The original documents are located in Box 11, folder "Earthquakes - Meeting with Schleede, Barnes, Moore, and Kidd, August 4, 1976" of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

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MEETING WITH SCHLEEDE, BARNES,
MOORE, KIDD
Wednesday, August 4, 1976
2:00 - 2:30 p.m.
Re: Earthquake Legislation

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OFFICE OF THE VICE PRESIDENT

WASHINGTON

August 2, 1976

MEMORANDUM FOR: JIM CANNON

FROM: DICK ALLISON Dick

SUBJECT: Earthquakes (Attached Correspondence)

This weekend I thought more about the earthquake problem raised by the attached correspondence and believe now more strongly than before that the Administration should have a coherent and easily identifiable position on each of the following aspects, any of which could become a public issue in the next several months:

- prediction;
- managing reactions to predictions of disaster;
- managing reactions to disasters.

I also believe that whatever position the Administration develops should have some reference to the current Chinese experience, so that, should all this become a matter of public discussion, the public would immediately perceive that the Administration was doing its best to take into account what is happening in China.

I have discussed those views with Glenn Schleede, who suggested that I send them directly to you, coincidental with his memorandum to you, dated today, on the same subject.

Attachment

cc: Glenn Schleede

MEMORANDUM

OFFICE OF THE VICE PRESIDENT

WASHINGTON

July 26, 1976

MEMORANDUM FOR: THE RECORD

FROM: DICK ALLISON Dick

SUBJECT: Letter to the Vice President, as Chairman of the Domestic Council, from Gilbert F. White and J. Eugene Haas, Institute of Behavioral Science, University of Colorado, July 6, 1976 (copy attached)

1. This letter was received by the Vice President's Office on July 12, 1976, and by me on July 13. On the 13th, I furnished copies to Jack Veneman, Glenn Schleede, and Glenn's assistant, Dennis Barnes.

2. On July 14, I acknowledged receipt of the letter by phone to Dr. White's office at the University of Colorado.

3. On July 16, I discussed the letter with Glenn Schleede, who referred it to his assistant, Dennis Barnes, for the latter's study. In this conversation with Glenn, we agreed that the study recommended by the letter was a good idea. At the end of that meeting, Glenn said that he would advise me regarding what action to take next.

4. On July 26, Glenn and I discussed the letter again and agreed that it should be formally referred to the Domestic Council for evaluation as a study proposal.

5. On this date, I so referred the letter, and advised Dr. White's office that a fuller reply would be ready about a week hence.

cc: James M. Cannon
Dennis Barnes

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UNIVERSITY OF COLORADO
Boulder, Colorado 80309

INSTITUTE OF BEHAVIORAL SCIENCE

July 6, 1976

The Honorable Nelson Rockefeller
Chairman, Domestic Council
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. Rockefeller:

During recent months we have been involved in studies relating to the likely economic and social effects of earthquake prediction in the United States, and are writing to suggest to you a problem which is of high urgency and which would seem to lend itself to action by the Domestic Council.

The rapid increase in prospective capacity for the U.S. Geological Survey to issue warnings of earthquakes in selected parts of the United States is well known to you and your staff. While not yet fully assured, there are substantial prospects that it will be achieved for some areas within months or years. The opportunities and problems produced by this increased predictive capacity and the understanding of earthquake mechanisms which it represents have been aired by hearings on both the Senate and House sides of Congress, most recently by a subcommittee of the House Committee on Science and Technology.

One aspect of the problem which we believe has not received sufficient emphasis and which has the potential of constituting a major domestic issue is that of the anticipation of the major social, economic and political adjustments which will be required if and when a firm prediction of an earthquake event is issued by a Federal agency. You will recall that this is a distinct possibility for the Palmdale uplift area north of Los Angeles.

Some of the major consequences which we anticipate will require early response at the Federal level are the following:

1. Availability of earthquake insurance

   When there is a prediction of a damaging earthquake which is supported by broad scientific consensus, it will be only a matter of days before new earthquake insurance coverage will no longer be available. For this and other reasons mortgage availability will be sharply curtailed for the "target" area. A series of other negative economic impacts may be expected to flow therefrom.

What policies or programs, if any, need to be developed and implemented so that earthquake insurance or some functional equivalent may serve to soften the downward economic spiral?

It should be recognized that there may be several years between the release of the prediction and the earthquake event, or its failure to occur, as predicted.

2. Clarification of legal liability in the face of an earthquake prediction released by a Federal agency.

It is unclear what the liability may be for those preparing and releasing earthquake predictions, those officially acting on the basis of the prediction, those responsible for structures frequented by the public and employers in the private sector.

How can public officials act responsibly when their vulnerability to liability suits is unknown?

3. Presidential declaration of emergency

Evidence to date suggests that there will be extraordinary and extensive actions required by Federal agencies if they are to act responsibly in the face of an earthquake prediction. But to do so will or may require special authorization and funding not normally available. It is unclear whether the 1974 Disaster Assistance Act provides for the possibility of a Presidential Declaration of Emergency prior to the occurrence of the earthquake itself. Thus, many Federal agencies may find their hands tied.

4. Stabilization of the economy, solvency of local government, "pre-disaster" assistance

There is consistent evidence that unless counter measures are taken, the local economy will be badly hurt, especially over a period of several years. New construction will largely cease, property values will decline, business activity will slow, unemployment will rise sharply, and tax revenues to local government will continue to fall.

How can drastically increased mitigation and preparedness measures be financed by local government under these conditions? Should special state and Federal "pre-disaster" financial assistance be provided to local government? Should businesses and families hard hit by the consequences of a prediction coming from a Federal agency be assisted in any manner? Does

the Federal government have any responsibility for those who evacuate the area in anticipation of a predicted earthquake?

At present we see no mechanism within the Federal establishment to anticipate how the Federal government will deal with these questions at the time an earthquake prediction is being generated and before and immediately after it is issued. Consideration of these aspects clearly is not a responsibility of the Director of the U.S. Geological Survey, and we are convinced that it would be a disservice to the Survey as well as to the nation to allow the Survey to take the full responsibility for issuing the warning on scientific grounds without enabling it to have the benefit of responsible and informed judgement from other agencies which inevitably must contend with the type of issues stated above.

We understand that the Administration position with respect to the pending legislation on earthquake research is that there is already adequate responsibility among Federal agencies to deal with earthquake research problems. It would be a mistake, however, to assume that the present organization of the government would permit an adequate consideration of the policy issues at the time an earthquake prediction is promulgated. We would like to suggest that the Domestic Council set up some special kind of task group, including the Director of the U.S. Geological Survey as well as a number of the key agencies involved in political, economic and social reactions, with a view to working out precisely what procedures would be followed in generating a prediction and in issuing it to the affected population. There is now sufficient information to predict many, but surely not all, of the social consequences; a task group could deal with difficult questions of administrative responsibility and public fiscal and administrative policy without asking for an elaborate data collection effort.

If capacity for issuing a specific prediction were not to come to fruition in the next few months this exercise might prove unnecessary in the short run. However, it is highly likely that at some time in the next few years and possibly within a matter of weeks or months it would be of high importance in avoiding unnecessary social disruption in the United States.

Sincerely,

Gilbert F. White

J. Eugene Haas

GFW/ml

☆ U. S. GOVERNMENT PRINTING OFFICE: 1972 477-982

OFFICE OF THE VICE PRESIDENT

REFERRAL

To: The Honorable James M. Cannon
Executive Director
Domestic Council

Date: July 26, 1976

ACTION REQUESTED

_____ Draft reply for:
_____ Vice President's signature.
_____ Undersigned's signature.

_____ Memorandum for use as enclosure to reply.

XX Direct reply.
XX Furnish information copy.

_____ Suitable acknowledgment or other appropriate handling.

_____ Furnish copy of reply, if any.

_____ For your information.

_____ For comment.

NOTE

Prompt action is essential.

If more than 48 hours' delay is encountered, please telephone the undersigned immediately.

Basic correspondence should be returned when draft reply, memorandum, or comment is requested.

REMARKS: This letter has been discussed with Glenn Schleede and Dennis Barnes; it was agreed that it should be formally referred to Glenn Schleede through Domestic Council channels. See attached Memorandum for Record.

Description:

XX Letter: _____ Telegram: Other:

To: The Vice President as Chairman, Domestic Council
From: Gilbert F. White and J. Eugene Haas, Behavioral Science Institute, University of Colorado
Date: July 6, 1976
Subject: Need for a Domestic Council study of actions needed in the event of the prediction of a major earthquake.

By direction of the Vice President

G. R. Allison
Assistant to the
Vice President

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THE WHITE HOUSE

WASHINGTON

ACTION
DECISION

August 2, 1976

MEMORANDUM FOR: JIM CANNON

FROM: GLENN SCHLEEDE
DENNIS BARNES

SUBJECT: EARTHQUAKES

This memo is to:

1. Summarize recent Administration actions concerned with earthquake prediction and damage mitigation.

2. Report on Congressional activities -- which may lead to the passage of an unacceptable earthquake bill this session.

3. Outline weaknesses in Executive Branch preparations to date for either (a) handling preparations for a major earthquake, or (b) justifying that additional preparations are not desirable or a Federal responsibility.

4. Recommend that a group be put together quickly -- perhaps a Domestic Council Committee -- to:

   -- Sort out the issues and determine the right thing to do substantively;

   -- Develop substantive proposals for the President's consideration;

   -- Get us in a position to respond to the Congressional initiatives.

The underlying problem is that our interagency activities have been confined largely to R&D. The broader questions involved need attention by Administration officials who are responsible for and knowledgeable about the Federal role and preparations for potential disasters. The Science Adviser, NSF, and Geological Survey people who

have been principally involved thus far are not the right ones to address the larger issues now facing us.

ADMINISTRATION ACTION THUS FAR

1. Earthquake research and monitoring.

   . $2.6 million has been reprogrammed for monitoring the uplift near Los Angeles.

   . An interagency group led by Dr. Stever is in the final stages of preparing alternative program proposals for research and monitoring for consideration in the FY 1978 Budget cycle. They will not deal with warnings, preparations or post-disaster activities. Dr. Stever also has appointed an outside advisory group, which group consists primarily of people interested in earthquake-related R&D. Alternative plans being developed will call for large increases in R&D spending (up to $100 million in 1978 compared to $22 million in 1977.)

2. Administration position with respect to preparation for potential disasters seems mirky due to:

   . Cuts in funding for civil defense, for purposes other than preparation for nuclear war, in the President's 1977 Budget request.

   . Absence of any clear assignment of leadership for sorting out what the Federal Government should and should not do.

   . The inherent difficulties in deciding what should be done to prepare for potential disasters.

3. The Federal Disaster Relief Act of 1974 requires a number of actions by the Executive Branch in preparation for earthquakes and other disasters. As I understand it, most responsibility is assigned to HUD. HUD has delegated the earthquake warning responsibility to Interior (Geological Survey). Whether other responsibilities assigned by the Act -- e.g., preparation beyond the warning stage -- are being carried out is an open question.

CONGRESSIONAL ACTIONS

1. Senate. In May 1976, the Senate passed legislation sponsored by Senator Cranston (S.1174) which would direct the President to establish "a coordinated earthquake hazard reduction program" to reduce loss of life and property and would authorize $150 million over three years for increased research by NSF and USGS.

2. House. Teague's Science and Technology Committee (principally Charles Mosher) is pushing ahead with some kind of bill. The latest version takes the typical approach when a problem is not understood: more R&D and more organizational arrangements. Specifically, it calls for:

   . $30 to $35 million in additional NSF and GS research.
   . An Office of Earthquake Hazard Reduction to be placed in the OSTP until the President designates an alternative location in an existing Federal agency.
   . A National Advisory Committee on Earthquake Hazard Reduction to advise the office.
   . An Earthquake Prediction Evaluation Board to evaluate and authenticate earthquake predictions.

   (our principal problem with this approach is that the groups are almost certain to turn into pressure groups for extensive Federal involvement. In the absence of better preparations on our part, we are vulnerable to such pressure.)

3. Outlook this Session. This is still unclear, but this type of legislation is the kind that slips through easily in an election year.

WEAKNESSES IN EXECUTIVE BRANCH PREPARATION

From what we have seen thus far in reviewing R&D proposals, it seems that the Administration has not thought through several critical questions, e.g.,

-- What responsibilities are now assigned to the Federal Government (beyond research and prediction) and are we carrying them out adequately?

-- What should be the Federal role beyond research and prediction?

-- If there should be essentially no other Federal role, how do we (a) defend that position, and (b) encourage other sectors to assume their appropriate roles?

Attached at TAB A is a rather well-thought out letter to the Vice President from Drs. White and Haas of the University of Colorado which raises additional questions with respect to earthquakes and other disasters (including many that you have raised and I have been unable to answer). This letter still needs a substantive response.

RECOMMENDATIONS

1. Identifying the right substantive actions. The principal need seems to be for attention to possible Federal actions beyond research and prediction. To address these areas, we recommend that some kind of temporary interagency task force be set up immediately. This should be done by OMB, Domestic Council, or both. A quick look by such a group should provide the basis for deciding whether a longer term group (perhaps a Domestic Council Committee) is needed -- as suggested by the letter at TAB A. We have discussed this approach with Lynn May and he concurs. We discussed briefly the possibility of getting Tom Dunn of HUD as the leader for such a group because of his familiarity with disaster preparations and his orientation toward minimizing the Federal role.

2. Position on Legislation. We recommend trying to head off any legislation during the current session but this may be impossible because (a) we don't appear to be organized to deal with the issues beyond research and prediction, (b) the legislation has yet to be focused upon at the policy level in OMB or elsewhere in the Administration, and (c) contacts that have occurred in recent days at the staff level may have given the Committee the impression that we would not oppose the bill now being considered.

3. Relative Priority. This subject should have high priority because of: (a) the increasing chances for Congressional action , (b) the great attention being focused upon earthquake prediction by the research community, (c) outstanding questions on activities beyond research and prediction, and (d) the heightened interest occuring as a result of earthquakes in China.

4. Lead Responsibility. Because of the nature of the problems that had to be addressed, we recommend that you consider assigning lead responsibility to Lynn May and George Kidd or -- recognizing the cross nature -- to Art Quern and Alan Moore.

cc: Lynn May/George Kidd
Art Quern/Alan Moore

TAB A

UNIVERSITY OF COLORADO
Boulder, Colorado 80309

TAB A

July 6, 1976

INSTITUTE OF BEHAVIORAL SCIENCE

The Honorable Nelson Rockefeller
Chairman, Domestic Council
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. Rockefeller:

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The rapid increase in prospective capacity for the U.S. Geological Survey to issue warnings of earthquakes in selected parts of the United States is well known to you and your staff. While not yet fully assured, there are substantial prospects that it will be achieved for some areas within months or years. The opportunities and problems produced by this increased predictive capacity and the understanding of earthquake mechanisms which it represents have been aired by hearings on both the Senate and House sides of Congress, most recently by a subcommittee of the House Committee on Science and Technology.

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What policies or programs, if any, need to be developed and implemented so that earthquake insurance or some functional equivalent may serve to soften the downward economic spiral?

It should be recognized that there may be several years between the release of the prediction and the earthquake event, or its failure to occur, as predicted.

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There is consistent evidence that unless counter measures are taken, the local economy will be badly hurt, especially over a period of several years. New construction will largely cease, property values will decline, business activity will slow, unemployment will rise sharply, and tax revenues to local government will continue to fall.

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Sincerely,

Gilbert F. White

Gilbert F. White

J. Eugene Haas

J. Eugene Haas

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GFW/ml