

## Governor Edward Arn, correspondence files, box 57

### Section 20, Pages 571 - 600

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

KSHS Identifier: DaRT ID: 309999

Item Identifier: 309999

[www.kansasmemory.org/item/309999](http://www.kansasmemory.org/item/309999)

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Mr. Howse summarized the recommendations which he would make to Congress on August 13 as follows:

(1) To request Congress to appropriate a sum of money somewhere between \$250,000,000 and \$500,000,000 to be made available for approved programs through the Director of Defense Mobilization and distribute it through the normal commercial bank channels for guaranteed loans for industry, farmers and others in need of such funds.

(2) To recommend some sort of retroactive indemnification for flood sufferers. This might take the form of some sort of retroactive insurance as had been presented by Mr. S. M. Roberts, or it might be in a form comparable to filing war claims accounts, the essence of which is included in Senate Bill 1935 as introduced by Senator Hennings, of Missouri.

Mr. Howse then presented for consideration of the Committee members the general question of whether indemnification should be a flat sum across the board or whether it should be on a graduated scale. Should it consist only of granting absolution of indebtedness to agencies or departments of the Federal Government, or should it be granted to all flood sufferers alike without regard to the amount of their indebtedness to Federal agencies?

Senate Bill 1935, copies of which were made available to the Committee members, provides for a \$100 deductible minimum to keep out foolish and asinine types of claims. The Bill provides for a 25% discount of the first \$10,000 claim. The effect of this would be that if the loss claimed was for \$10,000, the payment would be \$7500. The Bill provides for a 50% discount of the next \$90,000 loss, and 75% of the balance of the loss, with a ceiling of \$1,000,000 on any one claim. Mr. Howse said that he did not intend to recommend an outright grant of a flat sum for everyone who was in any way affected by the flood. He proposed also to recommend that in connection with whatever action is taken that the action be taken only after participation by the individual states concerned. While there might be some question as to the extent to which the states could contribute financially, they could at least contribute 10% or 20% of the total participation.

He then asked for the comments of the members of the Committee in attendance, requesting particularly whether the program as proposed goes far enough or too far and how it should be handled. The general opinion of the group present was that it was a sound program and that it was very much in order. Further, the thinking in general was that indemnification only for those having government loans would be criticized and that any indemnification should be made available to all flood sufferers on the same basis regardless of whether or not they had a loan through the government, through private loan sources, or had no loan at all. It was agreed that action taken should be designed to get an immediate appropriation of funds and that there should be a flood control program, a flood insurance program, and an indemnification program going on at the same time.



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The agencies represented were then informed that the Bureau of the Budget would like to know the amount of money that such a proposed program might cost and that each of the agencies represented were being asked to present some sort of a report of their estimates of losses. This report would be forwarded to Washington and the various department heads there are being notified to prepare and have available by the afternoon of August 13 the appraisal of the amount of damages and the sum of money that would be required for the legislation proposed.

In summarizing his remarks, Mr. Howse complimented all the Federal agencies involved on the good work which had been done to date. He warned all present, however, that rehabilitation would be a long slow process and it was not by any means complete. Much had been lost that could never be regained and it would take the combined cooperative efforts of all agencies, Federal, State and local, to complete the task of restoring the economy of the affected areas.

The Chairman announced that the next meeting would consist only of the Executive Committee and would be held in room 204, New England Building, on August 16, 1951.

Merle H. Alden  
Executive Secretary  
Office of Defense Mobilization

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MEETING OF  
SUB-COMMITTEE TO CONSIDER PROPOSAL FOR THE  
APPOINTMENT OF STATE, COUNTY AND LOCAL  
DISASTER REHABILITATION COMMITTEES

In accordance with the action taken at the meeting of the Inter-Agency Regional Defense Mobilization Committee on August 2, 1951, the co-chairmen appointed the following members as a sub-committee to consider the proposal for appointing state, county and local disaster rehabilitation committees:

Jonas Graber, Chairman  
Frank J. Dean, Jr.  
W. A. Holloway

The Committee met at 2:00 PM on August 6 in Room 511, Federal Office Building. Sometime was spent in discussing and reviewing the purposes for which the committee was appointed. It was finally decided that the committee was appointed for the purpose of determining whether or not the Regional Defense Mobilization Committee should recommend to Mr. Howse that the device of having committees, as proposed in the draft letter read at the meeting on August 2, was desirable. The committee decided unanimously: (1) that in view of the existing circumstances and the necessity for having state, county and local communities recognize their own responsibility in the disaster situation, it appeared desirable to have some sort of state and local contact points established which could be looked to for information and advice; (2) that the draft letter be rewritten to emphasize the long time rehabilitation aspects of the program; that since the point has now been reached when the federal government must consider withdrawing its direct assistance, there is need to know what else must be done before such action is taken. It is further suggested that the letter de-emphasize the suggestion of appointing a committee and leave it to the Governor's discretion as to whether or not it should be a committee or a person or persons which would serve as the point of contact. This would avoid possible criticism of attempting to tell the Governor how to set up his organization. Rewriting the letter in this fashion might also avoid criticism from state officials as to why they were not called on for advice, information and reports at the outset, rather than waiting until after the immediate and urgent relief needs had been to a great degree met.

The sub-committee adjourned at 4:00 o'clock.



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MEETING OF EXECUTIVE COMMITTEE  
OF THE  
INTER-AGENCY REGIONAL DEFENSE MOBILIZATION COMMITTEE

August 16, 1951

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MEETING OF EXECUTIVE COMMITTEE  
OF THE  
INTER-AGENCY REGIONAL DEFENSE MOBILIZATION COMMITTEE

Co-Chairmen: K. V. James  
Department of Commerce  
  
Arnie Solem  
Defense Manpower Administration

Presiding: K. V. James

Agency Representatives:

Department of Commerce  
Defense Manpower Administration

Federal Security Agency  
Department of Defense

Department of Agriculture  
Housing & Home Finance Agency  
Office of Housing Expediter

National Production Administration

Executive Secretary

K. V. James  
Arnie Solem  
Clinton A. Johnson  
James W. Doarn  
Frank E. Vrooman  
Lt. Col. Preston Brown  
Donald E. Smith  
Kenneth Kingsbury  
F. J. Maynard  
Carroll W. Berry  
John Cleary

Merle H. Alden

The meeting convened at 1:30 P.M. August 16 in Room 204, New England Building, 112 West 9th Street, Kansas City, Missouri.

Minutes of the Previous Meeting

Mr. James opened the meeting and announced that the minutes of August 9 were ready to be sent to the members of the Committee. He asked if there were any corrections of the minutes of the August 2 meeting. Mr. Alden stated that on page 11 the listing of the Regional Defense Mobilization Committee should include the name of Mr. Jonas Graber, representing the Housing and Home Finance Agency. Mr. Donald E. Smith pointed out the following corrections which should be made: on page 7, line 14 of the first paragraph, change "state" to "Missouri" at the end of the line. On page 7, the second paragraph, line 7, change the figure \$7500 to read \$150,000.



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### Defense Production Act Amendments of 1951

Mr. John Cleary discussed some of the implications of the Defense Production Act Amendments of 1951. These are the Title One Amendments to the Defense Production Act of 1950. He discussed in particular the effect of the establishment of the Small Defense Plants Administration which is to take the place of the Smaller War Plants Corporation as established under the original Act. The Small Defense Plants Administration will be given \$50,000,000 to spend by June, 1952, and its powers are set forth in Section 714(e) of the Act. Among other things, the Small Defense Plants Administration is given broad powers to obtain from any Federal department engaged in defense procurement any facts deemed pertinent. It is also given the power to determine what is a "small business". Mr. Cleary also discussed briefly the changes in the price control provisions of the amended Act. Mr. Perry discussed the implications of the amended Act as related to rent control. Under the amendments to the Act there are now two ways in which a community or locality which has been decontrolled, can be recontrolled. These are: (1) The State or local government, after holding public hearings, can pass a resolution asking that it again be placed under rent control; or (2) the Director of Defense Mobilization and the Secretary of Defense may designate a locality as being a critical defense rent area, in which case all housing will come back under rent control.

### Proposal to Re-establish Rent Control in Flood Area

Mr. Maynard presented to the Executive Committee for its consideration, the question of whether or not certain localities in the flood area should be brought under rent control under the provisions of the Defense Production Act Amendments of 1951. Mr. Maynard stated that the Office of Rent Stabilization believed that the areas of Saline, Geary, Riley, Shawnee, Douglass, Franklin, Dickinson, Wyandotte, Leavenworth, and Johnson Counties in the State of Kansas; and Jackson, Clay, and parts of Platte County in Missouri, should be brought under rent control because: (a) A number of defense or military activities have been provided, or existing plants have been reactivated and expanded for defense activity; (b) a great in-migration of workers and personnel will be required in such defense or military activities; and (c) there is a substantial shortage of housing to meet the needs of even the normal population in the flood area, and that the needs of additional defense workers or military personnel cannot possibly be met by the present available housing.

Mr. Maynard suggested that if the Committee agreed with the opinion of the Office of Rent Stabilization, that the counties named be declared to be critical defense rent areas; that a resolution to this effect be adopted. The Committee discussed at some length, the proposal made by Mr. Maynard, and also the responsibilities of the Committee in handling such matters. The Committee finally decided that it could not take action on the rent control proposal because it did not have before it at that time sufficient facts to justify an action with the far reaching implications contained in the proposal to re-enact rent control. The Committee then adopted the following resolution:



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NOW, THEREFORE, BE IT RESOLVED that this Committee investigate the situation in and determine the facts as to whether or not this Committee should make a recommendation to the Secretary of Defense and the Director of Defense Mobilization that the foregoing named counties should immediately be declared to be "critical defense housing areas" as defined in Section 204(1) of the Housing and Rent Act of 1947, as amended by Public Law 96, 82nd Congress, and that in order to provide for the construction of housing for defense workers, military personnel, and flood refugees, that such real estate construction credit controls be relaxed as are necessary in the determination of the President, to encourage the construction of necessary housing.

"Foregoing named counties" as used in the resolution refers only, to the areas of Shawnee, Wyandotte and Johnson Counties in the State of Kansas, and Jackson, Clay, and parts of Platte County, now under control in the State of Missouri, and the investigation and recommendations will be limited to those areas.

The Chairman then appointed a committee consisting of Mr. Kingsbury, Mr. Vrooman and Mr. Alden to obtain the information necessary for making such determination. The next meeting of the Executive Committee will be held on August 31 and at that time the results of the investigation will be presented to the Committee for such action as may be appropriate.

### Miscellaneous Business

Mr. Johnson reported upon the progress which had been made in solving the problem of the shortage of engineers. The Regional Office of Defense Manpower Administration has been working with the State Employment Service in order to learn the requirements for engineers and also the supply which may be available. Contacts are being made with State Universities for the same purpose. All of the information needed is not yet available, nor is the information on training sources, which is also needed, available at this time. The shortage of engineers is still the number one manpower shortage problem, however.

Mr. Solen reported that the Regional Labor Management Committee had met on Friday, August 10, and that the Wichita Labor Management Committee had held its first meeting on August 14. Meetings of Labor Management Committees will be held at regular intervals and their work may have a relationship to the work which must be done by the Inter-Agency Regional Defense Mobilization Committee.

The meeting was adjourned at 4:00 P.M.

Merle H. Alden  
Executive Secretary  
Office of Defense Mobilization



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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF DEFENSE MOBILIZATION  
Secretariat

14

Meeting of Federal Agency Representatives to Consider Organization and  
Operations Required to Handle Mid-Western Flood Disaster

Presiding

Raymond M. Foley, Housing and Home Finance Agency  
A. E. Howse, Office of Defense Mobilization

Agency Representatives

Vice Admiral Merlin O'Neill, Department of the Treasury  
Major General Lewis Pick, Department of Defense  
John D. Small, Department of Defense  
Fred Hobart, Department of the Interior  
Richard Searles, Department of the Interior  
Alfred C. Wolf, Department of the Interior  
Clarence McCormick, Department of Agriculture  
Herbert J. Waters, Department of Agriculture  
Thomas W. S. Davis, Department of Commerce  
C. Dickerson Williams, Department of Commerce  
Ewan Clague, Department of Labor  
Leo Werts, Department of Labor  
C. R. Lee, Atomic Energy Commission  
Arnold Miles, Bureau of the Budget  
Hugh H. Cobb, Civil Aeronautics Administration  
James Googe, Civil Service Commission  
H. E. Hiltz, Committee on Defense Transportation & Storage  
E. L. Fisher, General Accounting Office  
D. W. Hoppock, Defense Production Administration  
W. W. Watts, Defense Production Administration  
W. S. Rainville, Defense Transport Administration  
George C. Viethier, Economic Stabilization Agency  
Hugh Gallagher, Federal Civil Defense Administration  
Wayne Coy, Federal Communications Commission  
Winfield W. Riefler, Federal Reserve Board  
Rufus Miles, Federal Security Agency  
Jess Larson, General Services Administration  
Neal Hardy, Housing & Home Finance Agency  
Pere Seward, Housing & Home Finance Agency  
William G. Barr, Office of the Housing Expediter  
Malcolm S. McComb, National Production Authority  
Franz Stone, National Production Authority  
Joe F. Trimble, National Production Authority  
C. R. Donovan, Office of Price Stabilization  
Arthur Blacklow, Reconstruction Finance Corporation  
Creighton E. Hays, Veterans Administration  
George W. Armstrong, Wage Stabilization Board  
Stanley Baitz, Office of Defense Mobilization  
Arthur S. Flemming, Office of Defense Mobilization  
John D. Young, Executive Secretary, Office of Defense Mobilization

The meeting convened at 1:00 p.m., Monday, July 23, 1951, in Room 211,  
Executive Office Building.

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Mr. Howse stated that the purpose of the meeting was to provide an over-all Federal Government organization that would be able to handle effects of the flood disaster quickly and adequately in a coordinated manner, also to provide each agency with information necessary to understand its own responsibilities and take whatever organizational steps where necessary to meet these responsibilities.

The Regional Defense Mobilization Committee which already exists in Kansas City will be expanded to include representation from all the agencies present at this meeting. This will be the principal interagency coordinating mechanism in the field.

The Washington coordinating mechanism will be the Mobilization Executives Staff with whatever ad hoc membership is needed to handle the economic rehabilitation of the disaster area. Ad hoc working committees of the Mobilization Executives Staff will be created to handle the daily problems that may require interagency solution.

Mr. Foley explained that his responsibilities under Public Law 875, "Disaster Relief Act, 1950," are limited to providing immediate relief and assistance to supplement the efforts of state and local governments. The \$25,000,000 appropriation, which has been provided under the Disaster Relief Act, is limited in that it cannot be used for permanent reconstruction or for repairs to private property. The Federal agencies operating under authority of the Disaster Relief Act are already taking immediate relief steps. The housing situation in the area is very serious. Thousands of homes are damaged or a complete loss. The HHFA will require additional authority to deal with the long-range housing problem. Mr. Foley has established a special working committee in the area to handle the housing situation. The committee is already at work.

Mr. Foley explained that it was not possible to separate responsibilities for immediate relief from the longer-range problem of economic rehabilitation, responsibility for which the President has assigned to the Director, Office of Defense Mobilization. With this fact in mind, the HHFA and the Office of Defense Mobilization are establishing a mutual operating organization in both Washington and the field.

General Pick gave a brief report on the current flood situation. The water is falling rapidly behind the flood crest. Little damage is expected below St. Louis. It is impossible to determine the extent of damage in the flood area at this time. Restoration of anything approaching normal activity in the area will be a difficult undertaking.

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Mr. Howse requested each agency represented at the meeting to designate a Washington representative and a Kansas City representative. A list of these representatives is attached as Addendum I to this summary.

The remainder of the meeting was devoted to statements of the actions being taken by the various agencies and any needs and requirements they might have to present to the committee. There follows a summary of the agency reports:

### Department of the Treasury

The Coast Guard has provided boats and planes for relief and rescue work. The need for these is now diminishing. The Coast Guard does not have additional forces or equipment that can be of use. There are no present needs to be presented to the committee.

### Department of Defense

The Department of Defense is participating in several phases of flood relief.

Department of the Army is supporting relief of flood areas in accordance with Army Regulation 500-60 "War Department Activities in Connection with Disaster Relief," dated December 1, 1939. The Commanding Generals, Fourth and Fifth Armies, acting as representatives of the Department of the Army, have received requests for supplies to be used in flood relief from the American Red Cross and have furnished such supplies from stocks within their command or from depots under command of Chief of Technical Services. In general, supply requirements have been minor so far as Department of the Army is concerned and in no case have they seriously conflicted with requirements for supplies in the Far East Command. A detailed report of the supplies furnished by the Army was submitted to Mr. Howse.

The Corps of Engineers have area offices set up in the flood area and are participating in the clean-up work. They have many dump trucks which are soldier driven and have been turned over to contractors which have been lined up to direct the work. Money being spent is from the Engineers own relief fund and not that allocated specifically for this emergency.

The Air Force has airlifted approximately 300 tons of material consisting mainly of empty sand bags, cots, blankets, rations, assault boots, and miscellaneous items. At the peak of the effort, some 2,500 air force personnel were involved. A detailed report was submitted in writing to Mr. Howse.

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The Navy has provided 3000 personnel to handle relief operations in the Kansas City area. Many of these men assisted police and aided in removing stranded individuals to places of safety. The Navy has participated in several air drops of such items as typhoid serum, life jackets, etc.

The Armed Forces Regional Committee representing the procurement services has instructions to coordinate its activities with the Regional Defense Mobilization Committee. The procurement services have plant inspectors in the process of collecting damage reports to individual facilities. An expert in restoration of damaged industrial equipment has been sent from the Washington, D. C., Naval Gun Factory.

The Department of Defense will need priority assistance in the salvage of equipment and restoration and replacement of damaged industrial facilities. The Department of Defense is working with NPA and DPA on these problems.

#### Department of the Interior

The Department of the Interior has filed a list of equipment that is available for flood relief work. Two safety experts from the Bureau of Mines have been dispatched to the area to assist in programs designed to make areas safe from explosion prior to their reoccupation.

The Defense Petroleum Administration will need priority assistance in restoring the oil refineries which have been severely damaged. Electric power generating systems in the area have not received extensive damage.

#### Department of Agriculture

Food supplies have been donated and additional stocks are available if needed. A million dollars have been obtained from the 25 million authorized under the Disaster Relief Act for livestock feed. This feed will be used during the next 30 days, after which a careful screening of needs will be conducted before additional feed is issued. Grain is available in the area on a purchase basis. Enough grain supplies are being maintained in the area to avoid severe price increase.

Damage to REA power lines is not extensive, but damage within homes of consumers of REA power is severe. Additional legislative authority may be required to allow REA Coops to delay payment on loans.

The Farm Extension Service is taking steps to educate farmers on use of water and other relief measures.

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The Farm Credit Administration is providing for a year or more moratorium on loans.

The Farmers Home Administration is in a position to make additional loans.

Private credit to farmers in the disaster area is "drying up."

The Department of Agriculture believes that additional credit to farmers will be needed to develop a program whereby farmers can rehabilitate farm equipment and facilities. The Red Cross is not providing adequate relief in rural areas.

If the Food and Drug Administration moves rapidly enough, grain that has been under water can be salvaged and used for feed. Mr. Howse requested Mr. Miles, FSA, to get together with Mr. McCormick, Under Secretary of Agriculture, for the purpose of solving this problem.

There will be extensive requirements for dehydrating equipment, etc., for use in salvaging crops.

The Commodity Credit Corporation can supply seed, but at present no authority exists to make this available on a grant basis, as has been requested.

### Department of Commerce

A survey of damage to roads is underway by the Bureau of Public Roads. The CAA has been able to maintain service at most airports in the area. The National Production Authority has had a nine-man team in the area making a survey of economic rehabilitation requirements. (See report under DPA-NPA below.)

### Department of Labor

The Department of Labor is watching the unemployment problem in the area. The local unemployment offices will be in a position to handle this problem.

The Department of Labor requested other members present to keep the Department of Labor informed as to labor priorities so that steps can be taken to meet them.

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### Atomic Energy Commission

No serious problem has been reported to date.

### Civil Service Commission

The Commission will assist the various agencies in obtaining any needed personnel.

### Chairman, Committee on Defense Transportation and Storage

Mr. Rentzel, Chairman of the Committee, is in Kansas City and will make a full report upon his return.

### The Comptroller General of the United States

Representatives of the Comptroller General will assist the various agencies in determining their authority to spend appropriated funds for disaster relief purposes.

### Office of Price Stabilization

Steps have already been taken to delegate authority to the field to take any required price actions. Action has been taken to adjust live-stock quotas.

### Wage Stabilization Board

No specific wage problems have developed. The wage regulations are flexible enough to deal with any problems that may arise.

### Federal Civil Defense Administration

The agency has no authority to deal with the present disaster. The present situation points up the gap between the Civil Defense Administration and the other agencies of government with responsibilities for peacetime disasters. The agency has had representation at both Kansas City and St. Louis. A detailed report of findings was submitted to Mr. Howse.

### Federal Communications Commission

The communications systems are gradually being restored. Amateur radio operators and the radio stations are supplementing the normal communication systems.

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### Federal Reserve Board

Consumer credit, Regulation W, has been relaxed. A severe problem of individual rehabilitation loans will occur. No adequate authority is available to handle such a program. The V Loans will not meet the situation. The use of RFC disaster loans seems appropriate.

### The Housing Expediter

Field offices have been instructed to make allowances in rent ceilings for repairs on rental units. Landlords can obtain a prior indication of what the allowances will be.

### Federal Security Agency

The Public Health Service is rendering medical assistance through the state health offices on problems relating to contamination of water systems, breakdown of sewage disposal systems and rodent and insect control.

The Food and Drug Administration is conducting inspection of food supplies.

The agency's principal concern is adequate funds to do the things it already has authority to do.

### General Services Administration

The Federal Government regional supply center has been completely wiped out with a loss of \$5 million. Supplies for this six-state area are being provided by other GSA offices. Public buildings in general are now back in normal operation with the exception of certain outlying post office installations. The stockpile of vegetable oils in the Kansas City area is safe. GSA is the claimant agency for common use items in Government. The local GSA office is doing some emergency procurement as requested. GSA is responsible for construction of aluminum plants under contract. Some steel for these plants is being fabricated in the Kansas City area. This will no doubt cause delays in the aluminum construction program. A detailed report on losses and needs is being submitted to Mr. Howse.

### Reconstruction Finance Corporation

Eight offices have been opened in the area to process applications for disaster loans. At present there is \$35 million available in the disaster loan

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fund out of a total loan authority of 40 million. Loans can be made from these funds for ten years at an interest rate of 3%. There is no restriction on the kinds of loan that can be made. Most of the loans will probably be for repair and restoration of homes and small business concerns.

The \$35 million now available may not be adequate. It will take two-three weeks at a minimum to process a loan application. Mr. Howse requested that RFC consider means of providing a faster service. He also requested that RFC explore the possibilities of developing a guaranteed loan program which would operate through existing private banks.

### Defense Production Administration - National Production Authority

A plan will be presented today to Mr. Fleischmann which will provide whatever priority, allocations, set asides, etc., are required to cope with the economic rehabilitation program.

DPA and NFA will need estimates of requirements from the various claimant agencies.

The field offices will be strengthened and delegated authority to handle on-the-spot priority assistance. A system of priorities will have to be devised which will provide that critical materials are used to meet the most important needs first. The field offices will require assistance from other Federal agencies with field offices in the area to estimate requirements. Industry groups will also be used to develop requirements.

Jobbers stocks in the area are very low or non-existent. A system of self-certification for 50% of base period stocks is being recommended.

Steps will be taken to urge steel companies producing M-6 steel to accelerate supplying those jobbers with depleted stocks.

Preliminary estimates indicate that a million pounds of copper will be required to restore damaged electric utilities and equipment. Ninety percent of the damaged electric motors can be restored to operating condition if properly dried out. Steps are being taken to move these motors out. Industry has organized for the repair of the motors, thus necessitating need for the quick availability of the required copper.

Mr. Howse requested the DPA - NFA representatives to inform him as soon as possible of the specific program which is approved by the Administrator. He emphasized the need for a system of essential priorities.

(This ends the individual agency reports.)

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Mr. Foley urged that the agencies move ahead rapidly in determining their requirements for additional legislation. He recommended that all of the requirements be pulled together into one proposed bill.

Mr. Howse stated that the verbal reports presented at this meeting did not negate the need for the more detailed reports requested by Mr. Wilson in his letter of July 20, 1951, to the heads of the departments and agencies.

Mr. Howse requested that all departments and agencies avoid sending any unnecessary personnel to the disaster area.

General Pick, Mr. Howse, and Mr. Foley will go to Kansas City tomorrow. A meeting with the Governors of the afflicted states will be held on Wednesday. Representatives of the Departments of Defense, Agriculture, and Labor, Committee on Defense Transportation and Storage, Defense Production Administration, National Production Authority, Reconstruction Finance Corporation, and Economic Stabilization Agency were requested to accompany Mr. Foley and Mr. Howse to Kansas City.

The Regional Defense Mobilization Committee with membership expanded to cover the agencies represented at this meeting will meet on Thursday morning at 9:00 a. m. in the Fidelity Office Building, Kansas City, to begin consideration of detailed plans and operations. Mr. Howse requested every agency to delegate to their representative on the Regional Committee all of the necessary authority. If decisions cannot be reached in the field, they will be referred to this Committee.

The meeting adjourned at 2:30 p. m.

John D. Young  
Executive Secretary, CDM

(This ends the individual agency reports.)

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LIST OF WASHINGTON, D. C., AND KANSAS CITY, MISSOURI, REPRESENTATIVES OF  
FEDERAL AGENCIES PARTICIPATING IN FLOOD DISASTER WORK

<u>AGENCY</u>	<u>WASHINGTON, D. C.</u>	<u>Addresses</u> <u>KANSAS CITY, MO.</u>
Department of the Treasury	Rt. Adm. R. J. Henneman Coast Guard Edgts. 1300 E. St. E. W. Executive 6400, Ext. 5674	
Department of the Interior	Richard D. Seattles Under Secretary Room 5110, Interior Bldg. Republic 1420	George M. Kentz or Mr. Kovach Gables Hotel Cypress 3140
Department of Defense	R. M. Hatfield, Jr. Vice Chairman, MB for Stockpiling Pentagon Bldg. Liberty 5-6700, Ext. 71163	Frank J. Dean Vice Chairman, MB for Regional Offices Hotel President Grant 5440
Department of Agriculture	Clarence J. McCormick Under Secretary Room 200, Admin. Bldg. Republic 4142, Ext. 6156  Herbert J. Waters Asst. to Under Secretary Room 200, Admin. Bldg. Republic 4142, Ext. 5744	Donald E. Smith HIA Commodity Office Fidelity Bldg. Harrison 6464  Gladwin Young Field Representative Room 600, Judge Bldg. Lincoln, Nebraska
Department of Commerce	C. Dickerson Williams Solicitor Sterling 9200, Ext. 4772	Kenneth V. Jones Regional Director 700 Rickard Bldg. Harrison 6464
Department of Labor	Arthur W. Motley Bureau of Employment Security Executive 2420, Ext. 704	Clinton Johnson Deputy Regional Director Bureau of Employment Security 1009 Fidelity Bldg. Harrison 6464

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<u>AGENCY</u>	<u>WASHINGTON, D. C.</u>	<u>Addresses</u> <u>KANSAS CITY, MO.</u>
Atomic Energy Commission	C. A. Lee, Jr. Sterling 3000, Ext. 305	
Bureau of the Budget	Arnold Miles Executive Office Bldg. Executive 3300, Ext. 327	Wallace Vantor c/o Aladdin Hotel
Civil Service Commission	James F. Googe Assistant Chief Field Operations Room 215 Republic 5711, Ext. 215	Noble C. Lindstrom Inspector Fidelity Bldg. Harrison 6464
Committee on Defense Transportation & Storage	Charles I. Longacre Dept. of Commerce Sterling 9200, Ext. 601	Moner King c/o Hushbach Hotel
Defense Production Administration	Eugene F. Bertrand Coordinator of Regional Defense Mobilization Comm. Sterling 5200, Ext. 3106  W. W. Watts Deputy Administrator or A. S. Hawthorn Sterling 5200, Ext. 3106	Kansas City representative by Kansas City Regional Defense Mobilization Committee
Economic Stabilization Agency	David McDonald 811 Vermont Ave. Sterling 0167, Ext. 997	Roe Bartle 112 W. 9th Street Harrison 6464, Ext. 656
Federal Civil Defense Administration	Hubert R. Gallagher, Office of Field Admin. 1930 Columbia Rl. N. W. Hudson 5500, Ext. 222 or 419	Carl W. Gabel Regional Director Midwest Office Clayton, Missouri Parkview 5250
Federal Communications	Wayne Coy Chairman or Earl Hindemann Executive 3620	H. T. Gallaher Engineer-in-Charge 3200 Fidelity Bldg. Harrison 6464, Ext. 253

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Addresses		
AGENCY	WASHINGTON, D. C.	KANSAS CITY, MO.
Federal Reserve Board	W. W. Riefler Assistant to Chairman Republic 1100, Ext. 204	Garvin Leedy President Federal Reserve Bank Victor 6950
Federal Security Agency	Rufus E. Miles Assistant Administrator for Defense Activities Republic 7500, Ext. 2403	James W. Dearn Regional Director 2305 Federal Office Bldg. Harrison 6464
General Services Admin.	Russell Forbes Executive 4900, Ext. 4312	W. A. Hollaway Regional Director Fidelity Bldg. Harrison 6464
Office of the Housing Expeditor	William G. Barr General Manager Lincoln 3-9590, Ext. 63	James Robertson Area Rent Director 222 Railway Exchange Bldg 7th & Walnut Sts. Harrison 6464
National Production Authority	Malcomb S. McComb Special Assistant to the Administrator Room 5804, Commerce Sterling 4200, Ext. 3678	Samuel Conly c/o Department of Commerce Pickwick Bldg. Harrison 6464, Ext. 200
Office of Price Stabilization	C. R. Donovan Tempo B, Rm. C-305 Sterling 4200, Ext. 4513	Roe Bartle 112 W. 9th St. Harrison 6464, Ext. 656
Reconstruction Finance Corporation	Peter Bukowski Deputy Administrator Executive 3111, Ext. 377 or Arthur Blacklow Executive 3111, Ext. 360	David Powell Agency Manager Federal Reserve Bank Bldg Victor 8621
General Accounting Office	W. L. Morrow Assoc. General Counsel Executive 4621, Ext. 5938	



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<u>AGENCY</u>	<u>WASHINGTON, D. C.</u>	<u>ADDRESSES</u>	<u>KANSAS CITY, MO.</u>
Wage Stabilization Board	George W. Armstrong, Jr. Republic 7500, Ext. 8416		
Corps of Engineers	Brig. Gen. C. M. Chorpeneing Asst. Chief of Engineers for Civil Works Room 1220, Gravelly Pt. Liberty 5-6700, Ext. 72925	Col. Lawrence J. Lincoln District Engineer KC District 601 Davidson Bldg. 10 E. 17th St. Harrison 4175	
Veterans Administration	Creighton E. Hays Executive 4120, Ext. 768	Keith W. Dancey Manager, Regional Office 1828 Walnut Street	

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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF DEFENSE MOBILIZATION  
Secretariat

### EMERGENCY WASHINGTON COMMITTEE ON FLOOD REHABILITATION

Summary  
Meeting No. 2  
Monday, August 13, 1951, 2:00 p.m.

#### Presiding

A. E. Howse, Office of Defense Mobilization

#### Agency Representatives

Rear Admiral R. J. Mauerman, Department of the Treasury  
Brig. General C. H. Chorpeneing, Department of Defense  
R. M. Hatfield, Jr., Department of Defense  
Frederick R. Hobart, Department of the Interior  
Reginald C. Price, Department of the Interior  
Clarence J. McCormick, Department of Agriculture  
Herbert J. Waters, Department of Agriculture  
C. Dickerman Williams, Department of Commerce  
Arthur W. Motley, Department of Labor  
C. R. Lee, Jr., Atomic Energy Commission  
Carl Arlt, Bureau of the Budget  
I. M. Labovitz, Bureau of the Budget  
Robert C. Wood, Bureau of the Budget  
James P. Googe, Civil Service Commission  
Ziv Remez, Civil Service Commission  
Delos W. Rentzel, Committee on Defense Transportation and Storage  
Jean Dubuque, Committee on Defense Transportation and Storage  
Eugene F. Bertrand, Defense Production Administration  
Homer King, Defense Transport Administration  
George Minchin, Defense Transport Administration  
David McDonald, Economic Stabilization Agency  
Hubert R. Gallagher, Federal Civil Defense Administration  
Earl Minderman, Federal Communications Commission  
W. W. Riefler, Federal Reserve Board  
Rufus Miles, Federal Security Agency  
W. L. Morrow, General Accounting Office  
James T. Gobbel, General Services Administration  
Raymond M. Foley, Housing & Home Finance Agency  
Samuel Comly, National Production Authority  
Martin Gerel, National Production Authority  
Malcomb S. McComb, National Production Authority  
Ted Silvey, National Production Authority  
C. R. Donovan, Office of Price Stabilization  
William G. Barr, Office of Rent Stabilization  
Arthur Blacklow, Reconstruction Finance Corporation  
Harry Weiss, Wage Stabilization Board  
Creighton E. Hays, Veterans Administration  
David E. Bell, White House  
Stanley Baitz, Office of Defense Mobilization  
Edward D. Candee, Office of Defense Mobilization  
John D. Young, Executive Secretary, Office of Defense Mobilization

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The meeting convened at 2:00 p.m. in Room 211, Executive Office Building.

### I. Purpose of Meeting

Mr. Howse explained that the meeting had been called for the three-fold purpose of (a) bringing up to date the data on flood damage originally submitted by the member agencies on July 24 at the request of Mr. C. E. Wilson; (b) obtaining recommendations from the several agencies as to measures needed to restore the economy of the flood-ravaged areas to effective operation; and (c) reviewing a general proposal for a long-range flood rehabilitation program which Mr. Wilson was making to the President.

In his introductory remarks, Mr. Howse stressed the need for prompt assistance and foresaw a big job yet to be done in the next 30 to 90 days. He urged each agency not to relax its vigilance, but to be prepared to take further action.

### II. Status of Emergency Flood Relief Activities

Mr. Foley reported briefly on the emergency relief program for which he has responsibility. He stated that, in general, this program is progressing smoothly with all Federal agencies cooperating fully. The potential public health problem has been particularly well handled by the U. S. Public Health Service, with not a single case reported of flood-caused disease.

With respect to the vital housing problem, Mr. Foley reported that the number of families relying on emergency shelter has been sharply reduced. One reason for this is that temporary housing facilities at the Sunflower Ordnance Plant have been made available, particularly relieving the situation at Lawrence, Kansas.

Only four cities have so far asked for stop-gap housing as provided for under the amended Disaster Relief Act, as follows: Topeka - 300 units; Manhattan - 200 units; Ottawa - 50 units; and Kansas City, Kansas - 700 units. The Housing and Home Finance Agency has made arrangements with these cities to provide family-type trailers on a rental basis, with the understanding that the municipality will furnish the site and the necessary utilities and sanitary facilities. The first group of trailers has been delivered to Ottawa and families are now moving in. For the other three cities, HHFA has trailers available and is awaiting completion of arrangements by the city.

Mr. Foley expressed concern over the failure of the Governors of Kansas and Missouri to call their legislatures into session to help cope with the emergency.

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### III. Damage Reports and Estimates of Additional Authority and Funds Needed

Mr. Howse called on each of the agencies present for an up-to-date report as to what was needed to restore those operations for which it has responsibility. Most of the agencies having any significant change to report since the July 24 meeting supplemented their verbal reports with written ones. Some of the highlights of the individual agency reports were:

1. Agriculture - Original request for authority and funds reduced by \$3 million. They are now asking for authority to spend outright a total of approximately \$20 million in several programs to assist farmers and to save the land. In addition, they seek authority to make disaster loans to farmers totaling \$30 million. Mr. McCormick emphasized the urgency of immediate action on this request, since there are only about 90 days left in which to save several million of acres of land for productive farming next year. The Department is recommending the on-farm assistance program (\$16,300,000) be done on the basis of the Federal Government paying 80% of the cost and the farmer paying 20% plus doing the actual work. In response to a request for assistance in providing trailers for farmers, Mr. Howse asked Mr. McCormick to have a representative contact the HHFA in Kansas City, where Mr. Foley indicated appropriate arrangements can be made. Mr. McComb also offered NPA's assistance in making available additional construction machinery for rehabilitation of farms.
2. National Production Authority - Requests to date for special priority assistance have been rather light, although it is still too early, Mr. McComb reported, to know the total steel requirements. The Bureau of Public Roads, Defense Transport Administration, and Housing and Home Finance Agency are not yet able to submit complete requirements, pending detailed engineering surveys of certain damaged facilities. Mr. McComb described the more than 100 NPA directives issued since the flood and various amendments to control orders designed to assist flood victims. The NPA Emergency Mission to Kansas City was disbanded on August 9, but Mr. McComb agreed that it would be reconstituted whenever the need for additional action along this line arose.
3. Transportation and Storage - Mr. Rentzel reported the latest estimates of the Bureau of Public Roads as to highway damage. Detailed surveys in Kansas have resulted in a total damage estimate of approximately \$22 million, of which nearly \$14 million occurred on highways within the Federal Aid primary and secondary systems. In Missouri, detailed surveys have not yet been completed, but preliminary figures indicate considerably less damage than in Kansas. Mr. Rentzel reported that all primary roads are open, in a number of cases involving detours, however. It was reported that the states will apparently have considerable difficulty raising their share of the funds necessary to repair highway damage, especially on the Federal Aid secondary system. Mr. Rentzel said the Commissioner of Public Roads is considering requesting authorization to



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increase the amount of Federal participation in rebuilding the secondary system, but before going ahead with such a recommendation, they would like to know more about what special steps the states will take to meet the emergency.

In the field of aviation, total damage of between \$11 and \$12 million is estimated, largely confined to airports, notably, the Fairfax Municipal Airport at Kansas City, Kansas. The CAA has funds in hand sufficient to restore the damaged airports to their original usefulness, assuming participation by state and local agencies. By far the most serious loss, estimated at about \$8.5 million, was sustained by TWA, whose main overhaul base is at the Fairfax Airport.

Railroad facilities, which were very heavily damaged in the Kansas City area, have been very quickly restored to operating condition so that today, according to the DTA representatives, through traffic is just about back to normal. There are still serious problems, as reflected in the fact that the railroad yards are still operating at only a little better than 50% of normal efficiency. A definite shortage of grain box-cars, which would have arisen in any event because of the late winter wheat crop, has been considerably aggravated by the flood.

Storage facilities, which were likewise heavily hit, have been restored to about 50% of normal operation. It is estimated that another 30 to 60 days will be required to attain normal conditions.

Mr. Rentzel summarized the transportation and storage situation by remarking that progress has been good and apparently no additional Federal funds or authority will be required, with the exception of the possible request of Public Roads for increased Federal participation in repairing the secondary road system.

4. Defense Contractors - Mr. Hatfield reported that the 67 affected plants in the flooded area which hold Defense Department contracts have recovered very rapidly, even though in a number of cases damage was severe. Operations have now been restored to practically 100% of normalcy through the efficient efforts of the contractors themselves and the cooperation and assistance of the Kansas City Armed Forces Regional Council.

5. Corps of Engineers - General Chorpene reported that the Engineers are proceeding with the work of repairing levees and dikes. A bill has been approved by the Senate Appropriations Committee to provide additional funds for this work. General Chorpene stated that they expect to have most of the necessary repairs to existing levees completed before the next flood season, i. e., next spring.

6. Reconstruction Finance Corporation - A total of 490 loan applications have been received since the flood, with an aggregate dollar value of \$10,280,760. To date, 107 of these applications have been approved with a total dollar value of \$625,910, including a large number of small loans.

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7. Long-Range Housing - Mr. Foley stated that this phase of the housing program is still quite indefinite. Meetings are being held with local officials, architects, builders, and other interested parties in an effort to encourage a long-range private home building program. However, there is a good deal of uncertainty in the various stricken communities, based to a considerable extent on the lack of information as to what type and amount of financial assistance will be forthcoming to enable the people to rebuild their homes. Some communities are giving consideration to an urban redevelopment program as, for example, in the Armourdale section of Kansas City, Kansas. The HHFA is extending technical help to those communities showing an interest in long-range housing plans. In all, Mr. Foley estimated that there would be, at the most, not more than a few thousand homes started within the next year as part of the long-range housing program.

8. Rent Control - Mr. Barr urged the need for reestablishment of rent control in a number of the flood stricken areas as a means of preventing rent "gouging" which, according to their reports, has already assumed some importance. Specifically, the Office of Rent Stabilization recommended that eight counties in Kansas and two in Missouri be included. Mr. Barr recommended a joint declaration by the Director of Defense Mobilization and the Secretary of Defense that these counties are critical housing areas. In the opinion of the Office of Rent Stabilization they meet all the criteria of a critical area and declaring them so would permit imposition of Federal rent control.

Mr. Hatfield reported on the considerable degree of opposition to rent control which has been expressed in Wichita and other areas of Kansas and in Missouri. Mr. Howse suggested that one possible answer might be rent control by the local communities rather than the Federal Government. This approach, however, according to Mr. Barr, has not proved successful in the majority of communities where it has been attempted. In any event, Mr. Howse stated a recommendation for imposition of rent control should first have the endorsement of the Kansas City Regional Defense Mobilization Committee, and it was agreed that this question would be put on the agenda of the Kansas City Committee for its meeting on Thursday, August 16.

#### IV. Appointment of Committees

Mr. Howse announced that he is appointing a committee headed by Judge Leedy, President of the Federal Reserve Bank of Kansas City, and including representatives of RFC, HHFA, Agriculture and the Veterans' Administration, to study and coordinate the various Federal agency programs for financial assistance to flood victims.

Mr. Howse also appointed an ad hoc committee composed of representatives of the same agencies mentioned above to meet with Mr. J. D. Young, Executive Secretary, Office of Defense Mobilization, to agree upon a definition of the geographical limits of the flood disaster area.



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### V. Comments on Pending Flood Relief Bills

Reconstruction Finance Corporation - Mr. Blacklow stated that the RFC is in accord with the purposes of the Scrivner Bill (H.J. Res. 307) which would allow the Federal National Mortgage Association to purchase mortgage loans. With respect to the Hennings Bill (S. 1935) and its companion measure, the Bolling Bill (H. R. 5022), Mr. Blacklow read a memorandum by the RFC Legislative Counsel opposing the basic principle of indemnification of flood victims through Federal grants.

Federal Reserve Board - Mr. Riefler stated that Federal Reserve is in sympathy with the general purposes of the Scrivner resolution, but suggests that it be re-drafted to restrict the authority to purchase mortgages directly related to a disaster. He also read a memorandum from President Leedy of the Kansas City Reserve Bank favoring a Federal grant-in-aid program for flood relief without tying it to state participation, in belief that the latter could not be obtained without undue delay.

Commerce Department - Mr. Williams reported that Commerce was opposed to the principle of a Federal grant-in-aid program, as distinguished from loans to compensate private owners for damage.

### VI. ODM Legislative Proposal

Mr. Howse presented for the information and comments of the member agencies a tentative legislative proposal, in general terms, which he had recommended to Mr. Wilson as a means of providing for an effective flood rehabilitation program. Mr. Howse outlined the major features of the proposal and reported that Mr. Wilson was presenting it to the President for consideration. (See Attachment)

Mr. Howse emphasized his personal reluctance to recommend any program of Federal grants, but stated that after deliberation and close contact with the many problems arising from this most disastrous flood in the country's history, he saw no alternative which would ensure a sufficiently prompt and effective recovery for this vital section of the country. He stressed the importance of the areas's industrial and agricultural production to the defense program.

Mr. Howse also explained that he expects the state and local governments to participate in a comprehensive rehabilitation program. He announced forthcoming meetings on August 15 and 16, respectively, with the Governors of Kansas and Missouri and an advisory committee of state leaders from all fields which each Governor has appointed at Mr. Howse's recommendation. At these meetings, Mr. Howse proposes to describe the general program which is being considered and to urge upon the governors and their committees the importance of prompt, effective action on their part to complement the actions taken by the Federal Government to bring relief to the flooded areas.

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There was general agreement among the agencies represented on the Committee as to the validity of the plan of state and local participation with the Federal Government in flood relief activities.

A number of individual suggestions were advanced, such as the advisability of making the insurance portion of the program mandatory in its application rather than voluntary, and a proposal to set a lower minimum on damage claims than the \$500 originally discussed. Mr. Howse stated that the various agencies' suggestions would be considered, and that the proposal, as outlined, was simply ODM's thinking, which would go through the usual channels, including the Budget Bureau and the White House. His main concern was that some tangible and effective program be agreed upon promptly so that the thousands of people in the flooded areas who have been largely immobilized since the disaster might have a basis upon which to go forward with their rehabilitation plans.

The meeting adjourned at 4:30 p.m.

E. D. Candee

Office of Defense Mobilization



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

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:

1. 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.
2. 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.

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It is obvious that an adequate rehabilitation policy must comprise the following general principles:

1. A program of a degree of indemnification for the loss of public and private property. It has been suggested that the first \$20,000 of loss should be compensated at the rate of 80%, the next \$20,000 at the rate of 60%, and so on in declining percentages with a ceiling of \$100,000 on any single claim from any single claimant. Such a suggestion is frankly discriminatory in that it does not compensate for the huge industrial losses incurred. On the other hand, it does include most of the individual home owners and small business people who comprise more than 90% of the total number of individuals concerned.
2. A program of debt adjustment. It appears reasonable that creditors, as well as debtors, should share in the cost of the disaster. For that reason, such indemnity payments as are outlined above should be made subject to a compromise of creditors' claims in some amount approximating 75%.
3. A program whereby the Government could guarantee loans on very liberal terms for the construction of new homes to replace housing destroyed by the flood. The FHA 100% guarantee may serve this purpose if proper credit arrangements are relaxed for flood sufferers.
4. A program whereby the Government could guarantee loans to business in order that business which has suffered by the flood may be able to reopen and/or rebuild its facilities. Such a program is being attempted presently through the disaster authority of the RFC whose disaster funds are both limited and incapable of participation with local commercial banks.
5. A program whereby the reconstruction of the flooded areas might be undertaken according to some well-conceived plan which would avoid jerry and indiscriminate construction. It would, therefore, be highly desirable for some public authority to have the power to acquire and dispose of land.
6. A program whereby the federal Government could establish flood insurance both as a protection against future disaster and as a measure of inducement for the reconstruction and rehabilitation of the prostrate area. It is possible that this program should be nation-wide in its application.
7. A program whereby the state, county and municipal governments could participate in the rehabilitation costs. In this connection, it may be necessary to make loans to states and/or their political subdivisions for these purposes under certain emergency circumstances.



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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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