

REMARKS OF CONGRESSMAN JOHN E. FOGARTY ON THE FLOOR OF THE HOUSE OF REPRESENTATIVES, JUNE 18, 1957, DURING DEBATE ON THE THIRD SUPPLEMENTAL APPROPRIATIONS BILL, URGING THE RESTORATION OF FUNDS FOR A FLOOD INSURANCE PROGRAM.

Mr. Speaker, the motion before us would restore funds to the Federal Flood Indemnity Administration and begin a program of flood insurance to offer protection to property owners throughout America. I rise in support of that restoration of funds.

As a Member of the Committee on Appropriations, I have some close acquaintanceship with this appropriation request. And I would suggest to the Membership that the main issue before us is more important than the start or failure of a system of flood insurance. The over-riding question is whether we are going to keep our people forever dependent upon handouts and charity or whether -- by this vote -- we will finally give them an opportunity to pay something toward their own protection. It is as clear as that: charity versus an American system of insurance.

As things stand today your constituents and mine cannot buy flood insurance. Private companies won't sell any and until we appropriate some money to get the Government program going they cannot buy Federal flood insurance.

There are people all over this country today who wish they had an opportunity to put money on the line to protect themselves from the catastrophe of floods.

To date this year Americans have suffered some \$200 million property damage from floods, according to the latest Corps of

Engineers figures. The President has already declared areas in all states as flood disaster areas under Public Law 875. The states affected are Kentucky, West Virginia, Oregon, Virginia, Washington, Texas, Louisiana, Oklahoma, Idaho, Missouri and Arkansas. Twenty other states have suffered flood damage of lesser magnitude this year.

This is hardly a sectional issue. I'm from New England. We haven't had a flood yet this year. Thirty-two other states have. This is a national problem.

The man who owns his own home, whether it be near the shore or in communities along the rivers which flow through the state, is a substantial member of his community. His roots are established in that community. The taxes he pays to the community, the money he spends on family needs and utilities, go to the maintenance of that community. If through despair of ever being able to feel safe and secure from these damaging forces he pulls up stakes and goes elsewhere, the community, and each of its members, suffers to some extent.

Industry, whether it is of the small shop kind or a substantial manufacturer of goods, is the employer of thousands of people in the communities of our state. If the small shopkeeper becomes so discouraged that he will not endeavor to make a fresh start, or the stockholders who own the large manufacturing concerns decide that their investment must be protected by moving elsewhere, then the very life blood of the economic existence of the community is drawn off and the entire area withers. To my mind it is exactly this situation which a system of federal insurance should be designed to prevent.

I recall vividly the situation in Providence, Rhode Island, when hurricane warnings were raised. For weeks the economic life of the city was out of gear. The owners of businesses in the downtown area were vitally concerned with moving merchandise out of the reach of the waters which were expected to pour into the city. The feeling of frustration was terrific. The expressions of despair were many, and many times I heard men and women say they would never go through this experience again.

I have been told often by people in the insurance business that one of its greatest features is the peace of mind that it provides for the policy holder. With this thought I am in complete agreement.

Thousands of Americans today are relying upon charity and relief to repair or replace their homes, farms and factories which were damaged by floods this year. They are hoping also that they will be able to deduct some of these losses from their next income tax returns.

Neither is the Federal Treasury escaping any losses because of the lack of insurance. The 11 disaster areas are eligible for millions of dollars of Federal relief. Internal Revenue will feel the pinch when the next filing time rolls around.

Mr. Speaker, is this economy? Or is this any way for us to treat our constituents?

We are being asked today to start an experimental program that will protect millions of Americans from the sudden catastrophe of

unexpected floods. It replaces no private enterprise existing today because there are none in this field. It will not establish a large Federal establishment because the Government will use the services of private insurance industry to sell and service these policies.

Although the Government is authorized to cover \$3 billion worth of property, this is not an expenditure. We believe premium income will substantially cover loss payments to property holders.

But this insurance will give Americans the opportunity to protect themselves from flood losses for the first time in history. I can't think of a more equitable system.

I urge the restoration of flood insurance funds.

