

## Proposal to Create

### A Special Task Force for Industrial Recovery and Growth

#### I. Problem

Hurricane Agnes brought unprecedented devastation to a multi-state area necessitating extraordinary measures for relief and restoration. In particular, the flooding has been seriously disruptive to the local economy in the devastated areas. This occurred at a time when we were still suffering unemployment caused by the past inflation and recession. Large numbers of additional workers are out of work until the flood damage to industrial plants, businesses and other employers can be overcome.

The President's Disaster Relief Program, under coordination of the OEP, is intensively engaged in coordinating disaster relief to individuals, State and local governments, and businesses. Beyond this however, there is a need to concentrate special effort on maintaining the industrial base in the disaster area and stimulating a flow of capital and prompt restoration of full employment. A disaster so wide-spread and devastating poses a threat to the viability of the industrial base, but, at the same time, presents an opportunity for progressive industrial development and growth.

#### II. Proposed Option

A. Objective -- A Special Task Force for Industrial Recovery and Growth would be created to stimulate the restoration of flood devastated industries and industrial unemployment and to

plan for the development of the industrial base. A major mission of the Task Force would be to help resolve industrial unemployment problems heightened by the disaster. The Task Force would focus on energizing the private sector, not on "grantsmanship". It would work with State, local and private interests to help them resolve their problems.

This Task Force would work with existing institutions in defining problems, identifying roadblocks, stimulating ideas, "jawboning" local industry into staying in the area and acting as a catalyst for Federal agencies, State and local governments and private organizations. Emphasis would be on getting immediate action and simultaneously laying a sound basis for future economic growth in an area critical to the Nation's total economic growth and well-being.

B. Steering Group

1. Co-Chairmen: Secretary of Commerce  
Secretary of Labor
2. Membership: Chairman, CEA  
Secretary, DOT  
Administrator, SBA  
Director, OEP  
Chairman, Appalachian Regional Commission  
Chairman, Philadelphia Federal  
Regional Council

In addition, other members may be designated at the discretion of the President, and agencies may be invited to send representatives to attend Steering Group meetings.

C. Task Force Staff

1. Executive Director designated by the President.
2. A full-time "core" staff of 5 or 6 professionals detailed for the duration of the Task Force.
3. Additional specialists as needed, detailed from Federal agencies, either full or part-time.
4. Further advisory assistance made available by industry, labor, State/local governments.

D. Method of Operation

The Steering Group would meet at the call of the Co-chairmen to assess need, determine policy and priority issues and initiate action.

Industrial recovery and growth activity would be undertaken through existing government and private channels, and in full coordination with the immediate disaster activities of the Office of Emergency Preparedness. The Task Force staff would collect and evaluate available information on recovery requirements, prepare plans, and recommendations for Steering Group consideration, maintain continuous liaison with industrial/commercial groups and companies, labor unions, Federal agencies, State/local governments.

The Task Force would be created immediately and operate for 6 months to a year. Staffing would be entirely through details of personnel from government agencies. Thus, no special funds would be needed to meet administrative expenses. State governments would be urged to establish a counterpart "point of contact" to work closely with the Task Force at the policy level.

Upon completion of the Task Force effort, any continuing activity would be carried on by the regular agencies charged with economic development action (e.g., EDA in Commerce).

#### E. Program Funds

The Task Force will make recommendations on funding requirements for economic recovery and growth, the implementation of which would be coordinated through OMB. All funds will be handled through existing agency channels and may be made available through new supplements or by redefining priorities for currently available funds. The Task Force itself will not be given any special separate funds.

#### Pros

- Visible attention to economic recovery and sound economic growth in an area vital to the total National economy.
- Coordinated effort regarding special phase of disaster recovery.
- A way to make a concerted drive on an area of persistent unemployment
- Special mechanism to pull together best advice and expertise of any relevant agency.
- Temporary character of Task Force avoids creating bureaucracy.

#### Cons

- Possible confusion with OEP and FRC role (offset by OEP and FRC presence on Task Force).

- Could encourage pressures for very substantial Federal outlays.
- Another mechanism may not be necessary. Some argue that we have too many mechanisms already.
- Could be attacked as a gimmick to get more Federal funds channeled into business. This could be offset by ensuring that the focus of the effort is on stimulating rather than subsidizing the private sector.

Recovery aid to the private sector also requires immediate attention in many areas ravaged by the flood. Many people have been rendered unemployed over night, in some cases with no early prospect for return to work. The credit position of many small businesses has been hit hard and the flow of private capital into these areas may be uncertain.

I have established a governmental task force co-chaired by Secretaries Peterson and Hodgeson to assist in quickly restoring employment and business activity. This group will draw upon SBA and other Federal agencies such as the Economic Development Administration in the Department of Commerce, in making it possible to rapidly bring people back to their jobs. These efforts will be closely linked with the broad efforts of the Office of Emergency Planning which has overall responsibility for coordinating the President's Disaster Relief Program, including both public and private sector activities. For example, this special task force will work closely with OEP on plans for rebuilding of roads and other public facilities important to the rapid restoration of private business. This group will also include representatives of the governors, local officials, business and labor. The first step will be to conduct an immediate survey to determine what needs to be done.

I have asked Secretaries Peterson and Hodgeson to undertake an immediate survey to determine what needs to be done and to establish priorities as soon as these needs are known.

In addition, other members may be designated at the discretion of the President, and agencies may be invited to send representatives to attend Steering Group meetings.

C. Task Force Staff

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2. A full-time "core" staff of 5 or 6 professionals detailed for the duration of the Task Force.
3. Additional specialists as needed, detailed from Federal agencies, either full or part-time.
4. Further advisory assistance made available by industry, labor, state/local governments.

D. Method of Operation

The Steering Group would meet at the call of the Co-chairmen to assess need, determine policy and priority issues, ~~and initiate action, coordinate government, industry and labor concerns.~~ *and communicate with government, industry and labor groups*

Industrial recovery and growth activity would be undertaken through existing government ~~channels,~~ *and private* and in full coordination with the immediate disaster activities of the Office of Emergency Preparedness. The Task Force staff would collect and evaluate ~~all~~ available information on recovery requirements, prepare plans, and recommendations for Steering Group consideration, maintain continuous liaison with industrial/commercial groups and companies, labor unions, Federal agencies, State/local governments.

The Task Force would be created immediately and



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industries and industrial unemployment and to plan for the development of the industrial base. A major mission of the Task Force would be to <sup>help</sup> resolve industrial unemployment problems heightened by the disaster. ~~These objectives would be pursued in close collaboration with State, local and private interests.~~

This Task Force, ~~comprised of an interagency steering group and a staff as described below, would work through existing public and private institutions. However, it would expedite their response to economic recovery and future growth~~

*would work with existing institutions in needs by defining the problem, identifying roadblocks, stimulating ideas, "jawboning" local industry into staying in the area and acting as a catalyst for*  
~~priorities and coordinating inputs from Federal agencies, State~~

and local governments and private organizations. Emphasis would be on getting immediate action and simultaneously laying a sound basis for future economic growth in an area critical to the Nation's total economic growth and well-being. ~~These extraordinary actions are of particular importance at this stage of the Nation's overall economic recovery.~~

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Upon completion of the Task Force effort, any continuing activity would be carried on by the regular agencies charged with economic development action (e.g., EDA in Commerce).

E.

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*Industrial* *+ growth* *undertaken*  
~~All~~ economic recovery activity would be taken through existing government channels, and in full coordination with the Office of Emergency Preparedness. *the immediate disaster activities of* The Task Force staff would collect and evaluate all available information on recovery requirements, prepare plans, and recommendations for Steering Group consideration, maintain continuous liaison with industrial/commercial groups and companies, labor unions, Federal agencies, State/local governments.

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Upon completion of the Task Force effort, any continuing activity would be carried on by the *regular agencies* Office of *charged with economic development action (e.g. EDA in Commerce).* ~~Emergency Preparedness, with continuing reliance on the Philadelphia Federal Regional Council.~~

#### E. Program Funds

The Task Force will *make recommendations* ~~serve as advisors to the President~~ on funding requirements for economic recovery *and growth,* *the implementation of which would be coordinated through OMB.* All funds will be handled through existing agency channels and may be made available through new supplements or by

redefining priorities for currently available funds. The Task Force itself will not be given any special separate funds.

### Pros

- Visible attention to economic recovery + *sound economic growth in an area vital to the total National economy.*
- Coordinated effort regarding special phase of <sup>disaster</sup> recovery.  
*A way to make a concerted drive on an area persistent unemployment*
- Special mechanism to pull together best advice and expertise of any <sup>relevant</sup> agency.
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