

UPI-128

(NIXON)

SAN CLEMENTE--PRESIDENT NIXON ANNOUNCED TODAY HE WOULD ASK CONGRESS TO APPROPRIATE MORE THAN \$1.7 BILLION TO HELP REBUILD COMMUNITIES IN SIX ATLANTIC SEABOARD STATES DEVASTATED BY TROPICAL STORM AGNES.

THE PRESIDENT ALSO SAID HE WOULD PROPOSE THAT CONGRESS AUTHORIZE SPECIAL DISASTER LOANS TO AFFECTED HOMEOWNERS AND BUSINESSMEN IN NEW YORK, PENNSYLVANIA, MD, WEST VA., VA AND FLORIDA AT ONLY 1 PER CENT INTEREST. NO PAYMENT WOULD BE REQUIRED ON THE FIRST \$5,000 OF A LOAN.

"Never before has so thorough and so all-embracing a recovery effort been launched. Never was it more uniquely needed." Nixon said in a special, 5-minute speech taped for radio broadcast.

In a third step to speed disaster relief, Nixon said he had invited some 500 mayors, county executives and other leaders from the stricken 6-State area to attend a special conference with Federal officials in Washington this Friday.

Frank Carlucci, Deputy Director of OMB will preside at the conference. Nixon pointed out Carlucci is native of one of the hardest hit communities in Pennsylvania--Wilkes-Barre.

The \$1.7 billion allocation, the President said was the largest amount ever to be earmarked for recovery efforts in the US.

The President's proposal was a substantial liberalization of existing Federal disaster relief regulations.

The current law provides for a \$2,500 grant with the remainder repaid at 5-1/8 per cent. It also requires that the first \$500 on any loan must be repaid.

Under Nixon's proposal the first \$5,000 would, in effect, be a grant with the remainder of the loan paid off over a ~~30-year~~ 30-year period at the 1 percent interest. It said that to date more than \$100 million already has been expended for relief assistance and the President recently signed a measure authorizing an additional \$200 million.

The President recalled that he visited a devastated area of Pa. in the wake of tropical storm Agnes.

"The destruction and loss were immense, almost overpowering," he said, "but even more moving were the spirit, the optimism, and the determination of the disaster victims themselves, and that of the government and volunteer workers who were striving side by side with them to undo the damage nature had wrought."

The President said "the progress that has been made to date is impressive" pointing out "in terms of the property ~~damage~~ damage and of the sweeping extent of the territory affected, this has been the worst natural disaster in the whole of America's history."

More than 18,000 homes and businesses were destroyed or damaged and more than 80 persons lost their lives in floods triggered by Agnes.

"The challenge we face," said Nixon, "is not an easy one, but I have faith that, working together, we can overcome the terrible devastation that the floods have left ~~behind~~ behind."

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