

Remarks of Hon. John E. Fogarty, D.C.,  
2<sup>nd</sup> Dist. of R.I., during debate on amend-  
ment to Flood Insurance Act  
3<sup>d</sup> Supplemental Appropriation Bill,  
5/2/57

I rise in support of the amendment. Almost a year has elapsed since the Congress passed authorizing legislation to provide for a system of insurance against flood loss. Now just at the time when the system is to be finally put into effect we are faced with a move by the so-called economy bloc to kill the legislation by withholding funds necessary for its operation. That in a nutshell is the ultimate effect of the Committee's action on this item. Once more we see the pattern, which has been so obviously apparent in several of the appropriation bills that have previously been before us, of eliminating beneficial legislation by the simple expedient of refusing to appropriate funds for effective administration of the law's provisions.

How soon we forget! How short our memories of the horrible devastation attending flood disasters - devastation which has an unfortunate habit of concentrating on the little fellow. For it is the little man who is particularly at the mercy of flood damage - the small homeowner and the small-businessman. In my State of Rhode Island I know of instances where homeowners, in limited financial circumstances, have lost their property by water damage and yet are faced with paying off the mortgage which survives as a grim reminder of their personal tragedy. Again, I have had the experience of knowing small-businessmen whose credit became so impaired by flood loss that

they were unable to resume operations again. To extend a helping hand to persons such as these, to spread a protective mantle assuring them against repetition of the crippling blow of floodwaters is, in my opinion, a charge which this representative body is morally bound to meet. It is certainly a duty which we owe to citizens in all communities throughout the country. I do not intend to be critical when I say that many times we can be so concerned over the welfare of people in other lands and with problems in areas outside our jurisdiction that we unwittingly neglect the welfare of the people of the United States.

Think back to the situation as it existed just ten months ago. One of the finest accomplishments of the last session of Congress was the passage of this country's first flood insurance program. Because of the dire need, because of the terrible impact of flood losses on our homeowners and small businessmen as graphically proved before the standing committees, both branches of Congress quickly passed the necessary legislation and it was promptly signed by the President. Our action then had the end result of offering a ray of hope - a possibility of some economic protection - to those of our citizens who live and earn their livelihood in the flood areas.

And we must remember that these people, typical of whom are the residents of my own State of Rhode Island, have never been looking for a handout. It is not the nature of people in my part of the country,

nor for that matter is it the nature of Americans generally, to be content with the mere hope that in the event of disaster the Government will furnish relief. It is rather their nature to try to sustain their economic position through insurance against loss by paying a fair and reasonable rate for insurance protection. But what can they do when such insurance is not available through private enterprise? Now that it is apparent that private insurance companies cannot underwrite either flood or natural disaster insurance, the responsibility falls on the Federal government to meet the need of its people by embarking on a program of its own. And in carrying out this responsibility it should not be so doing with the thought of profit in mind. Rather than hoping to make a profit the government should think solely of its obligation to promote the general welfare of its people.

The Administrator of the Flood Insurance Agency, Frank J. Meistrell, has stated that the present denial of funds would effectively block the start of the insurance program. He has however indicated that should approval be given to the \$14 million provided for by this amendment he would at least be able to get the program into operation. That amount is absolutely necessary, according to the Administrator, in order to cover the expenses of the private insurance industry in writing policies and adjusting claims.

Such, then, is the situation. As far as I am concerned it falls simply into a matter of being either for the flood insurance program or against it. Those who vote for the pending amendment are voting to extend to the American people that assistance which private industry cannot offer but which is so vital to their economic well-being. At the risk of being repetitious I again say let each of us stand and be counted. If we sincerely believe that the federal government has a responsibility to promote the general welfare, if we desire to support the recommendation of the President of the United States, and if we intend to stand behind the will of both branches of the Congress as expressed in the authorizing legislation, then the way to effectively combine all three is to vote for the pending amendment.