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DISASTER ASSISTANCE LEGISLATION

GOVERNMENT

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HEARINGS

BEFORE THE

COMMITTEE ON FLOOD CONTROL

OF THE

COMMITTEE ON PUBLIC WORKS

HOUSE OF REPRESENTATIVES

NINETY-FIRST CONGRESS

SECOND SESSION

ON

H.R. 17518 and Related Bills

TO AMEND EXISTING FEDERAL DISASTER ASSISTANCE
LEGISLATION, AND FOR OTHER PURPOSES

JULY 28, 29, 30, 1970

Printed for the use of the Committee on Public Works



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DISASTER ASSISTANCE LEGISLATION

TUESDAY, JULY 28, 1970

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON FLOOD CONTROL
OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The committee met at 10:02 a.m., in room 2167, Rayburn Building, Hon. Robert E. Jones, subcommittee chairman, presiding.

Mr. JONES. The subcommittee will come to order.

Throughout the history of our Nation, nature has struck devastating blows to the United States and to our citizens through floods, hurricanes, earthquakes, fires, and other disasters.

From the earliest days of the Republic, the Federal Government's responsibility to assist communities in times of great disaster was recognized. For example, in the early 1800's, the Congress extended the time for discharging custom house bonds of the sufferers from the great Portsmouth fire. Congressional action was often required and was provided on the basis of individual disasters. This was necessary because Federal agencies lacked legal authority and funds to provide immediate assistance in a crisis. From 1803 to 1950, there were more than 100 separate Federal acts providing relief to local governments and to sufferers from floods, fires, earthquakes, and other national disasters.

In 1947, the Congress laid the framework for a general policy for disaster relief by empowering the President to direct the Federal Works Administrator to make surplus wartime supplies available to States, local governments, and citizens in a disaster area.

The present policy for disaster relief was established by the Federal Disaster Act of 1950, Public Law 875, of the 81st Congress, which gives the President broad powers to provide an orderly and continuing means of assistance by the Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters.

Today, there are fully half a hundred Federal agencies, bureaus, and offices which have statutory responsibility for providing disaster assistance either under the provisions of the Federal Disaster Act or under statutes which give them specific authority in certain areas.

The continuing disasters which have struck with lightning fury in various sections of our Nation have further emphasized the importance of the entire program of Federal participation in disaster relief. The subcommittee has firsthand knowledge of all of these disasters and several in particular were of major proportions including the catas-

trophes suffered in 1969 by the State of California in January, the State of Ohio in July, the Southeastern States devastated by Hurricane Camille in August, and the Midwestern States on several occasions during the year. In all there were 29 major disasters during 1969—the largest number since the passage of Public Law 875 in 1950.

As a result of the disasters in 1969, particularly the California floods and Hurricane Camille, the Congress enacted the Disaster Relief Act of 1969. This legislation which included many new innovations in Federal assistance has an expiration date of December 31, 1970. This date was established so that we could have an opportunity to examine and evaluate the experience gained as a result of the administration of the provisions of the legislation. This experience will unquestionably be of value in making the determination of the type and content of permanent legislation needed and is required.

We are seeking by these hearings, which we start today, to obtain the views as to necessary legislation of state and Federal agencies, private organizations, and citizens concerned with restoring normal activities to a community following a disaster. We shall be guided during these hearings and our subsequent considerations by our belief that when a major disaster strikes an area, our first concern is to be of as much usefulness and assistance to the victims as possible. This response is a reflection of a concern of all the people of the Nation for those who have suffered in a disaster.

So, with that aim in mind, and the purpose we are seeking under this legislation, we will have a scheduled hearing for some 3 days.

At this point in the record I will place a copy of the bill H.R. 17518, and a listing of related bills.

(Items referred to follow:)

91ST CONGRESS
2D SESSION

H. R. 17518

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 1970

Mr. FALLON (for himself, Mr. CRAMER, Mr. HARSHA, Mr. GROVER, Mr. CLEVELAND, Mr. DON H. CLAUSEN, Mr. McEWEN, Mr. DUNCAN, Mr. SCHWENGEL, Mr. SCHADEBERG, Mr. SNYDER, Mr. DENNEY, Mr. ZION, Mr. McDONALD of Michigan, Mr. HAMMERSCHMIDT, and Mr. MILLER of Ohio) (by request) introduced the following bill; which was referred to the Committee on Public Works

A BILL

To amend existing Federal disaster assistance legislation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Disaster Assistance Act
4 of 1970."

5 SEC. 2. Section 2 of "An Act to authorize Federal assist-
6 ance to States and local governments in major disasters, and
7 for other purposes", approved September 30, 1950 (Public
8 Law 875, Eighty-first Congress—42 U.S.C. 1855-1855g),
9 as amended, is further amended as follows:

VI—O

1 (a) Section 2 (a) is amended (1) by striking "dis-
2 aster assistance under this Act" and substituting "Federal
3 disaster assistance", and (2) by striking "(or the Board of
4 Commissioners of the District of Columbia)."

5 (b) Section 2 (c) of the Act is amended by striking the
6 semicolon at the end of subparagraph (c) and adding "and
7 the District of Columbia;".

8 (c) Subsection 3 (d) of the Act is amended to read as
9 follows:

10 “(d) by performing on public or private lands protec-
11 tive, emergency, and other work essential for the preserva-
12 tion of life and property; clearing debris and wreckage;
13 making repairs to and replacements of public facilities (in-
14 cluding street, road, and highway facilities) of States and
15 local governments damaged or destroyed in such major disas-
16 ter: *Provided*, That the Federal contributions therefor shall
17 not exceed the net cost of restoring such facilities to their
18 predisaster capacity and in conformity with current codes
19 and specifications; providing temporary housing or other
20 emergency shelter, including leased mobile homes or other
21 readily fabricated dwellings (with such rentals as may be
22 appropriate, considering the hardship and the financial ability
23 of the occupant to pay), for those who, as a result of such
24 major disaster, require temporary housing or other emer-
25 gency shelter; and making contributions to States and local
26 governments for purposes stated in subsection (d).”

1 (e) Section 4 of the Act is amended to read as follows:

2 "SEC. 4. (a) In providing relief and assistance follow-
3 ing a major disaster, the President may utilize, with their con-
4 sent, the personnel and facilities of private relief organiza-
5 tions, in the distribution of medicine, supplies, or other items,
6 whenever the President finds that distribution through such
7 organizations is necessary.

8 "(b) The President is authorized to enter into agree-
9 ments with private relief organizations under which the dis-
10 aster relief activities of such organizations may be coordinated
11 by appropriate Federal officials whenever such organizations
12 are engaged in providing relief during and after a major dis-
13 aster. Any such agreement shall include provisions condi-
14 tioning use of the facilities of the Federal Government and
15 the services of Federal officials upon compliance with title
16 VI of the Civil Rights Act of 1964, as amended, section 8
17 of this Act, and the regulations issued thereunder. Nothing
18 contained in this Act shall be construed to limit or in any
19 way affect the responsibility of the American National Red
20 Cross under the Act approved January 5, 1905 (33 Stat.
21 599), as amended."

22 SEC. 3. The Disaster Relief Act of 1969 (Public Law
23 91-79, 83 Stat. 125), hereinafter in this section referred to
24 as the Act, is amended as follows:

25 (a) Section 6 of the Act is amended to read as follows:

1 "In the administration of the disaster loan program
2 under section 7 (b) (1), (2), and (4) of the Small Busi-
3 ness Act, as amended (15 U.S.C. 636 (b)), in the case of
4 property loss or damage, or substantial economic injury to
5 small business concerns, resulting from a major disaster as
6 determined by the President, a natural disaster as deter-
7 mined by the Secretary of Agriculture or a disaster as deter-
8 mined by the Administrator, the Small Business Adminis-
9 tration—

10 "(1) to the extent such loss or damage is not com-
11 pensated for by insurance or otherwise, may grant any
12 loan for repair, rehabilitation, or replacement of property
13 damaged or destroyed, without regard to whether the
14 required financial assistance is otherwise available from
15 private sources: *Provided*, That a loan shall not be
16 denied on the basis of age: *And provided further*, That
17 any loan made under this section 6 shall not exceed the
18 current repair or replacement cost of the disaster loss
19 in conformity with current codes and specifications and
20 shall bear interest at a rate determined by the Secre-
21 tary of the Treasury taking into consideration the cur-
22 rent average market yield on outstanding marketable
23 obligations of the United States with remaining periods
24 to maturity of ten to twelve years less not to exceed 1
25 per centum per annum.

1 “(2) may, in the case of the total destruction or
2 substantial property damage of a home or business con-
3 cern, refinance any mortgage or other liens outstanding
4 against the destroyed or damaged property if such prop-
5 erty is to be repaired, rehabilitated, or replaced: *Pro-*
6 *vided*, That such refinancing may not exceed the amount
7 of the physical loss sustained, and shall bear interest at
8 the rate determined in paragraph (1) of this sub-
9 section.

10 “(3) to the extent that repayment of such loan
11 made hereunder would constitute a hardship upon the
12 borrower, may, on that part of any loan in excess of
13 \$500, cancel the principal of the loan, except that the
14 total amount so canceled shall not exceed \$2,500: *Pro-*
15 *vided*, That this provision shall apply only to loans
16 made to cover losses resulting from major disasters as
17 determined by the President.

18 “(4) may defer interest payments or principal
19 payments, or both, in whole or in part, on such loan
20 during the first three years of the term of the loan but
21 any such deferred payments shall themselves bear in-
22 terest at the rate determined under paragraph 1 of this
23 subsection.”

24 (b) Section 7 of the Act is amended to read as follows:
25 “In the administration of the emergency loan program

1 under subtitle C of the Consolidated Farmers Home Adminis-
2 tration Act of 1961, as amended (7 U.S.C. 1961-1967),
3 and the rural housing loan program under section 502 of title
4 V of the Housing Act of 1949, as amended (42 U.S.C.
5 1472), in the case of loss or damage to property including
6 household furnishings resulting from a major disaster as deter-
7 mined by the President, or a natural disaster as determined
8 by the Secretary of Agriculture, the Secretary of
9 Agriculture—

10 “(1) to the extent such loss or damage is not com-
11 pensated for by insurance or otherwise, may grant any
12 loan for the repair, rehabilitation, or replacement of
13 property damaged or destroyed, without regard to
14 whether the required financial assistance is otherwise
15 available from private sources: *Provided*, That a loan shall
16 not be denied on the basis of age: *And provided further*,
17 That any loan made under this section 7 shall not exceed
18 the amount required to continue damaged or destroyed
19 farming operations and the restoration or repair of dam-
20 aged or destroyed property in conformity with current
21 codes and specifications, and such loans shall bear inter-
22 est at a rate determined by the Secretary of the Treasury
23 taking into consideration the current average market
24 yield on outstanding marketable obligations of the United
25 States with remaining periods of maturity of ten to
26 twelve years less not to exceed 1 per centum per annum.

1 “(2) may, in the case of the total destruction or
2 substantial property damage of homes or farm service
3 buildings and related structures and equipment, refinance
4 any mortgage or other liens outstanding against the
5 destroyed or damaged property if such property is to be
6 repaired, rehabilitated, or replaced: *Provided*, That such
7 refinancing may not exceed the amount of the physical
8 loss sustained, and shall bear interest at the rate de-
9 termined in paragraph (1) of this subsection.

10 “(3) to the extent that repayment of such loan
11 made hereunder would constitute a hardship upon the
12 borrower, may, on that part of any loan in excess of
13 \$500, cancel the principal of the loan, except that the
14 total amount so canceled shall not exceed \$2,500: *Pro-*
15 *vided*, That this provision shall apply only to loans
16 made to cover losses resulting from major disasters as
17 determined by the President.

18 “(4) may defer interest payments or principal pay-
19 ments, or both, in whole or in part, on loans authorized
20 in this subsection during the first three years of the term
21 of the loan but any such deferred payments shall them-
22 selves bear interest at the rate determined in paragraph
23 1 of this subsection.”

24 “(c) Subparagraph (c) of section 8 of the Act is
25 amended to read as follows:

1 “(c) Any State desiring assistance under this section
2 shall designate or create an agency which is specifically qual-
3 ified to plan and administer a disaster relief program, and
4 shall, through such agency, submit a State plan to the
5 President, which shall (1) set forth a comprehensive and
6 detailed State program for assistance to individuals and to
7 local governments suffering losses as a result of a major dis-
8 aster and (2) include provisions for the appointment of a
9 State coordinating officer.”

10 (d) Section 8 of the Act is further amended by adding
11 a new subparagraph (f) as follows:

12 “(f) The President is authorized to make grants not to
13 exceed 50 per centum of the cost for the purpose of improv-
14 ing, maintaining, and updating State disaster assistance
15 plans.”

16 (e) Section 14 of the Act is amended to read as fol-
17 lows:

18 “SEC. 14. The President, whenever he determines it to
19 be in the public interest, is authorized to make grants to any
20 State or local government for the purpose of removing debris
21 on privately owned lands and waters as a result of a major
22 disaster, and through such State or local government is au-
23 thorized to make payments to contractors for the removal of
24 debris from community areas which may include the private
25 property of an individual: *Provided*, That no benefits will

1 be available under this section unless such State or local gov-
2 ernment arranges unconditional authorization for removal
3 of debris from such property and agrees to indemnify the
4 Federal Government against any claim arising from such
5 debris removal."

6 (f) Section 15 of the Act is repealed: *Provided*, That
7 applications for assistance submitted to responsible Federal
8 agencies under the Act resulting from disasters declared prior
9 to the date of enactment hereof shall be disposed of in ac-
10 cordance with the provisions of the Act and are not affected
11 by this repealer. Sections 2, 4, 10, and 11 of the Act shall
12 not be in effect after December 31, 1970. All other sections
13 of the Act shall continue to be effective, as amended, except
14 that section 12 shall continue in effect only until December
15 31, 1972. When directed by the President, appropriations
16 available to the Department of Labor for unemployment
17 compensation may be used for the purposes of section 12
18 and reimbursement shall be made to such appropriations from
19 appropriations available for disaster relief.

20 SEC. 4. Section 401 of title IV of the Public Works and
21 Economic Development Act of 1965, as amended, is
22 amended—

23 (a) by striking in subsection (a) (6) the period
24 and inserting in lieu thereof a semicolon;

1 (b) by adding a new subsection to be numbered
2 (a) (7) and to read as follows:

3 “(7) those areas which the Secretary determines
4 meet the purposes of this Act and which have suffered
5 a ‘major disaster’ as determined by the President pur-
6 suant to section 1855a (a) of title 42 of the United
7 States Code.”

8 SEC. 5. (a) The President is authorized to make loans
9 to any local government which, as the result of a major dis-
10 aster, including such disasters occurring before the enactment
11 hereof but after June 30, 1969, has suffered a substantial
12 loss of property tax revenue. Loans provided under this sec-
13 tion may be made for the tax year in which the disaster oc-
14 curred and for each of the following two tax years. Loans for
15 any year shall not exceed the difference between the average
16 annual property tax revenue received by the local govern-
17 ment for the three-year period preceding the major disaster
18 and the local government's accrued property tax revenue for
19 each of the three years following the major disaster. For pur-
20 poses of computations under this section, the tax rates and
21 tax assessment valuation factors in effect at the time of the
22 disaster shall not be reduced during the three-year period
23 following the disaster.

24 (b) Loans provided under this section shall be payable
25 in installments, shall be for a term not in excess of fifteen

1 years and shall bear interest at a rate determined by the
2 Secretary of the Treasury taking into consideration the cur-
3 rent average market yield on outstanding marketable obli-
4 gations of the United States with remaining periods to ma-
5 turity of ten to twelve years less not to exceed 1 per centum
6 per annum. Interest payments or principal payments, or
7 both, in whole or in part, may be deferred on such loans
8 during the first three years of the term of the loan but any
9 such deferred payments shall themselves bear interest at the
10 current rate as determined above.

11 (c) There is hereby created with the Treasury a separate
12 fund for the purpose of making loans under this section
13 which shall be available to the President without fiscal year
14 limitation as a revolving fund for the purposes of this section.
15 The total of any loans made from the fund in any fiscal year
16 shall not exceed limitations specified by appropriation act.
17 A business-type budget for the fund shall be prepared, trans-
18 mitted to the Congress, considered and enacted in the manner
19 prescribed by law (section 847-849 of title 31) for wholly
20 owned Government corporations.

21 (d) (1) The President may transfer to the fund such
22 sums as he may determine to be necessary from the appro-
23 priations available to him for disaster relief. All amounts
24 received as interest payments or repayments of principal on
25 loans, and any other moneys, property, or assets derived

1 from operations in connection with this section shall be
2 deposited to the fund.

3 (2) All loans, expenses, and payments pursuant to oper-
4 ations under this section shall be paid from the fund. From
5 time to time, and at least at the close of each fiscal year,
6 there shall be paid from the fund into the Treasury as miscel-
7 laneous receipts, interest on the average amount of appropria-
8 tions accumulated as capital to the fund, less the average un-
9 disbursed cash balance in the fund during the year. The rate
10 of such interest shall not exceed the rate specified in sub-
11 section (b) above for loans from the fund. Interest pay-
12 ments may be deferred with the approval of the Secretary
13 of the Treasury, but any interest payments so deferred shall
14 themselves bear interest. If at any time the President deter-
15 mines that moneys in the fund exceed the present and any
16 reasonably prospective future requirements of the fund, such
17 excess may be transferred to the general fund of the Treasury
18 or to the appropriations available to the President for pur-
19 poses of disaster relief.

20 SEC. 6. To avert or lessen the effects and without declar-
21 ing a major disaster, the President is authorized to utilize
22 Federal resources in providing disaster assistance to any
23 State to assist such State or local government in circum-
24 stances which clearly indicate the imminent occurrence of a
25 major disaster.

1 SEC. 7. The President is authorized to assign advisory
2 personnel to the chief executive officer of any State or local
3 government within a major disaster area, upon request by
4 such officer, whenever the President determines that such
5 assignment is desirable in order to insure full utilization of
6 relief and assistance resources and programs.

7 SEC. 8. The provision or the support by Federal agencies
8 or funds of disaster relief under this or any other authority
9 shall not operate to discriminate against any person on the
10 ground of race, color, or national origin; and the President
11 is authorized to take such action as he deems necessary to
12 assure compliance herewith.

13 SEC. 9. The President may exercise any authority here-
14 under directly or through such Federal agency as he may
15 designate and his authority shall include directing Federal
16 agencies to provide assistance by utilizing their equipment,
17 supplies, facilities, personnel, and other resources for any
18 other program, with or without compensation therefor, and
19 he may reimburse Federal agencies for expenditures here-
20 under as he deems appropriate from funds appropriated for
21 the purposes of this Act. All such reimbursements shall be
22 deposited to the credit of the appropriations currently avail-
23 able for such services or supplies.

24 SEC. 10. Any Federal agency designated by the Presi-
25 dent to exercise authority under this Act may establish

1 such advisory groups, interdepartmental or otherwise, as
2 may be deemed appropriate to assist in carrying out the
3 provisions of law relating to Federal disaster preparedness
4 and assistance, and the funds of any such agency may be
5 utilized for the necessary expenses of any group or groups
6 so established.

7 SEC. 11. The provisions of subsections (a), (b), (c),
8 (d), (e), and (f) of section 2 and section 7 of the Act
9 entitled "An Act to authorize Federal assistance to States
10 and local governments in major disasters, and for other
11 purposes," as amended (42 U.S.C. 1855-1855g), shall
12 be applicable in the administration of section 9 of Public
13 Law 89-769 (42 U.S.C. 1855cc), the Disaster Relief Act
14 of 1969 (Public Law 91-79) and the provisions of this
15 Act.

16 SEC. 12. Except as otherwise expressly provided, the
17 authority conferred by this Act and any funds provided
18 hereunder shall be supplementary to and not in substitution
19 for, nor in limitation of, any other law, but no person,
20 government or other entity shall receive financial assistance
21 under a program of Federal disaster assistance with respect
22 to any part of a loss as to which he has received financial
23 assistance under any other such disaster program.

24 SEC. 13. There is hereby authorized to be appropriated
25 such sums as may be necessary to carry out the purposes
26 of this Act.

LISTING OF PROPOSED DISASTER ASSISTANCE LEGISLATION

H.R. 17518, by Mr. Fallon, et al; H.R. 17824, by Mr. Bush: To amend existing Federal disaster assistance legislation, and for other purposes;

H.R. 18608, by Mr. Johnson of California: To amend Public Law 875, 85th Congress, the Disaster Relief Act of 1969, and for other purposes;

H.R. 17728, by Mr. Mahon; H.R. 18684, by Mr. Price of Texas: To provide additional assistance to the State of Texas for the reconstruction of areas damaged by tornadoes occurring on April 17 and 18, and May 11, 1970; and

H.R. 7701, by Mr. Clausen: To provide for engineering investigations on earthquakes, seismic waves, and related phenomena, and for other purposes.

Mr. JONES. Our first witness this morning is the Honorable William Colmer, of Mississippi. It is our distinct pleasure to have you present your testimony.

**STATEMENT OF HON. WILLIAM COLMER, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF MISSISSIPPI**

Mr. COLMER. Mr. Chairman, I am delighted to appear before the Subcommittee on Flood Control this morning to express my deep and sincere appreciation for the expeditious manner in which the chairman and all the members reacted to the needs of those who were victimized by Hurricane Camille last August. This subcommittee has always had the reputation of going to the scene of disaster to offer assistance and last August was no exception.

I believe legislative history was made in the matter of assistance to our people in the expeditious manner in which relief was obtained. The Disaster Relief Act of 1969 was agreed to by the House and Senate on September 18 and approved by President Nixon on October 1, 1970.

Camille, one of the most intense storms in recorded North Atlantic tropical cyclone history, devastated the Mississippi gulf coast with winds of nearly 200 miles an hour and tides in excess of 22 feet. The hurricane moved inland in the Waveland-Bay St. Louis, Miss., area near midnight on August 17 with tremendous gusts of winds. There is no need to restate the devastation and human suffering caused by Camille—we all have heard of the tremendous damage done to this area.

I might point out, Mr. Chairman, that of the 26 counties in Mississippi which were declared to be a major disaster area by the President, 16 were in my congressional district. The counties of Hancock, Harrison, and Jackson suffered extensive damage. The immediate coastal area from Ocean Springs westward through Clermont Harbor adjacent to U.S. Highway 90 and the seawall was almost totally destroyed. Roads and streets further inland were covered with litter and debris, principally from broken limbs and felled trees. Timberlands, tung trees, and pecan orchards in southern Mississippi suffered extreme damage.

But most important, the loss of lives, homes, small businesses and jobs was staggering. The economic base of the area was in a catastrophic state.

It was with this background that the Disaster Relief Act of 1969 was passed. I stated on the floor of the House on last September 18 that, although there was a question in my mind whether the relief and assistance provided was sufficient to take care of this tragedy insofar as the Federal Government could participate, that as in all legislative matters, the administration was going to be the key to the

success of the legislation, and if the legislation proved inadequate, we would then have to proceed with further and additional legislation.

Mr. Chairman, I urge the subcommittee to examine the experience which has been gained as a result of Hurricane Camille and to bring to the floor of the House legislation which will enable the victims of disasters to be assured that the full capability of our government's resources will be made available to them in time of need.

I would like to take this opportunity to call to the subcommittee's attention one area of relief which I believe should be included in any new legislation.

Hurricane Camille left in its wake counties, municipalities, and other political subdivisions which had suffered substantial, if not complete loss of their tax base—the homes and businesses which supported the local community by paying taxes were, in many cases, completely wiped out.

The situation was judged to be beyond the financial capabilities of the State and, thus, the declaration of major disaster which permitted the Federal Government to come in and assist in the rehabilitation of the area. The State, as well as the local community, suffered loss of much of the income and sales tax revenues required to perform its normal functions.

I would recommend in this type of situation that the President should be authorized to make grants to any local government which has suffered a substantial loss of property tax revenue as a result of a major disaster. These grants should be made for the tax year in which the disaster occurred and for the next 2 tax years. This grant should be the difference between the annual average of all property tax revenues received by the local government during the preceding 3 tax year period and the actual property tax revenue received for the year in which the disaster occurred and for each of the next 2 tax years.

I noted that the administration has recommended a loan program to assist these communities. This just does not make any sense. The communities are devastated after a disaster and need relief. Giving them a loan would be compounding the problems—it would merely place upon them at the worst possible time an additional financial obligation which would have to be repaid. This would be in addition to the bonding obligations and other expenses previously incurred by the community for facilities which in many cases have been entirely destroyed.

It would seem to me that if we intend to assist the communities in returning to an economically stable position outright grants would be the answer.

I would like to say here that I feel that all agencies of the Government did an outstanding job in the recovery effort which followed Camille, and I have much praise for the work which they performed.

However, in the wake of such a disaster as Hurricane Camille, there are always numerous problems which are very difficult to foresee, and I would like to take this opportunity to point out some specific areas in which we had particular difficulty.

Perhaps the most frustrating of all was the matter of providing emergency temporary housing for the victims, who, in many instances, had no shelter at all. The Department of Housing and Urban Development did a good job under the most trying circumstances, but in some instances it was actually 90 days after the hurricane before

these distraught people were provided trailers. Much of the problem was created by the fact that these trailers had to be obtained on a lease basis. I will not belabor the point, except to say that I think the housing could be provided much more quickly and with considerably fewer legal entanglements if HUD were permitted to purchase these trailers. One other problem with the trailer situation is presently existing in that the policy for extending the time that the victims could continue to use these trailers past August 18 has been very unsettled. Certainly, in some cases, the victims have not been able to obtain the necessary permanent housing, and I might point out that these trailers were leased for 1 year from the date of the hurricane and not from the date the people actually moved into them. I am very hopeful that some additional consideration will be given this problem.

The Small Business Administration has contributed substantially to the recovery of the area. The main problem I see in connection with their loans is the differentiation in requiring 3-percent interest on some loans and 5% percent on other loans. The determination of this interest rate is absolutely arbitrary and some more feasible system should be used in ascertaining the applicable interest rate.

Finally, I would like to make brief mention of the Office of Emergency Preparedness. These men are interested only in where the problem is and how it can be solved most effectively, and this attitude is most vital when such disasters occur. An existing problem, however, is the length of time allowed for debris removal. A deadline has been set for completing debris removal, and I realize that there must be an end to all things. But, I would hope that this effort of debris removal, which has been monumental in the gulf coast area, would be approached in future situations from the standpoint of getting the job done and that time limits be of a very secondary nature.

Thank you again, Mr. Chairman, for the opportunity of appearing before the subcommittee this morning.

Mr. JONES. Thank you, Mr. Colmer, for your excellent statement. We appreciate your appearing before us.

The Chair at this time would like to ask the subcommittee for unanimous consent to receive statements from other Members of Congress and have them printed in the record of the hearings.

Our next witness today will be General George A. Lincoln, director, Office of Emergency Preparedness.

Before I call on Mr. Lincoln, I will recognize Mr. Johnson.

Mr. JOHNSON. Mr. Chairman, I do not want to take any of the committee's time in connection with my statement concerning the bill that I introduced, H.R. 18608. It is based on my experience as a member of the Flood Control Subcommittee dealing with disasters throughout the United States, and having three major disasters in our own State.

Now, the bill that I have introduced has some added objectives to be considered by the committee over and above the bill that was introduced by the chairman and other members of the committee and other individual members. I presume that General Lincoln's testimony will go to the chairman's bill.

However, during the course of the subcommittee's consideration in executive session and in the full committee I hope to present the added objectives that I have included in my bill.

At this point, I ask unanimous consent to revise and extend my remarks in the record.

Mr. JONES. Without objection.

(The statement by Mr. Johnson follows:)

STATEMENT OF HON. HAROLD T. (BIZZ) JOHNSON, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, one of the strengths of this great nation of ours has been the willingness of individuals to extend a helping hand to their neighbors in periods of difficulty and emergency. In a complex 20th century such as we now live the need to help thy neighbor is no less than it was in the earlier days of this country. However, the means of achieving it are far more complex. The disaster relief legislation which has been on the books the last 20 years provides all the people of this nation an opportunity to assist their neighbors in all areas of the country to overcome and rebuild in the wake of natural disasters.

This Committee and you, Mr. Chairman, are to be commended and congratulated upon the far-sighted wisdom which has resulted over the years in general and special disaster legislation. Since I have been a Member of Congress and a member of the Public Works Committee, we have had several major disasters—the Alaskan earthquake, the Christmas, 1964, storms and floods in California and the Pacific Northwest, the Palm Sunday 1965 tornadoes which caused so much havoc in Illinois, Michigan and Indiana, Hurricane Betsy, the California storms of January and February, 1969, and the great grandmother of all hurricanes, Camille, which caused so much devastation throughout the Southern states and whose aftermath hit as far north as Virginia.

These were the major storms and disasters which we have experienced, but there have been hundreds of other lesser ones in which the resources of the Federal government were required to help the people recover from brutal treatment on the part of nature. I should say these were "lesser" storms and disasters only in terms of scope and geography. For those people hurt or killed and for those whose homes and property were destroyed, there was no greater disaster than some of these. During the 20 years since P.L. 81-875, which is our basic disaster legislation, was enacted in 1950, the President has declared disaster emergencies and ordered mobilization of Federal relief agencies 280 times, an average of some 14 a year. During the last five years, there have been 100 of these disasters, and average of 20 a year. In 1969 we witnessed one of the worst years in history with 29 disasters including, of course, the storms of California which claimed some 100 lives and Hurricane Camille which cost us 248 lives and \$1.5 billion in damage.

I would like to interject here, Mr. Chairman, a comment concerning the nature of the disasters which I believe points up the need for broadening our legislative authority for federal assistance in these hours of need. At the turn of the century, the Galveston flood caused about \$30 million worth of damage; however, 6,000 lives were lost. Compare this with Hurricane Camille in which \$1.5 billion in damage was caused, but the death toll stood at 258. While one disaster death is one too many, I think this shows we are making great progress in the disaster forecasting and early warning alerts to give people an opportunity to seek adequate protection for their lives. It also points up the fact that as we build our cities, our homes, our public buildings, our schools and other facilities, storms will take an increasingly higher toll in property damage in a specific area. As property damage mounts, the ability of individuals, local and state governments to cope with reconstruction costs is reduced by an equal amount. So there is a great need for broadened Federal disaster legislation.

That this Committee recognizes this is obvious. Witness the legislation which we have enacted over the years to meet specific disasters I have mentioned. As you will recall, the Alaskan earthquake, the Pacific-Northwest Disaster Act of 1965, Hurricane Betsy, all required special legislation to meet the problems in those devastated areas. None was permanent legislation, but through the legislative history and the administration of these bills, we built a tremendous store of knowledge concerning the need for disaster relief.

In the 1969 Act, the scope of the legislation was made general, broadened and refined. We had a good bill. Operations in the California storms and the Hurricane Camille and other disaster situations which we have experienced throughout 1969 and already this year prove this.

As you well know, many of these provisions of the 1969 Act will expire at the end of this calendar year. I think it is time and most appropriate that we should make permanent those provisions which have proven valuable at the same time

strengthening and refining. It is with this in mind that I introduced H.R. 18608, the Federal Disaster Assistance Act of 1970, which I believe reflects not only the best of the recommendations proposed by the Administration, but also the experience which this Committee has had in disaster relief. I am gratified that this fine Committee, Mr. Chairman, is considering my bill introduced last week along with the Administration's proposal.

At this point, I would like the opportunity to review briefly the proposals which I have set forth in this legislation because I feel that they do adequately reflect the wisdom of this Committee and our long legislative experience in meeting the problems of disasters.

Section one titles the proposal the "Federal Disaster Assistance Act of 1970."

Section two strengthens and broadens Public Law 81-875, the basic disaster assistance program first enacted in 1950, to make it more responsive to the needs of the decade of the '70s.

Basically this is accomplished through a more realistic definition of "public facilities" which can be rehabilitated and repaired under the provisions of this Act. In brief, it makes it possible for the Federal government to assist in the restoration of all public facilities, which I believe experience has shown is a realistic approach.

Secondly, this section provides for permanent restoration of facilities under the provisions of P.L. 81-875. You will recall that initially the 1950 Disaster Act permitted only temporary replacements, which was really inadequate. The 1969 Disaster Act broke ground in this area by providing that permanent restoration could be achieved on streets, roads and highways. This has worked very well and proved most beneficial. Therefore, this legislation as drafted would extend this to all programs covered under P.L. 81-875.

In this connection it was felt necessary to clarify one specific point as it related to permanent restoration of public facilities—namely that they may be restored only to the same design and capacity levels for which they were originally constructed, recognizing, of course, the requirement of meeting current building codes and specifications.

I believe that we should extend the hand of friendship to rebuild decent, adequate, modern, up-to-date replacements for those facilities destroyed; however, I do not believe that we should present local districts with a windfall by which the Federal government would be financing expansion of facilities.

Section two also provides for temporary emergency housing and shelter, including the leasing of mobile homes which has proved very beneficial in past disasters, and it goes one step further than the 1969 Act did in that it provides for no rentals to be charged for these accommodations during the first 12 months. This may sound extremely generous, but the experience has been that with the head of the family probably out of work because of the disaster, his income has stopped and he is trying to exist on a very limited income. Secondly, administratively the cost of collecting rents and administering the program far exceeds the rents collected and, therefore, the net return is negligible. We do include a provision which requires the institution of rental charges after the first year just so that the disaster-stricken individual will learn to get back on his own feet and not make a habit of living in rent-free accommodations because this is rehabilitation legislation—not welfare legislation.

Section three of H.R. 18608 refines, strengthens and makes permanent many of the provisions of the Disaster Relief Act of 1969.

Touching first of all on the disaster relief programs of the Small Business Administration and the Farmers Home Administration, it has been discovered over the years that 3 percent money which is authorized by the Small Business Administration has not been made available in the extent that it should be. We tried to make this mandatory by legislation, but actually it was an executive decision. The language we have before us today is more realistic. It provides the interest rate shall be one percent less than the average which the Treasury is paying for its outstanding marketable obligations with periods of maturity to ten to twelve years. In no event shall any loan be made in excess of 6 percent. At the present time this would mean that the emergency disaster loans in these two programs—SBA and FHA—would be made at something less than 6 percent, which I believe is a realistic figure. Along with the increased interest rate, we have also increased the forgiveness, which follows a pattern first established for Hurricane Betsy. We propose to increase this forgiveness to \$2,500. We also specify that a loan under this section shall not be denied on the basis of the age of the applicant.

Section three also deals with the problem of clearance of debris and wreckage from publicly and privately owned lands and waters. You will recall that the 1969 Act authorized the state and local governments to assist in removing this type of debris. H.R. 18608 provides that the Federal departments and agencies also may do this. We found that last year on many occasions it would be most expeditious for the Federal agencies on the scene to take care of this rather than waiting for the state or local government equipment and/or personnel, which often were over-extended. In each instance, however, we have specified that the state or local governments affected must arrange for permission to remove the debris or wreckage from the public or private property involved and also shall indemnify the Federal government against any claims arising from such removal.

Section three of this bill also would make permanent several provisions of the 1969 Act which otherwise would expire on December 31, 1970. This includes (a) the Small Business and Farmers Home Administration programs which I mentioned above; (b) authority to expedite timber sales in areas of heavy loss to salvage downed timber and also to rebuild the lumber-based economies; (c) assistance in reconstruction of timber sale roads; (d) special unemployment compensation to those individuals jobless as a result of the major disaster; (e) extension of emergency food stamp provisions to those disaster victims. In other words, we are making permanent all the better sections of the 1969 Act, which I felt was an outstanding piece of legislation.

Section four of H.R. 18608 permits the Economic Development Administration to provide staff support, technical advice and financial assistance to those communities affected by major disasters. Such assistance will be vital in recovery efforts, particularly as a community attempts to begin a long-range rebuilding or redevelopment efforts in addition to the immediate mopping-up problems.

Section five is a new approach but is one I think we all agree is needed desperately. This provides assistance to local governments where property tax revenues have decreased dramatically due to a disaster. When a man's house is wiped out, you obviously can't tax it. Hurricane Camille experience was such that many local governmental agencies bordered on bankruptcy because of the substantial loss of tax base. It is proposed that federal grants be made to help finance local government during the two years immediately after a disaster. The amount of the grant would be based on the average of the property tax revenues received by the local government during the three tax year periods preceding the disaster. The provisions state quite clearly that local government cannot reduce its rates in order to take advantage of this.

Section six provides the President with authority to mobilize Federal departments and agencies before a disaster strikes. This means that when a major disaster appears imminent, and we certainly are getting more and more advance warning due to our better weather forecasting provisions, the President may put to work the full resources of the Federal government before the disaster strikes to avert or lessen the effects of such a disaster. This is the old philosophy that an ounce of prevention is worth far more than a pound of cure.

Section seven offers the local or state government the use of Federal advisory personnel and disaster teams wherever needed to insure full utilization of disaster relief and assistance resources and programs.

Section eight prohibits discrimination against any person on the basis of race, color or national origin in the conduct of disaster programs.

Section nine cleans up some of the language of the earlier legislation and brings it technically into conformity with the needs of today.

Mr. Chairman, in a nutshell, that is an outline of the provisions of the legislation which I put before you. In conclusion, I do want to say it reflects the best of what this committee has done in taking the past leadership to meet the needs of our people in our local communities, including their State and local governments, in disaster situations. I think that it is a realistic bill and one which is truly in the American tradition of extending a helping hand to a neighbor in a time of trouble. May I again congratulate you and this committee for the work which you have done over the last 10 to 12 years in providing this type of assistance. Many a community would still be in ruins today if it had not been for the hard work, diligence, and wisdom of this committee in providing the means whereby a stricken community could mop up, rebuild, and get back on its economic feet.

Thank you.

Mr. JONES. Are there other members seeking recognition?

If not, General, it is a pleasure to have you here, sir. One of the worst things they say that men in public office can do is to repeat

what he previously said. The recent symposium down at New Orleans made an observation which I have often expressed that there has been splendid cooperation and response from the Federal agencies involved in relief and rehabilitation work.

The great share of credit for this response is due to the excellent direction from the Office of Emergency Preparedness.

Sir, you and your organization, I think, have responded promptly, expeditiously, and with great awareness of the problems. I think that the Office of Emergency Preparedness has been an agency that all of us are proud of, and we are pleased to have you here today, sir.

STATEMENT OF MR. GEORGE A. LINCOLN, DIRECTOR, OFFICE OF EMERGENCY PREPAREDNESS; ACCOMPANIED BY CHARLES KENDALL, GENERAL COUNSEL; GEORGE GRACE, DIRECTOR, FIELD OPERATIONS OFFICE; JAMES LEWIS, CHIEF, DISASTER ASSISTANCE DIVISION

Mr. LINCOLN. Mr. Chairman, and other gentlemen of the committee, I am very grateful for the chairman's expression of gratitude and confidence. I will pass it on to the officials of my agency, particularly the people in the field who are really the individuals who do a good part of the job that is done, and, also, if I may, pass it on to the operating agencies of the Government such as HUD, SBA, the Corps of Engineers who are the people, after all, who in the end determine whether we alleviate a disaster situation.

I am here at the committee's invitation to testify on the Federal disaster assistance program.

On April 27, 1970, I appeared before the Senate Special Subcommittee on Disaster Assistance to present views on the impact caused by Hurricane Camille in Mississippi and Virginia, and on the legislative bills then pending before the Senate to improve the Federal response to disasters. I am pleased to be here today in connection with your consideration of the administration, sponsored legislation House bill, H.R. 17518, "To amend existing Federal disaster assistance legislation, and for other purposes."

My written statement, which has already been presented, describes briefly the role of my office in directing the President's disaster program and the record we have made since I accepted the position as Director of OEP when this administration took over the responsibility. I feel the record is a good one and that much has been done to improve Federal response, but I will go on and add that we recognize that we can do even better and we intend to do better.

In consideration of the busy schedule of the chairman and members of this committee, I am not going to review these accomplishments orally this morning, but am going to restrict my brief comments to those pertaining directly to H.R. 17518. I have, however, brought with me my staff and additional information, and even some charts in case questions arise concerning what has been done in the past year and a half.

Before I go ahead with comments on the draft bill, I do make a matter of record that my complete written statement includes several separate submissions, and I will list them.

Specifically, they include the President's Annual Report of 1969 on disaster relief; the President's message on disaster relief submitted to the Congress on April 22, 1970; the report on Federal Assistance for Long-Range recovery after disaster of February 1970; copies of the rent policy statements used in Hurricane Camille and in the Lubbock, Tex. tornado disaster, and also six charts which show summarily and pictorially our mission in the record of the year 1969.

Now, I note also that House bill H.R. 18608, which was introduced on July 23, 1970, by Congressman Johnson, that bill just came to our attention over the weekend. I believe we picked up copies at the Government Printing Office on Saturday. So at this point we are far from prepared to comment on it in any detail. We have given it only cursory examination, but it does seem to be similar in considerable part to the administration bill, H.R. 17518. We do want to give the provisions detailed study and compare it to the administration bill and other proposals, and we will be glad to submit written comments after our analysis, if the committee desires.

Returning to the administration bill, our comments are keyed to section numbers of the bill, and they are as follows:

First, on the section on relief and rehabilitation, section 2 covers relief and rehabilitation measures that may be authorized as disaster assistance. Normally such disaster assistance is accomplished promptly within 1 year after a major disaster occurs.

First, as to permanent repair. I endorse the proposed revision of Public Law 81-875 in section 2(c) to permit the restoration of public facilities to their predisaster capacity and in conformity with current codes and specifications. Under existing authorities we are limited to making emergency repairs or temporary replacement of these facilities. In some cases, within a short time, the State or local government must provide permanent repairs or replacement at additional expense to the taxpayers, including removal of emergency repairs. It is not always technically feasible to perform emergency repairs to such facilities as water or sewage plants, or public utilities.

In fact, I understand that none of our resourceful field people have been able to put in a temporary sewer thus far.

Under the heading of housing, we interpret the amendment of Public Law 81-875 in section 2(c) as not precluding the use of all types of temporary housing, including available FHA and VA properties. We need the flexibility for selecting the most available and suitable housing in an emergency to meet the needs of disaster victims.

Section 2(c) also provides that rentals can be charged to occupants as we did in Hurricane Camille and the Lubbock, Tex., tornado. I have submitted for the record copies of the rent policy statements used in these two disasters. These have been worked out with great care with the Department of Housing and Urban Development. I do favor an initial period of free rental after each major disaster as we provided after the Camille and Lubbock disasters and interpret this to be authorized in this section which we have proposed.

Under the heading of coordination of private agencies, section 2(e) amends Public Law 81-875 to provide arrangements for fully utilizing the capabilities of private relief agencies in major disasters. OEP now has a memorandum of understanding with the American National Red Cross but no formalized agreements with other such agencies. This section expresses congressional intent on this subject.

Under the heading of disaster assistance loans, section 3(a) and (b) include the forgiveness feature which appears ample to provide equitable relief to disaster victims at a fair rate of interest. We support the administration's position, but defer to the Small Business Administration and the Farmers Home Administration for further details on this provision.

Now, to the heading of planning assistance, section 3(c) extends disaster assistance for development of plans and programs by the States under section 8 of Public Law 91-79 and removes the deadline of December 31, 1970. Section 3(d) provides for improving, maintaining, and updating these plans. With these changes, OEP can program and budget for this planning assistance effectively.

I will comment that Public Law 91-79 did provide for matching arrangements of up to \$250,000 from the Federal side or up to \$500,000 total for State plans. In our experience, in my opinion, this size of fund for any one State is not necessary to have an adequate, in fact a very good plan, except perhaps for two or three large States. It happens that the larger States do have good disaster plans even before the passage of Public Law 91-79. So my point is that, in discussing this particular section of the act, we are not talking about very much money.

Under the heading of debris removal, section 3(e) replaces section 14 of Public Law 91-79 pertaining to debris removal from privately owned land and in privately owned waters. Section 3(e) provides OEP guidance for coordinating its debris removal efforts with State and local governments in a planned schedule for the rapid accomplishment of this assistance to the private sector. Reimbursements to individuals for completed work are not authorized in the proposed section. In many cases, under section 14, Public Law 91-79, the affected individual had already cleared his land and documentation was not available to verify the extent of the eligible work enough to justify reimbursement. This has created a great deal of trouble and is still creating trouble. Therefore, I believe that the State or local communities should directly assume the responsibility for performing the eligible work either with its own resources or under contract with debris removal firms.

As to unemployment compensation, section 3(f) extends the authority of section 12 of Public Law 91-79 to December 31, 1972, for the payment of unemployment compensation for persons made jobless as a result of a major disaster and who would not otherwise be covered by unemployment assistance. At the present time, the Department of Labor relies upon existing State unemployment compensation machinery to implement these benefits. An additional 2 years of experience will make possible a full evaluation of this administrative device for aiding disaster victims.

As to economic development assistance, section 4 permits the Economic Development Administration to provide staff support, technical advice, and financial assistance to communities affected by a major disaster. This assistance, as the result of a major disaster declaration, would be particularly valuable in a community's long-range planning effort after initial recovery efforts had been accomplished.

As to revenue maintenance, section 5 authorizes Federal loans to local governments which suffered a substantial loss of property tax

revenue as the result of a major disaster. It also provides for a separate loan fund in the Treasury and arrangements for funding clearly delineated. We have observed communities where such disaster assistance would enable local governments to help themselves and recover more quickly.

I will add that in our experience generally, but not always, communities do seem to snap back much more quickly than might be expected.

As to disaster prevention, section 6 is similar in purpose to section 13 of Public Law 91-79 but gives broader authority to handle disaster situations other than suppression of forest and grassland fires. Discreet use of this provision should result in a savings of Federal funds when a disaster threatens and could prevent local critical situations from reaching major disaster proportions.

During flooding situations, such as occurred in the upper Midwest during the spring of 1969, and in the preparedness measures for powerful hurricanes like Camille, the Office of Emergency Preparedness could use this authority to good advantage. A Presidential declaration is not required; thus, a specific need can be met without triggering other Federal programs.

As to advisory assistance, section 7 recognizes that some State or local governments during a major disaster lack familiarity with disaster assistance and recovery programs. OEP can arrange for advisory personnel in such instances.

Next is civil rights. Section 8 reemphasizes the administration's longstanding policy on civil rights. OEP policies and procedures will continue to reflect that important emphasis.

As to coordination of Federal assistance, section 9 extends the same directive authority as the President has exercised under Public Law 81-875 to the proposed legislation. Such provision was not included in Public Laws 89-769 and 91-79 and posed some administrative problems for OEP in implementing policies and procedures.

Next is advisory groups. Section 10 authorizes the President to establish advisory groups to assist in carrying out the provisions of the law relating to Federal disaster preparedness and assistance and to provide funding for such groups. With 20 or more Federal agencies cooperating with numerous State and local agencies during major disasters, such as Camille, such advisory groups are necessary. We need them to evaluate our disaster experiences while relief measures are in progress. This section enables me to give these disaster assistance and preparedness activities the emphasis they deserve.

Sections 11, 12, and 13 confirm that pertinent provisions of Public Law 81-875 are applicable to Public Law 89-769, Public Law 91-79, and this proposed legislation. These provisions are necessary for sound administration and are consistent with OEP's past policies and practices in administering the President's disaster relief program.

From a long-range standpoint, we should strive to make disaster legislation and implementing policy and procedures compatible with the needs of the communities and individuals. Only the President can effectively direct and coordinate this involved and complex program. Generally, I believe new legislation should grant broad and flexible authority to the President and any changes should be limited to those

points which have not worked well in the past. The position of OEP is that H.R. 17518 adequately meets this objective.

Now, sir, I thank you for the opportunity to present our views on this important bill. My staff and I will endeavor to answer any questions.

(Prepared statement follows:)

STATEMENT OF THE HONORABLE G. A. LINCOLN, DIRECTOR OF THE
OFFICE OF EMERGENCY PREPAREDNESS

Mr. Chairman; gentlemen of the subcommittee: I am George A. Lincoln, Director of the Office of Emergency Preparedness, in the President's Executive Office, and I am here at your invitation to testify on the Federal disaster assistance program.

On April 27, 1970, I appeared before the Senate Special Subcommittee On Disaster Assistance to present my views on the impact caused by Hurricane Camille in Mississippi and Virginia, and on the legislative bills then pending before the Senate to improve the Federal response to disasters. I am pleased to be here today in connection with your consideration of the Administration sponsored legislation, House Bill, HR 17518, "To amend existing Federal disaster assistance legislation, and for other purposes."

GENERAL

Every year the unpredictable ravages of nature take a tragic toll in lives, suffering, and the loss of public and private properties. For example, in 1969, there were over 300 deaths and an estimated \$2 billion in property damage due to natural disasters.

In responding to these ravages, the States and their local governments must, and do, assume the primary responsibilities for any successful disaster relief effort. Private humanitarian agencies have always come to the forefront in times of disaster. The Federal role is a supplementary effort, but an exceedingly important one when the resources and capabilities of State, local, and private organizations and individuals are unable to cope with the suffering, hardships, and losses.

The present method of providing Federal disaster assistance to communities and individuals has been effective and well accepted, and in my opinion, has withstood the test of time. Instead of one specialized disaster assistance agency, the system which has been in effect since passage of Public Law 81-875, in 1950, utilizes the expertise of many Federal agencies under the general coordination of the Office of Emergency Preparedness. Thus, the agencies, in their areas of technical competence, can perform tasks in emergencies which are closely related to their normal activities.

I will now briefly describe the functions and responsibilities of my office, which is located in the Executive Office of the President, and is the President's central instrument for providing disaster assistance.

OEP: MISSION AND ORGANIZATION (CHART 1)

The Office of Emergency Preparedness is responsible, under laws and Presidential Executive Orders, for *directions* and *coordination* of Federal assistance in Presidentially declared major disasters. In addition, President Nixon expects my office to take forehanded actions in case disaster threatens.

OEP has several other responsibilities, all of which relate to emergency situations. It is, for example, charged with preparing for continuity of government, for emergency resource management in case of an attack, and for advising the President on civil defense policies. A study of civil defense, particularly the shelter program, is in its final stages now.

OEP's disaster responsibilities involve three related activities:

OEP *administers* that portion of the Federal disaster assistance program financed by the President's Disaster Relief Fund. This program, authorized by PL 81-875 and subsequent legislation, is *central* to the Federal assistance program in most disasters.

OEP *coordinates* the assistance activities of other Federal departments and agencies in connection with disasters. The number of programs which offer assistance following disasters has increased in recent years. Over 20 agencies

currently have authority to provide specialized types of assistance, and more than 100 regular programs are available for use after disasters. Hence, the coordinating task is now of greater importance.

OEP *plans and prepares* for providing assistance in the event of disaster. One important element of this planning and preparedness effort is assisting *States and local governments* in their *disaster planning activities*. Another is guiding the disaster planning and preparedness work of other Federal agencies. We are now making a *major effort* in these areas—illustrated by (1) an exhaustive interagency analysis of the Camille experience; (2) the April 16–17, 1970, disaster preparedness conference with officials of 17 *Western States* at *San Clemente*; (3) the May 26–27 meeting held in New York City on hurricane and coastal storms preparedness, attended by 12 North Atlantic States; and (4) the June 23–24 tornado and flood preparedness conference held in Rock Island, Illinois, attended by 13 Central and North Central States. A hurricane preparedness conference for the South Atlantic and Gulf Coast States is scheduled for August, 1970. This latter conference will also feature discussion of tornadoes and flooding.

OEP, acting for the President, has a wide range of responsibilities, but most of the office is involved, to some degree, in disaster assistance. The Field Operations Office, headed by Mr. George Grace, who is with me today, operates the disaster assistance program in the *field* through our *eight regional offices*.

There is a heavy day-to-day involvement of most of the elements of our small but complex organization. This involvement does allow for a rapid increase in the number of knowledgeable professionals assigned to disaster assistance duties—and the entire agency gives disaster assistance *top priority* when the *need arises*.

DISASTER EXPERIENCE

With this background on OEP's organization, I now turn to the nation's disaster experience in 1969. The Administration's objective is—and will continue to be—to use the lessons of the recent past in improving Federal disaster assistance for the future.

During calendar year 1969 (Chart 2), there were 29 major disaster declarations—the largest number in any year since the program began in 1950. Major disasters affected 23 States. All disasters involved flooding or wind-driven water or both. The declarations were clustered in the middle of the calendar year, with 25 in the second and third quarters. Measured in terms of cost to the Federal Government, the California floods and Hurricane Camille in Mississippi were the two largest disasters in the history of the Federal Disaster Assistance Program.

Allocations from the President's Disaster Relief Fund during 1969 amounted to \$148,970,000, the largest amount in a calendar year since passage of PL 81–875 in 1950. That allocation does not include the extensive aid provided through other disaster-related programs—for example, the disaster loan programs of the Small Business Administration and the Farmers Home Administration.

In addition to the 29 Presidentially declared "major" disasters, the Office of Emergency Preparedness maintained surveillance of many of the lesser disasters which occurred in the nation in 1969. In many of these small-scale disasters, my Office consulted with Governors or other key State officials, and provided, or arranged for, Federal assistance to individuals and communities.

Mr. Chairman, I submit for the Subcommittee's record a report on the Federal response following a serious fire in *Swanton*, Vermont (Chart 3). This case illustrates the kinds of assistance which we are trying to furnish for *lesser disasters*.

The President's annual Report to the Congress on Federal Disaster Assistance provides an accounting of the Federal Government's assistance efforts under PL 875 during 1969. Mr. Chairman, I submit that report for inclusion in the Subcommittee's record.

As Fiscal Year 1970 terminated on June 30, I will comment briefly on OEP disaster assistance operations during that period. The President declared 26 major disasters; 21 States were involved, with three declarations made for Kentucky, and two each for Alabama, California, and West Virginia. The vast majority of these disasters were due to flooding.

The allocations from the President's Disaster Relief Fund during the fiscal year totaled \$202,614,750. This included \$92,340,000 for FY 1970 disasters; \$109,845,000 for disasters declared prior to this fiscal year; and \$429,750 were made available for cost-sharing assistance to States for comprehensive disaster planning authorized by Section 8 of Public Law 91–79. This fiscal year allocation is the largest by far in the history of the Federal disaster assistance program.

The lessons from our disaster experience in 1969, and 1970, coupled with the broad span of experience across several years, have helped us develop a clearer understanding of the *when, how, and why* of Federal assistance.

DISASTER ASSISTANCE—BASIC GUIDELINES

The President, and I as his responsible official, are guided in our assistance activities by a number of broad considerations. These guidelines which have been developed are the basis of (1) a legislative proposal which embodies those changes the Administration recommends in basic disaster assistance law; and (2) administrative actions to improve the responsiveness and effectiveness of Federal assistance. I will now discuss each of these basic guidelines.

The first, and paramount, consideration is that *initial and primary responsibility rests with local and State governments. Federal assistance is supplemental, but should be provided on a timely and appropriate basis.*

I believe there is considerable misunderstanding of the actual nature of the disaster assistance program we operate and of the disaster situations we typically deal with. In fact, only a few of the disasters for which we provide assistance get into other than the local newspapers. The immediate problems caused by a disaster are normally handled by State and local government agencies.

It may interest you to know that of the 37 major disasters declared by the President during the past 18 months, only seven were requested by the Governors within the first three days after the disaster activity began, and four of these seven were for States affected by Camille.

Thus, a very large part of our job is channeling and coordinating Federal assistance that is available from the various Federal agencies, and insuring that these agencies link up with the appropriate State and local government agencies. This is a highly sophisticated and important form of government activity, but much of it is not directly associated with the emergency or crisis aspect of natural disasters—the aspect that so often comes to people's minds.

A second element of our approach concerns disaster prevention and preparedness. *Timely action by local and State governments, assisted by the Federal Government, may serve to prevent disasters or to mitigate their effects.* Operation Foresight, which the President ordered early in 1969, is an example. In that case, expenditures of \$20 million for flood dikes and levees prevented untold human suffering and an estimated \$200 million in damages. When circumstances for preventive action exist in the future, similar action should therefore be taken.

Another basic guideline—and of fundamental importance—is that *the end purpose of Federal disaster assistance is to help people.* Assistance is provided directly—through the emergency loan programs of SBA and the Farmers Home Administration—and indirectly through such measures as restoration of *essential* public facilities. Assistance to individuals must be provided *equitably and fairly to all*, based on the needs of individuals and their families.

In regard to the way in which disaster assistance is provided, it is clear that *assistance is most timely and effective when it is provided by existing agencies performing tasks during the emergency period which are similar to those which they perform in normal circumstances.* As an example of this fourth guideline, the Department of Agriculture is best equipped of all Federal agencies to *assist farmers.* The disaster-caused needs of specialized groups should be met by those agencies which work with these groups on a *day-to-day basis.* As I mentioned earlier, over 20 agencies, administering more than 100 different programs, can now provide specialized forms of assistance following disasters.

Finally, our experiences in recent years have underlined the fact that very large-scale disasters pose unusual problems—and create opportunities—for rebuilding. *The Federal Government must be—and now is—better prepared to assist in rebuilding when such an effort is required.* As an example of this concern, OEP and several other agencies have provided *staff assistance* to the *damaged communities in Mississippi* to assist in their long-range planning and rebuilding efforts after Hurricane Camille. I will further discuss this facet of disaster relief later in my statement.

To summarize, we have *broadened and deepened* the Federal disaster assistance program. The program now extends from advance planning through preparedness, prevention, warning, crisis assistance, relief and recovery, to long-range rebuilding. Moreover the program is increasingly concerned with the *needs of individuals and groups, as well as with the needs of the public sector.*

These developments point up the need, of which this Subcommittee is aware, for some changes in the *legislative authorities* of the disaster assistance program, covered later in my presentation.

PROGRAM IMPROVEMENTS

Many improvements were made in the President's Disaster Assistance Program during the past year. Some of these were conceived and put into effect before Camille; others were developed out of Camille and subsequent experience. (Chart 4)

The President personally directed the following program improvements:

1. National Council on Federal Disaster Assistance

To improve coordination of Federal disaster assistance efforts, both among Federal agencies and among Federal, State, and local officials, the President established, by Executive Order 11526, dated April 22, 1970, a National Council on Federal Disaster Assistance. The purpose of the Council is to bring together senior officials from Federal agencies with disaster assistance responsibilities or capabilities to consult with and advise the OEP Director on his responsibilities for developing a strong and responsive program for Federal disaster assistance. The first meeting, an organization and indoctrination session, was held on June 26, 1970.

2. Federal Regional Council membership

The President has directed that OEP Regional Directors be included as ad hoc members of the newly formed Federal Regional Councils to improve long-range response to large-scale disasters.

3. Disaster related research

The President has directed OEP to act as a central clearing-house for all Federal disaster-related research and studies. Two disaster research projects were initiated by OEP in FY 1970:

(a) Washington and Lee University Project—This project will develop information about the actions and reactions of disaster victims (Virginia floods caused by Camille), that will bring out the critical needs of these victims following a natural disaster and provide OEP with a comprehensive evaluation of the Federal disaster assistance programs from the standpoint of the recipient.

(b) Council of State Governments Project—The Council will review State laws, regulations, and mutual aid agreements to determine their most acceptable features. Based on this evaluation, the Council will make recommendations calculated to improve the response posture of each State.

4. Assistance to individuals

The President also directed OEP (1) to develop improved methods for assisting individuals in disaster areas (including "one stop" service which was initiated and proved very effective in Lubbock), (2) to form Federal disaster assistance teams to help coordinate the overall assistance efforts, (3) to use concerned young people as volunteer workers in disaster situations, and (4) to provide better emergency communication services to stricken areas in disaster emergencies. These directives are spelled out in the President's April 22, 1970, message on disaster assistance. I submit a copy of the President's message for the Subcommittee's record.

OEP, in coordination with other Federal agencies, has accomplished or planned these additional actions and improvements:

1. Study of Camille response

Two days after the storm struck the Gulf Coast, the Director of OEP ordered a detailed analysis of the Federal response, to include recommendations for improvements. Twenty-one Federal agencies and the Red Cross participated in this effort. This resulted in the adoption of a number of programs for the improvement in Federal disaster assistance, particularly in the area of individual assistance.

2. Long-range rebuilding study

The Camille disaster also prompted the President to request OEP to go beyond concern with immediate basic recovery measures and prepare guidelines for longer-range rebuilding efforts. In February 1970, a report was submitted to the President highlighting the additional Federal efforts needed to accomplish this purpose. I submit a copy of this report for inclusion in the Subcommittee's record.

In October 1969, responding to a request from the Governor of Mississippi, OEP dispatched a task force of four professionals to work on long-range planning with the Governor's Emergency Council and officials of Gulf coast communities most affected by the hurricane. The task force's conclusions, reported to OEP and the Council in December, are being used by the Council and concerned

communities as the basis for their long-range recovery efforts. OEP is continuing to consult with the Governor's Emergency Council concerning long-range recovery problems.

3. Operational analysis division

In January, 1970, OEP established as an integral part of the Field Operations Office an Operational Analysis Division. This Division will provide a non-operational focal point for review, analysis, and program recommendations geared to improving the Federal disaster assistance program.

4. OEP disaster assistance center

In order to provide more efficient arrangements for disaster assistance efforts, OEP has redesigned its office area to accommodate a center with up-to-date communications capabilities, and well-organized management techniques to enhance the agency's Federal coordination effort for disasters. No additional staffing is anticipated to operate the center.

5. Disaster management information system

OEP is developing a Disaster Management Information System which will provide rapid retrieval of critical disaster records for use in management of declared disasters, and in review of costs and effectiveness of operations.

6. Informing disaster victims

OEP is also developing new techniques and procedures to inform disaster victims of aid available, procedures to obtain assistance, and the Federal response to disasters. A new pamphlet has been developed, to be tailored to each disaster, listing availability and sources of aid.

7. Preparedness conferences

As I have previously stated, a number of inter-regional Federal-State preparedness conferences sponsored by OEP have been held. These meetings were geared to the types of disasters that may be expected in the various geographical areas of the country. Continued emphasis will be given to preparedness measures—the key to effective disaster relief.

8. State disaster plans

Under the authority of Section 8 of PL 91-79, Federal funds have been advanced for 50-50 cost-sharing assistance in developing comprehensive disaster plans and programs. Twelve States and Guam were enrolled in this program during FY 1970.

9. Disaster communications

Special efforts have been initiated with the Department of Defense to ensure emergency communication support to OEP in disaster situations. Similar arrangements have been made with Federal civilian agencies having telecommunications capabilities.

10. Streamlining procedures

The President authorized the OEP Director to allocate disaster relief funds as needed in each declared major disaster. Formerly, each allocation required Presidential action. The President also authorized the OEP Director to grant time extensions (to complete eligible disaster work) of up to six months.

The experience I have gained during my tenure as Director of OEP amply demonstrates that improvements are needed in the Federal disaster assistance program. As I previously stated, a number of administrative changes that will improve the Federal posture already have been made but the most urgent requirement is new legislation geared to meeting more effectively the needs of distressed communities and individuals.

H.R. 17518, in my opinion, best provides the additional assistance that is required. The Administration does not favor at this time an omnibus bill that will repeal all existing disaster assistance legislation and start anew. H.R. 17518 augments existing authorities in the areas where they are most needed, particularly those brought into sharp focus by the devastation caused by Hurricane Camille. This bill also continues a number of key provisions of Public Law 91-79 which will expire on December 31, 1970 (Chart 5).

ADMINISTRATION BILL (H.R. 17518)—SECTION BY SECTION COMMENTS (CHART 6)

My comments are keyed to the section numbers of H.R. 17518 and are as follows:

RELIEF AND REHABILITATION

Section 2 covers relief and rehabilitation measures that may be authorized as disaster assistance. Normally such disaster assistance is accomplished promptly within one year after a major disaster occurs. Section 2(c) involves no change in emergency assistance provided by present laws.

PERMANENT REPAIR

I endorse the proposed revision of PL 81-875 in Section 2(c) to permit the restoration of public facilities to their predisaster capacity and in conformity with current codes and specifications. Under existing authorities we are limited to making emergency repairs or temporary replacement of these facilities. In some cases within a short time, the State or local government must provide permanent repairs or replacement at additional expense to taxpayers, including removal of emergency repairs. It is not always technically feasible to perform emergency repairs to such facilities as water or sewage plants, or public utilities.

Housing

We interpret the amendment of PL 81-875 in Section 2(c) as not precluding the use of all types of temporary housing, including available FHA and VA properties. We need the flexibility of selecting the most available and suitable housing in an emergency to meet the needs of disaster victims.

Section 2(c) also provides that rentals can be charged to occupants as we did in Hurricane Camille and the Lubbock, Texas, tornado. I submit for the record copies of the rent policy statements used in these two disasters. I favor an initial period of free rental after each major disaster as we provided after Camille and Lubbock disasters and interpret this to be authorized in this section.

Coordination of Private Agencies

Section 2(e) amends PL 81-875 to provide arrangements for fully utilizing the capabilities of private relief agencies in major disasters. OEP now has a Memorandum of Understanding with the American National Red Cross but no formalized agreements with other such agencies. This section expresses Congressional intent on this subject.

Disaster Assistance Loans

Section 3(a) and (b) include the forgiveness feature which appears ample to provide equitable relief to disaster victims at a fair rate of interest. We support the Administration's position, but defer to the Small Business Administration and the Farmers Home Administration for further details on this provision.

Planning Assistance

Section 3(c) extends disaster assistance for development of plans and programs by the States under Section 8 of Public Law 91-79 and removes the deadline of December 31, 1970. Section 3(d) provides for improving, maintaining, and updating these plans. With these changes, OEP can program and budget for this planning assistance effectively.

Page 8, HR 17518, should be amended to insert the following after "to" at the end of line 12: "exceed \$25,000 per annum to any State in an amount not to". I understand that the proposed insertion was inadvertently omitted during the printing of HR 17518.

Debris Removal

Section 3(e) replaces Section 14 of Public Law 91-79 pertaining to debris removal from privately owned lands and in privately owned waters. Section 3(e) provides OEP guidance for coordinating its debris removal efforts with State and local governments in a planned schedule for the rapid accomplishment of this assistance to the private sector. Reimbursements to individuals for completed work are not authorized in the proposed section. In many cases, under section 14, Public Law 91-79, the affected individual had already cleared his land and documentation was not available to verify the extent of the eligible work enough to justify reimbursement. Therefore, I believe that the State or local community should directly assume the responsibility for performing the eligible work either with its own resources or under contract with debris removal firms.

Unemployment Compensation

Section 3(f) extends the authority of Section 12 of PL 91-79 to December 31, 1972, for the payment of unemployment compensation for persons made jobless as a result of a major disaster and who would not otherwise be covered by unemployment assistance. At the present time the Department of Labor relies upon existing State unemployment compensation machinery to implement these benefits. An additional two years of experience will make possible a full evaluation of this administrative device for aiding disaster victims.

Economic Development Assistance

Section 4 permits the Economic Development Administration to provide staff support, technical advice and financial assistance to communities affected by a major disaster. This assistance as the result of a major disaster declaration would be particularly valuable in a community's long-range planning effort after initial recovery efforts had been accomplished.

Revenue Maintenance

Section 5 authorizes Federal loans to local governments which suffered a substantial loss of property tax revenue as the result of a major disaster. It also provides for a separate loan fund in the Treasury and arrangements for funding clearly delineated. We have observed communities where such disaster assistance would enable local governments to help themselves and recover more quickly.

Disaster Prevention

Section 6 is similar in purpose to Section 13 of PL 91-79 but gives broader authority to handle disaster situations other than suppression of forest and grass-land fires. Discreet use of this provision should result in a savings of Federal funds when a disaster threatens and could prevent local critical situations from reaching major disaster proportions. During flooding situations such as occurred in the upper Midwest during the spring of 1969, and in the preparedness measures for powerful hurricanes like Camille, Office of Emergency Preparedness could use this authority to good advantage. A Presidential declaration is not required; thus, a specific need can be met without triggering other Federal programs.

Advisory Assistance

Section 7 recognizes that some State or local governments during a major disaster lack familiarity with disaster assistance and recovery programs. OEP can arrange for advisory personnel in such instances.

Civil Rights

Section 8 re-emphasizes the Administration's long-standing policy on civil rights. OEP policies and procedures will continue to reflect that important emphasis.

Coordination of Federal Assistance

Section 9 extends the same directive authority as the President has exercised under Public Law 81-875 to the proposed legislation. Such provision was not included in Public Laws 89-769 and 91-79 and posed some administrative problems for OEP in implementing policies and procedures.

Advisory Groups

Section 10 authorizes the President to establish advisory groups to assist in carrying out the provisions of the law relating to Federal disaster preparedness and assistance and to provide funding for such groups. With 20 or more Federal agencies cooperating with numerous State and local agencies during major disasters, such as Camille, such advisory groups are necessary. We need them to evaluate our disaster experiences while relief measures are in progress. This section enables me to give these disaster assistance and preparedness activities the emphasis they deserve.

Sections 11, 12, and 13 confirm that pertinent provisions of Public Law 81-875 are applicable to Public Law 89-769, Public Law 91-79, and this proposed legisla-

tion. These provisions are necessary for sound administration and are consistent with OEP's past policies and practices in administering the President's Disaster Relief Program.

Conclusion

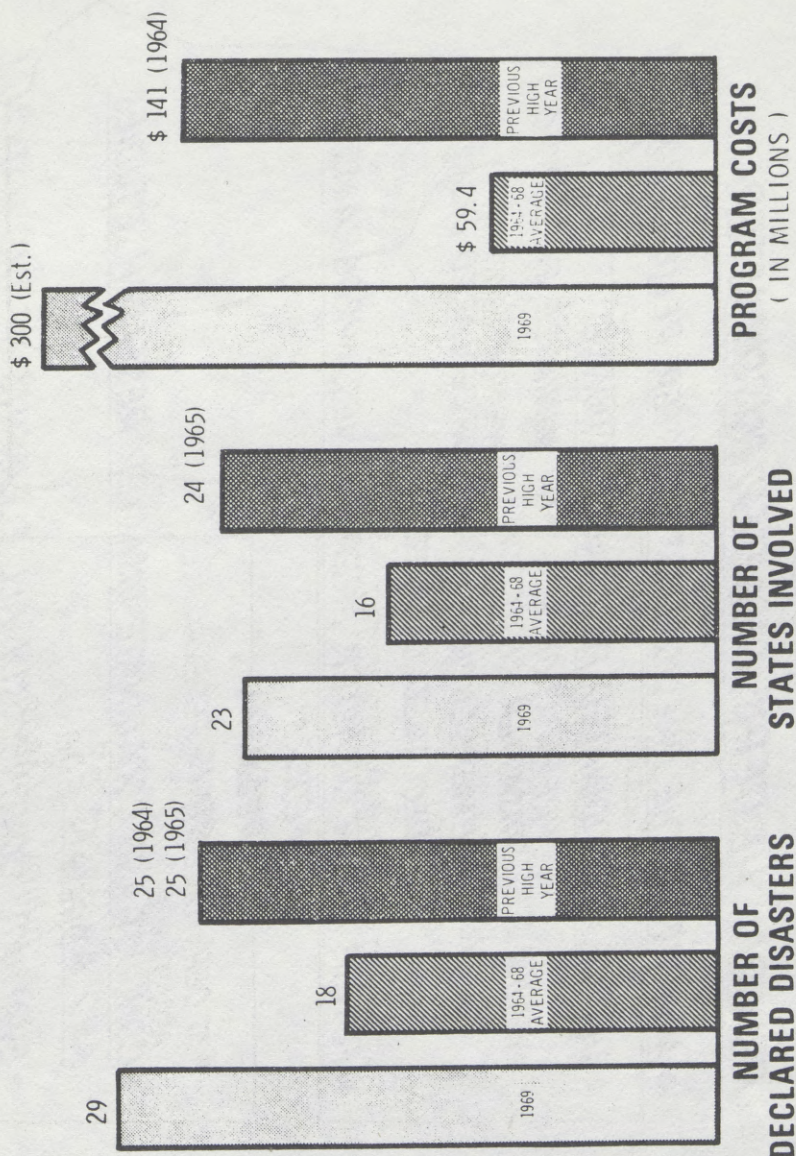
From a long-range standpoint, we should strive to make disaster legislation and implementing policy and procedures compatible with the needs of the communities and individuals. Only the President can effectively direct and coordinate this involved and complex program. Generally, I believe new legislation should grant broad and flexible authority to the President and any changes should be limited to those points which have not worked well in the past. The position of OEP is that H.R. 17518 adequately meets this objective.

Thank you for the opportunity to present our views on this important bill. My staff and I will endeavor to answer any questions you may have.

OEP'S DISASTER MISSION

- ADMINISTER THE PRESIDENT'S DISASTER RELIEF PROGRAM
- DIRECT A COORDINATED FEDERAL RESPONSE
 - PREPARATION FOR (OR MINIMIZE EFFECTS OF) DISASTER SITUATION
 - EMERGENCIES (SHORT OF DECLARED DISASTER)
 - DECLARED DISASTER
- FOSTER ACTIVE DISASTER PREPAREDNESS PROGRAMS
 - FEDERAL
 - REGIONAL
 - STATE
- CONDUCT AND COORDINATE DISASTER RESEARCH, STUDIES, AND ANALYSIS
- EVALUATE CONTINUOUSLY ALL ELEMENTS OF THE NATIONAL PROGRAM OF DISASTER ASSISTANCE

1969 IN COMPARISON



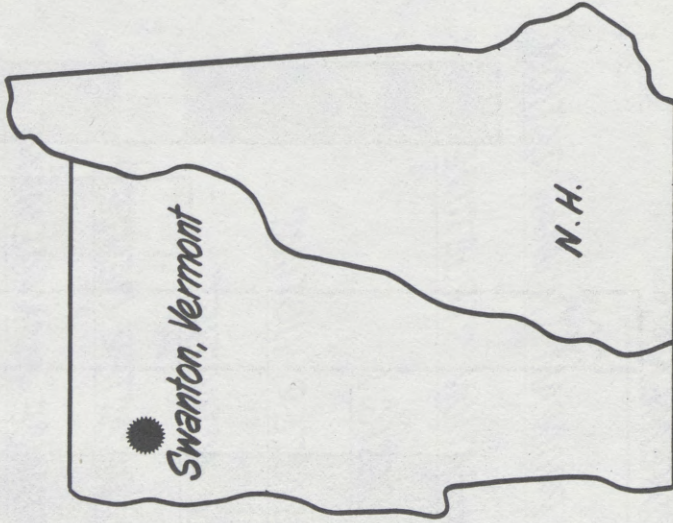
FEDERAL HELP IN A "LOCALIZED" DISASTER...

PROBLEM

- TOWN OF 3900 POPULATION
- MAJOR FIRE DESTROYED
 - 16 BUSINESSES
 - 14 HOMES
- TOWN AT AN ECONOMIC STANDSTILL

ANSWER

- AT OEP's DIRECTION - FEDERAL ASSISTANCE...
 - SBA C/E
 - DHEW EDA
 - DHUD LABOR
 - OEO



PROGRAM IMPROVEMENTS

- PERSONAL ASSISTANCE EMPHASIS, PROGRAM "HUMANIZATION"
- NEW FIELD EMERGENCY ORGANIZATION STRUCTURE
- NEW NATIONAL ORGANIZATION DESIGN
- INFORMATION SERVICES FOR DISASTER VICTIMS
- "REAL TIME" EVALUATION OF ALL ACTIVITIES
- ESTABLISHMENT OF A NATIONAL DISASTER CENTER
- STREAMLINING DISASTER ASSISTANCE MANAGEMENT PROCEDURES

DISASTER RELIEF ACT OF 1969

PL 91-79

— PERMANENT —

SECTION 8 - STATE PLANS

SECTION 9 - FEDERAL COORDINATION OFFICER

SECTION 13 - SUPPRESSION OF FIRES

— TEMPORARY —

SECTION 2 - 50/50 PERMANENT ROAD REPAIR

SECTION 3 - RELIEF TO TIMBER SALES CONTRACTORS (AGRICULTURE)

SECTION 4 - PUBLIC LAND ENTRY MAN (INTERIOR)

SECTION 6 - LIBERALIZE SBA LOAN POLICIES (SBA)

SECTION 7 - LIBERALIZE FHA LOAN POLICIES (FARMERS) (AGRI.)

SECTION 10 - TEMPORARY HOUSING

SECTION 11 - FOOD COUPONS

SECTION 12 - UNEMPLOYMENT INSURANCE

SECTION 14 - PRIVATE PROPERTY, DEBRIS REMOVAL

PROPOSED DISASTER RELIEF ACT**(HR 17518)**

- RELIEF AND REHABILITATION
 - Emergency Assistance
 - Permanent Repair
 - Housing
- COORDINATION OF PRIVATE AGENCIES
- DISASTER ASSISTANCE LOANS
- PLANNING ASSISTANCE
- DEBRIS REMOVAL
- UNEMPLOYMENT COMPENSATION
- ECONOMIC DEVELOPMENT ASSISTANCE
- REVENUE MAINTENANCE
- DISASTER PREVENTION
- ADVISORY ASSISTANCE
- CIVIL RIGHTS
- COORDINATION OF FEDERAL ASSISTANCE
- ADVISORY GROUPS

ANNUAL REPORT 1969—DISASTER RELIEF

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE REPORT OF FEDERAL ACTIVITIES IN 1969 UNDER THE
AUTHORITY OF THE FEDERAL DISASTER ACT, PURSUANT TO
SECTION 8 OF THE ACT

APRIL 23, 1970.—The message and accompanying papers were referred to the
Committee on Public Works and ordered to be printed

To the Congress of the United States:

Natural disasters—in unprecedented numbers and scope—presented a grim challenge to this nation in 1969. The exceptional response to this challenge by the United States government is something in which all Americans can take pride. The story of that response is detailed in the report which I am today transmitting to the Congress.

This report of Federal activities in 1969 under authority of the Federal Disaster Act (Public Law 875, 81st Congress, as amended) is required by Section 8 of that law and has been provided by the Director of the Office of Emergency Preparedness. The report also describes activities carried out under authority of the Federal Disaster Act of 1969 (Public Law 79, 91st Congress). The funds which supported these activities are specifically appropriated to the President for the purpose of relieving suffering and repairing damage when disasters strike.

There were 29 major disasters during 1969—the largest number since the program began in 1950. Two of these—the California floods and Hurricane Camille—were exceptionally destructive. The number and extent of major disasters in 1969 required a massive Federal effort; a total of \$148,970,000 was allocated from the President's Disaster Fund, the largest amount since the enactment of Public Law 81-875. Despite these increased demands, the Federal response was most prompt and effective and those who participated in it deserve our commendation.

Under the leadership of the Office of Emergency Preparedness, the Administration is developing a stronger and more comprehensive disaster assistance program. An important part of this strengthened program is outlined in my disaster assistance message to the Congress.

That message discusses both the legislation which will be submitted—the Disaster Assistance Act of 1970—and the improvements which are being made by executive action. I am confident that our strengthened program will improve cooperation with State and local governments and with private and voluntary organizations. More important, these steps would enable the Federal Government to continue to meet its responsibilities to individuals who are victimized by these unhappy events.

RICHARD NIXON.

THE WHITE HOUSE, *April 22, 1970.*

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF EMERGENCY PREPAREDNESS,
Washington, D.C., March 13, 1970.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 8 of Public Law 81-875, there is transmitted herewith a report of Federal disaster relief activity in calendar year 1969 for your consideration and presentation to the Congress.

Respectfully,

G. A. LINCOLN, *Director.*

REPORT ON FEDERAL DISASTER ASSISTANCE IN 1969

The weather in 1969 was "unique," according to the Environmental Science Services Administration. The year was also unique for Federal disaster assistance, both in funding and in administration and coordination.

THE DISASTER ACT OF 1950 AND ITS ADMINISTRATION

The Federal Disaster Act of 1950 (Public Law 81-875, as amended) gives the President broad powers to supplement the efforts and resources of State and local governments in alleviating suffering, hardship, and damage caused by "major disasters." On request of the Governor of a State, the President determines whether an occurrence is of sufficient severity for a declaration of a "major disaster" in the State. Such a declaration makes available the assistance authorized by this Act, as well as aid from several agencies whose authority to assist stems from such a declaration.

The Director of the Office of Emergency Preparedness (OEP) has responsibility for designating the specific areas (usually counties) within the State to which the declaration is applicable. The Director also has been delegated the President's authority to direct Federal

agencies to provide assistance in declared major disasters and to coordinate their assistance activities. This authority is further delegated by the Director to OEP Regional Directors, extending the President's authority to an official who operates in the disaster area.

On the basis of an agreement with the Governor of a "major disaster" State, OEP provides financial and other forms of assistance to the State and its political subdivisions. These relief and recovery activities authorized by PL 81-875 include actions for preserving life and property; replacement or repair of essential public facilities; removal of wreckage and debris; and temporary housing arrangements for those who have lost the use of their homes in the disaster. OEP also reimburses other Federal agencies for disaster assistance activities performed at its direction. Funds for these activities are specifically provided to the President for purposes of such disaster assistance.

THE NUMBER OF DISASTERS AND COST OF ASSISTANCE IN 1969

During calendar year 1969, there were 29 major disaster declarations—the largest number in any year since the program began in 1950. Major disasters affected 23 States—six of them twice (California, Illinois, Iowa, Minnesota, West Virginia, and Wisconsin). The declarations were clustered in the middle of the calendar year, with 25 in the second and third quarters. All of these disasters involved flooding. Five resulted from the snow melt in the northern Midwest; five were caused by Hurricane Camille; two involved both tornadoes and flooding; all of the others resulted from heavy rains. (See Figure 1, below.)

FIGURE 1

DECLARED MAJOR DISASTERS

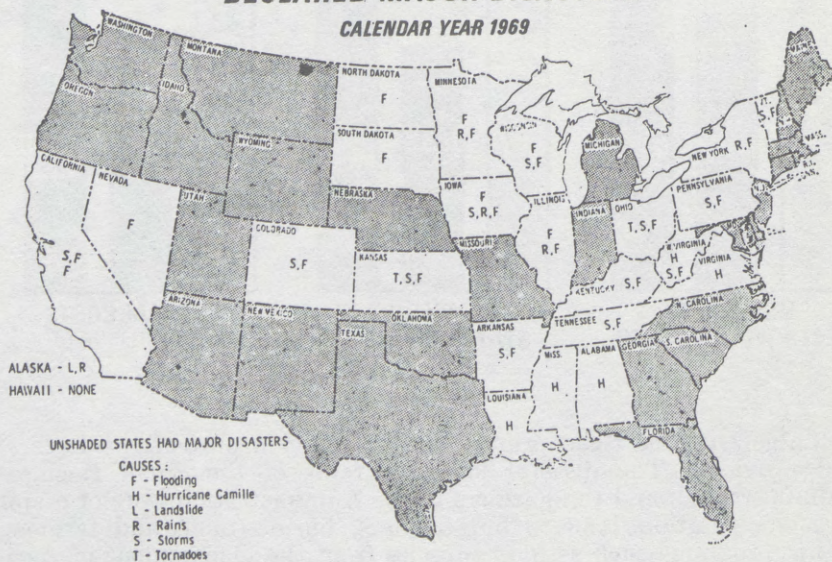
CALENDAR YEAR 1969

FIGURE 1

Hurricane Camille caused the greatest loss of life and destruction of property. Of the other disasters, the most deaths (36, according to the Red Cross) were due to a tornado and flooding in Ohio early in July; the largest number of people made temporarily homeless (approximately 13,000) resulted from flooding at Minot, North Dakota in April; and the most extensive property damage (an estimated \$265 million) was due to floods in California.

The number and extent of declared disasters during the year required a very substantial increase in Federal disaster assistance above the level of the previous year. The \$148,970,000 allocated from the President's Disaster Relief Fund during calendar year 1969 is the largest amount allocated in a single year since the passage of the law. All but \$500,000 of that amount was for disasters declared in 1969. (See table 1, attached.) Before Federal assistance work on these 29 disasters is completed, the total allocation is expected to reach \$300 million. (See Figure 2, below.)

FIGURE 2

1969 IN COMPARISON

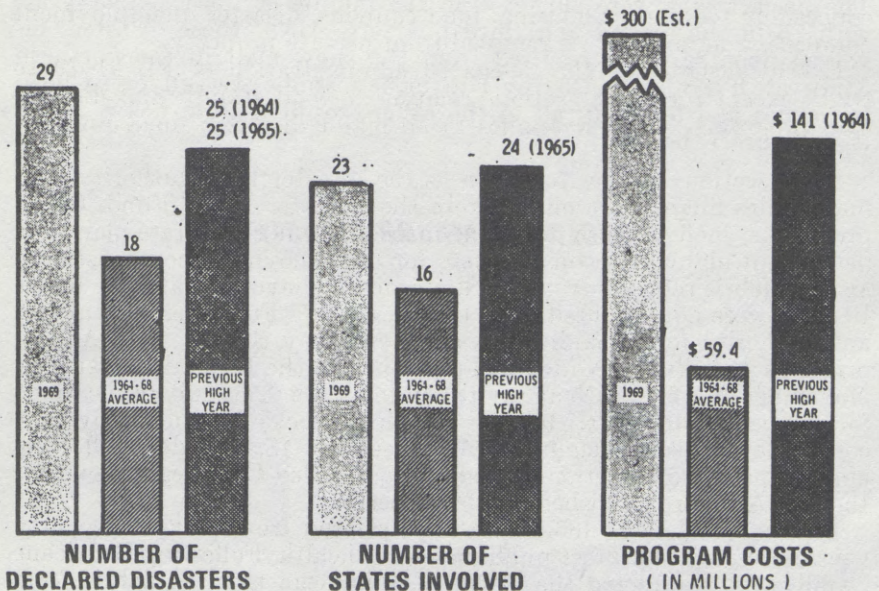


FIGURE 2

These Disaster Relief Funds comprise only a part of the Federal aid provided. The disaster loan programs of the Small Business Administration and the Farmers Home Administration were of major assistance during 1969 to homeowners, businessmen, and farmers. Other programs such as food supplies from the Department of Agriculture, community relations services from the Department of Justice, and legal assistance grants from OEO have also helped many disaster victims.

The initial budget request for \$20 million for the President's Disaster Fund for FY 1970 (prepared in 1968) was increased by later amendments, and \$170 million has already been appropriated. A further appropriation is required, and a supplemental request has been transmitted to the Congress. For FY 1971, \$65 million has been requested, based on the average annual allocation over the previous five years. Should the need arise, additional appropriations will be sought. (Table 2, attached, indicates appropriations for the President's Disaster Relief Fund, 1951-1969, and actual outlays in calendar year 1969.)

THE DISASTER RELIEF ACT OF 1969

The Disaster Relief Act of 1969 (PL 91-79), which became law on October 1, expands the Federal disaster assistance program. Permanent provisions of the Act include assistance (matching funds) to States in planning for State and local aid to individuals suffering disaster losses and appointment of a Federal coordinating officer for each major disaster. Provisions terminating on December 31, 1970, cover: 50-50 funding of permanent highway reconstruction, timber sales contracts, damaged timber removal, larger SBA and FHA loans (including forgiveness of \$1,800 for eligible applicants), provisions concerning temporary housing, food coupons, disaster unemployment compensation, and debris removal from private property.

Executive Order 11495 delegated administration of PL 91-79 to OEP, except for those sections relating to food stamps and disaster loan programs. The law applies to all major disasters since June 30, 1967.

Some sections of the Act, such as the disaster loan authority, did not require financial resources from the Disaster Relief Fund. Other provisions, such as those providing matching funds for State plans, for permanent highway reconstruction, for unemployment compensation, and for debris removal from private property beyond that done under PL 875, were not executed until the President's Fund was replenished and authority for expenditure was provided by the FY 1970 Appropriations Act. Public Notice was published in the Federal Register on November 29, 1969, with an invitation to States to submit applications for assistance under PL 91-79. The first checks for unemployment compensation were distributed on December 18, the day following apportionment of additional funds. The detailed OEP regulations for the new Act were published on December 23.

Under PL 81-875, debris has been cleared from private property when necessary to protect public safety or health. Following Hurricane Camille, OEP directed the Corps of Engineers to clear debris from private property along the Gulf Coast of Mississippi and in Louisiana (financed initially by Corps funds, but to be reimbursed from the President's Disaster Fund). This initial effort was completed by December 31, 1969, and resulted in the removal of over 850,000 tons of debris from private property, clearing the major portion of the urban areas at an estimated cost of over \$12 million. The Governor of Mississippi provided the State plan for debris clearance from private property required by PL 91-79 on January 7, 1970. Arrangements for execution were immediately initiated.

PRINCIPAL DISASTERS IN 1969

The two most catastrophic disasters, measured in cost to the President's Disaster Assistance Fund, in the 20-year history of the program accounted for over four-fifths of the 1969 requirements for appropriations. These were the California floods and Hurricane Camille.

California was hit hard by storms in mid-January. Flooding and mud slides severely damaged or destroyed roads, bridges, dikes, levees, and water-supply and sewerage facilities, and prompted residents to move from their homes. The President declared a major disaster on January 26; of the 58 counties in California, 37 were included in the disaster area. PL 81-875 disaster relief allocations during 1969 for this one disaster alone amounted to \$108 million.

On August 17, Hurricane Camille struck the Mississippi River Delta area in Louisiana and the Gulf Coast in Mississippi, with winds of up to 190 miles per hour and tides of over 20 feet.

The Gulf Coast of Mississippi was damaged to a degree and extent unprecedented in the history of the Federal disaster program; one Delta parish in Louisiana was also especially hard hit. Other areas in these two States and in Alabama suffered lesser damage. The remnants of the storm moved over Tennessee and Kentucky, but no significant damage resulted. As it passed over the mountains of West Virginia, however, the storm intensified, and torrential rains in western Virginia caused flash flooding in small headwater streams and flooding of the James River. (One location reported 27 inches in 24 hours.) These flash floods struck many Virginia homes in rural valleys in the dead of the night, when warning was virtually impossible. The hardest hit county in Virginia, Nelson County, lost nearly one percent of its population.

The Weather Bureau warning for the Gulf Coast areas was timely, accurate, and adequate. As the storm approached the Gulf Coast, shelter was provided for over 80,000 people by State and local authorities and the Red Cross. Evacuation operations, involving over 20,000 people in Louisiana and over 100,000 in Mississippi, were well carried out, according to the Federal interagency evaluation initiated after the hurricane.

Hurricane Camille caused 259 known deaths; more than 60 persons are still missing. Public and private property loss is estimated at about \$1.5 billion. The loss of life on the Mississippi Gulf Coast was due, not to lack of warning, but to a decision by some individuals to stay despite the warning. (Mississippi had not directly experienced a massive hurricane since 1947; Louisiana had endured Hurricane Betsy in 1965.)

The Governors of Louisiana, Mississippi, and Virginia provided leadership for emergency operations in the crisis period. Despite extensive damage, Louisiana rallied comparatively rapidly, as did Alabama, Virginia, and West Virginia. Mississippi, with many more people and more communities affected, confronted greater problems. The State is programming beyond relief and rehabilitation to long-range rebuilding of the Gulf Coast area. One major step, achieved by mid-December, was preparation and acceptance of a building code which will reduce susceptibility of new construction to hurricane damage.

At the time of the hurricane, a significant number of organized resources were already in the Gulf Coast area—a Naval Construction Battalion Center, Keesler Air Force Base, a NASA installation, as well as the Mississippi National Guard. Hundreds of professional and volunteer workers from the Red Cross and from other private agencies were quickly on the scene. And, besides OEP, 25 Federal Departments or agencies aided in relief and recovery from the effects of Hurricane Camille: Treasury, Defense (including all three military services), Justice, Post Office, Interior, Agriculture, Commerce, Labor, HEW, HUD, Transportation, FCC, FDIC, FHLBB, FPC, FRB, GSA, ICC, NASA, OEO, RRB, SSS, SBA, USCSC, and VA.

OEP established a field office, under a veteran Regional Director, reporting directly to the National Office. Located in Gulfport, it was close to the Mississippi Governor's field office and to those of some of the principal Federal operating agencies. OEP also opened three subordinate field offices in other parts of the disaster area.

As of December 31, 1969, \$13,570,000 had been allocated from the President's Disaster Fund to the five States affected by Hurricane Camille. This amount, however, is not a true measure of the Federal effort. For example, in four months, the Corps of Engineers spent over \$21 million for debris clearance on the Gulf Coast. The Department of Housing and Urban Development, in providing over 5,000 mobile homes, temporarily allocated from its own funds approximately \$14 million. These relief efforts were initiated by the Director of OEP, using his authority (from PL 81-875) to direct other agencies to use their resources for disaster aid.

The total Federal outlay for Hurricane Camille relief and rehabilitation work eligible under the applicable Public Laws (81-875 and 91-79) is now expected to amount to approximately \$90 million.

DISASTER PREVENTION—OPERATION FORESIGHT

The flood prevention effort (Operation Foresight), initiated by the President late in February 1969, is a significant innovation in the Federal disaster program. The Weather Bureau reported that saturated frozen ground beneath abnormally deep snow threatened to cause severe spring flooding in many of the northern States, particularly in the upper Midwest. OEP coordinated a comprehensive program to combat this flood threat. Federal agencies, operating under their regular legal authorities, together with the American Red Cross, took immediate actions to assist State and local governments in an unprecedented preparedness and damage averting effort. Of the many agencies involved, the Army's Corps of Engineers had the largest role. The Corps assisted over 400 communities in 26 States and built over 200 miles of temporary levees at a cost of approximately \$20 million. This action prevented flood damages estimated at \$200 million, as well as extensive personal hardships.

The National Governors' Conference, in a unanimous resolution, commended Operation Foresight, as follows:

The National Governors' Conference commends the Executive Office of the President and more particularly the Office of Emergency Preparedness for timely action in preparing for the potentially disastrous floods which occurred throughout the United States in the early spring of this year. The foresight exercised in

convening representatives of Federal and State agencies, developing emergency plans, and providing for short-term preventive measures provided immeasurable benefits in lives saved and in property which remained undamaged.¹

A MORE COMPREHENSIVE PROGRAM FOR DISASTER ASSISTANCE

During the year, there was a deliberate effort to expand and integrate disaster relief and rehabilitation programs of the Federal agencies. This expansion and integration, drawing on the extensive disaster experience in 1969, indicate clearly the importance of positive leadership and coordination from the Executive Office of the President.

Preventing or lessening disaster effects—as illustrated by Operation Foresight—will continue to receive attention. Nearly 80 percent of the declared disasters of the last eight years involved flooding or storm-driven water, which underlines the importance of flood prevention and flood warning.

OEP Regional Directors are continuing to coordinate and advise on Federal help in emergency situations without waiting for a Governor to request a major disaster declaration. In at least a dozen instances in 1969, the necessary Federal aid was extended without such a request.

Interagency studies initiated by Presidential direction immediately after Camille have provided the basis for improvement of coordination for Federal agencies providing disaster assistance. Skilled personnel from over 20 agencies took part in the most intensive studies of this kind ever undertaken.

Some of the studies' conclusions point to additional or improved legislative authority, while other conclusions can be implemented by executive action. Some of the latter are: an improved information system to warn and instruct people and public officials in disaster areas, "one-stop" service for disaster victims, team management of critical activities, resolution of gaps and inconsistencies among the agencies' disaster programs, and improved communications arrangements based on analysis of requirements during large-scale disasters.

STRENGTHENING OEP COORDINATION

The unprecedented number and extent of disasters in 1969 required that OEP shift experienced personnel from less urgent activities to disaster assistance activities. To meet the requirements of future disasters more adequately, more disaster assistance personnel have been added to the staff. New procedures have been designed and are being field-tested, and streamlined organizational arrangements have been established in OEP. An Operational Analysis Division in OEP has also been created to study all aspects of disaster assistance and provide recommendations for improvement in Federal disaster preparedness and operations. Computer-based disaster information and financial voucher processing systems are under development.

¹ Policy Positions Adopted by the National Governors' Conference, 61st Annual Meeting, Colorado Springs, Colorado, August 31-September 3, 1969.

INTERNATIONAL EXCHANGE CONCERNING DISASTER

The interchange of information concerning disasters with other governments is certain to be useful, and OEP is handling this subject for the United States in the deliberations of NATO's new Committee on the Challenges of Modern Society. During the past year, OEP also sponsored a conference in California on earthquakes. Under Department of the Interior leadership, OEP and other agencies are developing improved plans for dealing with oil-spill incidents.

CLOSER COOPERATION WITH THE STATES

Section 12 of PL 89-769 provides for reviews of State as well as Federal disaster programs. OEP is reviewing State programs in light of its on-going disaster studies and in light of recent disaster legislation. In conjunction with these reviews, OEP is holding orientation and training conferences for Federal and State officials.

Section 8 of PL 91-79 authorizes the President to provide assistance to the States in developing comprehensive plans and programs to provide State and local government assistance to individuals suffering losses as the result of a disaster. Twenty-three States have thus far indicated they will participate in this equal cost-sharing program, and three others have expressed interest but have not yet made a final decision.

GOAL RESTATED

Federal Disaster assistance is a comprehensive program encompassing all aspects of disaster: prevention, preparedness, detection and warning, crisis assistance, relief and rehabilitation, and recovery. The effectiveness of the Federal Disaster Assistance Program is heavily dependent on strong Federal-State-local cooperation, because the Federal program is effective principally as a supplement to the efforts of State and local governments. The improvements in the program in 1969 will reduce damage and suffering—some disaster damage will be avoided—and when disasters do occur, assistance will be more timely and effective.

TABLE 1.—DISASTER ALLOCATIONS, 1969

State	Disaster	Date of Presidential declaration	Allocations
California	Severe storms and flooding	Jan. 26	\$108,000,000
Arkansas	do	Feb. 15	350,000
Minnesota	Flooding	Apr. 18	5,000,000
North Dakota	do	do	3,700,000
South Dakota	do	do	1,050,000
Nevada	do	Apr. 19	150,000
Iowa	do	Apr. 25	1,710,000
Wisconsin	do	May 1	500,000
Colorado	Severe storms and flooding	May 19	4,100,000
Illinois	Flooding	June 6	750,000
Tennessee	Severe storms and flooding	July 11	550,000
Wisconsin	do	do	275,000
Kentucky	do	July 15	200,000
Ohio	Tornadoes, severe storms, and flooding	do	3,000,000
Kansas	do	do	900,000
Minnesota	Heavy rains and flooding	Aug. 5	200,000
Iowa	Severe storms, heavy rains, and flooding	Aug. 14	1,250,000
California	Flooding	Aug. 15	250,000
Mississippi	Severe storms and flooding (Hurricane Camille)	Aug. 18	6,000,000
Louisiana	do	Aug. 19	5,000,000
Pennsylvania	Severe storms and flooding	do	1,250,000
Virginia	Severe storms and flooding (Hurricane Camille)	Aug. 23	2,000,000
New York	Heavy rains and flooding	Aug. 26	515,000
Illinois	do	Aug. 30	500,000
Vermont	Severe storms and flooding	do	400,000
West Virginia	Severe storms and flooding (Hurricane Camille)	Sept. 3	220,000
West Virginia	Severe storms and flooding	Sept. 24	150,000
Alabama	Severe storms and flooding (Hurricane Camille)	Nov. 7	350,000
Alaska	Heavy rains and a landslide	Dec. 19	150,000
Subtotal			148,470,000
Supplemental allocations for prior year's disaster, 1968: Florida	Hurricane Gladys	Nov. 7	500,000
Total allocations, calendar year 1969			148,970,000

TABLE 2.—HISTORICAL DATA

Total appropriations by Congress since fund's inception, Aug. 31, 1951	\$690,850,000.00
Net allocations	—613,323,559.49
Balance, President's fund, Dec. 31, 1969	77,526,440.51
Program experience, calendar year 1969:	
Disaster assistance:	
Direct payments to States	46,848,445.70
Transferred to other Federal agencies for assistance to States	10,995,769.67
OEP Administrative expenses	1,422,115.52
Total outlays, calendar year 1969 ¹	59,266,330.89

¹ Including 1969 outlays attributable to prior year's disaster.

DISASTER RELIEF

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO DISASTER ASSISTANCE

APRIL 23, 1970.—Referred to the Committee of the Whole House on the State of the Union and ordered to be printed

To the Congress of the United States:

The spirit of neighborliness, the readiness to extend a helping hand in time of trouble, is one of the great traditions of this country. In the early years of our history, good neighbors were essential in coping with the hardships of pioneer life. They are equally essential in meeting the challenges of life today.

The spirit of the good neighbor was particularly evident in 1969 when natural disasters struck this country in unprecedented numbers and with unprecedented force. Twenty-nine major disasters and an untold number of smaller disasters were responsible for over 300 deaths and an estimated \$2 billion in property damage in the last calendar year. Events such as the California floods and Hurricane Camille with the Virginia floods were exceptionally destructive.

Private voluntary agencies have traditionally played a crucial role during times of disaster. State and local governments are key factors in any successful disaster relief effort. Thus the Federal role is only one part of the overall response of the nation. But it is a very important part of that response. Under the Federal Disaster Acts of 1950, 1966, and 1969 and their amendments and under provisions in many other statutes, the Federal government works to help individuals through relief and rehabilitation efforts and to assist State and local governments by restoring public facilities essential to community life. In 1969 the Federal government allocated \$150 million for assistance from the President's Disaster Relief Fund—the largest sum for any one year in history. Significant additional funds were spent on disaster assistance under other Federal programs. A report on our 1969 experience is being provided to the Congress.

We are confident that the general framework of our present program provides an effective mechanism for channeling Federal disaster assistance to individuals and communities. Rather than depending on a specialized disaster assistance agency, the present system makes maximum use of existing agencies, centrally coordinated by the Office of Emergency Preparedness, to perform tasks in time of emergency which are similar to those which they perform in normal circumstances. Our present arrangements also encourage constructive and cooperative efforts among individuals, local communities, the States and the Federal government.

At the same time, however, we have learned that a number of improvements are in order within the existing framework. The last Presidential special message on the subject of disaster assistance was written 18 years ago. Since that time, this program has grown in a piecemeal and often haphazard manner, involving over 50 separate Congressional enactments and executive actions. This slow development process has created a complex program, one which has a number of gaps and overlaps and needs increased coordination. It is time for new legislation and executive action to make our Federal disaster assistance program more effective and efficient.

LEGISLATIVE PROPOSALS

To extend and to improve the assistance which the Federal Government can provide in time of major disasters, I am asking the Congress to enact the Disaster Assistance Act of 1970. This legislation contains a number of specific proposals, the most important of which are the following:

REVENUE MAINTENANCE

When a community experiences a major disaster, the physical impact is obvious. What the television camera does not capture, however, is the loss of property tax revenue which occurs when a substantial portion of a community's property tax base is destroyed and its essential services are disrupted.

To ease this difficulty, *I recommend that the Congress enact a property tax revenue maintenance plan.* Under this plan, the Federal government would be authorized to lend money at favorable interest rates to local governments to make up their loss of property tax revenues following a major disaster.

PERMANENT REPAIR

I am asking the Congress for expanded Federal authority to permanently repair or fully replace essential public facilities damaged by disasters. This authorization would provide a more effective and practical approach to the replacement of damaged public facilities which are vital to community life. This Administration would give preference to local employees and contractors in repair and rebuilding work.

ECONOMIC DEVELOPMENT ASSISTANCE

I am also asking the Congress to amend the Public Works and Economic Development Act of 1965, so that the Economic Development Administration would provide staff support, technical advice and financial assistance to those communities affected by major disasters. Such assistance is vital in recovery efforts, particularly when the community is attempting to begin long-range rebuilding or redevelopment efforts.

DISASTER LOANS

I am proposing legislation to improve the disaster loan program of the Small Business Administration and of the Farmers Home Administration. These loans are among our principal sources of assistance to stricken individuals. The recommended changes would provide for improved refinancing, payment deferral, and forgiveness arrangements and would assure disaster loans to older citizens. My proposed amendment would allow the FHA and SBA to provide faster service and would therefore promote speedier recovery following disasters.

UNEMPLOYMENT COMPENSATION

I am also recommending that the Congress extend for two years the expanded unemployment compensation provisions of the Disaster Relief Act of 1969. These provisions make temporary income available as promptly as possible to help individuals who are unemployed as the result of a major disaster. Such assistance to individuals was a new feature in the 1969 Act. Before last year, only those unemployed persons who could qualify for compensation under the normal unemployment insurance programs could receive income protection following a disaster. The two-year extension which I recommend would provide time to fully evaluate the new provisions and to consider appropriate legislation.

HOUSING

Hurricane Camille provided the greatest test of the Federal government's ability to provide temporary housing to victims of a major disaster. We believe we met that test; at the direction of the Office of Emergency Preparedness, the Department of Housing and Urban Development was able to place more than 5,000 mobile homes in the disaster area. We also believe, however, that the language of the law which authorizes such activities is confusing.

Two separate provisions in two different laws are now directed to temporary emergency housing. In order to simplify the legislative provisions that apply to this problem, *I propose that the provisions for temporary housing in PL 81-875 be amended so that they incorporate many of the broad principles of PL 91-79, without sacrificing flexibility.* A clarified version of this law would allow the government to provide temporary housing or other emergency shelter—including leased mobile homes or other readily fabricated dwellings.

DEBRIS REMOVAL

One of the serious problems encountered in Hurricane Camille related to the removal of debris from private property. Current legislation in this area is confusing and difficult to administer. *I am therefore proposing corrective legislation that would simplify and speed debris removal from private property when it is in the public interest.* Again, preference would be given to local employees and contractors.

DISASTER PREVENTION

In March and April 1969 this Administration conducted a massive flood prevention program in the upper Midwest and New England. This program—Operation Foresight—was immensely successful; it prevented widespread human suffering and an estimated \$200 million in damages, at a cost of \$20 million. The success of this disaster prevention effort suggests that we can do a great deal to avoid or limit the effects of expected disasters. *Accordingly, I am proposing legislation which would extend the Federal government's authority to assist State and local governments in disaster prevention and damage reduction activities.*

PLANNING ASSISTANCE

The Disaster Relief Act of 1969 authorized one-time matching grants to help States formulate better plans for coping with disasters. Almost half of the States have already indicated that they will join us in this effort and we expect that others will soon follow their lead. *I now recommend that the Congress expand this provision of the 1969 law in order to help States review and update these plans on a continuing basis.*

In addition to the major initiatives outlined above, the legislation prepared by the Administration includes a number of other changes designed to extend the scope and improve the effectiveness of Federal assistance.

ADMINISTRATIVE ACTIONS

Legislative changes are not the only improvements which are presently required. Our experience indicates that changes in administrative procedures can be equally important in providing a more effective assistance program.

COORDINATION

To improve coordination of Federal Disaster Assistance efforts, both among Federal agencies and among Federal, State, and local officials, I am establishing a National Council on Federal Disaster Assistance. The Council will be composed of senior officials from Federal agencies concerned with disaster assistance and will be chaired by the Director of the Office of Emergency Preparedness.

To further improve coordination of disaster assistance activities in the field, I have also directed that the Regional Directors of the Office of Emergency Preparedness be included as ad hoc members of the

newly formed Federal Regional Councils. This improvement will be supplemented by other actions to improve coordination among all levels of government, including the Office of Emergency Preparedness regional planning conferences with State officials with the first such conference this month on the West Coast.

In addition to improving coordination and developing more comprehensive plans, we need better procedures for continuous communication with State and local government on such matters as disaster legislation. The Council of State Governments and such organizations as the International City Management Association, the National Association of Counties, the National League of Cities, and the United States Conference of Mayors are assisting us in this effort.

Improvements in disaster assistance also require an improved program of research and evaluation, the results of which are readily available to all who can benefit from them. I have therefore directed the Office of Emergency Preparedness to act as a central clearing house for all Federal research which is related to disasters.

ASSISTANCE TO INDIVIDUALS

An important objective, particularly in large-scale disasters, is that of informing individuals of the assistance which is available and of the places where it can be obtained. To meet this problem, we are expanding our information efforts and keying those efforts to the needs of the individual citizens of the community, particularly those who are poor.

Whenever a disaster occurs, those who live in the area desperately want to be in touch with their friends and relatives who live elsewhere. Rescue workers also need better communication facilities within such areas. I have therefore asked the Office of Emergency Preparedness to provide better emergency communication services to stricken regions during times of disaster.

Just as we make it easier for individuals to get information, so we should make it easier for them to get assistance. It should not be necessary for individuals to travel from one place to another and then to still another location in order to obtain the help which various agencies of the Federal government are providing. *Accordingly, we are developing plans to provide "one-stop" service to individuals in disaster areas.* Representatives of the principal Federal agencies and of the Red Cross, as well as caseworkers and legal advisors, will all be available at a single assistance center.

DISASTER ASSISTANCE TEAMS

Disaster stricken communities frequently lack trained personnel who can help them make the best possible use of the assistance which is available to them from many sources. To meet this need, I have directed the Office of Emergency Preparedness to form *Federal disaster assistance teams to help local communities coordinate the overall assistance effort.* These teams will be supervised by a Federal Disaster Assistance Coordinator who will act as an on-the-spot representative of the President in any particular disaster area.

DISASTER INSURANCE

Our experience with disasters in 1969 clearly demonstrated the need for expanded insurance coverage for property owners. The national flood insurance sections of the Housing and Urban Development Act of 1968 presently permit Federal insurance assistance in flood-prone areas and we are now implementing that program on an accelerated basis. *I am also directing that a comprehensive study of property insurance coverage for disaster situations be undertaken and that specific recommendations be provided me by the end of this year.* This study should take into account the views of the State insurance authorities, the insurance industry, lending institutions, and the general public.

CIVIL DEFENSE

The disaster assistance activities of State and local governments often are closely related to their civil defense responsibilities. The relationship between the Federal government's disaster assistance and civil defense activities should now be carefully reviewed. Accordingly, I have asked that such a study be carried out and that its recommendations be given to me by December 31, 1970. It is important that any changes in this sensitive area be made only after a careful review, one which gives special attention to the impact of any suggested change upon national security.

* * * * *

As we move into a new decade, one of the nation's major goals is to restore a ravaged environment. But we must also be ready to respond effectively when nature gets out of control and victimizes our citizens.

With the improvements I have recommended to the Congress and those which I am instituting by Executive action, the disaster assistance program of the Federal government will continue to provide outstanding public service in times of crisis. This program manifests the extraordinary humanitarian spirit of our nation. The changes I have proposed would enable it to reflect that spirit even more effectively.

RICHARD NIXON.

THE WHITE HOUSE, April 22, 1970.

FEDERAL ASSISTANCE FOR LONG-RANGE RECOVERY

AFTER DISASTER

INTRODUCTION

On August 17, 1969, Hurricane Camille struck the Mississippi and Louisiana coasts with 190 mile per hour winds, heavy rains, and record-breaking tides. Continuing inland, the remnants of Camille produced torrential rains and flash flooding in West Virginia and Virginia. Hurricane Camille caused more than 250 deaths and severe material damage in Louisiana, Mississippi and Virginia. It was one of the most destructive natural disasters in US history.

Shortly after the hurricane, the Office of Emergency Preparedness (OEP) initiated an interagency evaluation of the response of the Federal Government to the immediate needs of the affected individuals and communities. In a separate effort, OEP led an interagency review to develop appropriate recommendations to enable the Federal Government to solve more effectively the long-range rebuilding problems presented by large-scale disasters. The problems of short-range emergency relief were considered in this latter review only to the extent that they impinged on long-range recovery and rebuilding.

This report summarizes the interagency review, including conclusions and recommendations, of long-range rebuilding efforts. Contributors to the study include:

- Department of the Treasury.
- Department of Defense (including Corps of Engineers).
- Department of the Interior.
- Department of Agriculture.
- Department of Commerce.
- Department of Health, Education, and Welfare.
- Department of Housing and Urban Development.
- Department of Transportation.
- Bureau of the Budget.
- Office of Economic Opportunity.
- Small Business Administration.

This report identifies major problems associated with long-range rebuilding efforts after large-scale disasters, and suggests ways in which the Federal Government can improve its support of the long-range rebuilding efforts of seriously damaged localities and States. While the contributing agencies have reviewed the report, and their comments have been taken into consideration, the conclusions and recommendations are those of the Office of Emergency Preparedness.

RECENT U.S. NATURAL DISASTER EXPERIENCE

This study of long-range rebuilding was initiated by the Federal Government in view of the problems encountered in responding to the needs of State and local governments, and of the people, after Hurricane Camille, particularly in Mississippi. As the examination of the Camille experience progressed, however, it became apparent that more valid conclusions and more constructive recommendations might be developed if the problems of long-range rebuilding associated with other large-scale disasters were also considered.

During the past eight years, there have been 162 Presidentially declared "major disasters." Only four of the 162 major disasters can clearly be classified as "large-scale" disasters (Alaskan Earthquake—1964; Northwest Floods—1964—1965; Hurricane Betsy—1965; Hurricane Camille—1969). These large-scale disasters involved extensive economic losses to individuals, to private business both small and large, and to public services and utilities. In each case, the economic base of the local communities and surrounding areas was adversely affected. Sources of tax revenues were reduced to the extent that local governments were deprived of a significant percentage of actual and projected tax revenues. Consequently, affected communities were unable to meet current operating expenses and continuation of essential community services often required outside assistance. In addition, the "snap-back" potential of the affected communities was impaired and disaster assistance keyed to long-range recovery was provided under special legislation enacted by the Federal Government.

This survey of major natural disaster experience over the past eight years points up the importance of flooding and storm-driven tides in disaster damage. In 20 of the 26 largest disasters in this period (77%), a significant part of the damage was caused by flooding or storm-driven water. The frequency and magnitude of this type of damage suggest an urgent need for expanded insurance coverage. (Commercial insurance has not normally covered flooding and water damage; more extensive use of the provisions of the National Flood Insurance Act of 1968 would improve the situation.) Similarly, better and more extensive preventive measures against water damage (and possible wind damage in the areas which experience frequent hurricanes or tornadoes) would decrease or eliminate damage resulting from these types of disaster. An example of such preventive measures is Operation Foresight, initiated by the President in February 1969. Expenditures of about \$20 million prevented widespread personal hardships as well as an estimated \$200 million in flood damage in the Midwest. Such improved prevention programs and new disaster insurance programs would also help to reduce Federal assistance requirements after disasters occur.

FEDERAL PROGRAMS

Applicable Programs.—The next step in the review was to examine those Federal programs which are, or might be, applicable to long-range recovery in large-scale disaster situations. There are numerous Federal programs for assistance to State and local governments or for direct assistance to people—one estimate is that there are several hundred.

In relation to natural disasters, Federal programs fall into two general categories:

1. **Emergency Disaster Assistance Programs.**—Included are those programs "triggered" by a Presidential declaration of a "major disaster," under the Federal Disaster Assistance Act of 1950 (PL 81-875); and those programs which can be initiated under the statutory authorities of Federal agencies, such as road repairs to Federally-aided highways by the Bureau of Public Roads.

An important characteristic of these programs is that, once initiated, whether by a Presidential major disaster declaration or by individual agencies, the scope of the particular program effort is largely dictated by the magnitude of the losses caused by the disaster, including both physical damage and unemployment. For example, in a major disaster declared under PL 81-875, essential public facilities will be repaired or rebuilt and debris will be removed from public property and, when health or safety are threatened, from private property. Temporary housing is provided where needed. Loans will be made by SBA and FHA to eligible disaster victims, both individuals and businesses. The period during which assistance under PL 81-875 may be granted is limited to one year, but the President can extend this period.

Generally, these programs are quickly available and permit considerable administrative discretion in the ways that repairs, relief, and rehabilitation help are provided. However, they are generally geared to restoration of conditions as they existed before the disaster, and sometimes result in even lower standards, as in the case of emergency repairs to State and local roads.

2. **Regular Federal Programs.**—These programs are available to all individuals and communities which can meet program requirements, and are designed to establish minimum standards or to improve existing social and economic conditions. A financial contribution to program costs from local or State government is frequently required to trigger these programs. Examples include flood control and highway construction, housing and urban development programs, and manpower training programs. Some of these programs, such as low-income housing, are particularly relevant to long-range recovery efforts.

Most Federal programs of assistance to States and localities fall into this category and are available whether or not a disaster has occurred. In contrast to the emergency programs, however, assistance under these programs is not automatic, but rather conditioned, in part, by the availability of Federal funds, by State and local matching funds, and by the competing needs of other applicants. In addition, the administrative arrangements for regular Federal programs tend to be more complex than for emergency disaster programs, and the amount of time required for execution is normally somewhat greater.

In a disaster area, the administration of emergency disaster assistance obviously affects the timing and use of programs available to promote long-range recovery. Emergency repair and replacement of public facilities under PL 81-

875 are related to the types and phasing of other programs that may be selected for long-range rebuilding. For example PL 81-875 will repair destroyed services or water mains or, in case the locality plans a development requiring more capacity, will provide an "in lieu" grant for a larger system. Hence, the way in which emergency programs are executed in the disaster area may have a considerable effect on programs required for long-range rebuilding.

Evaluation of Programs.—In an effort to evaluate the suitability of regular programs, the agencies involved in this review were asked to indicate legislative or other changes needed to improve their capabilities to help in long-range rebuilding. This review indicates that existing legislation and administrative arrangements for regular Federal programs are, with a few exceptions, adequate to support longer-range recovery. However, the agencies involved have suggested a number of minor changes which would strengthen the impact of regular programs on long-range recovery. OEP is currently reviewing these suggestions, many of which eliminate inconsistencies between programs and provide increased discretionary authority.

The Camille experience and the analysis of other large-scale disasters indicate that the speed and effectiveness of the overall recovery effort may be improved by prior identification of those regular Federal programs which are particularly relevant to long-range rebuilding. Identification should be accompanied by administrative arrangements which will permit these programs to be brought quickly to the attention of appropriate leaders in disaster-affected States and communities.

STATE AND LOCAL CAPABILITIES

Existing Federal programs, as noted above, can accommodate a broad range of long-range recovery tasks. But the capabilities of local communities and States to take advantage of these programs, and to use them effectively, varies considerably. In general terms, all localities and States trying to rebuild face two problems: (1) deciding which Federal programs are most relevant to the long-term objectives of the community; and (2) obtaining the financing needed to permit initiation of those programs desired by the community.

In the initial post-disaster period, State and local officials are likely to be under great pressures to deal with immediate needs, even though they recognize that both requirements and opportunities exist for a longer-range recovery program. In addition, the officials are unlikely to be knowledgeable concerning available Federal programs. There is a danger that a piecemeal approach by individual Federal agencies will result in undesirable substitution of the judgment of Federal representatives for that of local and State officials and of the people. The desired objective is a coordinated planning and recovery effort—involving Federal, State, and local officials and the people—which conforms to local desires and is consistent with both expressed needs and available resources. This objective can be met by local and State planning arrangements which are separate from the mechanisms which are coordinating Federal emergency assistance. The problem is complicated because the affected localities and States may not have the needed professional personnel to undertake the planning and programming activity required. In addition, the task of defining appropriate local recovery objectives is made more difficult by an absence of reliable data on local economic, demographic, and social conditions.

In some large-scale disasters, the States concerned have been able to provide, from their own resources and from those of unaffected localities, additional staff personnel to help the communities affected by the disaster. In other instances, such as Mississippi, the State was initially unable to obtain a sufficient number of qualified planning personnel to lend to the affected communities. In situations of this kind, the Federal Government should be prepared to provide personnel and staff assistance. (The Office of Emergency Preparedness and the Department of Housing and Urban Development provided such staff assistance to the Gulf Coast communities of Mississippi. The analysis in this report is based in part on the observations of members of that staff group.)

In financing requirements, the second problem cited above, many regular Federal programs can be initiated only through matching contributions from local communities and/or State governments. However, massive natural disasters frequently strip a community of a significant part of its tax base, at least temporarily, and may reduce tax and other revenues to well below pre-disaster levels. In addition, State and local governments often incur extraordinary expenses for operation of local services during the emergency period. Loss of tax income, coupled with increased operating expenses, may make it difficult for States and

communities to provide the matching funds required to initiate existing Federal programs. An essential element in a Federal longer-range recovery effort, therefore, is financial arrangements by which disaster-affected States and communities are able to take advantage of existing Federal programs.

The responses of State governments to the financial and other needs of communities affected by disasters have varied. For example, during the 1964-1965 floods, California initiated a number of measures to assist the affected localities. These included:

(1) Adjustments of real estate valuations in disaster-stricken communities.
 (2) A temporary increase in the State gasoline tax, with funds generated by this measure allocated to the affected communities for road repair and reconstruction.

(3) Mutual aid compacts permitting communities to lend personnel and equipment to disaster-stricken localities.

(4) Liberalization of State unemployment benefits for individuals temporarily unemployed because of the disaster.

Following Hurricane Camille, Mississippi responded by establishing a Governor's Emergency Council, directing it to:

(1) Evaluate all factors relating to long-range development of the affected area;

(2) Explore avenues of assistance;

(3) Make plans and recommendations for longer-range recovery.

The Mississippi State Legislature also authorized grants and loans of \$10.5 million for long-range rebuilding purposes. Responsibility for allocation of these funds among the affected communities was assigned to the Emergency Council.

There have been suggestions that a Federal Commission, such as was established by the President after the 1965 Alaskan earthquake,* might have been appointed following Camille. It is likely, however, that most States would have serious reservations about creation of a Federal commission to oversee long-range rebuilding and development within its borders. In the case of Mississippi, the Governor's Council has been instrumental in drafting a new building code incorporating important hurricane damage prevention features and obtaining its acceptance by the Gulf Coast communities. While this could possibly have been accomplished by a Federal commission, it would have required full cooperation from the State and local governments.

In summary, local capabilities vary widely from community to community, and may be inadequate to the needs of long-range recovery. The most common—and most serious—deficiencies include:

(1) Professional planning and management personnel to support local leadership in developing long-range recovery objectives are often unavailable.

(2) Adequate staff resources do not exist to evaluate the large number of Federal programs (some of which are overlapping) available from, and offered by, Federal agencies.

(3) Basic social and economic data on the disaster area needed for effective planning and decision-making are inadequate or nonexistent.

(4) There may be a shortage of local financial resources to meet the matching fund provisions required to initiate some Federal assistance programs. The capabilities of State governments to provide funds for this purpose vary.

Conflicts, frustrations, and short-run disappointments characterize any re-development effort. Extensive State and local involvement in disaster recovery can help to mitigate these difficulties. There should be a Federal presence and Federal assistance should supplement State and local efforts. A quiet, advisory Federal role, rather than a demanding and dominating Federal voice, is likely to produce the most constructive results. The State, the communities, and the people—not the Federal establishments—must live with what is planned and built.

FEDERAL LONG-RANGE RECOVERY ASSISTANCE

There are several ways in which the Federal Government can improve the effectiveness of its long-range recovery assistance. One is additional legislation directed towards filling gaps identified by this and other studies. Some provision for improved insurance coverage is an example. A second way is to simplify and clarify lines of communication from localities and States to the Federal Government, including the Executive Office of the President. There is now no clearly identified focus and point of coordination for regular Federal programs.

* The Federal Reconstruction and Development Planning Commission for Alaska.

The need for a single focus for the Federal actions was illustrated by the President's appointment of a special assistant to coordinate Federal assistance to Mississippi following Hurricane Camille.

Although only recently established, the Federal Regional Councils appear to be a promising mechanism for coordinating the overall Federal long-range recovery efforts. Addition of the OEP Regional Director to the membership of the Federal Regional Councils would strengthen the Regional Council's capabilities for disaster rebuilding. The Councils could then serve effectively as the Federal contact for State and local governments and provide staff and professional assistance, if needed, to the States or communities.

Damage to the tax base poses a more difficult problem. Without funds to operate the usual functions of government, even short-term recovery is hampered. And additional funds are normally needed to take advantage of Federal programs requiring matching funds. Direct Federal "revenue maintenance" to State and local governments, limited to a specific time period and triggered by a reduction of local and/or State revenues below an established percentage of pre-disaster revenue level, might be an acceptable and feasible arrangement. It would have the important characteristic of requiring continuing participation of local and State leaders in longer-range recovery efforts.

Direct Federal financial assistance, along the lines outlined above, is now available to school districts located in "major disaster" areas which suffer revenue losses. Serious consideration should be given to extending the scope of this authority to enable communities to meet the financial obligations incident to providing other services, many of which are as essential to the community as its schools. Such an arrangement would also provide funds which local or State governments could use to meet the matching grant requirements of those Federal programs needed for long-range rebuilding.

In considering such an extension of legislative authority, there is a need to take into account the capabilities of States to help themselves, e.g., the action by California during the 1964-1965 floods, cited above, and also the financial assistance provided by Mississippi. It may be reasonable in any such legislation to permit assistance to replacing, for a limited period, lost tax revenues, but leave the problem of matching funds to the State.

CONCLUSIONS

1. The basic leadership for longer-range recovery planning should be provided by the State or local entity.

2. The major Federal task following a massive disaster is to supplement the efforts of State and local governments in helping people. The assistant required and the ways of providing it differ in each large-scale disaster. Hence, the Federal Government, particularly the Office of Emergency Preparedness, which has overall responsibility for Federal disaster assistance, should be prepared to coordinate the national level effort as indicated by the circumstances.

3. The Federal Government can speed and facilitate long-range recovery by providing local and State leaders a single mechanism through which Federal assistance programs can be coordinated and implemented. The recently established Federal Regional Councils with OEP membership appear to provide an effective mechanism for coordinating with local and State officials.

4. Available Federal programs are numerous and complex. The Federal Government should be prepared to advise the State or local entity seeking to shape long-range recovery on the nature and applicability of available Federal programs.

5. The Federal Government should provide "revenue maintenance" assistance to communities affected by large-scale disasters.

6. The Office of Emergency Preparedness should survey the emergency legislative and program measures employed by the several states to promote long-range recovery following large-scale disasters. States should be encouraged to include such measures in their emergency plans, for possible enactment or implementation following large-scale disasters.

RECOMMENDATIONS

1. Interagency Disaster Assistance Council

A Federal Interagency Disaster Assistance Council should be established, with the Director, OEP, as Chairman and members at the Presidentially appointed level, to assist in carrying out a coordinated disaster assistance response and to advise on disaster assistance policy matters.

2. Federal Regional Councils

The Federal Regional Councils should be the principal mechanism for coordinating Federal assistance in support of long-range recovery efforts. The OEP Regional Director should become an *ad hoc* member of these Councils. He should provide leadership for Council disaster planning and assistance activities and bring non-Council member agencies into the effort as appropriate.

3. Environmental Control Measures

Federal participation in environmental control programs, such as the flood prevention program initiated by the President in early 1969, and other flood and hurricane protective measures, should be given appropriate emphasis as disaster limiting measures.

4. Revenue Maintenance

Consideration should be given to legislation to permit direct Federal financial assistance to political sub-divisions which experience substantial loss of tax revenues because of massive disaster.

5. Disaster Insurance Coverage

Some Federal action, probably requiring legislation, is needed to provide insurance coverage not now available for certain types of disaster. The issue is complicated, however, and the Administration should initiate a systematic study of the problem on a priority basis to develop an appropriate program.

6. Disaster Impact Data

Immediately following any future large-scale disaster, a coordinated federal/State/local survey of requirements of the affected area should be conducted under the leadership of OEP, to get needed data both for the shorter range assistance effort and for any long-range recovery program that may be required.

7. Legislative Review

Agencies providing disaster assistance should, in coordination with OEP, seek needed legislative changes, as indicated by their analyses conducted in conjunction with this review.

RENT POLICIES FOR CAMILLE DISASTER RELIEF HOUSING

1. APPLICABILITY

The following policies shall govern the charges for rent and utilities to be made to individuals and families eligible for disaster relief accommodations of whatever nature (e.g., mobile homes, unoccupied federally owned housing, unoccupied public housing units, leased private housing) provided for victims of Hurricane Camille.

2. STATEMENT OF POLICIES

(a) *Initial period.*—For an initial period, beginning with the date of actual occupancy and for the balance of the month plus three months thereafter, but not later than 12 months from the date of the disaster declaration by the President, there will be no charge to the lessee for rent. The lessee will be required to pay for utilities as billed, directly to the supplier in the case of individual metering and billing, or to the management agent or agency on a pro rata basis in the case of master metering. In addition, the lessee shall be responsible for payment of the costs of garbage and trash collection for which direct charges are made. If payment of utilities and garbage and trash collection charges constitute a hardship for any lessee an application for adjustment may be made as provided in paragraph 2.c. below.

(b) *Subsequent period.*—After the rent free term of occupancy and for the period of occupancy not to exceed 12 months from the date of the disaster declaration by the President, each lessee, in addition to charges for utilities and garbage and trash collection, shall be charged rent in accordance with the following schedule:

Unit size	Monthly Shelter Rent
1 Bedroom -----	\$35
2 Bedroom -----	40
3 Bedroom (any bedroom less than 7 feet by 9 feet) -----	45
3 Bedroom (all bedrooms 7 feet by 9 feet or larger) -----	50

(c) *Adjustments for hardships.*—If the total monthly housing expenses, including shelter rent and other charges made in accordance with 2.a. and 2.b. above, plus any fixed monthly expense relating to the amortization of debt owed by him on a house in which he resided and which was destroyed or damaged to such extent as to make it uninhabitable by Hurricane Camille, exceeds 25% of his anticipated monthly income, any lessee may apply to the management agent or agency (on the form provided) for an adjustment in the charges made for his temporary housing.

For purposes of determining a lessee's eligibility for adjustment in the monthly charges for his temporary housing and the amount of the adjustment, if any, to be allowed, "monthly income" shall mean the income being received from all sources, before taxes and withholding, of all members of the family living in the unit, except that \$25 per month shall be deducted for each minor person (under 21 years of age), excluding the lessee or his spouse; and any earnings of such minors shall not be included in the income of the household.

(d) *Notice to lessee by management agent or agency prior to termination of temporary housing accommodations.*—At least 30 days prior to the date of termination of the lease but in no event later than June 30, 1970, the management agent or agency shall notify each lessee of the termination date of his lease for the accommodations occupied and shall inform him of the options available to him after that date (e.g., purchase, lease from owner, availability of HUD-aided housing, etc.).

RENT POLICIES FOR LUBBOCK DISASTER RELIEF HOUSING

1. APPLICABILITY

The following policies shall govern the charges for rent and utilities to be made to individuals and families eligible for disaster relief accommodations of whatever nature (e.g., unoccupied Federally owned housing, unoccupied public housing units, leased private housing) provided for victims of the disaster in the Lubbock, Texas area.

2. STATEMENT OF POLICIES

(a) *Initial period.*—For an initial period, beginning with the date of actual occupancy and for the balance of the month plus three (3) months thereafter there will be no charge to the lessee for rent. The lessee will be required to pay for utilities as billed, directly to the supplier in the case of individual metering and billing, or to the management agent or agency on a pro rata basis in the case of master metering. In addition, the lessee shall be responsible for payment of the costs of garbage and trash collection for which direct charges are made. If payment of utilities and garbage and trash collection charges constitutes a hardship for any lessee an application for adjustment may be made as provided in paragraph 2.c. below.

(b) *Subsequent period.*—After the rent-free term of occupancy and for the period of occupancy not to exceed twelve (12) months from the date of the disaster declaration by the President, each lessee, in addition to charges for utilities and garbage and trash collection, shall be charged rent in accordance with the following schedule:

Unit size	Monthly shelter rent
1 bedroom-----	\$45
2 bedroom-----	50
3 bedroom-----	55
4 bedroom and over-----	60

(A separate rent schedule for Mobile Homes will be established if such housing is provided).

(c) *Adjustments for hardships.*—If the total monthly housing expenses, including shelter rent and other charges made in accordance with 2.a. and 2.b. above, plus any fixed monthly expense relating to the amortization of debt owed by him on a house in which he resided and which was destroyed or damaged to such an extent as to make it uninhabitable by disaster exceeds 25% of his anticipated monthly income, any lessee may apply to the management agent or agency (on the form provided) for an adjustment in the charges made for his temporary housing.

For purposes of determining a lessee's eligibility for adjustment in the monthly charges for his temporary housing and the amount of the adjustment, if any, to be allowed, "monthly income" shall mean the income being received from all sources, before taxes and withholding, of all members of the family living in the unit, except that \$25 per month shall be deducted for each minor person (under 21 years of age), excluding the lessee or his spouse; and any earnings of such minors shall not be included in the income of the household.

(d) *Notice to lessee by management agent or agency prior to termination of temporary housing accommodations.*—At least 30 days prior to the date of termination of the lease but in no event later than March 31, 1971 the management agent or agency shall notify each lessee of the termination date of his lease for the accommodations occupied and shall inform him of the options available to him after that date (e.g., lease from owner, purchase, availability of HUD-aided housing, etc.).

Name of Local Management Agency _____

Address _____

Lessee _____

Address _____

Effective Date of Lease _____

APPLICATION FOR ADJUSTMENT IN MONTHLY CHARGES
FOR DISASTER RELIEF HOUSINGLOCAL MANAGEMENT
DETERMINATIONS

1. No. of persons living at above address _____
2. No. of minors (21 yrs. or under) other than lessee or spouse _____
3. Source and amount of monthly income being received by all adult members of household, before taxes and withholding (do not include income of minors except in case of lessee or spouse):

Name	Source & Rate	Monthly Amount
		\$
		\$
		\$
		\$
Total Monthly Income		\$

4. Monthly housing expenses:
 - a. Shelter rent for temporary housing \$
 - b. Total utility costs for temporary housing \$
 - (1) Gas \$
 - (2) Electricity \$
 - (3) Water and Sewer \$
 - (4) Trash and Garbage collection \$
 - c. Continuing fixed monthly expense for amortization of debt owed by lessee on house in which he resided and which was destroyed or damaged \$
 - d. Total monthly housing expense . \$

The information given is true and complete to the best of my knowledge. I have no objection to inquiries for the purpose of verification.

Lessee _____

Date _____

A. Eligibility for Adjustment:

1. Total Mo. Income \$
2. Less: No. Minors x \$25 . \$
3. Adjusted Mo. Income . . \$
4. 25% of Adj. Mo. Income . \$
5. Total Mo. Housing Expense \$

If item 5 exceeds item 4, lessee is entitled to adjustment.

Eligible: Yes ☐
No ☐

B. Adjusted Monthly Charges for
Temporary Housing:

1. Amount of adjustment to which lessee is entitled (A.5 less A.4) \$
2. Monthly adjusted charge to be paid by lessee . . . \$
3. Effective date of adjusted monthly charge _____

Lessee interviewed by: _____

Determinations made by: _____

Date: _____

HUD Form 9250, 1-75

HUD

SUMMARY OF FEDERAL DISASTER ASSISTANCE FURNISHED FROM THE PRESIDENT'S
DISASTER FUND, FROM THE ENACTMENT OF THE FEDERAL DISASTER ACT (P.L.
81-875) SEPT. 1950 TO DATE

July 27, 1970

Below is a summary of Federal disaster assistance furnished from the President's disaster fund, from enactment of the Federal Disaster Act (PL 81-875) September 1950, to date. The figures represent fund allocations rather than fund expenditures; unused monies were returned to the President's fund.

Assistance furnished when PL 81-875 program administered by the
Housing and Home Finance Administration:

32 major disaster declarations.....	<i>Funds Allocated</i> \$35, 917, 704
Assistance furnished under PL 81-875, 89-769 and 91-79 by the Office of Emergency Preparedness and predecessor agencies:	
297 major disaster declarations.....	728, 587, 323
Assistance furnished under Sections 8 and 13 of PL 91-79:	
Section 8 planning assistance.....	454, 495
13 fire suppression.....	none to date
Total assistance furnished from President's Fund.....	764, 959, 522

SUMMARY OF DISASTER AID UNDER PUBLIC LAW 875-1953-70

Year	Number of declarations	Allocations	Year	Number of declarations	Allocations
1953.....	13	\$2, 910, 451	1963.....	20	15, 920, 900
1954.....	19	11, 363, 372	1964.....	25	144, 771, 100
1955.....	18	22, 223, 000	1965.....	25	104, 639, 000
1956.....	19	7, 066, 000	1966.....	11	14, 325, 750
1957.....	16	17, 452, 450	1967.....	11	33, 442, 800
1958.....	9	5, 015, 000	1968.....	19	18, 570, 000
1959.....	8	6, 911, 500	1969.....	29	1215, 887, 000
1960.....	12	13, 650, 000	1970.....	8	211, 600, 000
1961.....	13	17, 918, 000			
1962.....	22	64, 921, 000	Total.....	297	728, 587, 323

¹ Total as of July 27, 1970.

² Total as of July 27, 1970.

Note.—In addition, during 1951-52, when the Public Law 875 program was administered by the Housing and Home Finance Agency, there were 32 declarations with allocations totalling \$35,917,704.

MAJOR DISASTER DECLARATIONS

Date of declaration	State	Type	Allocation
1953			
May 2.....	Georgia.....	Tornado.....	\$175, 000
May 15.....	Texas.....	do.....	365, 000
May 29.....	Louisiana.....	Flood.....	420, 000
June 2.....	Michigan.....	Tornado.....	51, 800
June 6.....	Montana.....	Flood.....	320, 000
June 9.....	Michigan.....	Tornado.....	140, 900
June 11.....	Iowa.....	Flood.....	170, 259
Do.....	Massachusetts.....	Tornado.....	500, 000
June 19.....	Texas.....	Flood.....	40, 000
July 2.....	New Hampshire.....	Forest fire.....	149, 933
Oct. 22.....	Florida.....	Flood.....	363, 559
Oct. 30.....	Alaska.....	Severe hardship.....	50, 000
Dec. 6.....	Mississippi.....	Tornado.....	164, 000
Total.....			2, 910, 451
1954			
Feb 5.....	California.....	Flood and erosion.....	587, 000
Mar. 17.....	Georgia.....	Tornado.....	150, 000
June 23.....	Iowa.....	Flood.....	175, 000
July 1.....	Texas.....	do.....	877, 500
July 14.....	Nevada.....	Earthquake.....	194, 345
July 31.....	South Dakota.....	Flood.....	40, 000
Aug. 4.....	West Virginia.....	do.....	61, 500
Sept. 2.....	Massachusetts.....	Hurricane.....	2, 500, 000
Do.....	Rhode Island.....	do.....	2, 500, 000
Sept. 13.....	Maine.....	do.....	1, 003, 027
Sept. 17.....	Connecticut.....	do.....	500, 000

MAJOR DISASTER DECLARATIONS

Date of declaration	State	Type	Allocation
1954			
Oct. 7	New York	Hurricane	\$300,000
Oct. 13	New Mexico	Flood	50,000
Oct. 17	North Carolina	Hurricane	1,500,000
Do	South Carolina	do	750,000
Oct. 18	Maryland	do	0
Oct. 22	Pennsylvania	do	0
Oct. 26	Indiana	Flood	175,000
Nov. 10	Alaska	Severe hardship	0
Total			11,363,372
1955			
Apr. 1	Hawaii	Volcano	100,000
May 25	Colorado	Flood	175,000
May 27	Kansas	Tornado	325,000
June 1	Oklahoma	Flood and tornado	210,000
June 21	Nevada	Flood	200,000
Aug. 13	North Carolina	Hurricane	3,950,000
Aug. 15	New Mexico	Flood	118,000
Aug. 20	Pennsylvania	Hurricane and flood	1,000,000
Do	Connecticut	do	1,000,000
Do	Massachusetts	do	1,000,000
Do	New Jersey	do	1,000,000
Do	Rhode Island	do	1,000,000
Do	South Carolina	Hurricane	400,000
Aug. 22	New York	Hurricane and flood	500,000
Dec. 22	Alaska	Severe hardship	25,000
Dec. 23	California	Flood	9,500,000
Dec. 24	Nevada	do	370,000
Dec. 29	Oregon	do	1,350,000
Total			22,223,000
1956			
Feb. 25	Washington	Flood	250,000
Mar. 15	Pennsylvania	do	50,000
Mar. 29	New York	do	50,000
Apr. 5	Michigan	Tornadoes	135,000
Apr. 7	Oklahoma	Tornado	65,000
Apr. 9	Tennessee	do	0
Apr. 18	Alabama	do	0
Apr. 21	Idaho	Flood threat	600,000
Apr. 24	North Carolina	Severe storm	200,000
May 17	Ohio	Wind storm	1,250,000
May 21	Pennsylvania	Storm	100,000
June 12	Colorado	Flood	50,000
June 23	Missouri	Water shortage	0
July 20	Oregon	Torrential rains	126,000
Aug. 9	Pennsylvania	Storm	300,000
Aug. 18	Puerto Rico	Hurricane	3,500,000
Aug. 31	Nevada	Flash flood	30,000
Oct. 4	Louisiana	Hurricane	260,000
Dec. 29	California	Fires	100,000
Total			7,066,000
1957			
Jan. 31	Kentucky	Floods	2,000,000
Do	West Virginia	do	200,000
Feb. 1	Virginia	do	300,000
Mar. 1	Oregon	do	300,000
Mar. 6	Washington	do	300,000
Mar. 16	Hawaii	Tidal wave	60,000
Apr. 29	Texas	Floods and Hurricane Audrey	2,200,000
May 16	Louisiana	do	3,750,000
May 18	Oklahoma	Floods	2,800,000
May 22	Missouri	Tornado and floods	2,850,000
May 27	Idaho	Floods	62,550
May 29	Arkansas	do	1,200,000
June 22	Illinois	do	500,000
Do	Minnesota	do	800,000
Do	North Dakota	Tornado	24,000
Sept. 5	Kansas	Storms	105,900
Total			17,452,450

MAJOR DISASTER DECLARATIONS

Date of declaration	State	Type	Allocation
1958			
Apr. 4	California	Floods	\$2,000,000
May 15	Arkansas	do	500,000
May 20	Louisiana	do	405,000
June 6	Texas	Floods, hail, and tornado	200,000
June 26	Kansas	Tornado	0
July 5	Iowa	Floods	775,000
Aug. 5	Kansas	do	0
Oct. 1	North Carolina	Hurricane	950,000
Nov. 6	Kansas	Floods	185,000
Total			5,015,000
1959			
Jan. 23	Ohio	Severe weather	\$2,500,000
Do	Pennsylvania	do	3,000,000
Jan. 29	Indiana	do	500,000
Feb. 10	Missouri	Tornado	0
July 8	Oklahoma	Torrential rains and floods	127,500
Do	Texas	Floods	174,000
Aug. 16	Hawaii	Hurricane	210,000
Nov. 9	Oklahoma	Floods	400,000
Total			6,911,500
1960			
Jan. 21	Hawaii	Earthquake and volcanic disturbance	250,000
Mar. 23	Florida	Severe weather	1,700,000
Apr. 4	Nebraska	Floods	1,000,000
Apr. 8	South Dakota	do	400,000
Apr. 20	Missouri	do	1,250,000
May 25	Hawaii	Tidal waves	1,610,000
May 29	Arkansas	Tornadoes and floods	550,000
July 15	Texas	Rains, hail, floods, and tornadoes	490,000
July 15	Oklahoma	do	500,000
July 22	Idaho	Forest fires	250,000
Sept. 12	Florida	Hurricane	4,350,000
Sept. 16	North Carolina	do	1,300,000
Total			13,650,000
1961			
Feb. 27	Mississippi	Floods	1,500,000
Do	Alabama	do	675,000
Mar. 2	Georgia	do	400,000
Mar. 31	Iowa	do	500,000
May 6	Arkansas	Floods and tornadoes	800,000
May 20	Indiana	Floods	950,000
May 27	Illinois	Floods and tornadoes	1,750,000
Do	Missouri	Floods	500,000
June 24	Idaho	do	263,000
July 23	West Virginia	do	1,750,000
Sept. 16	Texas	Hurricane Carla	8,000,000
Sept. 19	Louisiana	do	0
Nov. 16	California	Brush and forest fires	830,000
Total			17,918,000
1962			
Feb.	Idaho	Floods	1,250,000
Feb. 22	Nevada	do	325,000
Mar. 6	California	do	2,760,000
Mar. 9	New Jersey	Severe storm, high tides, and flooding	17,100,000
Do	Delaware	do	4,500,000
Do	Maryland	do	2,025,000
Do	Virginia	do	3,500,000
Do	West Virginia	Flooding	400,000
Mar. 12	Kentucky	Floods	800,000
Mar. 16	New York	Severe storm, high tides, and flooding	3,500,000
Do	North Carolina	do	1,225,000
May 10	Nebraska	Floods	480,000
July 27	South Dakota	Heavy rains, floods and tornadoes	725,000
Sept. 5	Iowa	Floods	460,000
Do	Nebraska	do	260,000
Oct. 10	Mississippi	Chlorine barge	2,807,000
Oct. 16	Oregon	Severe storms	1,700,000
Oct. 20	Washington	do	750,000
Oct. 24	California	Severe storms and flooding	1,720,000
Nov. 5	Louisiana	Chlorine barge	20,000
Nov. 12	Guam	Typhoon Karen	16,900,000
Dec. 17	Florida	High tides	1,714,000
Total			64,921,000

MAJOR DISASTER DECLARATIONS

Date of declaration	State	Type	Allocation
1963			
Feb. 14	Nevada	Floods	700,000
Do	Idaho	do	250,000
Feb. 25	Oregon	do	210,000
Do	California	Excessive rainfall and severe storms	1,045,000
Mar. 2	Washington	Floods	585,000
Mar. 13	West Virginia	Severe storms and flooding	1,700,000
Do	Kentucky	do	3,250,000
Mar. 21	Virginia	Floods	220,000
Mar. 26	Georgia	Severe storms and flooding	75,000
Mar. 27	Tennessee	do	750,000
Apr. 24	Hawaii	Excessive rainfall and flooding	250,000
Apr. 30	Guam	Typhoon Olive	720,000
Do	Trust territory	do	2,355,000
July 4	Wyoming	Excessive rainfall and flooding	300,000
July 17	Nebraska	do	395,000
Aug. 2	Arkansas	do	150,000
Aug. 23	New York	do	750,000
Sept. 24	Texas	Hurricane Cindy	500,000
Nov. 27	Vermont	Drought and impending freeze	128,000
Dec. 21	California	Dam break and flood	1,587,900
Total			15,920,900
1964			
Mar. 17	Indiana	Severe storms and flooding	740,000
Do	Kentucky	do	850,000
Do	Vermont	Flooding	105,000
Mar. 20	West Virginia	Severe storms and flooding	100,000
Mar. 24	Ohio	do	900,000
Do	Arkansas	do	250,000
Mar. 28	Alaska	Earthquake	57,600,000
Apr. 1	California	Seismic sea wave	1,250,000
May 26	Puerto Rico	Drought	740,550
June 8	Virgin Islands	do	80,550
June 9	Montana	Excessive rainfall and flooding	7,800,000
July 8	Missouri	Severe storms and flooding	650,000
July 20	Nebraska	do	780,000
Sept. 8	Florida	Hurricane Cleo	2,300,000
Sept. 10	do	Hurricane Dora	8,200,000
Do	Georgia	do	2,000,000
Oct. 3	Louisiana	Hurricane Hilda	2,650,000
Oct. 13	North Carolina	Severe storm and flooding	325,000
Nov. 4	Georgia	Flooding	150,000
Dec. 10	Trust territory	Typhoon Louise	400,000
Dec. 18	Montana	Severe winter storm	200,000
Dec. 24	California	Severe storms, heavy rains, and flooding	37,600,000
Do	Oregon	do	14,000,000
Dec. 29	Washington	do	3,900,000
Dec. 31	Idaho	do	1,200,000
Total			144,771,100
1965			
Jan. 18	Nevada	Severe storms, heavy rains, and flooding	1,076,000
Apr. 11	Minnesota	Severe storms and flooding	12,150,000
Apr. 14	Indiana	Tornadoes and severe storms	1,750,000
Do	Michigan	do	1,450,000
Do	Ohio	do	452,000
Apr. 21	Wisconsin	Tornadoes, severe storms, and flooding	1,000,000
Apr. 22	Iowa	Flooding	5,500,000
Apr. 24	Illinois	Tornadoes, severe storms, and flooding	3,500,000
May 10	North Dakota	Flooding	500,000
May 11	Washington	Earthquake	2,000,000
May 26	South Dakota	Flooding	661,000
June 14	Missouri	do	450,000
June 19	Texas	Tornadoes and flooding	325,000
Do	Colorado	Tornadoes, severe storms, and flooding	19,700,000
June 23	Kansas	Flooding	2,000,000
July 1	New Mexico	Severe storms and flooding	2,400,000
July 27	Missouri	do	1,510,000
Aug. 18	New York	Water shortage	0
Do	New Jersey	do	1,125,000
Do	Pennsylvania	do	125,000
Do	Delaware	do	0
Sept. 10	Louisiana	Hurricane Betsy	39,750,000
Sept. 14	Florida	do	2,500,000
Sept. 25	Mississippi	do	1,815,000
Dec. 7	California	Heavy rains and flooding	2,900,000
Total			104,639,000

MAJOR DISASTER DECLARATIONS

Date of declaration	State	Type	Allocation
1966			
Jan. 22	California	Severe storms and flooding	1,000,000
Feb. 10	American Samoa	Typhoon and extreme tidal conditions	2,410,750
Mar. 14	Georgia	Flooding	450,000
Mar. 22	Minnesota	do	1,625,000
Mar. 23	North Dakota	do	1,100,000
Apr. 30	Arizona	do	2,120,000
May 12	Texas	Severe storms and flooding	500,000
June 10	Kansas	Tornadoes	3,700,000
July 9	North Dakota	Severe storms and flooding	475,000
Aug. 31	Nebraska	Heavy rains and flooding	845,000
Sept. 27	Texas	do	100,000
Total			14,325,750
1967			
Jan. 2	California	Severe storms and flooding	7,000,000
Mar. 13	West Virginia	Flooding	1,250,000
Mar. 21	Trust Territory	Typhoon Sally	2,150,000
Mar. 27	Kentucky	Severe storms and flooding	400,000
Apr. 25	Illinois	Tornadoes	1,000,000
July 18	Nebraska	Severe storms and flooding	1,250,000
Do	Kansas	Tornadoes, severe storms, and flooding	1,250,000
Aug. 17	Alaska	Severe storms and flooding	7,500,000
Aug. 30	Idaho	Forest fires	1,117,800
Sept. 28	Texas	Hurricane Beulah	10,000,000
Oct. 30	New York	Flooding	525,000
Total			33,442,800
1968			
Feb. 10	North Carolina	Ice storm	400,000
Apr. 18	Trust territory	Typhoon Jean	8,500,000
May 3	Arkansas	Tornado and severe storm	250,000
May 4	Kentucky	Tornadoes and severe storms	375,000
Do	Ohio	do	270,000
May 29	Arkansas	Tornadoes, severe storms, and flooding	350,000
Do	Iowa	Tornadoes and severe storms	720,000
Do	Oklahoma	Heavy rains and flooding	175,000
June 5	Illinois	Tornadoes, severe storms, and flooding	300,000
Do	Ohio	Heavy rains and flooding	1,000,000
June 10	Texas	do	250,000
June 15	New Jersey	Heavy rains, high winds, and flooding	3,000,000
July 5	Texas	Severe storms, high winds, and flooding	300,000
July 30	Indiana	Heavy rains and flooding	220,000
Aug. 4	Iowa	do	650,000
Aug. 15	Minnesota	do	500,000
Sept. 9	do	do	260,000
Sept. 13	Hawaii	do	300,000
Nov. 7	Florida	Hurricane Gladys	750,000
Total			18,570,000
1969			
Jan. 26	California	Severe storms and flooding	110,000,000
Feb. 15	Arkansas	do	350,000
Apr. 18	Minnesota	Flooding	5,450,000
Do	North Dakota	do	3,785,000
Do	South Dakota	do	1,050,000
Apr. 19	Nevada	do	150,000
Apr. 25	Iowa	do	1,710,000
May 1	Wisconsin	do	500,000
May 19	Colorado	Severe storms and flooding	4,100,000
June 6	Illinois	Flooding	800,000
July 11	Tennessee	Severe storms and flooding	650,000
Do	Wisconsin	do	427,000
July 15	Kentucky	do	200,000
Do	Ohio	Tornadoes, storms, and flooding	6,100,000
Do	Kansas	do	900,000
Aug. 5	Minnesota	Heavy rains and flooding	200,000
Aug. 14	Iowa	Heavy rains, severe storms, and flooding	1,250,000
Aug. 15	California	Flooding	1,950,000
Aug. 18	Mississippi	Hurricane Camille	51,000,000
Aug. 19	Louisiana	do	15,000,000
Do	Pennsylvania	Severe storms and flooding	1,250,000
Aug. 23	Virginia	do	3,700,000
Aug. 26	New York	Heavy rains and flooding	515,000
Aug. 30	Illinois	do	2,950,000
Do	Vermont	Severe storms and flooding	400,000
Sept. 3	West Virginia	do	450,000
Sept. 24	do	do	150,000

MAJOR DISASTER DECLARATIONS

Date of declaration	State	Type	Allocation
Nov. 7	Alabama	Hurricane Camille	750,000
Dec. 19	Alaska	Unusually heavy rains and landslide	150,000
Total as of July 27, 1970			215,887,000
1970			
Feb. 2	Kentucky	Heavy snow, rains, and flooding	750,000
Feb. 16	California	Severe storms and flooding	4,000,000
Feb. 27	Maine	Severe storms, ice jams, and flooding	2,000,000
Apr. 9	Alabama	Tornadoes, excessive rains, and flooding	100,000
May 13	Texas	Tornadoes, windstorms, and flooding	4,000,000
June 5	North Dakota	Severe storms and flooding	300,000
Do	Kentucky	do	200,000
July 3	Florida	Heavy rains and flooding	250,000
Total as of July 27, 1970			11,600,000
July 22	New York	Heavy rains and flooding	(¹)
Do	Minnesota	do	(¹)

¹ No allocation made to date.

AID FOR DISASTER PLANNING

SECTION 8—PL 91-79

Under the authority of Section 8 of Public Law 91-79, Federal funds may be advanced for cost sharing assistance in developing comprehensive State disaster plans and programs. As of July 27, 1970, the following States have applied for assistance under this Section:

States	Funds allocated
Alaska	\$45,000
California	98,500
Delaware	12,500
Guam	7,000
Hawaii	33,800
Kansas	17,900
Kentucky	21,000
Nebraska	26,410
Pennsylvania	14,850
South Carolina	12,190
Tennessee	32,600
Virginia	24,745
Washington	33,000
West Virginia	75,000
Total	454,495

SECTION 13 ASSISTANCE—PL 91-79

Under Section 13 of PL 91-79, Federal financial assistance is available for forest and grass fires which threaten such destruction as to constitute a major disaster.

It has been invoked on two occasions to date, Alaska and Washington, but no funds have been allocated at this point.

Mr. JONES. Please identify your associates.

Mr. LINCOLN. Mr. Charles Kendall, general counsel; Mr. George Grace, Director, Field Operations Office, and my Chief of Disaster Assistance Division, Mr. James Lewis.

Mr. JONES. I would like first to direct your attention to proposition of the section pertaining to tax deferment plans. Why it would be useful to forego the payment of the obligations of municipalities on a 3-

year period to the tax loss, because trying to recoup the tax schedule is making it difficult for local communities to meet their obligations in the future, so what would be wrong with making grants to the municipalities to their proportions of tax loss?

Mr. LINCOLN. I understand your question, sir. It is our experience that, initially, after a disaster, there is a great deal of concern about the loss on the tax base, but that, in fact, in most cases, the snapback is much faster than people have thought just after the disaster, and that, in fact, within a year or two, the community may be as well off, and sometimes better off, than it was before.

Mr. JONES. What do you mean, the community is better off after having suffered a disaster than it was before it had a disaster?

Mr. LINCOLN. It is not unusual in community affairs for vicissitudes to cause individuals and communities to rise above where they had been before, sir. But, continuing to be responsive to your question, we feel low interest loans made available under the provisions of the proposed bill will meet the need. We further recognize the truth that if you do not have some sharing, as between the local government and the Federal Government in this effort, that there will be this logical tendency for every local government suffering loss to move perhaps over quickly to seek this sort of grant.

Mr. CLAUSEN. Will the chairman yield?

Mr. JONES. Yes.

Mr. CLAUSEN. When you referred to rapid recovery of the tax base, I assume this is what you are talking about, what period of time are we talking about? I mean, is it 1 year, 2 years, 3 years?

Mr. LINCOLN. I would not think that we are talking beyond a year, but sometimes within 2 years.

Mr. CLAUSEN. It has been my experience, and we have been through a few disasters out there in the West—

Mr. LINCOLN. We are well aware of your disasters, the most expensive we have had, sir.

Mr. CLAUSEN. Their ability to recover their tax base, I intend to do some research on each of the counties that have been affected, but I do not know that they have recovered some of their tax base yet.

Mr. LINCOLN. I would be interested in your results. May I ask Mr. Grace to respond?

Mr. GRACE. I think, Mr. Chairman and Mr. Clausen, that it certainly does vary with the various parts of the country. Perhaps the more rural, the less urban, such as northern California, are slower recovery areas. In those that are more urban, even on the Mississippi coast, we have found that the recovery is much more rapid. Within the first year of Camille, for example, although there are certain problem pockets that were there and continue to be there, the general recovery has been very refreshing, and the people have, as the Director stated, gotten themselves together to almost make up the conditions that were moving slowly. They have more motel rooms on the coast than they had before.

There is a tendency to surge beyond. But, I think it is probably more oriented to urban areas as against rural areas.

Mr. CLAUSEN. I think this is a very significant point, and I would like to have, quite frankly, more specific information for the record to document this recovery statement that is made and how it affects one area as opposed to another.

Let me give you an example. We will take in the Eel Delta, there are a number of people engaged in the dairying business. A number of them were wiped out to the point where there was no opportunity for them to recoup, and so the counties themselves had a tremendous loss in the tax base. Now, the land itself had to be reappraised. Some of the buildings themselves were lost in their entirety. This meant the personal property factors on the tax base were appreciably affected and so this is the area that I think we need to have a lot more documentation on in order to support the statement that you have made.

Mr. LINCOLN. I would accept your point that this would vary by areas.

Mr. JONES. It seems to me that all of our communities that have the tax operation, that they are fully indebted up to their eardrums and they have got to pay the interest on the bonds or their obligations, so if they lose their tax base, how are they going to meet those payments?

Mr. LINCOLN. There can be no argument if the tax base is permanently lost.

Mr. JONES. We had one motel that was valued at some \$250,000, as I recall it, and it was totally wiped out, and the witness came before our subcommittee and presented the keys and said, "It is the only thing I have left."

So, I mean, that is a tax loss for the community.

Mr. CLAUSEN. I will be specific about the community, it is Klamath. We have since relocated the community, but the community has yet to restore itself as far as major structures in the community, so there is no addition to the tax base, and this was in 1964, and here we are in 1970.

Mr. GRACE. I know it very well. I was involved in that. It is one of the most difficult propositions the Federal Government ever gets into.

Mr. JONES. If you do not give them the grant, the tax grant, you not only disturb—not only the capability of discharging their former obligation, but they are reduced in their capabilities to reduce their indebtedness to take care of their tax loss, so that is the second part of the problem.

So, if you reduce the tax base as a tax loss, plus the fact that they do not have the tax base to increase their bonding or borrowing capability, so it would work double severities on the communities, like in Camille and the California disasters.

Mr. GRACE. If I may say so, I think your point is well taken. After 1964 and the California flood, with which you are familiar, and I am certain that Mr. Clausen is, we attempted to try to find the economic impact on California as a result of those floods. It was extremely difficult to do so. These are difficult statistics to gather at the moment because the cycles are not necessarily in keeping with the events. We will be looking into this.

As a matter of fact, we have already considered one special task force to try to gather more information on this. However, the more recent occurrences we have had since the 1964 floods, for example, seem to show that the recovery is quite rapid in the more concentrated areas, and what is needed is a temporary source of funds over a 1 to 3-year period. It is for this reason, and in keeping with the sharing philosophy, that we think the disaster program has been developed or that we choose the loan avenue. But we do want to search this out more and we will be glad to discuss it with your staff.

Mr. CLAUSEN. Is this information available now; and if not, how long would it take for you to compile some documentary evidence of experience in these areas where you have had recovery, the areas that you have not had that kind of recovery, so we could have it as part of the record before we mark up the legislation?

Mr. GRACE. May we come back to you on a more practical answer there? I cannot give it off the cuff, Mr. Clausen. We have been trying to set up what we could do in the new occurrences so that this information is captured right while the event occurs, so we would have a better handle on this. How difficult it is to get data on 64 floods? Has some of it been lost, I do not know. But certainly we ought to be able to give you some kind of a reasonable judgment within a day or so, is that practical?

Mr. CLAUSEN. I am going to ask unanimous consent that the record be left open at this point and thereby permitting the Office of Emergency Preparedness to include documentary evidence in substantiation of the statements that they have made.

Mr. JONES. Without objection.

(The information referred to follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF EMERGENCY PREPAREDNESS,
Washington, D.C., August 11, 1970.

Hon. DON H. CLAUSEN,
House of Representatives,
Washington, D.C..

DEAR MR. CLAUSEN: You will recall that you asked about more scientific data on the "snap back" of communities after disaster. I commented that I did not think in the time available we could be very analytical.

I do attach the best we could do in the time available and suggest that it does support the thrust of my testimony.

I recognize that one undoubtedly can identify communities where the "snap back" has not occurred. But I do suggest that we should not base a policy on exceptions, but rather should base the policy on the general situation with, perhaps, some latitude for exceptions.

Sincerely,

G. A. LINCOLN, *Director.*

Attachment.

Immediately following the initial shock of a disaster, one of the major concerns of the stricken community is the loss of sizeable portions of its tax base. The loss of any portion of the tax base is extremely important since a decline in tax receipts jeopardizes continuation of many services and can severely cripple a community's ability to match Federal grant-in-aid funds and to finance capital projects through the sale of bonds. Such a tax base loss could further prevent a community from paying off debts incurred previous to the disaster. While the fear of the above problems is very real, our experience indicates that in most cases the disaster-struck community is able to snap back much faster than it originally estimated, and after two to three years may be better off economically than it was before the disaster. Messrs. Dacy and Kunreuther in their book, *The Economics of Natural Disaster*, stated:

"Despite the large amount of destruction caused by a disaster, we have shown that recovery can be rapid if capital in the form of loans and grants is readily available. In fact, a disaster may actually turn out to be a blessing in disguise. Aside from the economic boom that often follows because of the large amount of reconstruction, there is an opportunity for commercial establishments and homeowners to improve their facilities. Two interrelated factors play a role here:

1. The availability of grants and cheap loans for reconstruction and replacement.

2. The destruction of old business establishments that permit rapid modernization to replace gradual renovation.

"The unusual challenges frequently triggered by disasters may also accelerate the normal process of technological change within the affected community. In this

sense, the forthcoming innovations represent a step forward in economic developments."

Some specific examples of the snap-back of disaster ravaged communities are outlined below:

1. *Charles City, Iowa*—This city of about 10,000 population was severely struck by a tornado in May 1968 which destroyed or damaged some 150 businesses and 370 homes. Of the businesses affected only 15 have not rebuilt; however, some of those which were rebuilt relocated along the highway outside the city. Three new business establishments have opened and six more are expected within the next two years. Retail sales are up more than \$2,000,000 per year as compared to the year before the disaster. Of the homes, $\frac{2}{3}$ have been rebuilt and 159 new apartment units have been constructed resulting in an overall increase of about 20 housing units. Property tax valuation before the disaster in 1968 was \$67,689,000. The 1969 tax valuation was \$67,700,000, thus the property tax base was rebuilt in less than one year, and the outlook for the future is very good.

2. *Greenwood, Arkansas*—In April 1968 a tornado struck this small northwest Arkansas town destroying an estimated 25% of it, including all but two business places in the main business district. By January 1969, an estimated 95% of the destroyed buildings had been rebuilt and in many cases the rebuilt structures were larger and more modern than those destroyed. The attached clipping from the Ft. Smith, Arkansas Southwest-Times Record outlines the reconstruction which took place in the nine month period immediately following the disaster.

3. *Mississippi Gulf Coast*—While it is less than a year since Camille struck the Gulf Coast the present indicators show that for the most part reconstruction is progressing at a rapid pace and people are optimistic about recovery of the area. Building permits (See Table 1) valued at more than \$50 million have been issued since Camille, an increase of more than \$20 million over the previous year. Retail sales (and thus sales tax receipts) from mid-April to the end of May 1970 were also at a record level. Since the tourist industry is a major factor in the economy of the Gulf Coast its progress in rebuilding is noteworthy. By this fall the Gulf Coast will have more hotel and motel units in business than it had before Camille.

TABLE 1.—GULF COAST BUILDING PERMITS

	Camille to June 30, 1970		August 17, 1968, to June 30, 1969	
	Number	Value	Number	Value
Residential (new construction).....	1,522	\$17,693,376	929	\$10,774,505
Residential (repair).....	3,064	7,563,421	769	1,234,181
Commercial (new construction).....	425	17,937,736	311	18,282,826
Commercial (repair).....	401	8,860,345	136	368,336
Total.....	5,412	52,054,878	2,145	31,159,878

Based on the findings of Messrs. Dacy and Kunreuther and on our experience it appears that the economy of a disaster damaged community will generally rebound in a period of 1 to 2 years, and at most, 3 years in exceptionally hard hit areas.

I feel that the provisions of HR 1751, regarding low interest loans to assist local governments which have lost tax revenues, will meet the need and will lessen the tendency for communities suffering loss to look to the Federal government for total relief from the effects of disaster.

[From the Southwest-Times Record—Fort Smith, Ark., Jan. 26, 1969]

GREENWOOD TRANSFORMATION NOT BELIEVABLE; NEITHER WAS DISASTER

(By Olive Been)

Had anyone in Greenwood been given a preview in January, 1968, of what he could see in Greenwood today, he wouldn't have believed it. But then, he wouldn't have believed the tornado either, for Greenwood was safe from tornadoes. Maybe Fort Smith was tornado-prone for several had already hit there. But not Greenwood. Greenwood was securely protected by the mountains to the south and the southwest. Thus, the town had never had too severe a storm. But it happened, and some who were there have yet to recover from the shock.

It is equally staggering to realize the transformation which has taken place in Greenwood in one short year, to be accurate in nine months. As a popular Fort Smith T.V. announcer stated, what has been accomplished is truly fantastic.

John Vaughn, manager of the Southwestern Electric Power Company, states that more than 95 percent of the homes destroyed have been rebuilt and are now occupied. Many of these homes were frame buildings and have been replaced with much larger brick residences.

The following businesses are now in operation in either new or remodeled buildings:

Arnold Been's Roller Rink, Owens and Oliver Lumber Company, Cottingham Laundry Pooles' Laundry, Charles E. Osborn Agency, J. and J. Furniture Store, OTASCO, Stewart Drug Company, Dawson Grocery, The Democrat Office, Witcher Barber Shop, Monks Variety Store, Williams Food Market, Greenwood Flower Shop, Piggly-Wiggly Super Market (replacing Mayo's Grocery Store), DR. H. G. Alvarez's Clinic, Wayland Parker's Law Office, Berry's Pool Hall, Town and Country Barber Shop, Jack Rose Law Office, Rose Polygraph Office, Paul Williams Accountant Office, Greenwood Jewelry Store, Luke Davis Garage, The Western Cafe, Guy's Beauty Parlor, Jim's Barber Shop, Dr. James Burgess Office, Dr. Charle Bailey Office, Hallie Turner Garage and Ann's Beauty Den.

The new Brown's Cleaners will soon be in operation in a new building. Jan's Variety Store has been remodeled and will soon house the new Fabric Store.

The new businesses that have opened since the tornado are Dunn's United Dollar Saver on Highway 10, next to the Farmers Bank, and the Circle L Fred and Farm Store owned by W. H. Lewis and located at his Circle L Ranch on Highway 71.

This week, work was started on the new Brown Construction Company building located on the site of the Poole's Laundry, next to the J. AND J. Furniture Store. This 40 by 80-foot building will add another attractive glass front to the already resplendent north side of the Greenwood Square.

Next to the Brown building is to be erected, within the next two months, the new Southwestern Electric Power Company building. It will be a large structure of brick, extending from the Square to Division Street. It will contain the company's offices and a large Community Living Center to be used for a meeting room for local organizations. There will be a drive-in window opening out on the east side of the building upon a cross street extending to Division Street.

Around the corner from Been's Roller Rink and between the Owens-Oliver Lumber Company and the Rose buildings will be the Bailey-Burgess Clinic, containing two doctor offices and two dentist offices. Building is expected to begin in the spring.

Open to the public this week on the east side of the Square is The Village Inn, a beautiful new restaurant with the largest seating capacity of any restaurant in Sebastian County. Built by Jack Rose and leased to Mr. and Mrs. Robert Vowel, restaurateurs formerly of Little Rock, the new restaurant has a seating capacity of 650. The second floor, which will seat 550 is equipped for banquets, parties and private meeting. There is a movable stage for the convenience of entertainers. Back of the Village Inn will be the Rose Tourist Court with 32 units, 16 of them second floor housekeeping units.

Next to the Village Inn is being constructed the new Greenwood Motor Company building owned by Harold Powers, who was seriously injured in the tornado when the old building collapsed upon him. The new \$40,000 building will be an attractive masonry construction containing front offices and completely modern equipment, including a front-end alignment machine.

Across Highway 10 joining the Old Jail Museum, which the tornado left standing, has been erected just this week the new enclosure for Greenwood's three new deer which arrived here yesterday. Donations to help pay for the deer's quarters are being received by Ted Efurd and Pete Brown.

The New V. F. W. Hall is being constructed on the same site as the former hall next to the museum. The building will be larger and will extend a little north to line it up with the Piggly-Wiggly building owned and operated by Mr. and Mrs. John Mayo. The supermarket building was built by Dr. N. G. Alvarez, who retained the northwest corner of the building for his medical office.

The First Baptist Church has almost completed its new Sunday school building and fellowship hall. The cost of the equipped buildings is \$180,000. The construction is of brick, and there are 25 class rooms. The Fellowship Hall will seat 250. It contains four class rooms, three nurseries and an all-modern kitchen, complete with electric dishwasher and disposal.

The buildings are centrally heated and air conditioned.

The Missionary Baptist Church will start its building program in the near future. A new sanctuary is to be built and the former one used for classrooms.

The new Sebastian Court House will be erected on the south side of the Square at the site of the former courthouse, which was destroyed by the tornado. The two-story structure will have 17,050 square feet of floor space and will be built of a structural system of reinforced concrete. Exterior walls will be of masonry and precast panels. It was designed by the architectural firm of Nelson, Laser and Cheyne of Fort Smith. It is of modern design and will be completely air conditioned. Bids for the construction of the building will be opened in the office of County Judge Ben Geren on the afternoon of Feb. 14.

Greenwood's city officials are housed in a new city hall built on the former site on Division Street. The masonry structure contains offices for the city, officials, a large community room to be used by city and area organizations, and a large 28 by 40 fire station.

The damaged school buildings have all been remodeled, and the school library, which was destroyed by the storm, has been rebuilt. This week, at the turn of the semester, the library received a 25-1 volume shelf of books on Scottish history, poetry and fiction. There are Scottish cook books and a Scottish dictionary. The books were presented to the high school by Edward Wallace, feature writer on the New York News. Wallace is a native of Greenwood and attended the Greenwood High School when it was located in the old rock building on the west edge of town.

Within the next twenty days open house will be held at Greenwood's new \$200,000 gymnasium. The red brick building has a seating capacity of 1,200. The spacious major courts run north and south. During the week when they are not in use, the bleachers telescope back providing space for two practice courts running east and west.

Centered in the Square is the new City Park. The old park as we knew it with its white-barked sycamores and ancient elms, is no longer there. In its place is a beautifully landscaped park of clustered Australian pines, five grouped magnolias, thirteen pin oaks, three sweet gums, six ash trees and various shrubs, including five red crepe myrtles. Four walks of floating brick edged with red wood cross the park and lead to the center where a fountain in its eighteen foot basin leaps from 3 to 15 feet in a colored shower controlled by an automatic blender lighted by three amber lights and three white lights. Around the fountain's basin are planted 800 imported tulip bulbs from Holland ready for spring blooming. In the park are the corquet court, eighteen concrete benches and a concrete table. The park will be dedicated in a memorial event next April 19, the first anniversary of the tornado.

Greenwood was hit hard in 1968, but she scrambled painfully up from her knees after being knocked down that fateful April 19. Then Greenwood got down on her knees voluntarily. As one old Timer said, three days after the tornado, "I've heard more people thanking God in the last three days than I have in all the long years of my life put together."

Greenwood has been counting her blessings ever since. Here are some of the facts that Greenwood thinks about are these: The tornado "exploded" the court house, yet not one deed or other vital document was lost. After things quieted down the documents were all transported to the Fort Smith Court House and kept there until the new court house is rebuilt here.

The Charles E. Osborn Insurance Agency was gufted—all except the filing cabinets holding the insurance contract. Not a policy was destroyed.

The Stewart Drug Company building was destroyed—all except the prescription cabins. Not a current prescription was lost. Not a person in the area had to do without medicine because of a lost prescription.

The little three months old son of Mr. and Mrs. Danny Ray lay in his crib in front of a large picture window. The storm struck with such instantaneous fury that the mother did not have time to race to her baby's rescue before the picture window shattered into a thousand glass splinters over the entire room. Not one glass splinter fell upon the baby or in his crib.

Greenwood has eight churches. Not one was destroyed or received more than minor damage, although several lay in the direct path of the tornado.

Yes, Greenwood has much to think about and much for which to be thankful.

HURRICANE CAMILLE—SCARS FOREVER

(By Ed Tunstall)

PASS CHRISTIAN, Miss. (AP)—It roared in from the Gulf of Mexico as nothing before, a fury of nature called Hurricane Camille. And today, almost a year later, the scars are still there. They may be there forever.

Camille stalked inland in the dead of night on August 17, twisting Mississippi's Gulf Coast with merciless winds clocked at more than 200 miles per hour, surpassing anything on record books.

"It was a once-in-a-century hurricane," said Dr. Robert Simpson of the National Hurricane Center in Miami. "No coastline will ever be prepared for a storm like Camille."

And before Camille was through, she left almost 150 dead in Mississippi and seven in Louisiana. Virginia and West Virginia, swept by floods created by Camille's sweep over Appalachia, listed more than 100 dead.

Damage to property—almost beyond estimate—was officially placed at almost \$1.5 billion.

But the spirit is strong and along the white sands of the Mississippi coast, the whine of heavy machine and the ring of carpenters' hammers echo over the land.

Building is booming and business is good in many Gulf Coast towns which still have broken streets and shattered homes as grim reminders of that fearful night.

The Gulf Coast has long been the wedding sanctuary of land and hurricane. Nothing can change that: nature designed it so.

"Hell, we've had hurricanes, and bad ones, or so we thought," said Gulf Coast Civil Defense coordinator Nap Cassibry after Camille. "But I just couldn't conceive of 190-mile an hour winds."

It was just that, that Gulf Coasters had been through hurricanes before and had ridden them out, which caused many to stay and not heed the warnings.

The challenge to rebuild was kindled by help that poured in from all across the nation. Louisiana shipped in fresh water by truck tankers and a man from Montgomery, Ala., sent down his truck and building materials.

To be sure, tourists have not flocked to the coast this summer as they have in years past but Mayor Daniel Guice of Biloxi said "we are still enjoying a fairly good tourist season."

A Gulfport realtor, Carl Alfonso, said the disappearance of some coastline mansions made the land more attractive to commercial interests. And he indicated there are plans for hotels and motels and apartment complexes.

A bright light popped on last month when the Navy Department awarded a \$2-billion contract for 30 destroyers to the Litton-Ingalls shipbuilding plant at Pascagoula, on the eastern end of the Mississippi coast.

"Property values actually are higher now than before Camille," Mayor Guice said, "because of interest shown by investors. This Litton contract is a big boost."

The Gulf Coast was a playland, and will be again for those who seek the sun and the Gulf's waters.

But it cannot be the same, never again.

It was little Pass Christian that took the storm's main fury and then crumbled under the cluster of tornadoes that spun off the hurricane.

Pass Christian is a charming little place, a homey town. President Woodrow Wilson once wintered here and the small white house where he lived didn't escape the storm's crush.

It will be tough for Pass Christian to come back. So many homes vanished. Mayor J. J. Wittmann said that while the little city is making progress, "we won't have the big, beautiful homes like we used to have. It costs too much to replace them and people may be a bit shy about building expensive homes again."

More than \$50 million has been spent in cleanup operations and restoring public facilities. The Small Business administration has made about \$81 million in disaster loans with another \$35 million expected to be made.

Insurance companies have paid about \$175 million in claims though many residents contend they were badly treated by claims adjusters. Some cases are in the courts.

The sights that catch the eye along the coast today are just two, primarily: either work crews are clearing away what were once homes, or new homes are going up.

Mr. LINCOLN. May I add one more input, Mr. Chairman, to this discussion? There needs to be included in this sort of consideration the other Federal programs that make input into the community.

Mr. CLAUSEN. Repeat that statement again.

Mr. LINCOLN. There needs to be included in consideration of this section the availability of other Federal programs which may make inputs to the recovery of the community, such as housing programs, EDA programs, and other programs.

Mr. CLAUSEN. I think the point we are trying to make here is what was the situation before the disaster, and what is the situation afterwards? We need to have something in the way of documentary evidence of the actual experience that has come as a result of your own evaluation and studies.

Mr. LINCOLN. I do not think that we can promise anything highly analytical in a very short time.

Mr. JONES. General, what would be your position in these programs where they have sharing costs, say 50-50, and you would then be called upon to participate, have something more than either grants or aids in excess of amounts that are necessary for rehabilitation and reconstruction of public operating facilities.

Let me give you an example. Under the act providing for water waste treatment plants, where the formula goes up to 70 percent, it is lost, the plant is lost due to the occurrence of the disaster. Would you like to have the authority to participate in the other 30 percent for the reconstruction of that facility?

Mr. LINCOLN. I admit I am having some difficulty in understanding the question.

Mr. JONES. Let me restate it. The town has a water treatment plant, and the Federal Government has invested in it in the amount of \$700,000. A hurricane or a flood comes along and destroys that plant which has just been constructed under Federal funds, it is then eligible to go back and make an application for that project.

Now you put the addition in what was destroyed, would you be willing to say that you would supply the additional 30 percent that would be required of the community?

Mr. LINCOLN. If I understand the question, assuming that a public facility with a reconstruction value of \$700,000 is completely destroyed, and suppose the community wanted in reconstruction to build one worth a million, what would—

Mr. JONES. I did not ask that question now. I did not ask that. I am asking about the replacement of that project. Now here is the Department going to give you a new commitment, \$700,000, the same as it was, had already received the grant and it is destroyed, now would you be willing to put the other 30 percent into the reconstruction of that project? I am not talking about a different one now.

Mr. GRACE. In other words, use the disaster program as an additive to the other agencies' programs. Under the debris removal, the agricultural program only goes to 80 percent, and we pick up the extra 20 percent and take care of the debris—

Mr. JONES. That is the Farmers Home Administration. What about the other agencies?

Mr. LINCOLN. We have no other precedent that I know of.

Mr. GRACE. Well, only on the debris. However, under the proposed bills, ours and the one that Mr. Johnson has introduced if it is a public facility we are now talking about the restoration is to current standards and that would be complete. There would not be any fractioning involved there with all those that are public facilities.

Mr. LINCOLN. I am inclined to think that in this instance, if it has been built by the municipality, we would have to replace all of it, and we would be very happy from the standpoint of the President's fund if some other department would pick up 70 percent, and we only had to pay 30 percent, do you not think that is the answer?

Mr. GRACE. Yes.

Mr. LINCOLN. Sharing in this case not as between Federal and local government, but among Federal departments.

Mr. JONES. Yes. Let us get into the housing operations. What has been your experience in Camille with temporary housing, particularly the purchase and rental of trailers, mobile housing?

Mr. LINCOLN. This is a subject that you will also wish to ask the representative of HUD about, but I will say that our experience has varied and sometimes is quite difficult. As between rental and purchase, which as I understand is your point, sir, the purchase of temporary housing or purchase of mobile homes faces one with a problem of how to dispose of them after they are no longer needed for the particular disaster. The leasing provides an end to the possession of that particular item of housing which helps terminate the disaster operations, but again involves difficult administration. Housing is the most delicate and difficult thing that we have to do with the disaster program, I think, other than the saving of life itself.

So in the end we come down with the view that we should limit our handling of trailers or mobile homes to leasing.

Mr. JONES. Mr. Johnson.

Mr. JOHNSON. Thank you for yielding, Mr. Chairman. I have to go to the Interior Committee on another one of our bills that affects the great State of California and Lake Tahoe.

General Lincoln, there are just two or three things I would like to point up here.

On page 20 of your statement you talk about planning assistance. How many of the States have actually taken advantage of that?

Mr. LINCOLN. Twelve and Guam.

Mr. JOHNSON. Still 12 States plus Guam?

Mr. LINCOLN. Yes.

Mr. JOHNSON. It is our experience in California, we had a fairly active disaster office there, and I presume they were pretty well up on this, and they had a workable program, I presume.

Mr. LINCOLN. California is one of the States—in fact I may say that there was no larger application than the one from California, and I was fortunate in having Mr. Grace who had been our Regional Director there at one time to discuss the matter with the disaster office in California.

I think we have now arranged a very useful planning contract, have we not, George?

Mr. GRACE. Yes. They have an excellent plan. If you remember we used to call it the Goldbook, because it was embroidered in gold cover. They are updating it now.

Mr. JOHNSON. Do you not think that is very beneficial to have that in effect if the States will participate, the Federal Government should go to the States and make sure that they have a good disaster organization?

Mr. GRACE. Quite true, Mr. Johnson. We are interested in the preparedness level of California, not the existence of a single document or a plan, and California is very well organized with its substructure of the California Disaster Office. It is one of the States we are proudest of, it has done an excellent job. They are making these funds available on a matching basis and working throughout the entire State to bring their preparedness to even a higher degree. We are working very closely with them.

Mr. JOHNSON. Now on the debris removal problem, that is a big one, and much of it is on private lands. I wonder if you would care to give us a brief statement as related to California, what was your experience?

Mr. LINCOLN. I will comment that at the desk where I sit, there are a large number of problems, and I do not recall the debris problem pertaining to California coming to that desk. I have had severe problems with some other places. I will ask if my staff with me can comment on California's debris?

Mr. GRACE. We have not had very much interest in the retroactive benefits of this in California or on the new ones, again because of the organization that the State of California has, the removal of debris from private and public property has gone very smoothly. We have had no problems, the cooperation in gaining the releases so we can do it en masse instead of little by little piece, with the terrible mobilization problem. So California has gone very smoothly.

I know of no problems we have had in recent disasters on this.

Mr. CLAUSEN. Would the gentleman yield?

Mr. JOHNSON. We had considerable debris, especially on our developed land, especially along the river channels. You take our vineyards and our orchards, and certain types of croplands there, which were very severely damaged, and it does not take much of that on the soil for a short period to destroy the vineyard or the orchard and the croplands, as far as the crop is concerned. This was in our first disaster that I had any experience with it. It was quite a problem.

Mr. GRACE. It was, indeed.

Mr. JOHNSON. But I think in the second, when we were much better prepared, and I think it is very good to have a strong section on that in any bill that we put out.

Now, the other matter that you spoke about in the field of revenue maintenance, now in our bill, or the one that I put in, we have a section in there dealing with grants, and I really think that if a community is hit hard there is only one way to get it back on its feet, because you can look at it and tell that the tax base is gone, personal property and real property. And a grant there would be the greatest help, I think, to the community. Instead of just saying that we have loan funds for you, I think for the immediate—well, you have got to go in with grant funds.

I wonder if any of you people want to comment.

Mr. LINCOLN. We have already made about all the comments we can make at the present time. I will repeat again, however, the thought that there is really quite a strong case for assuring a sharing as between the Federal Government and local government in this case so that you have assured involvements in applying for the loan that we have proposed.

I will also comment again that there are Federal programs that help out by grants in a stricken community.

Mr. JOHNSON. This would provide immediate grants and they would be eligible for the following 2 years, making it a 3-year period of grants, that is the provision we have in section 5, which is a new departure. I think it is real good relief for the area, because if you take Hurricane Camille, it was greatly wiped out, counties, municipalities, districts of all kinds, and certainly they were in need of grant money, grant funds to come in there over and above the loans.

To get on their feet in a hurry, this money that was a grant was much more effective than the loan angle.

Mr. GRACE. The ultimate recovery key is how fast those things which are revenue producing are reconstructed, of course. What we have been trying to concentrate on in the Camille case is how fast can we get the businesses that were destroyed back on their feet, and this is where we bring, what the Director describes, as the total Federal thrust in a concentrated effort of getting the people employed, getting the shipyard back in business, getting the shrimpers back in business, motels back in business, and thus putting the economy back on its feet again.

The properties are there, it is gaining revenue and paying taxes, that puts it back on a full cycle again.

What we have seen is rather rapid recovery in spite of some of the news reports. We feel that there is a temporary need for money, there is no question of it, we are in total agreement on this, it is whether or not there needs to be or should be a grant, gift outright, or whether there should be a temporary provision of these funds which can be repaid over a period of time established.

Mr. JOHNSON. The tax base comes back, because if your tax base is wiped out, certainly you have no funds to operate on.

Mr. GRACE. Both solutions would give money to the community, it is whether or not it is a free gift or a loan gift. They have to have money immediately.

Mr. LINCOLN. The last time I looked at the figures on the sales tax on the gulf coast of Mississippi, they were running ahead of the previous years, and we will check into that and find out where we are right now. I say they are running ahead of the year previously for major municipalities, but in the case of one or two, this would not be true.

Mr. JONES. Are you talking about two different taxes? One is an ad valorem, but not on income or sales tax.

Mr. LINCOLN. There are both, and the sales tax indicates something about how the community is recovering.

Mr. JONES. Pursuing your thought, the best thing to do is not to go down there and assist those people; if they are making more money than they did before, why are we concerned?

Mr. GRACE. They were only able to recover as quickly as they did. Mr. Chairman, because we did get in there as early as we did and helped with reconstruction.

Mr. JONES. I stated that in my opening statement, but the fact that the sales tax is gone down, you lost your ad valorem tax base, which is generally the most reliable of taxable income, because the sales tax is dependent upon the general economic situation: but an ad valorem is fixed by law, and so it maybe is not in the questionable area as to what

to expect from ad valorem. But in the sales tax, if we have a repression, people are not going to buy the things and you are going to have a sliding scale. But with the ad valorem, you do not.

Mr. JOHNSON. I would say most sales tax is pretty well earmarked. In most States, I know in our own State, it would not give you much in the way of general relief because it is earmarked for certain purposes, and the sales tax is pretty hard to get your hands on.

Now, another thing is with your disaster prevention, I think that was a very helpful move, when due to the snow conditions through the snow areas, we were able to get in there and do a lot of prevention from the standpoint of flood damage.

I know in our State, in the lower part of the San Joaquin Valley and on the east side of the Sierra, the work that was done saved hundreds of thousands of dollars of flood damage due to emergency prevention work in there, and with the cooperation of local, State, and the Corps of Engineers we were able to cope with the situation.

Now, I imagine that this has been your experience and disaster prevention—

Mr. LINCOLN. In this particular case, you refer to what was called Operation Foresight, which was a special situation where we could foresee the threat long in advance because of the heavy snow cover across the Northern United States. We knew there were going to be floods with great severity. The President directed me to take some forehanded actions. I should make clear that we did not use the President's funds in this, the Corps of Engineers were able to use their Public Law 99 funds and spend about \$20 million. They built, as I recall, 200 miles of levees in 4 weeks, which was just one of the preventive actions they took.

Mr. JOHNSON. If I understand you right when you were discussing the problem with Mr. Jones, the chairman, as it related to other programs, say there were other programs that would go up to 40 or 60 or 70 percent, would the Office of Emergency Preparedness make long-term loans, low-interest loans, with the balance, say, as 30 percent—

Mr. LINCOLN. No; except that under the proposal loss-of-tax-base authority.

Mr. JOHNSON. Why should you not?

Mr. LINCOLN. We are not yet in the loan business. We are not yet in the long-term business except in planning and coordination of other Government agencies, but of course we propose in this legislation that we, in effect, be in the long-term business by permanent repair of public facilities.

Mr. JOHNSON. That is all, Mr. Chairman.

Mr. JONES. Mr. Grace, under Public Law 91-79, section 8, subsection (b), provides that the President is authorized to make grants not to exceed \$250,000 to any State, on application therefore, and in an amount not to exceed 50 percent of the cost of benefit of the plans and programs referred to in subsection (a).

Why have you not encouraged the States, particularly those States where there is a frequency of disasters, to make a study of debris removal.

Mr. GRACE. As a matter of fact, Mr. Chairman, we very carefully contacted every State and encouraged every State to participate on

this. The reason why the return was as small as we have stated, 12 plus the Island of Guam, is that it is a matching fund proposition, and many of the States were caught with an absence of funds that they could contribute to this purpose. Their legislative body was not in session, and they could not get special funds. The deadline was December 31, which they thought would be too short really to do a productive job.

So we had several restrictions there that we thought were interpreted by the States to be the problem. Thus, we are saying now remove the deadline, let us have that same idea of working with the States, only over a more practical period, and let us put up \$25,000 in effective feed money to make sure we have a man that is going to have a direct responsibility to assure this.

Mr. LINCOLN. I did write to every State Governor, and of Guam and Puerto Rico, and also by the way to the Mayor of Washington, pointing out that this planning resource was available. There are some States that really have very good disaster plans and arrangements, and have little or no need to go any further.

Mr. GRACE. I realize also, that I did not fully answer the question of debris removal. We have moved in the development of State plans for removing debris outside of even this planning program of \$250,000 matching funds. We have developed in Mississippi, Texas, Louisiana, Alabama, et cetera, wherever it is appropriate to current disaster problems, these plans for the removal of debris from private property.

Mr. JONES. Of course that would remove some of the great problems if you have, because if you have guidelines or formulas that can be immediately implemented, then this doubt of local participation would be removed, and you would have the satisfaction of knowing to proceed and not be confronted with the dilemmas that you say occur in trying to make restoration for private—I mean individual debris removal.

Mr. GRACE. We developed typical State action plans which we have distributed.

Mr. JONES. I read that, and I wanted to be sure to bring it out.

Mr. CLAUSEN. Mr. Chairman, while you are on the subject of the comprehensive State plans and programs which is under section 8 of Public Law 91-79, we have observed that some 38 of the States are actually not enrolled in the program. Can you elaborate as to why this is a fact?

Mr. LINCOLN. I think that I am going to be somewhat repetitious, I think I can give several reasons. First, after all, the end date was December 31 this year. Some of the States did not have the money to provide the matching funds. Some might have had the will to do this, but their legislatures did not meet this year. Some feel that their plans are adequate, and, in the case of New York State, I was told that they felt that there was a question about conflict with their constitution. The responsible officer reporting to Governor Rockefeller called me on the phone and said they were going ahead and fix up the plans themselves and would not ask the Federal Government for any money.

Mr. CLAUSEN. Did I understand that you did communicate with these various States?

Mr. LINCOLN. I did write a personal letter to every Governor. I did have my regional directors call on every Governor.

Mr. CLAUSEN. Have you had responses?

Mr. LINCOLN. Well, first we had initially, as I recall, 20 States indicate an interest in that they might join the plan, 20 States plus Guam. Only 12 thus far have done this, but we are certain that everyone is well informed, and in fact, we have had regional conferences of State representatives of all but the Southeastern States, and the regional conference for them will occur shortly.

These plans have been discussed at these regional conferences, so I can assure you that every State is well informed, sir.

Mr. GRACE. The deadline really was the thing that frustrated many of them, as the Director said. Those that did not have a standing staff, such as California, did not feel that they could get the competent staff they needed in such short time to do the job within the few months that were allowed. It was kind of a short-fuse operation.

We think that there will be much more interest in working with this if this deadline were removed, and the sessions that the Director described, which we have been holding across the country, have been tremendously successful also in stimulating new interest.

What we have done is to gather together the States, get those that have done the best job in forest fire fighting, flood control, flood recovery, these kind of things, and let them tell what they have done legislatively, in emergency plans, and funding and other States, say well I can do that too, and they are learning from each other. This is all part of the preparedness package.

Mr. CLAUSEN. You are reading my point, because I am convinced that a good deal of the experience gained from the States that were hit by the hurricanes or those that were heavily damaged by floods, such as California, they have got any amount of experience in establishing the kind of organization structure necessary to cope with the problem, and it just seems to me that what is required here is to transfer this information, and I believe that it should be coordinated through you to be ultimately dispersed to the States, and it should not take that much in the way of efforts.

Mr. LINCOLN. We are doing this through regional conferences, but I think I should ask Mr. Grace to comment on the project we are working on with the Governors' council which is along the same line. It is a research project with them.

Will you talk about that, George?

Mr. GRACE. We did establish a contract with the Council of State Governments to try to determine again where were the best lessons, Mr. Clausen, among our State governments, which of them had done the best job in getting themselves ready. Because the States have the resources on a broad enough scale, they are almost like a small national government in that sense. Some of them have done a very good job in establishing emergency funds, emergency organizations, and have done a good job in bringing forth the necessary legislation.

So, we are highlighting this, and we will give it to every other State. We will give it not only to the Council of State Governments, but it will be given directly by our regions to these people, through the National State Conference of Mayors, and others. The lesson of one being accepted by the others. They like to take the lessons of their counterparts more than something that is directed at another level.

Mr. CLAUSEN. You feel the section should be continued in the bill, but it is just a question of what time we should put on it, which in effect would be a parallel to section 8 of 91-79?

Mr. GRACE. We would like it continued. We are not just opening the door. Here is \$250,000 in funds or in-kind, we even went that far, it did not have to be direct dollar for dollar match, but in-kind and effort and personnel.

If we leave the time limit off of it, we think we can handle this job of getting preparedness within the States. We are doing it on the basis we are looking for total preparedness not just a document. We are really doing some hard and effective work in the field. I think we need the time limit removed.

Mr. CLAUSEN. Mr. Jones and I were in Portland, Oreg., when we were shown through the communications center, by the Governor, and we commented at that time that here was one of the finest coordinations that we had observed, I mean as a committee investigating this. But I would still like to know how long is it going to take? What time period shall we put in this?

Mr. GRACE. Well, the way we have suggested, Mr. Clausen, we remove the time limit, and leave the controlling factor of \$250,000, and we have not extended that in the sense that we cannot spend over that in any one State. The States vary considerably as to how much time they need in order to bring themselves up to a good operational level. I am off the cuff here, but I would say it would take more than a year; we are talking about something that needs constant upgrading. That is why we have the \$25,000 a year factor in there. We will achieve, let us say, 75 percent of our goal, and then it gets harder in some States. You do not just get it as a package, not just the plan.

Mr. CLAUSEN. I do not want to prolong this, but it is my own view that in most cases they need to have a deadline set to accomplish the comprehensive plans and programs; otherwise it will drag on and on, and they have to have that thing, that in the way of an excuse. That is the miracle I believe of the Federal system. I will not prolong this any longer.

Mr. GRACE. We agree with that, except the way we propose to handle that is that on every contract let there would be a specific date of return on the development of that plan, unlike some of the comprehensive planning we have done in the past. This has to be done at a certain time. Each State is different. That is why we are looking for some flexibility.

Mr. LINCOLN. May I stress at the end here again that some States either have very good plans or alternately are not too concerned.

For instance, the New England States have their problems, but as I recall, we have had only two formally declared presidential disasters in the past 5 years there.

Mr. JONES. Mr. Grace, one of the things Mr. Clausen was just discussing was the fact that when Governor Hatfield arranged the warning system that was employed, he was able to obtain the television and radio and ham operators; they gathered with him in this forum to discuss the coming problems. They had the State highway patrol, he had the National Guard representatives, he had Public Health people, and he had local police systems; all were functional.

Now, I wonder if any attention has been given to the warning systems and how they would be employed, rather than a release. Why not engage these various agencies prior to the disaster, particularly in hurricane disasters, because it is estimated that they can give us 12 hours of warning before the occurrence, and why can we not get a system that will alarm the people and the telephone—give them directions vacating the premises and what to do under these circumstances?

Mr. GRACE. We agree with you, sir. As a matter of fact in the period of Camille the evacuation was actually tremendously successful. The loss of lives in the gulf coast area in this case, and in many cases is because there is no local authority to force the evacuation. In Camille the people had been buffeted so many times by hurricanes, whatever they were in degree, that they felt sure that in spite of the fact that the warnings were quite explicit that this was just another hurricane. The parties, such as in the motel, and they had a hurricane party, lost their lives because they refused, I think it was on six successive occasions, to listen to the sheriff's admonishment to leave the property.

The warning down there was very good. ESSA, for example, does a very fine job in teaching the communities. We have gone another step further. We have had in New Orleans, and the key speaker was the director. We had one in the gulf port, and the idea here is that once a year in the vulnerable areas the Governor or the mayor or locally interested citizens will highlight preparedness for this particular event, expressly in hurricanes or tornado districts. Where the season is defined, you go back 300 days and you have a hurricane day, and everybody is reminded what preparedness for hurricanes is all about.

The televisions, the radios, the newspapers, everybody gets the coverage there at one time, and it lasts for one season, that is all we ask of the public. We will do it again. We have gone further than that, now, we hold regional preparedness conferences, it was started in California, the first one.

As a matter of fact, Oregon spoke about their readiness and their organization because they had such fine examples. Now the hurricane one, for the Southeast United States, is the last one to be held, it will be on hurricanes and floods, and it will be held in Miami.

The participants will visit the hurricane center and all the best readiness actions by those States involved in the Southeast United States will be put on the table and for the other States to borrow. There is not any one answer to these problems.

Mr. CLAUSEN. In the area of preparedness, I would like to establish a record, and then we may have opportunity to discuss it further, but you recall some of the problems we had there in the Eel Delta, with respect to the loss of cattle, there was some 5,000 head of cattle wiped out to sea in 1964.

Now, as far as preparedness is concerned, would your plans include something in the way of a coordinated effort with State and local community government so that there could be a people and cattle evacuation plan, wherein there would be the kind of highways, the necessary equipment, I have as an example, we have a reception center for the cattle at the fair grounds, and they could accommodate

this. But it may require a certain kind of equipment to assist in the feeding of those cattle, so that during the winter months when the flood warning is on, why there could be a definite plan in the area of preparedness, where they could actually be removed.

It would have to be coordinated, but could the Office of Emergency Preparedness cooperate in this kind of an effort, not only from the standpoint of advice, but from the standpoint of financial assistance under what you consider to be a function of your office?

Mr. LINCOLN. I will make a comment and then ask Mr. Grace who knows the area to comment, I do not see why there cannot be an evacuation plan for cattle and horses, just as well as one could have an evacuation plan for people.

It is of course the responsibility of the State, and primarily of the local government. Commenting on evacuation plans. Texas has certainly a massive evacuation plan against hurricanes, and I have been told that they think in terms of being able to evacuate, say, hundreds of thousands of people. This has to be a standard operating procedure.

If I may, I will ask Mr. Grace to comment on your question.

Mr. GRACE. I think it is a very practical question, and I think it certainly can be done and should be done, Mr. Clausen. It can be done under this section 8 planning in California, for example, if we are talking about northern California.

Mass quantities of—I do not know how many carloads, perhaps you do, Jim, were moved, of grains, potatoes, and so forth out of the northern part of the State during Foresight. We had I do not know how many boxcars brought up.

Mr. LINCOLN. We did this without a disaster declaration by working with ICC and getting priority. They got 5,000 cars shifted to the Red River Valley for their potatoes and wheat. And it worked.

Mr. GRACE. Under the proposed imminent danger proposal we have in the legislation, this would enable us to put up some money, if money were the answer to getting this done. We could actually pay for getting these things out of the way, thus saving an ultimate loss. This is part of the reason this section is in here. You will remember how we tried to solve the problem of cattle, which in northern California was a big problem.

We got together not only Government sources and ICC, but every system of transportation we could, including barges, to move the cattle, and move the grain. Those lessons are very valuable.

All too often because of the continuous disasters, we have gone in and we have finished it and we have gone to the next one. But the director created an Operational Analysis Division within his own office for the single purpose of making sure that these lessons are not lost, and that we always have a small group of people that are watching the disasters and making sure that nothing has fallen through the cracks. That lessons are gained and held onto and even passed on to others. They are always sitting aside as observers, and we think it is a very valuable part of our operation.

Mr. CLAUSEN. Let me ask a question. In the proposed legislation before us, is there the kind of authority necessary for you to be able to move toward implementation of that kind of a plan, or do you need additional authority?

Mr. GRACE. It is in the proposed legislation. We have enough.

Mr. CLAUSEN. It is?

Mr. GRACE. Yes.

Mr. CLAUSEN. I would like to request that you direct some of your people to take a look at that particular situation, because I think it could serve as a lead example of what might be applied elsewhere, if you can show and you can develop that kind of people and evacuation plan.

Mr. GRACE. This has also been raised in Louisiana, I might add. We have been working with them.

Mr. CLAUSEN. I want to ask unanimous consent to place in the record at this point a letter that just came in this morning, and it relates to a frost disaster problem that has occurred, and I think that I can at least brief you sufficiently by reading the first sentence of the letter, but I would like to have the letter inserted in its entirety in the record:

Napa Valley Vintners urge your active support of legislation currently being drafted for change in ASC payments to provide assistance in the installation of pollutant-free frost protection devices for vineyards.

They are concerned about the pollution problems and what apparently is required is an abundance of water to give them satisfactory results.

Now, I will include this letter in its entirety in the record with the Chair's permission, but I would like to have you evaluate the legislation before us to see if there is authority required or—I am assuming this is a matter that would come under agriculture—and see whether or not they have authority. We have this permanent legislation before us, and I would like to be in a position to be able to respond to these people.

Mr. GRACE. Might we have a copy of this?

Mr. CLAUSEN. Yes.

Mr. JONES. The Chair will receive this letter, but not at this point. It will be printed at the end of the testimony of the present witnesses, and then the request will appear at the conclusion of that testimony.

(The letter referred to follows:)

NAPA VALLEY VINTNERS,
St. Helena, Calif., July 24, 1970.

HON. DON CLAUSEN,
Longworth Building,
Washington, D.C.

DEAR CONGRESSMAN CLAUSEN: Napa Valley Vintners urge your active support of legislation currently being drafted for change in ASC payments to provide assistance in the installation of pollutant-free frost protection devices for vineyards.

In certain years, the current one being a prime example, the use of vineyard burners is all that saves vineyards of the Napa Valley from total disaster due to frost damage. When temperatures drop as low as they have this year, even wind machines are unable to help the situation without the aid of heaters. Sprinkling systems are the most effective and least objectionable, but are dependent upon a copious supply of water, which is not available to every vineyardist.

Heaters of one type or another are now in general use. While agriculture is as unhappy about the pollution resulting from inefficient heaters as are its complaining neighbors, the cost of low-pollutant heaters is prohibitive for many small agriculturalists. Aid from conservation funds would make possible the early installation of efficient frost control systems and prevent further pollution of the environment.

In our opinion the cost of pollutant-free frost control would be more than offset by the tax revenue from crops thus saved from destruction by frost.

Very truly yours,

JAMES E. BEARD,
Assistant Secretary.

Mr. JONES. I have before me a report by the Department of Commerce for 1965, a nationwide natural disaster warning system. This is the preface contained on page 1 of the report.

The participating agencies are the Coast Guard, the Army Corps of Engineers, Federal Communications Commission, Office of Civil Defense, Office of Emergency Planning, et cetera, and the concluding paragraph is as follows:

This report summarizes the findings of the group and recommends a greatly expanded and improved nationwide natural disaster warning service be provided by the Government as soon as possible. A nationwide natural disaster warning system is proposed as the best means of accomplishing prompt and efficient warning everywhere. The system should have many benefits, both military and economic. It would appreciably reduce loss of life, property damages from natural disasters.

Do you feel that the response that you have made to previous questions that you have accomplished that nationwide warning system?

Mr. GRACE. We have not achieved the total recommendations of that—

Mr. JONES. Why are you satisfied that you have a warning system? You testified that it is sufficient.

Mr. GRACE. I testified that we do have a warning system. I did not mean to imply by my testimony that it is the best or ultimate warning system we hope to achieve, but that much is being done in warning of the people.

Mr. JONES. It is our business here to try to establish a warning system to reduce the loss in life and property and to gain rehabilitation. Now, what should we do in the way of the warning system? Did your organization help prepare that statement?

Mr. GRACE. I agree with you, Mr. Jones, I am not able at this time to comment in the depth that I would like to on this subject. I know ESSA has already made some changes in their program, as a result of the flood in Virginia and the absence of warning there, which was a very peculiar and demanding situation. The hurricane warning system, I think, is in much better shape. The tornados are a little harder to predict, but locally I have seen some very responsive local governments handle this on an individual basis. What we need is more uniformity throughout the States. So, we are not finished with the warning problem. We are a long way from predicting earthquakes, for example, and there is just nothing in the immediate offing that would show that would come forth in the near future.

But that which can be an improvement in the cases of the flash floods, which I think are our real danger in many parts of the country and needs the greatest attention.

Mr. LINCOLN. I would like to underline that ESSA has been working very hard indeed on this problem and has been making improvements on what in my judgment has been a good system for natural disaster warning. I also underline that in the case of Hurricane Camille where

there was considerable discussion about warning, our analysis of that in depth showed that the people were warned. Some people did not heed the warning on the gulf coast of Mississippi.

Mr. GRACE. As part of warning also is the subject of communications, and under the general's direction, we have moved with the Department of Defense and arranged for the CONARC numbered armies to provide us the emergency communication support we require. The meetings have been held throughout the country, with each numbered army and our regions, to work out those procedures where they would respond instantly to substitute emergency communications. We have an interim plan designating a trained communication representative, picked by CONARC with our approval and assigned to our region for full coordination of all communication requirements which are necessary in the immediate response to an emergency. This has been accomplished.

Mr. JONES. Are you familiar with the report just issued March and April of 1969 with the Weather Bureau about the reports of the survey team on the warning systems and where it is deficient?

Mr. GRACE. This is the one they did post, Camille?

Mr. JONES. Operation Foresight.

Mr. LINCOLN. This was after Operation Foresight, is it not? I would not say I am familiar with it in detail at the moment, but I saw it at the time.

Mr. JONES. Do you have the formulation of guidelines that you are issuing to the States on the type of warning system that would be the most effective?

Mr. GRACE. There is not at this time, Mr. Chairman, a single set of guidelines on the best warning systems or combination of systems that would make the most effective warning for the States. This is a part of our whole preparedness, however, to be developed with communication. We consider these very close together. We are treating them in the same package, and we have brought on an additional member of the staff, our small staff, to concentrate on this. We have reached the stage now where I think we are ready to go into the field, because our national arrangements have been completed.

Mr. JONES. Any further questions?

Mr. HAMMERSCHMIDT. Mr. Chairman.

Mr. JONES. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. On the question of public dissemination of knowledge, it would be helpful not only for the disaster, but after the disaster, I wonder if in coordinating with State plans, you feel that there is adequate information given to the public as to who they can turn to for aid and assistance and what they should do. For example, as to the matter of debris removal, do they know that they cannot be reimbursed? Or, if they would leave the debris there, and the State would take it up, they might be reimbursed. Do you have adequate dissemination of knowledge in this area?

Mr. LINCOLN. The answer is we did not have it for Camille, because the law was not passed until 6 weeks after Camille, but we do now. And, as an example of the type of information that is made available

and passed out, I am handed here a handbill of which the front section is, "Do you need help?" This handbill is designed so that it can be tailored to each disaster, and for that disaster area one can place in the names of the agencies that are operating and addresses and telephone numbers.

On the matter of debris, by the way, in Mississippi, we did. 82,000 flyers on debris removal were handed out to all boxholders and put in all boxes by the post office. In addition, the main daily newspaper down there, which has a circulation of 37,000, I guess, ran a 4-page description of what was available.

We worked on this very hard through all the communications media. One we used on the gulf coast was to have people talk after church.

Mr. JONES. We are certainly obliged to you and your associates.

Mr. MILLER. Mr. Chairman.

Mr. JONES. Mr. Miller.

Mr. MILLER. Mr. Lincoln, in section 1, page 4, of the bill, section 3, subsection 1, it indicates the loans that could be made to, I assume, private individuals. It shows that it is possible to make a loan of, say, 1 percent less than market value of the money.

Now, with many individuals, the private individuals would have insurance, would have to assume, and I know the problems on flood insurance, but in the case of hurricanes, it is possible, also, to have some insurance in the area. Would it be that the individual may say that the Federal Government is the insurance company, and I will not take insurance out, and hold down at least my insurance premiums, and plan that if a disaster occurs, the Federal Government will make me the loan, so I save in the premium, plus I receive a loan which could possibly be 1 percent under the market value of the money.

Mr. LINCOLN. Mr. Grace just suggested to me that if the individual is in a flood area covered by the Flood Insurance Act, that I believe after 1 year, he would be prevented from doing this. I would ask that you ask the Small Business Administration witness about this point, because it is his responsibility, and I do not have the expertise that he has.

Mr. MILLER. Very good. Thank you.

Mr. JONES. Mr. Zion.

Mr. LINCOLN. Also HUD might well comment on the flood insurance aspect of it.

Mr. ZION. Mr. Chairman, I would like to compliment General Lincoln and his staff for a very, very prompt and efficient treatment they gave in two instances that I have had problems with down in southern Indiana.

Mr. LINCOLN. Thank you, sir.

Mr. JONES. Again we thank you.

Mr. CLAUSEN. Mr. Chairman, in the interest of time, I have already asked one question, but I have a list of some seven questions and I wonder if I could be permitted to submit these questions to Mr. Lincoln and his staff and ask they be responded to and included at this point in the record?

Mr. JONES. Without objection.

(The information referred to follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF EMERGENCY PREPAREDNESS,
Washington, D.C., August 10, 1970.

HON. DON H. CLAUSEN,
House of Representatives,
Washington, D.C.

DEAR MR. CLAUSEN: In response to your verbal request at the recent hearings of the Subcommittee on Flood Control, replies to your seven questions are enclosed.

Sincerely,

G. A. LINCOLN, Director.

Question: Could you review for us the experience you have had in helping local and state governments in their disaster plan? What is your evaluation of the effectiveness of local and state government disaster plans?

Reply: Until the enactment of Section 8, PL 91-79, we have had to depend upon persuasion and salesmanship to induce state and local governments to perform disaster assistance preparedness. As a standing procedure, we fostered strong state level disaster assistance plans and organization as a basis for the cooperative team-effort with Federal agencies in providing disaster assistance to local governments. Along this same line, we urged the states to foster local preparedness to include an organization of existing government officials and checklist plans as a minimum provision. We consider that the state organization is the optimum level for controlling the disaster response because only at that level are found the broad authority, organization, and resources to cope with the highly variable demands and contingencies of most disasters.

As a result of our efforts through 1969, 45 of the states had disaster assistance plans but only 32 of these were considered to be "good," or better in quality. Disaster planning at the local government level, however, has been inconsistent and marginal both in quality and quantity. As a result, many local officials when faced with a disaster situation have had to learn from their mistakes. I think that the conditions which resulted at some local levels in Louisiana and Virginia during Hurricane Camille exemplify this inadequate local preparedness.

The situation which I have outlined should improve, however, with the incentives provided by Section 8, PL 91-79, for the development of more comprehensive state disaster assistance plans and programs for individuals. This observation follows from the fact that local natural disaster planning will receive better guidance and overall direction from responsible officials when the work authorized by Section 8 is completed.

As an answer to the second part of your question, I think that adequate disaster assistance organizations and plans at the state level are highly essential for an effective response. It is for this reason that we have recommended a continuation of the provisions of Section 8, PL 91-79. Undoubtedly, a local government or community that has been preparing and training for disaster behaves much more effectively than one that has made no such preparations. With effective preparedness, emergency demands are not likely to be unexpected, and the various agencies have an idea of the roles and relationships expected of them. As stated previously, however, I think that a checklist form of plan will be adequate for most local government requirements. The quality of leadership and past experience with disasters; as possessed by responsible state and local officials, contributes to sound preparedness. The best plans, checklists and organizations are found generally in those areas frequently visited by disasters.

Question: If the Federal disaster assistance program is to be really supplemental to the local and State disaster assistance programs, what is your evaluation of the overall disaster assistance available? Is it adequate?

Reply: A proper response to this question must relate to the stated goals of the disaster assistance program. These goals, as outlined in the preamble to PL 81-875, the Disaster Assistance Act of 1950, are to assist the state and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters, and to repair essential public facilities in major disasters.

I think that for the large part our disaster assistance program attains these objectives. We should recognize, however, that many individuals and some communities think that we should go farther. This was brought out in the

individual criticism resulting from Hurricane Camille, wherein a number of individuals and some organizations felt that some betterments over pre-disaster conditions should be provided. For example, the American Red Cross was criticized for not providing clothing, homes, and furniture of better quality than the individual had experienced prior to the disaster. Thus, the entire process of Federal disaster assistance is subject to questions of equity, scope, and feasibility of attainment as are many other programs in our modern society.

The changes proposed by HR 17518 should remedy the important inadequacies we note in the Federal disaster assistance program. These inadequacies were discussed in the recent hearings of the Subcommittee.

Question: I note that 38 States were not enrolled in the Section 8, PL 91-79 program. Why is this?

There are a number of reasons why only 12 States have enrolled in the program:

Reply: Many States did not have available matching funds. A large number of State legislatures had recessed before passage of PL 91-79 on October 1, 1969. Where funding required legislative approval, no action was possible until the opening months of 1970. Problems with legislative approval were compounded by the fact that 21 State legislatures do not convene in 1970. Because of this situation, a number of States either could not meet the December 31, 1970, deadline, or did not consider it realistic.

The short deadline of December 31, 1970 was a frustration to many States. They did not feel they could assemble a staff and complete a realistic plan within the time limit.

Section 8, PL 91-79, did not provide for any maintenance or updating of the completed plans and programs. Some States recognized this deficiency and expressed concern over their lack of resources to follow up on such approved plans and programs. This problem would be resolved by Section 3, d, HR 17518.

Some States obviously concluded that their plans and programs for assisting individuals in an emergency were already adequate and that additional funding of these efforts would produce no appreciable upgrading.

Question: Could you explain what you have in mind for replacement of public facilities? Specifically, what is it that you think we should do in replacing a facility such as a school or a highway bridge that is destroyed by a disaster?

Reply: Federal disaster assistance should be limited to provision of a permanent facility of the same size or capacity as the facility which was destroyed. Replacement of a school would be limited to a structure designed to accommodate the same number of students as the building that was destroyed, with the cost of any betterment or increased capacity the full responsibility of the local governmental entity. Permanent replacement would take into account any improvements which would be required to meet current codes or standards related to health and safety. The same approach would be applied to a highway bridge, for example, a destroyed bridge would be replaced by one of the same size or capacity to carry traffic except where improvements were required to comply with current codes or specifications pertaining to safety. Such specifications for roads or bridges would normally pertain to the Federal or State classification for the type of highway facility involved.

Question: Do you think that we should take into account changes in population or changes in design criteria that have come about since the facility that was destroyed was constructed? For example, if a school was designed for 400 students but there were actually 600 students attending, should we pay for a school for 400 or for 600? Similarly, in the case of a highway bridge, should we pay for reconstruction of the bridge as it existed at the time of its destruction or should we provide for increased capacity as far as load bearing or width?

Reply: Changes in population should not be a determining factor with regard to the type or size of structure which would be provided as a replacement for one which was destroyed. The cost of betterments required as the result of population increase would be the responsibility of local governments. The latest design criteria related to actual construction would be utilized. However, special facilities such as cafeterias, auditoriums, and gymnasiums would be replaced only where they existed before the disaster. A school designed for 400 students would be replaced by a school designed in accordance with present criteria to handle 400 students. The cost of additional space for additional students or other special requirements would be the responsibility of the local school authorities. With respect to a highway bridge, it would be replaced with one of the same size and capacity to carry traffic except where current safety codes or specifications

would require a betterment. For example, if a one lane bridge existed on a two lane highway prior to the disaster and current state or local regulations prescribed minimum standards of two lanes for construction of bridges for the road classification involved, or, if such specifications or state laws increased the road width from 18 feet to 22 feet as in Minnesota, we would expect to comply with such requirements.

Question: Would you care to discuss your Camille experience with regard to the use of temporary housing and rent? What is your view as to providing rent-free quarters to disaster victims for a period of up to a year?

Reply: As you know, there was an urgent requirement for over 5,000 temporary housing units in the five Camille states. I gave the Department of Housing and Urban Development an unprecedented mission assignment to provide the required temporary housing. DHUD recommended appropriate housing policies for administering this large program. The Camille rent policy (Attachment 1) was approved by OEP. It has proved workable in Camille and has also been used with minor changes in the tornado-stricken areas of Lubbock, Texas.

Recovery of any disaster area is largely dependent on the resumption of employment and the return to normal (or predisaster) permanent housing. Everything practicable must be done to assist and encourage these steps.

Based on our experience, we feel that a "free" period of housing is needed—but for a short period of time.

Our most recent experience in Mississippi and Louisiana also confirms that there is little movement toward making permanent housing arrangements as long as rent is free. Stimulus and assistance to expedite their return must be provided. The DHUD rental plan accomplishes this we believe.

Following the three months of free rent there is a "below fair market value" period of rent and finally a period of rent which is comparable with local commercial rates. The three stages are designed to guide the emergency housing occupants back to the normal level of life, step by step.

In all cases, of course, those who experience financial hardship continue to receive rental adjustments consistent with their financial status.

RENT POLICIES FOR CAMILLE DISASTER RELIEF HOUSING

1. Applicability

The following policies shall govern the charges for rent and utilities to be made to individuals and families eligible for disaster relief accommodations of whatever nature (e.g., mobile homes, unoccupied federally owned housing, unoccupied public housing units, leased private housing) provided for victims of Hurricane Camille.

2. Statement of Policies

(a) *Initial Period.* For an initial period, beginning with the date of actual occupancy and for the balance of the month plus three months thereafter, but not later than 12 months from the date of the disaster declaration by the President, there will be no charge to the lessee for rent. The lessee will be required to pay for utilities as billed, directly to the supplier in the case of individual metering and billing, or to the management agent or agency on a pro rata basis in the case of master metering. In addition, the lessee shall be responsible for payment of the costs of garbage and trash collection for which direct charges are made. If payment of utilities and garbage and trash collection charges constitute a hardship for any lessee an application for adjustment may be made as provided in paragraph 2.c. below.

(b) *Subsequent Period.* After the rent free term of occupancy and for the period of occupancy not to exceed 12 months from the date of the disaster declaration by the President, each lessee, in addition to charges for utilities and garbage and trash collection, shall be charged rent in accordance with the following schedule:

Unit Size	Monthly Shelter Rent
1-BR -----	\$35
2-BR -----	40
3-BR (any BR less than 7' x 9') -----	45
3-BR (all BR 7' x 9' or larger) -----	50

(c) *Adjustments for Hardships.* If the total monthly housing expenses, including shelter rent and other charges made in accordance with 2.a. and 2.b.

above, plus any fixed monthly expense relating to the amortization of debt owed by him on a house in which he resided and which was destroyed or damaged to such extent as to make it uninhabitable by Hurricane Camille, exceeds 25% of his anticipated monthly income, any lessee may apply to the management agent or agency (on the form provided) for an adjustment in the charges made for his temporary housing.

For purposes of determining a lessee's eligibility for adjustment in the monthly charges for his temporary housing and the amount of the adjustment, if any, to be allowed, "monthly income" shall mean the income being received from all sources, before taxes and withholding, of all members of the family living in the unit, except that \$25 per month shall be deducted for each minor person (under 21 years of age), excluding the lessee or his spouse; and any earnings of such minors shall not be included in the income of the household.

(d) *Notice to Lessee by Management Agent or Agency Prior to Termination of Temporary Housing Accommodations.* At least 60 days prior to the date of termination of the lease but in no event later than June 30, 1970, the management agent or agency shall notify each lessee of the termination date of his lease for the accommodations occupied and shall inform him of the options available to him after that date (e.g., purchase, lease from owner, availability of HUD-aided housing, etc.).

Question: Does the provision of free temporary quarters result in the postponement of reconstruction of homes in your opinion?

Reply: As indicated in our response to question 6, our experience in the Camille Gulf Coast disaster area indicates that there is little movement out of government-furnished housing as long as free rent is available. This, of course, would have an impact on reconstruction of damaged or destroyed homes; some victims may delay making permanent housing arrangements as long as temporary housing arrangements are favorable. We believe, however, that other factors could have a greater effect on home reconstruction, e.g., delays in insurance settlement, building codes, non-availability of loans, uncertainty about employment, and lack of construction capabilities.

Mr. JONES. Again we thank you gentlemen. You have been very helpful.

Our next witness is the Honorable George H. Mahon of Texas, chairman of the House Appropriations Committee.

Mr. Mahon introduced a bill to provide additional assistance to the State of Texas for the reconstruction of areas damaged by tornados occurring on April 17 and 18, and May 11, 1970.

We are pleased to have you, Mr. Chairman. As you know, we are trying to write permanent legislation that will take into account the experience that we have had over the years, to make legislation that will be immediate in its response and make it as compassionate as we possibly can to aid those in distress and help those in the affected areas to rehabilitate their society and their economy.

We know of your great interest in this subject, and we are pleased to have you this morning.

Mr. CLAUSEN. Would the gentleman yield? I just want to echo essentially what the chairman has said, but while I have the opportunity to express my personal appreciation to the chairman of the Appropriations Committee, Mr. Mahon, who is now appearing before us as a witness, before his responsiveness in his key position to the request for funds that have been so necessary in meeting these disaster relief problems throughout the Nation. You have been most responsive and I do want to take this opportunity to extend, on behalf of the State of California and the many areas we have visited, our thanks to you, sir.

STATEMENT OF HON. GEORGE H. MAHON, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF TEXAS

Mr. MAHON. Thank you very much for those generous words, Mr. Chairman.

I realize that you are trying to update and improve legislation involving major disasters. I did introduce a bill on the subject.

I want to urge that in whatever action is taken that adequate provisions be enacted to meet the special needs of the west Texas area. I have been working closely with Senator Yarborough and Senator Tower to accomplish this objective.

I realize what you are probably going to do is to look at the whole problem and undertake to draft and present to the House a general bill meeting the situation.

I hope the committee will give the fullest consideration to the provisions of the bills introduced by the Texas Senators and myself and determine whether or not the committee feels it practical to incorporate these provisions in the version of the bill which the committee agrees upon. I realize you must give consideration to all facets of the disaster problem, including the fact that some fiscal restraints are inevitable.

Now, I observed General Lincoln and George Grace and others who were before your committee a few moments ago. They were with me in my hometown of Lubbock on May 12, following a very major tornado on May 11. I must say that the Office of Emergency Preparedness did a tremendous job in dealing with this problem, and other agencies of the Government such as the Small Business Administration and HUD. I would say, figuratively, that the Government agencies turned hand-springs in order to be helpful.

I am convinced that when there is a major disaster, a bona fide disaster, that we all want to meet the problem and meet it effectively and quickly. I wish you well in your drafting of the legislation.

Now, I have a statement here, which I would like to present in the record at this point, which goes into some detail regarding one of the problems which I am specifically interested in.

Mr. JONES. Without objection, it will be received and printed in the record.

(The statement referred to follows:)

STATEMENT OF REPRESENTATIVE GEORGE MASON

FEDERAL DISASTER ASSISTANCE LEGISLATION—RELOCATION ASSISTANCE

Mr. Chairman, the subject of natural disaster is one with which I have had recent practical experience. I feel I can speak on some aspects of the subject with considerable authority.

On May 11, of this year, my own home town of Lubbock, Texas, was the victim of a killer tornado—26 people perished and some \$115 to \$125 million worth of damage was done. Thousands were left homeless.

As the Public Works Committee begins to give consideration to the revision and updating of federal disaster relief assistance, I wish to call special attention to the critical need for a provision which is not now contained in existing disaster relief law.

I have submitted to the Committee draft legislation which would make relocation assistance available for victims of a major disaster—as designated by the President—the same relocation assistance that is now authorized for residents of an urban renewal area. The provision would make such assistance available if an application for assistance is filed within one year after a major

natural disaster. I respectfully request that the text of the provision be inserted in the record at this point.

FEDERAL RELOCATION PAYMENTS

Notwithstanding any other provision of law or regulation promulgated thereunder, no application for relocation assistance authorized under sections 105(c) or 114 of the Housing Act of 1949, title IV of the Housing and Urban Development Act of 1965, or section 107 of the Demonstration Cities and Metropolitan Development Act of 1966, or any other Act of Congress shall be denied because the applicant was required to relocate as a result of a major disaster as determined by the President under the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g), if an application for such assistance is filed within one year after such major disaster.

As indicated, this provision would simply extend to those displaced by major disasters relocation payments, if an area is subsequently designated as an urban renewal area and application is made for such payments within one year of the date of the disaster.

As Members know, there are several types of relocation payments which are presently authorized under urban renewal. They are:

1. For individuals and families, up to \$200 for direct loss of property and moving expenses including storage costs.
2. For low-income families and elderly or handicapped individuals unable to obtain public housing or Federal rent supplemental housing, additional relocation payments of up to \$500 a year for a two year period.
3. For business concerns and nonprofit organizations, up to \$3,000 for direct loss of property and moving expenses including storage costs; or for actual moving expense and no direct loss of property, up to \$25,000.
4. For certain small businesses, a displacement payment of \$2,500.
5. For displaced owner-occupants of 1-to-2 family dwellings, replacement housing payments of up to \$5,000 toward the purchase of replacement dwellings.
6. Such payments may also include reimbursement for certain costs pursuant to property transfers.

Mr. Chairman, I have made reference to the tornado activity in May in Lubbock. As fate would have it, among those most seriously injured from an economic standpoint were those least able to rebound.

One of the most severely hit areas was a Mexican-American community on the north side of Lubbock called Guadalupe. This area was almost a total loss. This was always a very low-income area. Today many former residents of the area are almost destitute. The average income in the Guadalupe area is about \$3,000 per year and in some households it is less than that.

These are proud people. Many are property owners. Some 65% are property owners, some of the parcels having been handed down from generation to generation. These people have their roots in this community.

Since the havoc of the May tornado, the people are scattered—with relatives, with friends and some in housing made available by the Federal Housing Administration and by the Veterans Administration.

The people want to relocate on their previous home sites. And through hard work by local officials and with the splendid cooperation of officials of the Department of Housing and Urban Development, an application for a Neighborhood Development Program has been prepared, submitted and approved.

But without the availability of relocation payments—as would be the case with the standard Urban Renewal or NDP program—there is in many instances no way to begin the task of reconstruction. Due to the devastation caused by the tornado people are without adequate means to rebuild. And there is no way to clear land titles for redevelopment.

Mr. Chairman, following the tornado, a number of disturbing facts have come to light. Many families, because of the low income and other factors, have not been able to keep abreast of property taxes. An initial survey indicates that some 45 percent of the property is tax delinquent, ranging from \$100 to \$3,000 per property and averaging about \$400 per parcel. In some cases back taxes alone aggregate more than the residual value of the devastated property.

Additionally, there are outstanding paying liens which in the Guadalupe area average \$300 per property and range from \$30 to \$870.

Furthermore, there are a number of families which had little or no insurance on property and their homes and they are left in the position of making payments on property improvements which no longer exist.

Out of some 500 homes in the Guadalupe area, approximately 400 were destroyed by the tornado, hence 80 percent of these needing help the most will not receive the benefit of relocation payments, unless this provision is adopted.

The task ahead is a monumental challenge but without relocation payments, those displaced by the tornado will have an almost impossible task of rebuilding. Only a small portion of the area will be reconstructed unless those displaced by the tornado are made eligible for relocation benefits.

Mr. Chairman, I urge that there be included in the bill recommended by the Committee, a proposal which would correct this deficiency in existing law.

It has been demonstrated that relocation payments are a necessary and integral part of an urban renewal program. The nature of the displacement is irrelevant, whether it be by planned, deliberate redevelopment or by sudden and tragic devastation. The people have been removed from their property just as they would be under standard urban renewal, and it is necessary to have these benefits in order to develop a viable renewal program.

In conclusion, I state that the provision I am supporting provides nothing more, nothing less, than is now authorized under the conventional urban renewal program. Similar amendments have been offered to disaster relief legislation pending in the Senate. The principle has the full concurrence of officials of the Department of Housing and Urban Development. The proposition makes sense. I urge its adoption.

Mr. MAHON. Now, what I would like to call carefully to your attention, and as forcefully as I might, is the fact that in order to carry out our urban renewal program in Lubbock, we badly need a certain proviso in your general bill. We have had urban renewal in Lubbock, but we have a new program approved which encompasses much of the tornado area. I have worked with the Housing and Urban Development people and others in securing assistance in the drafting of a proviso. The objective of the provision which I wish to advocate would be to provide relocation benefits in a disaster area, which is subsequently approved as an urban renewal area. In Lubbock we are faced with a situation where the people are not eligible for relocation benefits because the tornado occurred before this area was approved for urban renewal. We had an urban renewal program in other sections of the city which had been in operation a number of years.

Mr. JOHNSON. Mr. Mahon, you are addressing yourself to residential occupants or are you talking about businesses?

Mr. MAHON. We are talking about the whole matter of relocation payments to people in disaster areas which become urban renewal areas. This proviso would extend these benefits to businesses and to individuals where there has been a major disaster, even though at the time of the disaster there was no urban renewal project covering the particular area.

Now, I think all of you know that the urban renewal program cannot succeed, and has not succeeded in areas where there were no relocation benefits. Otherwise you cannot relocate these people. You have to make some provision for them.

I would like to read the proposed language, which is also in the statement which I have presented, and which I would hope the committee would embrace in your bill:

Notwithstanding any other provision of law or regulation promulgated thereunder, no application for relocation assistance authorized under sections 105(c) or 114 of the Housing Act of 1949, title IV of the Housing and Urban Development Act of 1965, or section 107 of the Demonstration Cities and Metropolitan Development Act of 1966, or any other Act of Congress shall be denied because

the applicant was required to relocate as a result of a major disaster as determined by the President under the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g), if an application for such assistance is filed within one year after such major disaster.

Mr. Chairman, I have discussed this language with members of your staff, and I realize upon first reading that it may seem a bit complex, but actually the objective is a very simple one of making it possible to have a successful urban renewal project following a major disaster in an area.

Mr. JONES. Thank you very much.

Mr. Clausen.

Mr. CLAUSEN. I think the chairman has made a very excellent suggestion, because we have seen areas where earthquakes have hit which is a similar situation to our own problem out there in California, and the income on the tax base and the economy is just fantastic, so I am sorry to hear of the problem but I am pleased to hear your comments and your suggestions because it seems as though it is parallel to some of the other problems.

Mr. MAHON. I do not think this kind of circumstance will arise too frequently, but it will arise from time to time. As I understand it, the Housing and Urban Development people are strongly in support of this general proviso in the new program.

Mr. ROBERTS. Mr. Chairman.

Mr. JONES. Mr. Roberts.

Mr. ROBERTS. I would just like to express my appreciation to the distinguished chairman of the House Appropriations Committee, and the co-dean of the Texas delegation—we do not have vice-deans, we have co-deans. We are delighted he is here and appreciate the statement he made, and of course it will always be a pleasure to work with him.

Mr. MAHON. Thank you very much, I say to my colleague from Texas. This morning I had hoped to be here earlier, but we came to a crucial stage in the conference with the Senate on the independent offices appropriations bill, and the final issues were not resolved until 11 o'clock. We hope to have that independent offices conference report before the House on tomorrow. Also we hope to take up the continuing resolution at noon today, because only three of our regular appropriation bills have been actually enacted into law. We need to enact 14, and we have passed 13 through the House, so I think we are making pretty good progress. But there has been considerable delay as a result of the delays in the other body.

Mr. JONES. You need not make any apology because this committee will receive you at any time you can be here and present to the committee some observations that are worthwhile. They are certainly worthy, and we have been wrestling with this problem throughout the years in our highway bills, and our reservoir taking in the exercise of eminent domain, so that I think the committee is sympathetic with what you seek to achieve.

Mr. MAHON. Thank you very much. I must say that the country owes a great deal of thanks and gratitude to what this committee has done for this country in supporting and expanding the economic strength of our natural resources in this country. Not only the country, generally but all Members of Congress owe you a debt of gratitude for what you have done and are doing.

Mr. JONES. Before you leave, you brought up a very pertinent observation that the Chair must make, Mr. Mahon. That is the fact that over the hundred bills that have been passed by the Congress since 1803, 70 percent of them, the disasters, are a result of floods. In that period of time, the investment in flood prevention works in the Tennessee Valley alone, the expenditure of \$272 million, has resulted in the benefit, since we do not have floods any more, \$520 million. In New England we have saved with an investment of \$20 million over \$200 million. In the California disaster, in which we attended and observed firsthand, there was a savings of \$1.6 billion in damage, had those works not been installed.

So, we do not have any investment program that is as profitable, useful or as accommodating to the tranquility of our people as the investment we make in those projects, notwithstanding the fact that people like to make fun of them, because they are "pork barrels," but they are monuments to imagination and desire of the Congress of the United States to harness these streams and arrest the floods and save the damages and ravages of continuous flooding.

Mr. MAHON. Very well said, Mr. Chairman.

Mr. CLAUSEN. To add to what the chairman has said, during that 2-week period in California where there was \$1.6 billion saved, it was found that the investment in flood protection works only by comparison had been in the vicinity of \$900 million. I would hope that the chairman could join some of us that are working with these disaster relief problems every day under this committee's jurisdiction in seeing that the Bureau of the Budget or its new agency, and your own committee, if we could somehow—I think we can double and conceivably triple the total dollar commitment, and I think it needs to be elevated to a higher position of priority in the total expenditures, you are not going to be able to develop the tax base or the economic base. I hate to spend these moneys after the fact when I am sure that we can be enhancing the agriculture of the country as well as the economic potential for many people in the sparsely populated areas where floods are a major problem.

Mr. MAHON. Thank you very much.

Mr. JONES. Thank you.

Our next witness is Mr. John Eachon, Jr., Associate Administrator for Financial Assistance, Small Business Administration. We are pleased to have you, Mr. Eachon, and your associates. Would you be kind enough to identify them?

STATEMENT OF JOHN EACHON, JR., ASSOCIATE ADMINISTRATOR FOR FINANCIAL ASSISTANCE, SMALL BUSINESS ADMINISTRATION; ACCOMPANIED BY JIM PROCTOR, ASSOCIATE GENERAL COUNSEL, AND BRYAN SHOEMAKER, OFFICE OF DISASTER RELIEF

Mr. EACHON. Mr. Chairman, on my right is Jim Proctor, who is our Associate General Counsel. On my left is Bryan Shoemaker, who is with our Office of Disaster Relief. My name is John Eachon.

Mr. Chairman, it is a real pleasure to represent the Small Business Administration.

Mr. JONES. Are you representing Mr. Cowles, too?

Mr. EACHON. Mr. Cowles is retired.

Mr. JONES. I understand. He was with us so very long, and we gained his friendship throughout the years, and we hope for you the same pleasurable experience that he had.

Mr. EACHON. Thank you, sir. I had the opportunity of meeting Mr. Cowles for the first time the other day, and my understanding is he had long and very meritorious service in the area of disaster assistance.

We appreciate the opportunity of appearing before you to discuss the important subject of disaster assistance.

Before I turn to comments on the bills, I would like to mention briefly our recent and present disaster activity.

Fiscal year 1970, just ended, saw the second largest disaster loan activity in the history of SBA. We approved 17,011 loans for \$175.1 million. This record was exceeded only in fiscal year 1966 as a result of our activity in Hurricane Betsy.

Hurricane Camille represented by far the largest part of our disaster program last year (involving, as of July 4, 1970, 13,349 loans for \$138.2 million), followed by substantial activity resulting from the tornadoes in Texas. We had as many as 253 SBA personnel working the Hurricane Camille disaster area at one time and 129 personnel in the Texas tornado area at one time. Since many of the people affected by the disasters were of the Mexican-American and black population groups, we made special efforts to see that SBA personnel who could communicate effectively with them were sent to the disaster area.

As of July 16, 1970, we had approved 1,516 loans for \$12.3 million in the Texas disasters. Of these, 1,282 were home loans for \$5.4 million. Since these areas were designated by the President as major disaster areas, the provisions of the Disaster Relief Act of 1969 are applicable.

We are still quite active in both disaster areas. Our Administrator, Hilary J. Sandoval, Jr., made several trips to each of these areas to assess the damage, the need for assistance, and to review the effectiveness of the agency's efforts to provide disaster loan assistance. He continues to stay in close personal touch with these disaster operations.

In fiscal year 1970, the SBA Administrator made 61 disaster declarations of which 25 were also designated major disasters by the President. Both figures represent sizable increases over the preceding fiscal year. Once again, the devastating human and economic impact of natural disasters has been made vividly clear.

I would like now to comment on the bills which the committee is considering. I will address my remarks to H.R. 17518 and H.R. 17824. The companion legislation in the Senate is S. 3745.

Since many provisions of the Disaster Relief Act of 1969 expire as to disasters occurring after December 31, 1970, it was essential to consider permanent legislation to continue, improve, or supplement the beneficial provisions of the 1969 legislation. The President has recommended legislation to accomplish this.

The provisions of the bills under consideration affecting directly the SBA disaster loan program are found in section 3. A primary objective of these provisions is to eliminate in most respects the disparities which now exist between our disaster loan program in areas de-

clared major disasters by the President and smaller disasters declared solely by the SBA Administrator. In the last 10 years there have been 510 SBA disaster declarations of which only 191 were also Presidential declarations. It is important that disaster loan applicants not be treated fundamentally differently solely on the basis of a distinction between major disasters declared by the President and similar but less extensive disasters declared by the SBA Administrator.

Specifically, the administration's legislation provides the following for SBA loans in both SBA and Presidentially declared areas, except six:

(1) Loans may be made without regard to whether the applicant can obtain the necessary funds from private resources;

(2) Loans shall be made without regard to the age of the applicant;

(3) Loan amounts for repair, rehabilitation, or replacement of property shall not exceed the amount of repair or replacement cost except that additional amounts may be approved, if necessary, to comply with current building codes and specifications;

(4) Loans made under sections 7(b)(1) (natural), (2) (agricultural and economic), or (4) (product) of the Small Business Act, as amended, will bear interest at a rate based on the Government's cost of money on obligations bearing maturities comparable to our present average disaster loan maturities (currently 12 years maturity), less a maximum of 1 percent, the present 3-percent interest rate will be abolished. Under the proposed formula, the current rate on such loans would be $6\frac{3}{4}$ percent.

(5) Loans may be made to refinance mortgages or other liens against homes or businesses that have been totally or substantially destroyed if the property is to be repaired, rehabilitated, or replaced—

Mr. JONES. Before your proceed, let me ask you a question. In item No. 4 of your presentation, you say that under the proposed formula the current rate of such loans will be $6\frac{3}{4}$ percent?

Mr. EACHON. Yes, sir.

Mr. JONES. Then, in your next section, you provide for refinancing. Suppose the loan was 3 percent, and you are refinancing at $6\frac{3}{4}$ percent, what would be wrong with taking the accepted interest on the existing indebtedness that you are making the loan on?

Mr. EACHON. Mr. Chairman, I think what we are referring to here is refinancing, we are talking primarily about an existing loan against property that has been given by banks, savings and loans, and et cetera.

Mr. JONES. That is what I am talking about. Suppose I had a business out here, and I owe \$100,000 at 3 percent interest, and it is wiped out by a hurricane. I come to SBA, and you are going to charge me $6\frac{3}{4}$ percent, and I am just paying 3 percent. Why would you want to charge me $6\frac{3}{4}$ percent?

Mr. EACHON. I think basically, Mr. Chairman, it is that the 3 percent interest rate was one that was established at the time when the rate was much less.

Mr. JONES. I am not talking about that. Suppose I have a loan outstanding at 4 percent. You are jumping my interest rate up to $6\frac{3}{4}$ percent, or the amount that can be computed at a current rate—I imagine you would compute it at the beginning of the fiscal period on Government marketable issues, and determine the rate as all

other agencies, so suppose it comes up at $7\frac{1}{2}$ percent next August 1, then that is the rate you would go at.

Mr. EACHON. Of course, obviously there could be a condition where we would not have to refinance. We could continue to have his existing loan as it is, and then of course supplement it with this additional financing. I think the key to it, however, sir, is the fact that by tying the interest rate to the actual cost of money that it would over the long period change with the economics of the country itself.

Mr. JONES. No; it does not do that. Now, suppose that you make a loan at $6\frac{3}{4}$ percent and the interest rate goes down after he has committed himself to the repayment of a loan based on three-quarters of a percent. You are not going to reduce his rate to 4 percent, even though the next fiscal period—

Mr. EACHON. No; we do not. This would continue for the term of the loan similar to what any other long-term loan would be under the same circumstances.

Mr. JONES. Why do you not have an escalation in the obligation that would give him the advantage of a lesser interest rate if it were to occur?

Mr. EACHON. Well, this particular aspect has not been under consideration. This is something we can certainly make a study on to see how it would affect this in the overall.

Mr. JONES. Well, we are just paying an enormous amount of interest, Government agencies themselves, because taking into account the average current rate of borrowing—the interest rate on borrowing, and taking long-term obligations, it seems to me that if you are going to fix it for a certain period of time, there ought to be a reduction if the interest rate goes down, because the Government would not lose anything.

Mr. EACHON. Well, this is an area that probably is certainly worthy of consideration. The key to it, I believe, sir, is trying to relate it in a reasonable way to the cost of money to the Government at the time of the disaster.

Mr. JONES. You have an advantage that the borrower does not have. You can call in your obligations, he cannot call his in, unless he goes out and borrows money, you know he is not going to get in the private financial sector a loan equal to $6\frac{3}{4}$ percent, but this has a different purpose. This is a disaster.

Mr. EACHON. Yes; I believe, sir, this is why in the legislation that they have decided they would be 1 percent less than the actual cost of money to the Government, which brings the rate, as of now, to $6\frac{3}{4}$ percent.

Mr. JONES. That is about the present rate.

Mr. EACHON. The present rate is $7\frac{3}{4}$, sir, based on the 12-year maturities which is the—

Mr. JONES. It has gone up within the last 3 weeks then, has it not?

Mr. EACHON. This was the rate established as of the fiscal year end, as the cost of money based on 12-year maturities of Government obligations.

Mr. CLAUSEN. Was that $6\frac{3}{4}$?

Mr. EACHON. Seven and three-quarters, less 1 percent, which would apply to disaster loans.

Mr. JONES. You may proceed.

Mr. EACHON. Loans may be made to refinance mortgages or other liens against homes or businesses that have been totally or substantially destroyed if the property is to be repaired, rehabilitated, or replaced, but the loan for refinancing may not exceed the amount of the physical property loss.

(6) In Presidentially declared major disasters where repayment of the disaster would create a hardship on the borrower, we may forgive the principal balance of the loan after the first \$500, but not to exceed \$2,500. This provision is applicable in major disasters and the maximum amount of forgiveness has been increased from the \$1,800 maximum provided by the 1969 legislation.

(7) We may defer initial payments of principal or interest or both, in whole or in part, during the first 3 years of the loan. The provision is contained in the Disaster Relief Act of 1969 and Small Business Act, as amended, and is continued in the administration's bill.

(8) Working capital loans may be made to small businesses suffering substantial economic injury as a result of the disaster, a type loan that is now available only in areas declared major disasters by the President.

These provisions affecting the SBA disaster loan program, we feel, represent a marked improvement in our ability to effectively help victims of all natural disasters. Our experience in administering the provisions of the Disaster Relief Act of 1969, has further convinced us of the soundness of these proposals. If enacted, a comprehensive and balanced program would result, to the benefit of all, and the shifting ground of disaster loan authority and implementation which has characterized the program over the past several years would be stabilized by permanent legislation.

We urge favorable consideration of the administration bill, H.R. 17518 and H.R. 17824, which extends and improves upon the provisions of the Disaster Relief Act of 1969, and of the SBA disaster program in general.

Thank you for the opportunity of appearing before this committee. We would be pleased to try to answer any questions you may have.

Mr. JONES. Thank you very much.

Are there any questions? Mr. Clausen?

Mr. CLAUSEN. No; I do not have any questions.

Mr. JONES. Mr. Miller?

Mr. MILLER. Yes, Mr. Chairman.

Pursuing the question we had a little while ago on the individuals that should have insurance or could have insurance on their homes, and I see in the Texas disaster you list that 1,516 loans, or \$12.3 million, as I see this, it would amount to about 234 business loans apparently, with an average of about \$30,000 each, where the home loans were about \$4,000 each. Now, those private individuals that had the business and also the homes, could they have purchased insurance for this protection?

Mr. EACHON. Yes, sir. My understanding is that they could in this area.

Mr. MILLER. Is there some encouragement by a bill such as this for those private individuals not to purchase insurance because the Fed-

eral Government could be a gigantic insurance company and the possibility also that we could borrow money at 1 percent less than if we did have a disaster? Would you elaborate on that, please?

Mr. EACHON. My understanding of this particular problem is that under Housing and Urban Development they have a national insurance—flood insurance, with a 1-year moratorium to acquire this insurance in these designated areas. Should they fail to procure this insurance, after the 1-year period of time should there be a flood, SBA assistance would only apply to that portion of their loss that would be above what they could have acquired under their insurance program. Does this answer your question?

Mr. MILLER. This is interesting, but not directly, because I am aware of the flood insurance problem, and now some of the damage would have been done by flooding, some would have been done by hurricane, I would have to assume—do you have a breakdown? Because we are speaking there of the wind damage where it is easier to buy insurance than flood damage, and I am wondering would the individual feel that it is not necessary for them to have insurance because the Federal Government will be looking after me and even at a lower rate of interest if a disaster does occur.

Mr. EACHON. Of course he would have to pay the loan in any case. This is a tough one to answer, of course, as to what his thinking may be. From a practical standpoint, under these circumstances, a man that has insurance under these circumstances, we go ahead and make the loan, and the insurance proceeds when he gets them applies back against the loan. In other words, he has less to pay back after this has been completed. We do not delay until he goes through all of the necessary paperwork to get his insurance claim paid.

Mr. MILLER. I am not exactly working for the insurance company, I am not thinking of that, I am just thinking of the man taking care of himself as much as possible and not relying on the taxpayers to help support him in some way.

Mr. EACHON. Mr. Shoemaker has been involved on a firsthand basis in his instances in most of our major disasters in the last few years, and may have run into specific cases like this. May I ask him to elaborate, if he would, please?

Mr. SHOEMAKER. Sir, I did not think that we are encouraging people not to buy insurance in these cases. We have to remember that the individual, even though the interest rate is subsidized, when he borrows money from us to replace that that he lost in a disaster is still sustaining a loss, he is not negating the loss in any way, and I think anyone who would put off buying insurance or just not buy insurance in order to save, oh, as much as \$100 or \$150 a year for \$25,000 or \$30,000 piece of property, it would be somewhat less than prudent if he were not to buy the insurance if he knows he would have to take the risk of loss in major disasters. I do not think we would be encouraging this sort of thing by making our loans.

Our loans do have to be repaid and under the subsidized interest rate the individual himself does sustain the loss.

Mr. MILLER. I can see myself having a business and depending, of course, upon the insurance rate, having considering whether it would be advisable to take a policy to protect myself or wait for the Govern-

ment to help me even at that lower rate, that is why I had the question as to whether you had given consideration as to anyway you could write into the legislation some restriction so that one person would be protecting himself, the other relying on the taxpayers to protect him.

Mr. SHOEMAKER. I do not know that we could write it into legislation before the disaster occurred. We do encourage people in our normal operations to take out whatever hazard insurance they can on their business and what have you, and we do after a disaster encourage them, and in many cases require them to buy hazard insurance on the properties on which we have a mortgage, providing that they can buy it at a reasonable rate and that they can afford this rate themselves.

Mr. MILLER. I wanted to make it clear that I am not trying to protect the insurance company, but to protect the taxpayer.

Mr. CLAUSEN. Would the gentleman yield? The thought occurs to me that we certainly need to coordinate the lending program that you have under disaster relief, along with the insurance program. Now, I would like to know how closely you have been inventorying the insurance experiences with the Department of HUD. I see Mr. Bernstein is in the room now. Have you been coordinating this so that SBA knows what HUD is doing in this field of disaster relief and the interrelationship between loans and the insurance coverage?

Mr. SHOEMAKER. We have been coordinating it. The Flood Insurance Act is a fairly new act, and I think the first area delineated as flood prone areas was delineated in June of 1969. So, we have had very little experience with it. We have had meetings with HUD though, and we will continue to have discussions with them in trying to determine what the areas are and what our observations will be in the future.

Mr. CLAUSEN. There is one point I would like to make also, and I am just going to state this so that all agencies that are present in the room now can hear it at once. As you know, our ultimate objective certainly must be to direct most programs toward the kind of relief, yes, but that includes the permanent protective works. A lot of this assistance would not be necessary if we had permanent—particularly in the area of flood control, if we had permanent protective works, why a lot of this anguish can be relieved, and I think the economic and tax base can be enhanced.

I think the one thing we have to be very careful of is we do not provide so much in the way of relief assistance that we lose sight of what has actually occurred in the way of flood control measures of a permanent nature that will guarantee protection in the future.

I wonder if you are taking this into account in your planning, or are you just doing the work within the confines of your own shop without a working relationship. Are you coordinating what you can do in this direction with other agencies?

Mr. EACHON. We are working to coordinate primarily after the fact, however. I think there is a lot to be done in the areas of coordination that you have talked about. I think in more recent days here, with the work being done by General Lincoln and his group and the formation of the Disaster Council that I participate in, I think much can be done in this area of better coordination. Certainly after the fact we are on board as soon as any of the other agencies and in some in-

stances before to provide, if nothing else, a very psychological lift to the people who have a problem, even though it is a few days before we can make a determination of damage and provide them with the money to get started on rehabilitation.

But, I think your point, Congress Clausen, is very well taken. I think this is an area where we can all do better from the standpoint of coordination.

Mr. CLAUSEN. I want to admonish everyone, and I think I can speak for the chairman and most of the members in this committee, that I want to see that the experience that you have gained as a result of the disasters of the past are channeled directly to the people who are handling the budget recommendations, because the greatest problem that we find here is that we will authorize, but we cannot get the kind of funding, and Lord knows the Small Business Administration, HUD, and everyone else needs to have access to all of the funds necessary to build certain sections of the country, outside of the disaster area, and the only way this can be accomplished is to get the kind of return on the public expenditure dollar that I think can only come by securing areas from any form of devastation wherever it is possible to avoid this, and I just cannot admonish you that are involved in administering programs to see that you make the point to the Bureau of the Budget, because I am going to be on top of this thing from the President on down. I think we have been too long in reaching this point in coordinating our efforts to get out the kind of permanent protective works that are necessary.

Mr. EACHON. Yes, sir; we agree.

Mr. JONES. Thank you very much, gentlemen. We have got a quorum call.

Mr. Watson, is it possible that you could be back at 2 o'clock? We appreciate it if you would come back at 2 because we have got this quorum and are anxious to receive your testimony.

Again, thank you very much. The subcommittee stands adjourned until 2 o'clock.

(Whereupon, at 12:14 p.m., the hearing in the above-entitled matter recessed, to reconvene at 2 p.m., the same day.)

AFTERNOON SESSION

Mr. JONES. The subcommittee will be in order.

We have this afternoon the Honorable Norman V. Watson, Acting Assistant Secretary for Renewal and Housing Development, Housing and Urban Development.

Mr. Watson, would you like to introduce your associates?

Mr. WATSON. Mr. Chairman and members of the subcommittee, I have a prepared statement that I would like to read.

But before I do, I would like to introduce Mr. John Bell, on my right, who is a member of our General Counsel's Office.

On my left is Mr. Ken Cavanaugh who is special assistant to the Assistant Secretary and also the chairman of our task force in HUD on Disaster Housing.

STATEMENT OF HON. NORMAN V. WATSON, ACTING ASSISTANT SECRETARY FOR RENEWAL AND HOUSING MANAGEMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; ACCOMPANIED BY JOHN BELL, GENERAL COUNSEL'S OFFICE, AND KENNETH C. CAVANAUGH, ASSISTANT TO ASSISTANT SECRETARY, AND CHAIRMAN OF HUD TASK FORCE ON DISASTER HOUSING

Mr. WATSON. I appreciate the opportunity to appear this morning to discuss HUD's role in the Federal disaster assistance program and our views of the pending legislation before the subcommittee.

The Department of Housing and Urban Development is one of the concerned Federal agencies prepared to move into action and bring aid to a stricken area when a disaster strikes. Some of our programs are specifically designed for disaster conditions while others are simply regular HUD programs applied according to need. HUD disaster assistance is coordinated by the Assistant Secretary for Renewal and Housing Management and is rendered through HUD regional offices throughout the country. The Director of the Office of Emergency Preparedness may call upon HUD assistance whenever the President declares a major disaster. In other types of disaster, HUD provides limited assistance, without OEP direction.

Among the different kinds of disaster assistance available from the Department are:

EMERGENCY HOUSING

When authorized by OEP, HUD may provide temporary housing by leasing mobile homes for subleasing to qualified families displaced by a disaster. The homesites are provided by the State or local government and HUD provides technical assistance on site selection and preparation, placement of the home on the site, utility hookup, and management.

Mr. Chairman, I would like to stop and repeat my full name for the record here. I am Norman B. Watson, Acting Assistant Secretary for Renewal and Housing Management, Department of Housing and Urban Development.

PUBLIC HOUSING ASSISTANCE

HUD may authorize local public housing authorities to waive income and other eligibility requirements to permit disaster victims temporarily to occupy any vacant housing. If the supply of existing vacant housing is insufficient, the local housing authority may purchase or lease trailers and mobile homes for subleasing to disaster-displaced families.

SUSPENSION OF PAYMENTS ON INSURED HOME LOANS

Private lenders are authorized, without prior approval by HUD, to permit reduction or suspension of payments on defaulted FHA-insured loans when the default is caused by damage to property not adequately protected by property insurance. Also, HUD's property improvement loan insurance program can cover loans for the repair

or improvement of homes and other structures and for building new nonresidential structures.

HELP FOR PUBLIC BODIES

Cities, municipalities, and counties may receive direct section 701 comprehensive planning assistance grants without regard to population. Normally, such areas are eligible for these grants only through State planning agencies.

HUD is authorized to provide relief on any outstanding loans it holds, both as to interest rate and payment terms. This applies to HUD loans to build public facilities, housing for the elderly or handicapped, college housing, and housing rehabilitation loans. In addition, HUD may give priority in processing applications for these loans as well as applications for other assistance such as low-rent public housing and grants for water and sewer projects.

URBAN RENEWAL

Where the local governing body certifies and HUD finds that an urban area needs redevelopment or rehabilitation because of disaster or civil disorder, the Secretary can waive certain requirements for urban renewal aid. These include requirements for a workable program for community improvement; requirements for an urban renewal plan that conforms to a general plan of the locality as a whole and to the workable program; requirements that there be a predominately residential use of urban renewal areas either before or after redevelopment; and certain aspects of relocation requirements.

Mr. JONES. Mr. Watson, I am quite sure that Mr. Clausen would like to make some interrogations at this point as to a general plan of the locality as a whole and to the workable program. I mean I am sure he is going to ask you what it entails.

What do you take into account as to total values of the community in making a workable program? Just housing?

Mr. WATSON. In certifying the workable program, what do we take into effect, into consideration?

Mr. JONES. Yes.

Mr. WATSON. The workable program takes into consideration the existence of codes, building, plumbing, electrical, housing codes. It takes into consideration the comprehensive community planning program, the physical planning of the community. Basically those are the two elements that the program is built upon.

Mr. JONES. And how does it alter the basic plan? Suppose you have a community that is totally destroyed and it is in an area that needs rehabilitation. Would you go in and get a new plan for the total development of the community to provide low-cost housing in other areas of the community or would it remain just a static situation?

Mr. WATSON. Well, to begin with, the workable program requirement would be waived in the case of a disaster. Now the general plan that we are talking about, that requirement is waived, and in the case if you wanted urban renewal to come in it would be up to the community to plan the urban renewal plan itself as to what the reuse of that land is to be used for at a later date.

Mr. JONES. All right. Grants for water and sewer projects is a considerable item in this day and time. Are you working with the Farmers Home Administration, with the OEP Administration in the Department of Commerce, with Appalachia in trying to work out these general plans for development?

Mr. CAVANAUGH. Yes, sir; Mr. Chairman. We have been working through the task force with a similar task group from all these other agencies. We have met several times to coordinate the effort. We have excellent relationships with all the other agencies through OEP.

Mr. CLAUSEN. You are having meetings. You have an excellent relationship but what is coming out of it in the way of specific recommendations to cover the entire problem?

Mr. CAVANAUGH. Particularly in Mississippi we have had much better progress than in Louisiana, for example. The Louisiana progress is not developed to any degree, but in Mississippi I would say that through the joint efforts of these meetings there has been in each locality affected, say in Mississippi particularly through the meetings with the joint Federal agencies and local agencies we have been able to move forward. In Louisiana and Virginia the problem is quite different. We have not made any joint progress to date along this line. It is largely in Mississippi in connection with Camille.

Mr. CLAUSEN. Well, as a result of the experience do you have anything to offer in the way of a specific recommendation as to how you could improve—are there any missing links in providing assistance? Is there something that is needed in the way of authority in this legislative package?

Mr. CAVANAUGH. No, sir; I think the authority is there. We have nothing to ask for in the way of additional legislative authority.

Mr. JONES. What Mr. Cavanaugh is saying is that these local planning agencies are not up to the State where they can make any response to the Federal programs, and so, consequently, that is one of the drawbacks in correlating the programs, the fact that local interests and local planning agencies—anybody can run through a piece of paper—

Mr. CAVANAUGH. This is perhaps the point that is slowing it down it is not the lack of authority that is slowing it down.

Mr. JONES. I see. It is the lack of the local people to respond to make application.

Mr. CAVANAUGH. That is correct.

Mr. JONES. Off the record.

(Discussion off the record.)

Mr. JONES. Back on the record.

Mr. CAVANAUGH. That is correct. That is pretty much setting the pace.

Mr. JONES. I am sorry to have interrupted you.

You may proceed.

Mr. WATSON. In recent years national disasters in unprecedented number and scope have presented a grim challenge to the Nation. In response to this challenge Federal disaster assistance activities, including the activities of the Department of Housing and Urban Development have been greatly increased. With respect to HUD, the temporary housing activities undertaken by us in connection with Hurricane Camille in 1969 represented a new kind of undertaking and re-

sponsibility and we think our accomplishments at that time were considerable. The Department was first asked to carry out temporary housing functions on August 18. An initial order for mobile homes was placed on August 22. The first trailers were moved in on August 23, and some were occupied by the next day. At the peak over 5,000 mobile homes were supplied.

From experiences such as this and the experiences of other Federal agencies during the past few years, the Administration has developed a stronger and more comprehensive program of Federal disaster assistance. The legislation which will be needed to fully carry out this program is contained in H.R. 17518, the proposed Disaster Assistance Act of 1970. I strongly urge favorable subcommittee action on this bill.

The provisions of H.R. 17518 which most directly affect this Department are found in section 2(d). That section would improve upon the provisions in existing law directed toward temporary emergency housing by amending the provisions for temporary housing in the basic Federal disaster assistance statute—Public Law 81-875—to incorporate many of the broad principles found in the Disaster Relief Act of 1969. It would do so however, in a way that assures necessary administrative flexibility. We are particularly anxious to secure modifications in the express statutory provisions of the Disaster Relief Act of 1969 which require that rent schedules be established in all cases, that limit rent adjustments to a period of 12 months and that prescribe a maximum rent to income ratio. These provisions in our opinion, may prove unduly restrictive at a time when swift action is essential and could result in unnecessary hardships to disaster victims.

Mr. JONES. Mr. Watson, would you be obliging to us to put in the percentage of repayments you have gotten the first 12 months for the lease of mobile, homes?

Mr. WATSON. For the record?

Mr. JONES. Yes, sir.

Mr. WATSON. Yes, sir, we can provide that.

Mr. JONES. And, of course, it has been so small it has cost you more to collect the rents than the rent you have gotten.

Mr. CAVANAUGH. No, sir.

Mr. JONES. It cost you more to collect the rent than the rent you have got.

Mr. CAVANAUGH. No, sir; that is not correct. We have the figures to prove that. We are collecting over three times—nearly four times the rent that it is costing us to administer the program.

Mr. JONES. And how much of the depreciated value of the mobile homes are you carrying over? That will be the Department cost to the Government.

Mr. CAVANAUGH. I don't understand your question or your statement.

Mr. JONES. Well, say I will go into the mobile home. I will stay there 12 months. Then I decide I will leave the mobile home. Now you have got it either on a leasehold or purchase arrangement. What is the value of that mobile home at the time that I depart?

Mr. WATSON. Mr. Chairman, we do not compute that into the rent cost in terms of cost of administering the rent collection program. It's a fixed cost. We look at it as a fixed cost that the Government incurs

regardless of whether there were rent charges or no rent. Or we did have a schedule—

Mr. JONES. How much rent do you forgo on mobile homes?

Mr. CAVANAUGH. You mean that we pay for?

Mr. JONES. How much rent do you forgo?

Mr. CAVANAUGH. You mean the adjustment of rent?

Mr. JONES. Yes.

Mr. CAVANAUGH. Well this, of course, varies with each individual because we only charge a maximum of 25 percent of income. Probably two-thirds of the families across the board would be getting an adjustment which would vary from no reduction to zero or, in other words, no rent.

Mr. JONES. Well, most of the mobile units are on leaseover arrangements.

Mr. CAVANAUGH. All of them are on leaseover. We did not acquire any.

Mr. JONES. You acquired some in Beulah. In Beulah you acquired some, did you not?

Mr. CAVANAUGH. The Government did. We did not handle that.

Mr. JONES. Well, who bought it?

Mr. CAVANAUGH. I think it was GSA, the General Services Administration which was the agent for OEP.

Mr. JONES. Are they still the agent to acquire these units, the General Services Administration?

Mr. CAVANAUGH. No, sir. We are dealing directly with OEP. OEP has assigned HUD as the housing agency for Camille and Lubbock. Previous to that HUD had not been the agent.

Mr. JONES. Well, why have you had such trouble with the people who furnished those units?

Mr. CAVANAUGH. The suppliers?

Mr. JONES. Yes.

Mr. CAVANAUGH. We have not had any particular trouble; except for the question of local taxes. A lot of the suppliers felt that because it was a Government Federal venture they might be exempt from paying local taxes, and there has been a question as to whether or not the price charged for the lease contemplated that they would have to pay a local tax on the mobile home.

Mr. JONES. Well, why was not that worked out prior to the acquisition of those mobile units? Why did it have to come up after they had been in occupancy for 15 or 16 months before that question would be a matter of consideration to you all?

Mr. CAVANAUGH. Well, one consideration of HUD for leasing was the fact that we could avoid considerations other than just the flat leasing amount, that we would not be involved with taxation of private suppliers.

Mr. JONES. Well then say you give tacit agreement that they would not be liable for local taxes.

Mr. CAVANAUGH. No, sir.

Mr. JONES. You did not?

Mr. CAVANAUGH. No.

Mr. JONES. The question was never raised until it came about in Mississippi? Then you raised that difficulty?

Mr. CAVANAUGH. I am sure the question came up shortly after the leases were effected and there was considerable question whether the lease price included an amount to cover taxation.

Mr. JONES. The question did not arise until some 12 months after the people had been in the trailers? You mean you all did not deal with it nor did the owners of the mobile homes being that question to you all?

Mr. CAVANAUGH. I think the reason it came up at that late date was that trailers were then finally being vacated and the owners were starting to move them from the States. The States stopped the moving of the mobile homes from the sites on the basis that taxes hadn't been paid and that the period of Government usage was at an end. I think this was what brought it to a head.

Mr. JONES. Well the leasehold arrangements were made with the Federal Government?

Mr. CAVANAUGH. Yes, sir.

Mr. JONES. Then why would they be liable for ad valorem tax or any other type of tax if they were the property of the Federal Government?

Mr. CAVANAUGH. They were not property—

Mr. JONES. They were the property of the Federal Government under the leasehold arrangement.

Mr. CAVANAUGH. We had them under lease, that is correct. But apparently it has been determined that, since they were privately-owned even though we had a leasehold during the period, they were subject to tax.

Mr. JONES. Do you think that it would be a proper position for the Federal Government to make an assumption of a tax liability if it were to use an airplane to fly down to Huntsville, Ala., and land in that airport on Federal property in a Federal vehicle? It does not make sense to me. Yet the position of the Federal Government ought to be extended to the fact as long as the leasehold arrangements and there is liability of the occupant to the Federal Government, then the Federal Government should take the position that it is exempt from taxation because it is a temporary arrangement—it is not permanent—the user or occupant then acquires it under the arrangements that you all make when he first goes in.

Mr. WATSON. Mr. Chairman, We have Mr. Bell from our General Counsel's Office.

Mr. BELL. Mr. Chairman, I am not certain to what extent this kind of problem can be handled by provisions of the lease. I do not bring any recommendation in this particular area. I have a recollection that it is an area which involves a considerable amount of law, and Supreme Court cases on the question of exactly how the Government sets up a clause and what kind of problems it can anticipate. I think we can probably submit something in terms of our options for contract clauses.

Mr. JONES. Well, I feel that it is just as justifiable to tax the Red Cross down there as it would be to tax the Federal Government to pay for a mobile unit for a disaster relief operation. Consequently, if they are going, if the States are going to continue in that kind of scheme, then the best thing we can do is provide that the States cannot be permitted or the Federal Government not be permitted to engage in these

activities as long as it is going to be imposed upon them with local ad valorem taxes.

Mr. BELL. Yes. My understanding is that some of the procurement agencies have used clauses to cover this kind of situation, and I would have to check to what extent we can do the same thing.

Mr. CLAUSEN. If the Chairman would yield, it seems to me that it falls into the category of possessory interest, and you would have to work up your lease agreement or we would have to incorporate it into the law here that during times of disaster the possessory interest would not be a factor of taxation.

Is that what you are saying?

Mr. BELL. Whether it requires a change in the law I cannot say but to the extent it can it should be adjusted by clauses without extending the authority.

Mr. JONES. I do not see there would be any great injustice if we were to make certain that no such funds could be expended on this bill. You might as well tax the Army going down there and using vehicles, make them pay a license for it. It does not make sense to me.

Mr. BELL. That is the logic, I think, in terms of the way the procurement is handled and the clauses, perhaps, could have been arranged with that purpose in mind. If you would like, as I say, we can determine or we can give you some information what we can do with existing authority without change.

Mr. CLAUSEN. In these leasehold agreements, is there any form of an option for purchase involved?

Mr. CAVANAUGH. No, sir.

Mr. BELL. No.

Mr. CLAUSEN. There is no authority for that?

Mr. WATSON. No.

Mr. CLAUSEN. I am assuming you are faced with requests.

Mr. CAVANAUGH. Yes, sir. We made a survey of all the families to find out whether they had any interest in purchase or continued rent or anything after the disaster period, and we had a substantial number of families that expressed an interest in purchasing if the price was right.

Mr. CLAUSEN. And how do you handle it?

Mr. CAVANAUGH. Well, of course our lease with the family expires at the end of the 1-year emergency which in Mississippi is August 18.

Mr. JONES. Well the truth of the matter is, the family can buy cheaper than the Government, Mr. Cavanaugh, and that is one of the reasons that you have not engaged in those operations is because if they were to settle one for you, all you would have to pay more than the occupant because the depreciation would not be quite as much to you as it would be to the family.

Mr. CAVANAUGH. That is entirely possible; yes, sir.

Mr. JONES. You may proceed.

Mr. WATSON. We are also concerned with the requirement in the Disaster Relief Act of 1969 which limits the provision of dwellings to those who are displaced by the disaster. We believe it is important that such housing also be available for others who might require temporary accommodations as a result of a disaster, including particularly volunteer workers who might not otherwise be able to enter the area. The administration bill, while retaining the basic principles behind these

specific requirements of the Disaster Relief Act of 1969 provides the flexibility necessary for a swift and adequate response to emergency housing needs in a disaster situation.

I would now like to comment briefly on H.R. 17728 another bill before this subcommittee.

Mr. CLAUSEN. I am wondering if I could interrupt there. You say: "The administration bill, while retaining the basic principles behind these specific requirements of the Disaster Relief Act of 1969 provides the flexibility necessary for a swift and adequate response to emergency housing needs in a disaster situation."

Could you elaborate on that a little bit? I mean, these are words but can you give me examples?

Mr. WATSON. Well, based on our experience in Camille and in Lubbock, I think the basic tools as we said earlier are available under the Disaster Relief Act of 1969. There are only a couple of changes where we think there are some inequities involved that tie our hands, and one is the one I mentioned on the rent situation. And the other one is on not being able to provide temporary housing for volunteers and so forth coming into the area. But the basic Disaster Relief Act of 1969 carried over in H.R. 17518 is basically what we think will do the job.

Mr. JONES. You may proceed.

Mr. WATSON. This bill was drafted in response to suffering and hardship caused by the tornado of May 11, which did so much damage to Lubbock, Tex. I will direct myself to the provisions in that bill relating to temporary housing. First, the special provision found in section 3 of the bill authorizing the sale of any trailers to the persons who occupy them appears to be unnecessary. In carrying out emergency housing operations in Lubbock the use of trailers was not required. Section 7 of the bill authorizing the President to provide emergency dwelling accommodations, is in many ways similar to the authority now found in section 10 of the Disaster Relief Act of 1969. We believe that its objectives could best be achieved by enactment of the general and flexible emergency housing provisions of H.R. 17518, the administration bill.

I would like to point out that our emergency housing operations in connection with the Lubbock disaster were, in our view, highly successful. To date 600 HUD-owned single-family units, 73 multifamily HUD-owned units, 28 public housing units, and 83 Veterans' Administration units have been made available to disaster victims. In addition to the provision of housing, a counseling and housing advisory service similar to that operating in the Mississippi Gulf Area affected by Hurricane Camille was initiated soon after the disaster. This advisory service takes into account each family's individual needs and matches that need to permanent housing within its means. The full gamut of HUD aids, as well as assistance available from the Small Business Administration, the Farmers Home Administration, the Veterans' Administration, the American Red Cross, and other pertinent agencies are explained clearly and simply to the disaster victims. This service is funded by the Office of Emergency Preparedness and carried out by HUD and it is our firm policy not to require any family to vacate their emergency housing without first giving them an opportunity of relocating into housing suitable to their needs and their financial capability.

I would like to conclude by stressing that we are already reexamining many aspects of our disaster procedures and capabilities with a view to shouldering increased responsibilities in the future. We expect that we will be able to shoulder these responsibilities quickly, effectively, and efficiently, drawing upon our experience thus far, the improved legislative authorities the President has recommended, and the many improvements we are trying to effect in our regular programs to make them more quickly available and more responsive to both ordinary and emergency needs.

Mr. JONES. Mr. Watson, you were I believe, present this morning when Mr. Mahon presented the proposition to the committee about relocation, and you touched upon it.

Do you have any opinion as to what the proportions would be for a program of relocation in terms of cost and need? Let me put it another way—in need and cost?

Mr. WATSON. The need, we are certainly in sympathy with the objectives there. In terms of cost, we do not have—well, there is an amendment as I understand it on the Senate side that is general relocation requirements in disaster-type concerns that go to Mr. Mahon's question. We are looking at that now trying to decide if it is feasible and appropriate. We would like to provide for the record a response to Mr. Mahon's question this morning if that is permissible.

Mr. JONES. We would certainly like for you to do that.

Now, if you recall asking the question as to whether or not his proposal would just apply to the residential occupants and he said, "No, it went across the board." Now, suppose it is found out that a fellow is out here in a little country store and a tornado blows it away, and he is doing \$3,000 a month and making \$500 a month. He wants to relocate, and due to the fact of the severity of the tornado in the area he cannot get material, he cannot get the necessities for reconstructing and relocating. How long do you pay that fellow, and what is the extent of the liability under the provisions of his act?

Mr. WATSON. Well, he would fall into the regular relocation payments which would be, I think, it's \$2,500 now as a small business displacement payment. Then he would have to go—

Mr. JONES. That has been in the forgiveness section.

Mr. WATSON. Yes.

Mr. JONES. We are not talking about that now. We are talking about what Mr. Mahon is proposing.

Mr. WATSON. Well, he is proposing that all the relocation payments be made available to a family or a business that is displaced as a result of a disaster, and if that happens then all of the relocation business displacement payment, the actual relocation costs, all of these things would come into play. They would be eligible, the one that you cited making \$500 a month would fall into the category of eligibility for a relocation payment for money expenses. Then we would have to compute the actual relocation cost of what it would take to relocate him.

Mr. JONES. I do not understand that he is making that kind of a proposal. It would not be an arbitrary figure.

Mr. WATSON. Since you do not actually move the man, you would have to take bids on what it would take to move him, and based upon those bids then pay the man for that type—

Mr. JONES. You would pay him on his lost business for the period of which he is out of business?

Mr. WATSON. No.

Mr. JONES. Suppose that merchant has got the slows. He does not want to move very fast and he decides that the best thing for him to do is just be very careful and be very deliberate and his deliberateness causes 12 months that he has not got any income. Are you going to pay him for that 12 months?

Mr. WATSON. No, sir. We do not pay the income lost under relocation nor do we recognize the compensatory damages involved.

Mr. CLAUSEN. Will the chairman yield?

Mr. JONES. Excuse me, Mr. Clausen.

For business concerns and nonprofit organizations up to \$3,000 for direct loss of property and moving expenses including storage costs; or for actual moving expense and no direct loss of property, up to \$25,000.

He is talking about Lubbock. Would you accept that as a proper requirement?

Mr. WATSON. Mr. Chairman, I am not familiar with that. Just a moment, Mr. Chairman.

(A brief consultation was held off the record.)

Mr. WATSON. Mr. Chairman, in your last statement you said no direct property loss up to \$25,000.

Mr. JONES. I am reading from his own statement here.

Mr. WATSON. Under our present relocation requirements we will move a business up to the cost of \$25,000. In other words, if the moving cost were up to \$25,000 we can pay it. Over that we cannot ordinarily participate.

Mr. CLAUSEN. Mr. Watson, as you are making comments with respect to the Lubbock situation, this was a tornado-oriented disaster, was it not?

Mr. WATSON. Yes, sir.

Mr. CLAUSEN. Yes. Now what about a situation like the earthquake in Anchorage, Alaska?

Mr. WATSON. It is eligible under the renewal program.

Mr. CLAUSEN. So that earthquakes, tidal waves, tornados, if that hits it is eligible, but how responsive can you be because you know the fundamental problem we face here is how quickly can you rebuild a community once hit by a tornado or earthquake or wiped out by a tidal wave?

Mr. WATSON. In the case of Lubbock, we were able to respond—I think it was approximately 3 weeks after the tornado hit we were able to approve a neighborhood development program under the renewal program. This makes money immediately available for them to begin clearing the rest of the area and getting everything out of it and starting to rebuild. So, although the renewal program can't build anything per se, it can provide funds to get everything ready for rebuilding. In other words, if the area is half torn up or needs new streets or new utilities and that kind of thing, the renewal program can come in and can provide an immediate impact in that sense.

Mr. CLAUSEN. And then where do they go from there?

Mr. WATSON. Well, assuming that all renewal areas are redeveloped either by public funds or private redevelopment, it would be up to the community as to what the reuse of that land is to be. If it is to be

private, it would be then sold to private developers to build. If it is to be public, of course the public funds would be spent to build whatever is to be built.

Mr. CLAUSEN. But will we have the kind of authority in this legislation to permit you to move with dispatch to assist them in the clearance or is there new language required?

Mr. WATSON. We have no problem with the renewal statutes. We can move with dispatch there. It's a matter of this relocation problem that has been brought before the subcommittee whether the families were moved prematurely, you might say, from renewal areas.

Mr. CLAUSEN. As you can readily understand, these people are faced with a very serious decision, and if there ever was an area where time is of the essence it is certainly under this set of circumstances.

Mr. JONES. Mr. Miller.

Mr. MILLER. Mr. Watson, you mentioned on the first page of your statement: "In other types of disaster, HUD provides limited assistance, without OEP direction." What authority do you have now and would you elaborate on that?

Mr. WATSON. I defer to Mr. Cavanaugh.

Mr. CAVANAUGH. If I understand the question, Mr. Miller, short of a Presidentially declared disaster what authority might we have or even in a Presidentially declared disaster?

Mr. MILLER. Right, either way. Short of or without the bill, without H.R. 17518 enacted.

Mr. CAVANAUGH. Our limitation is not the authority so much as the money. In other words, we don't have disaster funds unless given to us by some disaster resource such as OEP. We do have in our own ongoing programs the authority to proceed on the regular basis. But as in Camille, for example, we did not have our own funds and, therefore, could not move without a funding resource to carry out the disaster program. So we had to set up the reimbursement plan with OEP furnishing the money.

Mr. MILLER. I see. Do you have any small amount of disaster funds?

Mr. CAVANAUGH. No, sir.

Mr. MILLER. That you can assist them?

Mr. CAVANAUGH. No, sir.

Mr. MILLER. Very good.

Thank you, Mr. Chairman.

Mr. JONES. Public Law 91-79 provides for the leasing of mobile homes by the President. Would there be any advantage to providing that these mobile units can be purchased by the Government in appropriate cases?

Mr. WATSON. Mr. Chairman, we feel that it is no distinct advantage, that under the present provision of leasing we have the necessary flexibility to handle any problem in a disaster in terms of housing.

Mr. JONES. It is my understanding that the mobile homes were leased by the United States for a period of 1 year from the occurrence of Hurricane Camille on August 18—not the date that the victim of the disaster moved in. I understand that HUD policy as to how the leases would be extended after August 18 is very unsettled. Since we are only talking about 3 weeks away, can you give us a definitive statement of your policy?

Mr. CAVANAUGH. Well, to correct the statement, there are two leases involved. One, of course, with the family covering their occupancy

of the unit and all of those leases between the managing agency and the family terminate at the end of the year which, of course, for Mississippi is August 18. That is the rental lease on the trailer. The leases between HUD and the manufacturer, in other words our lease for the leasehold on the trailer are for a year from the date of the trailer being available for leasing so all of which extend beyond August 18. In other words, none of our trailer leases expire exactly on August 18. We have a hold on the unit for some period beyond August 18.

Now also we have some leases with the manufacturers in the second go-round—in other words, after we had found an additional need which our first contracts didn't satisfy. This came up in, say, September and early October and we then went out for 9-month leases rather than 12-month leases.

So, to clarify the record, our lease with the family expires at the end of the year of emergency. Our lease with the trailer manufacturers is a year or 9 months, be, from the time the trailer was available for occupancy on site, which means we have the rent paid for some period beyond the end of the emergency.

Mr. JONES. Do you expect to renew the lease?

Mr. CAVANAUGH. Well our policy which has been announced not only by news media: newspapers, but by individual contact through the counseling and housing survey method—in other words every family has been contacted and their situation discussed—is that beyond the 1-year emergency that each family situation will be handled on a case basis. We are not going to have a blanket extension for any period beyond the 1-year emergency, but we have told the family that they will not be asked to move on any date after the end of the emergency.

Mr. JONES. In other words you are going to take it on a case-by-case basis.

Mr. CAVANAUGH. Case by case based on what that family is able to do in the area of financing something more permanent, whether they need public housing or some other Federal assistance required, whether it's Farmers Home Administration or Small Business or whoever. That is the reason for our counseling service—to be able to determine the facts relating to each family situation as to income, family size, permanency, what they want and so forth, and from that refer them to the proper resource for permanent housing, whether it is our own agency or some other agency.

Now, in some instance where a family for some reason fails to respond to a permanent resource, in other words, if they say, sure, we can go borrow the money but we are not going to, and don't take steps to do something we will set a deadline for that family at some date where we feel that they have had time to get permanent housing. But we are continuing the leases on a case-by-case basis based on our counseling and discussion with the family and what they are able to do, and we have taken bids with these manufacturers to determine the extended lease prices. In other words, we are able to go to some date with every manufacturer which goes beyond August 18th. But even if that family had to occupy beyond that date we have determined the cost and the lease extension prices to extend the lease for that family.

We are working with the Office of Emergency Preparedness on each situation and, of course, this varies between the States, between Mis-

Mississippi and Louisiana, Virginia and West Virginia based on varying circumstances. We have a new rent policy that increases the rent after the end of the emergency period as an incentive to get the family to find other accommodations. The rent still is not economical.

Mr. JONES. Are you taking into account the opportunities of other lease-hold arrangements? Suppose in the congested area where there are no apartments, no dwellings that they can occupy and you want to insist that they vacate.

Mr. CAVANAUGH. We are not insisting that they vacate after August 18 until such time as there is another resource available either in another lease-hold privately operated—

Mr. JONES. In other words, you are taking into account as well as the occupant himself the lease-hold arrangements. You are looking into the general accommodations for rentals or purchase or whatever the capabilities are for possession financially and otherwise.

Mr. CAVANAUGH. Yes, sir. We, of course, have the incomes and the job status of each family, and we are continuing the adjustment of rent for hardship cases after the period of emergency. In other words, no matter what the rent increases to, in fact the new rent will be based on a comparability study so that we are not in competition with private rentals that might be available but we are going to set our rent on a comparable basis providing the family's income is sufficient.

Mr. JONES. How would you be in competition with the local interests if there is no space available? How can you be in competition? So you are not in competition with anyone.

Mr. WATSON. He meant comparable units which are occupied by private ownership.

Mr. JONES. Oh, I see.

Mr. CAVANAUGH. But this policy has been announced in every possible way including the individual family contact by counselors.

Mr. JONES. Mr. Miller.

Mr. MILLER. Mr. Watson, do you have some figures that would indicate what the Federal Government would pay say per year for this lease, how that compares with the average price that was paid by the individual? In other words, those that have the ability to pay, are they paying their fair share or all their share of the cost or the total cost of their trailer?

Mr. WATSON. We don't have the figures, no, sir.

Mr. MILLER. You do not have any average rate per month that might indicate what the occupant would pay for that trailer?

Mr. WATSON. Mr. Miller, I think the figures you are asking for could be computed from information that we have. We have not kept them in that form. I think this could be computed and provided for the record.

Mr. MILLER. What has been the experience of the resale value of the mobile home when it would go back to the manufacturer? Is that an established figure that you have in the lease contract with the manufacturer or is that assessed on an individual case as they are returned?

Mr. WATSON. I would like to defer to Mr. Cavanaugh.

Mr. CAVANAUGH. The arrangement for the lease with the owner, the manufacturer, was an outright 1 year or 9 months depending on which contract it was under. It involved a set fee to use that trailer for that period at the end of which time the owner was told that he would come

back and pick up the trailer in its used condition with adjustments for extraordinary wear and tear. In other words, anything beyond the normal use would be an adjustment. But these prices vary considerably between the manufacturers. We had something like 50 different manufacturers involved. The cheapest rent was \$1,860 for a year and we went up as high as \$3,700 for some of the larger sizes of the mobile homes, and our average was around \$2,700 for a year's lease. Now, of course, we are not charging the family anywhere near that amount of rent that it would take to pay for that lease. In fact, the first 3 months, the partial month plus 3 months was completely free. This was part of the disaster policy. And then we charged what we called a nominal rent which was just so that there would be some rent charged—not economic not comparable with local rental practice—but a rent that would return something which was far and above what it cost us to administer. We have figures on that because there was the charge that we weren't charging as much rent as it cost us to administer, which is not true. So the rents varied from \$35 to \$50 depending on the size of the mobile home per month.

Mr. MILLER. Then you are saying that it is about \$2,700 per year and I see on page 5 you say the peak of 5,000 mobile homes were supplied. That comes out \$13,500,000. Now in some instances here it was the trailers would be leased to families who could pay back that full amount I would have to assume.

Is that correct?

Mr. CAVANAUGH. Yes. You could assume that some families had sufficient income that they could pay that much.

Mr. MILLER. Was an effort made to recoup the cost?

Mr. CAVANAUGH. No, sir. The policy provided that this nominal rent would apply from the end of the free rent period, say the 3 months up to the end of the disaster year which was not intended as a full economic rent to recover the cost.

Now the rent starting at the end of the emergency year, say August 18, for Mississippi will increase to a rent that is comparable to rents for those accommodations in that State, for example, in the gulf coast for Mississippi. That still will not recover the full cost to the Government for that lease because to charge over \$200 a month on the average for a mobile home in the disaster situation was not felt appropriate policy. So we will not recover the full amount even though some families had income as high as maybe \$28,000 or \$30,000 a year. There were some of the Federal employees, for example the NASA installations, that were affected with the disaster that were high-grade people. But they were not charged the \$200 or so a month that it would cost the Government for the leased trailer.

Mr. MILLER. Well, it appears then with 5,000 trailers in round figures it would cost the Government about \$10 million with possibly \$500,000 collected in rent during that period of time. Now do you feel too that those people that are living in the trailers must eventually build some kind of a structure for housing, but as long as they have a good deal going, will this tend to hold back the new construction in the area to hang on as long as they can to a good deal?

Mr. CAVANAUGH. Of course, one reason for increasing the rents at the end of the emergency year is to encourage the people not to hold onto something that they couldn't otherwise get if they didn't have the mobile home from the Government. If they can get com-

parable accommodations locally for the same price, that is one thing. We feel that before too long, say before many months are gone, we probably would have to set an end of the line and announce it so that those that are trying to hold on forever to something that is real good can't do it. But again we want to be able to provide a resource for them. In other words, if they are dragging their feet we then feel that we can evict at the end of some date, say 4 or 5 months from now. If we can say that they have had an opportunity to rebuild, that we have put them in touch with other Federal agencies or local banks, or other resources, if we have given them the opportunity and the time to do it and then they don't do it, we feel then we can say this is the end of your lease, get out.

MR. MILLER. In the case of the lease, as I understand it, you would have the lease with the manufacturer. You would also have the lease with the person or family occupying it. Now a spot would need to be picked, and was it necessary to build trailer courts, trailer homes, that is, the locations with the pad where utilities would be offered, the sewer and the water and the electric. There it would be necessary to have a space is what I am getting at. That space would not be available for that many trailers.

Did you need to build that space?

MR. CAVANAUGH. Well we, of course, built some trailer parks based on sites contributed locally, making the site available for at least the 1-year period, and in each location, each State, there are some of these trailer parks. But by and large most of the families preferred that the mobile home be placed on the lot where they lost their home, and the majority of these homes are on individual lots either owned or held by lease.

MR. MILLER. Those that are not on individual lots and are on a regular trailer park, would the person that is living in the trailer pay the rental for that park and pay the utilities in that park or would HUD have a responsibility also to pay that part?

MR. CAVANAUGH. Well the park rental itself was a local contribution. In other words, by and large all these park sites were furnished by the governing body, the locality involved. So there was no cost, say rental charge, for example, that could be computed in the rent, and there was no difference in the rent that was set for those renting in the trailer park compared to an individual site. They are paying their own utilities, of course, unless their income is such that this is adjusted because the utility cost plus the regular rental charge, plus any ongoing housing cost for lost property, if they are paying on a mortgage for a home that was destroyed. This was computed in determining the amount of rent or the rent that they could afford to pay and was part of the adjustment policy. In other words, you add the utility cost plus our nominal rent for the trailer, plus a mortgage payment that they might be paying on something destroyed. That was all part of the computation as to whether they would have to pay more than 25 percent of their income for housing costs.

MR. MILLER. When you speak of the cost all of the cost it included not only administrative but as an example for some mobile homes it may cost \$1 a mile to move those. So moving the mobile home in and back out again you could have a couple thousand dollars charged there, and that could be also calculated in total cost and considered the rate.

Mr. CAVANAUGH. The lease cost included the delivery and pickup. There was no additional cost for bringing the mobile home in.

Mr. MILLER. That maximum you listed of approximately \$3,700 would include that delivery?

Mr. CAVANAUGH. It included everything including setting it up, including a living package that went in because of their loss of personal things including cooking utensils, blankets, ready to store living. This was part of this \$3,700 which was the peak. It includes picking it up and taking it away.

Mr. MILLER. Thank you, Mr. Chairman.

Mr. JONES. Thank you very much Mr. Watson and Mr. Bell and Mr. Cavanaugh for being here.

Our next witness is Mr. George Bernstein, Federal Insurance Administrator of HUD accompanied by Mr. Parrette. We are glad to have you and Mr. Parrette with us.

Mr. BERNSTEIN. Thank you, Mr. Chairman, and I was going to introduce Mr. Parrette but I see there is no need to.

Mr. JONES. Mr. Parrette has been before us for many long hours.

STATEMENT OF GEORGE K. BERNSTEIN, FEDERAL INSURANCE ADMINISTRATOR, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; ACCOMPANIED BY BERNARD V. PARRETTE, OFFICE OF GENERAL COUNSEL

Mr. BERNSTEIN. Mr. Chairman, I very much appreciate the opportunity of coming here today. I understand from the initial request of the committee that you don't wish me to testify on the bills but rather on the flood insurance program in terms of its overall operation and how it would mesh with the disaster program. I think I might give a brief few minute summary of the program since Camille and then answer any questions if I can that the committee poses.

Mr. JONES. You proceed in your own fashion.

Mr. BERNSTEIN. Thank you, sir. Last year, at the time of Hurricane Camille under the initial flood insurance program there were only two communities in the United States that had flood insurance, Fairbanks, Alaska, and Metairie, La. The program had gotten off to a discouragingly slow start, which was due to the statutory requirement that there be individual studies to establish an actuarial insurance rate for every community in the United States that wanted flood insurance even if, as the act permitted, we sold insurance in that community at less than the actuarial rate. These studies took the Corps of Engineers anywhere from 6 to 10 months to a year, and while we tried to speed up these studies as much as possible, the limited manpower of agencies such as the Corps and the magnitude of the problem entailed meant that these tremendous delays would seriously impede the availability of flood insurance for these communities. So when a provision was proposed last year by Congressman St Germain to enact an emergency program to be added to the flood insurance program for a 2-year period beginning in December of 1969 we endorsed that amendment which became law, and as of today we do not have to get an actuarial rate established for a community but we can establish what is called the chargeable rate for every community where flood insurance is made available. As a result, we have been able to

make insurance available between Camille and today in 191 additional communities, so that we now have insurance available under the national flood insurance program in 193 communities in 31 States across the Nation.

The vast bulk of this insurance is in the gulf coast area in Mississippi. Areas like Pass Christian which was so badly hit are now covered. Texas has about 40 communities with insurance, the Florida gulf coast about 35 to 40 communities covered. New Jersey has about 30 communities covered, and the rest of the coverage is scattered over about 31 States. The agency does require that communities adopt land use and control measures to qualify for the insurance even under the emergency program.

Mr. JONES. Tell us how they qualify.

Mr. BERNSTEIN. They must adopt adequate and meaningful land-use control measures by December 31, 1971, and they must officially commit themselves at the time that insurance is made available to adopt these land-use provisions by December 31, 1971.

Mr. JONES. Now let us take the Four Mile Run project. What did you require of the State of Virginia? You used an area that had recurring floods. How did they come to a base rate? What can the State do about the community?

Mr. BERNSTEIN. The community covering the Arlandria area, both Arlington and Alexandria, gave us commitments as required by the act that by the end of 1971—

Mr. JONES. How were these commitments made? Were they just made by resolutions of the municipality?

Mr. BERNSTEIN. That is correct, sir.

Mr. JONES. And they were not firm contracts?

Mr. BERNSTEIN. No; they were not.

Mr. JONES. And they were not firm contracts by the board of engineers that they would make zoning restrictive after the next administration?

Mr. BERNSTEIN. That is absolutely correct. The only hold we have over them aside from the good faith of the community in making that commitment by municipal act—in this case by the city council or some other legislative body—is that on December 31, 1971, if they have not lived up to that commitment flood insurance will no longer be available in those communities.

But the act does not require that they produce the actual zoning ordinance in advance of insurance. It does give the deadline of next year. Originally that deadline was June 30 of this year.

Congress last year extended that deadline to the end of next year before the community had to comply on the theory that there was not enough time for the community to take action.

Four Mile Run is a perfect example of a great need for a different type of zoning, a different type of land use, and a different type of preventive measures, than are in effect today.

Mr. JONES. That is a great question with us. Not only does it involve insurance, but here we just authorized a project under section 201 of the 1965 Flood Control Act for remedial works to be committed by the Corps of Engineers. The corps is going to perform these works. They do not have one scintilla of assurance other than the present administration that the maintenance and operation for that will be provided.

As sure as I am a foot high, if I am still in Congress 10 years from now, they will not zone, and they will be right back up here wanting us to make further repairs.

It seems to me that if we are going to make these zoning ordinances that there should be legal and binding contracts and enforceable in the courts.

So far, as of June 30, 1970, you have got 5,511 contracts or policies that you have issued. Why is it being so slowly recognized?

Mr. BERNSTEIN. There are two factors. If I may, I would like to first comment again on your previous statement about land use, because that is the heart of the program. If we do not get the communities to produce, this program is worthless, and it should be ended. It is throwing away money because this is 90 percent Federal subsidy in terms of the premium that is charged. It is an average of 90 percent of what the actuarial rate should bring, to bring the insurance within the means of most people in the communities.

If we do not get meaningful flood prevention, meaningful zoning, meaningful land use, then the act's purpose is not being followed.

I am not upset by the fact that we do not get it in advance other than a commitment of the community by resolution, because that is what the act provides. The communities are giving us what the act provides. But the fact is that it is our responsibility by the end of next year to cash in on that and make sure that the price for this subsidized insurance is obtained; namely that the community then puts into effect the land use controls and the zoning and the preventive devices that they have committed themselves to do now.

As to why the program is moving so slowly, I do not think that now it is moving that slowly. I think the 5,500 reflects the fact that the program went into effect, true, in June of 1969 but up through the first of this year we only had three communities in. The big push has come in the last several months when we have covered more than 160 or 170 communities to get to the present 193.

In an area like Minot, N. Dak., where there was a significant flood hazard, there was something like 600 policies sold in a week. Unfortunately, there is still the second factor, which is human nature.

Mr. JONES. That is another one. We just provided \$9,600,000 the other day for local protective work. Again I wonder if we are going to make sure that local responsibilities are going to be useful in the years ahead in seeing that zoning and those other maintenance and operation matters are continued by the local communities. These things are getting out of hand.

Mr. BERNSTEIN. To speak practically, sir; I think on a bread-and-butter basis one of our office's great responsibilities in the coming year is going to be to withstand pressures, and I know that pressures will be placed on Congressmen, too, to water down the land use and control requirements, so that come December 31, 1971, they really do not have to come up with anything. I think it is essential that we stick to our guns and that Congress sticks to the language of the act.

Mr. JONES. It is refreshing to hear you say that, because I have had a lot of misgivings about it.

Mr. BERNSTEIN. Frankly, that is one of the reasons I opposed extending the program into other areas than those covered by the act right now, which are one to four family dwellings and small businesses.

Let us see if this works. Let us see if we get our money's worth out of this program before we start throwing more money into the program.

The basic purpose of the act, as expressed by Congress when it adopted it, is that in the long-run it will be cheaper to the public and the taxpayer to prevent flooding, to prevent losses, than to remedy after the fact with disaster relief. Therefore let us develop a program that gives the incentive of subsidized insurance to make sure that the communities come in and adopt these land use controls to prevent flooding, because prevention is still the key, not insurance.

Mr. JONES. Mr. Clausen made the observation this morning in agreement on that point. He feels that any insurance program might forestall the capital investments necessary to carry out the land use controls necessary to reduce the hazards of flooding, if it can be done.

Mr. CLAUSEN. If the chairman would yield, there has been a tendency to downgrade the dollar allocations for water-related public works and Interior Department projects, as well as soil conservation projects.

It seems to me that if we continue to expand the insurance effort you are going to minimize the amount of emphasis that we need to develop to justify the continued release of funds, and I personally believe that there is a need to at least triple the annual appropriations, particularly in the area of flood control.

Once this occurs—that is the kind of investment that is going to give you much in the way of dollar return, as you and I have discussed and the Chairman and I have discussed. I am very pleased to hear your testimony.

As a matter of fact, it sounds like he is giving your speech and my speech, Mr. Chairman.

Mr. JONES. I will say that I did not expect it.

Mr. BERNSTEIN. Thank you.

Mr. Clausen, on your point I do not think the programs are inconsistent if both are properly administered. I think the act is a very sound act, the Flood Insurance Act, because there are provisions in there which some people think create hardships, but which in effect create the need for the preventive devices that you speak of.

To be specific, new construction in an area of special flood hazard cannot get the subsidized insurance and must pay an actuarial rate. Taking an area like Fairbanks, Alaska, for example, in the main street at Fairbanks you will get an actuarial rate of almost \$23 or \$24 a hundred. It is obviously ridiculous and prohibitive.

In an area on the gulf coast, to take Pass Christian, the actuarial rate for many of the houses there is \$12 a hundred. That means new construction of houses in Pass Christian would have to pay \$12 a hundred for insurance. It cannot afford that, even if it is available under the Federal program.

But the new Mississippi State zoning law, if applied properly, would have a significant effect in reducing the actuarial rate. We estimate that on an equivalent house for which they would have to pay an actuarial rate of \$12 a hundred, the actuarial rate would be reduced to about 90 cents a hundred with proper zoning, with proper first floor elevations on the property.

So this is an incentive to the community in new construction, if it wants to get the insurance on the new construction. It is going to pay the actuarial rate. Private companies still will not sell the insurance. The only place to get it is the Federal program.

Therefore, they should take proper zoning and preventive steps to bring down the actuarial rate to the point where new construction can afford it. We will have to stick to that. It is in the act, but we are already feeling the pressures to relax rates for new construction. The act does not permit it. It is not just that we are holding to the letter of the law, but the whole purpose of the Federal act is to require the communities to do something in return for this insurance.

Mr. CLAUSEN. Is there anything that we need to incorporate into this proposed section to firm up or enhance the position that you have just enunciated, or do you feel that the existing law gives you the authority and perhaps the stiffening of the backbone they have to take place in other committees? Maybe you do not want to respond to that directly, but is there anything that you feel we should be incorporating into the law or maybe into the committee report?

Mr. BERNSTEIN. I believe the current law and committee language backing up the law originally, together with the committee language at the time of last year's amendment, is quite adequate. I think we have got the power right now.

What I am frankly afraid of is changes that might water it down rather than keeping the present teeth. I think the teeth are there, and it is up to us to apply them when the times comes on December 31, 1971.

Mr. JONES. Mr. Miller, do you have any questions?

Mr. MILLER. Yes, Mr. Chairman.

I understand there is some limitation that once a city council would pass the necessary resolution then there would be a time limitation thereafter. If anyone purchases the flood insurance they are eligible or not eligible thereafter for additional insurance, I understand. What is the story on this?

Mr. BERNSTEIN. If the Federal flood insurance is available in a community, anyone in that community who is eligible to purchase it and who does not within 1 year after it is made available, may no longer get certain Federal disaster relief in the event of a flood after that 1-year period, to the extent he could have purchased insurance to cover himself against that flood hazard.

Again, take something like the gulf coast. If some one on the gulf coast chooses to take a chance—and that is basically why we have got only 5,500 policies, even accounting for the beginning of the program. There is a human nature factor here that people tend to take a chance, particularly with a new insurance program.

But if some one on the gulf coast does not buy flood insurance after it is available to him, and it has been available for 1 year, that person is denied under the act from Federal disaster assistance. The act speaks of Federal financial disaster assistance.

So listening to the previous discussion, I would not believe he would be deprived, say, of temporary housing or something like that, but I would think that he would specifically be denied loans and grants. There is an exception under the act for low-income individuals.

Mr. MILLER. Mr. Bernstein, now this is flood insurance only. In the case of wind damage, do you mean that the man would not be able to

have the assistance that the Federal Government would offer for wind damage? In other words, he would be marked out of all assistance?

Mr. BERNSTEIN. No, no; he would be able to get Federal disaster assistance to the extent that the damage was wind. Take something like last year's Hurricane Camille. Let us assume that in Pass Christian there was a \$10,000 home and it was destroyed and the insurance companies had to make this determination. Many people claimed they made it unfairly, but the point is they had to make this determination. Let us assume it is determined that 50 percent of the damage is due to flood and 50 percent due to wind.

To the extent Federal disaster assistance is available to someone who has not purchased available flood insurance, and who could have bought Federal flood insurance, he could get Federal disaster relief for the wind portions of his damage but not for the flood portions of the damage.

Mr. MILLER. When you speak of that person, let us assume a community would pass that resolution and they would include something outside of the community. How large a region. Is it one county or a whole State? How far can we go and say it is one region and this disaster occurred within that region, and this particular person could not receive the Federal assistance?

In other words, it encompasses how large a region?

Mr. BERNSTEIN. It encompasses the area within which flood insurance is available. Flood insurance is theoretically available on a statewide basis, and it might simplify our program tremendously if we had statewide zoning and the State applied for it, but now we are on a community-by-community basis.

Let us assume that the incorporated area of a community applies for insurance, or let us assume the whole county applies for insurance. Insurance is made available. Then that Federal disaster relief would be denied only in the area where the insurance is available.

So we would look first, on the Federal agency that would disburse the disaster relief, would look to the area where flood insurance is available. That is mapped and that is filed in the Federal Register at the time the insurance is made available and copies of that map are published and posted in the local courthouses and county courthouses, et cetera.

That is the area that is defined clearly before flood insurance is made available, and it is that area where some one who could purchase insurance, but did not, is denied the Federal disaster relief.

Mr. MILLER. Has that problem already occurred since you have been selling flood insurance?

Mr. BERNSTEIN. It has not. The only areas that have been in for a year are Metairie, La., and Fairbanks, Alaska, and fortunately we have not had a flood since then. The recent Arlandria floods came within a year of its eligibility.

Right now we have been meeting with OEP and with SBA and other agencies to discuss what exceptions should be written in a regulation to make clear what we are talking about in defining the act's provision about excluding low-income families.

So there is the need for a clarifying regulation, and we hope to get that out before the year begins in the vast majority of communities that are now covered.

Mr. MILLER. This can be done by regulation?

Mr. BERNSTEIN. Yes. It would be a clarifying regulation of the language of the act. Actually, the act speaks for itself, and the prohibition does not need a regulation, but we have to define what it means by a low-income person. That is all the act says.

Mr. MILLER. My question is, before that regulation would be approved are we creating a hardship for those people that live within that region and maybe are not aware that flood insurance is available and they had not purchased it? Then they have the problem of a disaster and they cannot receive the assistance. So are we creating a problem at the present time mainly on the basis, as I see it, that those communities that have been approved, but they may purchase flood insurance, have very few people in those areas who have actually purchased it? Most of the people would be handicapped, as I see it, at the present time.

Mr. BERNSTEIN. That is a very real problem. It is one we have tried to overcome short of going into the advertising business ourselves and telling people there is flood insurance, by going through the local agents who produce the business and sell the insurance policies in the companies, through the State agent groups, through the State insurance commissioners, and we have requested every Governor to appoint a State coordinating body.

Of the 50 States, 44 Governors have appointed such bodies. So we notified those agencies, the State insurance departments, the State agents' associations, and the insurance companies, and I guess you can say we pray that everybody, put together, will publicize this.

I think it may be very realistic to expect that we should rely even more on lending institutions to require this insurance, and many of them are. The Veterans' Administration is requiring this insurance now on all its insured property. FHA is considering adding it as a requirement on its insured property.

Agencies like Fannie Mae are also interested in this problem. The reason we have a broad spread of fire insurance in the United States today is because mortgagees require it on all property. I am sure there would be a lot of people who would not buy fire insurance if it were not required. I think we may get to the situation where it is the same thing in flood insurance.

It does not quite answer your question about whether they know about it. The act is geared, I am afraid, to an assumption of knowledge, and we know how many people read the Federal Register, how many people go to their local county courthouses. It is very few.

We have got to rely to a great extent on the word of mouth of the insurance agents. We are receptive to and we have been looking for better ways of publicizing the program, although we are not allowed to advertise it as such. Perhaps spot announcements, anything like that.

But assuming actual knowledge of an individual, then I think the hardship that is imposed is a hardship that the act intended to be imposed because it is thought that only if you get a broad spread of risk by getting everybody in the area where insurance is available to purchase the insurance would you every build up the premium base to make this a workable program and one that could hopefully someday go back into the private sector rather than have the Federal Government continue in the insurance business indefinitely.

Mr. MILLER. Thank you, Mr. Bernstein.

Mr. JONES. Thank you very much, Mr. Bernstein. We appreciate your testimony. It was quite a relief to me to know that you were taking that attitude. It is one that I think will be important for this committee to know.

Mr. CLAUSEN. Thank you, Mr. Bernstein. I did want to compliment you because so much of what you have said is totally consistent with points that Mr. Jones and I have made and expressed to each other in this whole area of how far are you going to get the Federal Government into the insurance field, but more importantly what are we going to do to provide permanent protection.

I think your testimony here today will make a tremendous contribution toward giving the kind of security necessary to expand the economic assistance base of the country and open up some new areas for economic development that quite frankly, have more potential than now is being realized.

Mr. JONES. Thank you. The committee will stand adjourned until 10 o'clock tomorrow morning.

(Whereupon, at 3:45 p.m., the hearing in the above entitled matter was recessed, to reconvene at 10 a.m., Wednesday July 29, 1970.)

(The following statements were received for the record:)

STATEMENT OF HON. GEORGE P. MILLER, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF CALIFORNIA

Mr. Chairman: During the period of December 17, 1969 to February 4, 1970 a major disaster took place in an area by the name of Wilshire Heights in the City of Oakland, County of Alameda, California, which is in my district. A landslide occurred which caused the total destruction of 16 homes. This huge subsidence brought many thousands of yards of rain saturated mud down the hillside of this residential neighborhood, blocked a small stream, completely obliterated two public streets, and destroyed the utility service lines and sewer system. The total loss has been estimated in excess of a million dollars. Although the rate of movement has declined, there continues to be some slippage which endangers another dozen homes in the vicinity. Also there is danger of reoccurrence when the rainy season commences.

On February 16, 1970 the President determined that severe storms and flooding beginning December 17, 1969 had caused a major disaster in 14 counties in the State of California. On March 27, 1970 three additional counties were added including Alameda County. Present law provides for some Federal assistance to cities and counties in regard to debris removal and repairs of roads and utilities. There are also Federal loan programs available for individual property owners. To my knowledge none of the home owners in my district had nor could have obtained insurance coverage for this type of loss.

Mr. Chairman, some of the proposed legislation which your committee has indicated it will consider in these hearings, provides for expanded relief to individual home owners who are the victims of such disasters as the underground flooding and landslide which occurred in my district. I want to express my support for the purposes and objectives of this legislation and to urge that provision be made therein for the relief of those people in California who have suffered as a result of these recent natural disasters.

In closing, Mr. Chairman, I want to thank the Committee for its recognition on many past occasions of the needs of the State of California, and I trust that it will continue to demonstrate humane concern for the victims of these recent calamities.

STATEMENT OF HON. BOB PRICE, A REPRESENTATIVE IN CONGRESS FROM THE STATE
OF TEXAS

Mr. Chairman, I would like to commend the members of the House Public Works Committee on their interest in updating our national disaster relief

laws. And I greatly appreciate being afforded the opportunity to share my thoughts on this vital subject with the Committee membership.

I have particular interest in this issue because areas of my North Texas Congressional District and the adjoining Congressional District represented by the distinguished Chairman of the House Appropriations Committee, Mr. Mahon, have been ravaged this Spring by killer tornadoes. On April 17, and again on April 18, killer storms accompanied by a large number of tornadoes rampaged almost 70 miles across the Texas Panhandle. Over 20 fatalities were reported. Property damage ran in the millions of dollars. Less than a month later disaster struck again. On May 12th, south plains city of Lubbock, home of the Chairman of the Appropriations Committee, was devastated by most destructive tornado to strike the area in recent memory. More than 25 persons were killed. Thousands of others were left homeless. Property damage exceeded \$100 million.

It is to the credit of our society that appropriate public and private disaster assistance organizations sprang into action on both occasions and made intensive efforts to provide help to the ravaged areas. Unfortunately, the storm damage was so extensive and the utter tragedy was such that complete recovery will be a long time in coming, and in some cases will never be attained.

Mr. Chairman, despite the splendid efforts that have been and are still being made by the Federal government to funnel disaster relief assistance to the needy areas in Texas, much could be done to facilitate the delivery process; for at present, Federal agencies are hampered in their relief efforts by the bindings of outmoded and outdated federal regulations. This condition has not been just recognized as a result of the Texas disasters, it has been apparent to all who analyze the effectiveness of Federal relief efforts that have followed the major natural disasters of recent years.

President Nixon has clearly recognized the need for modernizing our national disaster relief laws. But it was not until I read his was the first presidential message on that subject to Congress in eighteen years. In my mind this is another indication of the President's deep concern for the public welfare and his strong desire to help make Federal institutions more responsive to the needs of the nation.

For my part, I am following the present activities of the House Public Works Committee with great interest and enthusiasm and I know the Committee is diligently striving to give legislative flesh to the various proposals for modernizing national disaster relief assistance. In this regard, I urge the Committee to give particular attention to my bill, H.R. 18684, a bill which would provide additional assistance to the State of Texas for the reconstruction of areas damaged by the tornadoes I referred to earlier in my remarks.

If this bill were to become law, it would loosen the bonds that are now inhibiting the Federal government's efforts to provide truly effective disaster relief assistance to Texas. Under the terms of H.R. 18684, the Small Business Administration, the Office of Emergency Preparedness, the Department of Commerce, the Farmers Home Administration, the Department of Agriculture, and the Department of Housing and Urban Development would be enabled to fully utilize their resources to help rehabilitate the blighted areas.

Mr. Chairman, I believe that one standard by which a society can be judged is, how well does it care for its members who have been victims of natural disasters. Historically, our society has prided itself on the actions it has taken to assist disaster victims. It is only in recent years, however, that the ability of this nation to provide effective assistance has been hampered rather than advanced by the natural disaster assistance laws on the books. Accordingly, I believe it is high time to modernize these laws so that our great country can more adequately fulfill the special needs of our citizenry.

I hope H.R. 18684 and the similar bills which have been introduced on the House side by Mr. Mahon and in the other body by both Texas Senators, will help the Committee in its deliberations. Both Texas and the nation needs new disaster relief legislation.

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C., July 28, 1970.

HON. ROBERT E. JONES,
Chairman, Subcommittee on Flood Control of the House, Committee on Public Works, Rayburn Building, Washington, D.C.

DEAR MR. CHAIRMAN: I wish to commend you and your Subcommittee for conducting hearings on H.R. 17728, Congressman Mahon's bill for special emergency

assistance to the 11 Texas counties that were affected by the tornadoes that struck West Texas in April and May of this year. This bill is similar to the bill, S. 3848, which I introduced in the Senate on May 18, 1970, and which is presently being considered by the Senate Public Works Committee. Both of these bills are of great importance to the people of these counties who are now engaged in the slow and expensive process of rebuilding their community. On behalf of the people of these counties, I wish to express my appreciation to you and the members of your Subcommittee for the consideration you are giving this matter.

There are certain provisions of both S. 3848 and H.R. 17728 which I would like to call your special attention to since they are not included in the two Omnibus Disaster bills that are being considered by Congress. These provisions authorize the Small Business Administration to make loans to individuals for the purpose of preventing them from losing their homes as a result of the foreclosure of any mortgage lien or the cancellation of any contract of sale or lease. This special loan feature would apply to individuals who are unemployed or otherwise in financial difficulty as a result of these tornadoes. This can be found in sections 4(b) (1) and (2) of both bills.

One of the most tragic aspects of a major disaster is the multitude of financial problems that it imposes on the poor people who are affected by it. Not only are their homes destroyed, and their possessions ruined, but, as was the case in Lubbock, their jobs are also eliminated. Once these people lose their source of income, a dreadful spiral begins which leads to eviction from their homes, repossession of their cars, and other personal property and ultimately drives them from the community. Unemployment compensation provided under the present law simply isn't sufficient to meet all the needs of these people. This special loan feature of S. 3848 and H.R. 17728 would prevent much of this suffering and allow these people to retain their homes.

Congressman Mahon and I are united in our efforts to obtain special relief for the people of these counties who have suffered so much in recent months. I know that he will present in detail to your Subcommittee the many compelling reasons for this legislation. Be assured that I shall continue my work in the Senate to obtain the additional relief that is so desperately needed in this area.

I am enclosing a copy of my bill S. 3848, which I would appreciate being printed together with this letter in the record of your hearings of H.R. 17728.

With best wishes,

Sincerely,

RALPH W. YARBOROUGH.

[S. 3848, 91st Cong., second sess.]

A BILL To provide additional assistance to the State of Texas for the reconstruction of areas damaged by tornadoes occurring on April 17 and 18, and May 11, 1970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby recognizes that the State of Texas suffered extensive property loss and damage as a result of tornadoes occurring on April 17 and 18, and May 11, 1970, including loss and damage from wind and flooding caused by such tornadoes, and that there is a need for special measures designed to aid these States in their efforts to reconstruct highways and public works projects, and to otherwise rehabilitate these devastated areas.

SEC. 2. (a) As used in this Act, the term "major disaster" means a major disaster as determined by the President pursuant to the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g).

(b) The provisions of this Act shall apply only to those areas of the State of Texas covered by the President's proclamation of May 13, 1970, that a major disaster resulted from the tornadoes which struck certain areas within the State of Texas on April 17 and 18, and May 11, 1970.

SEC. 3. Notwithstanding any other provision of law, trailers provided as temporary housing for persons whose dwellings were destroyed by such tornadoes, including, but not limited to, destruction by flood, high waters, wind-driven waters, and high wind, under section 3(d) of the Act of September 30, 1950, entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", as amended (42 U.S.C. 1855b), may be sold directly to the persons who are the occupants thereof at prices that are fair and equitable.

SEC. 4. (a) In the administration of the disaster loan program under section 7(b)(1) of the Small Business Act, as amended (15 U.S.C. 636(b)(1)), the Small Business Administration, in the case of loans to assist persons suffering property loss or damage in the State of Texas as the result of such tornadoes, and to the extent such loss is not compensated for by insurance or otherwise, shall—

(1) on that part of the Federal share of any such loan in excess of \$500 and, (A) cancel up to \$5,000 of the loan, and (B) waive interest due on the loan in a total amount of not more than \$5,000 over a period of not to exceed four years;

(2) make such loans without regard to any limitation on the maximum amount of the Small Business Administration's share or guaranteed percentage of any disaster loan established by regulation or otherwise; and

(3) in the administration of the disaster loan program under section 7(b) of the Small Business Act, as amended, the Administrator if he determines that such action is necessary to avoid severe financial hardship may in the case of the total destruction or major property damage of a home or business concern refinance any mortgage or other liens outstanding against the destroyed or damaged property if such refinancing is for the repair, rehabilitation, or replacement of property damaged or destroyed as the result of a disaster meeting the requirements of clause (A) or (B) of paragraph (2) of this subsection, without regard to whether (A) the required financial assistance is otherwise available from private sources, or (B) such person has personal or business assets which could be used to alleviate the loss or damage sustained.

(b) (1) In the administration of the disaster loan program under section 7(b) of the Small Business Act, as amended (15 U.S.C. 636(b)), the Small Business Administration, if necessary to prevent the dispossession or eviction of any person from his residence as a result of the foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, oral or written, of the property which is such person's residence, and if such foreclosure, cancellation, or termination is related to circumstances arising out of the effects of such tornadoes, shall make such loans for the refinancing of such mortgages or liens and for the payment of installations on such contracts and leases, under the terms and conditions set forth in such section of the Small Business Act as modified by subsection (a) of this section.

(2) No application for a loan under this subsection which states that such loan is made necessary by circumstances arising out of the effects of such tornadoes shall be denied for insufficiency of proof of such statement unless the Small Business Administration finds, and sets forth its findings in writing, that such loan is made necessary by circumstances not related to the effects of such tornadoes.

(c) In the administration of the disaster loan program under sections 7(b)(1) and 7(f) of the Small Business Act, as amended (15 U.S.C. 636(b)(1) and (f)) the Small Business Administration may accept applications from, and make loans to, a privately owned school which suffered damage from such tornadoes, on the same terms and conditions as are applicable under such section to a privately owned college or university.

(d) No application for a loan under section 7(b)(2) of the Small Business Act, as amended (15 U.S.C. 636(b)(2))—

(1) filed with the Small Business Administration by a small business concern which has suffered substantial economic injury and is located in an area in which there was suffered property loss or damage in the State of Texas as the result of such tornadoes; and

(2) stating that such injury was the result of such tornadoes; shall be denied for insufficiency of proof that such injury was the result of such tornadoes, unless the Small Business Administration finds, and sets forth its findings in writing, that such injury resulted from causes other than such tornadoes.

SEC. 5. In the administration of the emergency loan program under subtitle C of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1961-67), in the case of property loss or damage in the State of Texas resulting from such tornadoes, or uninsurable crop loss due to such tornadoes, the Secretary of Agriculture shall, to the extent such loss or damage is not compensated for by insurance or otherwise, that part of any loan in excess of \$500, (1) cancel up to \$5,000 of the loan, and (2) waive interest due on the loan in

a total amount of not more than \$5,000 over a period not to exceed four years.

SEC. 6. (a) In the administration of the disaster loan program under section 7 (b) of the Small Business Act, any application for a loan thereunder may be granted, if such loan is for the repair, rehabilitation, or replacement of property damaged or destroyed as the result of a major disaster, without regard to whether the required financial assistance is otherwise available from private sources.

(b) In the administration of subtitle III of the Consolidated Farmers Home Administration Act of 1961, relating to emergency loans, any application for a loan thereunder may be granted, if such loan is for the repair, rehabilitation, or replacement of property damaged or destroyed as the result of a major disaster, without regard to whether the Secretary of Agriculture finds that the required financial assistance can be met by private, cooperative, or other responsible sources (including loans the Secretary of Agriculture is authorized to make or insure under any other provision of law).

SEC. 7. (a) The Director of the Office of Emergency Preparedness is authorized—

(1) upon application, to make payments to any person in reimbursement of expenses not otherwise compensated, which were incurred by such person in the removal of debris deposited on privately owned lands as the result of such tornadoes; and

(2) to provide by contract for the removal, at the request of the landowner, of debris deposited on privately owned lands as the result of such tornadoes.

(b) In the awarding of contracts under this section, preference shall be given to those persons who reside or do business primarily in the locality in which the debris is to be removed. If time is of the essence competitive bidding may be waived by the Office of Emergency Preparedness.

(c) As used in this section, the term "person" includes an individual, corporation, association, firm, organization, or local public body.

SEC. 8. Upon application by any political subdivision of the State of Texas, the Secretary of Commerce is authorized to make direct grants of money to such political subdivision in amounts equal to the tax or bond obligations outstanding at the time of such tornadoes, upon a showing, to the satisfaction of the Secretary of Commerce, that such obligations cannot be met due to damage or destruction, resulting from such tornadoes, of the revenue sources for meeting such obligations.

SEC. 9. (a) The President is authorized to provide dwelling accommodations for any individual or family whenever he determines—

(1) that such individual or family occupied a house (as an owner or tenant) which was destroyed, or damaged to such extent that it is uninhabitable, as the result of such tornadoes; and

(2) that such action is necessary to avoid severe hardship on the part of such individual or family; and

(3) that such owner or tenant cannot otherwise provide suitable dwelling accommodations for himself and/or his family.

(b) Such dwelling accommodations, including mobile homes, as may be necessary to meet the need, shall be provided through acquisition, acquisition and rehabilitation, or lease. Dwelling accommodations in such housing shall be made available to any such individual or family for such period as may be necessary to enable the individual or family to find other decent, safe, and sanitary housing which is within his or its ability to finance. Rentals shall be established for such accommodations, under such rules and regulations as the President may prescribe and shall take into consideration the financial ability of the occupant. In cases of financial hardship, rentals may be compromised, adjusted, or waived for a period not to exceed twelve months, but in no case shall any such individual or family be required to incur a monthly housing expense (including any fixed expense relating to the amortization of debt owing on a house destroyed or damaged in a disaster) which is in excess of 25 per centum of the individual's or family's monthly income.

(c) In the performance of, and with respect to, the powers and duties conferred upon him by this section, the President may—

(1) prescribe such rules and regulations as he deems necessary to carry out the purposes of this section;

(2) exercise such powers and duties either directly or through such Federal agency or agencies as he may designate;

(3) sell or exchange at public or private sale, or lease, any real property acquired or constructed under this section;

(4) obtain insurance against loss in connection with any such real property;

(5) enter into agreements to pay annual sums in lieu of taxes to the State of Texas or any local taxing authority thereof with respect to any such real property; and

(6) include in any contract or instrument made pursuant to this section, such conditions and provisions as he deems necessary to assure that the purposes of this section will be achieved.

SEC. 10. (a) If the President determines that, as a result of such tornadoes, low-income households are unable to purchase adequate amounts of nutritious food, he is authorized, under such terms and conditions as he may prescribe, to distribute through the Secretary of Agriculture coupon allotments to such households pursuant to provisions of the Food Stamp Act of 1964 or as said Act may be amended and to make surplus commodities available pursuant to the provisions of section 3 of Public Law 875 of the Eighty-first Congress.

(b) The President is authorized to continue through the Secretary of Agriculture to make such coupon allotments and surplus commodities available to such households so long as he determines necessary, taking into consideration such factors as he deems appropriate, including the consequences of the major disaster on the earning power of the households to which assistance is made available under this section.

(c) Nothing in this section shall be construed as amending or otherwise changing the provisions of the Food Stamp Act of 1964 except as it relates to a Presidential determination regarding availability of food stamps under the provisions of this Act.

SEC. 11. The President is authorized to provide to individuals unemployed as a result of such tornadoes such assistance as he deems appropriate while they are unemployed. No individual who is receiving unemployment compensation or the proceeds of private income protection insurance shall be eligible for such assistance. Such assistance as the President shall provide shall not exceed the amount and the duration of payments under the unemployment compensation program of the State of Texas.

SEC. 12. The President is authorized to make grants to the State of Texas or any political subdivision thereof for the purpose of lake clearance in cases where, as a result of such tornadoes, any lake has been contaminated by debris which has created conditions hazardous to health and safety.

SEC. 13. This Act shall not be in effect after January 1, 1971, except with respect to payment of expenditures for obligations and commitments entered into under this Act on or before such date.

SEC. 14. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

DISASTER ASSISTANCE LEGISLATION

WEDNESDAY, JULY 29, 1970

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF FLOOD CONTROL
OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The committee met at 10:05 a.m., in room 2167, Rayburn Building, Hon. Robert E. Jones (subcommittee chairman) presiding.

Mr. JONES. The subcommittee will come to order.

We will continue to hear witnesses on behalf of the several bills that are pending before the subcommittee concerning the proposition of disaster assistance legislation, which expires this year.

The meeting, as I pointed out yesterday, is for the purpose of continuing the legislation and making necessary changes that we feel are required from the experience we have gained in dealing with the subject.

Our first witness this morning will be Brig. Gen. Richard H. Groves, Deputy Director, Civil Works Directorate, Office, Chief of Engineers, Washington, D.C.

It is always a pleasure to have you, sir, and if you will introduce your associates, please.

STATEMENT OF BRIG. GEN. RICHARD H. GROVES, DEPUTY DIRECTOR, CIVIL WORKS DIRECTORATE, OFFICE, CHIEF OF ENGINEERS, WASHINGTON, D.C.; ACCOMPANIED BY FRANK HELLER, OPERATIONS DIVISION; LIEUTENANT COLONEL JAMES, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS; MR. MANNING, GENERAL COUNSEL, OFFICE OF CIVIL DEFENSE

General GROVES. Thank you, Mr. Chairman.

I have on my left Mr. Frank Heller, Operations Division, Office of Chief of Engineers; on my right is Lieutenant Colonel James, Office of the Deputy Chief of Staff for Operations, Department of the Army Staff; and Mr. Manning, General Counsel, Office of Civil Defense.

These gentlemen are here to answer any questions that you may have regarding military support and assistance provided in the event of a major disaster.

When major disasters are declared by the President, under the provisions of the Federal Disaster Act of 1950, as amended, the Corps of Engineers is usually called upon to participate in the provisions of Federal disaster assistance. This assistance, which is rendered through our civil works program, is accomplished under the authorities avail-

able to the President under the various disaster relief acts at the request of the Office of Emergency Preparedness.

Since passage of the 1950 Disaster Act, the Corps of Engineers has provided a major part of the engineering support required by the Office of Emergency Preparedness and predecessor agencies to carry out their functions under the various disaster relief laws. The corps is particularly well suited to provide such assistance because of its decentralized organizational structure with its many division and district offices located throughout the country, which permits adequate preparation for emergency situations and provides trained personnel and a capability in-being for expeditious application of contractor resources where needed.

Assistance provided by the corps usually includes temporary assignment of technical personnel for staffing and liaison; damage surveys and investigations, as required, to form the basis for a Presidential declaration of a major disaster; and accomplishment of debris clearance, emergency repair and temporary replacement of public facilities, and other work essential to preservation of life and property.

Examples of such assistance are found in the Alaska earthquake of 1964 and Hurricane Camille in August of 1969. The Alaska earthquake caused damages in excess of \$300 million. The corps was given responsibility for demolition activities and debris clearance, and temporary restoration of public utilities and other facilities required to meet minimum operational needs. The Office of Emergency Preparedness-directed program in Alaska performed by the corps cost an estimate \$50.7 million.

Hurricane Camille, considered to be the most intense hurricane on record to enter the U.S. mainland, caused damages totaling over \$1.5 billion. Since last August when Camille occurred, under OEP direction, the corps has accomplished a disaster recovery program estimated to cost \$35.2 million. Also, under the provisions of the Federal Disaster Relief Act of 1969, we are completing a program of debris removal from private property.

Under the provisions of Public Law 99, 84th Congress, the Chief of Engineers has authority to perform emergency protection work against floods. An example of this is found in our participation two winters ago in Operation Foresight, where damages estimated at \$165 million were prevented by emergency flood protection works costing \$20 million. Again, our activities in this administration-directed program were coordinated by OEP.

Present disaster authorities of the Federal Government are found in many acts, containing both general and specific provisions of both permanent and temporary duration. In order to improve the assistance rendered by the Federal Government in time of major disasters, and to clarify existing law, the President in April of this year submitted to the Congress a proposed Disaster Assistance Act of 1970. This has been introduced as H.R. 17518. We endorse the provisions of this bill, and urge its enactment.

Mr. Chairman, this completes my statement. We will be pleased to answer any questions the committee may have.

Mr. JONES. General, our estimates of damage that have occurred since 1803, the Federal participations have been in some 100 bills, 70 percent of which were flood damages. It seems to me to point out the fact that unless we get about the business of arresting remedial

works that are necessary that we are still going to continue to have recurring disasters as occasioned by floods.

That brings me to the point that in the Camille area you have a proposed project approximately \$124 million, and that is the Lake Pontchartrain barrier plan, plus the Chalmette area plan, which were coordinated, and the estimated cost of that is \$57 million.

Now, do you think it is necessary for us to hasten our effort to make preparations to see that floods do not occur, and if they do, minimize the potential damage that may be caused as a result of the extraordinary wind velocity in that area?

General GROVES. Mr. Chairman, I think we would certainly agree with you as to the need for averting flood disasters. In the case that you mentioned, as you know, we have it under active investigation at the present time. We are trying to do everything we can to arrive at a solution to the problem.

Mr. JONES. Now, in the Fairbanks area we authorized the projects that would reduce but not completely control it. Do you think that that is of an essential urgent nature that we should hasten that along?

General GROVES. Again, sir, that is one that we are vitally interested in. We have certain design problems of a technical nature that we have to resolve.

Again, I can only say to you that this is one that is receiving our close and continuing attention.

Mr. JONES. Well, it seems to me that it comes back to the old, old story of an ounce of prevention is worth a pound of cure, so I hope that we can incite public interest to the extent that they will make, at least attack the projects on a high national priority. Are there any questions? Mr. ZION.

Mr. ZION. General, in the provision of H.R. 17518, if a bank of a river would erode precipitously, there is no hurricane, there is no flood, it is just, you know, they will occasionally do this—we have one down in our district where a town was threatened pretty much. In this instance, the Corps of Engineers came in very promptly and did remedial action. I wonder if, in your opinion, under this emergency disaster program that we are talking about now, were the erosion not accompanied by high tides or hurricane or such, would that constitute an emergency under the provisions of this bill in your opinion, no loss of life, no unusual weather provocation?

General GROVES. As I understand the bill, sir, you would need some declaration of a disaster to handle it under the OEP authority. However, in many cases the Chief of Engineers has under laws continuing authority that would permit him to deal with such a case.

Mr. ZION. But not under this one?

General GROVES. It would not be affected by this bill; no, sir.

Mr. ZION. Thank you, sir.

Mr. JONES. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. General Groves, I notice that under the provisions of the Federal Disaster Relief Act of 1969, you are completing a program of debris removal from private property. Is this without charge to the property owners? Is this at the expense of the Federal Government?

General GROVES. Ultimately, sir, the expense is borne by the Federal Government. We reimburse the people if they do it themselves.

Mr. HAMMERSCHMIDT. Would you still have the same authority under the Disaster Assistance Act of 1970?

General GROVES. The new bill effects that as I read it. Sir, we could comment on that in some detail for the record, but my recollection of the bill is that it clarifies this particular aspect of the problem and would make it simpler for us to administer.

Mr. HAMMERSCHMIDT. I raised the question because when General Lincoln was before the committee yesterday, I do not believe this question was posed to him. It just appeared to me that this authority might be lost and the advantage to the private citizen who had this problem of debris removal.

General GROVES. Sir, I will have to provide that for the record.

(The following was received:)

Section 3(e) of HR 17518 retains the basic authority of Section 14, PL 91-79, for removal of debris from private property. However, it provides for clearance of such property by contract, thereby eliminating the complex and unwieldy administrative problems encountered in reimbursement of individuals for expenses incurred in the removal of debris from their property. HR 17518 does not authorize the reimbursement of individuals who cleared debris from their own property. Fair and equitable treatment under Section 14, PL 91-79, is very difficult, since in many cases the affected individual has already cleared his land and documentation is not available to verify the extent of the eligible work and to permit reimbursement therefor. The only other significant change is the requirement for the State or local government to arrange unconditional authorization for removal of debris from private property and indemnify the Federal Government against claims arising from such removal. In implementation of Section 14, PL 91-79, individual property owners provided the required rights-of-entry and indemnification against claims; thus many local governments assumed no responsibility (other than administrative) for claims arising from removal of debris from private property within their jurisdiction.

Mr. HAMMERSCHMIDT. Mr. Chairman, thank you very much.

Mr. JONES. General, how much did you in 1969 expend under Public Law 99?

General GROVES. Approximately \$27 million, Mr. Chairman, in fiscal year 1969.

Mr. JONES. How did you exceed the amount that is established by law of \$15 mililon?

General GROVES. Mr. Chairman, under the law I believe we are authorized to draw upon unobligated funds as they are available to us, and make it up subsequently.

Mr. JONES. And what proportion of that was expended in disaster areas that were declared as a disaster area in fiscal year 1969?

General GROVES. I do not have those numbers with me, sir; if I could supply them for the record.

(The following was received:)

Of the \$27 million expended under Public Law 99 in FY 69, about \$20 million was for "Operation Foresight" covering emergency work in 26 states. Five of the states were later declared disaster areas. We expended about \$6 million as a result of the Jan-Feb 69 floods in California. A disaster declaration was also made for that area. During FY 70, we expended about \$4.1 mililon under Public Law 99 for the repair and restoration of flood control and shore protection facilities damaged by Hurricane Camille.

Mr. JONES. The reason I ask that question is, do you feel like the \$15 million in normal operation of the agency should be expanded to be expanded to be increased in order to accommodate the extraordi-

nary expenses that would be necessary for situations like Camille, Beulah, the Alaska earthquake?

General GROVES. Sir, judging by last year, which has certainly been the most active year for this revolving fund that we have had historically, we got through last year all right at that level. As long as we have the reprogramming authority, we are not in any serious trouble unless we have one at the end of the fiscal year.

Mr. JONES. It is not taken out of project money?

General GROVES. Beg pardon?

Mr. JONES. It is not taken out of project money?

General GROVES. No, sir. Well, excuse me, sir, to the extent that the project money has not been obligated, we can draw upon it and pay it back subsequently.

Mr. JONES. That comes back to my original question. Do you need greater authority under the Public Law 99 to assure you that you have sufficient amounts of money to go to the rescue of a distressed area?

General GROVES. I would say if the current trend continues, and we can see greater activity in this area coming, a higher level for that fund probably would be very useful to us.

Mr. JONES. Would you prefer to have that fund identified in a certain amount or an authority to petition the Appropriations Committee for such funds as necessary to complete your job without taking it out of project programs rather than a fixed amount?

General GROVES. Sir, my initial reaction to what you have just suggested would be it would be very difficult to forecast future emergencies, and you probably want to have some sort of level, even if it were a floor, for instance.

Mr. JONES. Assume, then, you are agreeable to the floor of \$15 billion, but have the language to be liberalized to the point that under extraordinary circumstances you could be—I mean there would be authorization to the Appropriations Committee to make appropriations for specific disasters.

General GROVES. Yes, sir, but I would hope that we would never lose our authority to reprogram if it became necessary.

Mr. JONES. I am not talking about that now. That is the reason I am trying to make a distinction between your \$15 million and these additional costs that are incurred over and beyond the \$15 million.

General GROVES. Yes, sir.

Mr. JONES. And so, therefore, it would not be necessary to have a floor that exceeds the \$15 million, but the additional authorization for you to ask for appropriations over and beyond that to take care of any emergency situation which might arise that needs your employment—

General GROVES. Yes, sir, that would be very helpful. In the past, of course, we have had supplemental appropriations.

Mr. HAMMERSCHMIDT. Will the chairman yield on that point?

Mr. JONES. Yes.

Mr. HAMMERSCHMIDT. General Groves, on your preventive disaster action, does that come out of the \$15 million also?

General GROVES. I believe, sir; you are referring to Operation Foresight of last year. Operation Foresight was conducted under our Public Law 99 authorities, and this was administrative determination

by the Chief of Engineers that a disaster was surely going to occur. We knew it would occur. The snow was up there. We know it was going to melt, and when it melted, we knew we would have floods.

Public Law 99 does not specifically address the case of potential or threatened disasters. It addresses disasters in the present tense. We choose to interpret that as meaning in that case that the disaster existed, and we acted accordingly.

Mr. HAMMERSCHMIDT. You felt after the situation was over that that was money very well spent?

General GROVES. No question about it, sir.

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman.

Mr. JONES. Are there further questions?

General Groves, we are obliged to you in view of the information that you have supplied the committee. I thank you and your associates.

General GROVES. Thank you, sir.

Mr. JONES. Our next witness is Mr. Anthony A. Benintend, Associated General Contractors of America, Washington, D. C. We are pleased to have you, sir; and you have with you one of our old friends that we have known throughout the years, and we welcome you, Donald Giampaoli.

STATEMENT OF ANTHONY A. BENINTEND, ASSOCIATED GENERAL CONTRACTORS OF AMERICA, WASHINGTON, D.C.; ACCOMPANIED BY DONALD A. GIAMPAOLI, DIRECTOR, HEAVY CONSTRUCTION DIVISION

Mr. BENINTEND. Thank you, Mr. Chairman. It is a pleasure to be here.

My name is Anthony A. Benintend. I am President of Gacon Construction Co., a general contracting firm located in Pittsburgh, Pa.

I appear before you in behalf of the Associated General Contractors of America, an association of more than 9,000 of the Nation's leading construction contractors. I am also the chairman of the National Emergency Planning Committee of the Associated General Contractors which administers the construction industry's disaster relief program called Plan Bulldozer.

I am accompanied by D. A. Giampaoli, director, Heavy Construction Division of the Associated General Contractors, Washington, D.C., who coordinates closely with the agencies concerned with disaster relief and is the Secretary of our Emergency Planning Committee.

The objective of this testimony is to advise the subcommittee on efficient use of the construction industry when it is called upon to provide disaster relief assistance. The construction industry is the largest single industry in the United States, as it performs approximately 15 percent of the gross national product of this country, therefore, its capabilities in providing a public service in disaster assistance are immeasurable.

PLAN BULLDOZER

Through the Associated General Contractors of America, the construction industry has tailored its skills and capabilities to an emergency planning role by a unique program called Plan Bulldozer.

Whether the disaster is an earthquake, explosion, flood, fire, snow storm, hurricane, or tornado, the contractor's mission is to furnish materials, operate equipment, and supply skilled personnel under the direction of a civil or military authority in charge of disaster relief.

The construction industry has always cooperated in a disaster assistance effort, however, Plan Bulldozer is an organized approach to this effort. The program seeks the support of all segments of our industry whether or not members of this association. It is available to all governmental agencies and supports existing government disaster relief services, whether local, State, or Federal.

On November 18, 1969, President Nixon formally received a copy of our plan at the White House. We are thankful to have had that opportunity signifying the industry's readiness under Plan Bulldozer. In receiving our disaster relief plan and a miniature gold bulldozer, the President said.

I accept the bulldozer and I like what it stands for, and I know of instances where it has been implemented.

Mr. Chairman, I submit for the record, a copy of a booklet signifying that presentation.

Mr. JONES. Without objection, it will be received and placed in the committee files.

(The booklet "Plan Bulldozer" was placed in the committee file.)

Mr. BENINTEND. It includes an example of Plan Bulldozer in operation following the wake of history's most powerful earthquake which leveled many of Alaska's major cities on March 27, 1964. Also indicated is the effort by AGC representatives at that time to assess damages and advise on reconstruction needs to the President's Reconstruction and Development Planning Commission for Alaska under Senator Clinton P. Anderson.

Plan Bulldozer consists of three parts: Part A describes information to be furnished to appropriate governmental authorities with local disaster relief responsibilities. It includes information on the AGC chapter relief staff and contractor personnel enrolled under the plan. This part includes an equipment source summary listing, every type of equipment an agency is likely to need in the event of a disaster.

Part B provides suggestions to the AGC chapter or other disaster groups on organization, staff, and operations. This part contains a detailed breakdown of the composition of the chapter disaster staff, the disaster headquarters, and a suggested method for obtaining equipment lists from chapter members and nonmembers and compiling such information.

Part C furnishes detailed instructions to each contractor cooperating in the plan. It includes a suggested procedure for the contractor to employ when disaster is imminent—I might digress from my statement.

There were questions asked about imminent disaster, and we recognize the imminence of disaster, such as the floods that threatened certain parts of our country when snow was piled up in the mountains, and we knew that it would inevitably fall and create an imminent disaster. We would like to prepare ourselves for the imminence of disaster, that is in anticipation, and we know that a hurricane is coming up out of the gulf, we know that it is inevitably going to strike the

land that we are trying to prepare ourselves, and have ourselves in readiness for it.

Part C furnishes detailed instructions to each contractor cooperating in the plan. It includes a suggested procedure for the contractor to employ when disaster is imminent, has struck, and is under control. It contains a recommended listing of equipment which may be needed for various types of disasters, personnel that may be required, information on insurance, reimbursement, and contract forms, and recommended contract procedures for emergency operations by the Corps of Engineers. It also suggests that other agency recommended procedures be considered to fit local conditions.

These three parts are intended as suggestions to AGC chapters and other organizations and will require modification to fit local conditions.

Mr. Chairman, I submit for the record a copy of our booklet which I have just outlined titled "How To Organize and Operate a Program for Disaster Relief in Your Community, Plan Bulldozer."

Mr. JONES. Without objection, it will be received and placed in the committee file.

(The booklet "How To Organize and Operate a Program for Disaster Relief in Your Community, Plan Bulldozer" placed in committee files.)

Mr. BENINTEND. Thank you, Mr. Chairman.

Basically, Plan Bulldozer provides a central organization, such as a local AGC chapter or branch, which will maintain a list of the amount and types of equipment and names of key personnel of participating contractors that would be available on short notice. The participating contractors agree to perform the relief work under the conditions of a preconceived contract. Since the plan operates on a nonprofit basis, it is incumbent upon local government to return to normal contract procedures as soon as the disaster situation permits.

STATUS OF PLAN BULLDOZER

At this time, 166 AGC chapters representing every State and the District of Columbia have organized Plan Bulldozer. This is indicative of the construction industry's willingness to serve the public by protecting communities and the country in times of natural or manmade disasters.

Mr. Chairman, I submit for the record a detailed listing by State and address of all AGC chapters with an organized plan, plus those in stages of development.

Mr. JONES. Without objection the document will be received and placed in the RECORD.

(The document, "Organizational Status of Plan Bulldozer," follows:)

EXHIBIT C

ORGANIZATIONAL STATUS OF PLAN BULLDOZER, JULY 29, 1970

Column 1—indicates those chapters which, according to National Office records have an organized and functioning Plan.

Column 2—those chapters which are presently organizing the Plan.

Column 3—those chapters which have taken no action as yet.

Organized	Organizing	No action
106 chapters	8 chapters	13 chapters.
50 States—plus the District of Columbia	Puerto Rico	
State, organized and installed AGC	Organizing—Not yet installed	Chapters with no organization started
Alabama:		
Alabama Branch, AGC, Post Office Box 1269, Birmingham.		
Mobile Chapter, AGC, 1809 Old Shell Rd., Mobile.		
Central Alabama Branch, AGC, Box 491, Montgomery.		
Alaska: Alaska Chapter, Box 3-4088, Anchorage		
Arizona:		
Arizona Building Chapter, AGC, 3218 North 3d St., Phoenix		
Arizona Chapter, Post Office Box 6878, Phoenix		
Arkansas: Arkansas Chapter, Post Office Box 846, Little Rock.		
California:		
AGC of California, 301 Capital Mall, Sacramento.		
San Diego Chapter AGC, 2231 West Hotel Circle, San Diego.		
Colorado:		
ABC of Colorado, AGC, 1380 South Santa Fe Dr., Denver.		
Colorado Contractors Association, AGC, 1451 South Ash St., Denver.		
Connecticut: AGC of Connecticut, 6 Lunar Dr., Woodbridge		
Delaware: AGC of Delaware, Post Office Box 2308, Wilmington		
District of Columbia: Master Builders Association, Inc., District of Columbia, AGC, suite 14-G, 2430 Pennsylvania Ave. NW., Wash.		
Florida:		
Northeastern Florida Chapter, AGC, 1615 Hendricks Ave., Jacksonville		
Northwest Florida Chapter, AGC, 201 South F St., Pensacola		
South Florida Chapter, AGC, Post Office Box 739, Shenandoah Station, Miami		
Florida West Coast Chapter, AGC, Post Office Box 4745, Tampa		
Florida East Coast Chapter, AGC, 2617 Australian Ave., West Palm Beach		
Central Florida Chapter, AGC, 22 East Vanderbilt St., Orlando		
Georgia: Georgia Branch, AGC, AGC building, 147 Harris St. NW., Atlanta		
Hawaii: Hawaii Chapter, AGC, 904 Kohou St., room 208, Honolulu		
Idaho: Idaho Branch, AGC, 110 North 27th St., Boise		
Illinois:		
AGC of Illinois, Post Office Box 2579, Springfield		
Central Illinois Builders Chapter, suite 500, Jefferson West, 525 West Jefferson St., Springfield.		
Chicago Builders Chapter, AGC, suite 1410, Builders Building, 228 North La Salle St., Chicago.		
Fox Valley General Contractors Association, AGC, 303 West State St., Geneva.		
Southern Illinois Builders Association, AGC, 7623 West Main St., Belleville.		
Northern Illinois Building Contractors Association, AGC, 205 Gateway Building, Rockford.		
Indiana: Indiana Highway Construction, Inc., AGC, 1001 Roosevelt Building, Indianapolis.	Evansville Chapter, AGC, suite 30, Permanent Savings Building, Evansville.	The AGC of Indiana, Inc., 3919 Meadows Dr., suite 9, Indianapolis.
Iowa:		
AGC of Iowa, 300 Hubbell Building, Des Moines		
Master Builders of Iowa, AGC, Box 631, Des Moines.		

State, organized and installed AGC	Organizing—Not yet installed	Chapters with no organization started
Kansas:		
The Kansas Builders Chapter, AGC, 200 West Topeka.	-----	
Kansas Contractors Association, AGC, Post Office Box 5061, Topeka.	-----	
Kentucky: Louisville Chapter, 3595 Dutchmans Lane, Louisville.	Kentucky Highway Division, Post Office Drawer 637, Frankford. The Greater Lexington Chapter, Post Office Box 498, Lexington.	AGC of Western Kentucky, Post Office Box 926, Paducah.
Louisiana:		
New Orleans Chapter, AGC, Post Office Box 13586, New Orleans.	-----	
Shreveport Chapter, Post Office Box 5336, Shreveport.	-----	
Acadian Chapter, Post Office Box 2507, Lafayette.	-----	
Baton Rouge Chapter, Post Office Box 66382, Baton Rouge.	-----	
Central Louisiana Chapter, Post Office Box 1589, Alexandria.	-----	
Louisiana Highway & Heavy Construction Branch, suite 400, Taylor Building, 251 Florida St., Baton Rouge.	-----	
Lake Charles Chapter, Post Office Box 836, Lake Charles.	-----	
Northeast Louisiana Contractors Association, AGC, Post Office Box 1304, Monroe.	-----	
Maine: AGC of Maine, 133 State St., Augusta.	-----	
Maryland: Baltimore Builders Chapter, 104 West Madison St., suite 5a, Baltimore.	-----	
Massachusetts: AGC of Massachusetts, 220 Boylston St., Chestnut Hill.	-----	
Michigan:		
Michigan Road Builders Association Inc., Post Office Box 418, Lansing.	-----	
Michigan Chapter, 2323 North Larch, Lansing.	-----	
Detroit Chapter, 18100 Schaefer Highway, Detroit.	-----	
Minnesota: AGC of Minnesota, 910 Builders Exchange Building, Minneapolis.	-----	
Mississippi:		
ABC of Mississippi, AGC, Post Office Box 2947, Jackson.	-----	
Mississippi Gulf Coast Chapter, AGC, 2809 19th St., Gulfport.	-----	
Municipal and Utility Contractors Association of Mississippi, Post Office Box 528, Jackson.	-----	
Missouri:		
Kansas City Chapter, 632 West 39th St., Kansas City.	-----	
AGC of St. Louis, 144 Chase-Park Plaza Hotel, St. Louis.	-----	
AGC of Missouri, Post Office Box 94, Jefferson City.	-----	
The Heavy Construction Association of the Greater Kansas City Area, 424 Nichols Rd., suite 209, Plaza Esplanade Building, Kansas City.	-----	
Montana: Montana Contractors Association, AGC, Post Office Box 1717, Helena.	-----	
Nebraska:		
Nebraska Building Chapter, AGC, 1217 First National Bank Building, Omaha.	-----	
Nebraska Chapter, AGC, 425 Terminal Building, Lincoln.	-----	
Nevada: Nevada Chapter, Post Office Box 7315, Reno.	-----	
New Hampshire: AGC of New Hampshire, Post Box 446, Fort Eddy Rd., Concord.	-----	
New Jersey: AGC of New Jersey, Post Office Box 327, Pennington.	-----	Building Contractors Association of New Jersey, 1180 Raymond Blvd., suite 2225, Newark.
New Mexico:		
AGC of New Mexico, Post Office Box 1988, Santa Fe.	-----	
New Mexico Building Branch, 1615 University Blvd. NE., AGC Building, Albuquerque.	-----	
New York: New York State Chapter, AGC, DeWitt Clinton Hotel, Albany.	-----	New York State Building Chapter, AGC, Executive Park East, Stuyvesant Plaza, Albany.
North Carolina:		
Carolinas Branch, AGC, Post Office Box 1459.	-----	

State, organized and installed AGC	Organizing—Not yet installed	Chapters with no organization started
South Carolina: Charlotte		
North Dakota: AGC of North Dakota, Box 1624, Bismarck		
Ohio:		
ABC of Toledo, Hillcrest Hotel, Madison at 16th Toledo	The Mahoning and Shenango Valley Chapter, Hotel Ohio, suite 327, West Boardman and Hazel Sts., Youngstown	
AC of Ohio, 50 West Broad St., LeVeque-Lincoln Tower, Columbus.		
Ohio Contractors Association, Sheraton-Columbus Hotel, 50 North 3d St., Columbus		
Oklahoma:		
Association of Oklahoma General Contractors, Box 53385, Oklahoma City		Oklahoma Municipal Contractors Association, AGC, 1411 Classen Terrace Building, room 312, Oklahoma City.
Oklahoma Builders Chapter, 709 Cravens Building, Oklahoma City		
Oregon: Oregon-Columbia Chapter, Sheraton Motor Inn, 1008 North East Multnomah St., Portland.		
Pennsylvania:		
Pennsylvania Builders Chapter, KBCA Building, 2415 North Front St., Harrisburg.		
Philadelphia Builders Chapter, suite 1212, 2 Penn Center Plaza, Pittsburgh.		
The Contractors Association of Eastern Pennsylvania, AGC, suite 350, Suburban Station Building, Philadelphia.		
Master Builders Association of Western Pennsylvania, Inc., AGC, 2270 Noblestown Rd., Pittsburgh.		
Contractors Association of Western Pennsylvania, AGC, 1201 Banksville Rd., Pittsburgh.		
Puerto Rico	Puerto Rico Chapter, AGC, Post Office Box 9774, Santurce.	
Rhode Island: Rhode Island Chapter, AGC, 530 Hospital Trust Building, Providence.		
South Dakota:		
AGC of South Dakota Building Chapter, IMI Building, Post Office Box 178, Huron.		
AGC of South Dakota, Post Office Box 488, Pierre.		
Tennessee:		
Memphis Chapter, AGC, 320 South Dudley St., Memphis.	Tri-Cities Chapter, AGC, Burleson Construction Co., Post Office Box 1103, Johnson City.	Chattanooga Chapter, AGC, 1033 Volunteer State Life Building, Chattanooga.
Mississippi Valley Flood Control Branch, AGC, suite 205, Hotel Sheraton Peabody, Memphis.	Nashville Chapter, AGC, 300 James Robertson Parkway, 401 Court Square Building, Nashville.	Knoxville Chapter, AGC, Post Office Box 161, Knoxville.
Mid-South Municipal Chapter, AGC, Belmar Building, suite 201, 1254 Lamar Ave., Memphis.	Utility Contractors Association of Middle and East Tennessee, AGC, 401 Court Square Building, 300 James Robertson Parkway, Nashville.	
Texas:		
Austin Chapter, AGC, Post Office Box 1508, Austin.		AGC of Jefferson County, 2276 Park St., Beaumont.
Dallas Chapter, AGC, 1432 Life Building, Dallas.		East Texas Chapter, AGC, Post Office Box 7353, Longview.
West Texas Chapter, Post Office Box 5365, Abilene.		El Paso Chapter, Post Office Box 1673, El Paso.
Panhandle of Texas Chapter, AGC, Post Office Box 2563, Amarillo.		Rio Grande Valley Chapter, Box 496, Harlingen.
Texas Highway-Heavy Branch, AGC, Post Office Box 2185, Austin.		San Antonio Chapter, 110 West Grayson St., San Antonio.
South Texas Chapter, Post Office Box 1238, Corpus Christi.		
Fort Worth Chapter, 3232 West 4th St. at Bailey, Ft. Worth.		
Texas Heavy, Municipal and Utilities Branch, AGC, 1224 Mercantile Bank Building, Dallas.		Waco Chapter, AGC, Post Office Box 7398, Waco.
Houston Chapter, AGC, Post Office Box 662, Houston.		
Vermont: AGC of Vermont, Inc., Post Office Box 750, Montpelier.		
Virginia: Virginia Branch, AGC, Post Office Box 6775, Richmond.		

State, organized and installed AGC	Organizing—Not yet installed	Chapters with no organization started
Washington:		
Inland Empire Chapter, AGC, Terminal Box 3266, Spokane.	-----	
Tacoma Chapter, AGC, Post Office Box 11105, Tacoma.	-----	
Seattle Northwest Chapter, AGC, 215 West Harrison St., Seattle.	-----	
Mountain Pacific Chapter, AGC, 220 West Harrison St., Seattle.	-----	
West Virginia: AGC of West Virginia, 1424 Kanawha Valley Building, Charleston.	-----	
Wisconsin:		
Wisconsin Chapter, AGC, 340 Coyier Lane, Madison.	-----	
AGC of Greater Milwaukee, Inc., 2733 West Wisconsin Ave., Milwaukee.	-----	
Wyoming:		
Wyoming Contractors Association, AGC, 511 East 2d, Casper.	-----	
AGC of Wyoming, Post Office Box 1263, Cheyenne.	-----	

Mr. BENINTEND. Simplified disaster relief procedures. I like to think that Plan Bulldozer is designed to do away with "Murphy's Law." This axiom says: "If there is a harder way of doing something, it will be found and it will be done." Simplicity is a keyword in any relief effort since the strain of disasters requires that we follow guidelines which are natural to us and according to accustomed methods.

Complex relief plans will not be followed when the chips are down, Plan Bulldozer is and must be a logical program, simple to understand, and one that is closely allied to the way we do business today.

Since the general contractor, under the single contract system, has undivided responsibility to manage a job, he is the sensible source to coordinate the complex operation of disaster relief. He has the experience and organization to manage work whether it is building, heavy, or highway construction. Plan Bulldozer has been activated successfully many times since its beginning in 1958 which attests to the validity of this concept.

DISASTER ASSISTANCE ACT OF 1970

It is our understanding that these hearings are designed in part to enable the subcommittee to better understand the magnitude of assistance programs needed to help people recover from destruction caused by natural disasters and to see how effectively the Federal Government has responded under the disaster relief laws currently enforced.

The other reason for the hearings is to receive testimony on H.R. 17518 which is designed to improve existing laws. To this in general, we wholeheartedly agree and our following remarks will relate to views based on our experience in disaster relief activities involving construction.

DISASTER RELIEF OPERATING MANAGEMENT CONTROLS

The construction industry through its disaster relief program, Plan Bulldozer has clearly demonstrated its willingness and ability to provide disaster relief when called up by a responsible authority or agency.

I again want to say responsible authority or agency. Plan Bulldozer functions on a nonprofit basis until safety is reasonably assured and/or an agency is able to let contracts.

In order to encourage increased industry participation under the plan by clear-cut operating guidelines, we suggest the implementation of more effective management controls for emergency work. There is a question as to the allowability of certain costs as well as a question whether State and local public officials fully understand what costs will be reimbursed under current laws.

Should these controls be developed, we would circulate them on an industrywide basis and we are sure that the Office of Emergency Preparedness could arrange dissemination to Federal, State, and local agencies. These controls may also indicate the byproduct advantages of the construction industry's disaster relief efforts such as transporting food and water into disaster stricken areas.

As you see, such an activity may be maintained even though Plan Bulldozer may not have been activated by a responsible authority for construction purposes. We have initiated meetings with OEP to develop more effective management controls and we hope their continuation will be encouraged by the subcommittee.

ADMINISTRATION OF DISASTER RELIEF CONSTRUCTION

There is an urgent need during the emergency phase of a natural disaster for an adviser on the appropriate use of equipment and the necessary supervision at the disaster site to insure the most efficient use of equipment available. As you know, we offer such advice as a public service.

We urge that Federal and State agencies familiar with construction administer reconstruction where Federal funds are involved. Such agencies are the Corps of Engineers, State Building and Highways Departments, and others dependent on the areas involved: for example, in Gulfport, Miss., the Navy Seabees provided very beneficial assistance. Experienced construction awarding agencies will assure that disaster relief operations will be conducted as efficiently as can be under the stressing conditions of an emergency.

Such agencies have the inspection capability to assure that construction is performed according to reasonable standards under the conditions of disaster relief. Also, these agencies are able to advise local authorities on the reconstruction effort for permanent facilities and may provide inspection assistance in the permanent reconstruction effort.

PERMANENT RECONSTRUCTION BY QUALIFIED CONTRACTORS

In order to assure that permanent reconstruction be performed by responsible contractors, we recommend that Federal, State, and local agencies utilize AGC chapters throughout the country in seeking qualified contractors to rebuild a community.

Obviously, construction contractors that are willing to assist in disaster relief have an interest in the community and will conduct themselves in a responsible manner.

HOLD HARMLESS LEGISLATION

Presently, the States of Kansas, Texas, and Virginia have passed legislation which will hold harmless contractors engaged in disaster relief activities during times of emergency, provided they are acting reasonably under the circumstances and conditions then existing.

We suggest that the subcommittee consider enactment of similar legislation as part of the Disaster Assistance Act of 1970.

Mr. Chairman, I submit for the record copies of the bills passed by the Kansas, Texas, and Virginia Legislatures.

Mr. JONES. Without objection, it will be received and placed in the record.

(Materials received follow:)

PLAN BULLDOZER OF KANSAS, ASSOCIATED GENERAL CONTRACTORS OF AMERICA, KANSAS CONTRACTORS ASSOCIATION, KANSAS BUILDERS' CHAPTER, TOPEKA, KANSAS

AN ACT relating to the public safety, providing for the exercise of emergency powers of government in times of public crisis, prescribing procedures and limitations for the exercise of such emergency powers, authorizing certain public officials to promulgate emergency orders, rules and regulations, and providing penalties for the violation of such orders, rules and regulations.

Section 1. During times of public crisis resulting from disaster, rioting, catastrophe or other public emergency within this state, or reasonable apprehension of immediate danger thereof, the governor may, upon his own volition or upon application of the mayor of any city, or, the person legally acting for the mayor in his absence or the county attorney of any county or the attorney general of the state, proclaim a state of emergency. Prior to the issuance of such proclamation, the governor shall find by investigation or otherwise that because of disaster, rioting, catastrophe or other emergency condition, the public peace and safety is imperiled, that human life and property is endangered by such emergency conditions and that the normal and ordinary processes of state and local government are inadequate to safeguard the public peace and safety and the lives and property of citizens.

The proclamation of the governor shall recite his findings, shall declare that a state of public emergency exists, and shall designate the boundaries of the affected area. Following such proclamation or declaration, the governor may promulgate such reasonable orders, rules and regulations as he deems necessary to protect life and property, or to bring the emergency situation within the affected area under control. Without limiting the scope of the same, said orders, rules and regulations may provide for the control of traffic, including public and private transportation, within the area or any section thereof; designation of specific zones within the area in which occupancy and use of buildings and ingress and egress of persons and vehicles may be prohibited or regulated; control of places of amusement and assembly, and of persons on public streets and thoroughfares; establishment of a curfew; control of the sale, transportation and use of alcoholic beverages and liquors and cereal malt beverages; control of the possession, sale carrying and use of firearms, other dangerous weapons, and ammunition; and control of the storage, use, and transportation of explosives or inflammable materials or liquids deemed to be dangerous to public safety. Such orders, rules and regulations shall be effective from the time and in the manner prescribed in such orders, rules and regulations and shall be made public as provided therein. Such orders, rules and regulations may be amended, modified, or rescinded from time to time by the governor during the pendency of the emergency, but shall cease to be in effect upon declaration by the governor that the emergency no longer exists.

SEC. 2. In the event of the governor's absence from the state, the lieutenant governor may, upon application by the mayor of any city, or the person legally acting for the mayor in his absence, the county attorney of any county or the attorney general of the state proclaim a state of emergency and exercise the emergency powers conferred on the governor by section 1 of this act. Upon the return of the governor to the state, the powers conferred on the lieutenant gov-

error to make further emergency orders, rules and regulations shall terminate immediately and the governor shall resume the full powers of his office: Provided, Any proclamation made or action taken hereunder shall continue to have full force and effect until or unless modified or terminated by the governor.

SEC. 3. The mayor, or the person legally acting for the mayor in his absence, of any incorporated city may proclaim a state of emergency within his city when he has found, by investigation and otherwise, that the conditions described in section 1 exist in such city or some part thereof. In such event the mayor or, the person legally acting for the mayor in his absence, shall have and exercise the powers and duties conferred on the governor by section 1. Upon proclaiming such state of emergency, the mayor, or, the person legally acting for the mayor in his absence, shall forthwith notify the governor of his action and the reasons therefor. All emergency powers conferred on the mayor, or, the person legally acting for the mayor in his absence, and all orders, rules and regulations made in the exercise of such power shall cease to be in effect upon declaration by the mayor, or the person legally acting for the mayor, that the emergency no longer exists, unless such emergency powers, orders, rules and regulations shall have been superseded by proclamation of the governor.

SEC. 4. Upon the proclamation of an emergency as herein provided, all mayors, sheriffs, chiefs of police and other law enforcement agencies within the affected area shall immediately take steps to inform all persons within such area of the existence of the emergency and of the emergency orders, rules and regulations deemed necessary to protect life and property.

SEC. 5. Law enforcement officers, military personnel, or others authorized to assist them, while engaged in maintaining or restoring the public peace or safety or in the protection of life or property during a lawfully proclaimed emergency shall be immune from civil and criminal liability for acts reasonably done by them in the performance of their duties so long as they act without malice and without the use of excessive or unreasonable force. Further, all such personnel shall have the authority to enforce any and all ordinances of any municipality wherein an emergency as herein provided exists and shall be considered as officers of said municipality.

SEC. 6. The knowing and willful violation of any order, rule or regulation made pursuant to this act shall be a misdemeanor, and any person convicted of such violation shall be punished by a fine of not more than five hundred dollars or confinement in the county jail for not more than one year or by both such fine and confinement.

SEC. 7. Any ordinance of any municipality authorizing the mayor or others to act in an emergency as defined herein shall be in full force and effect except where conflicts between said ordinances and this act occur.

SEC. 8. This act shall take effect and be in force from and after its publication in the official state paper.

PLAN BULLDOZER OF KANSAS, ASSOCIATED GENERAL CONTRACTORS OF AMERICA,
KANSAS CONTRACTORS ASSOCIATION, KANSAS BUILDERS' CHAPTER

DISASTER RELIEF CONTRACT COST FORM

Date_____

In consideration of the occurrence of a disaster requiring the immediate use of construction equipment and skills for disaster relief work in an area where such work is being directed by _____ hereinafter called the "AUTHORITY," The _____ of (address) _____, hereinafter called the "CONTRACTOR," offers its services as follows:

1. Contractor will perform and supervise any work directed to be accomplished by Authority, its agents or authorized employees, rapidly and in the most workmanlike manner possible under the operating condition.

2. This work will be done at cost which will include:

- A. Wages of workers and field supervisory personnel.
- B. Equipment rental rates based on A.G.C. Ownership Expense Manual.
- C. Fuel, lubricants, materials, small tools, and supplies (at cost, less salvage value).

E. Payroll taxes, sales taxes, and insurance including W.C., P.L., & P.D.

3. This cost does not include a performance bond nor any overhead or profit for Contractor.

4. Contractor will bill Authority (monthly) (weekly). Billings will be fully supported by vouchers. Authority will reimburse Contractor within ----- days after receipt of billing.

5. Contractor will promptly cease work and withdraw its forces from the disaster area upon direction of Authority.

6. Contractor represents that it is registered and qualified with the PLAN BULLDOZER of KANSAS to perform Disaster Relief Work and will observe maximum safety precautions in all its operation. AUTHORITY agrees to hold harmless and indemnify the PLAN BULLDOZER of KANSAS; the Associated General Contractors of America, Inc.; the Kansas Contractors Association; the Kansas Builders' Chapter, AGC, its member companies and employees thereof against liability for any and all claims, suits, judgments and awards which might be caused by or alleged to have been caused by in whole or in part by services rendered PLAN BULLDOZER of Kansas. AUTHORITY further agrees to defend all claims and suits and to assume the cost of defending same.

7. "Authority" designates "Contractor," its agents, employees, and representatives as officially assisting in the maintaining or restoring of the public peace or safety, or in the protection of life or property pursuant to K.S.A. 48-1801 through 48-1807, Section 5, and hereby grants to said Contractor, its agents, employees and representatives the immunities included therein.

Accepted:

CONTRACTOR

AUTHORITY

By-----
Title-----
Date-----

By-----
Title-----
Date-----

Source of Funds:-----

TEXAS LEGISLATIVE SERVICE—H.B. 371 AS FINALLY PASSED AND SENT TO
THE GOVERNOR

AN ACT relating to contract for construction equipment and work to be used in disaster relief under the Texas Civil Protection Act of 1951; providing immunity for contractors engaged in disaster relief work from liability for certain damages; amending Chapter 311, Acts of the 52nd Legislature, 1951 (Article 6889-4, Vernon's Texas Civil Statutes); and declaring an emergency

Be it enacted by the Legislature of the State of Texas:

Section 1. Section 7, Chapter 311, Acts of the 52nd Legislature, 1951 (Article 6889-4, Vernon's Texas Civil Statutes), is amended to read as follows:

"Section 7. Neither the State nor any political subdivision thereof, nor other agencies, nor the agents, employees, or representatives of any of them, engaged in any civil defense activities, nor during an extreme emergency any person, firm, corporation, or other entity under contract to provide construction equipment or work as provided by Section 8A of this Act, while complying with or attempting to comply with this Act or any rule or regulation promulgated pursuant to the provisions of this Act, shall be liable for the death of or any injury to persons, or damage to property, as a result of such activity. The provisions of this Section shall not affect the right of any person to receive benefits to which he would otherwise be entitled under this Act, or under the Workmen's Compensation Law, or under any pension law, nor the right of any such person to receive any benefits or compensation under any Act of Congress."

Sec. 2. Chapter 311, Acts of the 52nd Legislature, 1951 (Article 6889-4, Vernon's Texas Civil Statutes), is amended by adding a new Section 8A to read as follows:

"Section 8A. The Governor, or upon his direction, the State Defense and Disaster Relief Council, or any political subdivision is authorized to contract with any person, firm, corporation, or other entity to provide construction equipment or work on a cost basis to be used in disaster relief under the provisions of this Act. The funds received under Section 5 of this Act, specifically appropriated funds, and local funds as provided for in Section 6 of this Act may be used to pay for construction equipment and work contracted for under this Section."

Sec. 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in

each house be suspended, and this Rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Lieutenant Governor

Speaker of the House

I hereby certify that H.B. No. 371 was passed by the House on April 17, 1969, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 371 on May 19, 1969, by a non-record vote.

Chief Clerk of the House

I hereby certify that H.B. No. 371 was passed by the Senate, as amended on May 15, 1969, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

Approved: -----

Date

Governor

HOUSE BILL NO. 618 OFFERED FEBRUARY 10, 1970

A BILL to amend and reenact §§ 44-142.2 and 44-145.2 of the Code of Virginia, relating to declarations of emergency by the Governor and liability for damages while engaged in civil defense activities

Be it enacted by the General Assembly of Virginia :

1. That §§ 44-142.2 and 44-145.2 of the Code of Virginia be amended and reenacted as follows:

§ 44-142.2. Governor's declaration of emergency.—Whenever, in the opinion of the Governor, the safety of the Commonwealth requires the exercise of extreme emergency measures due to war, grave national peril, or serious natural disaster, he may declare an emergency to exist in the State or any portion thereof, and, whenever the Governor declares such emergency to exist each political subdivision within the emergency area may, under the supervision and control of the Governor or his designated representative, enter into contracts and incur obligations necessary to combat such disaster, protect the health and safety of persons and property and provide emergency assistance to the victims of such disaster; *provided however, that the Governor or his designated representative or the governing body of the political subdivision within the emergency area is authorized to contract with any person, first, corporation or other entity to provide for construction equipment or work on a cost basis to be used in disaster relief and that the funds provided for in §§ 44-146 and 44-146.1 may be use for such equipment or work.* In exercising the powers vested under this section under supervision and control of the Governor, the political subdivision may proceed without regard to time-consuming procedures and formalities prescribed by law (except mandatory constitutional requirements) pertaining to the performance of public work, entering into contracts, incurring of obligations, employment of temporary workers, rental of equipment, purchase of supplies and materials, levying of taxes, and appropriation and expenditures of public funds.

§ 44-145.2. Liability for damages while engaged in civil defense activities.—Neither the State nor any political subdivision thereof, nor other agencies, nor, except in cases of willful misconduct, the agents, employees, or representatives of any of them, engaged in any civil defense activities, *nor during such activities any person, firm, corporation or other entity under contract to provide construction equipment or work as provided in § 44-142.2,* and acting reasonably under the circumstances and conditions then existing, while complying with or attempting to comply with this chapter or any rule or regulation promulgated pursuant to the provisions of this chapter, shall be liable for the death of or any injury to persons, damage to property, as a result of such activity. The provisions of this section shall not affect the right of any person to receive benefits to which he would otherwise be entitled under this chapter, or under the Workmen's Compensation Law, or under any pension law, nor the right of any such person to receive any benefits or compensation under any act of Congress.

PERSONAL INSURANCE

Mr. BENINTEND. We suggest that thought be given to a provision for personal relief to disaster victims in drafting future disaster assistance legislation. Many people in Mississippi and Virginia were completely wiped out by flooding and have no means for sustaining themselves. Serious consideration should be given to these disadvantaged when we consider the capabilities of our affluent society.

CONCLUSION

Emergency preparedness must be a civic proposition where all heads of agencies work together and eliminate their political entanglements. A coordinating group should set up definite simplified procedures, as under Plan Bulldozer, in order to assure saving of lives and property and restoring as near normal condition as possible.

We have to work at disaster relief planning—it isn't a promotional operation—and—it is a continuing job and our chapters are continually updating their programs. If we want to assure public safety, it must be done.

Mr. Chairman, this concludes my statement, however, we would be pleased to answer any questions you may have or provide additional assistance in order to help the subcommittee accomplish the task assigned to it.

Mr. JONES. Thank you for supplying us with a very excellent statement. It is rather reassuring to know that your organization is giving attention to the remedial work that will be necessary in the case of disasters, and I am also pleased to note that you have pinpointed some of the areas, that there is a great lack of, to experience natural disasters, and I think that is a matter of planning and consideration of the general problem.

Mr. Zion.

Mr. ZION. Mr. Benintend, we appreciated your good statement, sir.

You refer to the Kansas Act and protection for some of the contractors. Now, in looking through that, I found protection for police and military personnel and so forth, but I did not see any specific reference to the contractors.

Could you point that out to us?

Mr. BENINTEND. It is under section 5. Mr. Giampaoli is more familiar with the actual text than I, and I think he would probably be better qualified to answer that.

Mr. GIAMPAOLI. The paragraph, Mr. Zion, under section 5 does refer to law enforcement officers, military personnel and others authorized to assist, and in addition it refers to personnel that are involved in working for municipalities in national relief work.

Mr. ZION. All such personnel shall have the authority to enforce, but I do not believe it was referring to contracting personnel; was it, sir?

Mr. GIAMPAOLI. There is a contract form that is attached to the last page of the Kansas presentation. You will notice item 7 of that contract form.

Mr. ZION. I understand they are included in the contract, but I did not see any specific reference that a contractor as such would not be liable, would be protected.

Mr. GIAMPAOLI. This would be interpreted by section 5.

Mr. ZION. By whom, sir? Has this been tested in the courts?

Mr. GIAMPAOLI. No; it has not.

Mr. ZION. Do you have any history of discussion of the constitutionality of the Kansas or the Texas or the Virginia constitution that would be available for the committee? Has this been tested by these States as being constitutional?

Mr. GIAMPAOLI. No; only the investigations made by the attorneys of our chapters that have consulted with the various legislatures involved, and they have not been tested.

Mr. ZION. Apparently you are recommending that in our Disaster Relief Act we not hold contractors liable for deaths or injury of persons, or damage to property if it is a result of a civil defense activity. Do you feel that there is a difference in civil defense activity and normal contractual obligations?

Mr. GIAMPAOLI. Mr. Zion, here we are talking about operating under disaster relief program, such as Plan Bulldozer, we are not speaking of an action under a normal contract, such as we would have with the highway department or with the Corps of Engineers, a competitively bid contract. We are talking about constructing on a nonprofit basis, on a cost basis for the emergency condition alone.

Mr. Benintend had mentioned that as soon as the municipal or State agency may refer to normal contracting conditions, such as competitive bids, they should do so since we are working under a nonprofit program to take care of that phase I-type of disaster, immediately following the disaster, and everything is in a state of confusion, and lives are in danger, more in danger than afterward.

Mr. ZION. You are not implying in any way that the contractor should not exercise the same degree of care in working in a disaster area as he would in a normal contract, whether it is for profit or nonprofit?

Mr. GIAMPAOLI. Certainly not implying that. Mr. Benintend has mentioned this in his statement nor implying that.

Mr. BENINTEND. Mr. Zion, I illustrated this at another hearing. You take the time of a flood coming down the Mississippi River, and some Federal agency, for example, the Corps of Engineers, asks that a dike be breached. We go in and blast out a dike in order to relieve the pressure on some other municipality, something has to be flooded, and which one is going to have the less damage, and we do not feel that if we go in and breach a dike that we should be responsible for any damages when we are acting as an agent for a responsible Government agency. That is what we are asking for hold harmless.

Mr. ZION. Let us say you are working for the Corps of Engineers. They have no such liability from action should the damage result in injury or death.

Mr. BENINTEND. Yes, but we do not want the fact transferred—the fact that we have no liability transferred under us. We feel that we should operate under the same blanket or umbrella that they operate under.

Mr. ZION. The point is the corps is liable.

Mr. BENINTEND. You said it was not.

Mr. ZION. Well, I misspoke then. The corps is definitely liable, and I am wondering if the contractor operating under their authority should not be equally liable.

Mr. GIAMPAOLI. Of course, most of the time, operating under the Corps of Engineers, we are operating under letter contract, shortly, following a disaster. We are not talking about a letter contract system now, we are talking about the nonprofit operation of Plan Bulldozer which differs.

Mr. ZION. I certainly compliment you on Plan Bulldozer. You represent a great industry, and you have done a tremendous job in areas like this, and the fact that you are going forward in planning and making your facilities and equipment available to the Federal Government, do you not think this could be extended then to also cover a State government, let us say a Governor suggests that a disaster does in fact exist, would you folks come to the assistance of a State as much as the Federal Government?

Mr. BENINTEND. This program has been implemented in practically every State where there are several of our chapters. We have implemented even down to fire departments. We have it implemented in Pennsylvania down to the fire department that they know where they can get cranes, bulldozers, trucks, additional tank wagons, additional pumping equipment, if they need it. We have this implemented down to the remotest of the general areas down to the cities, bureaus or townships or parishes as they might be called, and as I said, down to even the local fire departments.

Mr. ZION. I thank the gentleman for his testimony and response to the questions.

Mr. JONES. Any further questions?

Are you knowledgeable of the Lubbock, Tex. tornado that occurred recently?

Mr. BENINTEND. Yes. We had one of our staff members at the Corps of Engineers office in Lubbock, Tex. Even though the plan was not put into practice or put into effect in Lubbock, Tex., one of our staff men was at the Corps of Engineers headquarters and made himself available, and made available all the information that he had from our chapter concerning equipment and personnel that would be obtainable.

Mr. JONES. Why was it not?

Mr. BENINTEND. I cannot answer that.

Mr. GIAMPAOLI. After several days the Corps of Engineers issued letter contracts for the Lubbock, Tex. damage. We sent the Texas Highway and Heavy Construction Branch staff to Lubbock to assist the corps in finding pieces of equipment which were scarce, contractors which were available, immediately available to perform the work and general assistance in the disaster, also working with the Office of Emergency Preparedness, their Regional Director.

I have a very brief report on that that I could submit.

Mr. JONES. What is the substance of the report?

Mr. GIAMPAOLI. It indicates the activity of our staff with the Corps of Engineers in Lubbock.

Mr. JONES. If they did not utilize your services, what did it amount to, and why was it not used?

Mr. GIAMPAOLI. They were able to get to their satisfactory services by the letter contract method, rather than activating Plan Bulldozer.

Mr. JONES. Was it caused by the fact that they had local accommodations that were satisfactory, is that the reason they did not employ you?

Mr. GIAMPAOLI. Yes, in part that would be true, although they also used equipment from other sections of the State, but primarily I would say that would be true.

Mr. JONES. They did not reject your plan?

Mr. GIAMPAOLI. No, sir. One of the byproducts of the plan is the assistance we are able to afford to the Corps of Engineers or similar agency should they not elect to activate our contractors.

Mr. JONES. How extensive do you circularize to the Federal Government or agencies of the Federal Government and State agencies to keep the maware of your capabilities?

Mr. GIAMPAOLI. We correspond with them. We appear at their functions, their meetings, they appear at ours. We discuss this program with them during committee meetings. They appear at our national meetings regarding the program. We have appeared at the American Association of State Highway Officials annual meetings at times discussing this program.

Mr. BENINTEND. We have Plan Bulldozer divided into eight regions, and everyone of our local chairmen tries to keep his area apprised of the Plan Bulldozer, the facilities that we have available, and keep it updated.

When an individual leaves our employ, or leaves the service, and another one is appointed as a local chairman, we keep the local agencies apprised of the local man who is responsible for Plan Bulldozer and where they can go for help. At the time of disaster, usually, there is all kinds of people who do not know where to get information, and we try to keep the local agencies apprised of the people that are in the construction industry that can provide direct assistance.

Does that answer the question?

Mr. JONES. Yes, because I think it is very important. In the time of these emergencies, in the stress and strain, everybody gets disturbed, and not always able to collect their wits to the point of going about their business and making repairs; so consequently if they are completely and fully informed, they will know where to turn in times of peril.

Mr. BENINTEND. I might conclude by saying that to this extent we try to enter into an agreement with the different governmental agencies in the different areas before a disaster strikes, when conditions are normal. We know the agency personnel involved; they know us, and how facilities may be made available. Our radio facilities are made available to relief agencies.

Whenever there is a disaster in an area, construction stops, and then our forces are available for them, our radio systems are available, our equipment is available, our trained personnel are available as well as our people who direct our contracts, who direct our contracting companies; are available if they are needed.

If we are not called upon, then of course we let people know that we are available. We do not push ourselves forward. If they want assistance from us, we are always glad to give it to them.

Mr. JONES. Thank you very much, gentlemen. You have presented us with information that I am quite sure the committee had not received heretofore.

As I said earlier, it is reassuring to know that you are paying great attention to the problem, recognizing the needs of a community when it is in jeopardy.

Mr. BENITEND. Thank you, Mr. Chairman, and the other members of the committee.

Mr. GIAMPAOLI. Thank you.

Mr. JONES. Our next witness is commissioner Edward Carey, Salvation Army, New York, N.Y.; accompanied by Brig. William Goodier, Atlanta, Ga.; Brig. Leslie Hall, Birmingham, Ala.; Lt. Col. John Needham, Richmond, Va.

We are certainly pleased, Mr. Carey, that you are here today, and particularly pleased that you are in such good company with Leslie Hall. I am sure that heightens our interest insofar as what you are about to say, particularly as far as the Chair is concerned. Throughout the years we have taken into account the great and valuable services that you rendered. Even before the disaster Act of 1960, that you are present at every one of these disasters, much smaller than the ones that we are now considering of major disasters, but also those that do not require the participation of the Federal Government.

So I think it is a heart-warming realization of the American people to know that the Salvation Army has contributed so much throughout the years, and not only do you administer physical aspects to the wants of the people, but you give them spiritual encouragement as well. So I commend you in the Salvation Army in all of your endeavors. It is a pleasure to have you, sir.

STATEMENT OF COMMISSIONER EDWARD CAREY, SALVATION ARMY NATIONAL HEADQUARTERS, NEW YORK, N.Y.; ACCOMPANIED BY LT. COL. JOHN NEEDHAM, DIVISIONAL COMMANDER, RICHMOND, VA.; BRIG. GEN. W. R. H. GOODIER, SOUTHERN TERRITORIAL HEADQUARTERS, ATLANTA, GA.; AND BRIG. LESLIE HALL, DIVISIONAL COMMANDER, BIRMINGHAM, ALA.

Mr. CAREY. Thank you very much, Mr. Chairman. Being from New York, you will know that I am a button pusher and we have to turn to Alabama and other parts of the country for gentlemen who are actually out on the field in time of disaster, and they are here in the event that there may be question from you or members of the committee relating to actual operations in the field, particularly during hurricane Camille, and these people are experts.

For more than 80 years, the Salvation Army has responded quickly with assistance in time of emergency. The ability to mobilize its forces in a matter of minutes, and the speed with which its workers commence emergency services has resulted in nationwide acceptance.

This has been the case whether the emergency involved one family in a personal disaster, or widespread geographic destruction such as the Galveston flood of 1900; San Francisco earthquake of 1906; the Connecticut River floods over the years; and more recent occasions such as the Texas City explosion; the 1964 earthquake and 1968 Fairbanks flood in Alaska; tornadoes in Kansas, Indiana, Ohio, Oklahoma, Texas, and other States, and hurricanes such as Audrey, Carla, Betsy, Buelah, and Camille.

We call your attention to a brief summary of the disaster service over the years.

(Summary referred to follows:)

EXCERPT FROM "SOLDIERS WITHOUT SWORDS" BY HERBERT A. WISBEY, JR.

America's greatest disaster since the Chicago Fire occurred in the early morning of April 18, 1906, when an earthquake began in the region of San Francisco, California. The quake destroyed water mains and began a fire that raged for two days unchecked, destroying most of the City of San Francisco. An area of 2,593 acres, or more than four square miles of the city, was burned out. Included in the 28,188 buildings destroyed was the Salvation Army provincial headquarters building, with all its equipment and records and all of the social institutions, corps halls, and property in San Francisco—thirteen institutions in all, worth from \$130,000 to \$150,000.

In Oakland, across the bay, the Salvation Army was the first to open a relief camp for some of the thousands of refugees that swarmed out of San Francisco. The Oakland Citadel was thrown open and meals were served. A camp ground at Beulah Park, three miles from Oakland, was secured, tents were erected, and a relief camp was set up. Clothing was distributed, and the homeless were fed and housed. Chinese Salvationists served as cooks and diningroom and kitchen help. A depot for lost and strayed children was set up. As Colonel George French told a reporter from the San Francisco *Examiner*, "We are always ready for an emergency," and the work of the Army backed up his statement.

While relief work was carried out in the San Francisco area, Commander Evangeline Booth held a mass meeting in New York's Union Square to raise funds for the stricken city. Some \$12,000 was collected as the gifts came in, including \$1,000 from General Booth in England, and pennies, nickels, and dimes collected in unseasonal Christmas kettles. At the end of May, Miss Booth made an inspection tour of the devastated region, traveling eight thousand miles in twelve days.

The Salvation Army has not publicized its disaster work because it has never felt that it has the financial resources to operate as a Disaster Relief Agency. It emphasizes that its services are emergency disaster services which it is particularly well qualified to provide. As *The Salvation Army Disaster Emergency Service Manual* points out, "Salvation Army personnel is a well-disciplined, cohesive, mobile force. It is motivated by a love for God which expresses itself in service to man, even to the point of sacrifice. It is this spirit that makes our service so acceptable." The important thing to outside observers about Salvation Army disaster work is that it is prompt on the scene of disaster, efficient without red tape or formality, and is not ostentatious.

Wherever a major flood, hurricane, explosion, fire, or other disaster has hit any section of the country in the past forty years, the blue-uniformed Salvation Army men and bonneted Salvation Army lassies have been seen serving sandwiches, coffee, and doughnuts, and offering reassuring spiritual counsel. With a quiet cheerfulness that helps to restore calm, they act in the first hectic hours of the tragedy before more extensive relief work is organized and operating. The Salvation Army was first on the scene after the Texas City, Texas, explosion on April 16, 1947, had wrecked most of the community and taken nearly five hundred lives. When six hundred tons of ammunition blew up in South Amboy, New Jersey, at 7:26 p.m. on May 19, 1950, damaging the entire city, Salvation Army units were on hand with coffee by 8:00 p.m.

Mr. CAREY. The Salvation Army years ago developed a disaster organization which covers the entire Nation, and which coordinates services in all 50 States. Guidelines to such service are set forth in a disaster manual, published by our national headquarters, the latest edition of which is dated March 1958.

We call your attention to the chart, Civil Defense Liaison Organization.

(Chart referred to follows:)

CIVIL DEFENSE LIAISON ORGANIZATION

Representative to National Women's Advisory Council: Mrs. Lt. Colonel Wm. T. Powell, 503 "E" Street, N.W., Washington, D.C. 20001

REGION I

Maine, Vermont, New York, New Jersey, Massachusetts, New Hampshire,
Connecticut, Rhode Island, Puerto Rico

Liaison Officers: Major Hugh C. Fleming, 147 Berkeley Street, Boston Mass.
02116

Associate: Brig. John Hudson, 546 Avenue of the Americas, New York,
New York

REGION II

Pennsylvania, Ohio, Virginia, Kentucky, Maryland, West Virginia, Delaware

Liaison Officer: Lt. Colonel Walter Swyers, 2641 Maryland Ave., Baltimore,
Md. 21218

REGION III

Tennessee, North Carolina, South Carolina, Georgia, Florida,
Alabama, Mississippi

Liaison Officer:

Brigadier George Marshall, 336 Williams St., N.W., 30308, P.O. Box 8237,
Atlanta, Georgia 30306

REGION IV

Minnesota, Wisconsin, Michigan, Illinois, Indiana

Liaison Officer:

Brigadier Vernon Vie, 67 Barclay Avenue, N.E., Grand Rapids, Michigan
49502

REGION V

Oklahoma, Arkansas, Texas, Louisiana, New Mexico

Liaison Officer:

Colonel Paul Thronburg, 500 N. Ervay St., P.O. Box 2608, 75221, Dallas,
Texas 75221

Associate:

Captain Raymond Robinson, 628 No. Third Avenue, Box 13307, Phoenix,
Arizona 85002

REGION VI

North Dakota, South Dakota, Nebraska, Iowa, Wyoming, Missouri,
Kansas, Colorado

Liaison Officer:

Major Glen Gilden, 1930 Sherman St., P.O. Box 2369 80201, Denver, Colo-
rado 80203

Associate:

Major George Scofield, 523 North 20th Street, Omaha, Nebraska 68102

Associate for DHEW:

Lt.-Colonel Harold Crowell, 1319 Broadway, Kansas City, Mo. 64105

REGION VII

California, Nevada, Utah, Arizona, Hawaii

Liaison Officer:

Captain David Riley, 60 Haight Street, San Francisco, Calif. 94102

REGION VIII

Washington, Montana, Oregon, Idaho, Alaska

Liaison Officer:

Brigadier Ralph Strathdee, 233 First Ave., W., Box 9219, Seattle, Wash-
ington 98119

TERRITORIAL COORDINATORS

East:

Brigadier Royce Hawley, 120 W. 14th Street, New York, New York 10011

West:

Lt.-Colonel Robert Angel, 101 Valencia Street 94103, P.O. Box 3846, San Francisco, Calif. 94119

South:

Brigadier W. R. H. Goodier, P.O. Box 5236, Atlanta, Georgia 30307

Central:

Brigadier Earl Stubbs, 860 N. Dearborn Street, Chicago, Illinois 60610

Mr. CAREY. Recognition of the Salvation Army's role in civil defense aspects of disaster service is accorded in a memorandum from the Federal Civil Defense Administration to all Federal, State, and local defense agencies, and offices throughout the Nation. This memorandum is reprinted in the Salvation Army Disaster Manual. I would like to submit it for the record.

Mr. JONES. It will be received and placed in the committee files.

(The Salvation Army Manual for Emergency Disaster Service placed in committee files.)

Mr. CAREY. This was published by our national headquarters, and the latest edition is dated March 1958.

In 1960 the American Hospital Association printed a pamphlet outlining an understanding with the Salvation Army defining the cooperative role of the Salvation Army with local hospitals in time of disaster and in predisaster planning. I submit also a copy of this agreement.

Mr. JONES. That will be received and placed in the committee files.

(The agreement between American Hospital Association and the Salvation Army placed in committee files.)

Mr. CAREY. Federal, State, and local authorities have depended upon the resources of the Salvation Army in time of need. Such services are not given competitively—and I want to underline that—nor with any thought of displacing other organizations.

Our experience has confirmed the fact that needs in a major disaster are initially greater than can be met without the combined efforts of many to bring the needed relief and assistance.

We see our role in our traditional terms of meeting human needs promptly and practically. This includes mass and individual feeding both for victims and workers; housing; distribution of food, furniture, and household supplies; clothing, registration, and identification; case-work; and the intangible benefits of a spiritual ministry that have proved to be of tremendous importance as supportive therapy.

Our chain of command on military lines assures quick mobilization of personnel and resources, with inherent flexibility, mobility, and adaptability in getting help where it is needed promptly.

In more than 7,825 communities across the Nation, Salvation Army programs and services are made available by more than 4,000 Salvation Army officer-professionals, and 83,166 advisory organization members, plus other volunteer workers, mobilized as needed. It is a standing order in the Salvation Army that normal programs must give way in times of emergency and that manpower and equipment must be diverted to meet emergency needs.

Special equipment, strategically located, includes 220 mobile canteens especially designed for disaster service, plus 1,452 station wagons

and vans, and 1,599 trucks normally assigned to our men's rehabilitation program.

I might say also that we have warehouses in various parts of the country which are stockpiled with clothing ready for distribution.

MR. JONES. I hate to disturb you at that point, but I would like to ask a question. Are those geographically distributed in such a way that it takes into account the frequencies of these disasters?

MR. CAREY. Yes, sir. I think I could say affirmatively that that is so. We are in all major cities, and actually we have a normal program for the collection of clothing, and we call on these stockpiles in times of disasters.

MR. JONES. The reason I ask that question is, it would not be necessary for you to have one at, say, on the Tennessee River of my hometown of Scottsboro, Ala., because we do not have floods any more. There is not a likelihood of there being tornadoes there, and there has not been but one in 100 years. But down in the gulf area they have high winds, tornadoes, hurricanes, so there would be a probability that that advantage would be gained if it were there, say, instead of my hometown.

MR. CAREY. Well, perhaps the gentlemen who represent the gulf area could just mention a few of the cities where we have such warehouses and facilities in the gulf area.

MR. HALL. There is a concentration in every major city in Louisiana, Mississippi, and Alabama, which comprises 34 areas, right in our normal emergency relief program, we are dispensing clothing, so you have an inventory constantly not held in reserve for emergency disaster, but kept at a given level by virtue of the generosity of people who are making it available. We are dispensing it on a regular basis, and all of this is concentrated then as available to the emergency disaster area, on the occasion of the disaster.

MR. CAREY. That was Brigadier Hall from Alabama.

Mobile equipment makes it possible to adapt these station wagons and/or trucks for disaster service as needed. These are available for local disasters or may be utilized on a regional basis as required.

In the past, particularly during Hurricane Camille, problems arose that restricted and curtailed our effectiveness and our ability to deliver needed service. In Mississippi, for example, only organizations listed by name in Public Law 875 were recognized by Government representatives responsible for organizing and coordinating disaster services, and allowed to function with Federal and State support, until Governor John Bell Williams invited the Salvation Army to participate at the planning and command level as well as in direct service operations.

Similarly in Virginia, our efforts were hampered until our divisional commander, Lt. Col. John Needham, through top level conferences, was able to secure recognition for our efforts and we were allowed to proceed.

Failure initially to involve the Salvation Army came about due to the fact that those responsible recognized only the agencies listed in Public Law 875. Since the Salvation Army's name does not appear in that law, the needed clearance for the use of Federal troops, transportation, and warehousing was not given at the beginning.

In some cases our materials are preempted, and in one case our warehouses commandeered.

Proposed legislation appears designed to alleviate situations such as—

Mr. JONES. How do you account for that omission?

Mr. CAREY. I cannot account for it, unless these laws were enacted and we slept right by it. That is a possibility, I do not know. But I would like to see legislation to correct that omission now that the opportunity presents itself.

Mr. JONES. Well, I am quite sure the committee would be most receptive to that notion. I cannot speak for all the committee, but I am quite sure that had the committee been aware of it, it would have been prompted to do something before now.

Mr. CAREY. Thank you very much.

Proposed legislation appears designed to alleviate situations such as those that arose in Camille. H.R. 17518 provides for utilization of, and agreements with "private relief organizations" by appropriate Federal authority. This bill provides amendments to Public Law 875. While it states "the President is authorized to enter into agreements with private relief organizations under which the disaster relief activities of such organizations may be coordinated by appropriate Federal officials * * * the name of the Salvation Army does not appear in the bill.

The reaction of local officials would be to refer to this bill and also to Public Law 875 to determine what agencies are to be recognized and used. Since the name of the Salvation Army is not given in either the situation that prevailed during Camille would likely recur in subsequent emergencies, thus reducing the effective service of the Salvation Army.

In the proposed Senate bill S. 3619 the Salvation Army is named specifically and would therefore be recognized immediately by Government authority for its disaster functions.

If either of the bills being considered by this committee are enacted, then it is hoped the Salvation Army's name will be added for reasons already stated.

Furthermore, the clause on page 3, lines 18-21 of bill H.R. 17518 might negate the possibility of agreements with private relief organizations (see sec. 4 (a) and (b)) if this clause is to be construed as meaning that a single organization has the sole responsibility for services to people affected by a disaster. We would point out that the act of 1905 referred to in this clause does not exclude the activities of other agencies in alleviating human sufferings.

In fact, our chapter comes from the 25th chapter of Matthew and perhaps the 146th Psalm.

Mr. JONES. Well, it occurred to me that section 4, the bill that you refer to, where the Salvation Army was not designated, along with the National Red Cross, if a division of the Red Cross—or the Salvation Army were designated, do you think that would relieve your apprehension about that section of the bill?

Mr. CAREY. It might very well relieve it unless certain activities that were performed, such as emergency feeding were construed as limiting activities. We do not feel that we work competitively, we feel that we work cooperatively, that we supplement the work of other organizations in time of disaster. I could read from the act of 1905.

Mr. JONES. I am familiar with it, and I think the committee is familiar with it. It is incorporated by reference.

Mr. CAREY. Yes, it is. We will let that go.

I will therefore summarize our position in the following points.

(1) The Salvation Army will gladly recognize the place of the Federal department or office designated to coordinate disaster efforts.

(2) We remain willing to work cooperatively with other organizations under the direction of the designated Federal department or office while maintaining our own chain of command.

(3) We do not believe that emergency assistance to individuals in time of disaster is, or can be, the sole responsibility of any single voluntary organization, particularly at the initial impact of a major disaster when needs are usually far beyond immediate resources.

(4) We believe legislation should provide for a continuing agreement for the Salvation Army within the appropriate Federal department. If agreements are to be enacted only "during and after" a major disaster, the place of the Salvation Army would be open to challenge or dispute on each occasion, and we would experience the same "blocks" faced during Camille as far as our work is concerned.

(5) We ask for specific designation of the Salvation Army by name in the proposed legislation in whatever bill is actually adopted.

We do want to express our deep appreciation to the Subcommittee on Flood Control of the House Committee on Public Works for their courtesy in inviting the Salvation Army to give testimony here.

Thank you very much.

Mr. JONES. It is a pleasure to receive you.

I wonder what liaison you have with the Office of Emergency Planning?

Mr. CAREY. We are in touch with the Office of Emergency Planning, with I think Mr. Grace there and Mr. Hammond. I have made several trips, and we are trying to work out an agreement. There is a problem I think that they have an agreement which recognizes one organization as the organization that is solely responsible for voluntary work in such a disaster.

Mr. JONES. Do they rely just on the act itself, or is it a matter of general practice?

Mr. CAREY. No. This is based on Public Law 875, which mentions one specific organization.

Mr. JONES. In other words, they feel compelled, that they are restricted to that law, and they cannot go beyond what they sense was a limitation?

Mr. CAREY. That is true, and they are restricted by an agreement into which they have entered, although in the practical aspects of a disaster there are a number of agencies and organizations that render relief and assistance, and this will continue to be so, no matter what agreements are in effect, I am sure.

Mr. JONES. It seems to me that the work that you all are doing is of such importance and such great value that it should be coordinated, because every public organization such as yours that participates in it relieves the Federal Government of those obligations and gives a broader space to citizen participation. I think the people of this country have great compassion and they would like to make contributions to the Salvation Army as well as to the Red Cross, and they do not

have that opportunity within the Government because they feel like that the Government has a responsibility over and beyond theirs, but they would like to participate.

It seems to me the Government would get the better end of the bargain to having you all designated in the act.

Any questions?

Mr. KEE. Mr. Chairman.

Mr. JONES. Mr. Kee.

Mr. KEE. Mr. Chairman, I would like to commend our distinguished witness for his excellent statement. I join enthusiastically in the feeling that we should specifically designate the Salvation Army by name. I know that down in my section of West Virginia, where we do have frequent floods, the first people on hand is the Salvation Army group that you have at home, and I take my hat off to you, sir. You do a wonderful job, and are highly respected by every citizen that we have.

Mr. ROBERTS. Would the gentleman yield? I thank the gentleman for yielding.

Mr. Commissioner, I think your organization has one flaw. You do a lot more work than you do talking, so people don't really appreciate the army.

Mr. JONES. Mr. Schadeberg.

Mr. SCHADEBERG. Mr. Chairman, I want to personally commend the Salvation Army, as a clergyman and also as Navy Chaplain. I had many, many occasions in which to work very intimately with the Salvation Army, and I want you to know that your work is deeply appreciated not only by me personally, but by my people in my district. I want to thank you for your testimony, and always your willingness to help. I certainly support you on this matter that there are intangibles that are equally important as well as the physical help that its being given.

Mr. CAREY. Thank you, sir.

Mr. JONES. We again thank you.

We had two other witnesses who could not be here today, so that concludes the witnesses that were scheduled for today.

The subcommittee will stand adjourned until 10 o'clock.

(Whereupon, at 11:15 o'clock the hearing in the above-entitled matter was recessed, to reconvene at 10 a.m., Thursday, July 30, 1970.)

(The following was received for the record:)

STATEMENT OF JACK FROST, DIRECTOR OF EMERGENCY LOAN DIVISION, FARMERS HOME ADMINISTRATION U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and members of the subcommittee, I am Jack Frost, Director of the Emergency Loan Division of the Farmers Home Administration in the Department of Agriculture. I am glad to have the opportunity of representing the Department at this hearing on H.R. 17518, a bill to amend existing Federal disaster assistance legislation, and for other purposes. The Department of Agriculture concurs fully in the Administration's position on this bill as expressed earlier by General Lincoln of the Office of Emergency Preparedness. However, in accordance with General Lincoln's statement, I will comment briefly on section 3(b) of the proposed legislation. Emergency loans are made (a) in areas designated by the Secretary of Agriculture upon his finding that a major disaster declared by the President or some other natural disaster has caused a general need for agricultural credit which cannot be met by responsible local sources, and (b) without a designation by the Secretary where a natural disaster has caused only isolated losses as authorized by section 325 of the Consolidated Farmers Home Administration Act of 1961 as amended. (7 U.S.C. 1965)

As we interpret section 3(b), it would result in the following significant changes in Emergency loans:

1. It would repeal the requirement for designations by the Secretary that a natural disaster has caused a general need for agricultural credit which cannot be met by local sources. This interpretation is based on provisions contained in section (b) that loans may be made without regard to the applicant's ability to obtain the needed credit from other sources. Therefore, if it is the intent of the Congress that Emergency loans will be made in designated areas without regard to ability to obtain credit elsewhere, we interpret this as repealing the current statutory requirement of a need for credit which cannot be met by other sources. Under this interpretation, designations would be based on findings of damages and losses by natural disasters.

2. As already indicated, section 3(b) would repeal the present statutory prohibition against making Emergency loans to applicants who are able to obtain needed credit from other sources at reasonable rates and terms, except for Emergency loans in "nondesignated" areas based on natural disasters other than major disasters declared by the President. The Department feels the repeal should apply to all "nondesignated" areas and we will suggest later in this statement an amendment which will accomplish this.

3. It would establish a uniform interest rate for Emergency loans made in (a) "designated" areas whether designated by the Secretary because of a major disaster declared by the President or some other natural disaster, and (b) "nondesignated" areas where a major disaster declared by the President has caused only isolated losses. This would not establish the uniform rate in "nondesignated" areas where the isolated losses have been caused by a natural disaster other than a major disaster declared by the President. The Department thinks the interest rate should be uniform for all Emergency loans. The proposed amendment would also accomplish this.

The uniform interest rate would be determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity of ten to twelve years less not to exceed 1 percentum per annum. This rate would replace the present three percent interest for applicants who are unable to obtain credit from other responsible sources.

4. It would authorize cancellation of principal not to exceed \$2,500 on any Emergency loan in excess of \$500, or combinations of Emergency loans, Disaster Rural Housing loans, and Small Business Administration loans, based on loss or damage caused by a major disaster declared by the President, whether in a "designated" or "nondesignated" area, provided the loss or damage is not compensated for by insurance or otherwise and repayment of the loan would constitute a hardship upon the borrower. This would apply to Emergency loans in "designated" or "nondesignated" areas based on natural disasters other than major disasters declared by the President.

As already stated, the Department feels that the interest rate should be uniform for all Emergency loans and that the requirement about ability to obtain credit from other sources should be repealed for all Emergency loan applicants. These objectives could be accomplished by inserting after the comma in line 8 on page 6 of H.R. 17518 the following: "or a natural disaster causing only isolated losses."

The Administration concurs in this and we recommend that the bill be so amended.

Section 3(b) (2) authorizes, in the case of total destruction or substantial property damage of homes or farm service buildings and related structures and equipment, refinancing any mortgage or other liens outstanding against the destroyed or damaged property if such property is to be repaired, rehabilitated, or replaced: Provided, that such refinancing may not exceed the amount of the physical loss sustained, and shall bear interest at the rate determined in paragraph (1) of this subsection. We do not interpret this to mean that a loan should be made under this section in excess of the value of the property as restored.

Disaster Rural Housing loans presently are made to otherwise eligible farmers and rural residents who are unable to obtain credit from other sources to repair or replace their homes and farm service buildings which have been damaged or destroyed by a natural disaster. For this purpose a rural resident is a person living on a farm, in the open country, or in a rural town having a population not to exceed 5,500. As we interpret section 3(b) it would make changes in this program as follows:

1. It would remove the requirement of inability to obtain credit elsewhere.

2. It would increase the interest rate on these loans from three percent per annum to the rate determined by the Secretary of the Treasury as already described in areas designated by the Secretary of Agriculture, and also in "non-designated" areas if our recommendation is followed to amend H.R. 17518 to include such areas.

3. It would authorize refinancing debts against the property being repaired or restored. As with Emergency loans, however, we do not interpret this to mean that loans should be made under this section in excess of the value of the property as restored.

4. It would authorize cancellation of principal not to exceed \$2,500 on any Disaster Rural Housing loan in excess of \$500 based on loss or damage to the property caused by a major disaster declared by the President whether in a "designated" or "nondesignated" area, provided the loss or damage is not compensated for by insurance or otherwise and repayment of the loan would constitute a hardship upon the borrower, and provided further that no borrower may obtain a principal cancellation in excess of \$2,500 on combinations of Rural Housing loans, Emergency loans, and Small Business Administration loans.

If H.R. 17518 is enacted, it will be the Department's policy that Disaster Rural Housing loans will be made, where possible, for repairing and restoring damaged or destroyed homes and farm service buildings. Other credit needs of farmers related to the natural disaster will be considered under the Emergency loan program.

Emergency loan area designations are based on damages and losses caused by natural disasters. The authorizing act does not define "natural disasters." However, in discharging the legal responsibility of exercising administrative discretion, designations of Emergency loan areas in the past have been based on damages caused by violent disturbances or other abnormal behavior of the elements of nature. Under this policy, qualifying damages are those caused by (a) hurricane, tornadoes, excessive rainfall and floods, earthquakes, blizzards, freezes, electrical storms, snowstorms, drought, excessively high temperatures, and hail, (b) insects where unfavorable weather contributed substantially to the spreading and flourishing of such insects, and (c) fires resulting from lightning or fires of other origins which could not reasonably have been controlled because of wind. Designations have not been based on plant or animal diseases. However, consideration would be given to this where weather conditions contributed substantially to such diseases spreading into uncontrollable epidemic stages.

We think it is proper for us to give the subcommittee this explanation of the manner in which the Emergency loan program is being administered. We should inform you, also, that this program is now as broad as could be financed with assets of the Emergency Credit Revolving Fund.

Mr. Chairman, this completes my prepared statement. I will be glad now to respond to questions about the Farmers Home Administration or any other agency of the Department of Agriculture.

DISASTER ASSISTANCE LEGISLATION

THURSDAY, JULY 30, 1970

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON FLOOD CONTROL,
OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The committee met at 10:07 a.m., in room 2167, Rayburn Building, the Honorable Robert E. Jones, subcommittee chairman, presiding.

Mr. JONES. The subcommittee will come to order.

We will continue our hearings this morning on the Disaster Extension Act.

Our first witness is the Honorable Charles A. Fagan III, Deputy Assistant Secretary for Economic Development, Department of Commerce.

It is a pleasure to have you, Mr. Fagan, and if you would be kind enough to introduce your associates.

STATEMENT OF HON. CHARLES A. FAGAN III, DEPUTY ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT, DEPARTMENT OF COMMERCE; ACCOMPANIED BY WILLIAM BLUNT, COUNSEL FOR EDA; REAR ADM. DON A. JONES, DIRECTOR, COAST AND GEODETIC SURVEY OF ESSA, DEPARTMENT OF COMMERCE; AND JAMES M. KLAASSE

Mr. FAGAN. Thank you very much.

Let me introduce, on my right, Mr. William Blunt, who as you probably already know is counsel for EDA. On my left is Adm. Don A. Jones, who is Director of the Coast and Geodetic Survey of ESSA, within the Department of Commerce.

Mr. Chairman, I wish to thank you and the members of this subcommittee for the opportunity to present the views of the Economic Development Administration on H.R. 17518 and H.R. 17824, identical bills which amend existing Federal disaster assistance legislation and which may be cited as the "Disaster Assistance Act of 1970."

In addition, we would also like to express our views on H.R. 17728, a bill to provide additional disaster assistance to the State of Texas.

As the Deputy Assistant Secretary for Economic Development, I am directly concerned with the administration of the Public Works and Economic Development Act.

A natural disaster requires two basic types of response. First, the immediate needs of the people in the devastated area must be met by providing food, medical care, housing, restoring communications, and cleaning up debris. Such services are performed by a number of public

and private agencies and are coordinated by the Office of Emergency Preparedness.

Second, reconstruction of the area and restoration of its destroyed tax base must be accomplished through the reconstruction of public facilities, of housing, and of the basic economic structure which has been destroyed, leaving many residents of the area without employment. We in EDA are directly concerned with the development of this basic economic structure.

For example, after the August 1969, hurricane Camille disaster, EDA designated certain counties within the disaster area in Mississippi as redevelopment areas eligible for EDA assistance. EDA designated these areas under the "sudden rise in unemployment" provision of section 401 of title IV of the EDA Act.

The "sudden rise" criterion allows for designation of an area where there has been an unusual and abrupt rise in unemployment and if the unemployment rate for the area at the time of request for designation exceeds the national average by 50 percent or more unless assistance is provided.

EDA recognizes the need for Federal financial assistance in disaster situations and we believe that we can play a vital role in the rebuilding and redevelopment of areas stricken by disaster. However, the "sudden rise" provision may not always allow EDA to assist in this economic recovery process. In some instances, it is extremely difficult to obtain statistics quickly, and it may be impossible to ascertain whether unemployment has actually resulted from a disaster.

Both H.R. 17518 and H.R. 17824 contain a specific provision which would enable EDA to provide its full range of financial assistance to disaster areas. We support this provision, contained in section 4 of each bill, which would amend section 401 of title IV of the Public Works and Economic Development Act to enable the Secretary of Commerce to designate as "redevelopment areas" those areas which have suffered a "major disaster" as determined by the President.

H.R. 17728 would apply only to those areas in Texas covered by the President's proclamation of May 13, 1970, wherein it was declared that a major disaster resulted from the tornadoes which struck certain areas in Texas during the spring of this year. The bill would expire on January 1, 1971.

This bill would amend the Small Business Act to allow for waiver of certain loan conditions and forgiveness of certain indebtedness. It would also authorize the Farmers Home Administration to forgive up to \$5,000 of some of its loans. There are also special temporary housing provisions.

The bill would authorize the Secretary of Commerce to make direct grants of money to enable political subdivisions to meet bond obligations outstanding at the time of the tornadoes which cannot be met because of the disaster.

The provisions of H.R. 17728 are similar to S. 2853, a bill for assistance to the victims of hurricane Camille. Although S. 2853 was not passed by the Senate, some of its provisions were incorporated in Public Law 91-79, the Disaster Relief Act of 1969, which has general application to any area affected by a disaster.

We believe that a comprehensive disaster relief program of general application would best serve the national interest. For this reason,

we do not favor a specific legislative response to a particular disaster that H.R. 17728 represents.

At this point, I would like to ask Admiral Jones to present the Department's point of view on H.R. 7701.

Mr. JONES. Thank you, Mr. Fagan.

Admiral Jones.

Admiral JONES. Mr. Chairman, members of the subcommittee: It is an honor to have this opportunity. As Director of the Coast and Geodetic Survey, I am directly concerned with the Department of Commerce programs for earthquakes, seismic sea waves, and other phenomena.

With your permission, I will proceed with the prepared statement.

H.R. 7701 would authorize the Secretary of the Army, acting through the Chief of Engineers, to conduct investigations, including collection and appraisal of data, on effects of earthquakes and seismic sea waves in order to achieve a better understanding of the nature of these effects and to improve methods for the design of structures subject to damage from such disturbances.

Under the act of August 6, 1947, Public Law 80-373, as amended, the Department of Commerce has authority for seismological investigations. In fact, the Coast and Geodetic Survey of the Department's Environmental Science Services Administration, ESSA, has long been the primary Federal agency for investigating seismic phenomena and collecting observations and technical data throughout the world.

ESSA locates thousands of earthquakes throughout the world each year, determines their intensities and magnitudes, and compiles descriptive data on their effects. From these data, ESSA has identified the major earthquake belts throughout the world and has even outlined the periods of recurrence of strong earthquakes.

ESSA's Coast and Geodetic Survey for several decades has been making investigations of the effects of earthquakes, principally through the Seismological Field Survey with headquarters in San Francisco, with support from the Albuquerque Seismological Center.

Field investigations include instrumental observations of damaging strong ground motion due to main shocks and aftershocks. In addition, engineering studies are made of structural damage to buildings and other structures.

Close cooperation has always existed with the Earthquake Engineering Research Institute, the Structural Engineers Association of California, the American Society of Civil Engineers, the Seismological Society of America, and other organizations representing the best talent in the United States in Federal, State, university, and private engineering sectors. The resulting data have been widely disseminated for use by the design and structural engineering communities in the Nation.

A cooperative program with the California Department of Water Resources, and joint projects with the Geological Survey, the Bureau of Reclamation, and the Corps of Engineers are directed to observations and reporting of data on earthquake ground motion around dams, aqueducts, and other engineering structures. Coast and Geodetic Survey projects supported by AEC provide for the evaluation of seismic ground motion expected in the vicinity of nuclear reactors.

After the destructive Aleutian Islands earthquake of 1946, the Coast and Geodetic Survey established a tsunami—seismic sea wave—warn-

ing center in Honolulu for all nations in the Pacific Basin. This is now supplemented by a regional warning system for Alaska.

Plans exist for a regional warning system for the west coast of the United States, based in large part on existing seismic and tide stations owned by, or cooperating with, ESSA's Coast and Geodetic Survey.

In the tsunami warning program, research has been conducted and is continuing on the focal mechanisms of earthquakes which generate tsunamis, and on the refraction effects of tsunami wave propagation across the Pacific. These efforts are conducted in cooperation with universities, for example, at the University of Hawaii, and by contract.

ESSA's Coast and Geodetic Survey has developed a quick-response capability for field studies and subsequent dissemination of information on disastrous U.S. earthquakes and selected foreign earthquakes offering substantial opportunities for useful information; for example, Alaska, 1964; Taltal, Chile, 1966; Caracas, Venezuela, 1967; Nicaragua, 1968; Iran, 1968; Peru, 1970.

The 1964 Alaska earthquake presents a good example of the existing Federal capability to provide timely investigations and analyses of seismic events. It is well documented that within days after the earthquake had occurred the Coast and Geodetic Survey began immediate investigations of the destructive earthquake and tsunami effects. Preliminary reports were issued within 3 weeks and a comprehensive geophysical report on the damaging structural effects of the earthquakes was subsequently published.

The entire program of analyzing the Alaska earthquake's effect was coordinated through the Task Force on Science and Engineering of the Anderson Commission for the Alaskan Earthquake.

The Coast and Geodetic Survey was principally responsible for seismic information and the Geological Survey for geological information. We understand that the data collected by, and analysis requested of, the Corps of Engineers were in general restricted to that related to soil mechanics. This was in connection with Alaska's earthquake of 1964.

ESSA's seismologists are able to respond quickly to seismic events. They can be on the scene of disasters within hours—I might add here we had a man and three strong motion instruments in Peru within a few days after the last very destructive earthquake. These people take equipment to monitor aftershocks and to record structural damage. ESSA/C and GS report "Preliminary Field Investigation, The Peruvian Earthquake of May 31, 1970" indicates ESSA's initial response.

The magnitude of efforts mounted is limited only by the financial resources available to ESSA. We do not believe that the size of an organization has any bearing on the quality of its scientific leadership, and we do not believe the Department of the Army can produce better or more useful information merely because it has a farflung organization.

We recognize that the Corps of Engineers of the Department of the Army has a need for information on the effects of earthquakes and tsunamis on engineering structures within their area of responsibility, but we believe the expertise already present within ESSA should continue to be the foundation for any Federal activities in engineering seismology.

We feel we are adequately meeting the requests of the Department of Defense for assistance in regard to seismological requirements. In fact, at the request of the Department of the Army, Chief of Engineers, the Coast and Geodetic Survey has been and is performing work in the field of earthquake engineering.

In regard to seismological work that ESSA has performed at the request of other Federal agencies, including the Department of Defense, we are not aware of any requests that have not been fully met. There have been cases where the Defense Department has not been able to fund the work it desired ESSA to do, but we believe this reflects inadequate funding from a national viewpoint—not a lack of authority of competence on the part of ESSA.

Since the Environmental Science Services Administration is already the focal point within the Federal Government for investigations of this kind, and has a developed competence in engineering seismology, it would seem desirable for the Department of the Army to consult with that agency and obtain any special information suited to its needs on a reimbursable basis. We see no need for further authority in this connection, and we believe the program can well be carried out within the existing framework on a cooperative basis.

In summary, we feel there is no need for this proposed legislation. It is duplicative and would authorize the Department of the Army to engage in the same extensive worldwide operation already being conducted within the Environmental Science Services Administration.

We believe that the Corps of Engineers can utilize the existing expertise of the Environmental Science Services Administration for servicing any appropriate mission without the need for further legislation.

Thank you, Mr. Chairman. That concludes our prepared statement. If you have any questions, we will be glad to answer.

Mr. JONES. Thank you.

I had brought in the map of the United States.

Would you be kind enough to point out the geographical areas susceptible to earthquakes?

Admiral JONES. May I ask Mr. Klaasse, Associate Director of the Coast and Geodetic Survey, to point those out on the map, please?

Mr. KLAASSE. We would be glad to supply for the record, for the committee, if it wishes, a map with associated technical information which depicts the level of earthquake magnitudes that have been mapped in the United States.

This was published in 1969, as I recall—

Mr. JONES. 1969?

Mr. KLAASSE. Yes; in the Fourth World Conference on Earthquake Engineering.

I can indicate in general what this map would indicate in more detail.

California and Nevada, of course, have historical patterns of earthquake occurrences.

There are areas in southeastern Missouri, in the Charleston, S.C., area, in the Boston area, and the St. Lawrence Valley. This indicates briefly some of the well recognized earthquake occurrence regions.

(The cited paper follows:)

Reprint of paper presented at the Fourth World Conference on Earthquake Engineering, Santiago, Chile, January 13-18, 1969

SEISMIC RISK STUDIES IN THE UNITED STATES

S. T. Algermissen¹

Synopsis

A new Seismic Risk Map of the United States is presented, together with strain release and maximum Modified Mercalli intensity maps of the country. Frequency of occurrence of damaging earthquakes was not considered in assigning ratings to the various zones on the risk map, but studies of earthquake frequency are included as an aid in using the risk map. The Seismic Risk Map is suggested as a revision of the Seismic Probability Map prepared by the Coast and Geodetic Survey in 1947 and withdrawn in 1952.

Introduction

The zoning of the United States for seismic risk has not received the attention in the earthquake engineering literature that the subject has enjoyed in other parts of the world, notably in countries such as Japan, the U.S.S.R. and New Zealand. Risk studies in the United States have been limited by the relatively short historical record of seismicity available for the country as compared with such countries as Japan, the difficulty in correlating known seismicity with geological evidence of tectonic activity in many areas and the general scarcity of pertinent geodetic data that might bear on the problem.

Materials Used

The historical record of earthquakes in the conterminous United States consists of data on approximately 28,000 shocks. Within the past two years the Coast and Geodetic Survey has catalogued all of the pertinent seismicity information on punched cards and magnetic tape. All earthquakes have been assigned a reference number and origin times and hypocenters have been recorded if available from instrumental data. Hypocenters

¹ Chief, Geophysics Research Group, Coast and Geodetic Survey, ESSA, U. S. Department of Commerce, Rockville, Maryland, U. S. A.

are estimated from accounts of the shock and isoseismal data if no instrumental data are available. Magnitudes and reported intensities are also keypunched into each card. Sources of the information, availability of strong motion records, and other related data are also catalogued. A more complete description of the format of the data stored on punched cards and magnetic tape has been given by Algermissen (1). It is possible to prepare quite a number of different statistical presentations and maps of the various parameters of seismicity using the basic data retained on magnetic tape and punched cards. Two types of maps were prepared which, it is believed, are particularly useful in estimating seismic risk. These two maps show the distribution of maximum Modified Mercalli (M.M.) intensities and strain release in the United States.

Maximum Modified Mercalli Intensity

The maximum M.M. intensities reported throughout the United States from the first recorded earthquake in 1534 through 1965 are shown in Figure 1. Isoseismal maps were prepared for significant earthquakes not previously mapped by using whatever data were available. Figure 1 shows clearly that high M.M. intensities have been reported throughout a large portion of the country, even though the frequency of occurrence of high intensities in many areas may be quite low.

Strain Release

The cumulative strain release resulting from earthquakes in the time span 1900-1965 is plotted in Figure 2. Using the concept developed by Benioff (2), the strain release of an earthquake is taken to be proportional to the square root of its energy release. The energy, E , was related to earthquake magnitude, M , using the formula $\log E = 11.8 + 1.5 M$ (3). The magnitudes of earthquakes below six are known only for shocks occurring during approximately the past five years. Earthquakes whose magnitudes are six and above are known from about 1900. When magnitude values were not available, they were estimated from maximum M.M. intensity using the relation $M = 1 + 2/3 I$, where I is M.M. intensity (4). The above empirical relationship between magnitude and intensity is only an approximation and possibly subject to considerable error. The error, however, is not large in this calculation of strain release since it was necessary to use this conversion from maximum intensity to magnitude only for small shocks for which the strain release is small. The entire United States was divided into squares of 10,000 square kilometers and the strain release associated with earthquakes within each square was summed. The strain was represented as the equivalent

number of magnitude four earthquakes in each block. The equivalent number of magnitude four earthquakes is then obtained by dividing the sum of the strain release associated with earthquakes in a particular block by the strain release associated with a magnitude four earthquake.

The strain release map is useful in that it shows the current relative rate of tectonic activity in various parts of the United States. Areas of the country with a continuing, but a low level of seismic activity are revealed. These areas do not normally show up on a maximum intensity map. The exact shape and pattern of the areas shown in Figure 2 are not significant since the size of the block over which the strain energy is summed is somewhat arbitrary. A comparison of the relative strain release throughout the United States is, however, interesting and informative, as it is an index of current tectonic activity. Inspection of Figure 2 shows that the United States may be divided roughly into four areas that have different rates of strain release during the 66 year period considered. The four areas are:

Pacific West	- west of 114° W. longitude
Rocky Mountains	- 106° - 114° W. longitude
Central Plains	- 92° - 106° W. longitude
Eastern U. S.	- east of 92° W. longitude

Dividing the total equivalent number of magnitude four earthquakes in each area by the total area we obtain the following rates:

<u>Area</u>	<u>No. of Equivalent Magnitude 4 earthquakes/1000 km²/66 years</u>
Pacific West	12
Rocky Mountains	2.0
Central Plains	.14
Eastern U. S.	.74

Another calculation of the relative strain release in the four areas was made considering only those portions of each area in which more than 0.25 equivalent magnitude four earthquakes occurred. The strain release per unit area was computed considering only the shaded portions of figure 2. The results are:

<u>Area</u>	<u>No. of Equivalent Magnitude 4 earthquakes/1000 km²/66 years</u>
Pacific West	13
Rocky Mountains	2.6
Central Plains	.38
Eastern U. S.	1.1

Using the first set of data on the preceding page, the strain release during the past 66 years in the Pacific West has been approximately six times greater than in the Rocky Mountain area, 86 times greater than in the Central Plains and 16 times greater than in the Eastern United States. Using the second set of data on the preceding page, the strain release in the Pacific West has been, respectively, five, 34 and 12 times greater than the other areas.

Earthquake Frequency

The difficulties encountered in any analysis of the recurrence rates of damaging earthquakes are very great. It has been stated repeatedly in the literature that the historical record of seismicity in the United States is inadequate to estimate recurrence rates. It is believed, however, that the historical record of seismicity in the United States does provide some guidelines to the relative seismicity of various areas of the country.

One approach to the problem of determining the relative seismicity of various regions is to plot earthquake magnitude versus frequency of occurrence for the areas considered. The magnitudes of earthquakes are known for shocks of magnitude six and greater since about 1900 but for small shocks the records are far less complete. In contrast, M.M. intensities have been assigned by the Coast and Geodetic Survey and other investigators to nearly all significant earthquakes known to have occurred within the United States. In order to make use of the complete historical earthquake record, maximum M.M. intensity was plotted versus earthquake frequency. A number of assumptions are necessary when the maximum intensity is used in a study of earthquake frequency. The principal assumptions are that all of the earthquakes in the area considered occurred at approximately the same focal depth and that the maximum intensity for each earthquake has been, in fact, reported. Earthquakes in the United States are nearly all of normal focal depth, although California and Nevada shocks are somewhat shallower (averaging about 10-15 km) than in the remainder of the country (about 30-60 km). It is possible to select geographic areas for study such that the earthquakes within each area are of approximately the same depth. The adequacy of earthquake reporting is also a significant variable and this point will be discussed in greater detail.

In 1860, all states in the western portion of the country, with the exception of California, had an average population density of less than one person per square mile. All states had population densities greater than one per square mile by 1910 with the exception of Nevada. It is clear that the low population density in the western United States prior to 1900 adversely affects the completeness of intensity data in that area, particularly for intensities less than VI or VII.

Reasonably complete records of great earthquakes will obviously be available for a longer span of years than for earthquakes of small or moderate maximum intensity. Accordingly, the intensity data were examined and an estimate was made of the total span of years for which maximum intensity data at each level of the intensity scale are nearly complete. To illustrate the technique further, Figure 3 shows the number of maximum intensity VI earthquakes reported for a north-south trending zone of seismicity through western Montana, eastern Idaho, central Utah and Arizona (region 4 of Figure 5). The data seem relatively complete from 1900 to present. To obtain the frequency of intensity VI earthquakes in this particular zone, the number of intensity VI shocks was simply divided by the time span, 1900-1967, or 68 years. Similarly, for all areas considered, the average number of earthquakes at each intensity level was determined and plotted against intensity.

The recurrence relationship for all intensity data in the United States is shown in Figure 4. It was assumed, in plotting the data, that a relationship of the form $\log N \text{ (per year)} = a + b I$ exists, where N is the number of earthquakes of intensity I . Two conclusions can be drawn for this plot: 1. maximum intensities of V and below in general have not been completely reported for United States earthquakes and 2. the occurrence of great earthquakes (M.M. intensity XI and XII) is erratic over the time span considered. The recurrence curve for all United States earthquakes obviously combines data from areas of different geologic structure and tectonic activity. Accordingly, the country was divided into nine areas (Figure 5) in an attempt to obtain recurrence curves for areas that seem to be related to more or less definite trends or regions of seismic activity and are somewhat geologically similar throughout.

Figure 6 shows the recurrence intensities for California, based on approximately 16,000 earthquakes. The slope of the least squares line, $\log N = a + b I$, is 0.54 and corresponds to a value of b of 0.83 in the equation $\log N = a + b M$ where M is the magnitude and the conversion $M = 1 + 2/3 I$ is used. For the equation $\log N = a + b (8 - M)$, Gutenberg and Richter (5) obtained a value of 0.88 for Southern California and Allen, *et al.* (3) obtained a value of 0.86. Both of these slopes are in close agreement with the value obtained from the data in Figure 6. The curve for Nevada shows a similar slope.

Area 8 (Figure 5) includes the southeast Missouri area where great earthquakes occurred during 1811-12 together with the St. Lawrence Valley region. The recurrence relationship is shown in Figure 7. The 1811-12 New Madrid earthquakes (maximum intensity = XII) were not used in computing the least squares line. There is considerable question as to the validity of considering these two active seismic regions as one area for statistical purposes.

Recurrence curves were constructed for the regions separately, but there were only slight differences in the slopes of the lines.

A summary of recurrence relationships are shown in Table 1. The areas are arranged in order of decreasing V11 M.M. activity. The seismic risk zones associated approximately with the areas used in the frequency studies are also indicated. Table 11 shows the frequency of occurrence of earthquakes of various maximum intensity levels per 100 years per 100,000 km². The frequencies in Table 1 have been divided by the area of each region. Assuming that the recurrence relationship has some validity, these tables are measures of the relative seismicity of each area and could be used on a broad scale for planning purposes. The results shown must be used with many qualifications and reservations. The numbers in parentheses are recurrence rates based on the least squares lines only, that is, earthquakes with the indicated maximum intensity are not known to have occurred in that particular area. It should be stated again that the above results depend upon the assumption that a relationship of the type $\log N = a + b I$ is valid for these data and that the decisions made regarding the completeness of the data sample were reasonably correct.

Seismic Risk Map

A Seismic Probability Map of the United States was prepared in 1948 by F. P. Ulrich with the advice of seismologists throughout the United States (6) and was issued by the Coast and Geodetic Survey in 1948. In 1949, the Seismic Probability Map was revised such that the Charleston, South Carolina area was changed from Zone 3 to Zone 2 and a Zone 3 was set up for the Puget Sound region of Washington which had formerly been included in Zone 2 (7). The revised map was adopted by the Pacific Coast Building Officials Conference for inclusion in the 1952 edition of the Uniform Building Code. Subsequent editions of the Uniform Building Code have included this map with no changes (8).

The map was withdrawn by the Coast and Geodetic Survey in 1952 as "subject to misinterpretation and too general to satisfy the requirements of many users." The annual publication United States Earthquakes has included a map showing locations of destructive and near destructive earthquakes throughout the United States, but the Coast and Geodetic Survey has offered no other probability map.

The Seismic Probability Map has been most useful as part of the criteria in the establishment of lateral force requirements for buildings but it does, however, have several obvious limitations.

As pointed out by Richter (9), the circular spot numbered 3 in Montana corresponds to damaging earthquakes in 1935, but the map ignores other earthquakes and known active structures in the same geological province. Along many zone boundaries, Zone 3 borders Zone 1 and Zone 2 borders Zone 0. If a major earthquake is considered possible in Zone 3, the normal distribution of intensities would suggest that an area of Zone 2 should surround it, the same reasoning being true for the peripheries of Zone 2 areas. The original Seismic Probability Map describes Zones 0 through 3 only in terms of "no damage, minor damage, moderate damage and major damage" respectively. No attempt was made to correlate the zones with intensity.

The map presented in Figure 8, which will be termed a "Seismic Risk Map," is meant to be an interim revision of the original Coast and Geodetic Survey Seismic Probability Map. The map in Figure 8 is actually more than a revision of the old map in that the factors used in constructing the new risk map are somewhat different from those considered in the original map.

The Seismic Risk Map presented here is based on the following factors:

1. the distribution of M.M. intensities associated with the known seismic history of the United States,
2. strain release in the United States since 1900, and
3. the association of strain release patterns with large scale geologic features believed to be related to recent seismic activity.

Where seismic activity has occurred intermittently along a recognizable geologic trend, it has been, in general, assumed that seismic activity could occur with equal likelihood anywhere along that trend or structure. In areas where the relations between seismicity and geologic structure are not clear or where only limited geologic information is available, the risk zones are based on the distribution of M.M. intensities and strain release. In all cases, the size and shape of the zones have been heavily influenced by the historical distribution of intensities (Figure 1). It is realized that it would be desirable to relate risk to a measurable quantity less subjective than M.M. intensity, but the available strong motion and other data appear to be insufficient to attempt this at present. No special corrections are presented for types of surficial geology and soils that may increase or decrease the intensity of shaking. It should be remarked, however, that the M.M. intensities reported for an earthquake are usually the maximum effects observed on the worst ground.

The risk zones in the northeast portion of the United States are not greatly changed from the original risk map. The St. Lawrence Valley continues to be Zone 3 because of the great earthquakes in 1663 and 1925 and lesser shocks near Attica, N. Y. in 1929 and near Massena, N. Y. in 1944. The Boston, Massachusetts area was zoned 3 in consequence of the earthquake east of Cape Ann in 1755 and many other lesser earthquakes in the area. The Zone 3 rating in the Charleston, South Carolina area is a consequence of the 1886 earthquake. Zone 2 has been extended to include the main structures of the Appalachian area from Pennsylvania to Alabama which are associated with numerous moderate earthquakes. Zone 3 and Zone 2 in the Mississippi Valley have been very much enlarged over those zones on the old Seismic Probability Map. The new zone more nearly reflects the probable distribution of intensities in any repetition of the 1811-12 series near New Madrid, Missouri. Zone 2 has been extended northeast across a zone of relatively minor seismicity in Indiana to southwestern Ohio. Although earthquakes with maximum M.M. intensities of VI are known in western Ohio (10), connection of Zone 2 in Ohio with the Zone 2 surrounding the New Madrid, Missouri area is a matter of interpretation. This zone is based on the apparent alignment of epicenters from the St. Lawrence Valley to southeast Missouri. There is no conclusive geologic evidence at present for the alignment, and other interpretations are possible (10).

A Zone 2 area has been drawn along the Nemaha Ridge structure in Nebraska, Kansas and Oklahoma which includes the 1952 earthquake near El Reno, Oklahoma and numerous other shocks along the Nemaha Ridge. The north-central plains states have been, for the most part, rated in Zone 1 because of the lack of data relating seismicity with geologic structure and because of the rather widespread and erratic distribution of moderate earthquake activity. North Dakota is a good example. No earthquakes (11) are known to have occurred in the state until July 8, 1968 when a magnitude 4.4 earthquake shook the Bismarck area (12). The Zone 3 area restricted to southeastern Montana on the old map has been extended southward through Idaho and Utah. The large earthquake near Hebgen Lake, Montana in 1959, the Kosmo, Utah shock of 1934, the series of shocks in 1920 and 1921 near Elsinore, in southern Utah and the related north-south trending faults amply justify the zoning.

Only minor changes have been made from the original map in the states bordering the Pacific. The original Zone 1 rating in Oregon has been slightly changed. Other minor changes have been made in the shape of the Zone 3 area in Washington at the south end of Zone 2 in the Great Valley of California.

Discussion and Summary

The Seismic Risk Map presented is offered as a revision of the Seismic Probability Map originally prepared by the Coast and Geodetic Survey in 1947. The new map is only an interim one and does not represent the final form of a risk map for the United States. It does not consider the frequency of occurrence of the seismic events in each zone. An estimate of the relative rates of occurrence of earthquakes of various maximum M.M. intensity in different zones has been made in this paper using strain release and earthquake recurrence data.

It is suggested that eventually it may be possible to estimate seismic risk in the United States using three separate maps: one map would be geological in nature, showing all geological structure thought to be related to seismic activity, with assignment of relative risk to each of the structures; a second map would estimate the frequency of occurrence of earthquakes of various magnitudes or maximum intensities throughout the United States; and a third map would show the distribution of maximum M.M. intensity in the United States such as is shown in Figure 1 of this paper. If proper coefficients are assigned to each area or feature of each of the three maps, it would be possible to obtain both the long term (risk over a very long time) and short term (risk over 25-50 years) risks in the following manner: The short term risk at a particular site could be obtained by a weighted consideration of coefficients from maps 1, 2 and 3. Long term risk could be obtained from a similar integration of data from maps 1 and 3. Much additional work remains to be done, particularly with regard to the relationship between geologic structure and earthquake occurrence. It is hoped that the data and maps presented will be useful in developing future seismic risk maps for the United States.

Acknowledgements

The author has benefited greatly from numerous discussions with engineers and seismologists throughout the United States that are interested in the seismic risk problem. Mr. L. M. Murphy provided many helpful suggestions for the preparation of the risk map. J. C. Stepp and R. L. Rothman compiled and edited much of the seismicity and related data used in the preparation of the various maps.

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TABLE 1

SUMMARY OF EARTHQUAKE RECURRENCE FORMULAS

AREA	RISK ZONE	LOG N = a + b 1 (per year)		EARTHQUAKES PER 100 YEARS				
		a	b	V	V1	V11	V11	V111
1. 2. California, Nevada	3,2	4.11	-0.55	2290	646	182	51.3	
1. California	3,2	3.92	-0.54	1660	479	138	39.8	
2. Nevada	3,2	3.98	-0.56	1510	417	115	31.6	
4. Montana, Idaho Utah, Arizona	3,2	3.41	-0.56	407	112	30.9	8.5	
8. Mississippi Valley, St. Lawrence Valley	3,2,1	2.71	-0.50	162	51.3	16.2	5.1	
3. Puget Sound, Washington	3,2	3.45	-0.62	224	53.7	12.9	3.1	
9. East Coast	3,2,1	3.02	-0.58	132	34.7	9.1	2.4	
5. Wyoming, Colorado, New Mexico	3,2,1	3.66	-0.68	182	38.0	7.9	1.7	
7. Nebraska, Kansas, Oklahoma	2,1	1.99	-0.49	34.7	11.2	3.6	1.2	
6. Oklahoma, North Texas	2,1	2.10	-0.55	22.4	6.3	1.8	(0.5)	

TABLE 11

SUMMARY OF EARTHQUAKE RECURRENCE FORMULAS

AREA	RISK ZONE	EARTHQUAKES PER 100 YEARS PER 100,000 KM. ²			
		V	V1	V11	V111
1. 2. California, Nevada	3,2	300	84.6	23.8	6.72
4. Montana, Idaho, Utah, Arizona	3,2	64.4	17.7	4.89	1.35
3. Puget Sound, Washington	3,2	68.0	16.3	3.92	0.94
8. Mississippi Valley, St. Lawrence Valley	3,2,1	24.2	7.65	2.42	0.76
7. Nebraska, Kansas, Oklahoma	2,1	13.0	4.20	1.35	0.45
5. Wyoming, Colorado, New Mexico	3,2,1	32.8	6.85	1.42	0.31
6. Oklahoma, North Texas	2,1	13.3	3.73	1.07	0.30
9. East Coast	3,2,1	12.8	3.39	0.88	0.23

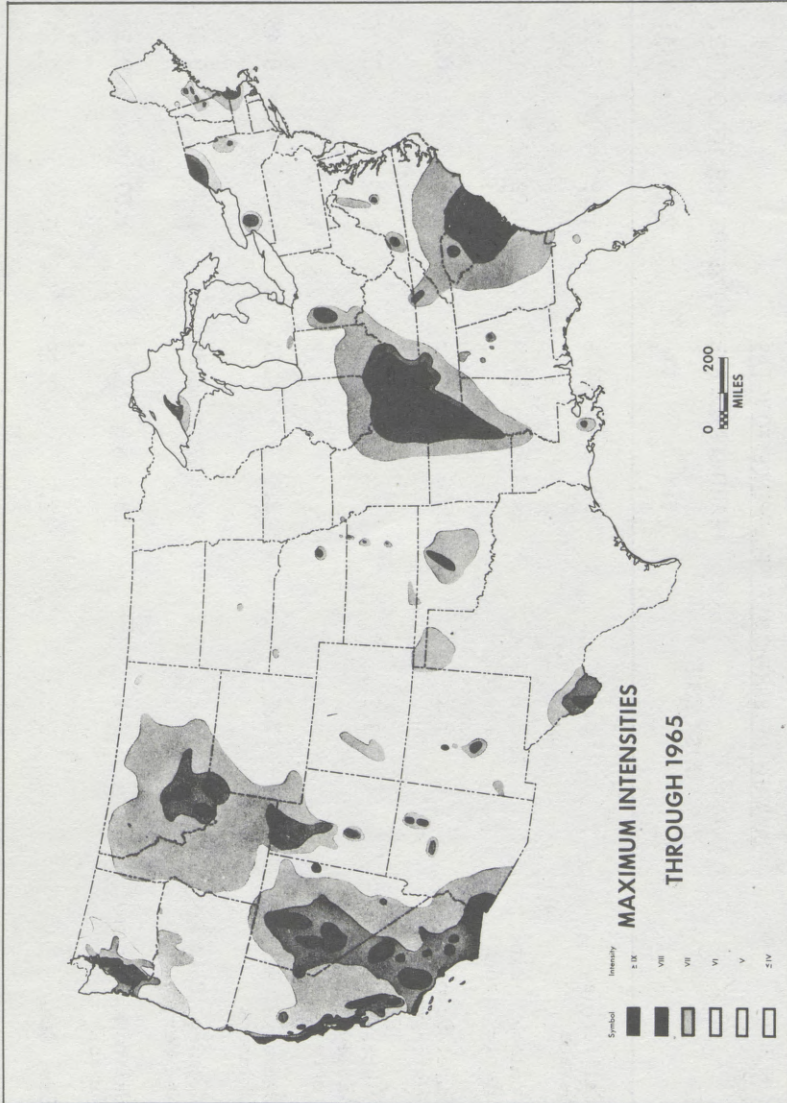


Figure 1 Maximum Modified Mercalli intensities throughout the United States - all historical data through 1965

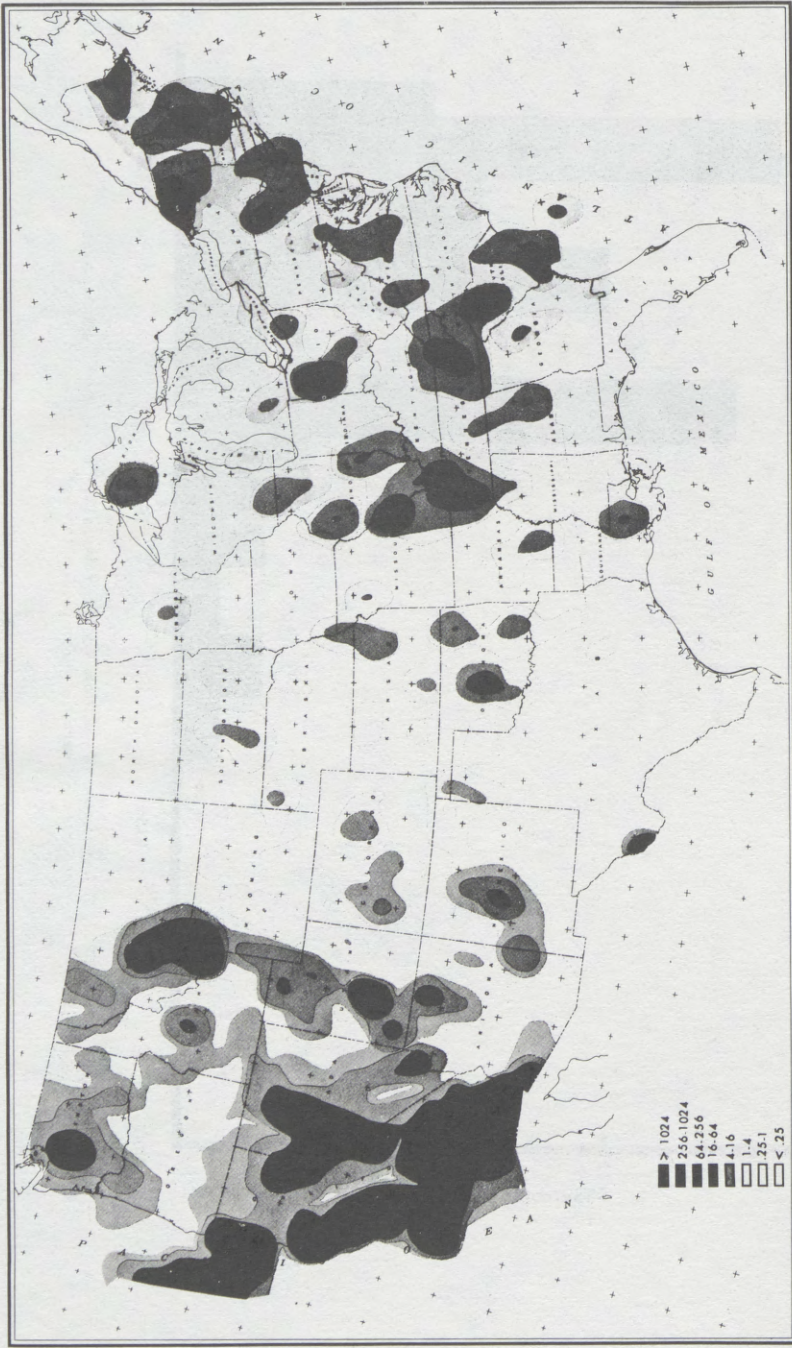


Figure 2 Strain release in the United States, 1900 to 1965, expressed as the equivalent number of magnitude four earthquakes

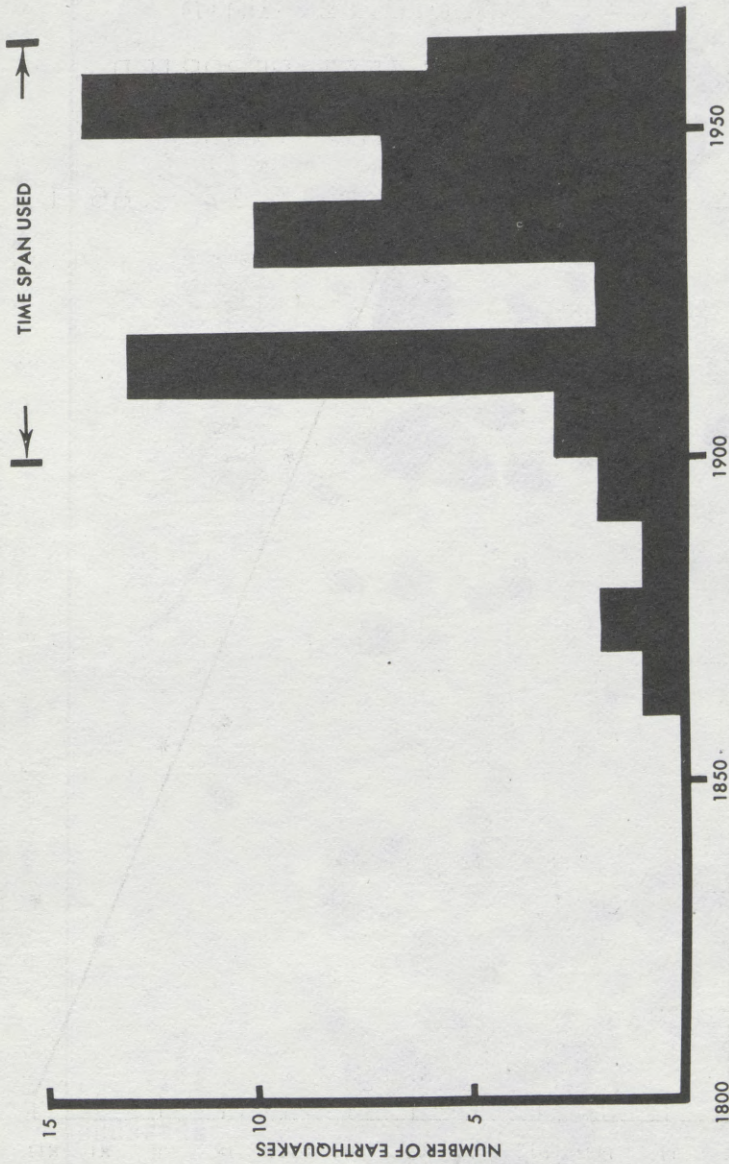


Figure 3 The number of maximum Modified Mercalli intensity VI earthquakes reported in each ten year period through 1965 (region 4 of Figure 5)

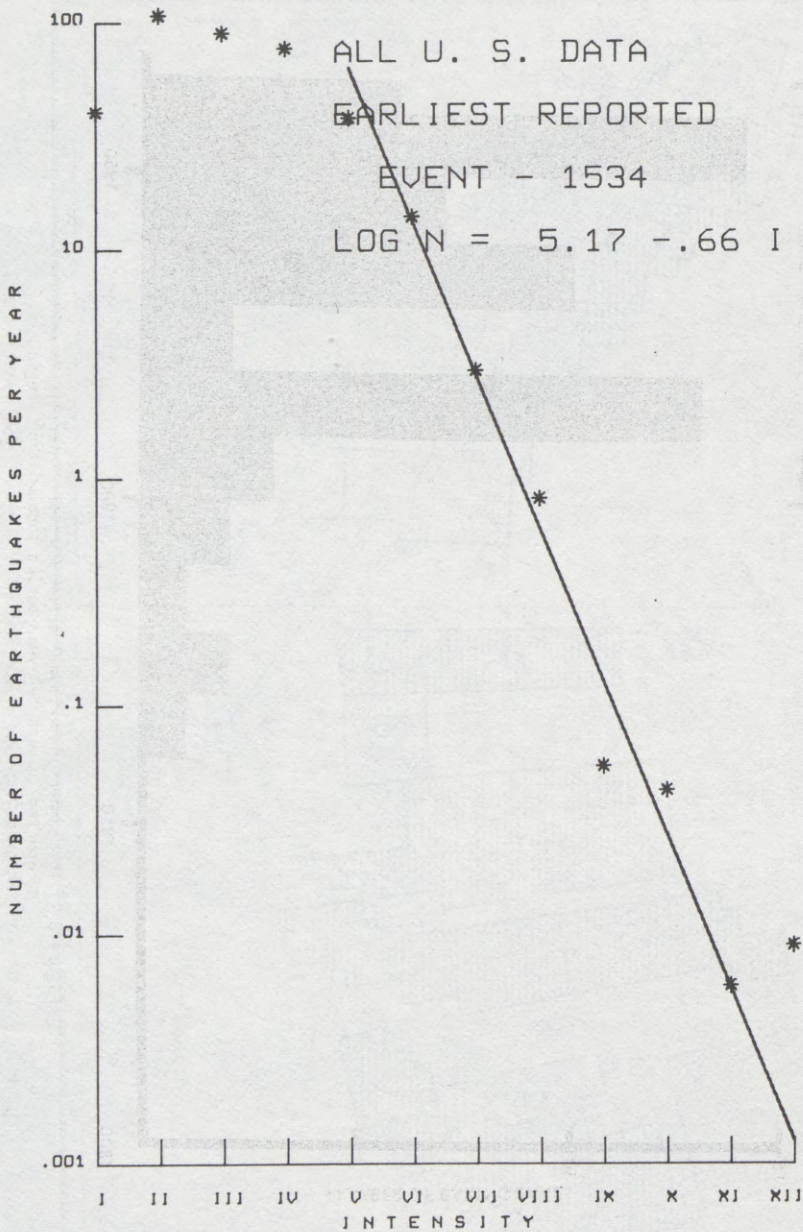


Figure 4 Frequency of earthquake occurrence (per year) vs. maximum M.M. intensity - all U. S. data 1534-1965

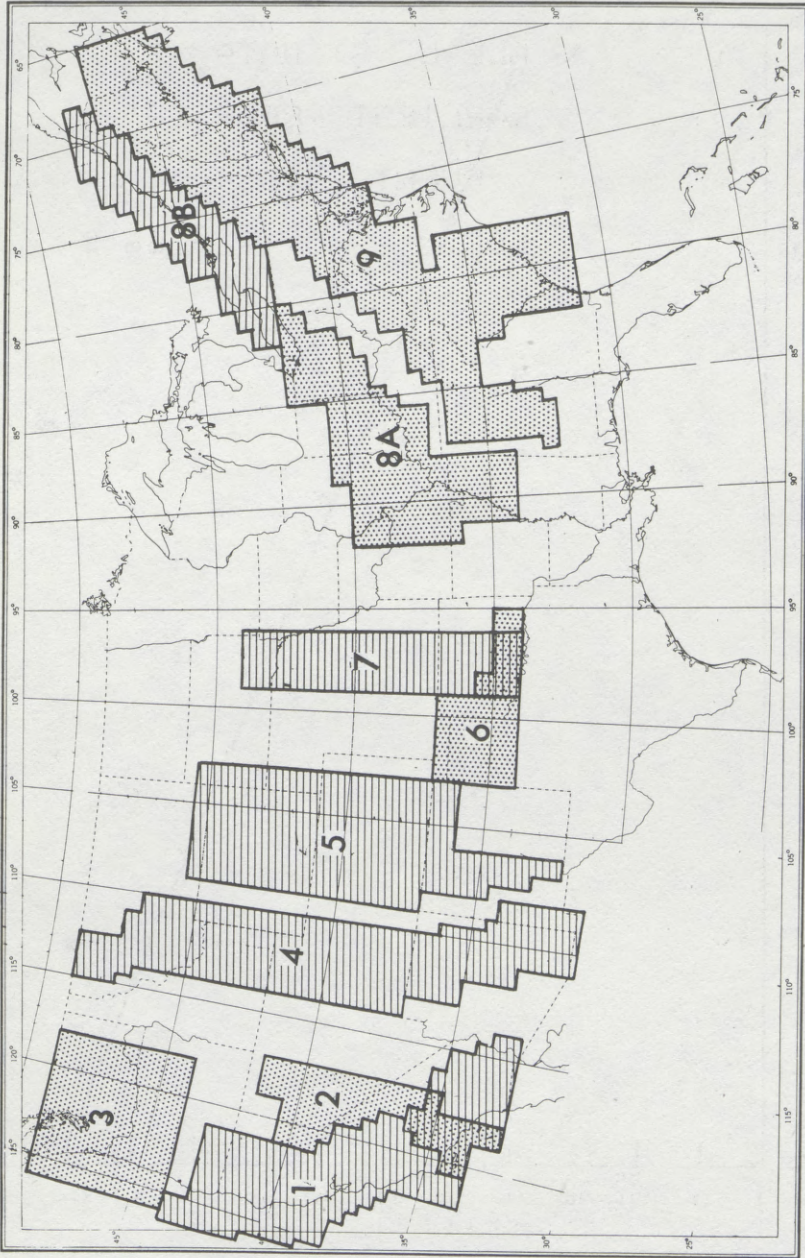


Figure 5 Location map showing the areas for which recurrence formulas were computed

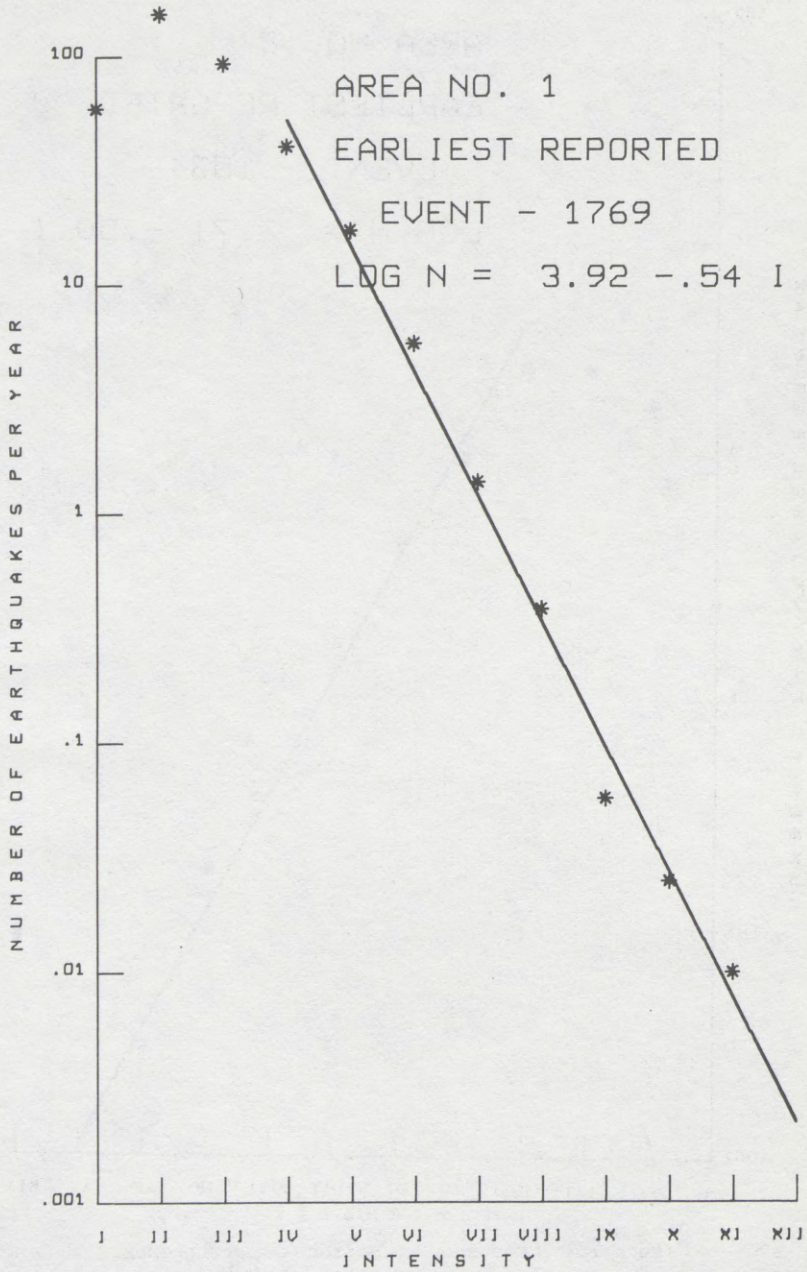


Figure 6 Frequency of earthquake occurrence (per year) vs. maximum M.M. intensity - area 1, California

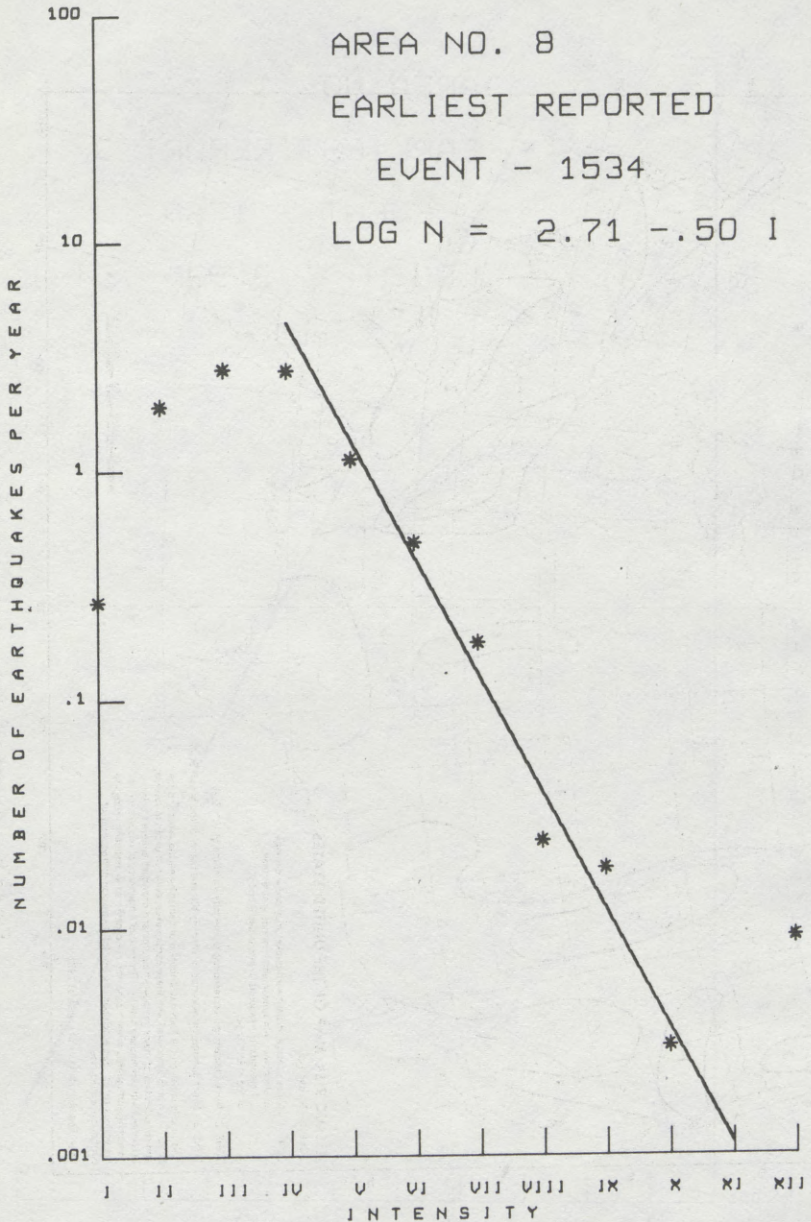


Figure 7 Frequency of earthquake occurrence (per year) vs. maximum M.M. intensity - area 8, Southeast Missouri to the St. Lawrence Valley

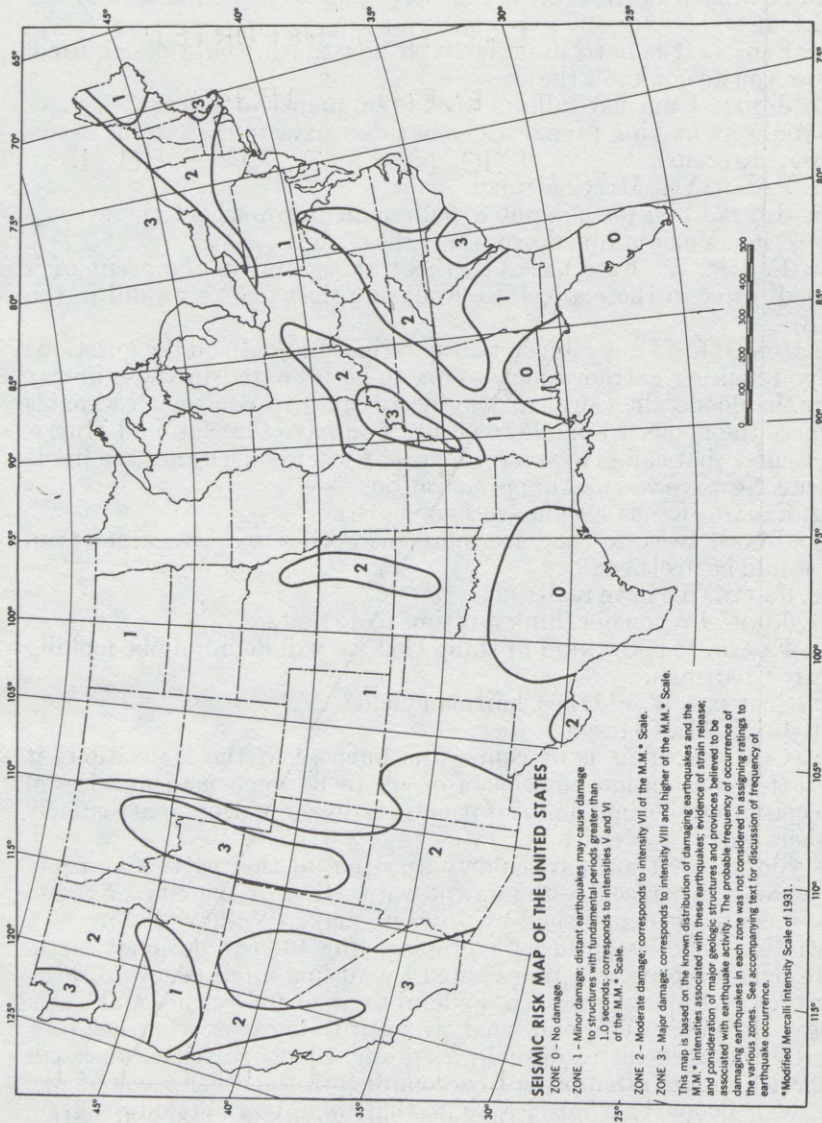


Figure 8 Seismic Risk Map of the United States

Mr. JONES. We are pleased to have it. Thank you very much.

That brings up the question, Mr. Fagan, has the Office of Economic Development taken into account the probable requirements that would be needed in those areas that have just been pointed out by the gentleman?

Mr. FAGAN. It is hard to understand how much would be required, because you do not know the size——

Mr. JONES. I am not talking about the quantity; I mean the fact that you were making preparations in those areas to rush to the needs, if it were to occur.

Mr. FAGAN. Yes, Mr. Chairman.

Mr. JONES. You do not put a policeman down where there is no intersection. You put him down where the traffic is.

Mr. FAGAN. We have offices in those areas, and in the event of a major disaster in those areas, we would do the same as we did in the South——

Mr. JONES. I did not ask you that question. I asked you the question: Are you making extraordinary effort to be prepared in those areas?

For the floods, the Corps of Engineers can give you some estimates of where the floods are liable to occur. You have the National Hurricane Center that can give you estimates of where hurricanes are liable to occur. Now are you making preparations——

Mr. FAGAN. In that specific sense, we have not.

Mr. JONES. Because they are more susceptible in those areas than they would be in others.

Mr. FAGAN. We have really not.

Mr. JONES. Do you not think it is time to do that?

Mr. FAGAN. It is the kind of thing that we will definitely be looking at, Mr. Chairman.

Mr. CLAUSEN. Would the Chairman yield?

Mr. JONES. Mr. Clausen.

Mr. CLAUSEN. This is of course the purpose of the legislation; it was to focus attention on what appears to be some inadequacies on information-gathering and information dissemination, particularly out there on the west coast.

As you know, I am particularly sensitive to this particular problem because just recently the downtown section of the city of Santa Rosa was almost demolished by an earthquake. We have before us a report that was described as a proposal for 10-year national earthquake hazards program, represented by ad hoc interagency working group for earthquake research, Federal Council for Science and Technology, December 1968, and what we want to know is, what has been done by the agencies to develop a specific plan of action consistent with what we are attempting to accomplish in the other areas of disaster, be it floods, be it hurricanes, so that we have an action program and not a reaction program; because when we are dealing with the engineering requirements of facilities, this is when it becomes most important.

I am personally not satisfied with what ESSA has done in this field because all I know is that we are faced with problems and yet we do not have any immediate response.

Now, if it does require some more funds, then we need to have the

agencies channeling requests to the Bureau of the Budget and to the committees responsible so that we do not have an excuse; we have an action program. This is what I am concerned about. It is one of the reasons that we introduced the legislation.

I would hope that there would be a further opportunity to discuss this matter because you have all come in in opposition to the legislation, and yet we are asking for an action program, and we do not see a specific recommendation for a program of action.

Your comments are interesting, but I could have read most of this in this report [indicating].

Admiral JONES. Mr. Clausen, we are making extraordinary efforts to coordinate all of the Federal activities in earthquake research and investigation. This is being done through the President's Office of Science and Technology.

I would like to ask Mr. Klaasse to comment on the latest action that is taking place there. We feel we are doing everything we can to study the effects of earthquakes and resolve this great problem that results from damage and disaster, and so forth.

Mr. KLAASSE. Mr. Chairman, Mr. Clausen, the current study to which Admiral Jones referred was initiated by the Office of Science and Technology in cooperation with the Bureau of the Budget in January of this year, in the form of the creation of a task force on earthquake hazards. This is Chaired by the distinguished earthquake engineer, Mr. Karl Steinbrugge, who I am sure you know, in association with a group of about 10 distinguished Americans who have expertise in structural damage, seismic phenomena, soils engineering, and so forth. The task force has been in contact with various Federal agencies and with user groups in municipal and State governments, with universities, and so forth.

We have had the privilege of examining a preliminary draft report which indicates approximately 20, as I recall, action projects directed toward attention to the problem of earthquake hazards, broken down into three categories, those which would be expected to produce results within 5 years, those in a 5- to 10-year time frame, and those beyond 10 years.

The direction of this study is quite strongly along the line that you expressed a concern for and interest in, and so I think there is this initiative which would seem to identify things that should be done in the way of action projects.

If I may be permitted, I would like to suggest one or two other bits of information that bear on the subject of action.

ESSA has worked with the Geological Survey in the San Francisco Bay Area. We have worked with the California State Division of Mines and Geology, formerly with the California State Department of Water Resources.

We have worked with the Bureau of Reclamation, and with the Corps of Engineers, as Admiral Jones has indicated.

The information base that has been collected through these cooperative efforts, we feel does establish some of the input to engineering design, land-use planning, and so forth. Much more can be done, conceivably, to apply this information base to political action and economic action that would help to reduce hazards.

Mr. CLAUSEN. Can you give me again—again, this is a general state-

ment of the cooperative working relationship that you have had between agencies.

Can you give us specific instances where you have had some activity, a definite action effort, where you have gotten some results? This is what I am concerned about.

Mr. KLAASSE. Very well. You referred to the Santa Rosa earthquake in October. In this particular case, we had competent seismologists and earthquake engineering people studying the Santa Rosa earthquake, very shortly following the disaster. We operated instrumentation to obtain measurements of ground motion. We have submitted at the request of the Government Operations Committee data reports on our observations of the effects of the Santa Rosa earthquake.

We also have a complete engineering report on the effects of the Santa Rosa earthquake with recommendations which are shortly to be issued from the Government Printing Office; I think mid-October is the publication date.

Mr. CLAUSEN. May I have a copy of that?

Mr. KLAASSE. Yes; we will see that you get one.

Mr. CLAUSEN. Immediately. This area is near the coast, and of course you are familiar with San Andreas Fault, and anything in the way of structures out there, as an example. One of the reasons we are very much interested in this is because in the not-too-distant future we are moving in the direction of the design, the Corps of Engineers, and the construction of—I guess the design is completed on the Warm Springs Dry Creek project, which will create a lake and reservoir in that area, and so I am obviously representing an expressed concern on the part of the people out there, and I would like to see what affect—what you have provided in the way of input to the Corps of Engineers so that I can see specific indication of the cooperation between the two agencies; and our reasons for suggesting that it be considered by the Corps of Engineers themselves is that they are directly involved in these large structures and they are constantly called in whenever there is a national declaration of a disaster area, why the Corps of Engineers is most responsive to those particular problems, and therefore I think it has been my experience at least as a sitting member of a committee that goes out into these various areas to hold hearings, that they are more on the spot, more knowledgeable; and that is one of the reasons we had a suggestion that maybe this whole investigation and study should be handled in that agency throughout the country.

(The following was received for the record:)

STUDIES IN ENGINEERING SEISMOLOGY PERFORMED BY ENVIRONMENTAL SCIENCE SERVICES ADMINISTRATION
FOR OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

Fiscal year	Original funding	Funds obligated
1969.....	\$15,000	\$9,650
1970.....	15,000	15,000

¹ Estimated.

SCOPE OF WORK

Compilation of Alaska Seismicity Data: The Coast and Geodetic Survey has developed a five-year plan for earthquake hazard studies in Alaska, including long range plans for expanding instrumental networks to provide an adequate data base for the development of a series of earthquake hazard maps to serve

as a basis for determining appropriate land-use patterns and for zoning earthquake resistant design of structures. Maximum benefits from this program are a number of years away. However, preliminary guides can be developed from data now contained in the C&GS files. The first objective of the five-year program is to analyze existing data and develop earthquake risk maps to serve as interim guides to land-use patterns and earthquake resistant design of structures. About \$7,000 of the \$15,000 which the Corps of Engineers made available to the C&GS for FY-70, will be used to compile all available earthquake hypocenters and intensity data in Alaska. These data will be put in punched card format and will form a permanent basic data file for earthquake hazard studies in Alaska to be augmented as additional data are gathered.

Strong Motion Seismographs: About \$8,000 of the FY-70 funds will be used to install four additional strong-motion accelerographs in the Seattle, Washington, area. Two strong-motion accelerographs were purchased and the four sets of instruments will be installed in the Seattle area to augment the three existing C&GS strong-motion stations.

An expanded strong-motion accelerograph network is needed in the Seattle area for several reasons. The Puget Sound Embayment is an area in which moderate to strong earthquakes occur fairly frequently (about once in ten years). The Embayment contains more than 30,000 ft. of low density sediments, resulting in wide-spread damage during even moderate earthquakes. The near surface geology is known from well log data to be highly laterally heterogeneous. The results in erratic damage patterns as observed following a rather severe earthquake in 1949, and a moderate one in 1965. In general, damage during these earthquakes was more severe on "filled land," but correlation of damage with surface exposures of various other geological formations was poor. A laterally inhomogeneous near surface geological section can explain the erratic damage patterns observed in 1949, and 1965, but makes prediction of ground motion based upon distribution of surface geology impracticable.

Useful information about the seismic risk in Seattle can be obtained from studies which correlate ground motion spectra with observed damage patterns and site geology. Extensive geological information is available in the Seattle area from water well data. The four accelerographs will be placed in an array to complement the existing three stations after careful study of damage patterns in past earthquakes and the well log data. The objective will be to develop guidelines for estimating ground motion at other sites in the Seattle area based upon site geology.

DAMS AND RESERVOIRS UNDER THE CONTROL OF THE CORPS OF ENGINEERS, U.S. ARMY, WHERE THE COAST AND GEODETIC SURVEY HAS STRONG-MOTION SEISMOGRAPH INSTRUMENTS

Facility	Seismograph instrument	Components
Coyote Dam, Ukiah, Calif.:		
Crest	RFT-250	3
Abutment	RFT-250	3
Toe	RFT-250	3
Isabella Dam, Isabella, Calif.:		
Spillway gallery	RFT-250	3
Crest	RFT-250	3
Aux crest	RFT-250	3
Control tower	RFT-250	3
Aux abutment	RFT-250	3
New Hogan Dam, Valley Springs, Calif.:		
Crest	RFT-250	3
Control tower	RFT-250	3
Pine Flat Dam, Piedra, Calif.:		
2d level	RFT-250	3
5th level	RFT-250	3
Toe	RFT-250	3
Terminus Dam, Lemou Cove, Calif.:		
Crest	RFT-250	3
North abutment	RFT-250	3
Control tower	RFT-250	3
Carbon Canyon Dam, Calif.	RFT-250	3
San Antonio Dam, Upland Calif.	RFT-250	3
Whittier Dam, Whittier, Calif.	RFT-250	3
Davis Dam, Nev.	RFT-250	3
Alamo Dam, Ariz.:		
Crest	RFT-250	3
Toe	RFT-250	3
Generating plant	RFT-250	3

Seismoscopes

Dams:

	<i>Number of instruments</i>
Isabella Dam:	
West toe.....	1
Shop.....	1
GIT seismic vault.....	1
Auxiliary dam pumphouse.....	1
Terminus Dam:	
Abutment.....	1
Toe.....	1
South auxiliary abutment.....	1
Black Butte Dam:	
Abutment.....	1
Toe.....	1
Pine Flat Dam:	
Right abutment.....	1
Left abutment.....	1
New Hogan Dam:	
Downstream.....	1
Spillway.....	1
Alamo Dam:	
Crest.....	1
Left abutment.....	1

Mr. CLAUSEN. In addition to an action program, as it relates to specific science and engineering recommendations, what of the tsunami warning system—now, you are talking about having something out there in these islands, but how effective is it, how closely are you tied in with the communities that border the Pacific Ocean so that you can relate to them when in fact there would be some tidal wave action as a result of an earthquake?

I go back to the Anchorage earthquake. That wiped out my home town of Crescent City completely, and we did not have much in the way of information, and 10 of my friends lost their lives. That is the reason I want some action.

What are you going to do in the future to set up the kind of warning system that will avoid that problem here in the future? Do you have that now? That is quite a few years ago.

Mr. KLAASSE. Mr. Clausen, I might answer the first part of your question as to the existing arrangements for tsunami warning. There is an international tsunami warning system which was established under UNESCO, IOC, in which the United States and other members of the U.N. family participate. Various nations bordering the Pacific have their own national systems for collecting seismic evidence of a large earthquake which might generate a tsunami. They have national networks for collecting sea-level data, tide information, if you will, which indicates the existence of a sea wave.

We have communications between these national centers and the international center at Honolulu, which is operated by the Coast and Geodetic Survey for this purpose as well as for national requirements.

Second, we established in Alaska a regional tsunami warning system—we have a center at Palmer, in which we have seismic and tidal data coming in, in real time by telemetry, which indicates the type of data that are needed for technical decisions.

We have plans, as Admiral Jones has indicated, for the establishment of a west coast regional warning system.

Mr. CLAUSEN. When is this going to be implemented, and how is

this information going to get down to the people that live in the communities concerned?

Mr. KLAASSE. On the matter of dissemination of warning information, the present policy is that the technical information is evaluated, the first stage is a "watch" message, which means that a dangerous earthquake has occurred and may have generated a tsunami. This "watch" information is disseminated to national centers. In the case of the United States, it is disseminated to official organizations, such as OEP, and the State civil defense organizations in California, Oregon, Washington, Alaska, and Hawaii, the communication plan for "Tsunami warning system," sixth edition, describes fully the dissemination procedures.

Mr. CLAUSEN. Would that information go to the regional office of OEP right there in Santa Rosa?

Mr. KLAASSE. Yes, sir.

Mr. CLAUSEN. How long does it take?

Mr. CLAUSEN. Would that information go to the regional office of telecommunications situation.

Mr. CLAUSEN. Let us use the example of Anchorage.

Mr. KLAASSE. If it is an Alaskan earthquake, I would see the information would be transmitted from Palmer, Alaska, within half an hour of the time of the earthquake.

Mr. CLAUSEN. Do you recall how long it took for that tsunami to have its impact on the north coast of California after the earthquake?

Mr. KLAASSE. As I recall, the arrival of the wave, the first wave at Crescent City due to the 1964 Alaska earthquake, was 4 hours, after the occurrence of the earthquake. Now on the matter of the Crescent City event to which you referred, it has been well documented that the first advisory was delivered to the authorities in the Crescent City area well before the arrival of the first wave.

It has also been reported that the public, after having been instructed and advised to leave the dangerous area, did, after the subsidence of the first wave, go back into the dangerous area and there was some loss of life due to the later waves which came back in. This was regarded as a matter of public information, public education. ESSA/C. & G.S. Technical Report No. 33, "The Tsunami of March 28, 1964, as recorded at Tide Stations" (July 1967), pages 22-25, describes the advisory services furnished to California.

Mr. CLAUSEN. I am aware of this. This adds to the point that in addition to the warning system, it is like everything else, how can we have a continuing education program? You know, it is the old saying that people who are old timers in the area are the greatest experts until something out of the ordinary occurs. We experienced it not only in the tidal wave but in the floods of 1964. This gets right back to the point that Mr. Jones had made earlier, and those areas that are generally recognized as being susceptible to the earthquakes, the tidal waves, the flood areas, the hurricanes, what ever we have in the way of natural disasters, in addition to the warning system; in my judgment there has to be some initiative taken by those of you that have the maximum amount of information available and the best illustration that I can give is the kind of programs that we used to have in schools years ago, that being of a continuing fire drill.

I believe this should be the policy of the agencies at every level of government so that the people themselves who are the innocent victims who inadvertently walk back into an area. At least we will have done our part.

As you know, the population will change. Those people that were there at that time will never forget the tidal wave that wiped out the community, and they will not be going back in that area, but it does not require, in my judgment, the kind of dissemination of information and educational programs on a continuing basis in these areas where disasters are the most likely to happen, and that is the primary point that I am trying to make here this morning.

But all of these studies or reports are of no value unless they are going to be of benefit to either help people or prevent disasters from adversely affecting them. I think there is a number of studies and reports that are gathering dust, and then they figure, well, I've done my part.

Well, I think our prime responsibility is to be responsive to the problems that affect people. That is the only reason you are where you are and why we are where we are.

Mr. KLAASSE. If I may say, Mr. Clausen, I strongly agree with this latter point of view. I am heartened to hear this. We have recognized this need and we currently are in the second year of a sponsored research contract with the University of Colorado, which deals with citizen perception of hazard, and attempts to get at the public awareness of tsunami problems. We are currently conducting interviews with the permission of the Office of Management and Budget in selected Alaskan communities in order to determine the awareness of the hazard, how they would react if they were given watch and warning information.

We are working with the State and local communities in the Alaska region. We think that this methodology can very well be considered as the basis for other research of this type to get at the problem of citizen awareness and citizen understanding of how to respond.

Mr. CLAUSEN. How long is this going to take, so we will have the kind of action program ready to be implemented once the information is available; how long is this going to take?

Mr. KLAASSE. I did not understand the question.

Mr. CLAUSEN. How long is it going to take? You say that you are in the process of doing research. Well, I have heard research. How long is it going to take for you to have the action program, the warning system, the educational system; how long is it going to take?

Mr. KLAASSE. We have a warning system that is in full operation now. As to the public informational need, I agree that much has to be done. We have prepared pamphlets which have been distributed through PTA organizations, local civic clubs; we have had a number of our scientists and technicians give talks to local community groups, but I think much more should be done in the way of educating the public.

Mr. CLAUSEN. In most of these areas, they have a civil defense and disaster coordinating council, and they generally use, for instance, the sheriff's office and their communications center to implement this. This is tied in with the radio and television, in particular, the media, in

order to disseminate information on a definite action plan. I have been a part of this kind of a coordinating council, but what I want to know is, how closely are you tied in with this group and what kind of an action program did you have in this day of almost instant communications? There is no excuse for it, not being able to have an action program that can disseminate information and educate people, as I see it.

Mr. KLAASSE. I think today we have a very effective action program which permits a technical decision and the issuance of the warning and watch bulletins to State and local authorities.

Beyond this point, I fully agree that much needs to be done in the way that the public can receive this information and react properly.

Mr. CLAUSEN. Would you provide for the record what you believe will be needed consistent with these previous questions in order to have the finest in the way of an action dissemination program, any information on the program?

Admiral JONES. Yes, sir.

(The following information was received:)

Dissemination of tsunami warnings to the public involves two general actions: (1) the technical determination that a tsunami has been generated and will, in fact, arrive at the area concerned, and (2) informing the public of the predicted arrival time of the tsunami and the appropriate action to be taken.

The technical determination that a tsunami has been generated depends on information received from observation sites around the Pacific Basin. Within available resources we have concentrated our efforts on improving our understanding of earthquakes and tsunamis and on improving our equipment and telecommunication facilities, in order to minimize "false alarms" and to provide timely and accurate advisories to Federal, State, and local officials. Under the present system, as described in "Communication Plan for Tsunami Warning System," direct warnings to the public are issued by the Office of Civil Defense, the Office of Emergency Preparedness, and by State and local officials.

Informing the public of the predicted arrival time of the tsunami and the appropriate action to be taken requires full cooperation of State and local authorities with ESSA. In addition, a public understanding of the nature of tsunamis is necessary. Before specific plans are made to improve the dissemination of information to the public we feel it is essential that we better understand the total problem of citizen perception and public awareness of hazards associated with tsunamis. For this reason we are presently engaged in a study, through a research contract with the University of Colorado, in selected Alaskan communities to determine how best to advise the public of impending hazards. We recognize the need for more effective dissemination of warnings to the public, and within available resources, we are moving forward in this area as vigorously as possible.

Mr. JONES. Are there further questions?

Again, we thank you. We would like to have the satisfaction of knowing that there is closer cooperation and preparation of various Federal agencies in their planning to go to the relief of a distressed area. I think that would be quite helpful.

Mr. FAGÁN. Thank you very much, Mr. Chairman.

Mr. JONES. Thank you. You have been most helpful.

Our next witness is Mr. Robert H. Simpson, Director, National Hurricane Center, Coral Gables, Fla., Environmental Science Services Administration, Department of Commerce.

Dr. Simpson, I saw you not too long ago on the Today program, and you come to us as a television celebrity, so we welcome you here and I wish that I could direct the inquiries to you as closely as Hugh

Downs did, but we are pleased to have you. We have known of your work there in Coral Gables and the fact that you are trying to update the warning system is rather exciting when you predicted, as I recall, that someday we would be able to seed these hurricanes and disperse them without them causing the harm and injury that they do now.

So we would be pleased to hear from you, sir.

STATEMENT OF DR. ROBERT H. SIMPSON, DIRECTOR, NATIONAL HURRICANE CENTER, CORAL GABLES, FLA., ENVIRONMENTAL SCIENCE SERVICES ADMINISTRATION, DEPARTMENT OF COMMERCE

Dr. SIMPSON. Thank you very much, Mr. Chairman.

I appreciate the opportunity to come here and describe the functions of the National Hurricane Center, some of the problems that we face, and some of the plans that we are trying to make to bulwark ourselves for the challenge of the task we have.

If you do not object, I will give this prepared paper on this, and if there are further questions—

Mr. JONES. You may proceed.

Dr. SIMPSON. There are several diagrams, to which you may wish to refer. I hope you all have copies of this statement and the diagrams, because the text will refer to the diagrams which are needed to understand a few of the points I am trying to make.

The National Hurricane Warning Services operate as a team effort involving a number of Federal and some State agencies. The tracking and prediction of hurricanes and the seedling rain disturbances which precede them is accomplished by the ESSA Weather Bureau, drawing heavily upon the Department of Defense—Air Force and Navy—for aircraft reconnaissance data from the core of the storm systems.

ESSA's meteorological satellite system also provides a means of identifying and tracking the hurricane seedlings from their sources and over remote ocean areas where they may affect shipping.

When a hurricane disaster threatens a coast, the facilities of the Red Cross, Civil Defense, State and local law enforcement agencies work as a team with the Weather Bureau to assure complete distribution of hurricane information to expedite preparedness and to initiate evacuation measures, and to follow up with relief measures after the hurricane has struck. The Office of Emergency Preparedness works closely with the National Hurricane Center in anticipating impending hurricane disaster conditions and planning for Federal disaster relief.

The effectiveness of the overall system depends upon well-coordinated plans, sound communications and understanding between various components of the team, and well coordinated teamwork at times of hurricane emergencies.

The ESSA Weather Bureau has designated the National Hurricane Center at Miami as the focal point for the Hurricane Warning Service programs for the Atlantic Ocean, Caribbean Sea, and Gulf of Mexico.

Separate hurricane forecast offices for Pacific storms are maintained at San Francisco and at Honolulu.

As Director of the National Hurricane Center, I would like to describe for you how the Center operates, mention some of the new programs and facilities we are beginning to employ, and to identify a few of the problems and challenges we face.

Our National Hurricane Warning Services are charged with the responsibility of providing adequate warnings of tropical storms and hurricanes, not only for the coastal areas of the United States, but also throughout the Atlantic for ships at sea, for island areas throughout the West Indies and for countries in Central America.

While many of the latter have their own meteorological services, they depend upon the United States for basic information on the approach, the strength, and the arrival time of hurricanes at their coastlines. Within the United States the responsibility extends to specific military warnings for the Air Force, Navy, and other Department of Defense establishments with facilities both on land and at sea.

As the focal point for hurricane information, prediction and warnings, the National Hurricane Center holds primary responsibility for meteorological decisions on the position, strength, and predicted movement of hurricanes and the requirements for coastal warnings. It coordinates and supervises the preparation of advisories and the issuance of coastal warnings for subregional areas by warning offices located at San Juan, P.R.; New Orleans, La.; Suitland, Md., and Boston.

Hurricane forecast decisions depend on machine data processing and the prediction of large scale atmospheric motions by the National Meteorological Center in Washington whose products reach the Hurricane Center by facsimile, and upon regional data processing and machine computations at Miami.

Many of these programs are being evolved and expanded each year now.

In turn, these computations depend upon frequent exchanges of information with weather and radar-observing stations in the West Indies, including Cuba, with whom we have very good relations and very good exchanges of information.

Considering the limitations of accuracy in hurricane prediction, the National Hurricane Center has set itself certain goals for alerting the public and specifically warning coastal areas that are threatened by hurricanes. There are as follows:

When a hurricane approaches within 36 hours striking distance of a coastline, the portion of that coastline which has a 50-50 chance of being affected by the storm receives what is called a hurricane watch. The watch signifies that people in this area should stand by, prepared to take the necessary action to protect life and property if a specific "hurricane warning" becomes necessary for the area. It is the goal of the Center at Miami to provide specific hurricane warnings in time to give 12 daylight hours to provide for the onslaught. Experience has shown that this much time is necessary to secure property and to evacuate residents from exposed areas. This is becoming more and more of a problem all the time as our residents flock to the coastline.

The issuance of hurricane watches is now an objective, computerized procedure which is illustrated in figure 1, which you will find in the back of this report. The issuance of specific warnings remain, however, a much more subjective task for reasons I shall mention.

The hurricane watch area is defined by a computer processing of historical data on hurricanes. Given the geographical coordinates of a given storm and its direction and speed of motion, the computer searches through the records of all historic storms to select those cases which were located within a hundred miles of the present one, moving at approximately the same direction and near the same speed.

Departing from the text, I might add, this computer looks only for those cases of storms that have occurred within this particular period of the month, so that the seasonal factor is taken care of also.

Mr. JONES. Do you mean by that that they have habits?

Dr. SIMPSON. They certainly do, and their habits are quite different, depending on whether they are June storms, August storms, or October storms.

From these case histories, a most probable track up to 72 hours in advance is computed and two elliptical areas are constructed.

If you will look at the track, you will see there is a track with zero-zero position, current position, and 12-, 24-, 36-, and 48-hour positions. These are the most probable positions of the storm after these numbers of hours respectively. The two ellipses drawn around both the 24-hour and 48-hour position show where the storm center is predicted to be based on a 25- and 50-percent probability, respectively. The 50-percent ellipse is simply that area, computed mathematically from our case histories, in which the storm has a 50-50 chance of being situated after 48 hours, or 24 hours, as the case may be.

As the hurricane approaches the coast, the area included between the tangents drawn from the extremities of the 48- and 24-hour ellipses defines that sector of the coastline where the hurricane watch is posted. This, of course, occurs approximately 36 hours in advance of the arrival of the hurricane at the coastline.

As stated before, the problem of warning the precise area which may expect to be most seriously affected, 12 to 24 hours in advance is one which cannot be handled so objectively. A number of numerical prediction models are presently available to the Center for determining the direction and speed of motion of the hurricane.

However, these models as yet are less precise than those which have been developed for use with midlatitude storm systems, and all the skill and experience of the hurricane forecaster must be brought to bear in reaching the final subjective decision on the area to be specifically warned.

The average long-term error of predicting the movement of a hurricane 1 day in advance—this lumps all the errors for storms way out at sea as well as those approaching the coast—is about 120 nautical miles. The error is slightly smaller as the storm approaches the coastline. The prediction of speed of motion of the center is not so difficult as that of the direction of motion, for reasons which are evident in figure 2. This is a little bit of an involved diagram, which I will not try to explain in great detail to you; but if you can see here, we refer in this diagram to a storm that is located in the central Gulf of Mexico, proceeding toward the west coast of Florida.

If we predict that the storm is going to move in toward the Clearwater area, and we miss by just 10 degrees or about a hundred miles, and the storm goes in south of that area, the extremes brought to that coastline by the storm will vary enormously.

The extremes are indicated in the diagram, where you might compute for an extreme storm, the winds of 170 miles an hour; it can be higher than that; it was in Camille, and the maximum storm surge heights of water inundations of $23\frac{1}{2}$ feet; but you can see it is a very sharp peak associated with these extremes, and if indeed we were able to make a perfect forecast of the wind extremes and of the water extremes, and literally applied these to our prediction of land fall—

MR. JONES. What do you mean by "land fall"?

DR. SIMPSON. I mean where the center of the storm actually crosses the coastline.

Of course, indeed that does not mean that that particular place is the only place that is damaged, because the hurricane has hurricane-force winds that spread out from 1 to 200 miles from the center, more to the right than to the left, and the storm surges in the same proportion, mainly to the right of the center.

In these diagrams, I think you can see that if we made the mistake that is indicated right here and warned only the area which our objective prediction methods told us would be affected, instead of having the high water in the Tampa Bay area, you would probably have water below mean sea level there, winds would not exceed 25 miles per hour, but yet down the coast where we would not have anticipated such an extreme, we would have had all this high water and these extreme winds in areas where we would not have forecast them.

As a result, we must overwarn considering our state of knowledge at the present time.

I have said that our goal is 12 daylight hours at the present time for evacuation of people. That is the reason why we cannot extend for 24 or 30 or 36 hours our specific hurricane warnings. If we did that and overwarned, we would have large communities like New Orleans preparing for hurricanes much more frequently than they do.

When I raise hurricane warnings in the Miami area, as an example, that city spends more than \$2 million in preparedness actions. That is \$2 million down the drain if it does not come. If it does come, and they are not prepared, of course, that is worse.

We have a longways to go, in my estimation, before significant additional progress can be made in prediction models for severe storms in the tropics. There are a number of reasons for this.

Foremost is the fact the movement and the development of convective storms such as hurricanes involves an interaction between motion patterns the size of thunderstorms and those of large-scale patterns several times the size of the hurricane itself.

The small motions and very large motions get together and they depend upon each other for the development or for the squelching of a potential storm system. In recognition of this and other problems of prediction in the tropics, this Nation will join a number of others in 1974 to carry out a tropical meteorological experiment in the Atlantic Ocean which is aimed at understanding these interactions and how to model them numerically. That is, to use a computer to come up with subjective answers or solutions.

Meanwhile, the National Hurricane Center is not standing by and waiting for this experiment. We are working and concentrating on development of procedures, procedures by which we can diagnose

what is going on in the storm, what kind of glue is holding it together or gluing it tighter together or about to let it become unglued, and machine tools for analyzing the structures and current trends in the hurricane will be used to constrain the forecaster's subjective judgment concerning the storm movement and intensity.

Of course, these procedures will also help him avoid going into the trap which sometimes is posed for him in the errors implied by the numerical models, errors which he cannot directly analyze.

One of the most important facilities of the Center, destined to play an important role in the development of these diagnostic procedures, is the capability for receiving satellite pictures from the Advanced Technology Satellite which is situated over the Amazon Valley on the Equator, looking down on the same geography continuously, since it has an orbital period the same as that of the earth.

With this satellite, we can receive pictures of clouds and of disturbances in the tropics from Africa, westward across the Atlantic, Central America, as frequently as once every 11 minutes.

These pictures, received and printed at Miami, are similar to those in figures 3 and 4. I brought these two simply to show you what we received in connection with Hurricane Becky, our recent visitor to the gulf coast. On the one for July 18—it is dated down in the lower right corner—you can see just south of Cuba the cloud mass which was the center of Hurricane Becky at the time we first announced it and started issuing advisories.

This storm had an interesting history, moving quickly to become a hurricane, though a marginal hurricane, but it gave up the ghost, so to speak, and diminished to a series of squalls as it crossed our coastline, and more as a benign rain storm, with the exception of one tornado.

You can see on the picture for July 21 this system was beginning to break up as it approached the northwest Florida coastline.

I think you will agree that this is a very remarkable and clear presentation of cloud systems and storms for the entire hemisphere.

We have in addition a capability for photo enlarging and scrutinizing the area that we are interested in. We can also join successive pictures, putting them into a time-lapse movie loop, in order to observe the movement of the clouds, and the changes of structure of the storm.

We have sort of a 3-D presentation which we cannot get any other way.

Recently, new programs for automating the analysis of the tropical atmosphere and for producing other tools required by the forecaster for his predictions, have been put into use at Miami. These programs will free the professional forecaster from many menial chores, and when he is under pressure will allow him to devote his full time to the decisionmaking processes of prediction and warnings.

The problem of exposure of population and of property to hurricanes looms bigger each year; it is of great concern to the director and his staff at the hurricane center.

In this affluent society, people migrate toward the beaches and build expensive dwellings at the shoreline.

In some areas, south Florida being one, many new developments are providing large concentrations of population in regions subject to

inundation where it would be difficult to evacuate all the people to higher ground before the escape routes are cutoff by rising water, even with 12 daylight hours of warning. There are many segments of our coast which, if crossed by another Camille, could easily sustain double or triple the losses sustained from that infamous storm.

These factors pose an enormous challenge to the meteorologist to lengthen the time of warning which we can now provide. A vital problem in community planning is to insure that adequate escape routes be developed, so that when it becomes necessary to evacuate the large concentrations of population living near the coast in areas which may be inundated. There simply must not be any disruption due to inadequate escape routes, otherwise we may trap thousands, maybe tens of thousands, in low-lying areas where they cannot get away before the storm has cut the escape routes, and they are left in peril there in their cars and frail homes, exposed to rising waters and the full onslaught of the hurricane.

Mr. Chairman, that concludes the formal statement.

Mr. JONES. Doctor, I wonder if you would be kind enough to point out the geographical areas that are most susceptible to the types of hurricanes to which you speak.

Dr. SIMPSON. Yes, sir. The most hurricane-prone section of the coastline is in the area of the Florida Gold Coast over to Fort Lauderdale, Fla., southward to Miami down to the south to Key Largo.

Another section which is most hurricane-prone is the Texas coast. Also, the coastline here (indicating from New Orleans to Tampa on chart), another coastline here at Charleston, and then it drops off again as you go up toward New England.

We are working on a more precise climatology at the present time. We have recently put on magnetic tape to work out the history of hurricanes, and we are working out the probabilities of the recurrence of these storms in a certain number of years. We are breaking them down into those storms which would reach the coastline and would require warnings but would not be damaging, other than to ornamentals and frail structures, plus moderate hurricanes which are going to bring in water and some inundation of houses, built with less than the best building codes, which would be seriously damaged. And, finally, the extreme hurricanes such as Camille, which will come in and bring in great inundation and will require mass evacuation of people to higher land and more secure shelter.

The chances anywhere along the coastline here of an extreme storm such as Camille is probably less than once in a hundred years, once a century. The chances of having, however, an extreme storm slightly less than Camille, and I refer to such storms as Carla affecting the Texas coast, Betsy affecting the Louisiana and Mississippi coastlines, and Donna affecting the Florida coastline, these will recur in some sectors of the coastline at much greater frequency.

Now let me be perfectly clear that I am talking about the recurrence at any one particular point along the coastline—not the recurrence anywhere along the coastline. The recurrence of the latter type of extreme storm can be expected with great probability in the south Florida area; the second most prevalent area is the Texas coast (indicating). The third most prevalent area is the region between Louisi-

ana and northwest Florida. The fourth is up in the region near Charleston, and finally the area further north up into the New England area is less vulnerable.

I am sorry I can't give you the exact figures on that, but I will be glad to supply the committee with our latest work on that if it will be useful.

Mr. JONES. Thank you very much.

I regret I am going to have to take my leave because we are having a bill on the Floor from this committee, a bill reported H.R. 18104, and I regret exceedingly that my leaving will not permit me to introduce Miss Heaton Crook, National Welfare Committee Chairman of the U.S. Civil Defense Council of the State of Alabama.

So I want to thank you, and I again regret that I do have to leave and I hope the programed bill is called up.

(Thereupon, Mr. Harold T. Johnson of California assumed the Chair.)

Mr. JOHNSON. Are there any questions of Dr. Simpson?

Mr. CLAUSEN. Dr. Simpson, being an aviator myself, I would like to have just briefly what you think the potentials are based upon current experimentation with these meteorological aircraft flying in and out of these hurricanes gathering data and then looking at the possibility of what we have been able to accomplish through cloud seeding, you know, to break up some of the problems associated with hail. We have had some experience out in northern California and Oregon with this.

What do you see in the future? Do you ever see in the future the possibility of breaking these things up and minimizing the devastating effects?

Dr. SIMPSON. I am sorry Dr. Gentry of Project Storm Fury isn't here to answer that. He is busy in Puerto Rico where they are deployed getting ready to continue experimentation on that project. I happen to be the first Director of that project. It was a hypothesis developed some years ago which is still being tested. I must say that my remarks represent a matter of scientific opinion and not necessarily a unanimous opinion of scientists at the present time on what conclusions we can draw from the experimentation to this time.

We have carried out experiments on three storms. When I say experiments I am talking about controlled experiments in the sense that we had a planned monitoring of what was going on before the seeding, during the seeding, and following the seeding, both in the storm core and in the environment to be able to recognize the results of the seeding insofar as it was possible to do so.

We began this in Hurricane Esther in 1961. We had 2 days of seeding. We had 2 days with Hurricane Beulah in 1963. We then had a long gap in our experimentation until last year when we were able to get into a storm and seed it 2 days in a row with very exciting results.

The first two experiments followed the hypothesis as nearly as we could tell without exception. The hypothesis said that by strategically seeding the hurricane along a radius leading out from the eye wall radially outward through that eye wall, that the release of heat due to the seeding would allow the storm to become unstable

and to expand outward. In the reverse sense to the dancer who in spinning draws the arms into the body and spins faster, the storm expands outward and the storm is slower. That is an oversimplified illustration but nevertheless that is what is being attempted.

A very small percentage of the total energy of the storm is changed with the seeding. There is no large increment at all in the storm. The amount of rain that is produced by the storm is virtually unchanged. It is only spread out so that rather than create floods it creates benignly an increment to the watershed.

Now this is what happened in the first two hurricanes that we seeded, but the increments were small. There was only one seeding expedition. One plane flew out, dropped the silver iodide in the clouds radially outward on one occasion. There was a reduction of approximately 10 percent in the maximum winds of the storm and the storm did spread outward. The same thing occurred in the second storm, Beulah, but we could not tell for sure whether the changes monitored were changes which could have occurred naturally within the hurricane or whether they were indeed changes that had been induced by the seeding.

We recommended then that a pulse-seeding program be used in which the seeding was repeated at 90-minute intervals, and that is what was done last year on two different days with a day in between without seeding. The first day the seeding was done it was repeated five times at 90-minute intervals. Progressively the intensity of the storm stepped downward. When I say intensity I am referring to the strength of the maximum winds, and a total of more than 30 percent reduction in the maximum wind was observed in that 24-hour period.

Now 30 percent may not sound like much, but since the destructive potential of the storm is proportional to the square of the wind speed rather than to the first power this means that the destructive potential of the storm was decreased by approximately 50 percent.

On the day following no seeding was done and the storm returned to its original intensity. The day following that seeding was resumed, and once again there was a reduction. The reduction was not as great that time, only around 16 percent, but it was determined after the fact that the seeds were dropped in the wrong place for three of the five seeding periods. The last two periods were seeded correctly and the eye expanded again.

Now I believe that most of the meteorological community considers the results of the experiment to be spectacular, but not conclusive, and that we need one or two other demonstrations that this experimental result can be repeated. If and when this occurs I think that we should certainly be in a position to begin designing some kind of an operational experiment in which we would seed every storm as it approaches the coastline to nip it in the bud the last 24 to 36 hours before it is to cross the coastline. This, of course, poses fewer scientific problems than it does political and other problems.

Mr. CLAUSEN. We are not going to have the time to develop this in detail, but I would like to go with you some time to have an in-depth briefing on this entire subject.

Let me just ask one other question. Do you envision the possibility at some time in the future being able to redirect the path of these storms?

Dr. SIMPSON. There is nothing in the present hypothesis that anticipates that the storm would deviate at all. Indeed, no one has proposed a scientific hypothesis for redirecting the direction of the motion of the storm although there have been some suggestions.

I am not sure we would want to do it if we could because the hurricane provides a very important factor of climate in terms of the rainfall it deposits in many sectors of the United States, that is the southern United States. To deprive many areas of the rain which over a 10-year period is deposited by hurricanes would without question seriously change the climate of the region.

Mr. JOHNSON. Mr. Schadeberg.

Mr. SCHADEBERG. Dr. Simpson, I also would like to be able to be at such a meeting and briefing.

I know you cannot answer the question right at the moment, but are there any other side effects of a hurricane or a storm that might be beneficial that would not come as a result of even reducing the intensity of the storm.

Dr. SIMPSON. None that I know of, but to eliminate the storm altogether of course would mean you would not prune the trees as you so often do from hurricane-force winds. Other than that, I can think of no harmful effects of causing the storm to spread and crossing the coastline with minimum gale-force winds.

Mr. SCHADEBERG. May I ask one other question, Mr. Chairman?

Mr. JOHNSON. Yes, sir.

Mr. SCHADEBERG. Can you tell us where are we now insofar as being able to plot accurately where the storm will hit? In weather reports we always hear about the times they miss but very seldom the number of times they are correct.

Dr. SIMPSON. Our batting average on a 24-hour movement of hurricanes, if you lump all of the predictions we made far at sea as well as near the coast, as indicated in the testimony here, is approximately 120 nautical miles in 24 hours. That is a sizable error. As the storm approaches the coast and we have more complete coverage and continuous information, the batting average is better—closer to about 100 nautical miles. But the probable error must be considered to be in the vicinity of 100 nautical miles at the present time. That is not good enough and I think we can do a whole lot better.

Mr. SCHADEBERG. Thank you.

Mr. JOHNSON. Mr. Roberts.

Mr. ROBERTS. Doctor, what effect does temperature have on the hurricane's velocity and direction?

Dr. SIMPSON. The temperature of the air and the temperature of the sea profoundly affect both the development potential of the storm and to some extent the direction in which it moves, much less so the latter. The air temperature and more specifically the water content or the dew point temperature of the air is very critical to the maintenance of the intensity of the storm.

For example, this past week when we had Hurricane Becky move inland across the northwest Florida coast, a cold front approached the north Gulf Coast area. Dry air through the low and middle layers of the atmosphere in which the storm was imbedded came off the continent and worked its way around through the vortex of that storm,

and with our 11-minute picture cycle from the satellite we could actually see this dry air chewing up the cloud system of this minimal hurricane so that it was torn up into a series of squalls by the time it actually reached the coast.

The second part of the question, that is the sea surface temperature, is important also because if you have a condition that would otherwise allow a hurricane to form, if the temperature of the sea is less than about 81° Fahrenheit or 27° celcius you cannot sustain or you cannot normally have the hurricane develop hurricane force winds, the reason being that the principal energy for sustaining hurricane force winds flows from the sea to the air, and if the sea is colder than the surface threshold value then you can't get enough energy from the sea to the air.

Mr. ROBERTS. How about if you can cool the storm off—

Dr. SIMPSON. If you can cool the sea off you certainly can disperse it. If you can put drier air into it you can certainly disperse it.

Mr. ROBERTS. Thank you.

Mr. JOHNSON. Dr. Simpson, were hurricanes Betsy or Camille treated at all?

Dr. SIMPSON. No, sir.

Mr. JOHNSON. Why not?

Dr. SIMPSON. Hurricane Betsy was almost seeded. We have certain areas in which storms are considered suitable for seeding in terms of their environment. Since we are not in an operating mode yet, but still in an experimental mode trying to evaluate the results of seeding, we have to carry out these experiments where there is little interference by nature itself with the intensity of the storm. If we are too close to land, if there is interference of mountains or a little peninsula or something like that, we consider the experiment could be made invalid. So we have had to seed when the storm was clearly at sea.

Secondly, we have been restrained by the actual radius of operation of some of the aircraft we have used to monitor the developments. We have carried out all of the seeds so far from Roosevelt Roads and Ramey Air Force Base in Puerto Rico, and the range of the planes controls how far away we can carry out the operation. Of course there is a political reason too why we don't care to seed a storm in an experimental mode too close to land, either foreign or our own domestic lands, for obvious reasons.

Mr. JOHNSON. Dr. Simpson, we want to thank you for giving us the benefit of your statement and your expert testimony to the questions.

Dr. SIMPSON. Thank you, sir.

Could I say, Mr. Chairman, I would be very delighted to prepare a briefing for Mr. Clausen and any of the other members of the committee who might require one.

Mr. CLAUSEN. I think Mr. Schadeberg mentioned he would like to be along also.

Dr. SIMPSON. I would like to welcome you to our National Hurricane Center to see some of the facilities we now operate.

Mr. CLAUSEN. Where is this center?

Dr. SIMPSON. Coral Gables, Fla.

Mr. CLAUSEN. Maybe we can coordinate a trip.

Dr. SIMPSON. I would be delighted to show you.

Mr. JOHNSON. We are now going to deviate from our schedule and hear from Miss Heaton Crook, National Welfare Committee Chairman of the U.S. Civil Defense Council.

You may proceed, Miss Crook.

STATEMENT OF MISS HEATON CROOK, CHAIRMAN, WELFARE COMMITTEE, U.S. CIVIL DEFENSE COUNCIL

Miss CROOK. Mr. Chairman and members of the committee, thank you for taking me out of line.

In behalf of the U.S. Civil Defense Council, I wish to express appreciation for the opportunity to testify on legislation needed to improve governmental response in natural disasters and in other emergency conditions. The U.S. Civil Defense Council is an international organization composed of community civil defense directors and other public and private officials who have combined their professional experience, knowledge, and expertise in an effort to improve the effectiveness of the Nation's emergency preparedness. I am testifying as the council's welfare committee chairman on governmental responsibility for meeting human need in any disaster or emergency condition. For 9 years I have served as emergency welfare services supervisor of the Alabama State Public Welfare Agency.

It is the conviction of the U.S. Civil Defense Council that government at all levels is responsible for protection of life and property within its jurisdiction. The responsibility is continuous and inclusive of any disaster or emergency regardless of cause. It is our further conviction that public welfare, statutorily created, directed, and entrusted to carry out Government's inherent responsibility for the care of needy people, has a continuous and unconditional commitment to assure the availability of welfare services in emergency.

It is our understanding that the purpose of the subcommittee hearings is to improve the Federal response in lending support through Federal resources to communities during a disaster or emergency condition and the recovery therefrom. A primary purpose of the Council is to improve the response of Government at all levels when any crisis occurs of such magnitude that normal day-to-day governmental operations are interrupted. The Council's interest and concern stem from the legal responsibility of State and local civil defense departments which are responsible for coordinating governmental operations in any emergency, serving in a technical capacity to and at the direction of the Chief Executive.

Hurricane Camille furnished the Council (and incidentally the Nation) with a blueprint of chaos and lack of preparedness and coordination to meet human need during and following a crisis period. Many Council members in the five States affected by Camille including this speaker, participated in the governmental emergency operations. I served in the emergency operations in Alabama in my official capacity with the State departments of civil defense and public welfare. Also, I was in Mississippi the second week after Camille struck the coast as the official representative of the Alabama State Public Welfare agency. From my experience and those of other Council members, the following observations and conclusions are self-explanatory.

1. A practical plan for public welfare agencies and capability to carry out Government's responsibility to assure that human need is met during an emergency did not exist at Federal, region, State, or local level. This does not mean that some emergency plan had not been made, or that public welfare officials did not make a valiant effort to respond and to meet the needs of the people affected. Their desire to be helpful and their performance under the circumstances were commendable. It was, however, a matter of the blind leading the blind. The role and responsibility of public welfare had not been defined at all levels and there was no understanding of resources between each level of operation within the public welfare establishment.

2. The limited resources of the Department of Health, Education, and Welfare, Social and Rehabilitation Service, to meet human need created by an emergency were not sufficiently known to States for their immediate application. I refer to existing programs (1967 Social Security Amendments, section 406.3,1, and section 1119) providing Federal funding on a 50-50 matching formula for families with children and for home repairs. Both programs are so limited and restrictive as to be totally inadequate and in a major emergency. In both programs any State is faced with the problem of providing State funds under a formula requiring equal expenditure with the Federal Government at a critical time due to interrupted revenue. The first program further limits aid to families with dependent children and extends assistance for only 30 days within a 12-month period. In the latter program, the limitation of \$500 per house for repairs for public assistance recipients (OAA, AFDC, AB, APTD) renders it totally inadequate.

The testimony presented to the Senate Subcommittee on Disaster Relief by Creed C. Black, Assistant Secretary for Legislation, DHEW, indicates that none of the States affected by Hurricane Camille are able to take advantage of these programs regularly. One reason is the adverse matching formula. The fact is other programs available to States have more favorable matching formulas and most States use them to stretch State dollars to provide maximum help to their citizens.

3. Public welfare agencies were placed in a position of having to devise the ways and means of meeting human need immediately after the disaster struck. Because inadequate attention had been given to providing the welfare arm of the Federal Government with legal authority and resources whereby prior emergency plans could have been made, the public welfare response was inadequate during the immediate emergency as well as during the recovery period.

4. In an emergency the chief executive must use governmental resources represented by the various departments to carry out measures for the protection of life and property and initiate a move into the long, hard effort toward recovery. Human survival and human need must take priority in the crisis period of a disaster. Most of the State Governors called on their State welfare agencies to coordinate welfare activities and assure that human need was met. The response and generosity of the people across the country in the area of welfare services were channeled through innumerable public and private agencies and civic and church groups.

The efforts made were highly commendable but fell far short of fulfilling their potential in ministering to people because there was no central authority for coordinated planning. When questions were raised as to what was needed most, the answers depended on who gave them—and often were contradictory. Urgent supplies were stopped by one organization when requested by another, for example. Thus, after the emergency, agencies and groups moved to lend assistance with no coordinated plan for distribution and operations on the part of multi-agency representation, each tended to move independently to provide whatever services he could.

We do not mean to convey any criticism of the desire and willingness to extend much-needed services on the part of any agency or group. The sad fact is that DHEW is without a legal basis authorizing it to establish a national emergency welfare services plan for all emergencies and thereby provide an organization through which preplanning, coordination of efforts and activities, and an effective delivery system could be achieved. Therefore, a framework within which State and local public welfare agencies can develop emergency plans inclusive of both public and private resources as well as operational procedures, is nonexistent. The result is duplication of effort, fragmented services, and inequity of treatment. Until such authority is given, welfare services will continue to be administered in an emergency without benefit of minimum standards to guarantee that all people in need will receive a fair share of help and an opportunity to rebuild and attain not subsistence alone, but life with dignity.

For civil defense departments to function effectively—and here let me say that civil defense is synonymous with government in an emergency—the Council finds it imperative that public welfare agencies assume coordinating responsibility for welfare services for Government in emergency to assure that human needs are met through the combined resources of public and private agencies and civic and church groups engaged in any welfare services during a disaster and the recovery therefrom.

The extent of damage and devastation suffered by communities from natural and man-made disasters is increasing throughout the country. Since our population continues to be more and more concentrated in metropolitan areas, the extent of damage to property and the continuous threat to the lives of greater numbers of people when natural and man-made disasters occur will increase. Contained within the message from the President of the United States (H. Doc. No. 91-325) dated April 23, 1970, is documentation of the increased incidence of disasters as well as Federal assistance measured in dollars and cents bearing this out.

Even though Congress has enacted a great many relief laws, the problem of how to use existing public welfare resources at Federal, regional, State, and local levels to assure needed welfare services to the increasing number of victims of disasters not only remains unresolved, but the urgency of using this governmental resource becomes more crucial with each succeeding disaster and emergency. When Federal agencies have been authorized and funded to provide assistance to communities under Federal disaster relief statutes, they have tended to offer aid primarily in restoring and rebuilding public physical facilities. For example, a bridge destroyed by disaster is rebuilt,

not by standards of the previous structure, but on the basis of present need and technical advancements.

There is no question of the soundness of this concept. To the contrary, we commend the Congress for its foresight in making it possible for governmental agencies to replace a public facility on the basis of current need fully utilizing technological advancements. It is a wise expenditure of public funds and in the best interest of the people.

Along with this attention to public facilities the question to be considered is, what is Government's responsibility to suffering humanity—those families and individuals who have lost their home, their personal possessions, their means of livelihood, and their hope of being a real part of our society? Another question is whether such an individual or family is to be allowed only half a loaf or will assistance and rehabilitation be based on current need fully utilizing advanced knowledge available in the broad area of social services and rehabilitation?

There are in every city across the country the hard-core poor. They live in the slums and the ghettos. In the economic strata there is another group of our people subsisting on marginal incomes, not quite of the hard-core poor, but far from economic affluency. When disaster strikes, this layer of the strata is shoved into the hard-core poor. These are the people with only limited skills, and without experience and knowledge to adapt to change or find their own way into the mainstream of a productive society.

We must ask ourselves what our real purpose is in disaster relief to communities, when established public welfare resources are not tapped to assure that human needs of disaster victims are met in such a way as to guarantee equity of treatment and an opportunity for them to become contributing members of society. Can we justify the attention given to rebuilding public facilities unless we give equal attention to providing a way for our citizens to likewise rebuild their lives? We think not.

In March of this year, the Department of Health, Education, and Welfare requested representatives of agencies and national associations to serve on an ad hoc committee to explore new means of providing welfare services in times of disaster and to advise on the development of a program of emergency welfare services. Four Council members joined with representatives of DHEW, the Office of Emergency Preparedness, the Office of Civil Defense, the American National Red Cross, the National Association of State Civil Defense Directors, the National Association of Counties, the National Governors' Conference, and the American Public Welfare Association March 18-20, in deliberations to resolve this enormous problem of meeting human need in emergency. I request the attached copies of the report of the Ad Hoc Committee on Emergency Welfare Services, published by the U.S. Department of Health, Education, and Welfare with its letter of transmittal to State public welfare administrators, as well as resolutions and action of component organizations, be included as part of this testimony.

Public welfare at Federal, regional, State, and local levels is the governmental resource with existing organization and potential ca-

pability for providing badly needed nationwide planning for coordination and effective delivery of welfare services to victims of any disaster or emergency. To utilize this resource the U.S. Department of Health, Education, and Welfare, Social and Rehabilitation Service, must be given the legal responsibility, authority, and funding to establish a national emergency welfare services program and to serve as the primary coordinator of emergency welfare services in any disaster.

H.R. 16311, the Family Assistance Act of 1970 as resubmitted to the Senate Finance Committee on June 18, 1970, by President Nixon, would expand and extend emergency assistance and services to all persons and families in urgent distress due to a crisis. Nevertheless, the proposed act would continue the present 50-50 matching for cash assistance and increase the time limit on cash payments by only 30 days. Both restrictions on aid are totally unrealistic. States in a crisis situation often lack the 50 percent required to secure aid and emergencies cannot be resolved automatically at the end of a 2-month period. We recommend that Federal funds be available on a 90-10 formula with no set time limit on aid which should be available as long as needed.

On the basis of these data, the U.S. Civil Defense Council considers it imperative that the Subcommittee on Flood Control take immediate and necessary action to amend the disaster assistance measures now pending before the committee, to specifically delegate to the Department of Health, Education, and Welfare full responsibility for emergency welfare services. This means the Department of Health, Education, and Welfare must have appropriate authority and adequate funds to assure coordination of public and voluntary social agencies in any disaster or emergency and to establish a national emergency welfare services program.

I shall be glad to respond to questions.

Mr. JOHNSON. I want to thank you, Miss Crook. There is one matter here that you point up in your statement.

Does Alabama have a State disaster office under the criteria provided for in the legislation that is in effect now?

Miss CROOK. Yes. We do not have capability but we have an office.

Mr. JOHNSON. Well did you take advantage of the full funding available from the Federal Government to set this up?

Miss CROOK. Well there is no funding from the Federal Government in terms of emergency welfare services.

Mr. JOHNSON. No, no; I do not mean that. I am talking about a disaster office and a disaster plan.

Miss CROOK. Are you referring to Public Law 91-79?

Mr. JOHNSON. No. Under existing law, section 8, there are provisions—

Miss CROOK. We are in the process now of trying to set that up, and we are bringing all the agencies together and trying real hard to see how much they will donate of their funds now appropriated to them in order to match the Federal funds available.

Mr. JOHNSON. I think that is the very important part of this, that there is a disaster office with a disaster plan to take care of the disaster. Now all agencies of the State government as well as the Federal Gov-

ernment are brought in after the disaster hits, but if you have this plan and working organization it is much easier to cope with the situation.

Now much of your testimony here goes to other matters such as welfare that we all know exists and are a very important problem. But in this legislation we more or less consider a natural disaster that hits a community or a State such as the ones we were talking about here caused by hurricane or flood or fire, earthquakes—not so much the other general welfare plans or problems that you indicate. Now I think that what you stated here in your statement, as I followed you through it, you pointed up the lack of coordination; the lack of jurisdiction now in dealing with the disaster. If we took advantage of the Federal funds for the actual setting up of a plan through a State disaster office where you would have all of this coordinated, there would be a head to the organization. I think that would solve most of your problem dealing with that aspect of it.

Miss CROOK. Mr. Chairman, if I may point out here, that act deals primarily with other Federal agencies—not with the HEW in terms of welfare. Actually, HEW does not have the legal authority in a natural disaster nor funding within the concept as it has been interpreted. What we are asking actually is that it be listed along with Interior, Commerce, Agriculture, and so forth. There is a conflict here in that our State law and most State laws make the State agency responsible, but we don't have the counterpart at the Federal level with equal authority.

Mr. JOHNSON. Well I believe there are programs in all of the Federal agencies that relate to the States and local governments. But this particular legislation we are trying to write here is disaster relief—not a general welfare plan or anything of that nature.

Miss CROOK. Well what we are asking, Mr. Chairman, is that we be included in order to help people.

Mr. JOHNSON. You are. Through our disaster office the civil defense people and all of those people in State agencies are brought in and are coordinated.

Miss CROOK. This is true. We are brought in and it is quite clear in manmade and nuclear disasters. But it does not actually bring us—

Well, if I might give a personal experience here, I was caught in a position of my Governor, on the basis of Alabama law ordering public welfare to coordinate the welfare activities and see that human need is met. Now Alabama doesn't have this kind of money. We must rely on the welfare component of HEW for backup, we had to get money from some place else. I had no place to turn. I called my regional HEW office. They in turn talked with HEW here. It is really the difference between a nuclear and a manmade disaster and a natural disaster. In the latter, the role and responsibility is not clear in the statutes on the implementation thereof.

Mr. JOHNSON. Well, I would say that Alabama is entitled to everything that any other State is as it relates to disaster. Now the Federal Government does provide a way for setting up a coordinated plan to deal with disasters, and all of the mandates of the legislation are available to Alabama if a disaster were to hit. Now, as I understand your statement here, that there is a lack of coordination.

Miss CROOK. That is just one of the problems we were facing.

Mr. JOHNSON. I realize we have many problems.

Miss CROOK. We can do it if we get the clarification of the responsibility of the HEW to people in the natural disaster. We have the resource peoplewise, personnelwise, but we work with OEP too and in their guidelines welfare is left out.

Mr. JOHNSON. OEP generally heads up during the disaster. They are the key agency.

Miss CROOK. That is right. They do the total coordination.

Mr. JOHNSON. Under the legislation.

Miss CROOK. Yes, sir.

Mr. CLAUSEN. Will the gentleman yield?

Mr. JOHNSON. Yes.

Mr. CLAUSEN. Actually what you are thinking of is having someone centrally coordinating the information and the disaster program funds that are available. We have been coordinating a great deal of our activities through the regional office of the Office of Emergency Preparedness because they are the ones that know essentially what, for instance, the Red Cross can provide. As a matter of fact, it has been my experience, ma'am, that the best in welfare programs have come from the private sector.

Miss CROOK. Well the problem comes when you get into Camille, when this is too big for anybody but Government to coordinate.

Mr. CLAUSEN. I am sorry—

Miss CROOK. The problem comes when you get into a thing like Camille where there isn't a central authority by Government to coordinate all of these many welfare activities and people get hurt. Some people get help; some people don't get help. There is no equity of treatment here because there can't be. Everybody is going off in his particular realm of responsibility.

Mr. CLAUSEN. Well, actually this is one of the reasons—I think it was section 8 of 9179, the one that we have found that the States themselves working in conjunction with local units of government have the people involved in many of the programs. You know, we are talking about church organizations and everyone else that is involved in welfare dispensing in funds and food, clothing and everything else. Why there is no program that we can advance here at a national level that is going to succeed unless you yourself take some of the initiative to have the coordinating agencies and the personnel.

Miss CROOK. This is quite true. It has to be done there. But you see on a day-by-day basis we have a vertical and horizontal coordination within the Welfare Department. What we would like to be able to do is to continue that to help people in an emergency. It isn't important why a person is in need really. His being in need is the important thing, and we are stopped the minute it becomes a natural disaster. We are not able to expand. We are literally prohibited with Federal legislation as it stands now in terms of HEW.

Mr. CLAUSEN. Well, actually the whole question of welfare is a subject that could take weeks on end, and quite frankly this committee does not have the jurisdiction over HEW programs. We are involved primarily in what the public sector requirements are to take care of those needs that take place during a disaster, and whatever else is

involved is going to have to be handled basically by the private sector institutions such as insurance and everything which stands as one area which is a program that helps.

Mr. JOHNSON. Miss Crook, I do not know whether you received this or not. [Holding up a pamphlet.]

Miss CROOK. Yes, indeed.

Mr. JOHNSON. This pretty much tells what the Federal agencies made available to the people involved in Hurricane Camille. This is prepared and put out by the Office of Emergency Preparedness, and I think you will find in there that all of the Federal agencies participated.

Miss CROOK. The section on welfare is inaccurate. In Alabama, Mississippi and Louisiana. There was no coordination nor help available from the welfare component of HEW during the crisis period. I asked for help repeatedly and it was denied repeatedly.

Mr. JOHNSON. That is beyond the scope of this committee's jurisdiction.

Miss CROOK. Well, what we would like is to be given access to use the resource within Welfare just as you have used those of other Federal agencies.

Mr. CLAUSEN. On page 21 of the report there is a section devoted to what the Department of Health, Education, and Welfare deals with in the way of response.

Miss CROOK. Well Health and Education responded quite well, and I think in Virginia and West Virginia they were able to come in on this family assistance with the 50-50 matching. Louisiana, Mississippi, and Alabama did not take advantage of that. But that was available and we were not able to get the money to put up on this. But this was all that was available.

Mr. JOHNSON. Well, Miss Crook, the resolution that you had attached to your statement will be made a part of the record at this point and the other materials will be made a part of the committee's file.

We want to thank you for your testimony this morning.
(Resolution referred to follows:)

U.S. CIVIL DEFENSE COUNCIL—RESOLUTION II

Whereas, the United States Civil Defense Council in its annual meeting held on October 5-9, 1969, in Seattle, Washington recognizes the responsibility of government at all levels to provide at all times for the protection of life and property within its jurisdiction, and

Whereas, the threat of major natural and man-made emergencies endangering life and property exists and is continuous, and

Whereas, the Office of Emergency Preparedness is a public agency created to provide for continuity of government, effective use of resources and the efficient functioning of all departments of government in emergency and the recovery therefrom, and

Whereas, the Office of Civil Defense is responsible for developing a broad operations plan inclusive of a shelter program, whereby both the plan and facilities exist as necessary for governmental agencies to discharge government's responsibility for the protection of life and property in emergencies, and

Whereas, all governmental departments are accountable for developing their own emergency plans, in consonance with established and promulgated policies of the Office of Emergency Preparedness and the Office of Civil Defense for carrying out their specific legal responsibilities, and

Whereas, Emergency Welfare Service capability is essential to the operations of government in emergency and the recovery therefrom, and inadequate support of Emergency Welfare Service to one or more of the other governmental emergency services could endanger uninterrupted functioning of government, and

Whereas, a national framework within which state and local public welfare agencies can implement emergency welfare service does not exist at this time, and

Whereas, the U.S. Department of Health, Education, and Welfare has responsibility by Presidential Order to provide a national plan and essential help to states in the area of emergency welfare services, and

Whereas, the American Public Welfare Association, recognizing the need for an emergency welfare service program in all of the fifty states, is establishing a permanent committee to provide leadership in this area of public welfare responsibility, and

Whereas, the National Association of State Civil Defense Directors, also recognizing the need for emergency welfare service programs in all of the fifty states, adopted a resolution at its national meeting in June, 1969, calling for leadership from the Office of Emergency Preparedness and the Office of Civil Defense to provide coordinated action on emergency welfare service development, and expressing deep concern for the lack of leadership by the Department of Health, Education, and Welfare, and

WHEREAS, the United States Civil Defense Council, recognizing also the need for an emergency welfare service program at local levels, directed its National Welfare Committee in December, 1968, to develop and present a policy statement defining problems deterring emergency welfare service capability and recommendations for resolving the problems at its national meeting in October, 1969, and

WHEREAS, the National Association of Counties, recognizing the need for an emergency welfare service program at the county level, adopted a policy statement calling for national leadership and direction necessary for the development of emergency welfare service capability at the county level, and

WHEREAS, at the direction of the President, the Office of Emergency Preparedness is conducting a study of the shelter program to determine its present status and what additional steps are needed to protect citizens in the event of an emergency requiring its use; now, therefore, be it

Resolved, That the United States Civil Defense Council requests the Office of Emergency Preparedness to take immediate action to establish avenues through which coordinated emergency preparedness measures will be taken by appropriate federal agencies to provide a frame work in which public welfare agencies can develop effective emergency welfare service programs as an integral part of the total plan for state government to function in an emergency, and be it further

Resolved, That the United States Civil Defense Council expresses grave concern that the absence of a national emergency welfare service program has prevented adequate development of capability by state public welfare agencies to the point of endangering the lives of citizens, and be it further

Resolved, That the United States Civil Defense Council requests the U.S. Department of Health, Education, and Welfare to take immediate steps to establish a national emergency welfare service program which will provide effective leadership, guidelines, and administrative assistance to state public welfare agencies for the development of emergency welfare service capability in all states, and be it further

Resolved, That a copy of this resolution be sent to the office of Emergency Preparedness, the Office of Civil Defense, the U.S. Department of Health, Education, and Welfare, the American Public Welfare Association, the National Association of State Civil Defense Directors, the National Association of Counties and each state Welfare Department and State Civil Defense Department in the nation.

The foregoing Resolution was adopted by a majority vote at the Annual Meeting of the United States Civil Defense Council in the City of Seattle, Washington, on October 9, 1969.

JOSEPH B. DOOLEY,
Chairman, Resolutions Committee.

(Subsequent to the hearing, the following correspondence from Miss Crook was received:)

STATE OF ALABAMA,
DEPARTMENT OF PENSIONS AND SECURITY,
Montgomery, Ala., August 7, 1970.

HON. ROBERT E. JONES,
Chairman, Subcommittee on Flood Control, U.S. House of Representatives, Rayburn Building, Washington, D.C.

DEAR MR. JONES: Please accept my grateful appreciation for the kind and thoughtful consideration you extended me when I appeared before the Subcommittee last week to present testimony on disaster relief for the U.S. Civil Defense Council.

After you had to leave to attend matters in the House, I was distressed to hear Mr. Johnson respond to my testimony with a statement indicating the Subcommittee has no jurisdiction over matters related to public welfare services to people in a natural disaster. Mr. Johnson further indicated the Subcommittee feels Section 8 of P1 91-79 now provides full relief for the problems public welfare agencies are experiencing in attempting to care for people suffering from a disaster. I fear my attempts were inadequate to demonstrate satisfactorily that present interpretation and implementation of Section 8 are not giving necessary authorization for public welfare agencies to carry out the responsibility of government to meet human needs in disasters.

Later, to my utter consternation, a member of the Subcommittee specifically asked representatives of the American Red Cross to comment on my testimony without giving me an opportunity to either reply to, or clarify, an obvious misinterpretation of my testimony. I am attaching a statement to clarify that misinterpretation and respectfully asked that it be presented to the full Subcommittee.

I recommend that the federal legislation provide discretionary powers for appropriate federal agencies to act in situations in which it can be established that the state lacks the fiscal capacity to discharge its responsibility for state comprehensive disaster planning. I further recommend that the U.S. Department of Health, Education and Welfare and its counterpart state welfare agencies be assigned responsibility for the development of the emergency welfare services component of the state comprehensive disaster plan.

Thank you again for your generous help as well as that of your staff.

Sincerely yours,

(Miss) HEATON CROOK,
*Chairman, Welfare Committee,
U.S. Civil Defense Council.*

SUPPLEMENTARY STATEMENT OF MISS HEATON CROOK, CHAIRMAN WELFARE COMMITTEE

As I understood the response of the representative of the American Red Cross to the Subcommittee's request for comments on the Council's oral testimony, two basic factors were presented. First, whether or not government is indeed constitutionally responsible for assuring the availability of welfare services to victims of a natural disaster. Second, whether the assumption of that responsibility by government through the public welfare establishment would deter the fund raising efforts of the American Red Cross and/or cause such a reaction on the part of the American people as to endanger the traditional voluntary contributions and donations now being channeled through the American Red Cross.

As to the first point, the Council's position on the constitutional responsibility of government at all levels to protect life and property inclusive of assuring public welfare services to victims of *any* disaster is clearly stated in my testimony of July 30, and is a matter of record.

Relative to the second point, the Council firmly believes if human need is not met adequately in a disaster through private, civic and church groups, government must care for the general welfare of the people. This does not mean that welfare services traditionally provided through private agencies representing the private sector are not needed, nor does it mean private agencies are failing to do a competent job with resources made available through the traditional charity of the American people. It does mean the amount of damage and the number of

people needing help in a natural disaster are increasing at an alarming rate; *all* people are not receiving essential welfare services desperately needed; and the private sector is not able to cope with this enormous problem alone. The comments relative to endangering continued charity by the American people if government assumes its responsibility and assured welfare services to all people in great need due to a natural calamity is in my opinion, a serious lack of confidence in the American people.

Certainly the Council does not want less help from the private sector for victims of a disaster nor do we want to jeopardize the fund raising efforts of any private organization. To the contrary we are beseeching the Congress to provide a way for government through existing resources of the public welfare establishment and adequate funding, to join with the private sector and insure the availability of welfare services and equity of treatment for all people in need. We are asking for an opportunity for public and private agencies to unite in a common cause and together, formulate a way to use existing resources to maximum advantage, avoid duplication of effort and services, and provide services quickly and efficiently—all for the sole purpose of relieving human suffering.

For a graphic description of the need for such action I refer to a report entitled "In the Wake of Hurricane Camille: an Analysis of the Federal Responses," by the American Friends Service Committee and the Southern Regional Council as recorded in the Congressional Record, November 24, 1969.

Mr. JOHNSON. The next people are the Red Cross people, Mr. Robert Shea, vice president, American National Red Cross, accompanied by Mrs. Francis Hildebrand, national chairman of volunteers, and Robert Pierpont, national director, Disaster Services.

STATEMENT OF ROBERT F. SHEA, VICE PRESIDENT, AMERICAN NATIONAL RED CROSS; ACCOMPANIED BY MRS. FRANCIS E. HILDEBRAND, NATIONAL CHAIRMAN OF VOLUNTEERS, AND ROBERT M. PIERPONT, NATIONAL DIRECTOR, DISASTER SERVICES

Mr. SHEA. Mr. Chairman and members of the committee, it is a privilege for the American National Red Cross to have the opportunity to appear before this committee.

I am accompanied, as the chairman noted, by Mrs. Ruth Hildebrand, who is the national chairman of volunteers for the Red Cross and represents the more than 2 million Red Cross volunteers throughout the United States active in Red Cross work including our disaster relief work.

I am also accompanied by Mr. Robert Pierpont, who is our national director of Disaster Services.

I have a prepared statement which has been provided to the committee, and, in addition, we have provided the committee with a report on Hurricane Camille operations on which to date we have expended \$21,000,000 in direct assistance to families in the affected areas.

We also have provided to the committee a program statement on our disaster relief program which provides the detail of our method of operation in giving assistance to families.

Therefore, it would not be my purpose to repeat or read these statements which are entered into the record of the committee.

Mr. JOHNSON. Your statement of course, will be placed in the record and you may summarize your position here.

Mr. SHEA. Thank you very much, Mr. Chairman.

(The statement referred to follows:)

STATEMENT OF ROBERT F. SHEA, VICE PRESIDENT, AMERICAN
NATIONAL RED CROSS

Mr. Chairman, the American National Red Cross welcomes this opportunity to present its views on disaster legislation now being considered by your committee, and also to discuss, briefly, ongoing developments in the Red Cross and comment particularly as related to H.R. 17518.

Most of the committee members are, I am sure, familiar with the Red Cross program, which was instituted in 1881 at the time of the Michigan Forest Fires and which was formally recognized by the Congress when it chartered the American National Red Cross in an Act of January 5, 1905 (33 Stat. 599), as amended. At that time, the Congress established the American National Red Cross as a voluntary instrumentality of the Federal government and placed upon the organization a continuing responsibility for assisting individuals and families affected by disaster. Subsequent legislation such as Public Law 875, the Federal Disaster Act, and the bills now pending before the Senate and the House—HR 17518—for example—specifically recognize this unique status of the American National Red Cross. The language of Section 4, b., of HR 17518 says, "Nothing contained in this Act shall be construed to limit or in any way affect the responsibility of the American National Red Cross under the Act approved January 5, 1905 (33 Stat. 599) as amended."

I emphasize this point to assure you that the American National Red Cross has no intention of abandoning this responsibility or diminishing in any way its assistance to victims of disaster. In fact, this committee heard from General Lincoln, director of the Office of Emergency Preparedness, that in 1969 the President had declared 29 major disasters. Red Cross statistics are compiled on a fiscal year basis. For the fiscal year ending June 30, 1969, the Red Cross was active in 521 disaster relief operations in 48 states, Puerto Rico and the Virgin Islands. This included 68 floods, 41 tornadoes, 1 hurricane, 21 other storms and 354 fires. In addition, our Red Cross chapters were active in 18,000 lesser disaster incidents in this same period. During the fiscal year ending last June 30, the Red Cross was active in 650 larger disasters and our chapters were on the scene of more than 20,000 disaster incidents.

Although this committee is not specifically studying the Hurricane Camille operations, the renewed interest in comprehensive disaster legislation and changes in the way relief is brought to disaster sufferers did stem in part from what happened in Hurricane Camille. Therefore, it might be of interest to the Committee to know that the American Red Cross still has a followup staff on the Gulf Coast to deal with the problems of some sixty families whose recovery planning is incomplete because of matters beyond Red Cross control, and that Red Cross expenditures for relief to Camille victims in Louisiana, Mississippi, Alabama, Virginia and West Virginia totalled well over \$21,000,000 as of this week.

We believe, too, that the Committee is interested in what the Red Cross has done and is doing since Camille in terms of our disaster relief program. In early October, at the peak of our operation, the President of the Red Cross designated one of our top administrative officers to begin the collection of operational data for subsequent study. In addition, the Red Cross participated extensively in studies of Camille operations made by various OEP task forces and in shaping the recommendations that came from those OEP study groups. At the same time, a task force of key Red Cross staff from across the country was appointed and is carefully analyzing Red Cross disaster regulations and procedures. Issues raised in hearings before the Senate subcommittee are included in this study. It should be pointed out, however, that this Red Cross action is not peculiar to Camille, but has been standard practice in Red Cross as part of a continuing examination and up-dating of our disaster program. A part of this study will deal with improving our methods of disseminating information to all disaster victims—and you will be interested in knowing that in the more recent Lubbock tornado much greater emphasis was given to direct communication with the disaster victims in the poorer sections of the city, to make certain that they knew of the help that was available from Red Cross.

Attached to the copies of my statement are two documents; a printed report

on Red Cross Hurricane Camille operations and a recently issued summary of the Red Cross disaster program, so I need not go into detail about how the Red Cross goes about the business of providing assistance to disaster victims. But I would like to make a general comment on disaster relief which we in the Red Cross should apply to all disaster planning and legislation. Many people who are responsible for planning or initiating disaster relief efforts tend to respond in the traditional ways they have always responded, and to see every disaster as pretty much like other disasters except perhaps in terms of size or some special problems peculiar to specific situations. If disaster legislation and disaster planning continues to be looked at in such a context, we will continue to have problems. We have to be aware of a fact that our country is changing. Communities change, the nature of human aspirations and needs change. Population shifts, housing problems, transportation patterns, job locations and the governmental and private agency patterns for dealing with such problems is in a constant state of flux. For this reason, it is our feeling that disaster legislation, like the Red Cross disaster program, must provide for built-in flexibility and allow for the possibility that what is done successfully today may be inadequate for next year's major catastrophe. Whatever legislation comes out of this committee, we feel, might well provide for an annual review or an on-going review of disaster law and agency responsibilities and methodologies so that the efforts to meet the needs of disaster victims will always be conducted in the context of today, and not be a perpetuation of practices that may no longer be valid and hence create additional problems for people who are already in enough trouble.

Red Cross Hurricane Camille operations, however, did serve to emphasize the flexibility of the Red Cross disaster relief program which makes it possible for us to act in situations not covered by specific regulations. For example, there were many families who wanted to place HUD trailers on private property but lacked funds for installation and hookup charges. Because these families were living in crowded or undesirable conditions, the Red Cross assisted those families with installation and hookup charges pending required actions by the governmental agencies concerned. In one Mississippi county where an emergency food stamp program was initiated, the Red Cross provided the funds for the families to purchase the stamps. In another situation, the Red Cross paid the costs of damage to a school which was used to house disaster victims when it was discovered by the local school board that neither the school board, the county, the state or any federal agency has authority to provide the funds needed so the school could open. In many other situations related to families where there were deaths and unusual experiences not covered by specific regulations, the Red Cross met the needs at the point of encounter simply because the need was there.

One criticism of the Red Cross relief program related to standards of relief giving. To safeguard against any possible future discrepancies, we have issued standard food and clothing budgets for use in helping all families regardless of their economic level. The question of improving standards of living has been frequently raised. In assisting homeowners with rebuilding or repair, the Red Cross always conforms to existing building codes and zoning regulations, but we do not believe it is in the purview or financial ability of the Red Cross to undertake the installation of water or sewage systems for areas where none existed or to undertake programs of broad economic reforms just because of a disaster. The Red Cross is aware of the suffering caused because people were living in substandard housing, had substandard incomes, and lived in substandard conditions, but does not believe the solution of such problems should wait until a disaster has occurred. We would welcome the opportunity to coordinate our disaster relief efforts with government agency programs designed to alleviate such problems, but cannot undertake economic reform programs on our own.

With regard to the proposed disaster legislation being considered by the House and the Senate, the Red Cross is already on record in support of a comprehensive insurance plan that would make it possible for the homeowner to protect himself against flood, tide, mudslide, and earthquake. Our disaster program is one that takes into account the responsibility of the family to itself, and its appropriate utilization of resources available, including insurance.

The Red Cross supports all efforts for coordinated action in disaster, as implied in Section 4 (b) of HR 17518. But we would point out that there must be a distinction between coordination and direction. Only the Red Cross can commit Red Cross funds. And since Red Cross relief action is related to the commitment of funds, the implication of direction by Federal coordinators as outlined in that section would be in conflict with our understanding of coordination.

The Red Cross has always advocated and supported community and state disaster control and coordination among agencies serving disaster victims. For some years, we have had formal understandings with the Office of Emergency Planning and the Department of the Army. And it should be pointed out that the Red Cross, under Army Regulations 500-60, Sections I and III, reimburses the Armed Forces for disaster support requested by Red Cross. A similar arrangement exists with the Division of Emergency Health Services of the United States Public Health Services of DHEW, and the Red Cross makes extensive use of Department of Agriculture Surplus Commodities in feeding disaster victims. The OEP makes extensive use of Red Cross disaster survey figures in its work.

Since Camille, we have had followup contacts with a variety of agencies and groups seeking to strengthen existing relationships with Red Cross in time of Disaster. These included the Civil Air Patrol, the Mennonites, the Southern Baptist Convention, the Seventh-day Adventists, the National Catholic Disaster Relief Committee, the National Association of Real Estate Boards and other religious and medical groups who represent just a few of the national organizations with which the Red Cross has existing agreements or understandings related to disaster cooperation—organizations who look to the Red Cross for leadership and guidance as to how best their resources may be utilized in time of disaster.

Just two weeks ago, six of the nation's voluntary agencies active in the field of disaster relief met with the Red Cross at our national headquarters to achieve closer coordination and to establish closer working relationships. The OEP participated in the meetings. It is believed that out of these meetings may come a national coordinating council similar to that which now exists for voluntary agencies participating in international relief programs.

We wholeheartedly support to provisions forbidding discrimination on the ground of race, color or national origin in disaster relief activities. This has always been a basic policy of the Red Cross disaster relief program.

I would also like to comment on the proposal reflected in President Nixon's message to Congress which called for the establishment of one-stop relief centers at which disaster victims could receive all the help they needed. This was done, with apparent effectiveness, in Lubbock, where the disaster was confined to one city, but we believe this, too, is an area in which flexibility must be maintained. While the Red Cross believes such one-stop centers could be used effectively for the dissemination of information, we do not believe it is practical or realistic to believe that such one-stop centers could always provide sufficient space to offer the wide variety of services involved and the supporting logistics for such services, especially in widespread disasters such as Camille where there is a need for relief offices in many areas. It has been the practice of the Red Cross where possible to separate mass care and casework facilities and to locate Red Cross facilities as close as possible to the disaster areas in which the victims live.

In closing, let me re-emphasize one point. In the wording of the Senate bill, the legislation refers to "the Red Cross and other private relief organizations." Quite properly the Red Cross is excluded from the category of Federal Agencies defined in the bills since that term is intended only to cover agencies receiving Federal appropriations. But the Red Cross is a Federal instrumentality whose congressional charter places statutory responsibility on the Red Cross. Hence, it would be more appropriate in HR 17518 to substitute for the phrase "private relief organizations" in Sections 4 (a) and (b) the wording, "the American National Red Cross and private relief organizations."

And let me assure that the Red Cross, as always, stands ready to cooperate in every way possible with government at all levels in improving the way in which disaster victims are helped. This has been true since the Red Cross first entered the field of disaster relief, and is just as true today.

CLOTHING PRICES

When there has been a total loss of clothing the following amounts will be used to meet immediate clothing needs. In each case this includes a change of under and outer garments plus shoes, socks and a sweater or jacket.

Male under 10 years, \$53.

Male over 10 years, \$70.

Female under 10 years, \$55.

Female over 10 years, \$93.

Additional clothing will be provided on an individual family basis in accordance with the particular needs of the individual family members. A standard price list for this purpose is attached.

CLOTHING PRICE LIST

Based on National Red Cross cost survey of actual cost per clothing item and USDA Consumer Price Index, January 1970

<i>Clothing item</i>	<i>Boys (under 10 years)</i>	<i>Cost per item</i>
Bathrobe		\$5. 00
Bedroom shoes		2. 50
Pajamas		4. 50
Boots		7. 50
Gloves		2. 50
Hat (or cap)		3. 00
Jacket		15. 00
Shirts		4. 00
Shoes		8. 00
Socks		. 75
Sweater		10. 00
Slacks		7. 50
Undershirts		1. 00
Shorts		1. 25
	<i>Girls (under 10 years)</i>	
Coat		\$30. 00
Hat (or cap)		4. 00
Boots		5. 00
Shoes		10. 00
Scarf		2. 50
Sweater		7. 50
Skirts		10. 00
Blouse		2. 50
Socks (or stockings)		1. 00
Slip		3. 00
Undershirts		1. 00
Underpants		1. 00
Garterbelt		2. 00
Pajamas		3. 50
	<i>Male (over 10 years)</i>	
Topcoat		\$60. 00
Jacket		15. 00
Hat (or cap)		3. 00
Boots		7. 50
Gloves		2. 50
Shoes		15. 00
Suit		75. 00
Sweater		10. 00
Slacks		10. 00
Belt		3. 00
Tie		2. 50
Socks		1. 00
Shirts		5. 50
Undershirts		1. 50
Shorts		1. 75
Pajamas		6. 00

Female (over 10 years)

<i>Clothing item</i>	<i>Cost per item</i>
Coat -----	\$60.00
Hat -----	5.00
Gloves -----	2.50
Shoes -----	14.00
Dress -----	25.00
Skirts -----	12.00
Blouse -----	5.00
Stockings -----	1.50
Boots -----	6.00
Slip -----	6.00
Bra -----	5.00
Girdle -----	7.00
Underpants -----	2.00
Sweater -----	12.00
Pajamas (or gown) -----	6.00
Robe -----	20.00

(Prepared by the Food and Nutrition Consultant, National Headquarters, for use in computing individual and family clothing costs.)

DISASTER SERVICES FOOD BUDGET

The following food budget will be adhered to in providing assistance to families in need of food as a result of disaster. Assistance for food will be based on multiples of one week's requirement, and given to carry the family until their receipt of their next regular income. Where there is a total loss of food supplies, an amount of \$20.00 should be added for the replacement of staples that are not ordinarily purchased on a weekly basis. This supercedes Section VIII, F, 1, page 34, of ARC 234-B.

Disaster food budget

<i>Family size:</i>	<i>Amount per week</i>
1 -----	\$18.00
2 -----	27.00
3 -----	36.00
4 -----	46.00
5 -----	51.00
6 -----	55.00
7 -----	58.00
8 -----	60.00
9 -----	62.00
10 -----	64.00
11 -----	66.00
12 -----	68.00

The above amounts are based upon the Bureau of Labor Statistics retail food prices by cities and the U.S. Department of Agriculture food plans for families, and they include allowance for food price increases up to April 1, 1970.

Prepared by the Food and Nutrition Consultant, American National Red Cross.

ROBERT M. PIERPONT,

Director, Disaster Services.

ROBERT F. SHEA, *Vice President.*

Mr. SHEA. First, I would like to state that the American National Red Cross supports the legislation contained in House bill 17518, and a few additional comments I want to make are in relation to clarification of parts of that legislation—not in opposition to any of the legislation. We are supportive of this legislation and believe it is a forward step.

My first comment is that one of the reasons we believe this is a forward step is that it does not presume that the Congress of the United

States has reached the be-all and end-all in legislation on disaster relief. My own experience which goes back 29 years in this field indicates to me that with the changing patterns of this country there is no point in time where Congress can write legislation that will meet the needs of disasters this year, next year and ten years from now.

It is our recommendation, therefore, that the pattern of the House Committee on Public Works in annually reviewing disaster legislation based upon current experience is an essential element in the protective legislative framework for this country. We would strongly recommend that this pattern continue rather than we try to reach a total master plan that is going to answer all disasters for all time because in our experience every disaster represents new problems and particularly in this country.

Mr. JOHNSON. I certainly want to agree with you at this point. That has been the experience of the committee, that is the last 12 years I have been on it, that the disasters which have come to our attention each one is a little different, and we have treated it with special legislation. Now I do think that in addition to that we do need some sort of a permanent statute setting this up, and that is what we are trying to effect at this time.

Mr. SHEA. Yes, sir.

Mr. JOHNSON. Some general guidelines. It is pretty hard to cover all disasters for now or the next 10 years as you say.

Mr. SHEA. The second comment I would like to make is that since the establishment of the Office of Emergency Preparedness and its predecessor organizations the American Red Cross has been pleased and has developed tremendous respect for the competence of this Federal agency in the field of disaster relief, and by coordinating our efforts with the Office of Emergency Preparedness and with the other Federal agencies that operate under its leadership we believe a significant level of progress has been made in meeting the needs of people affected by disaster in this country.

My third comment is in support of the insurance provision of this bill. The American Red Cross has for years supported the availability of insurance at a practicable cost in relation to all disasters, natural disaster hazards in this country. We sincerely hope that the experience under the flood insurance plan will lead to the provision of insurance for those presently uncovered for natural hazards such as earthquake, land subsidence, landslide, and others, volcano, others which are not now covered.

Next, I would like to indicate that the Red Cross believes in coordination. We react to the coordinating role of the Office of Emergency Preparedness. We will continue to act in closest coordination with them. We do believe, however, that the American National Red Cross, which while not a Federal agency, is a Federal instrumentality by legislative history and by judicial decision cannot give over the direction of the expenditure of Red Cross funds, that is the direct relief to people, to any Federal agency other than its own control.

Mr. JOHNSON. Well, at that point I would like to have you relate your experiences with the disasters in California, the last two, through the State disaster office and the Office of Emergency Preparedness. Could you tell us what part you played there in that particular disaster? How did you offer your services and how were they utilized?

Mr. SHEA. The American National Red Cross is, by legislation in California, a part of the State disaster plan.

Mr. JOHNSON. That is right.

Mr. SHEA. Our staff operates with the State control center in any disaster including the flood operations. Therefore, our staff are in continuing physical liaison with the State disaster office, the Office of Emergency Preparedness, and we keep them informed daily of our activities, what our problems are, what our needs are, and they in turn bring to our attention any areas in which Red Cross assistance is required by people that may not currently be provided.

Mr. JOHNSON. Very good.

Mr. SHEA. Now one other comment, Mr. Chairman.

There is in the proposed legislation the development of one-stop service centers, and in Lubbock, Tex., we had an opportunity in a concentrated disaster to cooperate with the Office of Emergency Preparedness and other Federal and local State agencies in the operation of a one-stop service center. The results which are currently being evaluated would indicate that this was very good.

We would only bring to the attention of the committee that in a widespread disaster such as the northern California floods or in Hurricane Camille, the establishment of a one-stop service center is going to have to be multiplied innumerable times to bring the assistance as close to the people as possible, and, therefore, it may not be feasible in all large, widespread disasters to think in terms of one place in which all services will be available.

Mr. JOHNSON. Well that is quite true. In the last big disaster we had there from the standpoint of flood and mudslides and what have you they pretty much covered the whole State and we had 44 counties affected in the State's 58 counties that were declared disaster areas. So I see what you mean there. We would certainly have to have more than one and we did.

Mr. CLAUSEN. Would the gentleman yield?

Mr. JOHNSON. Yes.

Mr. CLAUSEN. This tends to tie in with the comments of the previous witness wherein she was concerned about the kind of centralized or coordinated relief centers wherein all of the various organizations, and you can in fact be dispensing information as well as the aid that is available through the various programs. So apparently you are in agreement. As a matter of fact, what I would like you to do while she is in the room—you have heard her testimony—and I would like to have your own reaction to some of the comments she made if you are so inclined to do so, if you were able to follow her testimony very closely.

Mr. SHEA. Yes, sir; I think I was. I think the fundamental question that is posed by Miss Crook to the Congress is the question as to whether the natural disaster assistance to people in this country shall be extended through the governmental agency responsible for the welfare activities of the Government, and the Congress up to this point has chosen to extend its assistance on primarily a credit basis through the various loan programs and through the American National Red Cross in terms of direct grants to people.

Now, of course, representing the American National Red Cross, I

happen to believe strongly in the role of the voluntary sector in this country not only in the field of disaster relief but in most of the fields in which this country has both problems and concerns. For that reason I would recommend the serious consideration of the continuation of the role of the voluntary sector in this country in the field of disaster relief in which the American people constantly year after year have expressed their desire that they as citizens have an individual responsibility and an opportunity to respond to the needs of their friends and neighbors wherever they may be in this country affected by disaster.

Mr. CLAUSEN. Mr. Shea, I am taking advantage of this opportunity because of Miss Crook's presence now and the testimony that did precede you. One of the concerns that I have is that if there is one thing that I have learned as a result of these experiences in all disasters throughout the country is that there is a tendency to want to turn or look to government to resolve all problems, and I am very much concerned about literally drying up the enthusiasm and the interests on the part of a number of voluntary organizations.

Let me read a paragraph directly from your statement:

Since Camille, we have had followup contacts with a variety of agencies and groups seeking to strengthen existing relationships with Red Cross in time of disaster. These included the Civil Air Patrol, the Mennonites, the Southern Baptist Convention, the Seventh-day Adventists, the National Catholic Disaster Relief Committee, the National Association of Real Estate Boards and other religious and medical groups who represent just a few of the national organizations with which the Red Cross has existing agreements or understandings related to disaster cooperation—organizations who look to the Red Cross for leadership and guidance as to how best their resources may be utilized in time of disaster.

I think this tends to direct itself to what Miss Crook was saying. All that really is required, as I view it, is for them to coordinate more closely with the Red Cross organizations, build up the civil defense disaster coordinating counsel in their local units of government as well as their States, and this must be done in every State of the Union because this is precisely what we have done in California with great success.

Mr. SHEA. The American National Red Cross believes that there must continue to be great flexibility in the operation of disaster relief because, as we mentioned previously, of the difference in each disaster.

I would like at this point to insert a comment in relation to earthquake hazards.

Mr. JOHNSON. You may.

Mr. SHEA. Congressman Clausen is 100 percent correct in his assumption that there is at this moment no action plan in the United States that deals effectively with public information and education on the problems related to earthquake hazards and their potential reduction. I am currently serving as a member of a task force on earthquake hazard reduction. I am very hopeful that the task force report will be quickly forwarded to the committees of Congress because it does contain the beginning elements of a national program in this area.

Mr. CLAUSEN. I am wondering if I could interrupt just for a moment.

Would it be possible for you to at least evaluate the basic information that you now have, inventory it to a point where maybe you could

offer us, if there is authority needed, offer us something in the way of some suggested language to be incorporated into the bill that we pass here if you feel that there is a need for legislative authority? If it can be carried out by directing a specific request to the agencies involved without legislative authority, then I would like to have that too.

Mr. SHEA. I think the recommendations coming from the task force will largely be in terms of the development of coordinating plans between the agencies concerned, the establishment of a sharp and clear focus of responsibility for the development of these plans, and a utilization of existing agencies and organizations in the reaching of the public with this information.

Let me give you an example. You had before you Dr. Simpson, a significant and great leader in a scientific area in this country. Now the American National Red Cross from the beginning of the Weather Bureau system in relation to hurricanes has cooperated in a nationwide public information system in all supposed hurricane areas. The American National Red Cross would like to cooperate in the same way with Federal agencies carrying responsibility in terms of earthquake. The recommendations of the task force will deal with these matters, and it is recommended that those agencies that carry traditional disaster responsibilities like the Corps of Engineers, like the American Red Cross, like State governments develop a plan for a continuing education system, feed it into the school systems, feed it on an annual basis into community planning just as we do in the supposed hurricane areas in terms of hurricanes today.

Mr. CLAUSEN. Let me interrupt again, because among other things as alternatives to flood protective works whenever you run into the situation where there is not the engineering and economic feasibility that can meet the criteria, we are trying to adopt for instance a people and cattle evacuation plan as a part of this, and there would be a regular drill so that we would know that it would work once the information comes as far as flood warnings are concerned.

I am so pleased with your comment, and I am hopeful that you will address yourself to some of these things so that we do have a definite recommendation for a national program.

Mr. SHEA. Well, in relation to floods, up until recent years the flood watch plans of the American Red Cross in cooperation with the Department of Agriculture and State departments of agriculture did include plans for the evacuation of livestock and the care of such evacuated livestock as well as plans for the evacuation of people and care of people. During the forties, time after time in major floods on the major waterways of this country we evacuated literally hundreds of thousands of livestock and provided central points for their care as well as providing for the care of people.

Mr. CLAUSEN. We are going to have a quorum call any minute now. Would you mind channeling this down to Mr. George Grace and General Lincoln in OEP, the Office of Emergency Preparedness, and see if they could crank this into their operation information site program?

Mr. SHEA. Surely. I think it would be very good. Yes, sir.

One other comment. In sections 4(a) and (b), we would recommend

that the American National Red Cross—it now reads “American National Red Cross and other private relief organizations.” We would recommend the deletion of the word “other” in that the American Red Cross as a Federal instrumentality is not a private relief organization per se.

Mr. Chairman, there are no other general comments that we have to make although we would be happy to answer any questions.

Thank you, Mr. Chairman.

Mr. JOHNSON. Mr. Shea, your statement is a very good one.

We want to thank you for your comments here and your response to questions, and also your comments on specific sections of the bill that is pending. This committee will consider this legislation for some time I presume and try to work its will and come up with a bill prior to the close of the 91st Congress, the Senate concurring, or vice versa. But I do think and agree with you that each disaster has something a little different, and I do not think we are going to get away from a special consideration for major disasters.

Mr. SHEA. Thank you, Mr. Chairman.

Mr. CLAUSEN. Thank you.

Mr. JOHNSON. Our next witness will be Mr. David J. Humphreys of the Washington Council, Mobile Housing Association of America.

**STATEMENT OF DAVID J. HUMPHREYS, WASHINGTON COUNSEL,
MANUFACTURED HOUSING ASSOCIATION OF AMERICA, ACCOMPANIED BY JOSEPH E. BONELLI, JR.**

Mr. HUMPHREYS. Thank you, Mr. Chairman.

As a point of information before I begin, I would like to point out that the name of our association has been changed to Manufactured Housing Association of America. It is so indicated on my statement whereas my original letter had the previous caption on it.

Our association is basically made up of the mobile home dealers, park operators, and suppliers throughout the country. There is a separate association that primarily represents the mobile home manufacturers.

I have with me Mr. Joseph E. Bonelli, Jr. Mr. Bonelli has been in the mobile home business since 1944. He is from Jackson, Miss. He is involved in the sales service of parts for mobile homes. He is very familiar with what went on following Hurricane Camille and up to the present. He has his own finance company and insurance agency involved in the mobile home field. Also, he has been a manufacturer as well as a dealer, and currently has some six sales lots in addition to his mobile home park.

In the interest of time, I would be willing to waive the reading of my statement.

Mr. JOHNSON. Your statement will appear in its entirety in the record at this point.

(Statement referred to follows:)

Mr. Chairman and Members of the Subcommittee, my name is David J. Humphreys and I am Washington Counsel for the Manufactured Housing Association of America with offices in Chicago, Illinois and Washington, D.C. The Manufactured Association is a trade association consisting primarily of dealers but

also including mobile home park operators, manufacturers, lenders and others involved in the mobile home and manufactured housing industry.

My purpose in testifying today is to convey to you the views of our Association with respect to that part of pending disaster legislation which relates to the acquisition and management of mobile homes as temporary housing in the event of a major disaster such as that which followed the hurricane Camille in the Gulf States last August.

It is our understanding that immediately following Hurricane Camille, the Department of Housing and Urban Development contracted for and subsequently acquired 5,912 mobile homes from manufacturers and dealers and that the initial delivery occurred shortly after the August 22, 1969 invitation for bidding. We also understand that 3,666 of these units were delivered for use in Mississippi; 1,991 in Louisiana; and 255 in Virginia and West Virginia.

These mobile homes were acquired on a lease basis, generally a twelve months' lease, with the cost of leasing a two-bedroom unit ranging from \$2,098.00 to \$2,965.00 per year and a three-bedroom unit leasing for \$2,390.00 to \$3,460.00 per year.

Because, as of April 24, approximately 4,350 families are still living in these mobile homes, it may be difficult to make a complete evaluation of the effectiveness of the leasing method as distinguished from outright purchase of mobile homes from either the manufacturers or dealers.

Nevertheless, it is our opinion that the leasing method is impractical and probably will result in a greater cost to the Government than if the mobile home units had been purchased by the Department. It is our recommendation that legislation provide authority for the Department of Housing and Urban Development to purchase, as well as lease mobile homes for this purpose. Our Association feels that legislative intent should be clear that the Department seriously consider not only the purchase of mobile homes at the time of a disaster but also the stockpiling of mobile homes in strategic areas in the country that are more prone to disasters such as hurricanes, tornadoes and major flooding.

We believe that mobile homes could be stockpiled on land belonging to the United States, near military installations and that with little expense they could be prepared for stockpiling and reconditioned for quick transfer.

In our opinion through the use of the National Guard and other military vehicles these mobile homes could be quickly transferred and put into use in disaster areas. Mobile home dealers are highly qualified in setting up mobile homes for use by occupants and are deployed throughout the country. We are confident there would be enough talent and experience in this industry near and in disaster areas to adequately assist in putting mobile homes into use within a very short time.

We also believe that the authority to purchase mobile homes in the bill approved by the Subcommittee should also contain authority for the Department to sell the unit to the family using it in the disaster areas. It is our understanding that under the survey conducted by the Department of Housing and Urban Development 91% of the occupants of mobile homes in the Hurricane Camille area were satisfied with their accommodations and we believe that a great percentage of these would purchase the units if such authority existed.

It is also our belief that the Department of Housing and Urban Development should be authorized to acquire mobile homes from either manufacturers or dealers and that the time element be a major factor in determining the source of procurement. HUD authority should be flexible enough to permit the Department to buy mobile homes in or near a disaster area from a mobile home dealer rather than having to go to the factory to haul these units long distances on the highways.

We commend these views to the Subcommittee's consideration.

Mr. JOHNSON. If the gentleman from Mississippi would like to make a comment at this time, and if he has a statement, we would place his statement in the record, too.

Mr. HUMPHREYS. Mr. Bonelli does not have a formal statement.

Mr. JOHNSON. I assume he has had as much experience with Camille as have most people in the mobile home business.

Mr. HUMPHREYS. We had Mr. Earl Aechon who is from that area also. His remarks were found very interesting, and I think this committee may benefit from those comments in the Senate as well if you would like to footnote that.

The basic position of our association is that we would like the legislation to include authorization for the purchase of mobile homes as well as leasing. In a given year it may be better to purchase than to lease, and we think on an overall basis it is much better for the Federal Government to purchase mobile homes rather than to lease. There were many, many problems that have occurred because these units were leased rather than purchased. This would be the thrust of our position, and Mr. Bonelli of course can footnote that substantially.

Mr. JOHNSON. The existing statutes only provide for leasing at the present time.

Mr. HUMPHREYS. The legislation we are considering allows leasing and we think it should be leasing or purchase.

Mr. BONELLI. Mr. Chairman, I have been rather closely associated with Camille. I have nothing really to sell the Government or anything else. The only representation I make is that there should be an improvement in the way it is handled. There are so many people in that area of the gulf coast who are now living in what I refer to as HUD trailers. These mobile homes were leased by HUD from various lessors and the tenants still have no place to live. The thing that is bearing down at the moment is that the period of the emergency as declared by the President will expire on the 18th, which is the anniversary of Camille, and these people have been through HUD or the Mississippi agency or the municipal agency working under HUD given notice, a great many of them, that they must find other places to live by the 18th of August. All of this stems from the fact that possibly HUD must return these mobile homes to these lessors through some arrangements possibly and the lessors are not willing to extend the leases. It is a rather serious situation.

I have a clipping if you would like to have it read or incorporated into the record from the Daily Herald, which is a Biloxi-Gulfport, Miss., paper.

Mr. JOHNSON. We will make that a part of the record.
(The article referred to follows:)

[From the Daily Herald, Biloxi-Gulfport, Miss., July 25, 1970]

HUD ISSUES TRAILER EVACUATION GUIDELINES

With the Aug. 18 deadline for evacuating HUD mobile homes almost at hand, officials of Housing and Urban Development Agency Friday issues a statement of policy involving the three major hurdles which evacuation will mean for the hurricane-stricken families who have spent all or most of the past year in the temporary shelter.

Robert E. Brown, HUD representative, Gulfport, announced his department will do "as much as we can to help with the arrangements for the transition." He cited special efforts in the field of rent structure, adjustment and tardy rent payments.

The new rent structure follows:

Trailers located on group sites provided by the Gulfport Housing Authority: Two bedroom, \$65 plus a \$15 lot charge (the lot charge is uniform in each case); three bedroom small, \$75 plus \$15 lot charge; three bedroom large, \$85 plus \$15 lot charge. The total charge includes water and sewerage. All other utilities will be paid by the tenant.

For trailers located on individual or commercial lots, mobile home charges will run \$65 for two bedroom, \$75 for three bedroom small and \$85 for three bedroom large. All utilities will be paid by the tenant and the care of the lot will be borne by the tenant.

"The law only provided subsidized housing at emergency rates," Mr. Brown stated. "The rent structure in effect now will have to cease on Aug. 18. Our survey teams are now in the process of securing available land in trailer parks and other possible sites."

As to adjustments, Mr. Brown assured tenants that "We will assure the same help on hardship adjustments. A team of counselors is now interviewing the occupants case by case."

For the person behind in his rent, a new plan of payment will be developed on an individual basis. The lease will not be renewed after Aug. 18 unless reasonable arrangements can be made to catch up on the amounts.

After Aug. 18, he said, everything will open up on a month-to-month basis. "We will do as much as we can to help with special arrangements—and nobody will be put out of the mobile homes without a place to go unless we feel they are failing to take advantage of other avenues open for their benefit."

As late as Thursday, the official HUD accounting of the trailer situation showed 3,067 mobile homes actually delivered and occupied in the Camille region, 3,481 families housed (this was due to the fact that many families vacated the trailers as soon as their original homes were restored and a turnover in trailer occupancy resulted); and there are now 1,609 mobile homes in use.

Future dealings with the occupancy of HUD trailers will be arranged through the Gulfport Housing Authority, whose chairman, Huston Carter, said "The reason for the absolute necessity of a trailer deadline is that when the President declared a state of emergency, he declared it for one year after the hurricane; it's as simple as that."

Mr. BONELLI. This clipping states how many families will be affected and how they are going to raise the rent on these people should they have to stay after this deadline.

Mr. JOHNSON. Well that is very good information to have because we realize that the leasing period is about up.

Mr. BONELLI. Yes, sir.

Mr. JOHNSON. And we have discussed quite a bit the probability of those living in the homes being able to purchase the mobile home.

Mr. BONELLI. Yes, sir; but if the people living in the homes purchase them they must purchase them through the lessors—the people who provide them to the Government. I know of one specific example of a person from Claremont Harbor which is below Pass Christian. This woman was living on a pension, or relief, or something, and was told that August 18 was her deadline. A friend found the lessor of the home and tried to purchase it for her inasmuch as it was all set up. She was old and it was a disruption to her way of life to move. And this particular lessor would not dispose of this one mobile home. That, of course, was his prerogative to do so. I am making one available to them now. I am a small lessor. I really have no part of the leasing business. I think there is a better way of doing this. I have no ax to grind, but these things are being flooded now on the market by these lessors. There is a notice of an auction here which I have that went on down on the coast to show how these things are going to be dumped on the market. Well, there is one way to get around this for a dealer to buy them himself and move to other parts of the State.

Mr. JOHNSON. I imagine there will be many people participating in the auction.

Mr. BONELLI. There were quite a few. But we think the Government should buy these mobile homes and stockpile them on military

installations and other Government property. These things have wheels on them. They can move. They can be taken anywhere in the United States from one point to another, even to the furthest point within 48 hours. They should go further than they have been in housing. They should have restroom facilities, temporary grocery stores and all these things. There was nothing left on the gulf coast when Camille struck. Milk was going for \$5 a gallon, if you could find it.

We have said something here that the Government will bail these people out and they did in Camille, but we don't think they went about it in the right way. Of course it was better to do it that way than no way at all. We are well aware of that and we want to point that out. But we think the Government should put these things in strategic locations, have them available to move on their own or by independent transporters and make them available to the people when they need them without all the red tape. When a person is out of a home you have to see about getting them a home or anything else and it is catch as catch can. It was pandemonium.

Mr. CLAUSEN. That is one of the reasons we do have these hearings because I am sure you can agree what perspective hindsight provides. We are always looking for a better way of doing things.

Mr. HUMPHREYS. That is my purpose in being here.

Mr. BONELLI. I really have no other statement unless there are some questions.

Mr. HUMPHREYS. There is one other question we also made previously in the Senate, and that is that when mobile homes are purchased by the Government of course they would not necessarily be normal models. In other words, the use these mobile homes are put to is rather rigorous, and under the circumstances, of course, when they had a great many units Mr. Bonelli was telling me earlier that many of the mobile homes that were delivered particularly after the quantity on the sales lots was exhausted, the quality of these mobile homes made in a rush was not good. There were very serious things wrong and he sold many parts. People would come in and the refrigerators weren't all there for example. All kinds of problems occurred, leaking roofs and everything else because of the rush that the manufacturers were put to in order to attempt in good faith to meet these needs for which they did their best. Our point was that if they are purchased it is more economical for the Government in the first place because the lease is expensive if they were properly built and designed for that purpose. Then, of course, they could be put in these five areas I believe the previous witnesses testified most of these disasters seem to occur of this type. So we think the quality of the homes would be much, much better if built to that specification and not necessarily a great deal more expensive.

Mr. BONELLI. Probably less expensive if they were put out under bid to the manufacturers. They would go to the manufacturers and let them bid on it. But put out a home that will do our industry good and do it justice and give us a better name than what we have had to cope with these 5,000 make-shift devices that have been delivered on the coast at great expense to the Government.

Mr. JOHNSON. I do believe in Camille this was a situation that the mobile home people came in and offered what they had and the need

there was much greater than what they could produce immediately. So they went into this hurried-up construction and moved these in under lease provisions, and they were discussing it quite thoroughly when they entered into the lease agreements because they were not too cheap as you know.

Mr. HUMPHREYS. They don't want to renew them either.

Mr. BONELLI. As one illustration, there was a family down there told that their home was ready to move into. They turned on the jet to the gas stove. The stove was hooked to a butane tank. The natural gas was gone. Immediately out of the jet of the cook stove there shot up water. The guy was right panicky. There are a great many Catholic people down in that area and the first thing he did was go to the priest. He told the priest I turned on the gas stove and water came out. What shall I do? The priest said to report it to the proper authorities. He said, in the meantime I would not use the toilet, flush it and strike a match. It was just that bad.

Mr. JOHNSON. We want to thank you gentlemen for coming here and giving us the benefit of your testimony and the facts on the availability of trailers. The situation that you face down there and the newspaper article is very good information.

Mr. BONELLI. Thank you, sir.

Mr. CLAUSEN. One question. This, of course, would relate to the frequency of occurrence. How long have you lived in that area?

Mr. BONELLI. I have lived in Mississippi all my life, 54 years, sir.

Mr. CLAUSEN. How many times have you experienced a similar situation to this? Now I realize that Camille was a real extreme situation.

Mr. BONELLI. I would say at least once every 4 to 5 years something happens of some magnitude.

Mr. CLAUSEN. Because this tends to tie in. As you pointed out, you do have the mobile capability.

Mr. BONELLI. That is right.

Mr. CLAUSEN. And it seems to tie in. Maybe the concentration of effort should be on providing the necessary health and sanitation facilities in an area, a certain area so that you could actually accommodate people during the time that a disaster is likely to occur in the region. I mean you are not going to pinpoint which community is going to be hit as you can readily understand.

Mr. BONELLI. No.

Mr. CLAUSEN. Does that tie into what you see to be the situation?

Mr. BONELL. Yes, it does. The mobility seems to be the best thing, I believe.

Mr. CLAUSEN. And we need these receiving stations in the event that a disaster is likely to strike based on past experiences. I see you nodding your head.

Mr. HUMPHREYS. They could go 500 miles in the other direction in 1 day really.

Mr. BONELLI. The facilities are there at Keesler Air Force Base, near Biloxi. How do you know, but within a 5-year period, there will be an earthquake or tornado somewhere else? In fact, there was a tornado in Corinth, Miss., this past winter. Hundreds of these mobile homes of HUD were moved up there. That is the flexibility of this.

Mr. CLAUSEN. I would like to have you take some time based on both your experiences to sit down and write these facts in a letter. As far as I am concerned, I would like to have the letter written to me, and I would like to channel it to the committee as well as to the HUD people almost immediately because I think we have hit on something that might be very helpful.

Mr. BONELLI. I will do that. Thank you.

Mr. JOHNSON. We have a statement here of Clifton Craig, chairman, Emergency Welfare Services Committee, American Public Welfare Association.

STATEMENT OF CLIFTON M. CRAIG, CHAIRMAN, EMERGENCY WELFARE SERVICES COMMITTEE, AMERICAN PUBLIC WELFARE ASSOCIATION

Mr. CRAIG. Mr. Chairman and members of the committee, I appear here today as a representative of the American Public Welfare Association. I am chairman of the association's emergency welfare services committee. The American Public Welfare Association has approximately 8,000 individual members and approximately 1,700 agency memberships, both public and private.

I am also the North Carolina commissioner of social services. In that capacity I am also vitally interested in disaster and emergency relief.

In your hearings on existing Federal disaster assistance legislation and the need for amendments or new legislation, we wish to emphasize the need for including the Department of Health, Education, and Welfare in the total Federal response to major disasters. We recommend that the Department of Health, Education, and Welfare's role in disaster relief and recovery be that of assuring that all basic needs are met, and of coordinating the emergency welfare service activities of all agencies and groups, public and private; we do not want this recommendation to be construed as any intent or suggestion that the efforts of other agencies, public or private, be curtailed. We do, however, recommend that the role and responsibility of DHEW for emergency welfare services be defined in the Federal Disaster Relief statutes just as those of other Federal agencies, not only to clarify the welfare response but to insure proper liaison and delineation of responsibility between DHEW and other agencies.

Government at all levels is responsible for the protection of life and property within its jurisdiction. This is a day-to-day responsibility that also continues in any major emergency. It is our conviction that public welfare is the statutorily created agency responsible for carrying out Government's inherent responsibility for providing for people in need; and, that this agency has a continuous and unconditional commitment to assure availability of emergency welfare services in disasters and emergencies.

For this commitment to be effective, however, it is essential that Federal leadership be provided in establishing a coordinated program and in participating in the cost of State and local emergency welfare services. State and local welfare departments operate on fixed

and limited budgets. Thus, local welfare agencies are caught in the position of having the legal responsibility for welfare services under any condition without having adequate resources, nor is there an adequate national plan relating welfare agencies' role in meeting the needs of people in disasters or emergencies. Lest there be any misunderstanding, I think at this point I should clarify for you our concept of what constitutes emergency welfare services. We recognize emergency welfare services as general assistance programs and services to meet human needs of individuals and families resulting from disasters including, but not limited to, emergency feeding, emergency clothing, emergency social services, emergency lodging, registration, and inquiry. I am talking about meeting human needs in an emergency on a relatively short-term or emergency basis. I am not talking about welfare agencies controlling bulldozers, communications, providing building loans, et cetera.

Under the civil defense setup there already exists a system of emergency welfare services that are built into the established welfare system. Plans have been worked out for all kinds of emergency feeding, shelter, clothing, et cetera. Thus, in the case of man-caused disasters this responsibility is already assigned to DHEW and the public welfare agencies by Executive Order 11490. This order, in addition to defining emergency welfare service programs, assigns functions to public welfare as follows:

"Such measures include organization, direction, and provision of services to be instituted before attack in the event of strategic or tactical evacuation and after attack in the event of evacuation or of refuge in shelters."

It is proposed that similar responsibility be assigned to DHEW and its counterpart State welfare agencies with respect to natural disasters. Thus, in natural or man-caused disasters the responsibility for providing emergency welfare services and assistance for individuals and families would be assigned to the Department of Health, Education, and Welfare and its counterpart State public welfare agencies that have a normal corresponding or similar functional role.

While State and local public welfare agencies are being asked to discharge their legal responsibilities during major emergencies, Public Law 875—81st Congress (Federal Disaster Act, as amended, 1950) in its implementation appears to prohibit the Federal public welfare agency from assuming responsibility in the area of direct aid to individuals. And while existing law and proposed legislation provide for direct aid to individuals, specific authority for the Department of Health, Education, and Welfare to direct this public welfare responsibility is not included. Such authority would place the Federal welfare agency in the continuing role of leadership and authority on which State and local welfare agencies currently depend during the predominant times of "nonemergency."

Certainly the Congress and the President have recognized the need for disaster relief. I understand that over the last 18 years there have been more than 50 separate congressional enactments and Executive actions dealing with this problem. This evolutionary process has in itself created a complex problem. Current legislation is confusing, difficult to administer, and uncoordinated. Since January of this

year, I have attended three different meetings regarding emergency welfare services, in each of which there has been a recurrent and predominant theme—the need for enumerating the responsibilities of all public and private agencies, the coordination of these services, and a plan to assure that each agency has proper and adequate resources to perform its functions. For meeting these needs, Federal leadership and guidance are considered of the utmost importance. While there are many fragmented systems aimed at meeting a portion or specific segments of the needs, we think there is a requirement for one coordinated system—from Federal down to local level—clearly understandable without the complex intricacies of existing laws.

On April 23, 1970, when the administration bill, Disaster Assistance Act of 1970, was introduced there was mentioned again the familiar theme; Senator Dole, of Kansas, who joined in introducing this legislation, stated: "A common complaint was the failure of Government agencies to coordinate their efforts." We think, as I have previously stated that this comes about because of the absence of a national plan and because the role of each agency is not clearly understood or delineated.

Jointly, the American Public Welfare Association, the U.S. Civil Defense Council, the National Association of State Civil Defense Directors, and the National Association of County Directors have recommended that Congress should authorize the Department of Health, Education, and Welfare to establish a national emergency welfare services program. It was agreed by these organizations that a national emergency welfare services program should provide for:

1. Effective administrative leadership and adequate financial assistance to State and local public welfare agencies to insure development of sound emergency welfare services plans.

2. Basic and badly needed coordination of all activities connected with meeting human needs at all governmental levels during emergency and postemergency periods.

3. Consistency in policies and procedures (this we consider to be a vital necessity when an emergency affects more than one State).

4. A clear understanding of all capabilities and responsibilities among and between all agencies at all governmental levels. I have included a copy of the statement of the four organizations as an amendment to my statement which I shall supply to this committee.

In summary, Mr. Chairman and members of the committee, we think there is an urgent need for a national disaster plan which would enumerate the responsibilities of all public and private agencies for emergency welfare services. We think the responsibility for this plan should be assigned to the Department of Health, Education, and Welfare, and we think that additional Federal financial aid must be provided for State and local governments through grants-in-aid to carry out their responsibilities. There are today more than 175,000 people at local and State levels who are on a day-to-day basis concerned about meeting the needs of people in the so-called nonemergency situations. This welfare staff is available. It is on board. It does not have to be brought into being. We feel that it is an ongoing responsibility of local government to provide for the needs of its people. And that statutorily by law, State and local agencies have

this responsibility but, local welfare agencies are caught in the position of having the legal responsibility for welfare services under any condition without having an adequate national plan, and without the financial resources for meeting the needs of people in large disasters or emergencies. Since all of these agencies work under the broad funding and direction of the Department of Health, Education, and Welfare we believe that the Department of Health, Education, and Welfare should be assigned commensurate responsibilities and given the resources to provide for emergencies and disasters. This would provide for continuing assistance and services in the regular day-by-day program, as well as expanding usual services, to meet the needs occasioned by disaster or emergency.

Thank you.

STATEMENT BY AD HOC COMMITTEE ON EMERGENCY WELFARE SERVICES REPRESENTING UNITED STATES CIVIL DEFENSE COUNCIL, NATIONAL ASSOCIATION OF STATE CIVIL DEFENSE DIRECTORS, NATIONAL ASSOCIATION OF COUNTIES, AMERICAN PUBLIC WELFARE ASSOCIATION

PREMISE

Government at all levels is responsible for the protection of life and property within its jurisdiction. The responsibility is continuous and inclusive of any major emergency regardless of cause.

It is our conviction that public welfare—statutorily created, directed, and entrusted to carry out government's inherent responsibility for the care of needy people, has a continuous and unconditional commitment to assure the availability of emergency welfare services in emergencies.

NEEDS AND OBJECTIVES

From time to time state and local officials must provide emergency welfare services for people rendered destitute by a disaster of major proportions; e.g. Hurricane Camille, 1969. Here, once again, the task of state and local officials was made more difficult by the complete absence of a comprehensive plan on the federal level leading to the coordination of federal, state, and local emergency welfare services activities by government. Many agencies, both public and private, have functions in providing services in emergencies. The responsibilities and roles of each need to be enumerated in a master plan at national, state, and local levels so that proper working relationships may be established.

If an effective program of emergency welfare services is to be provided, the federal government must participate in the cost of state and local emergency welfare services. This assistance should be provided during an emergency on the basis of need without regard to the previously established categorical programs.

RECOMMENDATION

We recommend action by the Congress to authorize the Department of Health, Education, and Welfare to establish a national Emergency Welfare Services program. Such a program is essential and must incorporate:

1. Effective administrative leadership and adequate financial assistance to state and local public welfare agencies to insure development of sound welfare services plans.
2. Basic and badly needed coordination of all activities connected with meeting human needs at all governmental levels during emergency and post-emergency periods.
3. Consistency in policies and procedures (a vital necessity when an emergency affects more than one state).
4. A clearer understanding of capabilities and responsibilities among and between all agencies at all governmental levels.

The inevitable result of this action would be a vastly improved capability to meet human needs.

Mr. JOHNSON. We have a communication here from Mr. Creed C. Black, Assistant Secretary for Legislation, Department of Health, Education, and Welfare, addressed to Mr. Fallon, a letter of July 30, 1970.

We will place Mr. Black's letter and statement in the record at this point.

(The letter and statement referred to follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF THE SECRETARY,
Washington, D.C., July 30, 1970.

HON. GEORGE H. FALLON,
Chairman, Committee on Public Works,
U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to my letter of July 24, 1970, the following statement is submitted in connection with your current hearings on H.R. 17518, H.R. 17824, H.R. 17728, and H.R. 7701.

Sincerely,

CREED C. BLACK,
Assistant Secretary for Legislation.

Enclosure.

STATEMENT BY DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE CONCERNING

H.R. 17518, H.R. 17824, H.R. 17728, AND H.R. 7701

To the Committee on Public Works of the House of Representatives

This refers to Chairman Fallon's notice of July 15, 1970 with respect to the above-cited bills. The Department appreciates this opportunity to present a brief statement.

By way of introduction, the Department's role in disaster assistance is targeted primarily on what President Nixon's message of last April 23 called our first objective after a disaster occurs—namely, help to individuals and families.

In order to do this HEW provides resources of professional and technical personnel, supplies and equipment, and funds, where authorized, to:

Protect the public health.

Assist in medical and casualty care, including use of packaged disaster hospitals and the emergency stockpile of medical supplies.

Provide emergency public assistance and services for disaster victims who are in need.

Assist in restoring education facilities and services.

Expedite payment of Social Security claims.

Make surplus property available.

The focal point for this assistance is in the Departments' 10 regional offices. Each of these offices has a written natural disaster plan and keeps in close contact with the corresponding OEP region to respond promptly when a disaster strikes or threatens. The Departments' regional director represents the Secretary and coordinates the HEW field effort, with backing as required from other regions and from the operating agencies at headquarters.

With respect to H.R. 17518 and H.R. 17824, these are bills in identical language to amend and improve existing Federal disaster assistance. They conform to the President's Message to Congress on Disaster Relief, dated April 23, 1970 (House Document 91-323). We fully support this approach and recommend your favorable consideration. Testimony in detail has been offered on these bills by Director George A. Lincoln, who heads the Office of Emergency Preparedness. We associate our views with that testimony and would have nothing further to add.

A third bill, H.R. 17728, is intended to provide additional assistance to the State of Texas for reconstruction of areas damaged by tornadoes occurring on April 17 and 18 and May 11, 1970. This bill contains nothing of administrative concern to the Department of Health, Education, and Welfare and no comment is offered thereon.

The fourth bill, H.R. 7701, provides for engineering investigation on earthquakes, seismic waves, and related phenomena by the Army Corps of Engineers.

It contains nothing of substantive interest to the Department and no comment is offered.

Respectfully submitted,

CRED C. BLACK,
Assistant Secretary for Legislation.

Mr. JOHNSON. Is there any further business?

[No response.]

Mr. JOHNSON. If not, the subcommittee stands adjourned.
(Thereupon, at 12:45 p.m., the hearing was adjourned.)
(The following were received for the record:)

STATE OF ALABAMA,
DEPARTMENT OF PENSIONS AND SECURITY,
ADMINISTRATIVE BUILDING,
Montgomery, Ala., August 3, 1970.

HON. ROBERT E. JONES,
*Chairman, Subcommittee on Flood Control,
Rayburn Building, Washington, D.C.*

DEAR MR. JONES: On July 30, 1970 your Subcommittee received oral testimony on proposed disaster relief measures from Heaton Crook, representing the U.S. Civil Defense Council. Copies of the Report of the Ad Hoc Advisory Committee on Emergency Welfare Services, March 18-20, 1970 and the U.S. Department of Health, Education and Welfare letter of transmittal requesting comments and suggestions thereon by state welfare administrators were made a part of the record.

I am enclosing a copy of my comments and suggestions in response to the above. I am vitally concerned about the U.S. Department of Health, Education and Welfare being included in federal disaster relief statutes to carry out its welfare responsibility to victims of any disaster just as other federal agencies now specified therein. I am requesting that the attached letter addressed to Sec. Elliot L. Richardson, dated July 15, 1970 be included as a part of the record of the hearings on disaster relief measures being conducted by the Subcommittee on Flood Control.

Thank you most kindly.

Sincerely yours,

FRANK HOUSE, *Commissioner.*

STATE OF ALABAMA,
DEPARTMENT OF PENSIONS AND SECURITY,
ADMINISTRATIVE BUILDING,
Montgomery, Ala., July 15, 1970.

HON. ELLIOT L. RICHARDSON,
*Secretary, Department of Health, Education, and Welfare,
Washington, D.C.*

DEAR SECRETARY RICHARDSON: I have just received the State Letter from Commissioner Stephen P. Simonds transmitting the "Report of the Ad Hoc Advisory Committee on Emergency Welfare Services"—March 18-20, 1970, Washington, D.C. I want to offer my congratulations to you and members of your staff in presenting a detailed report to all state welfare administrators, reflecting the depth of study and recommendations by the advisory committee. I had previously received an account of the deliberations from a member of my staff who served on the committee, indicating the interest and concern expressed by John D. Twiname, Mr. Simonds, Andrew R. N. Truelson and others who made this a most successful experience for state participants.

I am encouraged with the actions taken by HEW relative to some of the recommendations of the Ad Hoc Advisory Committee. While there is yet a great deal to be done to resolve the problems in EWS development, it is heartening to see this approach which utilized the resources of all levels of government as well as wide representation from other interested groups.

As requested I am listing below my suggestions for lending new impetus to the development of Emergency Welfare Services for your consideration.

(a) Recently I sent to you and appropriate members of your staff, copies of amendments to S. 3619 which were jointly submitted to the Special Subcom-

mittee on Disaster Relief of the Senate Public Works Committee by this department and the U.S. Civil Defense Council. I know you share my concern that public welfare agencies be prepared to meet human need in any emergency or crisis condition and I hope that you concur with the amendments we feel would provide the legal basis and funding essential to accomplish it. I think you will be interested in knowing that Senators John Sparkman and James B. Allen have been in touch with Senator Birch Bayh in support of these amendments.

I suggest that you provide support and leadership by acquainting the Senate Public Works Committee with HEW's responsibility for meeting the needs of people in any disaster or crisis and the urgent need for Congressional action to give legal authority and funding to so do. I further suggest that this action on the part of HEW be initiated with the Senate Public Works Committee to insure the inclusion of the emergency functions of HEW-SRS in the total federal response to major disasters. I am recommending that the role and responsibility of Emergency Welfare Services be defined in the Federal Disaster Relief statute just as those of other federal agencies, not only to clarify the welfare response, but to insure proper liaison between HEW and the federal coordinating agency. In my opinion this congressional action should be *in addition* to those aspects of the Social Service Program-Family Assistance Plan as related to Emergency Welfare Services now being considered by the Senate Finance Committee.

(b) A major deterrent to Emergency Welfare Services in the past has been inconsistency of emphasis and priority by public welfare agencies at all levels of government. While there are explanations for the deterring factors, I do not think they are justifiable and tend to indicate a lack of real commitment on the part of the welfare establishment to provide leadership as necessary to meet human need in emergency conditions and as a part of the total governmental effort to so do.

I am suggesting regular meetings on Emergency Welfare Services at the national office consistent with those called by HEW on other segments of the on-going program in which all states are requested to participate. To so do I realize the emergency functions of public welfare at all levels must be made an on-going program with equal emphasis and priority to the other phases of welfare presently administered. I recommend particular attention to be given by these means or others, to avoid falling into the old familiar pattern of initiating impetus in this program through one meeting but failing to follow through with meaningful development.

I am most appreciative of the efforts being made at the national level to further the development of Emergency Welfare Services and hope the above comments and suggestions will be helpful to you as well as indicate our genuine concern about this area of our total responsibility to needy people.

With kindest regards, I am

Sincerely yours,

FRANK HOUSE, *Commissioner.*

STATEMENT OF JOHN M. MARTIN, MANAGING DIRECTOR OF THE MOBILE HOMES MANUFACTURERS ASSOCIATION, AND ON BEHALF OF THE TRAILER COACH ASSOCIATION

My name is John M. Martin, and I am Managing Director of the Mobile Homes Manufacturers Association, 1800 North Kent Street, Arlington, Virginia. I am also presenting this testimony on behalf of the Trailer Coach Association, 3855 East LaPalma Avenue, Anaheim, California. Both Associations support the purchase option for disaster housing. Jointly, the two Associations represent manufacturers who build more than 80% of the Nation's mobile homes.

Attached to my remarks is a publication called "Flash Facts on Mobile Homes"¹ which gives a composite look at the mobile home industry, its growth, its consumers and its prominences in the marketplace for homes selling for under \$15,000. This booklet contains a great deal of historical data. Figures received recently indicate that during 1969, mobile homes accounted for 94% of homes sold for \$15,000 or less; 79% of homes selling for under \$20,000; and 67% of homes selling for under \$25,000.

I am submitting this testimony in support of the purchase option for the

¹ Retained in committee files.

procurement of mobile homes during national disasters. We feel that it is our duty to work as closely as possible with the Federal government in order to bring immediate aid to the disaster victims. But from recent experience in the Camille crisis we believe we could be more effective if some sort of purchase arrangement could be worked out. By using a purchase agreement we should also be able to eliminate much of the criticism and resentment which occurred in the Camille crisis, where units in the area could not be used because the government could not purchase these units from either the dealers or manufacturers. The use of a purchase agreement would have allowed almost an immediate solution to the housing needs following Camille.

Some of the units delivered into the Camille disaster area arrived in December, or approximately three months after the tragedy. This was due to many factors, but most of all to the lack of a purchase agreement that would have allowed the government to buy the units from the manufacturers and dealers in the area. In order to expedite the leasing process, HUD sent out 200 bid invitations earlier this year to mobile home manufacturers to obtain bids in advance of the next major disaster. Of the 200 letters sent, only five manufacturers responded. Of the five manufacturers, only two of these are major manufacturers, with plants in all areas of the continental United States, and, therefore, able to aid in disasters wherever they might occur. However, mobile home dealers cover the entire country and with a purchase agreement, could respond immediately to disaster housing needs.

Let's look a moment at why the mobile home industry did not reply. Our manufacturers are accustomed to almost immediate capital turnover. Their suppliers require ten-day payment before interest and the dealers who purchase their units pay either by C.O.D. or within thirty days. Therefore, the manufacturer is only involved in long-term capital outlay for his plant. Lending institutions are not attuned to long-term loans to the mobile home manufacturer. During the Camille disaster many of these manufacturers had to form independent leasing companies for financing in order to aid the government in the solving of disaster housing needs. Under the current system of leasing, it is required that the manufacturer have large sums of money which can be tied up for at least a year in order to participate and lease the units to the government.

Another factor causing the lack of industry participation in the recent bidding was that the mobile home industry, in general, feels it received a black eye in the Camille situation. Companies feel that the image was damaged during the disaster, due in some degree to poor judgment on certain manufacturers' part, but primarily due to the fact that site problems and other situations arose which did not leave a good impression of our industry. We have already sent a man down to the area to try to relocate some of the units and initiate more park development so that the used mobile home market will not be glutted.

A third factor involved was that some of the companies lost money in the Camille disaster. This was largely due to the leasing activities which most had not entered before and had no knowledge of cost or administrative needs for that field.

Another factor was that it took as long as four months to receive the lease money from the Federal government. This is four times the usual length of terms given to dealers in the mobile home industry. This in turn relates back to the short-term, fast turnover capital flow of the mobile home industry. We were not prepared to carry these units for a long period of time.

At this time, let's turn our attention to the advantages that the Federal government might have in purchasing mobile home disaster units rather than leasing them. First, and most important, is the fact that it allows a much faster solution to the disaster victims' housing needs. Second, the cost of leasing the units for one year in the Camille disaster was approximately 50 percent to 60 percent of what the total cost of purchasing the units would have been. At present, it appears that the Federal government may have to lease these units for extended periods beyond the one-year contract. This means that the cost of leasing will be the same or just under the actual purchase cost.

There are several alternate possibilities should the government decide to purchase some or all disaster homes. First, a purchase, buy-back agreement could be used which would allow either the dealer or the manufacturer to participate because it would relieve the dealer or manufacturer from the financial responsibility, and yet at the end of the agreement they could re-purchase the units at a pre-determined price. This system would allow the Federal government to do

the financing, and, therefore, enable all local dealers and/or manufacturers to participate in serving the disaster victims' needs quickly.

Another possibility for use of purchased units would have been to put many of these units under some of HUD's subsidy programs and allowed the disaster victims to buy the units, or simply buy the units from the dealer or manufacturer when they are returned under a purchase buy-back plan. A third possibility is that the military is in desperate need for thousands of permanent and temporary housing units for military families. These, as well as other government housing needs, could possibly be met through the use of the mobile homes. A fourth advantage would be that the units purchased from dealers close to the disaster area would cut down on transportation costs and put the costs and responsibility of setting up the units in the hands of the dealers, who are already equipped and know how to do this type of work.

In conclusion, we feel that the purchase option is an important tool that the Office of Emergency Preparedness should be equipped with for future national disasters. First and foremost, it gives proper immediate aid to disaster victims. Housing is second only to food in the immediate needs of these victims and should be promptly supplied. Second, Congress should seriously consider the purchase agreement because it would eliminate some of the great administrative expense that HUD has previously testified they experienced during Camille. HUD stated that at this time it has cost \$17,000,000 to aid in housing Camille victims. This represents over four-fifths of the total cost of purchasing the 5,000 units used in Camille, which would have cost approximately \$20,000,000. Finally, with the purchase agreement, the government could take the disaster units and turn them into a housing advantage in the area after the disaster need is over. The units could also solve many of the local public housing and low-income housing needs, or in other places where the Federal government needs temporary or permanent housing. Hopefully, this would in turn change criticism of the government's action into compliments concerning the speed and thoroughness of government aid in times of disaster.

If questions arise, do not hesitate to contact the MHMA-TCA office in Arlington, Virginia. We will be glad to help.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 11, 1970.

HON. GEORGE H. FALLON,
Chairman, House Committee on Public Works,
Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing a copy of a letter I have received from Mr. Joe T. Dehmer of Jackson, Mississippi, with regard to the role of organizations such as the Salvation Army during times of major disasters.

I would appreciate it very much if Mr. Dehmer's letter will be given full consideration when the House Committee on Public Works again considers HR 17518, the Disaster Relief Act of 1970.

Thank you very much for your attention to this request.

With kind regards, I am

Sincerely yours,

GILLISPIE V. MONTGOMERY,
Member of Congress.

JOE T. DEHMER DISTRIBUTOR, INC.,
Jackson, Miss., August 6, 1970.

HON. G. V. MONTGOMERY,
U.S. Representative, House Office Building,
Washington, D.C.

DEAR SIR: You are fully cognizant of the human suffering and property loss experienced by many of our fellow Mississippians and also those in Virginia caused by the devastation of Hurricane Camille which struck last August. The great spontaneous response by so many people in all walks of life served to alleviate some of this human suffering and material loss. Most of our organized society participated and produced good results.

During this crisis, however, there developed a chasm in communication, especially in the field of effectuating the assembly and movement of manpower and materials. One specific cause for this bottleneck and lack of organized procedure

grew out of the confusion and limitation caused by Federal Public Law 875 which fails to recognize the disaster relief functions and capabilities of the Salvation Army, Catholic Charities and other altruistic organizations who are equipped, experienced and dedicated to perform disaster relief work.

As an active member of the Salvation Army Lay Advisory Council, working through the Jackson, Mississippi area office, it was my privilege to volunteer my services to work with Governor John Bell Williams' Emergency Staff and the Salvation Army Staff located in Biloxi, Mississippi during Camille. I know personally of many delays caused by time consuming redtape which was encountered because of the restrictive nature of Federal Public Law 875. As you know, this law specifically designates the American Red Cross as the sole and only agency which is recognized and authorized to receive the full benefit of the assistance of the Office of Emergency Preparedness of the United States.

I am enclosing here a copy of letter written by William E. Chamberlain, Lt. Commissioner of the Salvation Army, which I just received and which indicates the present status and certain recommendations by the Salvation Army.

I truly hope that you will take time to study the enclosed letter and will do everything in your power to assist in the promulgation and passage of legislation which will broaden the provision of Federal Public Law 875 to include the Salvation Army and other deserving and qualified organizations so that they will receive the full benefit of the Office of Emergency Preparedness in all future disasters.

Sincerely yours,

JOE T. DEHMER.

Enclosure.

THE SALVATION ARMY,
SOUTHERN TERRITORIAL HEADQUARTERS,
Atlanta, Ga., July 15, 1970.

To Service Unit Chairmen and Advisory Board Chairmen

GENTLEMEN: During our efforts to alleviate human suffering caused by the devastation of Hurricane Camille along the Gulf Coast in Mississippi, and also in Virginia, problems arose that hampered our efforts, caused delays, and prevented needed supplies from reaching people in desperate need of assistance. The confusion grew out of the failure of Federal Public Law 875 to recognize the Disaster Relief functions of The Salvation Army, perhaps more specifically that only one voluntary agency is so recognized. Furthermore, the Office of Emergency Preparedness (The Federal Department) charged with responsibility for coordinating relief and rehabilitation efforts in federally declared disaster areas has an agreement according one non-governmental voluntary agency, the sole responsibility for relief to individuals. Difficulties had been encountered around these points in previous disasters, but nothing to compare with the situation during Camille.

In spite of these problems, The Salvation Army carried out its traditional program of aid to people.

Due to the severe criticism of some of the agencies (federal and others) involved in relief operations, Public Hearings were held by the sub-committee on Disaster Relief of The Senate Committee on Public Works at Biloxi, Miss., and Roanoke, Va. The Salvation Army was asked to testify and received warm praise for its efforts from the Senators present.

Following these hearings, Senator Birch Bayh introduced Bill S3619—An Omnibus Disaster Act. This bill provided that the responsible federal agency may make agreements with private voluntary organizations to function co-operatively with the federal agencies. The Bill mentions specifically the Salvation Army along with others.

This is now countered by Bill S3745 known as "The Administration Bill." It perpetuates the Office of Emergency Preparedness as the responsible Government agency, and does a "patch" job on existing legislation. It makes provision for agreements with private agencies but seems to negate this with a proviso . . . "Nothing contained in this act shall be construed to limit or in any way affect the responsibility of the American National Red Cross . . .". Further, it does not modify the feature of Public Law 875 that names only the Red Cross among voluntary organizations involved in Disaster Relief nor does it change the existing agreement of the Office of Emergency Preparedness with the Red Cross.

These bills were considered at Senate Hearings in Washington on May 21-22

at which The Salvation Army was invited to testify. The members of the sub-committee were very sympathetic to the point of view expressed by the Salvation Army witnesses. They again spoke warmly of their appreciation for the work The Salvation Army had done during the emergency period of Camille and indicated that a "compromise" bill would be the result of the hearings.

We need your help now and that of your Board members to convey to any of the committee members known to you, your support of The Salvation Army position—i.e. that whatever legislation is passed should specifically name The Salvation Army as an agency qualified to work in Disaster areas and to receive whatever federal help may be available.

We would be grateful for a copy of any communication sent to these Senators.

Sincerely,

WILLIAM E. CHAMBERLAIN,
Lt.-Commissioner.

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