOR RICH HUTCHESON

SUBJECT: National Earthquake Hazards Reduction Program

The attached Earthquake Hazards Reduction Program decision memorandum responds to a Congressional Act requiring that the President prepare such a plan. While it was due to the Congress on May 5, Frank Press has explained to the cognizant Committees that the President would review it after his return from the West.

This plan has been developed with the preparation and advice of 19 Departments and agencies and they are in concurrence, for the most part, except in one or two cases, as noted in the memorandum to the President. The senior staff should include Jim McIntyre, Stu Eizenstat and Jack Watson for action and others for action or information as you see fit.

Attachment B is a proposed message to the Congress for the President's review and signature.



Phil Smith

Attachment

5/8/78

TO THE CONGRESS OF THE UNITED STATES:

Throughout its history, the human race has faced the threat of earthquakes, but in the last few years advances in science and technology have taught us more about earthquakes, and reduced the mystery of their origin and effects. These advances now permit us to anticipate earthquakes and to mitigate their potentially disastrous consequences. Today there is hope that we may eventually be able to predict earthquakes reliably.

Through the Earthquake Hazards Reduction Act of 1977 (Public Law 95-124), the Congress seeks to apply these advances by "the establishment and maintenance of an effective earthquake hazards reduction program." I am transmitting today a plan for a National Earthquake Hazards Reduction Program. This program is designed to meet the objectives of the important legislation you have passed. It deals with: predicting and preparing for earthquakes; ways in which ~~the~~ government, industry, and the public can apply knowledge of seismic risk when making land-use decisions; and achieving earthquake-resistant design and construction.

As this program emphasizes, the Federal government must set a strong example in developing guidelines and standards for its own facilities. But Federal effort alone is not enough; to succeed in this effort, we must have the cooperative efforts of State and local governments, industry and business, professional and volunteer organizations, and the public.

JIMMY CARTER

THE WHITE HOUSE
WASHINGTON

May 6, 1978

Jim Fallows

Please edit the attached memo and return to
my office no later than Monday Noon. Thanks.

Rick Hutcheson

Rick - That is the
worst thing I've seen
in weeks. Where did
it come from?
Jim.

Revised 5/18/78

THE WHITE HOUSE

WASHINGTON

~~Joe Hoover~~

~~Joe Hoover~~

TO THE CONGRESS OF THE UNITED STATES:

Throughout history, earthquakes have exacted an enormous toll in human lives and property. Without warning, entire cities have been devastated, leaving the survivors to reconstruct their homes and to repair the rent fabric of their communities.

Through time our understanding of earthquakes has lessened the mystery of their origin and effects. Advances in science and technology permit us to plan for, and to mitigate, their potentially disastrous consequences. Today there is hope that earthquakes may eventually be reliably predicted. Through the Earthquake Hazards Reduction Act of 1977 (Public Law 95-124), the Congress seeks to apply these advances by "the establishment and maintenance of an effective earthquake hazards reduction program."

*These
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anticipate
earthquakes
(ing)*

I am transmitting today a plan for a National Earthquake Hazards Reduction Program. This program is designed to meet the objectives of the important legislation you have passed. It deals with: the prediction of and preparation for earthquakes; the ways that the government, industry, and the public can develop and apply knowledge of seismic risk for making land-use decisions; and the ~~problem of~~ achieving earthquake-resistant design and construction.

*Implementation of within the field of earthquakes, but few years
we were able to
the threat of earthquakes, but few years
science and technology have taught us more about earthquakes, and reduced*

As this program emphasizes, the Federal government must set a strong example in developing guidelines and standards for its own facilities. But Federal effort alone is not enough; ~~Decisions affecting earthquake safety are made at virtually every level of our society—family, community and national.~~ To succeed in this effort, we must build a partnership that includes Federal, State and local governments, industry and business, professional and volunteer organizations, and the public.

~~We must explore new approaches through research and continuously evaluate the effectiveness of hazards reduction efforts.~~

By setting the proper priorities for an earthquake hazards reduction program, planning a realistic and workable strategy, and carrying out the program with the fullest cooperation among all levels of government, I am confident we can achieve our goal of greatly reducing the devastation and suffering that a future earthquake could bring.

have the cooperative effort of

JIMMY CARTER

we have more about earthquakes, and reduced

Date: May 6, 1978

MEMORANDUM

FOR ACTION:

Stu Eizenstat
 Frank Moore
 Jack Watson
 Anne Wexler
 Jim McIntyre

FOR INFORMATION:

Richard Pettigrew *Kal* The Vice President
~~Greg Schneiders~~
 Charles Warren

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SUBJECT: National Earthquake Hazards Reduction Program

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TIME: 12:00 NoonDAY: TuesdayDATE: May 9, 1978

ACTION REQUESTED:

 Your comments

Other:

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Please note other comments below:

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