

(Bakshian)

July 10, 1972

PRESIDENTIAL STATEMENT ON FEDERAL DISASTER AID,
TROPICAL STORM AGNES DISASTER AREA

Tropical Storm Agnes inflicted some of the most extensive, costly damage in the history of our country. It has resulted in major disaster declarations for six States -- Florida, Virginia, West Virginia, Maryland, Pennsylvania and New York. A total of 196 counties and 27 independent cities have been designated eligible for a record program of Federal disaster assistance. A disaster of this immensity requires no less. Already more than thirty Federal agencies are providing direct or financial assistance to the flood-stricken communities and to the individual citizens and business concerns affected. ^{Services} ~~These~~ range from temporary shelter, feeding, debris removal, and restoration of public utilities, to arrangements for the construction of trailer housing for victims.

Disaster unemployment insurance has gone into effect providing income maintenance for those who are without jobs as a result of damage, and the Department of Labor has begun to make use of the public employment program to assist in cleanup activities.

Current spending authorities provide for restoration of public facilities such as roads, water and sewer systems and public

buildings, plus private hospitals, with the Federal Government paying 100 percent of the costs.

Current authorities operating through the Small Business Administration and the Farmers Home Administration are providing subsidized loans, at the 5-1/8 percent Treasury borrowing rate with favorable maturities and a \$2,500 forgiveness feature, to stricken homeowners and businesses.

Legislation which has already passed the House of Representatives would further reduce these interest charges to 3 percent with \$2,500 forgiveness or to 1 percent without forgiveness, and a provision of the debt ceiling extension which I signed into law July 8, 1972 provides accelerated tax rebates for disaster ^{losses} ~~loans~~, estimated to be worth about \$3 million.

The full scope of the damage inflicted by Agnes is still being assessed, but the present estimate of Federal assistance under existing law, exclusive of the tax rebates, runs to over \$2 billion, with loans for homes and businesses in the \$1.0 to \$1.3 billion range and for public facilities in the \$0.9 to \$1.2 billion range. There are expected to be at least 115 thousand home and business loans made.

To meet the immensity of these requirements, we already have on hand some \$292 million in Office of Emergency ^{prep} Planning disaster funds (including the supplemental of \$200 million) plus additional

funds in SBA, Farmers Home Administration and highway funds.

In almost all cases except home and private loans, the money will be made available as the work proceeds, ^{so} that some outlays will not be made in this fiscal year. We will, however, need more funds in fiscal 1973 than are now provided, as a result of these new and unforeseen demands.

Rather than delay matters, I have assembled these additional funds requests now, in the hope that Congress will act promptly and responsibly when it reconvenes to meet the urgent needs of thousands of disaster victims who are relying on it to act. Using only present programs and authorities, I will send the Congress when it reconvenes the following requests: For the Office of Emergency Planning, \$200 million; for the Small Business Administration, \$1.3 billion; for the Federal Highway Administration (authorization only) \$200 million, and; for the Farmers Home Administration, \$ _____. This comes to a total of \$ _____.

I am also taking additional steps on behalf of the thousands left homeless or jobless in the wake of Tropical Storm Agnes. Each measure directly meets an important need without requiring any change in substantive law.

I am directing the relevant planning agencies, HUD, Appalachian Regional Commission and Economic Development Administration of

the Department of Commerce, coordinated by OMB, to focus special attention on community reconstruction including reprogramming available funds.

I am also requesting an additional ^{\$16}~~\$8~~ million appropriation for the Appalachian Regional Commission for housing site development grants (\$1.5 million), local development district support (\$3.5 million) which will aid in reconstruction assistance, and in aid for alleviating mine subsidence (\$11 million) which can, in turn, provide safe new sites for community development outside the flood danger area in Pennsylvania.

I will request another \$40 million in appropriations for EDA, \$10 million of which will be used for technical and planning assistance to public and quasi-public groups for economic reconstruction, and \$30 million more for projects such as the cleaning up of industrial plants or improvement of business facilities.

Both of these steps are designed to keep business from leaving the stricken areas. In the interest of the working people living there, I am directing the Department of Labor to reprogram ~~approximately~~ ³⁰~~\$28~~ million. This will be used to increase ^Emergency ¹⁵⁰⁰~~employment~~ ~~Act~~ public service jobs by 17 thousand, to add 2,500 public employment program jobs for the unemployed to help clean up private property, and to add 2,250 ^{Neighborhood Youth} New York City positions.

HUD
In the environmental field, I am directing EPA to examine the possibility of offering special assistance to communities with damaged water or sewer treatment plants. The aim here is not only to restore previously existing facilities, but to do so in a way that will meet future water quality requirements. I am also directing EPA to accelerate its regulations dealing with toxic material spills, to meet the problems of pollution and fouling of waterways resulting from Tropical Storm Agnes.]

Each of these new steps adds strength and thrust to this Administration's efforts to undo the damage wrought by Agnes and to lay the groundwork for a more prosperous and stable future for the people and communities which bore the brunt of this awesome natural disaster. I estimate that supplemental spending to meet these needs will total \$1.5 billion -- a large amount, but more than justified under the circumstances.

Finally, it is my hope that further measures can be devised to alleviate the enormous suffering and loss undergone by thousands of individual homeowners in the course of this disaster. After carefully considering the information gleaned from on-site inspections of the affected areas by the Vice President, Commerce Secretary Peterson, Labor Secretary Hodgson, General Lincoln and other concerned national, State and local officials, I hope to provide further legislative proposals

to be included in a message to the Congress when it reconvenes

on _____ 1972.

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