

FEDERAL RECONSTRUCTION AND DEVELOPMENT
PLANNING COMMISSION FOR ALASKA
WASHINGTON

SENATOR CLINTON P. ANDERSON, N. MEX., CHAIRMAN

DWIGHT A. INK, EXECUTIVE DIRECTOR
FRANK C. DI LUZIO, ASSISTANT TO THE CHAIRMAN

May 22, 1964

MEMORANDUM TO: Senator Clinton P. Anderson
Chairman

SUBJECT: Commission's Weekly Report - May 22, 1964

HIGHLIGHTS

1. Senate Bill 627 was approved by the President on May 20, 1964. This Act authorizes, among other things, the Secretary of the Interior to make loans to commercial fishermen for the purpose of chartering fishing vessels in Alaska. Funds are available for this purpose in the existing fisheries loan fund.

2. The extended transitional grants legislation has been sent to the President for his approval. This bill includes an appropriation of \$23.5 million to Alaska to aid the State in its reconstruction effort and to provide for short-fall revenues in the State.

3. The objectives of the Geological Survey and expedited schedule for completion were announced in Anchorage. Public reaction has been very favorable.

* * *

CONSTRUCTION

The Corps of Engineers now has 23 contracts totaling \$5,198,300 with architect-engineer and construction firms. Seven contracts, totaling \$977,600 worth of work, have been completed. The total value of work accomplished to date is \$2,451,800, an increase of \$42,200 over that reported a week ago.

A contract has been awarded for \$42,700 on overhead utilities in the Turnagain section of Anchorage. In Valdez the \$29,500 contract for repair of the city hospital now is four-fifths completed, as compared with two-fifths last week.

The Department of Defense expects that contract awards for military installations, including family housing, during calendar year 1964 will total more than \$40 million. The estimated total of \$36,980,000 in specific earthquake-related military construction and repair projects being programmed was reported last week. This is in addition to military family housing construction for which contract awards amounting to \$13,581,000 have previously been reported. The housing construction does not result from earthquake damage.

MILITARY PROCUREMENT

The Department of Defense has asked the Alaska State Government to furnish a list of firms located in Alaska and their products. This list will be distributed to Military Purchasing Offices so that the maximum number of Alaskan firms will be included on appropriate bidders' lists in military procurement contracting. From April 1 through May 13, DoD awarded Alaskan procurements amounting to \$24,670,000.

SOILS STUDIES

A map of the city of Anchorage indicating preliminary "Nominal Risk" and "High Risk" building areas has been developed. The services of Shannon and Wilson, Inc., are being used in the composition and stratigraphy of the soils, location of slide plane or planes, mechanics of the slide, current movement observations and soil pore pressure pattern, and procedures for developing stability against further sliding and subsidence. All of this is aimed at establishing with confidence the safe building areas and means.

Thirteen drill rigs are in operation in Anchorage, in the 4th Avenue, L Street, and Turnagain slide areas. Priority of work is determined on the basis of requests from city and Federal agencies, geared to requirements and needs of the local economy.

Now under way at Seward is drilling program, developed by the Geological Survey in cooperation with Office of the Chief of Engineers field representatives, to obtain sub-surface geologic and engineering data needed for new harbor facilities, railroad marshalling yards and tank farms.

REGIONAL EARTHQUAKE INVESTIGATIONS

The Geological Survey research vessel, Don J. Miller, is now operating in Prince William Sound in support of regional studies to determine wave effects and the extent and nature of tectonic landlevel changes; to make regional gravity measurements, and to evaluate other geologic effects of the earthquake.

FINANCIAL ACTIVITIES

SBA Policy Changes: The Small Business Administration in order to obtain additional participation in the disaster program by banks - designed to speed up application processing and funds disbursement - has made the following additional deviations from its normal disaster lending activities:

Banks are now permitted to make loans up to \$250,000 with as little as ten percent participation under the blanket participation plans. This was previously limited to \$100,000, as stated in the SBA report of April 30 which was also a deviation from former policy.

Banks are now allowed to charge an interest rate of not to exceed six percent when participating (with SBA) either in a new home loan, or in converting a previous loan which is now being extended because of disaster damage. Interest on such bank participation was formerly limited to three percent; the increase is expected to encourage banks to speed up the processing of SBA loans, which are generally serviced by banks.

Banks have now been authorized to refund existing liens and other delinquent obligations out of disaster loans and, when necessary, in order to put borrower in a position to properly handle his over-all debt, current indebtedness may also be refunded.

SBA is now permitting banks to deduct a service fee of 1/4 percent per annum on the unpaid portion of the SBA share of disaster loans out of interest collected for the account of SBA. Formerly no service fee was paid banks in connection with any disaster loans which they serviced.

As additional assistance to borrowers personal guarantees, except where offered on a voluntary basis, will not be requested in connection with our disaster loans. This is because guarantees under long maturities cause undue hardship.

As further assistance to apartment dwellers and non-home owners who have suffered losses of personal property, they may use the amount of the disaster loan covering such losses to assist in making a down payment on a home if they so desire. They will then make other arrangements to replace the personal property loss.

SBA Loans: The Small Business Administration reported the following loan activity through May 19: 1,259 interviews; applications received -- 99 homes for a total \$1,687,680, and 198 businesses for a total of \$18,061,471; loans approved -- 59 homes for a total of \$1,025,600, and 88 businesses for \$2,716,562. Total checks issued now amount to \$896,000, for 61 loans -- as compared with 38 disbursements totaling \$616,000 a week ago.

Interior Department Loans: The Department of the Interior's Fishery Loan Program has received to date 60 applications totaling \$952,923 for loans to repair or replace damaged or lost fishing vessels and gear. Half of these applications, totaling about \$240,000, have already been approved, and 10 disbursements have actually been made. Additional disbursements are ready and awaiting applicant's selection of vessel or equipment.

REA Loan: The Agriculture Department has approved a \$25,000 REA loan to the Copper Valley Electric Association, Glennallen, to restore its generating plant. A preliminary report on the plant estimated total

damages at \$25,000. Glennallen is about 120 miles north of the town of Valdez.

VA DAMAGE ASSESSMENT

The Veterans Administration has heard from all home owners in the earthquake area whose properties secured VA loans. Inspections have been completed on all properties reported damaged, and the complete status of damages is as follows:

267	-	No damage	
121	-	Minor damage	- \$18,048
<u>16</u>	-	Major damage	- <u>42,987</u>
404			\$61,035

Included under the heading of major damage are two properties, one in Seward and one in Anchorage, which suffered total damage. Each of these properties was valued at \$6,500. Both owners will be eligible for releases from liability to the VA if they obtain Small Business Administration loans and there is included in the loans an amount for payment to the VA.

The VA has received 36 requests (32 last week) for forbearance from borrowers, and in each case the request has been granted. VA has entered into 17 formal extension agreements, and others are being worked out.

ALASKA RAILROAD

The Department of the Interior announces that daily passenger service on the Alaska Railroad between Anchorage and Fairbanks will be reinstated on May 24. Currently trains have been running a weekly service between these two cities.

Since April 20, trains of 125 cars have been hauling freight between Anchorage and Whittier. The roadbed has been strengthened by spreading thousands of tons of gravel on it recently, and the seasonal high tides of mid-May did not damage the rail line.

AIRPORTS

Airfield damage previously not apparent because of snow cover and frozen surface now has been found by the Federal Aviation Agency at Portage and Hope, on Turnagain Arm of Cook Inlet. There are cracks across runways and uneven settling of airstrips at both places. The cost of repairing the damage at Portage is estimated at \$70,000; at Hope, \$50,000.

The seaplane float at Klawock, which sank, has been recovered and is moored to a cannery pier. Klawock is a fishing village on Prince of Wales Island, west of Ketchikan. The float is in use by a commercial carrier, and provides the major ingress for the island.

The FAA and the Bureau of Indian Affairs have agreed upon a new site for the Afognak Airfield, at Port Lyons, on Kodiak Island. Afognak village, on Afognak Island just north of Kodiak Island, before the earthquake had a population of about 300 natives; all are being relocated at Port Lyons. The new airfield will have a 2,500-foot gravel strip.

INDUSTRY

The Business and Defense Services Administration (Commerce Department) has submitted to the Office of Emergency Planning a plan to insure prompt delivery of copper products to alleviate distress in disaster areas. Government-owned copper inventories would be made available to copper fabricators to replace material used for emergency and rehabilitation needs. BDSA expects heavy demand for transmission cable and other electric wiring, and copper water pipe. The copper would be sold by the General Services Administration to copper fabricators at the producers' market price, plus transportation and handling charges, upon recommendation of the BDSA. The plan now is under consideration by OEP.

HOUSING

FNMA: The Federal National Mortgage Association during the week received three applications from Alaska homeowners seeking settlement of their FNMA mortgage indebtedness in consideration of a payment of \$1,000 each. One application is approved; two are pending. Six

more applications are expected to be filed within a few days. FNMA has determined that 34 FNMA mortgaged residential properties have been destroyed or irreparably damaged. The Association's investment in these homes totals about \$610,000.

Kodiak: The Department of Defense, as an emergency measure and to assist the Alaskan economy, has had under consideration the early construction of 170 units of prefabricated family housing for Kodiak. It had been anticipated that the site development work could be undertaken quickly, permitting early employment in the Kodiak area. However, this project has not moved forward because of State and local objections.

DoD reports also that the city of Kodiak has amended its ordinance to permit the use of trailers for temporary housing. The Navy, under authority of OEP, is arranging for shipment of 60 trailers to be placed temporarily on land available at Kodiak Naval Station. The City is urging that these trailers finally be located on military land within the City. This land will be processed as excess to military needs. The City believes this trailer site will not interfere with eventual low-cost housing proposed for nearby areas.

The Public Health Service reports that the Old Harbor (Kodiak Island) natives have been reestablished in wood-sided tents, that watering points have been set up, and that in general the sanitation for the natives of Old Harbor has been reestablished.

WAGES AND SALARIES

As a safeguard against possible inflation, the Department of Labor is making arrangements with the Office of Emergency Planning to set up a system which will provide the necessary data for daily monitoring of wage and salary trends in Fairbanks, Anchorage, Seward, Valdez, and Kodiak, with an additional watch to be maintained in the Juneau area. Previously, the Department had been dependent upon its employment offices in Alaska reporting any wage scale rise of ten percent or more; thus far none have been reported.

ON-THE-JOB TRAINING

The Bureau of Apprenticeship and Training of the Department of Labor has detailed a staff member to establish on-the-job training projects

in Alaska, with priority being given to those projects which will aid in reconstruction. An undetermined number of individuals formerly employed in fishing and cannery operations are expected by the Department of Labor to turn to construction work as a new source of income, and these persons will need some degree of specialized training to fit them for their new work.

KODIAK EMPLOYMENT PROBLEM

At Kodiak Naval Station DoD reports there is a continuing need for recruitment of Civil Service employees to perform normal type maintenance. To date it has been impossible to recruit sufficient personnel in Kodiak and efforts are being made to locate personnel in the Anchorage area. These people would perform normal station maintenance work throughout the installation and would not in any way detract from the total amount of work otherwise proposed for award to contractors.

COMMUNITY FACILITIES

The Community Facilities Administration (Housing and Home Finance Agency) has approved applications from Kodiak for advances for non-disaster public works planning for the purposes and in the amounts below:

<u>Type</u>	<u>Advance</u>	<u>Estimated Construction Cost</u>
Dock	\$45,900	\$1,200,000
Sewer	21,900	391,200
Streets	31,100	627,300
Water	16,400	287,600
Streets	<u>29,500</u>	<u>641,000</u>
	\$144,800	\$3,147,100

The advance planning money is interest-free, and is repayable only if the community proceeds with the project. If the project goes ahead, the advance planning funds constitute part of the total cost. The cost may be financed over a 40-year period through the CFA, or the community may choose other financing means.

AGRICULTURE

The Soil Conservation Service (Agriculture Department) has established a Kodiak Soil Conservation Sub-District for Kodiak Island. This will enable the Soil Conservation Service to make available heavy equipment to this sub-district for use in clearing tidal wave borne debris for participants in the program.

EMERGENCY AID: DONATIONS

DoD reports 82 charitable civic and service groups have been queried concerning the volume of gifts received for Alaskan relief. An incomplete report indicates a money total of \$602,370, plus five million board feet of lumber, about one hundred thousand cubic feet of clothing, and more than 20 tons of food. Gifts are continuing, so the final total will not be known for some time.

STATUS OF LEGISLATION

The proposal to extend transitional grants to Alaska passed both the Senate and House in the amount of \$23.5 million and has been sent to the President for approval.

S. 627, which passed both Houses of Congress last week, was approved by the President on May 20. Among other things, this legislation authorizes the making of loans to charter fishing vessels in Alaska.

The omnibus bill drafted by the Commission staff with the aid of the Bureau of the Budget has been transmitted to the White House.

The hearing was held May 21 before the Senate Committee on Appropriations on the supplemental appropriations request for Alaska. This includes a request for \$17 million pursuant to the extended transitional grant authority which is now pending approval by the President.

Attachment: OEP Status Report

Distribution to List 1:

Commission Members
Participating Agencies
Task Force Chairmen
Task Force Members
Alaska Field Staff
Commission Staff

/signed/

Dwight A. Ink
Executive Director

STATUS REPORT
REPAIR AND RESTORATIVE WORK
UNDER PUBLIC LAW 875
ALASKA DISASTER
AS OF MAY 19, 1964

Executive Office of the President
Office of Emergency Planning

ANCHORAGE - STATUS SUMMARY OF RECOVERY OPERATIONS

Debris Clearance -

Contract awarded by Corps of Engineers for demolition work on bluff side of 4th Ave. from A to E Streets.

Estimated cost - \$279,600.

Estimated completion - May 25.

Water and Sewer System -

Contract awarded by Corps of Engineers on April 8, 1964, for repairs to systems in Turnagain and West Turnagain areas.

Estimated cost - \$300,000. Work completed on May 4.

On April 18, Corps of Engineers awarded contract for repairs to Well No. 1 and for erection of Well House.

Estimated cost - \$125,000.

Estimated completion - June 15, 1964.

Corps awarded contract on April 9, 1964, for new well in Goose Lake Subdivision.

Estimated cost - \$105,000.

Estimated completion - July 15, 1964.

Contract awarded on April 18, 1964, for restoration of Bootlegger Cove system.

Estimated cost - \$175,000.

Completed on April 25, 1964.

Contract awarded on April 18 for restoration of K-L Street System.

Estimated cost - \$225,000.

Completed on April 25, 1964.

Roads, Streets, and Bridges -

Initial engineering work in progress on repairs to city roads and streets.

Port Facilities -

Contract awarded by Corps of Engineers on April 8 for study and plan of POL offloading facility.

Estimated cost - \$18,000.

Estimated completion - June 1, 1964.

Contract awarded by Corps of Engineers for construction of emergency POL facilities.

Estimated cost - \$500,000.

Estimated completion - July 1, 1964.

Contract awarded by Corps of Engineers for emergency repairs to dock facilities was completed on April 18.

Estimated cost - \$5,000.

Contract awarded by Corps of Engineers on April 8 for construction of dry cargo storage facility.

Estimated cost - \$150,000. Work completed on May 4.

Public Buildings -

City Hall - Emergency work completed.

Contract awarded by Corps of Engineers on April 13, 1964, for construction of three temporary warehouses for telephone facilities.

Cost - \$17,000.

100% complete on April 18.

Power System -

Corps of Engineers awarded contract for municipal power and light restoration.

Estimated cost - \$40,000.

Estimated completion - June 15, 1964.

Corps of Engineers awarded contract for repairs to overhead utilities - Turnagain.

Estimated cost - \$42,700.

School Department -

Survey of damages completed.

Corps of Engineers requested to accomplish restoration.

Spenard Public Utility District (Adjacent to City of Anchorage) -

Contract awarded by Corps of Engineers for repairs to P. U. D. facilities.

Estimated cost - \$300,000.

Estimated completion - Aug. 15, 1964.

General -

Corps of Engineers negotiated an architect-engineer contract with Metcalf and Eddy of Boston, Mass., for engineering studies.
Estimated cost - \$646,700.

KODIAK - STATUS SUMMARY OF RECOVERY OPERATIONS

(Complete restoration will depend on urban renewal plans)

Debris Clearance -

Demolition and clearance of wreckage by Bureau of Yards and Docks and city is complete.
Estimated cost - \$242,000.

Water System -

Bureau of Yards and Docks investigated emergency installation of water lines to Spruce Cape area. Grant-in-lieu in amount of \$139,000 has been approved by OEP. Alaska State Housing Authority to accomplish work.

Sewer System -

Lift Station - Construction of outfall trenches completed. Lines have been cleared and are functioning.

On April 27, the Bureau of Yards and Docks awarded a contract in the amount of \$6,907 for modification to the station. Work completed on May 21.

Electric System -

Local system restored.

Communications -

New telephone switchboard being installed.

Temporary Housing -

60 military trailers have been loaned to city for temporary housing.
Estimated cost - \$300,000.

Port Facilities -

Corps of Engineers assigned task of restoring boat landings.
Estimated cost - \$200,000.
Contract has not been awarded.

General -

Bureau of Yards and Docks awarded an architect-engineer contract in the amount of \$15,625 for engineering studies in Kodiak. Contract was completed on April 30, 1964.

Bureau of Yards and Docks arranged loan of pontoon dry dock for repair of fishing vessels.
Estimated cost - \$200,000.

SEWARD - STATUS SUMMARY OF RECOVERY OPERATIONS

Debris Clearance -

Corps of Engineers awarded a contract on April 4.

Estimated cost - \$1,109,600.

Estimated completion - June 15.

Water System -

Emergency restoration underway.

Sewer System -

Emergency restoration underway.

Port Facilities -

Dock Area - Being dredged by contractor.

Public Docks - Repairs are underway.

Electric System -

Contract awarded by Corps of Engineers on March 29 for repair and replacement of power lines.

Cost - \$105,600.

Completed on May 7.

Airport -

Operational on April 5, 1964.

PALMER - STATUS SUMMARY OF RECOVERY OPERATIONS

Schools -

Contract awarded by Corps of Engineers on April 14 for miscellaneous interior repair to high school.

Cost - \$10,200.

Estimated completion - May 25.

HOMER - STATUS SUMMARY OF RECOVERY OPERATIONS

Port Facilities -

Docks - Being surveyed by Corps of Engineers.

ALASKA (General) - STATUS SUMMARY OF RECOVERY OPERATIONS

SOIL STUDIES IN ANCHORAGE, SEWARD & VALDEZ

Contract awarded by Corps of Engineers.

Estimated cost - \$698,500.

Estimated completion - October 31.

CORDOVA - STATUS SUMMARY OF RECOVERY OPERATIONS

Port Facilities -

Contract awarded by Corps of Engineers for repairs to ferry ramp landing.

Estimated cost - \$75,800.

Estimated completion - June 10.

PALMER - STATUS SUMMARY OF RECOVERY OPERATIONS

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THE WHITE HOUSE

WASHINGTON

June 22, 1964

Dear Clint:

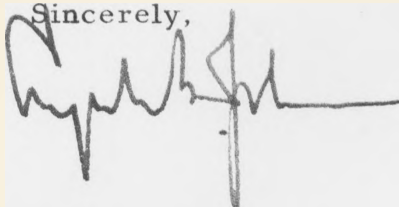
Thank you for your letter of June 8 on the work of the Federal Reconstruction and Development Planning Commission. It reflects a record of Federal activity and achievement in the two short months since the Commission was established of which we can all be proud.

I am pleased to see that the State legislature has also taken a number of key steps and that the prospects for Alaska's important tourist industry are encouraging. I look forward to receiving the housing data now being collected. It should answer a number of the most serious remaining questions relating to recovery in the private sector.

I have signed the deficiency appropriation bill providing over \$41 million for work in Alaska and for transition grants to the State. This represents another significant step in Alaska's recovery in which the Commission has played so great a part.

With all the other actions that have been, and are being taken, I believe we have come a long way in solving a very tough problem.

Sincerely,

A handwritten signature in dark ink, appearing to be "Lyndon B. Johnson", written over a light blue rectangular background.

Honorable Clinton P. Anderson
Chairman, Federal Reconstruction and
Development Planning Commission for Alaska
1815 H Street, NW.
Washington, D. C.

Wm. Ink

**FEDERAL RECONSTRUCTION AND DEVELOPMENT
PLANNING COMMISSION FOR ALASKA
WASHINGTON**

SENATOR CLINTON P. ANDERSON, N. MEX., CHAIRMAN

DWIGHT A. INK, EXECUTIVE DIRECTOR
FRANK C. DI LUZIO, ASSISTANT TO THE CHAIRMAN

June 12, 1964

MEMORANDUM TO: Senator Clinton P. Anderson
Chairman

SUBJECT: Commission's Weekly Report - June 12, 1964

HIGHLIGHTS

1. The shortage of livestock feed in certain areas will be relieved by the Department of Agriculture, which will make available feed grain at reduced prices.

2. Progress is reported on Congressional consideration of Amendments to the Alaska Omnibus Act, including authorization for the Federal Government to purchase up to \$25 million worth of Alaska State bonds and to permit the Bureau of Public Roads to allocate emergency relief funds for highway repair in Alaska based on a 94.9 - 5.1 matching formula.

3. The salmon catch is expected to be nearly normal this year. King crab production may be down 15 to 20 percent.

4. Further SBA loan policies for building and repair loans for individual communities have been issued.

5. The schedule for repair and replacement of small boat harbors has been expedited.

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AGRICULTURE

Livestock Feed Program. The U.S. Department of Agriculture announced a livestock feed grain program to provide grain at reduced prices to farmers in three regions of Alaska affected by the earthquake: Kodiak Island, Kenai Peninsula, and the Tanana Valley.

On Kodiak Island, large areas of hay and pasture lands were submerged by tidal waves. On the Kenai Peninsula, an unusually late spring has added to the shortage of feed supplies brought about by the suspension of trucking service on the only highway serving the area. In the Tanana Valley, feed stocks were nearly depleted after normal shipments were interrupted for three weeks by earthquake damage to the railroad.

Farmers and ranchers who do not have sufficient feed for their livestock and are unable to obtain it through normal channels of trade without undue financial hardship may buy Commodity Credit Corporation-owned feed grains at below market prices. Application must be made in person at the Agricultural Stabilization and Conservation Services field offices.

Kodiak Island. The Bureau of Land Management is continuing to work with the ranchers on Kodiak Island to determine measures that are feasible for rehabilitating and further developing their ranches. Specialists reviewed the effects of the tidal wave on beaches which formerly provided a major share of the winter feed for livestock.

Plans for reseeding damaged stands of beach rye were discarded as impractical, after it was determined that damage was more from subsidence than from scouring. USDA has arranged for a bulldozer to be shipped from Anchorage via barge for use in debris cleaning by Kodiak ranchers.

Rural Housing. Farmers Home Administration reports that 35 out of 82 houses in the earthquake area on which they have loans were damaged by the earthquake. Damage varies from minor losses to complete destruction.

Authority to make possible compromising of mortgages on damaged homes is being sought in pending legislation.

June 12, 1964

Forest Service. Kenai Ranger District of the Chugach National Forest has a crew of six men working on trail restoration this week. Trails are expected to be cleared of slide debris in time for the peak of the tourist season.

COMMUNITY FACILITIES

Cordova. Bids for proposed harbor restoration work have been opened. Contract award is scheduled for June 19.

Homer and Seward. Planning has been expedited and both small boat harbor projects will be ready to advertise for bids by about June 15, a month ahead of schedule. Pending Congressional authorization and appropriation will determine the exact bid date.

Kodiak. The breakwater reconstruction is now 25 percent completed. The estimated final completion date is July 16.

Seldovia. A contract for repair of the small boat harbor has been awarded, with a completion date scheduled for August 1.

Valdez. Planning for the small boat harbor has been expedited and bids may be advertised as early as June 18, instead of August 6, as previously scheduled. The exact date will depend upon passage of the Omnibus Bill and subsequent appropriations.

Bureau of Yards and Docks. The Office of Emergency Planning has requested the Bureau to restore three buildings in the Kodiak Independent School District, and to repair State-owned buildings on Kodiak, including the school on the Navy base, and the State fish and game facilities on Kittooi Bay.

The OEP field office has amended its previous request to Bureau of Yards and Docks relating to relocation and conversion of trailer compound housing units at Kodiak to include a structure for washers and dryers.

Public Law 875. OEP estimates of work eligible under Public Law 875 remain at \$80 million, with the major share of the work assigned to the Corps of Engineers:

Corps of Engineers	\$71,450,000
Bureau of Yards and Docks	2,150,000
Federal Aviation Agency	1,650,000
Other Federal Agencies	630,000
State and Local Projects	2,120,000
Unassigned	<u>2,000,000</u>
	\$80,000,000

The Corps of Engineers now has awarded 33 contracts to architect-engineer and construction firms. Total costs are \$6,433,800. Thirteen of the contracts have been completed, and the remaining 20 are in progress. Total expenditure for work accomplished to date is approximately \$3,360,000.

The major reconstruction program is now in the final design phase of the preliminary programming which precedes the brick and mortar phase. General planning and site selection for major projects have been approved by community officials and by the Governmental agencies involved. Acceleration of contract awarding is expected in the immediate future.

FISHING

King Crab Fishery. The Bureau of Commercial Fisheries has estimated that Kodiak Island king crab production may be reduced by from 15 to 20 percent this season. Of the original seven processing plants, only two are now operating, with one additional plant expected to be in operation by fall. The crab fishery fleet is gradually being augmented by repair of damaged vessels. Several boats originally considered a total loss have been salvaged.

Salmon. The Bureau has reported that as far as processing facilities are concerned, the salmon industry can operate at a normal capacity this year. However, there is currently a dispute between fishermen and processors over the price of pink salmon. If this dispute is not settled before the season is in full swing, about the middle of July, a reduced catch could result.

Charter Vessel Loan Program. Several inquiries regarding this program have been made, but thus far the Bureau has received no formal applications for charter loans. Skippers are still endeavoring to locate suitable replacement vessels available for purchase. Also, the price dispute over pink salmon may be discouraging interest in chartering.

Cannery Loans. The Washington, D.C., office of the Small Business Administration reported the following loans to fish canneries:

Alaska Ice and Cold Storage, Kodiak	\$120,000
Uzinki Packing, Iodiak	590,000
King Crab, Kodiak	650,000
E. Point, Seattle (Alaska Operations)	92,400

Additional loans under \$50,000 for individuals and under \$250,000 for participant loans have been approved by the field office in Alaska.

HOMES AND BUSINESS

The Small Business Administration issued instructions on June 9 to Alaska field offices concerning conditions under which funds are to be disbursed:

In Anchorage no funds are to be released, at this time, for the repair or rebuilding of any structure located in areas currently designated as unsafe by the Scientific and Engineering Task Force.

In Kodiak, on approved loans, funds may be disbursed for repairs or rebuilding in any area above expected high high tides.

In Homer disbursements may be made to repair or rebuild except on the Spit, which has not yet been determined to be safe.

In Valdez no funds are to be disbursed for any permanent repairs or rebuilding at the present town site. Funds for replacing inventories and movable equipment or working capital will be available to business. Funds may also be disbursed for temporary repairs to homes and businesses, to the minimum extent necessary to withstand the coming winter. The Farmers Home Administration places the same restriction on loans to rural housing.

The SBA loan policy requires that the Alaska Uniform Building Code be followed on all new construction and, where feasible and appropriate, on all major repairs. The Federal Housing Administration has the same requirement.

New Loan Applications. In the past week SBA approved 34 additional home loan applications and 44 business loans. Total activity in this field to date:

Interviews and inquiries	1,645	
Applications given out	977	
Applications filed:		
Homes	164	- Value \$ 2,783,230
Business	295	- Value \$33,126,427
Loan applications <u>approved</u> :		
Homes	129	- Value \$ 2,069,450
Business	193	- Value \$16,811,778
Checks disbursed to June 9	165	----- \$ 3,437,000
Checks disbursed as of June 3	104	----- \$ 1,886,000

Urban Renewal. Application for urban renewal projects in the disaster area have been received totalling \$36 million. The Federal share of this program would be \$28,550,000, on a 75-25 matching basis. Following is a breakdown by area of the estimated net project cost (including State and local funding):

Anchorage	\$18,000,000	(Downtown area)
"	1,400,000	(Turnagain Area No. 1)
"	2,800,000	(Turnagain Area No. 2)
Kodiak	6,800,000	
Seldovia	1,440,000	
Seward	2,000,000	
Valdez	2,400,000	(Existing site)
"	<u>1,200,000</u>	(Mineral Creek site)
Total	<u>\$36,040,000</u>	

The urban renewal program is expected to undergo considerable modification before final acceptance by local, State and Federal authorities. The Kodiak plan has received the approval of the city Council.

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LEGISLATION

Deficiency Appropriation, 1964. On June 9, 1964, the President approved the Deficiency Appropriation Bill (H.R. 11201) including approximately \$41 million for reconstruction in Alaska. Not included in this amount were \$5.6 million for the Corps of Engineers' harbor modification work, \$350,000 for the Department of Agriculture's contract liquidation (for work on forest roads and trails) and about \$5.2 million of the \$25 million requested for the Alaska Railroad. It is hoped that the \$5.6 million for the Corps will be included in a subsequent appropriation bill.

Alaska Omnibus Act Amendments. Hearings were held this week before the House Subcommittee on Territorial and Insular Affairs on H.R. 11438, a bill "To Amend the Alaska Omnibus Act." The bill was ordered reported to the full Committee with the understanding that certain amendments suggested by Congressman Rivers and the Chairman of the Committee will be considered at that time. An executive session is scheduled to be held by the full Committee on June 18, 1964.

The Senate companion bill (S. 2881) will be considered in executive session on June 16, 1964.

MANPOWER AND LIVING COSTS

Price Survey. The Bureau of Labor Statistics report covering the period from the time of the earthquake up to May 18 indicated a distinct rise in food prices in Seward. Of the 40 food items priced, 23 advanced, 18 of these by 7 percent or more and 11 of the 18 by at least 10 percent. Anchorage and Kodiak food costs appeared to have risen only slightly or not at all.

Prices for key commodities such as gasoline were stable in all three communities. Rents were unaffected.

Labor Supply and Demand. The Bureau reported a continuing shortage of tapers and glaziers in construction. The demand for cement masons and plasterers has eased off, and the supply of other construction trade occupations is now adequate. New labor demands and possible shortages are expected to develop within the next month.

TRANSPORTATION

Highways. The Cape Chiniak Road on Kodiak Island, the only major earthquake-damaged highway which has not been reopened to traffic, is scheduled to be serviceably repaired by September 30. Favorable bids were received by the State Highway Department for temporary repairs to the Cape Chiniak Road between the Naval base and the Cape. Repair work is expected to begin within the next few days as soon as contracts are awarded.

The State is negotiating with the Bureau of Yards and Docks for work within the Naval base where the highway is passable but in need of permanent repairs.

Turnagain Arm. The Bureau of Public Roads has decided to delay commencement of permanent repairs to the highway around the head of Turnagain Arm until studies are completed on the proposed Turnagain causeway. Study work on the causeway has now been accelerated.

Engineers are studying whether the additional expense involved in building a causeway, as opposed to repairing the existing road around Turnagain Arm, might not be offset by the advantages gained by shortening the route to Seward and southern points on the Kenai Peninsula by 30 miles. Other advantages gained by building a dam-type causeway (with a floodgate) might be: greater protection from tides and ice for the communities at the head of the Arm, including Portage; minimal need for riprap protection of the Alaska Railroad around the Arm; and a shortened route for power lines to the south.

Airports. The City of Anchorage has filed a request with the Office of Emergency Planning for a damage assessment survey on city-owned Merrill Field Airport. Federal Aviation Agency will make the assessment, which is expected to be confined to runway and taxi strip damage.

FAA engineers are conducting a field survey on the new site for the airfield which will service the relocated Indian village at Port Lions on Kodiak Island. This is the former Indian village of Afognak, which was damaged during the earthquake. The Indians will be resettled at Port Lions, at Settlers Cove on Kizhuyak Bay, with the assistance of Lions International.

The airfield will be the principal means of transportation to the new Indian village. A 2,500-foot gravel strip, 100 feet wide, is contemplated. Kodiak Airways, which served the Afognak village airfield, is expected to serve Port Lions.

MISCELLANEOUS

Civil Defense. The Alaska State Civil Defense Office is continuing the coordination of relief activities in the State. As of June 1, 1964, cash donations have been raised by individual organizations as follows:

Veterans of Foreign Wars	\$ 80,000
Salvation Army	186,000
American Legion	50,635
Lions Club	50,000
Council of Churches	15,000
Red Cross	235,235
Alaska Education Association	30,000
Governor's Relief Fund	<u>90,000</u>
Total	\$736,870

The funds are being used as needed through the emergency period throughout the disaster areas.

June 12, 1964

Offers of assistance have also come in from a great variety of civic, professional and fraternal organizations, including the Alaska Bar Association, Anchorage Junior Chamber of Commerce, League of Women Voters, Alaska Educational Association, Alaska Nurses Association, Loyal Order of Moose, Alaska Division of Public Welfare, Alaska Department of Health and Welfare, Anchorage Community Chest, and the Anchorage Tuberculosis Association.

Dwight A. Ink
Executive Director

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FEDERAL RECONSTRUCTION AND DEVELOPMENT PLANNING COMMISSION FOR ALASKA

WASHINGTON

SENATOR CLINTON P. ANDERSON, N. MEX., CHAIRMAN

DWIGHT A. INK, EXECUTIVE DIRECTOR
FRANK C. DI LUZIO, ASSISTANT TO THE CHAIRMAN

June 20, 1964

DISTRIBUTION LIMITED TO:
Messrs. Ink, Averill, Finnegan,
Gelfan, Col. Penly - plus
Mr. Schnoor
Mr. Schussheim

The President
The White House

Dear Mr. President:

I am enclosing for your information a copy of the June 19, report of the Federal Reconstruction and Development Planning Commission for Alaska. The first item highlighted in the report is a matter which deeply concerns me.

Earlier this week, the House Interior and Insular Affairs Committee ordered reported with amendments, H. R. 11438, which amends the Alaska Omnibus Act of providing various means of assistance to Alaska based upon the recommendations of the Federal Reconstruction and Development Planning Commission and the responsible Federal agencies. The amendments adopted by the House Committee run contrary to these recommendations.

In my opinion, which I understand the Bureau of the Budget shares, these amendments, if enacted, would establish several undesirable precedents.

One amendment would authorize the Federal Government, through the Housing and Home Finance Administration, to purchase up to 25 million dollars of disaster and development bonds of the State of Alaska at an interest rate of 3%. Under the Public Facilities Loan Program of HHFA, the current rate is 3-5/8%. Such an action would result in an additional substantial subsidy to the State which I do not believe is justified or needed. Also, it will not carry out the basic objective of the bond purchase provision of the legislation you sent to the Congress which is to assist the State in restoring its financial capability to market bonds in the future at reasonable rates of interest.

RECEIVED:

Date: 6-22-64

June 20, 1964

COPY

I am particularly disturbed at the amendment that authorizes the Federal National Mortgage Association to repurchase from private lenders, home mortgages insured by the Federal Housing Administration and secured by property in Alaska that was destroyed or severely damaged by the earthquake. This will not help the homeowner. It will only bail out the large financial institutions, chiefly those outside of Alaska. At the Federal Commission meeting yesterday, Mr. Weaver indicated his opposition to this amendment and stated that he would recommend a veto of the whole bill if this provision was included. I share his view.

In addition, the House Committee authorized the Housing and Home Finance Agency to increase the Federal share of urban renewal projects to 90% of the net project cost on all Alaskan disaster projects. This goes beyond the Senate amendment which was designed to aid the very small communities heavily devastated by the earthquake and financially unable to help themselves. It only adds the City of Anchorage. Anchorage still has roughly 70% of its tax base intact and is in a different category. The 75% Federal assistance, when combined with additional assistance from the State, made possible by the Federal underwriting of state bonds, should enable Anchorage to undertake necessary urban renewal work without departing from the long established Congressional formula for disaster aid.

As I indicated earlier, there is an urgent need to complete action on this legislation in view of the short Alaska construction season which will end in October. The differences between the House and Senate versions will take time to resolve.

I therefore urge that you discuss this unfortunate development with the leadership of the House. I would hope that you might impress upon them that the House bill, as amended by the House Interior Committee, is totally unacceptable. In my opinion, no rule for its consideration should be granted by the House Rules Committee until these objectionable provisions are reconsidered by the House Interior Committee and withdrawn.

Sincerely yours,

Clinton P. Anderson
Chairman

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FEDERAL RECONSTRUCTION AND DEVELOPMENT
PLANNING COMMISSION FOR ALASKA
WASHINGTON

SENATOR CLINTON P. ANDERSON, N. MEX., CHAIRMAN

DWIGHT A. INK, EXECUTIVE DIRECTOR
FRANK C. DI LUZIO, ASSISTANT TO THE CHAIRMAN

June 19, 1964

MEMORANDUM TO: Senator Clinton P. Anderson
Chairman

SUBJECT: Commission's Weekly Report - June 19, 1964

HIGHLIGHTS

1. S.2881 and HR 11438, with amendments, were ordered reported favorably by the Senate and House Committees on Interior and Insular Affairs.
2. Applications for SBA loans now total 499, valued at nearly \$38 million. Approved loans total over \$20 million.
3. Two major Alaska highway projects, costing \$6.2 million, have been approved by the Bureau of Public Roads.

* * *

AGRICULTURE

Disruption of Transportation. Spring flooding of the Anchorage-Seward Highway has interrupted movement of agricultural products and supplies. If this continues, farmers may have problems obtaining adequate livestock feed, and supplies.

Food Price Survey. The Alaska State Agricultural Experiment Station reported that the recent rise in food prices in Seward is largely attributable to the interruption of road and ship traffic into Seward.

Forest Area. Plans now being prepared by the State Highway Department for reconstruction of the Portage-Glacier Forest Highway and Parking Lot should be completed this week. Forest Service Personnel recently discovered that the covered bridge on Forest Highway No. 30 on Afognak Island was destroyed by tidal wave action resulting from the earthquake. Lots are being surveyed on National Forest land for a new townsite for the town of Hope, now flooded by three to four feet of water at high tides.

COMMUNITY FACILITIES

Progress of Contracts Under OEP. In the past week the value of work accomplished under all contracts increased approximately \$1,000,000, from \$2,800,000 to \$3,881,100. Six additional contracts were awarded. A summary follows:

	<u>No. of Contracts</u>	<u>Work Items</u>	<u>Contract Value</u>
Totals	34	34	\$6,496,700
In Progress	21	21	5,535,200
Completed	13	13	961,500

Cordova. Bids for proposed harbor restoration work, for which funds are available were opened June 5, 1964. Contracts are scheduled to be awarded June 19, 1964. The Chief of Engineers has approved a plan for dredging two shoals in the approach channel through Orca Inlet, subject to funds availability.

The Corps of Engineers has issued an invitation to bid on float removal and bulkhead construction. The Corps also opened bids on sewage outfall repair and extension at Cordova on June 18, 1964.

Homer. A public works planning advance of \$26,000 was made to the City of Homer by HHFA for preliminary planning of a \$545,000 water system project.

Kodiak. A contract has been awarded to complete field engineering work related to city streets, walks, sewers and water system.

Bids have been invited for development of the City of Kodiak house-trailer site, with closing date of June 29, 1964 and for restoration of facilities at Kraft Springs and reconstruction of the Tagura road, with closing date of June 24, 1964. Construction time on these two projects is 60 days and 45 days respectively.

Contracts have been awarded to various Architect-Engineer groups for final designs for the restoration of damaged roadways at the Naval Station at Kodiak. Some of these designs are completed. Construction bids will be advertised as soon as funding authority is established.

Kodiak Harbor. Under the contract for breakwater reconstruction, awarded May 7, 1964 to S. S. Mullen in the amount of \$431,500 work valued at \$120,800 has been accomplished. Estimated completion date is July 16, 1964.

The Bureau of Yards and Docks investigated the cost of emergency installation of water lines to the Spruce Cape area. A grant-in-lieu in the amount of \$139,000 has been approved by OEP. Alaska State Housing Authority will do the work.

June 19, 1964

The Architect-Engineer has begun preparation of plans and specifications for restoration projects consisting of streets, water, sewer and storm drainage based on Urban Renewal plans.

Seldovia. Work has been started on rock emplacement to raise breakwaters and on minor excavation, under a contract awarded on May 20, 1964, in the amount of \$266,600. Estimated completion date is August 1, 1964.

Seward. A preliminary report covering all soils information for the Forest Acres area of Seward is expected by July 1.

Soils and Foundations Studies. The soil sample collecting work in Anchorage has been completed, except in the Turnagain area. Overall progress of the soils studies program is on schedule. Following analysis of the data, release of the Fourth and "L" street areas in Anchorage is expected during the week of June 22-27.

Valdez. Five trailers (3-bedroom) will be shipped by the Navy to serve as temporary housing at the present Valdez townsite. The trailers will be set up and connected to utilities by the Corps of Engineers.

Urban Renewal. The Office of Emergency Planning conferred with Urban Renewal Administration Commissioner Slayton and State and local officials at Kodiak, Seward, and Valdez. Agreement was reached on procedure whereby architect-engineering work necessary for urban renewal programs will be coordinated with architect-engineer work being done under PL 875 by the Corps of Engineers and the Bureau of Yards and Docks. As a result of this agreement, both the Corps and the Bureau are able now to proceed without any time lag between these two phases of reconstruction.

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HOMES AND BUSINESS

Small Business Administration Loans. Business and home loan inquiries continue to average about 20 per day and applications are being received at the rate of about 8 per day. Forty new applications for homes and businesses were filed in the past week, raising the total to 499, valued at nearly \$38 million. Total activity in this field to date:

	<u>As of June 17</u>	<u>One Week Ago</u>
Interviews and inquires	1,757	1,645
Applications given out	1,050	977
Applications filed:		
Homes	185 (Value \$3,225,380)	164 (Value \$2,783,230)
Business	314 (Value \$34,573,927)	295 (Value \$33,126,427)
Loan Applications approved:		
Homes	153 (Value \$2,373,250)	129 (Value \$2,069,450)
Business	217 (Value \$18,264,778)	193 (Value \$16,811,778)
Checks disbursed	201 (\$4,703,000)	165 (\$3,437,000)

Federal National Mortgage Association. Four applications for forgiveness of the unpaid balance on mortgages held by FNMA, upon payment of a consideration of \$1,000 each, were received from Alaska mortgagors this week. Thirteen such applications were received to date, of which nine have been approved for a total evaluation of \$211,892 in mortgage balances. These nine balances range from \$17,363 to \$40,487, with the average being approximately \$23,500.

Anchorage. Two releases were executed this week permitting the City of Anchorage to demolish or to move 1 - 4 family homes. Sixteen such releases have thus far been executed by FNMA.

Housing Loan Applications. The Farmers Home Administration reports that they have received 51 applications in April and May for housing loans in Alaska and 14 for \$211,820 were approved.

LEGISLATION

Both the Senate and House Interior and Insular Affairs Committees, acting in executive session, ordered reported favorably S.2881 and HR 11438 respectively with amendments. The amendments concern the provisions in the bill relating to urban renewal, the State bonds, and FHA insured mortgages in Alaska.

Differences in the Senate and House amendments may require a Senate-House conference before final passage of the Bill.

TRANSPORTATION

Alaska Highway Earthquake Damage Reconstruction. The Alaska fourth emergency highway program was approved by the Director of Engineering and Operations on June 11, 1964. This program contains two projects involving a total estimated cost of \$6,191,589, with emergency funds requested in the amount of \$5,843,317.

One project provides for raising the embankment and placing riprap protection on the Seward-Anchorage Highway between Girdwood and Ingram Creek, a distance of approximately 12.1 miles.

The second project would raise the embankment and build riprap protection on approximately 3.4 miles of the Seward-Anchorage Highway west of Girdwood. This program provides for temporary repair of the facility and permanent protection from tidal action.

Airports. Federal Aviation Administration ground inspection of the following 15 State airfields, located on the Kenai Peninsula and in Western Alaska, has been completed; no damage was attributed to the earthquake or subsequent seismic waves:

June 19, 1964

Egegik	Naknek
Hope	Ninilchik
Igiugig	Nondalton
Koggiung	Pedro Bay
Kokhanok	Pilot Point
Kasilof	Quartz Creek
Lawing	Tyonek
Levelock	

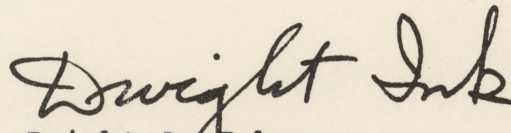
Previous aerial inspection at Hope had indicated that significant damage might have resulted from the quake. Of the 58 airfields which FAA was asked by the Office of Emergency Planning to inspect, over half have now been examined. Late spring snows have delayed inspection of the remaining airfields.

Anchorage Tower. FAA reported that concrete for the new tower will be poured in mid-July and that structural steel work will begin in late August. Prefabricated steel sections for some portions of the tower will be trucked up to Alaska over the Alcan highway. Bid opening for contracts on the construction work to be done in Anchorage is scheduled for June 24. To date, 24 prospective bidders have indicated an interest in the contracts.

June 19, 1964

MISCELLANEOUS

Cape Hinchinbrook Light Station. The Alaska Testing Office of the Coast Guard reported that the design for the dock extension has been completed and is being forwarded to Washington for approval.


Dwight A. Ink
Executive Director

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