

LDIR#028
STAFF DRAFTS
1963-1964

ALASKA EARTHQUAKE INSURANCE

HEARINGS
BEFORE THE
COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
UNITED STATES SENATE
EIGHTY-EIGHTH CONGRESS
SECOND SESSION

ON

S. 2719

A BILL TO AMEND THE ALASKA STATEHOOD ACT (ACT OF
JULY 7, 1958; 72 STAT. 339), AND FOR OTHER PURPOSES

APRIL 14, 15, AND MAY 5, 1964

Printed for the use of the Committee on Interior and Insular Affairs

From
E. L. BARTLETT
United States Senator
Alaska



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1964

TELEGRAM

1929 COMMUNICATIONS GROUP (ACS) USAF
CAPITOL BLDG.
ROOM 6, PHONE 6-3200
JUNEAU, ALASKA

NOV 20 1964

JR202

JU SEB543 (SNB017) GOVT PD SN WASHINGTON DC 30 302P

RECEIVED
MAR 31 1964

JOHN C DOYLE

547

ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

ALASKA LEGISLATIVE COUNCIL STATE CAPITOL JUNAU

CITATION 26 USC 165(H) PL 87-426, 76 STAT. 51. AIRMAILING

COPIES LAW

E L BARTLETT USS.

26 USC 165(H) PL 87-426 76 STAT 51.

TELEPHONE NO. 5297
TELEPHONED TO _____
TIME 428P
BY LL TO BE Dhv
UNABLE TO RAISE _____



Public Law 88-311
 88th Congress, S. 2772
 May 27, 1964

An Act

78 STAT. 201.

To amend the Alaska Omnibus Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 44 of the Alaska Omnibus Act (73 Stat. 141) is amended by striking the word "and" following "1962" and the period at the end thereof and inserting in lieu of the period "; and the sum of \$23,500,000 for the period ending June 30, 1966." Alaskan state-
hood.
Transitional
grants, etc.,
extension.
48 USC prec.
21 note.

SEC. 2. Subsections (b) and (c) of section 44 of the Alaska Omnibus Act are amended by striking "June 30, 1964" wherever it appears therein and inserting in lieu thereof "June 30, 1966" and subsection (a) of section 45 of that Act is amended by striking "July 1, 1964" and inserting in lieu thereof "July 1, 1966".

Approved May 27, 1964.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 1410 accompanying H. R. 11037 (Comm. on Interior and Insular Affairs).
 SENATE REPORT No. 1020 (Comm. on Interior and Insular Affairs).
 CONGRESSIONAL RECORD, Vol. 110 (1964):
 May 13: Considered and passed Senate.
 May 18: Considered and passed House in lieu of H. R. 11037.

RECEIVED
 JUN 15 1964
 ALASKA LEGISLATIVE COUNCIL
 JUNEAU, ALASKA

From
E. L. BARTLETT
 United States Senator
 Alaska

THE COUNCIL OF STATE GOVERNMENTS
WESTERN OFFICE

211 Sutter Street, San Francisco, California 94108 • YUkon 6-3760

April 1, 1964

RECEIVED
APR 2 1964

ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

Mr. John C. Doyle
Executive Director
Alaska Legislative Council
Box 2199
Juneau, Alaska

Dear Jack:

Many thanks for your telegram. All of us here have been following the tragic news from Alaska. I guess about the only bright spot in the picture is that there have been relatively few casualties.

The wording of your telegram was a little garbled when it arrived, but I think the meaning was clear. Here is what I have done thus far: First, I called our Chicago Office and asked them to get to work on the inquiry immediately and to send you everything that they think might be helpful. Next, I called the state insurance agency here in California and, at their suggestion, the Pacific Fire Rating Bureau. I gather that earthquake insurance is offered ordinarily in conjunction with fire insurance, and that it is, as a matter of fact, legally available in all states. The rates vary with the anticipated degree of risk. I understood from the Pacific Rating Bureau that the rates in Alaska are the same as those in California, and I know that they are quite high. I also was told that, on occasion, earthquake insurance can be secured separately from Lloyds' of London, but that this is a matter of individual negotiation. So much for the availability of earthquake insurance. If you wish more detailed information, please let me know.

As I am sure you are aware, Crescent City, California suffered severe tidal wave damage. A bill was introduced in the California Legislature yesterday to grant income tax relief to people of the area. I shall be able to send you copies of the bill within a day or two. In addition, consideration is being given to a statute that would authorize county boards of supervisors to use a different assessment date (after the damage occurred, rather than before) for property tax valuation purposes. Apparently, there is some question as to whether or not this can be legally done. I have been promised copies of any bills that are developed, and I shall send them along to you as soon as they are received.

HEADQUARTERS
1313 East 60th Street
Chicago, Illinois 60637

WASHINGTON OFFICE
1755 Massachusetts Avenue, N.W.
Washington, D. C. 20036

EASTERN OFFICE
36 West 44th Street
New York, New York 10036

SOUTHERN OFFICE
830 West Peachtree Street, N.W.
Atlanta, Georgia 30308

THE COUNCIL OF STATE GOVERNMENTS
WESTERN OFFICE

211 Sutter Street, San Francisco, California 94108 • YUkon 6-3760

April 7, 1964

Mr. John C. Doyle
Executive Director
Alaska Legislative Council
Box 2199
Juneau, Alaska

RECEIVED
APR 8 1964
ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

Dear Jack:

Last Friday, Mary Johnstone forwarded to you the materials which we then had received from Senator Collier's office. You will recall that I mentioned to you in my letter of April 1 that they were trying to work out some device for property tax relief. Enclosed are various materials relating to that effort. As you can see, some of them are still in the drafting stage. I hope they will be useful to you.

Dick Kelly, Senator Collier's assistant, told me of another plan that they are trying to work out. It involves the establishment of a "redevelopment corporation" or some such animal. Funds for this corporation hopefully can be secured from state and federal sources. The rough plan is that the corporation would purchase the devastated property from its owners at the value that the property had before it was destroyed, with the proviso that the entire amount thus received would be invested in rebuilding the devastated area. This would permit the downtown area of Crescent City that was destroyed by tidal waves to be completely reconstructed in accordance with a carefully worked out plan.

I am not aware of any direct precedents. I know that Hawaii was faced with a somewhat similar situation a few years ago when a tidal wave destroyed a section of Hilo. I have written Tom Dinell asking him to send me information on how the state assisted Hilo in its reconstruction. As soon as I hear from him, I shall forward the information to you.

That's all for now. If I come across anything else that I think might be of interest to you, I shall let you know.

With kindest personal regards,

Sincerely yours


Elton K. McQuery
Director, Western Office

EKM:mj
enc.

cc: Chicago Office (Messrs. Carihfield and Ingraham)

HEADQUARTERS
1313 East 60th Street

WASHINGTON OFFICE
1755 Massachusetts Avenue, N.W.

EASTERN OFFICE
36 West 44th Street

SOUTHERN OFFICE
830 West Peachtree Street, N.W.

THE COUNCIL OF STATE GOVERNMENTS

1313 EAST SIXTIETH STREET, CHICAGO, ILLINOIS 60637

April 3, 1964

AIR MAIL

Mr. John C. Doyle
Executive Director
Alaska Legislative Council
P. O. Box 2199
Juneau, Alaska

RECEIVED
APR 6 1964
ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

Dear Jack:

In further reference to your question concerning earthquake insurance, through the fine cooperation of the American Mutual Insurance Alliance, we are able to supply the information in the attached letter.

In my conversation with Mr. Benedict he gave me the following information, much of which was mentioned in Elton McQuery's letter:

- (1) Earthquake insurance is ordinarily sold as a rider on fire and extended coverage policies.
- (2) Very often it is sold with a deductible feature usually in the amount of 10 per cent deductible.
- (3) Although it may be obtained in every state, there are few carriers who sell it in "non-risk" areas since it is primarily sold under what he called "adverse selection". I understood him to mean by that that it is always sold where it is needed. The reason for this, he explained, was that unless the risk can be spread over a large number of states (insurance for a national company having many outlets) it is too expensive to carry.

Should there be further information we can get on this type of insurance or if we can be of any other service, please do not hesitate to call upon us.

Very sincerely,



Joel S. Posner
Assistant Director of Research

JSP:km

Enclosure

cc: Elton McQuery



Public Law 88-296
88th Congress, H. J. Res. 976
April 7, 1964

Joint Resolution

78 STAT. 173.

Making a supplemental appropriation for the fiscal year ending June 30, 1964,
for disaster relief, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1964, namely: Disaster relief.
Funds.

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

For an additional amount for "Disaster relief", \$50,000,000, to remain available until expended: *Provided*, That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

Approved April 7, 1964.

LEGISLATIVE HISTORY:

CONGRESSIONAL RECORD, Vol. 110 (1964):

Apr. 6: Considered and passed House and Senate.

88TH CONGRESS
2D SESSION

S. 2719

IN THE SENATE OF THE UNITED STATES

APRIL 8 (legislative day, MARCH 30), 1964

Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. BARTLETT, Mr. GRUENING, Mr. KUCHEL, Mr. ENGLE, Mr. MORSE, Mrs. NEUBERGER, Mr. FONG, Mr. INOUE, Mr. BIBLE, and Mr. MOSS) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

To amend the Alaska Statehood Act (Act of July 7, 1958; 72 Stat. 339), and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act of July 7, 1958 (72 Stat. 339), providing for
4 the admission of the State of Alaska into the Union, as
5 amended, is further amended by inserting new sections 29
6 and 30 as follows:

7 “SEC. 29. In order to provide for reconstruction, devel-
8 opment, and assistance to the people of Alaska, the President
9 shall establish an Office of Alaska Reconstruction.

AMENDING THE ALASKA OMNIBUS ACT

MAY 14, 1964.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ASPINALL, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H.R. 11037]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 11037) to amend the Alaska Omnibus Act, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 1, line 6, strike out "\$22,500,000" and insert "\$23,500,000".

PURPOSE

The principal purpose of H.R. 11037, as amended, is to increase by \$23½ million the amount heretofore authorized to be appropriated for grants to assist the State of Alaska to assume burdens which were borne by the Federal Government while it was a territory and to extend to June 30, 1966, the period for which such grants may be made. Other purposes are to extend by 2 years the time during which the Federal Government may continue to provide in Alaska certain services that normally belong to a State and during which property used for providing such services may be transferred to the State.

H.R. 11037 and a companion bill, H.R. 11038, were introduced by Chairman Aspinall and Representative Rivers of Alaska, respectively, following receipt of an executive communication requesting that this be done.

NEED

The earthquake and tidal wave which struck Alaska on March 27, 1964, severely affected a portion of the State which is inhabited by half if its population and from which comes half or more than half of its governmental revenues, estimated at \$55 million under ordinary

99-006

9 ALASKA OMNIBUS ACT
10 1964" wherever it appears therein and inserting in lieu

ALASKA EARTHQUAKE GRANTS

MAY 4 (legislative day, MARCH 30), 1964.—Ordered to be printed

Mr. ANDERSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. 2772]

Mr.
was
fairs

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 2772) to amend the Alaska Omnibus Act, having considered the same, report favorably thereon with an amendment and recommend that the the bill as amended do pass.

Hearings were held on the measure, and no opposition to it was heard nor submitted to the committee. Committee action in ordering the bill reported favorably was unanimous.

EXPLANATION OF THE BILL

S. 2772 is an administration measure, introduced by Senator Jackson of Washington with the bipartisan cosponsorship of Senators Anderson, Kuchel, Magnuson, Bartlett, and Gruening.

The bill is another of the affirmative actions taken by the Federal Government to aid the State of Alaska to recover from the devastating earthquake and related disasters of March 27. It would accomplish its immediate purpose by amending the Alaska Omnibus Act (act of June 25, 1959; 71 Stat. 141) to add an additional \$23½ million to the transitional grants of \$28½ million authorized by the 1959 statute for the new State, and to extend the time in which the Federal Government may continue to provide services that customarily are a State function. Also the period in which property used for providing such services may be transferred to the State is extended.

The additional grants authorized by S. 2772 are urgently needed by the State and local governments of Alaska to make possible continuance of vital public functions during the emergency period when revenues will be drastically depeleted. The area affected by the earthquake and subsequent tidal wave is the source of half or more of Alaska's annual revenues of \$55 million as well as the home of about half its population.

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99-010

8 SEC. 2. SUBSECTIONS (b) and (c) of SECTION 11 of the
9 Alaska Omnibus Act are amended by striking "June 30,
10 1964" wherever it appears therein and inserting in lieu

88TH CONGRESS
2D SESSION

H. R. 11438

IN THE HOUSE OF REPRESENTATIVES

MAY 28, 1964

Mr. RIVERS of Alaska introduced the following bill; which was referred to the
Committee on Interior and Insular Affairs

A BILL

To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "1964 Amendments to
4 the Alaska Omnibus Act".

5 SEC. 2. The Congress hereby recognizes that the State
6 of Alaska has experienced extensive property loss and dam-
7 age as a result of the earthquake of March 27, 1964, and
8 subsequent seismic waves, and declares the need for special
9 measures designed to aid and accelerate the State's efforts

88TH CONGRESS
2D SESSION

H. R. 11465

IN THE HOUSE OF REPRESENTATIVES

JUNE 2, 1964

Mr. RIVERS of Alaska introduced the following bill; which was referred to the
Committee on Interior and Insular Affairs

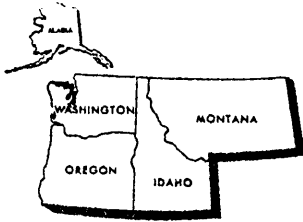
A BILL

To authorize the Secretary of the Interior to convey certain
land to the city of Anchorage, Alaska.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Secretary of the Interior is authorized to convey
4 to the city of Anchorage, Alaska, all the right, title, and
5 interest of the United States in and to the tract described in
6 section 2 of this Act, and the improvements thereon.

7 SEC. 2. The tract to be conveyed under the first section
8 of this Act is a parcel of land lying within the Alaska Rail-
9 road terminal reserve at Anchorage, Alaska, adjacent to the
10 north addition to the Anchorage townsite and is more
11 specifically described as follows:



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF EMERGENCY PLANNING
REGIONAL OFFICE 8
EVERETT, WASHINGTON
98201

RECEIVED
APR 29 1964
ALASKA LEGISLATIVE COUNCIL
KINEAL, ALASKA

April 29, 1964

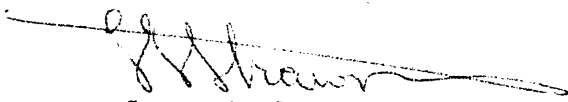
MEMORANDUM

To: Recipients of Natural Disaster Manual for State and Local Applicants,
OEP Circular 4000.4

The following concerning "grants-in-lieu" is provided as an addendum to paragraph D., Chapter VI, "Eligibility," of the above Manual:

Assistance under statutory authorities or administrative policies of other Federal agencies that is being provided toward permanent construction of a damaged or destroyed facility will be considered when determining the amount of contribution under Public Law 875. The combination of Federal participation cannot exceed the total cost for permanent construction and, in no case, will payment of grant under PL 875 exceed estimate of cost for emergency repair or temporary replacement.

In cases where a request is made for a grant of PL 875 funds toward permanent reconstruction of an essential public facility, the applicant must furnish a certification that funds from other Federal sources are not involved in the project. In the event another Federal agency is participating in the work, the applicant will be required to furnish the source and amount of funds involved before a "grant-in-lieu" can be approved.


Loren G. Strawn
Acting Regional Director

S. 2719

IN THE SENATE OF THE UNITED STATES

APRIL 8 (legislative day, MARCH 30), 1964

Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. BARTLETT, Mr. GRUENING, Mr. KUCHEL, Mr. ENGLE, Mr. MORSE, Mrs. NEUBERGER, Mr. FONG, Mr. INOUE, Mr. BIBLE, and Mr. MOSS) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

To amend the Alaska Statehood Act (Act of July 7, 1958; 72 Stat. 339), and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act of July 7, 1958 (72 Stat. 339), providing for
4 the admission of the State of Alaska into the Union, as
5 amended, is further amended by inserting new sections 29
6 and 30 as follows:

7 “SEC. 29. In order to provide for reconstruction, devel-
8 opment, and assistance to the people of Alaska, the President
9 shall establish an Office of Alaska Reconstruction.



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 88th CONGRESS, SECOND SESSION

Vol. 110

WASHINGTON, WEDNESDAY, APRIL 8, 1964

No. 66

Senate

RECONSTRUCTION OF THE STATE OF ALASKA

Mr. BARTLETT. Mr. President, on April 2, President Johnson established the Federal Reconstruction Development and Planning Commission for the State of Alaska. He did this by Executive order and then promptly appointed the Senator from New Mexico [Mr. ANDERSON] to be Chairman of the Commission.

A corresponding group has been appointed on behalf of the State of Alaska by Gov. William A. Egan. The Governor, those whom he appointed and others from Alaska are now in Washington conferring with members of the Federal Commission, and conferring with others. Today, Governor Egan met with President Johnson on the Alaskan disaster.

The Federal Commission in addition to the Chairman, is composed of the Secretary of Defense, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Administrator of the Federal Aviation Agency, the Administrator of the Housing and Home Finance Agency, the Administrator of the Small Business Administration, the Chairman of the Federal Power Commission, and the Director of the Office of Emergency Planning.

This body, under the leadership of the Senator from New Mexico [Mr. ANDERSON], is already actively and constructively at work. Several meetings have been held. Data are being assembled, proposals are being discussed and soon concrete recommendations for the rehabilitation of Alaska will be submitted to Congress.

I am sure that the author of the bill introduced today—the Senator from Washington [Mr. JACKSON]—would not claim on behalf of himself or any of his cosponsors that it is necessarily the ideal vehicle for the purpose for which it is introduced. It does offer a constructive approach to the great problem which is ours in Alaska. As such, it is greatly welcome.

It is my understanding from the Senator from Washington [Mr. JACKSON] that he intends promptly to call for hearings in the Committee on Interior and Insular Affairs, the committee to which the bill has been referred.

I applaud his action, in which he has been joined in full measure by the Senator from Washington [Mr. MAGNUSON], who together with his colleague, the Senator from Washington [Mr. JACK-

SON] have joined in cosponsoring this proposed legislation. I am sure that soon, even before the day is out, there will be many other names added as cosponsors.

Since I spoke last—and this is really the only reason why I beg the indulgence of the Senator again—I have been handed many messages from heads of state which have been sent to President Johnson, to Secretary Rusk, and to Governor Egan, expressing sympathy to the people of Alaska for the disaster which befell them.

I ask unanimous consent to have printed in the RECORD, following my remarks, the text of these messages of condolence.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BARTLETT. Mr. President, I should not want to conclude without making two further observations.

First I wish to express most sincere admiration for the aggressive and helpful action which has been taken in this emergency by President Johnson. From the outset, he expressed concern, sympathetic interest, and determination to do that which needed to be done. He was in constant touch night and day with Alaska, as emergency relief measures were ordered into effect.

Since that time many high Government officials have gone to Alaska in order to survey the damage and see how they could help. Mr. Foley, Administrator of the Small Business Administration, was in Alaska over the weekend. Under Secretary of the Interior Carr is there now.

We do not mean by the introduction of the bill to usurp in any way the authority of the Commission or the executive department as delineated in the Executive order to which reference has been made. We merely wish to help, to cooperate, and to expedite this matter.

EXHIBIT 1

LISBON, PORTUGAL,
March 30, 1964.

HON. DEAN RUSK,
Secretary of State,
Department of State,
Washington, D.C.:

Having heard of the tragic events in the State of Alaska, I ask you to accept the expression of my deep sorrow and sincere sympathy.

FRANCO NOGUEIRA,
Foreign Minister of Portugal.

SANTIAGO, CHILE,
March 30, 1964.

His Excellency DEAN RUSK,
Secretary of State,

ing his and Portuguese Government's sympathy over Alaska earthquake disaster and asking that most sincere condolences be conveyed to families of victims.

Text pouched.

ANDERSON.

WASHINGTON, D.C.,
March 31, 1964.

HON. DEAN RUSK,
The Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: On the occasion of the disastrous earthquake which has struck Alaska and has caused the loss of human life and inflicted heavy damages in Alaska and other parts of the United States, please, accept our most sincere sympathy.

While sending our heartfelt sympathy to the families of those who have lost their lives and to the people of Alaska and of other parts of the United States who have suffered due to this tragedy, we recall with gratitude the expressions of solidarity and the help extended by the American Government and American people to the Yugoslav city of Skopje which was a victim of a similar catastrophe in July, last year.

With high regards,

VELJKO MICUNOVIC.

ROME.

His Excellency DEAN RUSK,
Secretary of State,
Washington, D.C.:

Deeply grieved by the terrible disaster suffered by the noble American Nation, I beg you to accept the assurances of my sincere sympathy.

GIUSEPPE SARAGAT,
Minister of Foreign Affairs.

ROMA.

Sua Eccellenza DEAN RUSK,
Segretario di Stato per gli Affari Esteri,
Washington, D.C.:

Profondamente addolorato per spaventosa sciagura che ha colpito nobile Nazione Americana pregola accogliere commossa espressione miei sentimenti sincera solidarietà.

GIUSEPPE SARAGAT,
Ministro Affari Esteri.

GENEVA,
April 1, 1964.

At opening plenary session this morning President Kallssouni expressed the great sympathy of the Conference to the people of the United States over tragedy in Alaska and asked that American delegation relay this expression to U.S. Government.

TUBBY.

WASHINGTON, D.C.,
March 28, 1964.

HON. DEAN RUSK,
The Secretary of State,
Department of State,
Washington, D.C.:

On behalf of the Chinese government and people I wish to convey to you the expressions of their deep sympathy and condolence

RADIO ADDRESS OF SENATOR E. L. (BOB) BARTLETT
ON THE ALASKA DISASTER

April 24, 1964
Washington, D. C.

Much has happened since March 27, 1964. I recently reported to you on the initial emergency measures which had been taken by your state and federal governments. I told of the great efforts that were being made by government officials to bring aid quickly to Alaska. I counseled patience and I urged the importance of Alaskans standing united and determined in the long work ahead.

Today I should like to place before you what the government in Washington has done and is doing now, today, at this very moment, to help us in the reconstruction of Alaska.

I am not going to talk today in any detail about what special legislation for Alaska relief may come from the President's Commission on the Reconstruction of Alaska. Special legislation will come from the Commission and it will bring substantial help to the state. I have no doubt this special help will come; I do not know just what form it will take nor does anyone else.

I do know, however, that sizable help has already flowed into Alaska--the figures and information which I give you are the latest available. They are, of course, subject to revision but they will indicate, I believe, the extent of the work already being done.

Disaster Relief Fund

As you may know, the President has a disaster relief fund available to him. Before the earthquake in Alaska there was \$19 million in the fund. The President gave \$5 million of this almost immediately to the state for emergency purposes. He also requested and received from the Congress an additional \$50 million. This means there is now available, on a non-repaying basis, \$64 million for immediate Alaska relief. If this money is not sufficient, more money will be requested. This money is being used for the repair of such things as streets, bridges, water and sewer systems, utilities, public buildings, schools, and debris clearance.

The major portion of this work is being supervised by the Corps of Engineers. As of this week the Corps has projected a need for \$73 million in such projects. The Office of Emergency Planning has already approved \$52 million of this projection. Contracts are being negotiated and so far over \$2 million in contracts have been signed. The near future should see the approval of most of the Corps' program.

The Corps plans that Anchorage will receive \$50 million; Seward, \$17 million; Homer, \$500,000; Valdez, \$3 million; Palmer, \$15,000; Kodiak, \$200,000; and various other projects \$2,285,000.

Washington, D. C.
April 13, 1964

RADIO ADDRESS OF SENATOR E. L. (BOB) BARTLETT
ON THE ALASKA DISASTER

Two weeks and one day have passed. That interval represents the time between the departure of some of us from Anchorage in the President's plane and the preparation of this report to you. I mention that only to say to you there has been scarcely a waking moment since that my thoughts and memories have not been centered on what was left behind--the death, desolation, heroism, courage, determination and the splendid and magnificent response of Alaskans when the great test came.

For you who were there when the earth shifted and the ocean became angry, and who have remained there since, my reactions will not loom large. Even so, I cannot refrain from telling you that the sympathy and sentiment of a life-long Alaskan back here in the nation's capital will be translated if at all possible into that which is material as well as that of the spirit.

So it is that on this day I desire to make to you a report as completely objective as it can be phrased, as hopeful as may be, as practical as possible, and, so help me, not garnished with any rosy predictions.

For we do not know what the future will hold.

That is the fact.

That is the fact which clearly must be kept in mind.

Let us not in this time of grave crisis be deluded by loose and uninformed talk.

Let us work toward common goals.

Let us not underestimate the size of the job which lies ahead.

At the outset, I should like to give a chronological accounting as collected from Washington.

To start with, from the very first, President Johnson has expressed keen concern, active interest, and great sympathy.

Twice on the first night he was awakened at his Texas White House to receive first-hand reports.

The next morning--Saturday morning, March 28, he directed that Edward A. McDermott, Director of the Office of Emergency Planning, proceed immediately to Anchorage. This he did. At the President's invitation Senator Gruening and I also made the

April 15, 1964

Mr. Oliver Everett, Assistant
Regional Director for Special
Programs, UR
Housing and Home Finance Agency
989 Market Street
San Francisco 3, California

Dear Mr. Everett:

Please find enclosed, as suggested by Mr. Charles Austin, certain materials in support of our application for an Urban Planning Assistance Grant for Alaska Recovery and Development Planning, including completed forms H-6701 and H-6703, an expanded statement of work program, and an estimated budget (all in an original and two copies).

The budget has been revised from the original summary referred to in your letter of April 10, 1964. The amount of the travel item reflects the possible need to finance travel by knowledgeable citizens who will be requested to meet and give their advice on recovery and development matters to be considered during the course of the study. It is expected that several interim reports will be prepared, and that all reports will be given wide distribution to persons concerned. The schedule which must be kept for this project requires rapid communication.

Recent and current planning studies will be reviewed and past projections and analyses will be reassessed as appropriate in light of current conditions.

A preliminary report will be prepared near the end of May, for use by the State Legislature, in June; draft reports will be prepared for each of the work items indicated in the work program; and a final report on the study will be completed in approximately seven months.

This State planning work will be coordinated with local planning work done by the Alaska State Housing Authority, and with all other public planning work.

The assessment of State planning resources and the preparation of a detailed schedule for a comprehensive State Planning Program as

S. 2719

IN THE SENATE OF THE UNITED STATES

APRIL 8 (legislative day, MARCH 30), 1964

Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. BARTLETT, Mr. GRUENING, Mr. KUCHEL, Mr. ENGLE, Mr. MORSE, Mrs. NEUBERGER, Mr. FONG, Mr. INOUE, Mr. BIBLE, and Mr. MOSS) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

To amend the Alaska Statehood Act (Act of July 7, 1958; 72 Stat. 339), and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act of July 7, 1958 (72 Stat. 339), providing for
4 the admission of the State of Alaska into the Union, as
5 amended, is further amended by inserting new sections 29
6 and 30 as follows:

7 “SEC. 29. In order to provide for reconstruction, devel-
8 opment, and assistance to the people of Alaska, the President
9 shall establish an Office of Alaska Reconstruction.

PRELIMINARY AREAS OF REDEVELOPMENT LEGISLATION TO BE EXPLORED

The House Rules Committee suggests to the various committees of the House that they give immediate attention to legislation in the following areas: The wisdom of any particular program is not commented upon, but we recommend these areas be explored.

No. 1. Employment Security Relief for employers who, due to the earthquake disaster have a fluctuation in employment which would eventually effect their experience rating. This adverse effect, if permitted, would penalize the employers who the state should, at this point, be attempting to assist. We recommend that the Labor and Management Committee assume the responsibility for the above investigation.

No. 2. Reed Fund Loan Forgiveness. It is suggested that the adverse effect on the financial solvency of the Employment Security fund be examined in view of unemployment in many areas of the Alaska economy due directly and indirectly to the earthquake destruction. In this regard, consideration should probably be given to a request for relief from the Reed Fund Obligation and particularly to the repayment schedule. We suggest that the Labor and Management Committee assume responsibility for investigating the above.

No. 3. Alaska Public Works Indebtedness. We are concerned with the Federal program which existed during territorial days whereby local governmental units, cities, etc., were loaned money for public works. Many of these public works have been seriously damaged and in some instances totally destroyed, in such a manner as to effectively prevent the repayment of the indebtedness owing by the various units of local government to the federal government. The extent of this obligation in the disaster areas should be inquired into, the extent of damage or destruction to the public works determined and consideration given to requesting the Federal government to forgive indebtedness at least to the extent of damage or destruction. We suggest that the Health, Welfare and Education Committee assume responsibility for the foregoing inquiry.

No. 4. Earthquake Insurance. We recognize that retroactive earthquake insurance is beyond the financial ability of the State. We suggest, however, that immediate contact be made with responsible senators and congressmen to determine the possibility and probability of Federal assistance in this area. In the event that the committee determines that Federal relief in this respect is improbable then we suggest to the committee that they immediately give consideration to a state earthquake insurance program involving not only the State of Alaska but other similar quake areas in the Pacific basin, specifically the states of California, Oregon, Washington and Hawaii. The possibility of an interstate compact creating an over-all insurance fund should be explored. We feel that the rates and availability of private earthquake insurance should be inquired into and that the committee should make a recommendation as to the feasibility and desirability of government insurance along the lines indicated. We consider this to be most urgent inasmuch as the availability of earthquake insurance will possibly have a substantial effect upon the willingness of private investors to move into Alaska for large-scale construction. We suggest that the Judiciary Committee undertake responsibility in the above field.

No. 5. ... We suggest an examination be made

April 15, 1964

Mr. Oliver Everett, Assistant
Regional Director for Special
Programs, UR
Housing and Home Finance Agency
989 Market Street
San Francisco 3, California

Dear Mr. Everett:

Please find enclosed, as suggested by Mr. Charles Austin, certain materials in support of our application for an Urban Planning Assistance Grant for Alaska Recovery and Development Planning, including completed forms H-6701 and H-6703, an expanded statement of work program, and an estimated budget (all in an original and two copies).

The budget has been revised from the original summary referred to in your letter of April 10, 1964. The amount of the travel item reflects the possible need to finance travel by knowledgeable citizens who will be requested to meet and give their advice on recovery and development matters to be considered during the course of the study. It is expected that several interim reports will be prepared, and that all reports will be given wide distribution to persons concerned. The schedule which must be kept for this project requires rapid communication.

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A preliminary report will be prepared near the end of May, for use by the State Legislature, in June; draft reports will be prepared for each of the work items indicated in the work program; and a final report on the study will be completed in approximately seven months.

This State planning work will be coordinated with local planning work done by the Alaska State Housing Authority, and with all other public planning work.

The assessment of State planning resources and the preparation of a detailed schedule for a comprehensive State Planning Program as

House of Representatives, U.S.

MEMORANDUM

The attached refers to a subject in which you are interested, and is, therefore, referred for your information.

Yours very truly



RALPH J. RIVERS,
Member of Congress

April 14, 1964

0818

REPRESENTATIVES

g bill; which was referred to the
Insular Affairs

A BILL

To amend the Alaska Statehood Act (Act of July 7, 1958; 72 Stat. 339), and for other purposes.

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2 *tives of the United States of America in Congress assembled,*
3 That the Act of July 7, 1958 (72 Stat. 339), providing for
4 the admission of the State of Alaska into the Union, as
5 amended, is further amended by inserting new sections 29
6 and 30 as follows:

7 "SEC. 29. In order to provide for reconstruction, devel-
8 opment, and assistance to the people of Alaska, the President
9 shall establish an Office of Alaska Reconstruction.

SUMMARY OF DAMAGE SURVEY AS OF 8:00 A.M., MARCH 31, 1964

The earthquake and attendant tidal waves and landslides have caused considerable damage to Alaska's basic highway network. The Department of Highways has during the last three days attempted to assemble as much cost data as possible concerning repairs and replacement costs for the damaged facilities. Primarily, highway damage exists on the Anchorage-Seward Highway between Girdwood and Seward, the Sterling Highway between the Seward-Anchorage Highway and Soldotna, and in the vicinity of Homer on the southern tip of the Kenai Peninsula. Extensive damage was also realized on the Richardson Highway between Valdez and Glennallen and extremely heavy damage has been reported on the Copper River Highway between Cordova and Chitina. Additional heavy damage was sustained between Mile 58 and 118 on the Glenn Highway. The remainder of the highway system is generally intact and damaged areas are confined to relatively small segments.

There is attached a summary itemizing damage to the highway system. It should be pointed out that this report and summary covers only the on-system mileage of the State Highway Department in Alaska. This summary does not attempt to show damage to non-system roads and city streets throughout the disaster area. So-called temporary improvements which are listed in this summary would consist of minimum type temporary bridge structures and minimum re-grading and filling of distressed highways. The end result of such temporary measures would be to carry the normal highway traffic in a relatively safe condition at reasonable speeds over the highway system. The permanent improvements listed in the summary are those which we feel at this time are necessary to restore the bridges and highways throughout the damaged areas to a condition meeting normal design standards for the Federal-aid Primary and Secondary Highway Systems.

CALIFORNIA LEGISLATURE, 1964 FIRST EXTRAORDINARY SESSION
SENATE BILL No. 80

Introduced by Senators Collier, Christensen, McCarthy, Teale, Arnold,
and Sturgeon

March 31, 1964

REFERRED TO COMMITTEE ON RULES

An act to add Section 17206.5 to the Revenue and Taxation Code, relating to personal income taxes, declaring the urgency thereof, to take effect immediately.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17206.5 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17206.5. Notwithstanding the provisions of subdivision (a)
- 4 of Section 17206, any loss
- 5 (a) Attributable to a disaster which occurs during the
- 6 period following the close of the taxable year and on or be-
- 7 fore the time prescribed by law for filing the income tax re-
- 8 turn for the taxable year (determined without regard to any
- 9 extension of time), and
- 10 (b) Occurring in an area subsequently determined by the
- 11 President of the United States to warrant assistance by the
- 12 federal government under Sections 1855-1855g of Title 42
- 13 of the United States Code Annotated,
- 14 at the election of the taxpayer, may be deducted for the tax-
- 15 able year immediately preceding the taxable year in which the
- 16 disaster occurred. Such deduction shall not be in excess of so
- 17 much of the loss as would have been deductible in the taxable

LEGISLATIVE COUNSEL'S DIGEST

S.B. 80, as introduced, Collier (Rls.). Personal income taxes.
Adds Sec. 17206.5, R. & T.C.

Provides that any loss in a disaster area entitled to federal assistance, occurring after the close of a taxable year and prior to date for filing return, may, at election of a taxpayer, be taken as a deduction for the taxable year immediately preceding the year in which the disaster occurred.

Provides further that the deduction shall not be in excess of any loss that would have been deductible in the taxable year in which the casualty occurred, and if taken will be deemed to have occurred in the year for which the deduction is claimed.

To take effect immediately, urgency measure.

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TERRY L. BAUM
BARBARA C. CALAIS
VIRGINIA COKER
KENT L. DECHAMBEAU
ROBERT A. GALBANI
LLOYD M. HARMON, JR.
NEIL A. HELDING
ROSE M. JACOBSON
L. DOUGLAS KINNEY
OWEN K. KUNS
ERNEST H. KUNZI
STANLEY M. LOURIMORE
SHERWIN C. MACKENZIE, JR.
ANN M. MACA...
ROSE OLIVER
JOHN R. PIERCE
EDWARD K. PURCELL
ALAN W. STRONG
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Office of Emergency Planning (Executive Order No. 10427,
Jan. 16, 1953*). Upon the declaration by the President

* Further provisions for the administration of disaster relief are contained in Executive Order No. 10737, Oct. 29, 1957.

February 8, 1957

Honorable Stuart Carter
House of Delegates
State Capitol
Richmond, Virginia

Dear Mr. Carter:

This is in reply to your letter of February 4th, inquiring about the problem of double taxation of income by states and, also, about state flood relief.

The only recent study that we have done in the field of multiple taxation of income is a survey, conducted during the last year or so, limited to multiple taxation of corporate income and not concerned with personal income. We are enclosing a brief summary of the findings of this survey.

At the present time, the National Conference of Commissioners on Uniform State Laws has a Subcommittee working on the problem of multiple taxation of corporate income.

Following the summer and fall flood disasters in the East, Connecticut, Massachusetts and Pennsylvania took special action to cope with the disasters. Most of the direct aid made available by state governments has been for relief and assistance to public agencies and bodies such as municipalities, local special districts, and the like. Aside from direct relief measures which would be justified in any event, constitutional and legislative restrictions in many states make it difficult to give direct state aid to private persons. It has been possible for the states in certain instances to aid corporations to rebuild by using already existing development credit corporations. Legislation establishing such corporations was intended, of course, to attract industry to the states. However, in a number of cases, it was possible to use available funds to rebuild damaged property. In most cases, the funds available are not state funds but, rather, local funds or private investment funds made available through state-authorized development credit corporations.

Another possible course for the state to take in giving aid to private individuals or corporations is in connection with tax rebates or moratoriums.

Legislation to cope with the disaster in Pennsylvania included an appropriation of \$45 million to provide funds for restoration of highways and bridges. A \$12 million appropriation, to be administered by the state's Civil Defense Agency, was made for the relief of flood victims. Emergency excise taxes on cigarettes and liquid fuels were levied to help finance these expenditures.

The Massachusetts legislature approved two acts which, in total, provided for appropriations of \$55 million, to be financed by the issuance of bonds for the purpose of reimbursing political subdivisions of the Commonwealth for damages to public property sustained as a result of the floods of August 13 and 19. Act 698 provided up to \$25 million for highway work made necessary by the floods. Act 699 provided an additional \$30 million to aid in alleviating some of the financial burdens imposed on municipalities as a result of the record floods. Act 699 also

MK

February 8, 1955

AIR MAIL

Mr. William L. McGill
State Coordinator of Defense
and Disaster Relief
Executive Department
State Capitol
Austin, Texas

Dear Bill:

I am dictating this immediately before leaving town in the hope that it will reach you before I do at 9:00 a.m. Thursday, February 10.

Over the phone you have asked us for information as to the manner in which states are providing administrative means for dispersing emergency funds which will involve the consent of an appropriate board, commission, or other group of ex-officio officials of the state. I recall in this connection your reminder of John Ken's ruling of a year or so ago which held that legislative participation in such proceedings is unconstitutional.

On the basis of information -- and rather sketchy information it is -- which we have here, it appears that the following states have made arrangements somewhat along the lines you are interested in. In each instance we are including the citation to the statutes in order that you may check back into them, and then we have included a very brief summary of the provisions as they are recorded in our files. All of this information, incidentally, comes from a survey which we undertook at the request of FEMA in September, 1953, and the results of all of this appear in the typewritten study of inter-governmental relations in natural disaster relief, with which you are already familiar.

California -- apparently has appropriated to the Governor's Fund \$1,150,000 "subject to authorization by Department of Finance available for emergencies." There is also a Revenue Deficiency Reserve Fund of \$75,000,000, but we have no information as to the manner of its dispersment or encumbrance.

Legislative Authority: Chapter 1, Division 7, Military and Veterans' Code of California (California Disaster Act) and companion legislation.

Specific Appropriations: Chapter 21, 1952 Statutes, Chapter 1777, 1953 Statutes set up an appropriation of \$3,000,000 for loans to political subdivisions affected by earthquakes; \$5,000,000 also available under certain conditions to school districts.

W. L. McGill

RECEIVED

APR 3 1964

April 3, 1964

ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

MEMORANDUM FROM SENATOR E. L. (BOB) BARTLETT

Enclosed is copy of the Executive Order establishing the Reconstruction and Development Planning Commission for Alaska.

This morning the Senate Appropriations Committee approved the appropriation of \$50 million for the President's Disaster Fund. It is expected the President will send his message to the House on Monday and we are hoping for House and Senate action that day.