

Governor Edward Arn, correspondence files, box 57

Section 18, Pages 511 - 540

These folders contain correspondence subject files with Governor Arn, the thirty-second governor of Kansas, serving from January 8, 1951 to January 10, 1955. Subjects in this box include floods, federal assistance, domestic emergency assistance and situation report, and Fort Hays State College. Starting on July 13, 1951, one of the most costly floods in Kansas' history swept down the Kansas River valley into the Missouri River basin. The Kansas River valley had flooded before but not with this magnitude and damage. During the period of July 9-13, some areas in the Kansas River basin received 18.5 inches of rain. The eastern half of the basin averaged 8 inches.

Creator: Kansas. Governor (1951-1955 : Arn)

Date: September 1951-January 1955

Callnumber: Governor's Office, Governor Edward Arn, Correspondence Files, Subject Files Box 57

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KANSAS HISTORICAL SOCIETY

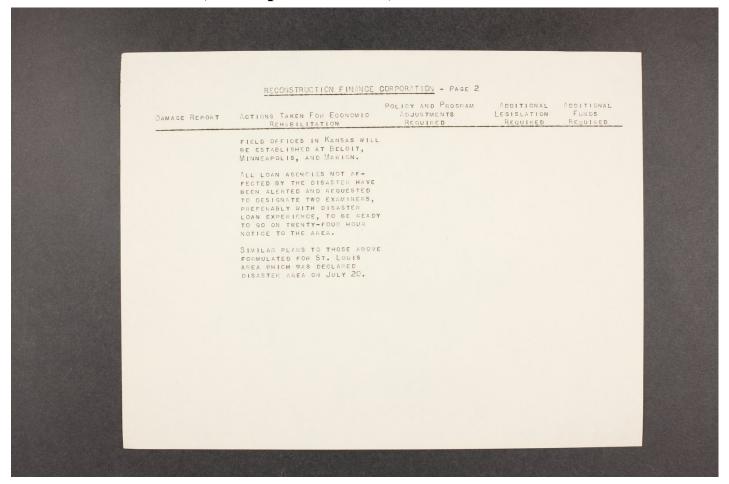


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	MRO MATERIALS OR SUPPLIES DELIVERED TO PEPLACE FLOOD DAMAGED STOCKS OR USED IN FLOOD REPAIRS WILL BE EXEMPT FROM THE PROVISIONS OF CMP REG. 5.			
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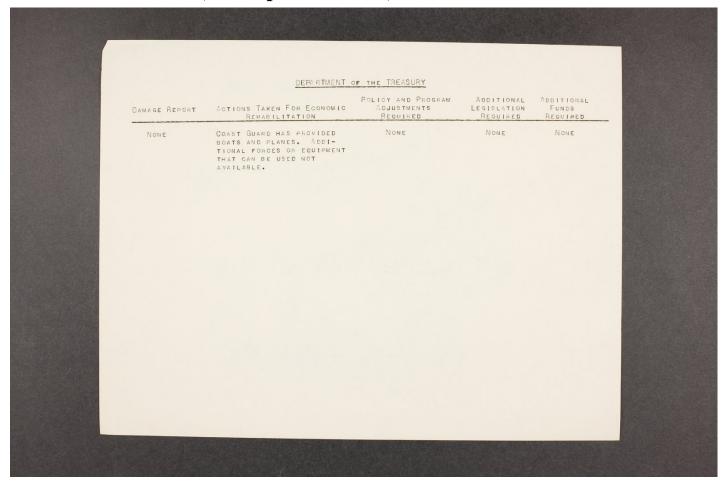


	RECONSTRUCTION FINAN	ICE CORPORATION		
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(NOT APPLICABLE)	SECTION 4(A)(4) OF THE RFC ACT AUTHORIZES THE CORPORA- TION TO MAKE SUCH LOANS AS IT MAY DETERMINE TO BE NECESSARY OR APPROPRIATE BECAUSE OF FLOODS OR OTHER CATASTROPHIES." UNDER SECTION 4(E)(1) THESE LOANS MAY BE MADE WITHOUT SECURITY REGARDLESS OF WHÉTHER FINAN- CIAL ASSISTANCE IS OTHER- WISE AVAILABLE ON REASONABLE TERMS. THE MAXIMUM PERIOD OF THE LOAN IS TEN YEARS. HAS BEEN PRACTICE TO LIMIT THESE LOANS TO SUCH FUNDS AS ARE NECESSARY TO RESTORE THE TANGIBLE PROPERTY DAMAGED OR DESTROYED. MORKING CAPITAL LOANS USU- ALLY HANDLED UNDER REGULAR LENDING AUTHORITY OF RFC. STATES OF KAHSA SHO MISSOURI HAVE BEEN DECLARED DISASTER AREAS WITHIN THE MEANING OF THE RFC ACT. PLANS PRESENTLY BEING FORMU- LATED CALL FOR FIELD LOAN OFFICES TO BE LOCATED IN KANSAS IN THE CITIES OF TOPEKA, MANHATTAN, JUNCTION CITY, SALINA, ABILENE, CTTAWA, LAWKENCE AND KANSAS CITY. IF THE SITU- ATTON PEOULES IT. ADDITIONAL	Νονε	NONE AT PRESENT - SEE STATEMENT UNDER FUNDS REQUIRED	UNDER SECTION L(C) OF THE RFC ACT, THERE IS A LIMITATION OF \$\frac{1}{2}\psi_0,000,000 ON THE TOTAL AMOUNT OF DISASTER LOAN THAT THE CORPORATION MAY MAKE. AT THE PRESEN TIME, APPROXIMATELY \$\frac{35}{2},000,000 IS AVAILABLE FOR SUGH LOANS. UNTIL SUFFICIENT APPLICATIONS HAVE BEEN TILED WITH THE FIELD OFFICES, IT IS IMPOSSIBLE TO TELL WHETHER THIS AMOUNT WILL BE SUFFICIENT











	VETERANS! ADM	INISTRATION		
DAMAGE REPORT	ACTIONS TAKEN FOR ECONOMIC REHABILITATION	OLICY AND PROGRAM ADJUSTMENTS REQUIRED	ADDITIONAL LEGISLATION REQUIRED	ADDITIONAL FUNDS REQUIRED
MATELY 150 HOMES ON WHICH THE VETERANS! ADMIN-ISTRATION HAS GUARANTEED OR INSURED LOANS HAVE BEEN DESTROYED, 225 HAVE SUFFERED MAJOR DAMAGE, AND APPROXI-MATELY 350 SHOW MINOR DAMAGE - NUMBER OF DAMAGED FARMS. NOT YET KNOWN.	WHERE HOLDERS OF GUARANTEED OR INSUEED LOANS ARE RELUCTANT TO FORBEAR, VÂ WILL AUTHORIZE LOAN GUARANTY OFFICERS TO ESTABLISH AN "UPSET PRICE" IN AN AMOUNT NOT LESS THAN THE UNGUARANTEED PORTION OF THE LOAN BALANCE TO INDUCE SUCH RELUCTANT HOLDERS TO DELAY FORECLOSURE PROCEEDINGS. THEREAFTER, CONSIDERATION WILL BE GIVEN IN PROBLEM CASES TO REFUNDING OF THE LOAN BY THE VA SHOULD THE HOLDER INSIST ON FORECLOSURES. LOAN GUARANTY OFFICERS IN THE AREA AUTHORIZED TO ADVANCE	None	None	FUNDS FOR SPECIAL APPRAISALS OF DAMAGED PROPERTIES WILL BE REQUIRED - UNABLE TO ESTIMATE THE AMOUNT AT THIS TIME - WILL BE SUP- LIED AS SOOR AS AVAILABLE



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EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF DEFENSE MOBILIZATION Washington, D. C.

August 9, 1951

MEMORANDUM FOR: Secretary of the Treasury Secretary of Defense Secretary of the Interior Secretary of Agriculture Secretary of Commerce Secretary of Labor Chairman, Atomic Energy Commission Chairman, Civil Service Commission Chairman, Committee on Defense Transportation and Storage Administrator, Defense Production Administration Administrator, Economic Stabilization Agency Administrator, Federal Civil Defense Administration Chairman, Federal Communications Commission Chairman, Federal Reserve Board Administrator, Federal Security Agency Administrator, General Services Administration Administrator, Housing and Home Finance Agency Administrator, Noticing and Home Finance Agency
The Housing Expediter
Administrator, National Production Authority
Director, Office of Price Stabilization
Administrator, Reconstruction Finance Corporation
Administrator of Veterans' Affairs

SUBJECT: Status Report on Kansas-Missouri Flood Disaster Rehabilitation

Chairman, Wage Stabilization Board

Mr. Howse has requested that the reports submitted in answer to Mr. Wilson's letter of July 20, 1951 (see copy attached) be brought up-to-date. These reports should be submitted in triplicate at the next meeting of the Washington Committee which will be held on Monday, August 13, 1951 at 2:00 p.m., in Room 211, Executive Office Building.

A summary of your first report is attached. It will be appreciated if you will review this summary and make whatever additions, corrections and deletions you doem necessary. The attached summary with the addition of the latest data available will constitute the up-to-date report requested in paragraph 1, above. This up-to-date information is required in order to develop the legislative program as requested by the Possident. as requested by the President.

Each agency representative is requested to submit at next Monday's meeting comments on the following flood disaster bills which have been introduced in the Congress to date:

- 1. Hennings bill, S 1935
- 2. Bolling bill, HR 5022
- 3. Scrivener Resolution, H JR 307

Each agency representative is also requested to define the disaster area by counties and provide any advice or information on how the State governments in the affected states should participate more extensively in the rehabilitation work.

John D. Young Executive Secretary

Attachment

ODM-1204



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August 16, 1951

Mr. Alan Dean

Ray Sternfeld

Federal Government Participation in the Relief of the Mississippi Valley Flood Disaster of 1927 and the Ohio-Mississippi Valley Flood Disaster of 1937

The floods of 1927 and 1937, two of the most devastating floods of the last twenty-five years, were selected as the most appropriate cases for studying the extent and manner of Federal Government participation in the alleviation of a major flood disaster. The table below gives some indication of the size of the tangible damage. Some of the figures included in the table can only be considered as estimates.

Damage Inflicted by the Mississippi Valley Flood Disaster of 1927 and the Ohio-Mississippi Valley Flood Disaster of 1937

1927

1937

Lives Lost
Property Damage
Total square miles flooded
Ag. Acreage Flooded
Population Displaced
Buildings destroyed
Buildings damaged
Red Cross Expenditure

313	137
\$284,120,000-600,000,000	\$300,000,000-500,000,000
25,892	12,721
5,290,000	4,742,750
931,000	1,495,000
41,500	12,900
180,500	61,000
\$17,500,000	\$25,500,000

Source: U.S. Weather Bureau and Red Cross

Flood of April 1927

Indicative of the times, the Federal Government played a secondary role to the States and Red Cross in the various relief operations connected with the Mississippi flood. The Red Cross assumed the principal role of guiding rescue operations and of feeding, clothing, housing and rehabilitating the flood refugees.

President Coolidge appointed a committee consisting of the Secretaries of Commerce, War, Navy, Treasury and Agriculture to confer and act with the Red Cross in flood relief activities. Herbert Hoover was selected as chairman and together with James L. Fieser, vice chairman of the Red Cross, he assumed responsibility for the conduct of rescue, relief and reconstruction operations.



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"Under the general supervision of Mr. Hoover and Mr. Fieser, the Red Cross Director of Field Operations exercised full administrative control over the entire operation with responsibility for coordinating all public, semi-public, private and miscellaneous activities in one unified reconstruction program. Representatives of the various Government departments were assigned to his staff either as directors of specific operations, as expert advisors or as liaison officers."

The Departments of War, Navy, Commerce (Lighthouse Service) and Treasury (Coast Guard) assisted in rescue and relief operations mainly through providing trucks, boats and sea planes. Mr. Hoover estimated in one of his public speeches that the rescue operations cost the Federal Government \$5,000,000. Army Engineers were stationed at various Red Cross relief centers to interpret the progress of the stream. Most of the tents, cots, blankets, field kitchens and other equipment required for the refugee camps were procured from the Army. Agriculture's Extension Service assisted the Red Cross in their seed program. The Public Health Service and Veterans Bureau supplied medicines and vaccines. PHS assigned a liaison person to Red Cross headquarters and placed 14 public health officers in the field to work with the State and Red Cross health officials. PHS contributed about 30% (\$262,000) toward a program of establishing permanent county health units in the affected counties.

The President appealed to the U.S. Chamber of Commerce to help meet the need for additional credit resources in the Mississippi Valley. The Chamber of Commerce with the assistance of the Federal Farm Loan Board and the Federal Intermediate Credit Banks set up Flood Credit corporations in three states. These corporations relied heavily on the State Reconstruction Commissions established under the aegis of the Red Cross and the State governors.

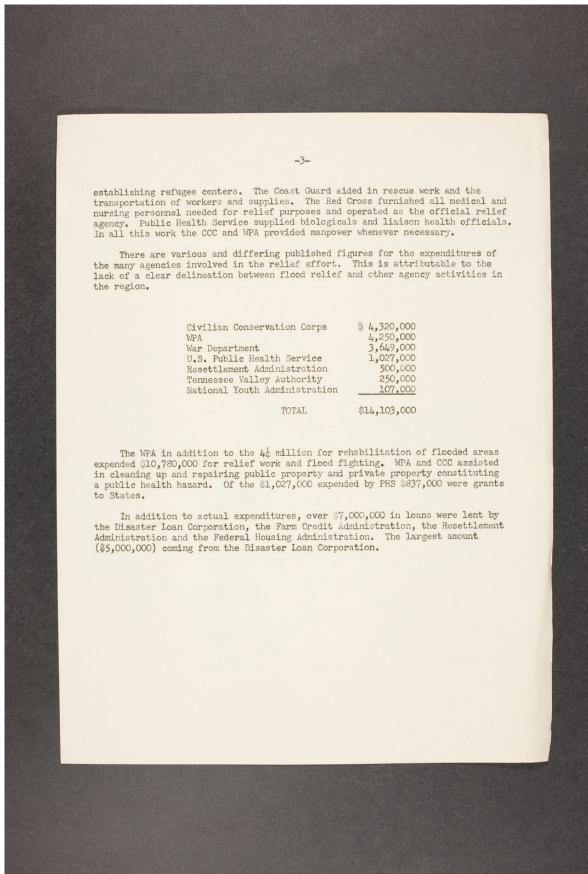
Flood of January 1937

The Federal Government's actions in the relief of the Ohio-Mississippi flood disaster were much more extensive than in 1927. Although the Red Cross continued in the role as the center of public relief work, it did not take over the work of administering aid by Federal as well as non-Federal agencies.

Representatives from the Army, Navy, Coast Guard, WPA, Public Health Service, CCC, Weather Bureau and Red Cross met daily as a coordinating conference to avoid any possible duplications. The President early in the disaster appointed an emergency flood committee consisting of the WPA administrator and his assistant, the Chief of Army Engineers, the Surgeon General of the PHS and the Red Cross vice chairman. Mr. Harry Hopkins, WPA administrator, acted as liaison officer and coordinator of all flood relief activities. This committee attempted to divide the work load and assign responsibilities to the various agencies. The division of responsibility among the agencies appeared to result in quite successful operations.

The Corps of Engineers was responsible for maintaining and strengthening levees and dikes. The Quartermaster Corps furnished large quantities of food, clothing, blankets, tents, lumber, and men to handle their distribution and in







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EXECUTIVE OFFICE OF THE FRESIDENT OFFICE OF DEFENSE MOBILIZATION Washington 25, D. C.

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August 13, 1951

MEMORANDUM FOR: Charles E. Wilson

FROM: A. E. Howse

SUBJECT: Flood Rehabilitation

On July 13, 1951, the flood reached its peak in Kansas and passed into Missouri.

On July 16, 1951, I flew into Kansas City to survey the general situation and to organize a program of federal assistance.

On July 19, 1951, the President assigned to the Office of Defense Mobilization the responsibility "to direct and coordinate the activities of the federal departments and agencies toward the restoration of the general economy of the area."

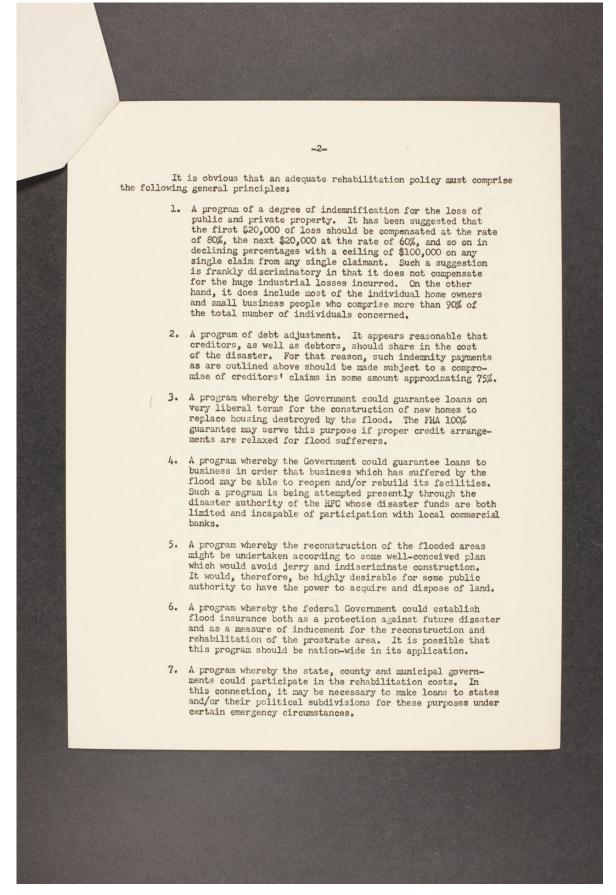
As you know, I have established emergency offices in Kansas City, Missouri, as your personal representative, and since the date last mentioned above we have directed and coordinated a vast program of federal assistance to the stricken area through the various departments and agencies whose normal operations embraced the necessary services. The Regional Defense Mobilization Committee in Kansas City has been expanded to include representation from each of the agencies operating in the area. Complete cooperation has been experienced. Industrial rehabilitation results to date have exceeded our expectations and confirm the established procedures.

Nearly four weeks of intensive study at the actual scene of the disaster, and innumerable conferences with federal, state and local officials, have resulted in the following inescapable conclusions:

- The flood, extending more than 1,000 miles over some 2,500,000 acres of land, has caused a disaster of a magnitude never before experienced in this country. Some 140 cities have been at least partially inundated.
- The magnitude of the disaster will require relief and rehabilitation efforts of an unusual nature, great enough to insure that the accumulated misery and distress do not swell to larger proportions.
- 3. Relief and rehabilitation efforts must be prompt. Time is of the essence. The fourth week after the flood is now upon us, and we should do everything in our power to prevent further delay.

ODM. 1231







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The need for immediate action cannot be overemphasized. Further human suffering must be alleviated as quickly as possible. Defense production must be resumed. Homes must be reconstructed before the snow comes. Farm land must be cultivated before the season wanes this fall, if it is to be of any value next year.

Because of the urgent need, it is recommended that no additional bureaus or agencies be established but that the existing departments and agencies of Government continue to be coordinated through the Office of Defense Mobilization. The emergency needs of the situation will not permit individual agencies to seek individual funds for individual and specific purposes from the Congress; therefore, it is suggested that the President ask the Congress to appropriate \$500 million in a lump sum for the above purposes and somewhat in the same manner as Defense Production Act funds have been appropriated. It is suggested that there be established within the Office of Defense Mobilization, a Great Flood Administration, with authority to develop the above programs and to allocate the funds in connection therewith to the various federal departments concerned. The agencies concerned are already in existence and the various types of assistance outlined above could be made available almost on an overnight basis through our direction.

The authority of the Great Flood Administration should be limited to relief and rehabilitation of the immediate disaster area of the Great Flood of 1951 in the Kansas, Missouri and Mississippi River basins and their tributaries, as such disaster area may be defined by the Director of Defense Mobilization.

This authority should not include any long-range water or flood control programs other than such portions as may be immediately necessary for the preservation of human life and property.

This authority should terminate on March 1, 1952, except for liquidation of such guaranteed loans, bonds, contracts and other actions consistent with the above authority which, by their terms, extend beyond that date.

The magnitude and the critical nature of the present emergency cannot be overemphasized. Common sense dictates that we do at least as much for our own people as we are doing abroad under the various foreign aid programs. The defense effort has already received a staggering blow and the effects of this disaster will be accumulative for many months. We are presently at war in Korea and we are preparing to defend ourselves elsewhere in the world. We must utilize every possible means to insure a rapid continuation of the defense effort in this area.



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HOLD FOR RELEASE

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AUGUST 20, 1951

CONFIDENTIAL: To be held in STRICT CONFIDENCE and no portion, synopsis or intimation to be given out or published until the READING of the President's Message has begun in either the Senate or House of Representatives. Extreme care must therefore be exercised to avoid premature publication.

JOSEPH SHORT Secretary to the President

TO THE CONGRESS OF THE UNITED STATES:

I request your urgent consideration of a matter of grave emergency.

A great flood disaster -- one of the most terrible in the history of the United States -- has struck a vast area of the Middle West. The center of its devastation is the valley of the Kansas River, but destruction is spread through other Kansas valleys and parts of Missouri and Oklahoma, and has touched several of the adjacent States.

From May 15 to early July, rain fell almost constantly over an area of thousands of square miles, with the heaviest downpours concentrated in south-central Kansas. By early July, the streams and rivers of Kansas had risen to unprecedented heights. Reservoirs, where they existed, overflowed. Millions of tons of water plunged downstream, crumbling dikes and levees all along the course and sweeping away homes, farms, businesses, roads, bridges, and communication lines. The crest of the flood hit the concentrated industrial area along the river banks at Kansas City, Kansas, and Kansas City, Missouri, on July 13, and swept a path of destruction across the entire width of Missouri before its force was spent.

The velocity of the waters, as well as their depth and volume, was without parallel in the recorded history of the region. For the month of July, stream flow in central Kansas was seventy times normal.

The loss to the Nation along 1,000 miles of river valleys is now being measured. Already more than one billion dollars in physical damage and at least that much more in loss of income has been counted in preliminary estimates. When the final estimate is in, the toll will be greater.

I wish that every Member of the Congress could have flown, as I did, over these valleys at the height of the flood. I wish that every Member of the Congress could now tramp through the desolated cities of Kansas and drive through the wasteland where lie what were some of the richest farm acres in the world, their crops now obliterated.

It is estimated that 30,000 to 40,000 homes were flooded. Of these, some 10,000 or 15,000 are destroyed or have suffered major damage --many beyond repair.

At the peak of the flood, some two or three hundred thousand persons were driven from their homes. At least 20,000 of these are still displaced -- living in schoolhouses, churches, auditoriums, trailer camps, temporary housing, or with relatives, friends or strangers who took them in when the disaster struck.

At least 5 million acres of farm land, including some of the richest and most productive agricultural land in the Nation, has been badly damaged. Land in the path of the floods was gouged and eroded, its topsoil carried away. At least 30,000 farms were wholly or partially under water -- many standing under 25 feet or more at the peak

(OVER)



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and remaining flooded for many days. When the water left, thousands of acres were buried under sand and gravel. Thousands of acres are still covered by "trapped water" and must be drained. A year's crops were destroyed, hundreds of thousands of dollars worth of livestock killed, several million dollars worth of critical farm machinery and equipment destroyed or seriously damaged.

At least 10,000 miles of fences were destroyed -- enough to skirt the perimeter of the United States. Farm buildings were damaged on 17,000 farms.

At least 5,000 small businesses were completely or partially destroyed. Store and factory buildings were swept away, merchandise and equipment ruined.

More than one billion dollars of loss -- in property damage, and loss of production and employment -- has already been suffered by the industries that are tightly concentrated along the Kansas and Missouri rivers at Kansas City, Kansas, and Kansas City, Missouri.

In many cases, particularly upstream, time was too short and trucks too few to allow families to save their furniture and other household possessions. As the crisis struck, organized effort had to be devoted to saving life. Few lives were lost, but many families today have virtually nothing beyond the clothes they were when they fled -- or were rescued from -- the path of the waters.

In the American tradition, neighbors have taken care of neighbors. Every refugee is being sheltered; everyone is fed. Cities not flooded have "adopted" stricken cities. States and communities with emergency Federal aid, are restoring and repairing roads, utilities, and public buildings. A great national organization, the American Red Cross, has done and is doing the heroic emergency job that people stricken with disaster can always count upon. During the crisis, Federal agencies, particularly the unite of the Armed Forces in the area, threw all available men and resources into the fight to minimize the destruction.

In the tremendous task of putting families and communities back on their feet, the Federal Government now can do two things. First, under the Disaster Relief Act of 1950, regular activities of several Federal agencies can be specially directed to emergency aid, and 25 million dollars have been appropriated to assist communities in clearing debris, in health protection, in the emergency repair of public property, and to provide temporary housing and for other emergency relief. Mr. Raymond M. Foley, Administrator of the Housing and Home Finance Agency, is responsible for these funds, and for coordinating Federal Agency emergency relief activities.

Thus far, nearly 11 million dollars have been allocated to Federal agencies and to State governments for re-allocation to local governmental units. Temporary housing needs, remaining clean-up costs, and estimates now being completed by States and communities to cover emergency repairs to waterworks, sewer systems, streets, roads, bridges and other community facilities will probably exhaust the remaining 14 million dollars, even with the fullest contributions the local governments can themselves make.

Second, a number of lending agencies -- including the Department of Agriculture, the Housing and Home Finance Agency, the Veterans Administration, and the Reconstruction Finance Corporation -- can to a limited extent make or insure loans for the rehabilitation of farms, homes, and businesses.

But in a disaster of this magnitude, the combined resources now available to the Federal Government, the States and the local communities, and private organizations such as the American Red Cross,



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are far from enough to accomplish the tremendous task of restoring for the Nation the productivity and economic vitality of one of its major regions.

There are two reasons why the Nation must act -- and at once -- to restore the stricken regions to economic health.

The first is humanitarian. The victims of the flood must be given opportunity to renew their farming, to reopen their businesses, to build new homes, to find employment — and without a crushing burden of new debt for every individual. In this land, we do not take the view that a man's misfortune, suffered through no fault of his own, is his own affair, or that a stricken community shall be left to shift for itself. Normally the aid comes from local resources or from those of private relief agencies. But when the disaster spreads beyond the capacity of those resources, then the Nation itself must act to share the loss.

The second reason is that we are now engaged as a Nation in a struggle for survival, and we cannot afford to dispense for long with the industrial and agricultural production that came but is not now coming from the flooded areas. The industries in those valleys turned out hundreds of products that are critical in the building of military and economic strength. Our meat supply will be seriously affected by the loss of corn and livestock, and the food supplies of not only this Nation but the whole free world may suffer from the loss of wheat.

Because of the effect of the disaster on the defense effort, I assigned to the Director of Defense Mobilization, Mr. Charles E. Wilson, the task of coordinating long-range Federal rehabilitation activities as distinguished from the emergency relief aid previously described. Mr. Alfred E. Howse, of Mr. Wilson's staff, has been directing this work in the flood area. They have seen to it that priorities have been granted for repair work in the area, and that all types of aid have been extended within the limits of existing laws and funds. The recommendations contained in this message are based upon their estimates, after a month of close observation.

We urgently need to take steps to relieve human suffering and restore economic life in this flood area, and to protect against future losses from disasters of this type.

In the long run, of course, the greatest need is for the prevention of floods -- through carefully planned and coordinated programs of conservation and water control. Until flood prevention can be assured, however, other measures are urgently required to meet the needs of the present and of the immediate future.

- I recommend, therefore, that the Congress at once approve an appropriation of 400 million dollars for the following purposes:
- 1. To indemnify the flood victims for a portion of their loss of real and personal property.
- 2. To make and guarantee loans on liberal terms for the building of homes and businesses to replace those destroyed.
- 3. To help farmers drain and rehabilitate their land, replace buildings, and restore the productive capacity of their farms, through on-farm assistance and disaster loans.
- 4. To permit loans where necessary to enable State and local government participation in the rehabilitation activities.
- 5. To provide funds to establish a national system of flood disaster insurance, similar to the war damage insurance system of World War II.

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To administer the program, I expect to establish a Flood Disaster Administration as a small policy and control body, with operating functions placed in existing Federal and State departments and agencies.

Under the circumstances, a broad degree of discretion in administering the rehabilitation funds is necessary. In this emergency, speed of action is all-important. Winter is approaching, and Congressional authorization for Federal aid cannot be delayed to await the development of fully detailed plans for the administration of aid in the variety of individual circumstances that will arise. A broad legislative directive will let the stricken region know in general what can be counted on, so that individuals and communities can make plans for going ahead with rehabilitation activities.

The loan programs represent no new departure in Government policy. My recommendations will simply increase the available funds and remove certain normal limitations which are inappropriate in a disaster of this magnitude.

But loans -- even on liberal terms -- are not enough to meet this situation. People who lost their homes, farms, and businesses now have little or no security to offer a lender. Very few, if any, individuals or businesses had any insurance protection against their flood losses. Generally speaking, private insurance companies have not offered such protection, because of the uncertain nature of the risk. Consequently, many people were left after the flood with nothing -- or with nothing but their debts. If they could borrow more, new loans added to the old ones would create a debt burden that for an indefinite time to come would be a drag on the economic vitality of the region and would impair its ability to contribute to building our national security.

For these reasons, I consider it essential to provide some rehabilitation grants, directed particularly to assist wage earners and small farmers and businessmen, whose losses in this flood represented personal financial tragedy. To accomplish the most in rehabilitation with the money available, the indemnity program should provide a sliding scale. For example, on the first \$10,000 of loss (after deducting a standard amount of perhaps \$200), the payment might be 80 percent, on the next \$10,000, 50 percent, and so on, with a maximum payment of perhaps \$20,000 for any one claimant. The ceiling would exclude the bulk of the industrial losses, but it would enable individuals and small businesses to make a prompt new start. Fortunately, most of the large industrial concerns affected have other resources; and many are, in fact, already proceeding with reconstruction of their plants.

As part of the rehabilitation program, local redevelopment plans should be required in some cases to assure that rebuilding does not take place in areas subject to recurrent flooding. For example, some of the devastated urban areas could best be converted to parks, recreation areas, or other public uses to minimize the amount of investment in construction on flood plains.

The whole aid program must be carried out on a basis of joint participation by Federal, State, and local governments. The States and cities that are affected have already spent much in restoring their own public services. Nevertheless, the States, and where possible the cities, should share the cost of the whole program on some equitable basis.

The lack of a national system of flood disaster insurance is now a major gap in the means by which a man can make his home, his farm, or his business secure against events beyond his control. It is a basic requisite to the rapid re-opening of plants in the flood region, where dikes cannot be rebuilt for some months, and companies are unwilling, in some cases, to undertake the risk of being inundated in the meantime.

The system of flood insurance should be based, if possible, upon private insurance with re-insurance by the Government. This was the principle of the war risk insurance in effect in World War II.



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It depends, of course, upon the demonstration by private insurers that they can meet the needs of those seeking insurance at reasonable rates

Once the system of flood insurance is in effect, there should be no need in the future for a program of partial indemnities such as it now proposed for the Midwest flood victims. As a permanent national policy, insurance is far superior to direct Federal payments.

Suggested appropriation language to carry out these recommendations is attached to this message.

The major features of the indemnification proposals I am making are similar to those already introduced in the Congress by Senator Hennings and Representative Bolling of Missouri. The principles incorporated in all my recommendations have the support of the Governors of Kansas and Missouri and the Governors' advisory committees which represent major groups within the two States. They will revive a region of the Nation now badly hurt -- a region of such importance to the security and welfare of the whole country that its revival must be the immediate concern of all our citizens.

I urge the adoption of this program as an emergency measure. Whatever is done must be started with the greatest speed.

Homeless families must be re-housed quickly. Industrial production and transportation must be restored. To avert the loss of next year's farm production from much of the flooded land, drainage ditches must be opened, debris cleared away, and silted soil seeded to cover crops in the remaining 60 to 90 days before winter sets in. Tax resources of States and communities must be re-established.

In all of these things, we must move quickly. Every day counts.

HARRY S. TRUMAN

THE WHITE HOUSE,

August 20, 1951.



Governor Edward Arn, correspondence files, box 57

FUNDS APPROPRIATED TO THE PRESIDENT

Rehabilitation of Midwestern Flood-stricken Areas

For expenses necessary to enable the President, through such agencies of the Government (including new agencies which the President is hereby authorized to create) as he may direct, and under such regulations as he may approve, to provide for and to take such measures as he may deem necessary for relief and rehabili-tation in the areas declared by the President during July and August, 1951, to be disaster areas because of floods, including (a) partial indemnification for physical loss of, or damage to, such tangible real or personal property as may be deemed administratively feasible, but such indemnification (1) shall not exceed \$20,000 for all claims of any one person and shall in no case exceed 80 percentum of an amount equal to the cost of replacing, rehabilitating, repairing, or re-constructing such property (less depreciation), (2) may be required to be contingent upon financial participation of State and/or local governments and compromise of creditors' claims (including claims of Federal agencies which are hereby authorized to be compromised without consideration), and (3) shall be adjusted on account of any assistance, compensation, insurance, or other reimbursement received or due on account of such loss or damage; (b) loans to State and local governments, on such terms and conditions as may be deemed necessary, to enable financial participation by such governments in the indemnification program authorized herein; (c) direct loans, or the guaranteeing of loans made by any public or private financing institution, upon such terms and conditions as may be deemed necessary, for rehabilitation of houses, farms, and private businesses; (d) conservation and land restoration measures; (e) personal services, without regard to the civil service laws; (f) hire of passenger motor vehicles and aircraft; (g) advance of funds under section 11 of the Act of August 2, 1946 (31 U.S.C.529); (h) expenses of attendance at meetings concerned with the purposes of this appropriation; and (i) services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); \$400,000,000, to remain available until June 30, 1952: Provided, That prior to the payment of any indemnity, or the granting or guaranteeing of any loan under this Act, the recipient thereof, or the cognizent State or local government, may the recipient thereof, or the cognizant State or local government, may be required to provide reasonable assurance of the relocation, reconstruction, replacement, rehabilitation, or repair of the damaged property so as to provide reasonable protection against the recurrence of flood loss or damage to such property, or the indiscriminate redevelopment thereof, and for these purposes there may be acquired by purchase, donation, other means of transfer, or condemnation, and without regard to section 355 of the Revised Statutes (40 U.S.C. 255), land which is subject to recurrent flooding, and such land may be utilized or disposed of in such a manner as to reduce the likelihood of further serious flood damage: Provided further, That any indemnification made pursuant to the provisions of this appropriation shall be final and conclusive for all purposes: Provided further, That the authority conferred by this appropriation and the funds provided herein shall be supplementary to, and not in substitution for, nor in limitation of, any other authority conferred or funds provided under any other law: Provided further, That the functions and duties exercised under this Act shall be excluded from the operation of the Administrative Procedures Act (60 Stat. 237), except as to the requirements of section 3 thereof.

Flood Insurance Revolving Fund

There is hereby created the "Flood insurance revolving fund", which shall be available, without fiscal year limitation, for all expenses necessary for the establishment and operation of a Federal flood insurance program to provide insurance and reinsurance (when not otherwise available at reasonable rates and upon reasonable conditions from private sources) against damage to, or loss of, private property (including that owned by State or local governments) from floods occurring within the United States or its Territories, including expenses of

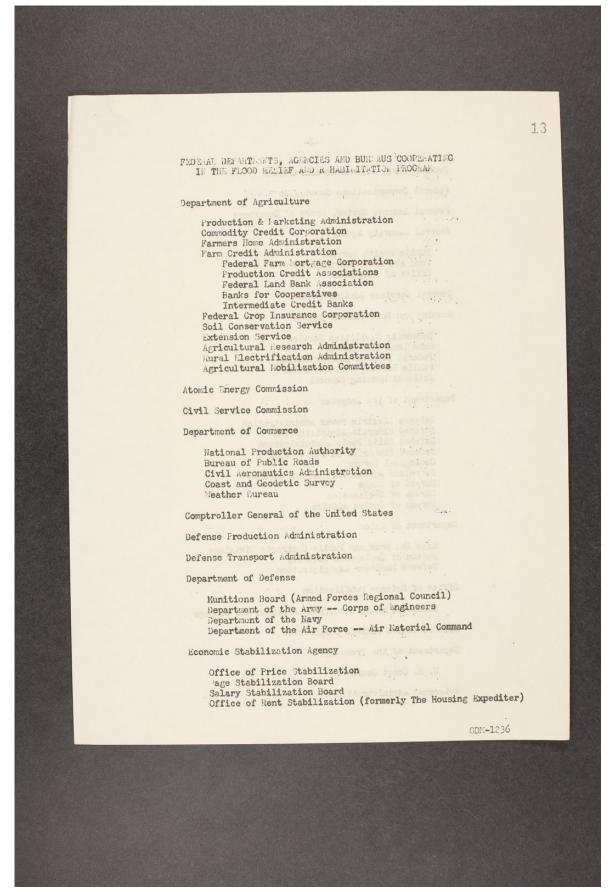
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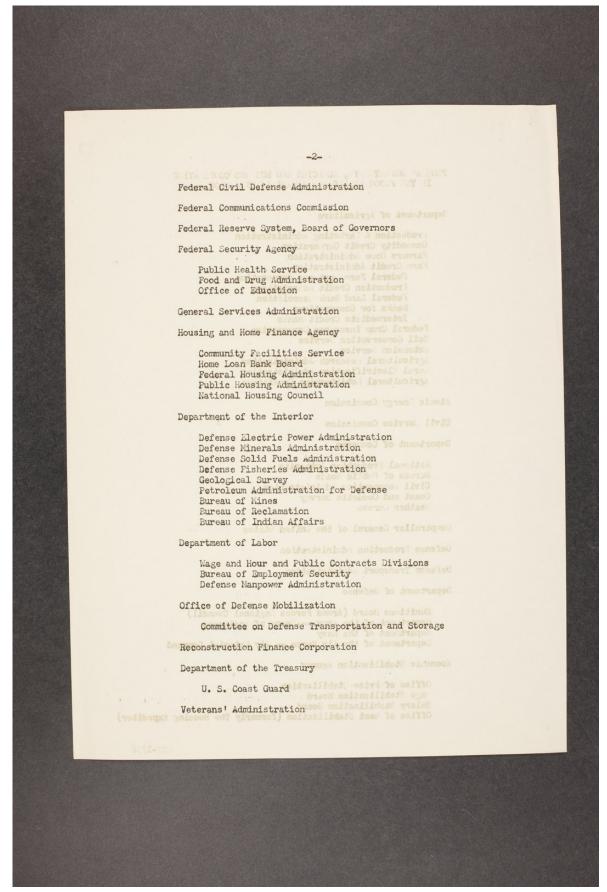
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attendance at meetings concerned with the purposes of said funds; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); advance of funds under section 11 of said Act of August 2, 1946 (31 U. S. C. 529); and purchase and hire of passenger motor vehicles. Said program shall be administered by such agency of the Government (including new agencies which the President is hereby authorized to create) as the President may direct, and shall be operated under such regulations as he may approve. For the foregoing purposes, there may be transferred to said fund, from the appropriation for "Rehabilitation of Midwestern Floodstricken Areas," such amounts as the President shall determine to be necessary, which shall remain available without regard to the limits of disaster areas. In addition, said fund shall be credited with all net receipts from insurance premiums, salvage, or other recoveries from insurance activities thereunder, and there are authorized to be appropriated such additional amounts as may be required: Provided, That any insurance or reinsurance issued under said fund shall be based, insofar as practicable, upon consideration of the risk involved, and said program shall utilize to the maximum extent possible the facilities of private insurance companies: Provided further, That reinsurance shall not be provided under said fund at rates less than, nor obtained under said fund at rates more than, the rates established by the Government on the same or similar risks or the rates charged by the insurance carrier for the insurance so reinsured, whichever is most advantageous to the Government, except that there may be made to the insurance carrier such allowances for expenses on account of the cost of services rendered or facilities furnished as may be deemed reasonably to accord with good business practice, but such allowance to the carrier shall not provide for any payment by the carrier on account of solicitation for or stimulation of insurance business: Provided further, That such program of insurance shall be so administered as not to serve as an inducement for indiscriminate investments in facilities in areas which are subject to recurring floods.

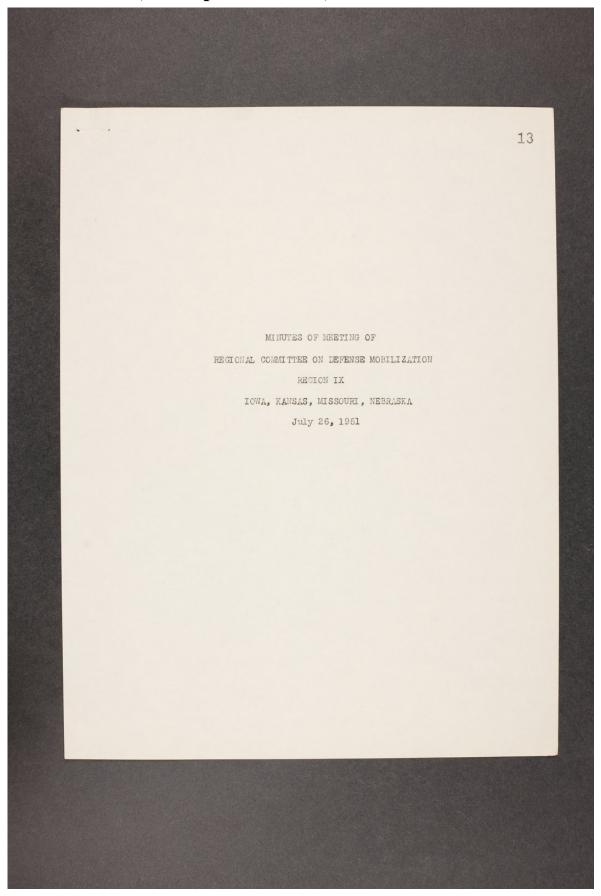




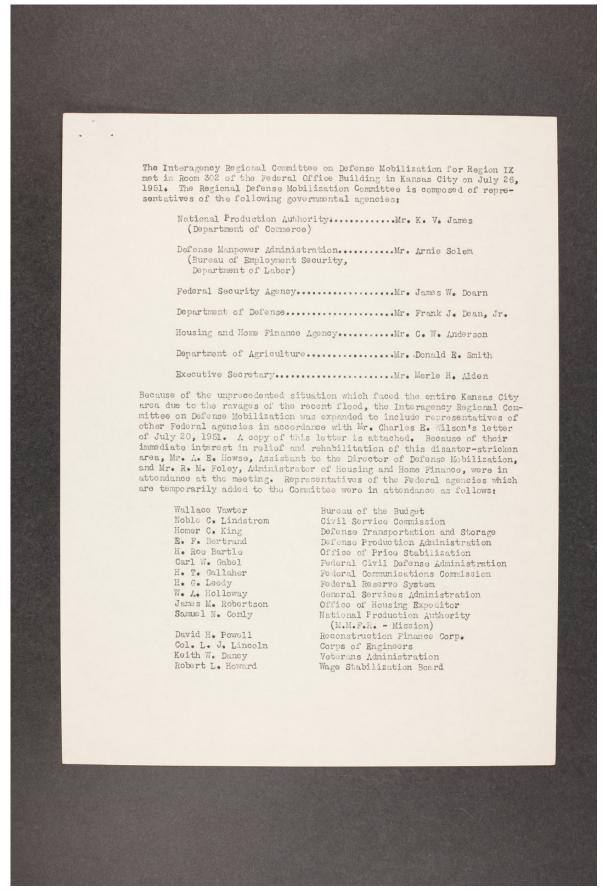




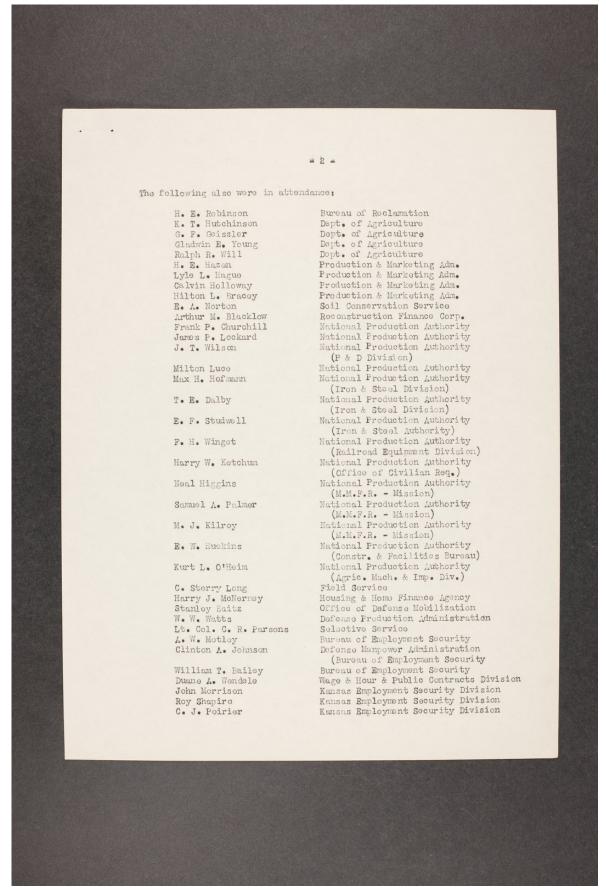




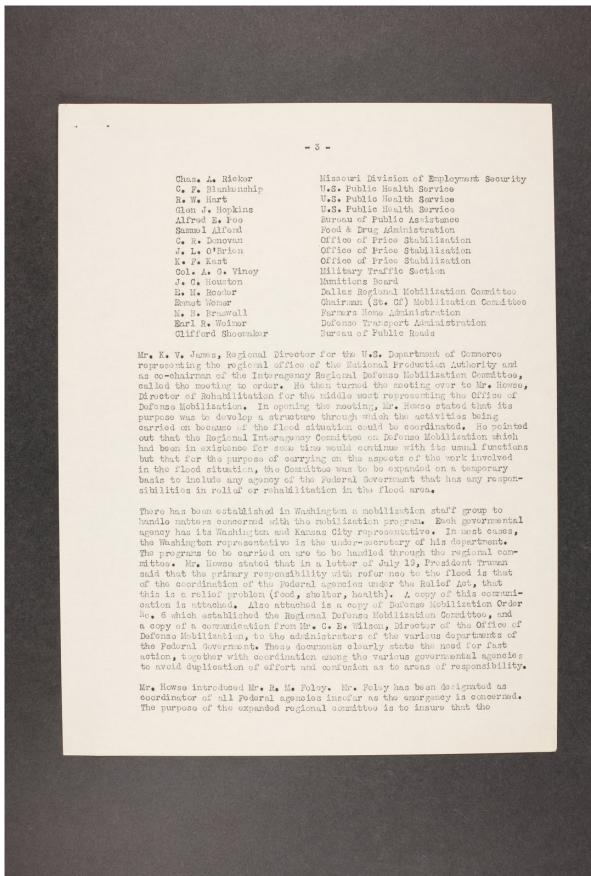










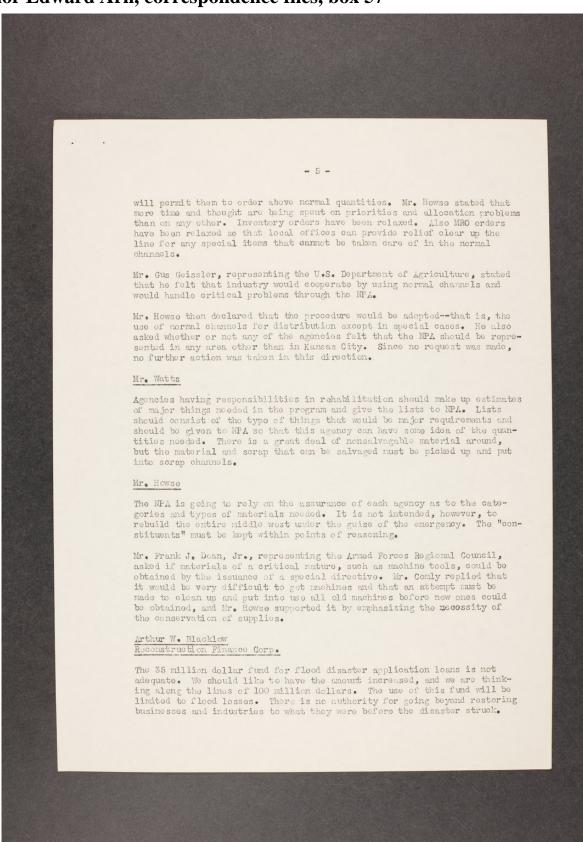




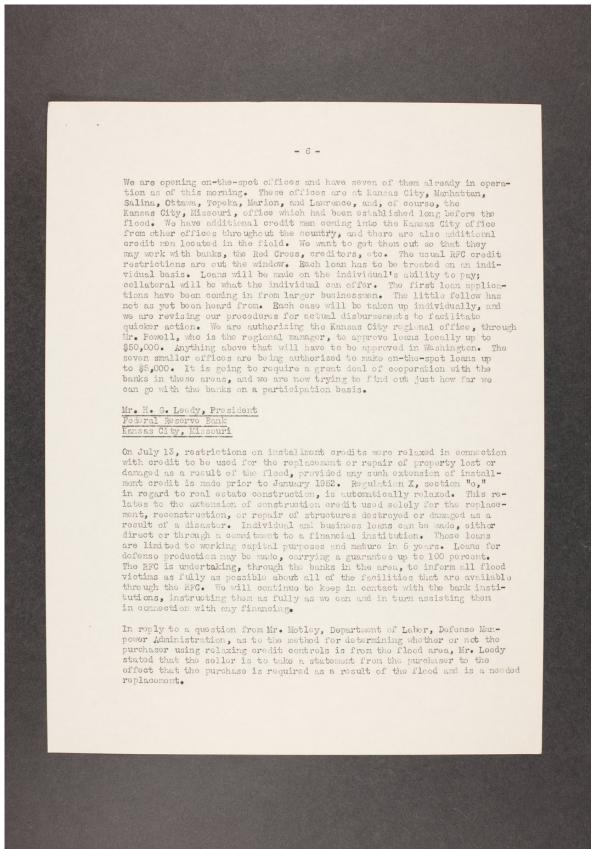
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m 4 m various segments of our economy, such as workers, farmers, industrial establishments, etc., as represented by Federal agencies, how a voice in the plans which are made for relief and rehabilitation in the flood area. Mr. Foley stated that emergency under this act must be a fast operation, and he described the manner in which a committee will operate. He advised that Mr. C. W. Anderson, Regional Manager for the Housing and Home Finance agency, has been appointed local coordinator for the Kansas City area. Mr. Foley also indicated in an off-the-record statement that we had now reached what we might call a "gripe stage." Much of this is probably based on a lack of knowledge of the limitations of governmental agencies. He has recommended, however, the allocation of another million dollars for me has recommended, nowever, the allocation of another million dollars for emergency rolief work for Kansas. Mr. Howse then stated that it is being presumed that each representative present at the meeting will have authority to speak for his agency and that this recognizes the type of treatment necessary under emergency conditions. There are two immediate and pressing problems. These are (1) materials, and (2) financing. Mr. Howse then called on Mr. Samuel Comly to describe the manner in which materials should be obtained. Mr. Samuel Comly, Chief General Components Division The National Production Authority requests that orders be placed in a normal manner with the customary suppliers. MPA will rely on normal channels of distribution so far as they relate to supplies, materials and fundamental matters of health, food, and helter. It is necessary to see that businesses, farms, etc. are restored to working condition as soon as possible. NPA will do all in its power to increase the flow of supplies to devastated areas so that normal distribution can be effected. If special assistance is needed, an NPA order will be issued to take care of that kind of situation. The NPA wants to do this job in such a way as to cause the least possible disruption to the defense effort and National emergency. This agency wants to do its work with the least possible additional paper work and red tape. Therefore, let orders flow in the normal channels until necessary to do something special. (Example - a farmer goes to the store where he has always gono. It is expected that there will be supplies there for him.) In replying to a question by Col. Lincoln, Mr. Comly stated that the local supplier would know who had been hit by the flood and who had not. If the required needs are not obtainable in the normal manner, then the user should go to the National Production Authority. Under the MRO plan, any-body who needs material for maintenance, repair, and operation of a facility can make use of self-certification within limitations. Mr. W. W. Watts of the Defense Production Administration pointed out that there is a provision that normal suppliers will be permitted to replenish whatever stocks they have depleted through shipments to regular customers in flood areas. Suppliers will be given new inventory limitations which

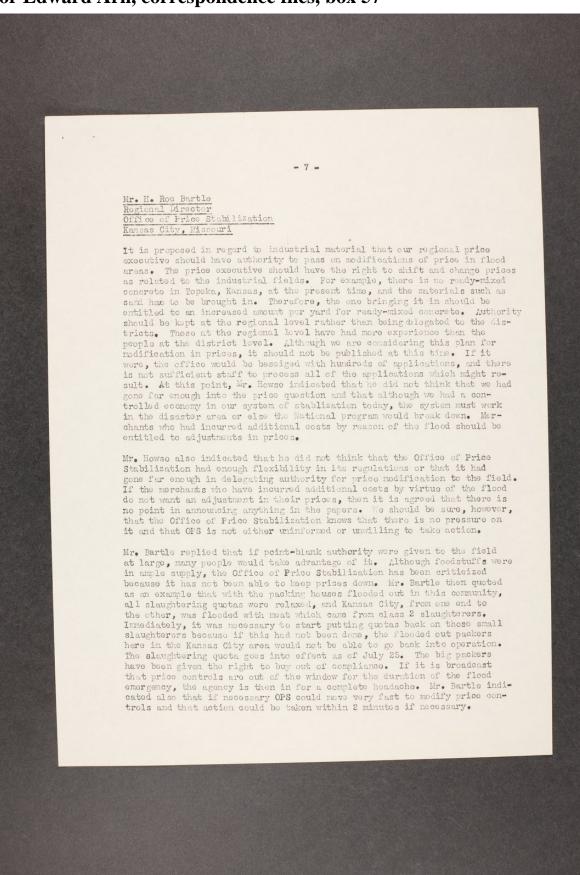














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Mr. Howse then asked the general question as to whether or not any of those present felt that OPS regulations were standing in the way of relief or rehabilitation. There was no indication that such was the case.

Mr. H. E. Robinson, Bureau of Reclamation, Department of Interior, offered the comment that at least insofar as construction work is concerned, there might be bottlenecks if the field managers had to come into the regional office for authority before allowing a raise in prices.

Mr. Robert L. Howard Wage Stabilization Board

The Wago Stabilization Board is in the process of getting its staff together, but for the present the problems arising in connection with wage ceilings are being handled through the wage and hour office. The question of wage ceilings as related to the flood disaster area was discussed with Washington, and it was suggested that the matter be studied locally and recommendations made to Washington accordingly. It is assumed that authority will be delegated locally, but as yet this has not been done. The Economic Stabilization Authority has delegated Mr. H. Roe Bartle to take such action as may be necessary.

Mr. D. A. Wendele, Wage and Hour Division, U.S. Department of Labor, suggested that problems in connection with wage ceilings be referred to Mr. Francis Cook, Regional Attorney, Office of the Solicitor, U.S. Department of Labor.

Col. L. J. Lincoln Corps of Engineers U.S. Army

In Government contract work, a problem frequently arises because of the necessity of going to Washington to got a minimum wage rate. It is necessary to include the minimum wage rate in contracts, and that has, in the past, delayed some jobs as much as 2 or 3 months.

 ${\tt Mr.}$ Motley pointed out that if the solicitor did not have authority locally to act on problems of this nature, this authority would be given to that office.

Mr. Bartle raised the question as to whether or not a food merchant, if wiped out by the flood, should be entitled to sell his merchandise at a higher price than the follow merchant across the street who might not have been wiped out. Mr. Howse responded that we must have a general price level and that price and wage ceilings must not be an obstruction.

Mr. A. W. Motley Defense Manpower Administration Department of Labor

Mr. Motley called upon Mr. Chas. A. Ricker, director of the Missouri State