Joseph Kraft: Will Democrats ever learn?

July 19, 1976
N.Y. Times

Inflation is critical issue

New York — The Democrat Party has made such prodigious progress in healing the divisive wounds of 1968 and 1972 that a glance over the shoulder can be forgiven. But in fact the so-called "party of creative government" is looking backward to the point of being barren on the critical issue of the future — inflation.

Unsatisfactory as he may seem in all other respects, President Ford has at least developed an explicit strategy for reducing inflation. So unless Governor Carter can take his party by the scruff of the neck and face it toward the future, he will have a far tougher time on the economic issue in the presidential election than now seems generally supposed.

Inflation is the critical issue of the future not merely because most Americans tend to list it as Public Enemy No. 1 in the polls. Nor because it dries up investment, robs the poor and the old, and creates, by systematically breaking promises, a climate of corrosive suspicion and fear.

It is the critical issue of the future because of its political impact. As long as fear of inflation persists, Americans will not support measures for meeting other national troubles. Politically, in other words, inflation is the enemy of more jobs, cheaper health, better housing, and decent cities.

The Ford Administration has at least grasped that point. Chairman Arthur Burns of the Federal Reserve Board and Chairman Alan Greenspan of the Council of Economic Advisers have developed a program for slow but steady economic growth. The cost has been high unemployment and an almost do-nothing attitude toward the most visible domestic problems.

But the slow-growth policy is paying off now in an end to the recession and declining inflation.

The Democrats have no such clear strategy for meeting inflation. The platform approved at their convention last week offered some cryptic language about "Government involvement in wage and price decisions" and using "tax policy . . . to maintain the real income of the workers."

But it then plunged full force into big spending programs to promote jobs, aid to the cities, comprehensive health insurance and welfare reform.

Rebuilding houses

New union realism

Severe unemployment in the construction industry is at last prompting Philadelphia's building trades unions to relax their grip over the costs of cutting into the city's huge backlog of abandoned houses. It is a move that could have significance for other cities in the area should other building councils follow suit.

Philadelphia has an estimated 30,000 abandoned or vacant houses, 2,500 of which are owned by the U.S. Department of Housing and Urban Development. It was HUD that sought, and received, a pay differential from the Building and Construction Trades Council of Philadelphia and vicinity.

While Philadelphia has the most pressing abandonment problems in the tristate area, similar union concessions can also be sought in Camden, where HUD owns 600 vacant houses, and perhaps in Wilmington. Housing authorities in all three cities can readily supply more units for rebuilding.

The Philadelphia unions' acceptance of lower pay scales for rehabilitating old houses did not stem from a burst of concern over Philadelphia's older neighborhoods. But it is welcome nonetheless.

By insisting on lordly commercial rates for redoing rundown housing, the construction unions have priced themselves out of the rehabilitation market. Now they are hoping to price themselves in, and to develop jobs for their members they had previously spurned.

Whatever the motives, however, the unions' change of heart can help Philadelphia stabilize older neighborhoods where housing has been wearing out.

HUD officials think the average 14 percent pay cuts on rehabilitation work will help interest big, union-related housing developers in large-scale rehabilitation contracts. The first two developers to sign the building trades' pact are expected to bid on an offering of 120 HUD-owned houses in Northwest Philadelphia, the first of four packages of 480 houses HUD has put together in the city.

Rehabilitating houses on a wholesale basis should enable HUD and the city to make a more obvious, beneficial impact on decaying neighborhoods than by relying on smaller contractors alone. But there is plenty of rehabilitation work for smaller builders, too.

With the soaring costs of new housing, there will be a growing demand for more modestly priced, reconditioned homes in the cities. The involvement of the building trades unions in rehabilitation work is welcome, even if their willingness to curb their princely pay scales is belated.

July 19, 1976 – N.Y. Times

The Dead Planet

Aug 10, 1976
N.Y. Times

By Russell Baker

An intergalactic container has traveled incomprehensible distances searching for life on other planets. It is now descending on a tiny planet spinning around a minor star in an unmapped region of a lesser galaxy.

Its descent is monitored on its home planet by an excited group of bottles wearing long white coats. The bottles contain a highly intelligent form of gin, which is the dominant form of life on their planet. They are excited now because their explorer vessel is picking up and transmitting distinct signs of hangover from the strange little faraway planet.

At Lexington Avenue and 59th Street several thousand New Yorkers have noticed the descending container more or less simultaneously. It looks to them like a small garbage can. It is coming down very slowly and is now at a height of 700 feet.

Most of the busy New Yorkers dismiss it with a glance and go about their urgent business. They do not want to look like gauche tourists gawking upward. In any case, in New York there are more curious things to gawk at than garbage cans in the sky.

The vehicle descends with dreamy indolence and pleasant interior gurglings. It plops delicately into the busy intersection. Brakes scream, fenders buckle, humdrum curses pelt it from passing buses, trucks, taxis, but the container cannot detect any of this. It is too busy extending its intricate gin detection gear.

Back at its home planet, the most distinguished gin of the scientific community is reading the data. It is not

Area Qualifies For Over Half Of SBA Loans Granted In State

With the deadline for applications for SBA disaster loans coming up next week, the Small Business Administration announced that the Wilkes-Barre area has been approved for over half of the $643 million in loans granted to date throughout Pennsylvania.

Wilkes-Barre area home loans totaling $238 million have been approved for 25,600 applicants and 1,680 area business firms have received a total of $[illegible]3 million in loans, the SBA said.

Pennsylvania residents have received loans totaling $426 million for 72,900 home loans and $217 million has been approved for 6,600 businesses.

The Harrisburg district office of the Small Business Administration announced loans in the Harrisburg area of more than $141 million of which $94 million went for 22,100 home loans and $47 million for 1,900 business places.

Final day for applying for an SBA flood disaster loan is Jan. 15.

Jan 7, 1973
TLEN

(Photos by Ace Hoffman Studios)

RESIDENTS ATTEND INFORMATION SESSION — A portion of the group of central and downtown Wilkes-Barre residents who were briefed on Urban Renewal plans affecting them in the post-flood period of redevelopment. Nearly 200 persons attended each of the two information sessions presented Wednesday by the Redevelopment Authority of Wilkes-Barre.

Properties Saved From Razing, Thanks to SBA

Residents in central Wilkes-Barre City within the Urban Renewal Area were told last night the large number of Small Business Administration Loans in the flood-affected areas was responsible for many changes in the post-flood scheme by the redevelopment Authority of Wilkes-Barre.

Many residences which had been earmarked for demolition in the authority's original planning have been removed from that category because home owners have obtained modest sums from SBA in order to repair their dwellings.

However, authority representatives and planners noted some residences will be removed in order to complete the gigantic face-lifting of central city and its environs.

One of the sections earmarked for early action is the north side of E. Market Street from N. Washington to N. Pennsylvania Avenue where there are a number of business places with residences on the second and third floors.

Other residences which will be affected are those on the south side of Union Street which are eyed for widening under the Urban Renewal Plan to provide more space for the circular flow of tarffic. Also part of this traffic pattern will be South Street between South Main and South Franklin Streets.

Widening of North Street to fit in with the planned four-lane span also will affect residences on the north side of the throughfare between N. River and N. Main Streets.

Spokesman at last night's information session by the Redevelopment Authority in the WBRE-TV Auditorium also reported land acquisitions include neighboring areas to residential sections along Bennett and Jackson Streets including property and site of Wilkes-Barre Steam Heat Company.

However, Carl Poerio of the authority said the importance of the utility in providing heat to the region is expected to result in a delay in such proceedings.

Railroad tracks in the immediate area of the residential area which serve a number of suppliers are expected to be eliminated with the relocation of the business enterprises.

In response to queries at the sesion regarding eviction of familie in areas to be improved, Tom Wiliams, relocation director of the Redevelopment Authority, said, "We cannot push people out of their homes."

He explained the Redevelopment Authority will assist families in rehabilitation and added it must be an amicable settlement.

Poerio said there is no plan for any redevelopment or property acquisition or demolition in the territory between South Franklin and South River streets.

Direction Associates, Inc., president, Robert N. Dubek, reminded the residents the urban renewal program begins with the business and commercial districts and then branches into the residential parcels with a goal of increasing the tax base.

According to Dubek, more than $25,000,000 will be involved in real estate acquisition and transactions in the urban renewal program.

Jan. 18, 1973
TLEN.

Flood Victims Warned Jan. 15th Is Deadline To File for SBA Help

In one of his last official acts before leaving the post of chairman of the Flood Recovery Task Force, Federal Judge Max Rosenn pleaded with victims of the June flood to apply for Small Business Administration (SBA) assistance if they have not already done so.

"I have been notified by Thomas S. Kleppe, administrator of the U. S. Small Business Administration," Judge Rosenn said, "that the January 15 deadline will not be extended to aid those who suffered property damage as a result of Hurricane Agnes."

Judge Rosenn said that there are still many people who are eligible for such assistance and have not filed because of a mistaken and extremely risky belief that the announced deadline will be extended.

The federal judge, who resinged as chairman of the Flood Recovery Task Force on Friday due to pressing judicial demands, said he had no doubts after receiving word from the SBA administrator that people who fail to act now are taking a foolish chance of losing out completely.

The message from Kleppe to Judge Rosenn read:

"Because of the magnitude of the damage in New York and Pennsylvania, we extended the original September 30, 1972 deadline to January 15, 1973, to assure victims an opportunity to avail themselves of SBA help. We will not extend the deadline again and I urge all those who suffered damage but have not yet filed applications to do so by January 15."

Kleppes revealed that the New York and Pennsylvania sites are the only offices still open in the seven-state area devastated by the storm of last June.

Judge Rosenn said he wished to reemphasize one point that may have been misunderstood. He was referring to the belief by many people that they should not file now because they are not ready to put the money to immediate use due to their occupation of temporary housing.

"This is a mistake," the judge pointed out. "People in this situation must file now in order to become eligible. They do not have to take possession of the funds immediately, but by filing will establish their eligibility and guarantee receipt of the funds. When they are ready to use the money, it can be obtained and their payment schedule worked out at that time if such should be necessary beyond the $5,000 forgiveness factor."

In his communication to Judge Rosenn, the SBA official stated that exceptions to the January deadline will be considered only in those areas flooded in Hurricane Agnes where urban renewal is taking place and where the case is certified by redevelopment authorities.

There also is special provisions of the law which apply to persons who rely for support on survivor, disability or retirement benefits. "These provisions were included specifically to insure that these people receive help," Kleppe said. "I particularly want to urge, therefore, that retirees and other persons living on fixed incomes get their applications in if they haven't already done so. Our people will be happy to explain the special provisions."

Kleppe reiterated that Hurricane Agnes victims who receive SBA loans must file a Certificate if Completion with the SBA within one year of the time the loan is approved certifying that the funds have been used as authorized.

Judge Rosenn also reminded local residents that a permanent SBA office has been established in Wilkes-Barre to complete disaster recovery work and thereafter to provide all SBA's services to small businesses in those areas.

Jan. 7, 1973
T.L.E.N.

$151,478,233 in SBA Loans Passed

The U. S. Small Business Administration has now approved 19,365 home and business loans for a total value of $151,478,233 in the Wyoming Valley area.

"Of the 21,969 applications received to date, this number approved means that SBA's approval rate stands at 88 percent, with the remaining 12 percent in various stages of processing," said Presidential representative Frank Carlucci.

"We are well pleased with these figures," he added, "and believe that it indicates that most of the problems have been solved, with only a few minor exceptions. We do notice that there are still over 3,850 checks totaling $19,250,000 at the SBA office just waiting for loan applicats to come in to pick them up.

"Again," Mr. Carlucci said, "we feel this demonstrates that SBA's reponse has been excellent and that the money is being made available at a much more rapid rate than the disaster victims are able to utilize it."

A total of 14,184 loans for $63,619,611 have already been dispersed, it was noted.

T. L. E. N.

9-24-72

SBA Loans Increase in Late October

In the last two weeks of October, business loan activity at the Wilkes-Barre office of The U. S. Small Business Administration nearly tripled the amount disbursed in the first two weeks of the month, according to a statement issued by Frank Carlucci, President Nixon's personal representative, and Thomas S. Kleppe, SBA administrator.

Kleppe said that between October 1, and October 17, 215 business loans totaling $4.2 million were disbursed by SBA while during the last two weeks of the month, checks either disbursed or awaiting pickup at the SBA office jumped to 431 amounting to $11.2 million.

He said that the stepped-up disbursal rate was made possible primarily because of improved management procedures in the processing operation. The addition of 13 business loan specialists and two more senior SBA offices on October 16, has accelerated the flow.

"This, coupled with the assistance we have received from the Wilkes-Barre banking community and the attorneys for the borrowers, has greatly expedited our closing and disbursement of funds to the Wyoming Valley business community," Kleppe said.

Carlucci commended SBA for its increased business loan disbursements and pointed out that "while the date for filing SBA loan applications has been extended until January 15, 1973 because of urban renewal involvement, applicants are still urged to file their loan requests as soon as possible."

Nov. 3, 1972

T. L. E. N.

Savings OK, Checking Plan Recommended

Can recipients of loans from the Small Business Administration deposit their checks in a savings instead of a checking account?

Yes, says Joseph S. Finch, branch manager of the local SBA office, but the federal agency recommends that persons put the money in checking accounts to provide the necessary control of receipts to substantiate expenditures.

Finch stated there is nothing illegal in depositing the money in a savings account. He added that "we cannot tell people what to do with the funds", but SBA feels that a checking account is the easiest way to keep records.

The question arose when Mrs. Min Matheson, chairman of the Wyoming Valley Flood Victims Action Council, Thursday night, urged those receiving the loans to put the proceeds in savings accounts and not in checking accounts as recommended by the agency.

She explained this would give the victim interest rather than the bank collecting interest on a checking account.

10-27-72

T. L. E. N.

...ge to Flood Victims About

...BA LOANS

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Small Business Administration Disaster Loan Headquarters have been staffed with additional personnel for arranging Disaster Loans. Please visit your nearest Small Business Administration office and save this advertisement as a handy reference for study.

...LOANS

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...ble except those of a luxury nature such ...s, pleasure boats, campers and the like.

... to 30 years and will bear interest at the ...

BUSINESS LOANS

What is the purpose of SBA Business Disaster Loans?

The repair, rehabilitation or replacement of property damaged or destroyed without regard to whether or not the required financial assistance is otherwise available from private sources. This covers real property, machinery and equipment, fixtures, and inventory.

What financial assistance is available?

SBA may approve business disaster loans for the restoration of real property, equipment, furniture and fixtures and eligible refinancing.

All businesses which fall within SBA's definition of "Small Business" may also be eligible for economic injury disaster assistance.

The loan may be used to upgrade a business property only when the upgrading is required by applicable codes or ordinances. Funds will not be provided to increase the size or capacity of any structure.

What loan terms are available?

Business disaster loans to small businesses may be made for any period up to 30 years, depending upon the amount and type of loan and will bear interest at the rate of 1% per annum. However, maturities are limited to the period necessary based upon applicant's ability to repay.

What about refinancing?

When uninsured damage exceeds 30% of the pre-disaster value, refinancing of business mortgages is authorized up to the amount of the uninsured damage on the property, real or other, to be repaired or replaced.

Is there a program for major employers?

Under Section 237 of the 1970 Disaster Relief Act, SBA may make long-term

Tax Deductions For Flood Victims Told

At least some of the uninsured property losses from flooding in Pennsylvania this week can be recovered by taking them as income tax deductions, according to the Pennsylvania Institute of Certified Public Accountants.

The Institute outlined several steps flood victims should take immediately to obtain the maximum deductions to which they may be entitled. Taypayers must be able to prove that the casualty lessened the value of their property and they must be able to prove the amount of loss.

Demonstrating that the flooding caused a decline in the worth of one's family possessions — and the extent of that decline — could be a problem.

Proof of damage can be cade, according to the CPA's with before-and-after photographs. For the "before" photos, they recommend a search of the family album and those of relatives and neighbors. News clippings describing the effects of the storm in one's neighborhood can also serve as evidence.

To establish the amount of loss, records of the purchases of property and of amount spent on capital improvements are helpful, but they don't tell the whole story, the CPAs warn. Because the deductible loss for non-business properties is the difference between the value of the property just before the casualty and immediately afterwards, appraisers with specialized knowledge of the types of property affected (real estate, furnishings, automobiles, etc.) should be called upon to make such assessments. Appraisers are listed in the yellow pages of telephone directories.

Deductible losses are computed on a piece-by-piece basis for personal property such as an automobile or an article of furniture. The amount of loss on non-business real property is computed upon the entire property. In the case of property used for personal purposes, the deductible loss is the difference between the fair market value of the property before the casualty and the value after the flood, less any insurance proceeds. However the loss cannot exceed the original cost of the property plus capital improvements, less salvage and insurance reimbursement. After the total loss from the flood has been computed on non-business property, it must be reduced by $100 to arrive at the tax deductible amount.

Don't overlook loss of landscaping, including walks, trees, lawn, etc. This also is includible in the computation of the flood loss, say the CPAs.

On business property, the deduction is the decline in value (but not more than), less insurance coverage and salvage value, without any $100 exclusion.

Generally, the net casualty loss from the flood applicable to business property or from personal assets, such as a resident's furniture or automobiles are deductible against ordinary income. If any net gain results due to the receipt of insurance, salvage etc., other tax rules may apply.

For the future, the CPAs recommend maintaining a detailed inventory of one's property, retaining receipts for major purchases, and taking snapshots of one's possessions, including a shot of each room in the house and its furnishings. These steps will make recovery much easier should such a tragedy occur again.

Now is the time to start accumulating the data to sup-

July 5, 1972
T.L.E.N.

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Now is the time to start accumulating the data to support your tax deduction in the 1972 federal tax return. The Institute recommends that each taxpayer with a loss check with his tax advisor at his earliest opportunity.

July 5, 1972
T.L.E.N.

City Authorizes $1 Million In Temporary Loans

109 Claims Approved To Date

SBA Office Moves Into High Gear; 3,250 Applicants Already Handled

The Small Business Administration (SBA) office, in high gear at the Mackin School in the East End section of Wilkes-Barre was already approving more than one-half million dollars in loans to home owners and business establishments.

Up to Tuesday noon, more than 3,250 persons had applied for loans. The SBA office opened at the Mackin School last Thursday following the flood disaster.

Loss verifiers have been in the field since last Saturday to verify damage claims made by the flood victims, who applied for aid from that office.

Thus far, 109 applications for loans have been approved by the Wilkes-Barre office of the SBA. The 109 home loan applications given the okay by the loss verifiers total $490,000 while the three business loans totaled $99,500.

Largest Is $49,000

The largest loan approved was $49,0000 for a business while the smallest was $2,200 for repairs to a home.

A spokesman at the SBA office stated he would contact his Harrisburg facility immediately so that checks could be issued by the U. S. Treasury at Philadelphia as soon as possible.

Persons affected by the Flood waters are eligible for loans up to $55,000 for homes and $500,000 for businesses. In addition, loans are available for personal property loss up to $10,000. Outright grants of $2,500 are given if persons qualify and this amount doesn't have to be repaid. Current interest rate on the loans, which fluctuates from month to month, is five and one-eighth percent.

The SBA office is opened from 8 a. m. until 8 p. m. each day, including Sundays and holidays for the duration of the emergency.

Processing Procedure

Here is the way in which people are processed:

1. Persons applying for the loans are registered with receptionist and then told to take a seat.
2. When a group of 15 has been registered, they are given personal instructions as to how to fill out the loan application form.
3. The applicants then return to their homes and are asked to fill out a three-page form and later return them to the school as soon as possible.
4. When they return with their forms, each one is assigned an employe of the SBA office who goes over the form to see that it is properly filled out and that no mistakes are made.
5. After the application is finally approved by the SBA, a loss estimator from that office is sent to the damaged home for an on-site inspection. Following this procedure, the application is either approved or disapproved.

Difficult To Determine

Although it is very difficult to determine when the persons will receive their money, officials

(Please Turn To Page Three)

(Continued From Page One)

said it could be a period of several weeks. An SBA official noted that in some instances it takes time because people don't return their ppliction forms.

July 5, 1972
T. L. E. N.

200 Property Owners Seek SBA Loans

Some 200 property owners from three flood-stricken counties of the 10th Congressional District made application Friday for loans from the Small Business Administration.

This was disclosed Friday night by Congressman Joseph M. McDade who used a helicopter to take SBA representatives into the affected areas between Tunkhannock and Towanda.

McDade said the property owners can get loans up to $55,000 to repair flood damage. That figure would include $45,000 to replace a building and $10,000 for personal property loss. The first $2,500 would not have to be repaid under a "forgiveness" clause, the congressman said.

The congressman said Jack Sullivan, who is heading the Office of Emergency Preparedness in Pennsylvania, and Darrow Trent, deputy to Gen. George A. Lincoln, OEP chief, will inspect the flood-battered areas of Towanda today.

McDade said the Wyoming County Bar Association will work today to help property owners from Tunkhannock, Laceyville, Meshoppen and other damaged communities process loan applications. He said Judge Roy Gardner was instrumental in gaining the aid of the association.

July 1, 1972
T.L.E.N

SBA MOVES TO OK LOANS OF $1,500,000

Continuing its steady pace of operations, the Small Business Administration (SBA) office at the Mackin School in Wilkes-Barre is in the process of approving more than $1,500,000 in loans to property owners whose homes and businesses were damaged by the flood waters.

As of Thursday at noon, 7,150 applications had been given out by the SBA disaster teams since the office was opened last Saturday.

Of this amount, 293 have been filled out and returned.

The losses claimed by these home owners have been approved by the loss verifers of the SBA. Credit ratings on these claims are now being checked, after which time they will be approved or disapproved. An SBA official stated that only a small number of the loan applications are disapproved.

The 281 home owners' claims amount to $1,178,332, while 12 claims filed by businessmen amount to $406,986.

Some checks are expected to be in the hands of Wyoming Valley home owners within the next few days, a spokesman for the SBA stated.

Persons affected by the flood waters may receive loans of up to $55,000 for homes and $500,000 for businesses.

Flood victims also may claim up to $10,000 for personal property loss. Outright grants of $2,500 are given if persons qualify and this amount doesn't have to be paid back.

July 7, 1972
T.L.E.N.

LOAN SYSTEM OF SBA TOLD

Move Reported Made To Drop Interest To 1%

First official explanation on system of loans from U. S. Small Business Administration was presented Sunday after prodding of SBA officials by Gov. Milton J. Shapp during a meeting in Daniel Flood School.

Shapp queried the SBA officials and received an answer to a hypothetical case which appears to be the answer for all homeowners and business people in the flood-stricken community.

Shapp queried: "Suppose a person had a home or business valued at $40,000 prior to flood and he was wiped out of property or inventory and suppose he still had a mortgage or was in debt $25,000, how would the SBA help him?"

SBA official replied: "SBA, provided, he was of reputable character and had good credit ratings, would give this person $65,000 .The first $25,000 would go to the mortgage holder to get rid of liens or judgments because in Pennsylvania judgments chase assets and the next $40,000 will be given for rebuilding.

The SBA aide stated $2,500 of loans on $3,000 and over would be written off by the federal government provided the person borrowing the money would pay the first $500.

SBA official noted that in California when disaster strikes, the property owner under state law there, could return the poperty to the mortgage holder without fear of lien or judgment and still have good credit rating and obtain an SBA loan, but in Pennsylvania because of existing law in this state, this is not the case.

He said in Pennsylvania if a purchaser lets his damaged property fall by default or bankruptcy he then becomes a credit risk and cannot be eligible for an SBA loan.

After the SBA gave the explanation, Shapp stated "two things will have to be done." He stated: "We will look into our present legislation and we will see if the state can pay the first $500 for persons who apply for SBA loans."

Congressman Daniel Flood spoke on present legislation which will reduce interest rates on SBA loans to 1 per cent instead of 5.8 per cent.

July 11, 1972
T.L.E.N.

S. B. A. LOANS

What is the purpose of SBA loans?

To restore a victims personal property, home or business property as nearly as possible to its predisaster condition. The loan may also provide relief from prior indebtedness under certain conditions.

What are the usual repayment terms?

Loans generally must be repaid in equal monthly payments. The first payment is usually set ahead five months. Other terms are permissable only where the borrowers income is seasonal.

What are the usual terms?

Maximum term of 30 years. This is not, however, automatic and SBA will expect the earliest repayment within the borrowers ability to repay. The interest rate is currently 5½% but may vary from time to time but in no event will it ever exceed 6%.

What loan limitations apply for Home Loans?

The maximum that SBA can lend to repair physical damage to a home is limited to the amount of damage incurred less any insurance or other recovery. In no case may loans to repair physical damage to homes exceed $50,000. In addition, SBA may lend up to a maximum of $10,000 to repair or replace household goods and personal property. However, the maximum that SBA can lend one borrower for both purposes may not exceed $55,000.

Can a Home Mortgage be Refinanced?

Where a home is totally destroyed or the uninsured damage exceeds 50 percent of its fair value at the time of the disaster, funds to refinance existing liens may be considered.

The amount of refinancing permitted cannot exceed the dollar amount of the uninsured physical damage or loss suffered, nor can it exceed the amount of our loan being used to repair damage or loss. In no event can it exceed $50,000. Refinancing is only available where the lien is against the specific property destroyed or damaged. Any refinancing will be at the same interest rate as is applicable to that part of the loan made to alleviate physical loss to the property.

Can SBA forgive up to $2,500.00 on a Disaster Loan?

Yes. Borrowers must repay the first $500 of the loan and all amounts in excess of $3,000 ($500 plus $2,500 forgiveness).

What Loan Limitations apply for Business Loans?

The maximum amount SBA may lend directly or in participation with another lender to a business concern suffering physical damage is $500,000. If damage exceeds $500,000 and the business concern is able to obtain a commercial loan to cover the amount which exceeds $500,000, SBA may guarantee up to 90 percent of any commercial loan which exceeds $500,000. Economic injury loans to small concerns must be included in the $500,000 limit.

Can a Business Mortgage be Refinanced?

The amount of refinancing permitted for business concerns is limited to the amount of uninsured physical damage or loss suffered. Such refinancing is only available where the lien is against specific property destroyed or on which the uninsured damage exceeds 50 percent of the fair value at the time of the disaster. The maximum SBA may lend a business concern for restoration of physical losses, economic injury, and refinancing may not exceed $500,000.

What are the General Provisions for a SBA Disaster Loan?

An SBA disaster loan may not exceed the actual tangible loss suffered by the disaster victim except to the extent of permitted debt refinancing, less any recovery from insurance or other sources, such as a Red Cross grant.

When a disaster victim does not know immediately how much of his loss will be recovered from insurance or other sources, SBA will consider making a loan for the full amount of the loss, provided the applicant will apply such other funds, when collected, toward repayment of the loan.

SBA may limit any disaster loan to the amount the applicant apparently can repay, as indicated by his past earnings.

If it is necessary or desirable to construct a new home, new business, or institutional facilities on a different site—for example, on higher ground because of possible flood damage—the loan many be used for that purpose.

In the case of a loan to an individual, the loan may be used to repair or replace damaged furniture and other household belongings, as well as real estate.

A business disaster loan may be used to repair or replace buildings, fixtures, machinery, equipment and inventory.

A loan to a charitable institution or other non-profit organization may be used to repair or replace buildings, furnishings, machinery, or equipment.

A disaster loan may in some cases be used for debt payment, where the funds are used to repay any temporary financing obtained prior to approval of the SBA loan, to start rehabilitation work.

All types of damage resulting from natural disasters are covered by SBA disaster loans.

However, SBA disaster loans may not be used to upgrade a home or business property unless this upgrading is required by applicable codes or ordinances. This means that no funds will be provided by SBA which will increase the size or capacity of any structure, nor will funds be provided which would upgrade the quality, size or capacity of household goods or machinery and equipment.

A firm or individual may use its or his own labor to restore property, but in such cases SBA loans will only cover the cost of materials used. When ever a controlled or affiliated contractor is used, SBA funds shall be approved only for the actual labor and materials used and no profit or overhead costs may be allowed.

How does a Disaster Victim apply for a Loan?

Watch for local announcements of SBA disaster loan activities in newspapers or on radio and TV. Application forms for disaster loans may be obtained from any SBA office in or near a disaster loan area, or from banks in the area which are cooperating with SBA.

After filling out an application, the applicant should file it with SBA or with the cooperating bank, along with a listing of the property that was destroyed, damaged or lost in the disaster, and an estimate prepared by a reliable contractor, supplier, or repairman of the cost of repairing or restoring the property to its perdisaster condition. SBA will consider each application without delay.

Persons seeking business disaster loans should prepare a detailed balance sheet and profit and loss statement for the period just prior to the disaster and for the two preceding calendar or fiscal years for the firm and its affiliated or parent firm. If records have been lost, the necessary information may be obtained from the income tax returns at the office of the Internal Revenue Service. Copies of the last two filed income tax returns must also be submited.

The borrower should make every effort to supply needed papers and information promptly to enable SBA to close the loan as quickly as possible. If he does not need the entire loan immediately and does not wish to pay interest on funds until they are actually required, he can request that the funds be disbursed as needed.

July 10, 1972
T.L.E.N.

SBA Aides Find Many Need Much Help Fast

"The damage here is so widespread.

"Living accommodations are so difficult because so many people have been wiped out of their homes.

"So many flood victims need so much help so rapidly."

These were the comments of two top aides of the Small Business Administration (SBA), when asked what were the problems they faced here.

Interviewed by this newspaper were Donald Marvin of Rockville, Md., disaster project manager of the SBA, and W. Bill Foist of Indianapolis, Ind., one of the agency's public information officers.

Marvin, who has been affiliated with the SBA office in Washington, D. C., for 10 years, has spearheaded teams to disasters in Chulmette, La.; Elizabeth, N. J.; Fairbanks, Alaska; Paterson, N. J.; Cedar Falls, Iowa; Newark, N. J.; Gulfport, Miss; Los Angeles, Calif., and Providence, R. I.

He stated one of the main problems in assisting the flood victims who have applied for SBA loans is having the forms filled out and signed.

Forget Signing

"Approximately 10 percent of those turned in are not signed," he stated. "They just drop them and run. That's too high a percentage."

The Seton Hall, N. J., graduate said there are some 95 persons currently working with the local SBA office. Half of them, he noted, are locally hired trainees.

"We will be at full tilt when we have a work force of about 130 persons," he said.

"The relaxing of the rules by Thomas Kleppe, administrator of the SBA in Washington, has made it possible for faster processing of applications for loans. One such rule waived includes the stipulation that no contractors' estimates are now needed," said Marvin.

"We're looking forward to moving our central location to Provincial Tower, South Main Street, Wilkes-Barre. Here, the interviewing, screening and processing will be done in one big room.

"However, Mackin School still will be used to accept applications.

Foist, who has been with SBA three years, has worked in three major disasters and two smaller ones. He stated the disaster caused by Hurricane Agnes in the five eastern states is 10 times greater than any civil disaster he has encountered.

Relating that he worked in Los Angeles following the February 9, 1971, earthquake, Foist said that the SBA office approved $225 million in loans. In Hurricane Celia in Corpus Christi, Texas, on August 8, 1970, $85 million was granted in loans.

He stated that loans in the five-state area in this part of the country will reach nearly 10 times as much as any previous disaster. He stated that shortly after the flood waters struck he was ordered to Washington, where he was briefed for two days, June 25 and 26.

The Indiana man then went to Pittsburgh where he coordinated efforts for the western part of the Commonwealth before arriving in Wilkes-Barre July 6.

He said 14 to 15 hours of work per day is common for SBA and other governmental officials.

Foist noted that he was impressed with the people in the Wyoming Valley area because they are "pitching in and going ahead with the work of cleaning up their debris-laden homes."

July 11, 1972

T. L. E. N.

By Flood Victims

No Estimates Needed To Obtain SBA Loans

Area flood victims seeking Small Business Administration (SBA) loans are reminded that no contractors' estimates are required in order to complete the forms. Many persons were holding up their applications because they thought they had to have estimates from contractors.

Over the weekend, Thomas Kleppe, administrator of the SBA in Washington, D. C., announced the waiving of contractors' estimates for persons who were affected by flood waters.

Kleppe's directive was announced here by Donald J. Marvin, disaster project manager of the SBA. Marvin stated: "It is important for all SBA loan applicants to remember, as of now, no contractors' estimates are required."

"We will verify applicants' estimates of losses by our own loss verifiers who will visit the homes for an on-site inspection. They will determine the reasonableness of the estimate made by the home and business owners.

SBA Offering Free Appraisal Services

"It is not necessary for an individual to hire an outside real estate appraiser to have his property appraised for flood damage," said Frederick Javer, president of Chapter 86 of the Northeastern Pennsylvania Society of Real Estate Appraisers.

He added, "the Small Business Administration has contracted with the General Adjustment Bureau to estimate the losses to an individual's property. This service is free by the SBA.

"It is not necessary to have an appraisal for income tax or property assessment and the IRS will accept the GAB estimate of loss," Mr. Javer continued.

He also said, "the Luzerne County Assessment Bureau is presently reviewing all of the properties in the flood-stricken area" and added "the only reason for having an appraisal made would be if an individual is desirous of selling."

Mr. Javer explained the Society of Real Estate Appraisers is a professional appraisal society which awards the SRA (senior realty appraiser) to qualified individuals who have a minimum of five years of appraisal experience, and who have completed several appraisal courses given by the society.

He noted that persons wishing further information may contact him at his home at Harveys Lake, 639-1335 or at his office, 639-1469.

July 15, 1972
T.L.E.N.

SBA Pays Out $100 Million

Sum Distributed to 21,086 Applicants

Small Business Administration has disbursed $100,041,020 in checks as of Thursday, to some 21,086 applicants.

SBA reported it has handed out some 37,520 applications with 27,050 accepted for a total of $348,242,858. Of this amount, 25,107 applications have been approved for $208,033,324.

Starting July 11, some 24,166 cases have been turned over to the General Adjustment Bureau, and since that time GAB has completed 23,465 cases.

It also was noted that there are 2,404 checks available to applicants totaling $16,464,574.

There are 239 persons now employed in SBA offices. Of that amount, there are 197 local temporary employes.

Oct. 14, 1972 - T.L.E.N.

$3,300,000 IN SBA LOANS APPROVED

The Small Business Administration (SBA) has approved loan applications for flood victims totaling more than $3,300,000.

This figure, as of Wednesday at 2 p. m., included 807 home owners' loans and three business applications.

In addition, 5,308 applications for loans are now being processed by the SBA totaling $50,964,713. Since the office opened in Wilkes-Barre, a total of 16,816 interviews have been held.

It was pointed out that a great number of persons have received applications but have not turned them in for processing because of a pending bill before Congress. The bill would raise the "forgiveness rate" to $5,000 from $2,500 and lower the interest rate from 5 and one-eighth percent to one percent.

Officials said this isn't necessary because the bill would become retroactive to July 1, if it is passed.

July 21, 1972
T.L.E.N.

But State Won't

IRS to Tax Money Forgiven by SBA

What the federal government gives, the federal government can also take away.

While the Small Business Administration is forgiving up to $5,000 on every loan to flood victims, the Internal Revenue Service is planning to tax that forgiven money as a gift, considering it as income.

That will come as painful news at income tax time to the more than 40,000 Pennsylvanians who are counting on SBA loans to help them put their flood-ravaged homes back together.

That means the state resident who borrowed $10,000 from the SBA at 1% interest to repair his home will have to pay back only $5,000 to the SBA.

But, the other $5,000, or amount SBA will forgive on every loan, will be subject to federal income tax, according to an IRS official in Harrisburg.

As a consolation, however, it appears the money will not be subject to the state's flat 2.3% income tax.

Considered a Gift

Ironically, the state can't tax the money for the same reason the federal government can—it is considered a gift.

Bernard J. Dugan, district director's representative for the IRS in Harrisburg, said the money forgiven by the SBA must be included in tax returns as earned income.

It will be taxed as such, Dugan said, in the same year it is received.

Dugan explained that the amount forgiven will be used to offset what the homeowner writes off as personal and casualty losses.

He said that the flood damaged or lost personal belongings can be deducted, based on their fair market value.

In the case of a ruined couch, for instance, the homeowner will be allowed to deduct a portion of the couch's value, based on the expected useful life of the furniture.

To Rely on Integrity

Where receipts are not available, Dugan said, the IRS will rely on the "integrity of the taxpayer."

Damage to homes, he added, can be written off as a casualty loss, based on the value of the home before the flood, or the amount it will take to restore the home to its preflood condition.

In effect, then, homeowners at income tax time will determine the total personal and casualty loss which will then be offset to some extent, by the tax on the SBA gift.

It seems to be a different story with the state.

David J. Davies, director of Pennsylvania's personal income tax bureau, said the Commonwealth's tax law is different.

8 Classes of Income

Unless the forgiveness portion of the loan falls into one of the eight classes of income the state recognizes, it cannot be taxed, he said.

Davies said his bureau's preliminary decision is that the money in question is a gift.

"And gifts are not taxable under our law," the director stated.

As of Friday, the SBA had approved 39,479 loans to individuals, valued at more than $206-million.

Another 6,000 applications have been accepted for processing, an SBA spokesman in Harrisburg said.

The spokesman noted that the maximum amount that will be loaned to an individual for combined damage to home and personal property is $55,000.

But, on every loan, the spokesman said, the first $5,000 is a gift.

Sunday Independent
September 17, 1972

SBA Loans Are Speeded

Carlucci Assigns Review Team Here

Several stpes have been taken to speed up the processing of Small Business Administration loan applications, Frank Carlucci, flood relief coordinator, announced on Wednesday.

Carlucci said he has directed SBA to add eight loan officers to the business loan processing staff, and six employes to the legal staff to insure faster disbursement of approved loans.

He also pointed out that in the past the local office's authority to approve loans was limited to loans of $50,000 or less and that above this figure it was necessary to have the loan reviewed and approved in the Philadelphia Regional Office. "We have now brought the regional review team into the Wilkes-Barre office and loans may now be approved locally up to $500,000."

"When viewing the statistics on the number and amount of business loans approved, as compared with home and personal property loans, three things should be borne in mind:

First, there were fewer businesses damaged than homes.

Second, business loan applications generally are filed later than home loan applications, since more detail is required, and it is usually more difficult for a business to assess the full amount of damage.

Third, we saw as our first priority the need to get people back into their homes before cold weather, and for this reason the early emphasis was, naturally, on home loans. Now that we are on target on getting people housed, I am instructing SBA to give the highest priority possible to approving and disbursing business loans."

Any business which suffered damage in the Agnes disaster is eligible to apply for SBA assistance to restore real property, machinery, equipment, fixtures and inventory to pre-disaster condition. There is also a special section of the law which may permit loans to businesses which suffered no physical damage if they suffered economic injury as a result of the disaster.

SBA loans carry an interest rate of 1 per cent per annum and repayment terms may be for as long as 30 years, depending on the ability of the business to repay from income. The deadline for applying for SBA loans is Oct. 31, 1972.

Carlucci also announced that up to now, SBA has approved 749 business loans for $18,230,202 in the Wilkes-Barre area.

Sept. 28, 1972
T.L.E.N.

Credit Reports On SBA Loans To Be Rushed

Help in securing credit reports will be provided to Small Business Administration staff to help relieve the bottleneck in processing loans which has resulted in delays as long as five weeks.

Judge Max Rosenn, chairman of the Flood Recovery Task Force, reported Tuesday the Equity and Finance Committee of the Task Force has agreed to provide the assistance. He also reported the equity and finance committee will meet with local officials of the SBA each Wednesday at 9 a. m. to review progress and developments in processing loans. Task Force had been critical of SBA slowness in providing financial aid to local businesses.

On Tuesday Judge Rosenn told this newspaper:

"I talked to Frank C. Carlucci, the President's personal representative in Wyoming Valley, this morning concerning our problem with the Small Business Loan Administration. I have his personal assurance and that of Tom Kleppe, national administrator for SBA, that 13 additional people have been placed on the job here in Wilkes-Barre during the last 24 hours. They should make an appreciable difference in accelerating the processing of SBA loans for home owners and business establishments.

"Both of these gentlemen have further advised me that the local SBA staff is being directed to be more flexible, show greater understanding of the borrower's situation in the processing of loans and produce more action. We have also been invited to take a look at the situation again in two weeks with officials of the SBA and measure the progress made. Meantime, representatives of the equity and finance committee of the Flood Recovery Task Force, chaired by Harold Rose, will meet with local officials of the SBA every Wednesday at 9 a.m. to review the progress and developments. This committee of the Task Force will also provide assistance to the local SBA staff. One of the major problems that has developed in the processing of loans is the considerable delay encountered—often as much as five weeks—in securing credit reports from local credit-investigating agencies. These reports are required in the completion of the applications. The Task Force committee has agreed to provide assistance in relieving this bottleneck.

Oct. 18, 1972
TLEN.

State Asks SBA Loan Application Deadline Be Extended to Dec. 31

The Commonwealth called Friday for extension of the Small Business Administration loan application deadline from October 31 to December 31.

William H. Wilcox, State Secretary of Community Affairs and head of the Governor's Council of State Agencies, said it is the State's "strong point of view" that deadlines must be extended for both individual and business loans.

Wilcox announced the State position at a noon press conference at the Catholic Youth Center, headquarters for the council of agencies.

The conference was delayed by a meeting of State and Federal officials with members of the Flood Victims' Action Council on the SBA loan question.

Reports indicated the closed meeting was stormy, and Wilcox appeared upset when he turned up for the session.

Earlier this week, a Philadelphia research firm said its study of flood victims disclosed that about 19 percent have not yet applied for loans, and another 28 percent want to amend their applications.

On Friday, Wilcox and Richard Watson, deputy secretary of the State Department of Commerce, cited a report of Commonwealth Research Associates that indicates 53 percent of all flood-affected businessmen have not applied for SBA loans.

Watson said the Department of Commerce has begun its "Project Help" to assist businessmen who have not received their SBA loans or who have been unable to apply. Thus far, about $9,500,000 in loans has been approved, Watson said, and another $2,500,000 should be approved next week.

The State official said the loans will be granted for 90-day or 180-day periods at two percent interest. "Project Help" will run through December 31, he said.

'Optimistic on Extension'

Wilcox said he expressed the state position to William Connors, newly-appointed aide to Frank Carlucci, Federal flood relief coordinator. Wilcox said he is "optimistic" that an extension will be granted by the Federal government.

The State officials attributed the delays in filing for loans to "higher priorities" in the minds of some flood victims, need for more work by accountants on applications, the contention by some victims that applications are complicated and delays in getting damage estimates from contractors.

On hand for the meeting were Mrs. Min Matheson and other members of Flood Victims' Action Council.

Oct. 14, 1972
T.L.E.N

Researcher For State Contends SBA Deadline Extension Needed

The Federal government's October 31 deadline for Small Business Administration loans is not realistic and should be extended at least until the end of 1972, a Philadelphia researcher said Tuesday.

Edward Ide, president of Ide Associates, said the results of a survey his firm conducted for the Pennsylvania Department of Community Affairs indicate many people are unaware of the SBA program and others will be unprepared by October 31 to apply.

Also, many people who did apply indicated to survey team members that they intend to file amended applications to take advantage of the increase from $2,500 to $5,000 in the loan forgiveness feature.

Ide said the survey covered 25-block areas in Wilkes-Barre, Harrisburg and Lock Haven. Researchers found 15.8 percent of all flood victims have not applied for SBA loans, and 28.1 percent of those who have applied want to seek additional money.

Based on these statistics, Ide said he feels the SBA loan program should be extended at least into the Winter and possibly through December 31.

Asked if he felt the SBA deadline of October 31 was realistic, Ide said, "No," and he used his findings to support the answer.

These are the highlights of the Ide report:

—15.8 percent of flood victims have not applied for loans; most are low-income, elderly and renters.

—Half of the 15.8 pecent do not know of the October 31 deadline.

—One-third of the 15.8 percent did not know of the $5,000 forgiveness.

—Seventy percent of those who had not filed did not know of the 1 percent loan interest rate.

Following a check of the statistics Tuesday morning, Secretary of Community Affairs William H. Wilcox said the state will beef up its newspaper advertising program to call attention to the loans and the October 31 deadline. Also, spot television and radio announcements will be made, he said, and the Department of Commerce will be asked to notify all corporations of the time limit.

Ide said the 15.8 percent figure actually should be higher. The survey was taken in urban areas, he said, and many rural residents are unaware of the SBA loans. He said the 19.3 percent figure for Harrisburg is probably closer to the state average, meaning that one of every five flood victims in Pennsylvania is not aware of the SBA loans or have not applied.

In the Wilkes-Barre survey, 13.5 percent of flood victims indicated they had not applied for loans, Ide said.

Ide said many renters were not aware they could apply for loans, just as there was a lack of information about the forgiveness clause and the 1 percent rate of interest.

Ide said his survey results indicate SBA had a policy of discouraging the small-loan applicant.

Oct. 11, 1972
T.L.E.N

Flood Victims Reminded of SBA Deadline

Carlucci and Wilcox Note Loan Requests Due by End of Month

Federal and state officials called attention Wednesday to the Oct. 31 deadline for filing Small Business Administration loan applications.

Frank Carlucci, federal flood relief coordinator, and William H. Wilcox, State Secretary of Community Affairs, said flood victims who have not applied for SBA loans should do so at once.

Wilcox pointed out that loan recipients are granted adequate time after the loan is approved to take disbursement and still more time to get repairs made after the loan is disbursed.

"A borrower has up to 12 months to close the loan and accept the money after approval and has up to another 12 months to spend the money after it has been disbursed. So you can see there is no reason to delay filing for the loan just because the flood victim cannot get repairs immediately," he added.

They said that as of Wednesday the SBA has approved 21,269 loans for $172,424,739 and has disbursed 20,459 loans for $107,999,369.

Oct. 5, 1972
T. L. E. N.

Extension of Loan Deadline Opposed

The Federal government has turned thumbs down on requests for extension of the Small Business Administration loan application deadline past Oct. 31.

Frank Carlucci, Federal flood relief coordinator, said Monday that, as he announced previously, applications will be taken after Oct. 31 from those who can cite legitimate reasons for not having applied on time.

The Commonwealth, using two survey reports, had recommended extension of the deadline to Dec. 31. State officials said many individuals and businessmen have not applied for loans as yet for various reasons, such as incomplete supporting data from accountants.

Carlucci said applications will be taken after Oct. 31 from those who can give legitimate reasons for not having met the deadline.

Oct. 17, 1972
T. L. E. N.

SEPTEMBER 30, 1972

$286,727,377 SBA Loans Locally Exceed Total for Earthquake

Frank Carlucci, President Nixon's personal representative, Friday announced that to date the dollar value of SBA applications submitted totals $286,727,377 in the Wilkes-Barre Office alone.

This figure exceeds the total of all loans made by SBA in the California earthquake disaster of last year where approximately $250 million was approved. He also urged flood victims to apply for SBA loans as quickly as possible.

He said, "While it is true that the deadline for filing has been extended to the end of October, we certainly hope that flood victims will not wait until the last minute to file. Our figures indicate that SBA has given out 35,781 applications but to date only 22,375 have been returned and 20,339 of these have been approved with the remainder in various stages of processing. This apparently means that only about two-thirds of the victims who intend to apply for loans have done so."

Carlucci pointed out that this is the most massive undertaking in the history of the U. S. Small Business Administration.

"I've been told that one of the reasons for some disaster victims holding back on applications is that they are unable to find contractors to make repairs or for other reasons do not intend to proceed at once. Let me say that they should still apply for loans as early as possible. SBA will permit up to 12 months for spending the loan proceeds and even this can be extended if there are sound reasons for doing so," Carlucci said.

OCTOBER 17, 1972

Business Loan Appeals Reported Increasing

The rapidly increasing number of business loan applications in the Wilkes-Barre Office of the U. S. Small Business Administration resulted in the announcement by Frank Carlucci, President Nixon's personal representative, of plans to beef up the SBA business specialist staff.

Thirteen business loan specialists and one senior specialist attorney have been dispatched to the Wilkes-Barre area from SBA offices through the United States.

Thomas S. Kleppe, the SBA administrator, said: "The speed of processing loans in the Wilkes-Barre Office has been well above our original expectations, and certainly faster than in any previous disaster. Because of the large number of Wilkes-Barre employes involved in these businesses hard hit by the flood, we have made the decision to increase the business loan specialist staff in order to accelerate the approval of these loans still further."

According to Mr. Carlucci, "The addition of these specialists will enable the SBA to handle the increasing number of business loans quickly, thus contributing to the overall economy of the area by putting employees back to wok whose jobs were affected by the flood."

Mr. Kleppe had indicated earlier that the first priority on SBA loan applications had been given home and personal property losses, since immediately after the flood it was considered of critical importance that flood victims be restored to their homes before cold weather.

"That our original emphasis was successful," Kleppe reported, "is borne out by the fact that to date, SBA has approved 24,087 home and personal property applications for $178,318,087 in the Wyoming Valley alone."

"In the business loan area," he said, "the agency has approved 1,020 applications totaling $29,715,287. We would expect that our actions today will enable us to sharply increase the business loan output within the next few weeks."

For Flood Victims

HOME MORTGAGE PAYMENTS DEFERRED FOR 3 MONTHS

Area banks and savings and loan associations have agreed to defer the monthly interest and principal payments on home mortgages of flood victims for a period of three months if making the payments creates a financial hardship, it was announced today.

All questions related to home mortgages are to be directed to the institution holding the mortgage.

The following banks and savings and loan associations have agreed to the home mortgage deferred payment plan: First Federal Savings and Loan Association of Pittston; First Federal Savings and Loan Association of Wilkes-Barre; First National Bank of Eastern Pennsylvania; First National Bank of Pittston; First National Bank of Wyoming; Franklin Federal Savings and Loan Association; Hanover National Bank of Wilkes-Barre; Liberty National Bank of Pittston; Miners Savings Bank of Pittston; Northeastern National Bank of Pennsylvania; Peoples Bank of Edwardsville; Plymouth National Bank; Susquehanna Savings and Loan Association of Wilkes-Barre; United Penn Bank; First Valley Bank; West Side Bank, West Pittston; West Side Savings and Loan Association and Wyoming National Bank of Wilkes-Barre.

July 7, 1972
T. L. E. N.

Persons Affected By Flood Can Write Off Some Losses Against Federal Income Tax

Persons whose homes have been affected by the flood waters may write off some of their losses against their Federal income tax, an Internal Revenue Service (IRS) official announced Thursday.

According to the official, persons may deduct the difference between the fair market value of their property and the value after the disaster, limited to their cost or "basis," less insurance of other compensation received. The first $100 of non-business loss in the casualty is not deductible, but amounts above that area.

Income taxes paid to the IRS over the past several years can be claimed by affected property owners, providing they meet the qualifications. Recently, Congress passed a law allowing flood disaster victims to claim taxes they paid in 1968, 1970, 1971 as well as amounts that would be scheduled in 1972 through 1976, should the need be there.

A diagram of how the income tax write-off works can be seen at the temporary office of the IRS at the Mackin School in the East End section of Wilkes-Barre.

Using a $40,000 property loss as an example, an official of the IRS said here is how it would work:

A person earning $10,000 a year and who paid $2,000 in income taxes during 1971 would be eligible to receive back the entire amount he paid in to the IRS.

He would then be eligible to write off further and receive refunds for taxes he paid in 1968, 1969 and 1970. He also would be eligible to write off taxes that he would be scheduled to pay through 1976, should he qualify.

Persons can secure their IRS disaster flood area forms at the IRS office. They also are advised there on how to fill out the forrms and go about securing prior income tax returns from the Philadelphia Service Center.

SUNDAY INDEPENDENT, WILKES-BARRE, PA., OCTOBER 1, 1972

Joseph S. Finch

Lattimer Mines Native Takes Over at SBA Office

Joseph S. Finch is aware of the hardships endured by the people of Luzerne County, recalling in particular the mine tragedies of another era, and he is confident the flood will not deter Wyoming Valley in its determination to progress.

Finch yesterday officially became the branch manager of the Small Business Administration Office in Provincial Towers, succeeding Jim St. Jean who handled the agency through most of the flood relief period.

He had endless praise for the people of the anthracite mine region, and as a native of Lattimer Mines and the son of a fire boss, he is knowledgeable in the deprivation of the Luzerne County area in periods since past.

His faith in the region is generated by a belief in the sincerity of the people residing here and which is echoed by his wife, the former Helen Smalley, a Hazleton native, who is the daughter of Mr. and Mrs. Louis Smalley, 231 Muir Avenue.

Mrs. Finch, a registered nurse, is supervisor of the intensive coronary care and progressive care of heart patients at Cherry Hill Medical Center.

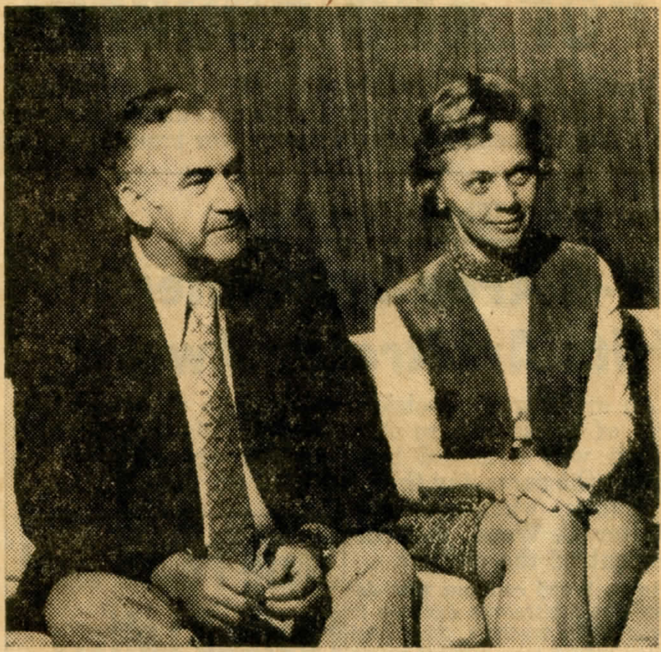
Her husband is no stranger to the area, having arrived here on the heels of tropical storm Agnes to set up the accelerated SBA Office. He spent a period with the Scranton and Berwick ordnance plants and was an administrator for the U. S. Ordnance at the Kennedy Van Sant Plant, Danville, and the U. S. Hoffman Corp. Scranton.

Because of his close association with the upstate Pennsylvania region, Finch is not surprised at the spirited effort of the people to make a comeback after the nation's worst natural disaster, June 23, 1972.

Not Worried

He is not worried about some vacant store buildings on South Main Street in the shadows of the SBA headquarters. "In time, other firms will see the potential and the structures will be occupied."

He says he's delighted the SBA has decided to establish permanent headquarters in Wilkes-Barre and while no definite site has been established, the present South Main Street site should prove a stimulus to the economy, he observed.



MR. AND MRS. JOSEPH S. FINCH

Finch radiates confidence and as a native of the lower Luzerne County Region with a background in the tragedies of the coal regions, his spark of confidence should help generate rebuilding of the region.

He has witnessed many setbacks because of disasters and related events in his capacity as Chisef of the Office of Business Development for the Small Business Administration for the Middle Atlantic States and exudes extreme optimism in the future of Luzerne County and its Wilkes-Barre and Kingston communities, which suffered extreme hardships because of the flood.

Finch came to the Federal government by way of World War 2 in which he served in a varied assignment ranging from the OSS role to Ordnance Specialist. His return to civilian life after serving in the two major theaters of World War II operations was also varied, one as a consultant with the Tocamo Machinery Co., which provided sea-going armored craft for the Chinese.

SBA Assignments

Migrating from ordnance to other facets of the Small Business Administration, he served a short stint in a coordinator role early in the flood emergency before returning to his prime role as Chief of the Office of Business Development covering Pennsylvania, Delaware, Maryland, the District of Columbia, Virginia and West Virginia.

A graduate of West Hazleton High School and Temple University, he has taken advanced courses at Bailey Technical School, St. Louis, and Dayton, Ohio University. His education has been enhanced by courses in business administration and law, lending favorably to his qualifications in his new post. He also taught special courses in the Department of Defense Corps.

Finch and his wife confess they are happy to return to their native Luzerne County with their two sons and plan to relocate from Cherry Hill to an area near the Poconos.

The Finches are avid Winter sports enthusiasts and are equally fond of their native region for many other reasons.

David, 18, is a sophomore at the Atlantic Community College, Mays Landing, N. J., with a bent toward baseball, and Richard, 24 operates his own architectural model firm. The Finches have one granddaughter, Erica, daughter of Mr. and Mrs. Richard Finch.

New Regional Head of SBA No Stranger to the Valley

Joseph S. Finch, who yesterday officially became the branch manager of the Small Business Administration Office in Provincial Towers, is no stranger to the Wyoming Valley area, having arrived here on the heels of Tropical Storm Agnes to set up the accelerated SBA Office.

He also spent a period with the Scranton and Berwick ordnance plants and was an administrator for the U. S. Ordnance at the Kennedy Van Sant Plant, Danville, and the U. S. Hoffman Corporation, Scranton.

Finch is aware of the hardships endured by the people of Luzerne County, recalling in particular the mine tragedies of another era, and is confident the flood will not hinder Wyoming Valley in its determination to progress.

Mr. Finch and his wife, the former Helen Smalley, are natives of the lower Luzerne County region. Mrs. Finch, a registered nurse, is supervisor of the intensive coronary care and progressive care of heart patients at Cherry Hill Medical Center.

The new SBA branch manager's father was fire boss in the underground mine workings and he remembers the deprivation of the Luzerne County area in bygone years.

Because of his close association with the upstate Pennsylvania region, Mr. Finch said he is not surprised at the spirited effort of the people to make a comeback after the nation's worst natural disaster. Also he stated,

(Photo by Ace Hoffman Studio)

CHANGE OF COMMAND—Joseph S. Finch, left, is welcomed to the U. S. Small Business Administration's headquarters in Provincial Tower, Wilkes-Barre, by his predecessor in the branch manager post, James St. Jean.

Mr. St. Jean, who will leave the Wyoming Valley area tomorrow for New England, headed the local SBA office through the first three months of its disaster relief operation.

Mr. Finch, a native of Luzerne County, began his new duties yesterday.

Virginia and West Virginia.

A graduate of West Hazleton High School and Temple University, he has taken advanced courses at Bailey Technical School, St. Louis, and Dayton, Ohio University. His education has also included courses in business administration and law, lending favorably to his qualifications in his new post. He also taught special courses in the Department of Defense Corps.

Finch and his wife expressed happiness at returning to their native Luzerne County with their two sons and plan to relocate from Cherry Hill to an area near the Poconos. They are avid winter sports enthusiasts and are equally fond of their native region for many other reasons.

Oct. 1972
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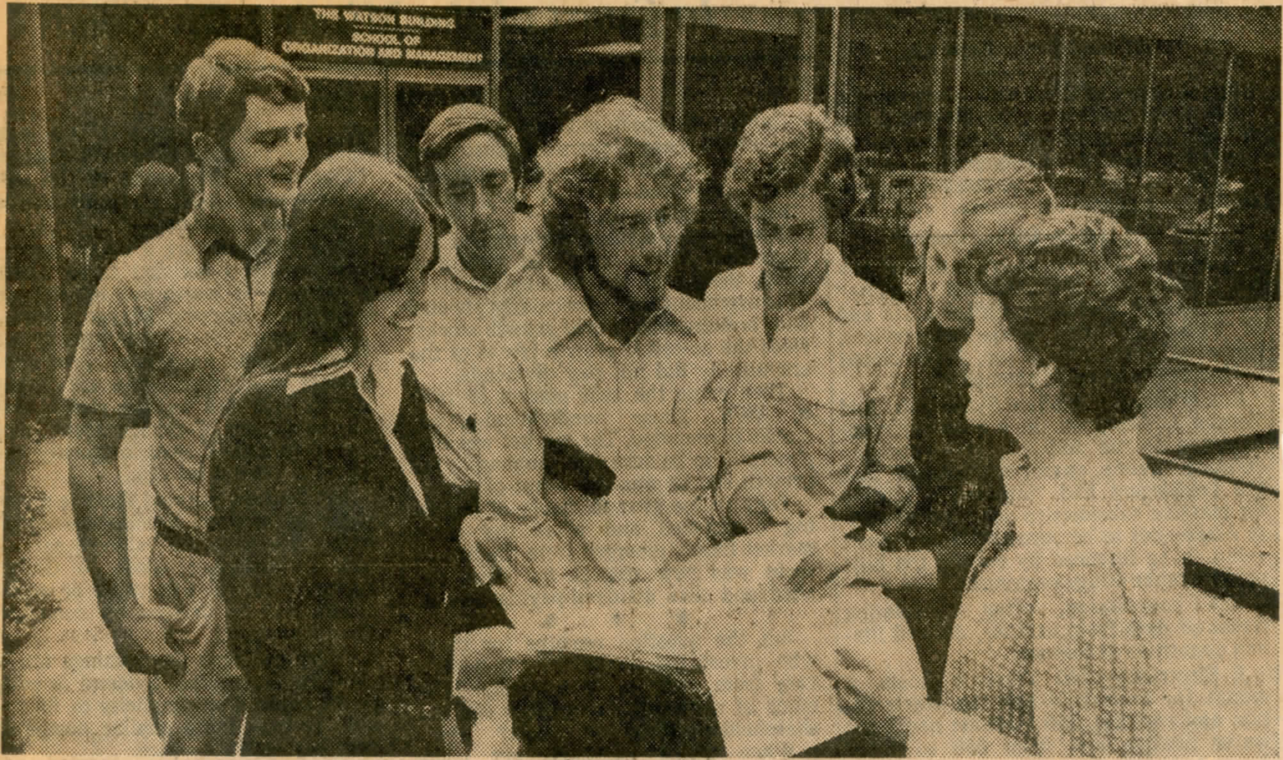

Students at the Yale School of Organization and Management outside the Watson Building in New Haven

Yale Gets a Business School With a Diverse Class Roster

By RICHARD PHALON
Special to The New York Times

NEW HAVEN, Sept. 12—The School of Organization and Management, the first new graduate school to be established at Yale University in more than a half century, will officially open its doors here Tuesday with a student body as diverse as the curriculum its members will be asked to absorb.

The opening will follow a convocation on Monday at which Kingman Brewster Jr., president of the university, will present the school with the coat of arms and welcome an advisory board that includes Vice President Rockefeller, Senator Hubert H. Humphrey and Henry Ford 2d, chairman of the Ford Motor Company.

The 50 students at what is in effect Yale's answer to such long-established rivals as the Harvard School of Business and the Stanford Graduate School of Business range in age from 21 to 38. The median is 27.

Only seven of the students at O & M, as the new program is known here, are entering directly from undergraduate schools. The class roster includes a partner in a commodities trading firm who already has a doctorate from Oxford, an assistant professor in Japanese history, a theater manager with a master's degree in fine arts from Columbia University, a network television administrator, and a West Point graduate fresh from armored training at Fort Knox.

Employed in State Agencies

About 20 of the students have worked in public organizations—city and state agencies or Federal regulatory bodies, for example. About the same number have worked in business in one capacity or another—a management consultant, an assistant vice president for a major bank, a sales manager for a high-technology consumer product firm.

In all, it is a blend that William H. Donaldson, dean of O & M for the last year and founder of the Wall Street firm of Donaldson, Lufkin, Jenrette,— describes as symbolic of the new school's mission.

Its charter is keyed to a mix of the management disciplines that are a staple of the traditional business schools, and the behavioral and political sciences on which schools of public policy and administration concentrate.

The New York Times/James Meehan

William Donaldson, head of the business school during an interview.

Mr. Donaldson, 45, is something of a Renaissance type himself. He was chief executive officer of Donaldson, Lufkin, one of Wall Street's best-known institutional research firms, from 1959 to 1973. He subsequently put in a short tour as an Under Secretary of State and has since served as a consultant to both Vice President Rockefeller and

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Governor Carey. With a grin he now describes himself as an "academic entrepreneur."

Exemplar of Options

Dean Donaldson's own career is a kind of exemplar of the options he hopes that O & M will be able to open for its students.

There ought to be, Dean Donaldson said in an interview here last Friday, more cross-pollination between people who manage business and people who manage goverment.

"There are a lot of people who want multiple careers," he said. "We can help people who want to move from government to business and vice versa."

"It's almost a philosophical thing," he continued. "People on the left tend to regard business with suspicion and people on the right are suspicious of government. We need more people who can see the varying shades of grey in between."

Yale has not offered an undergraduate major in management for decades —not, as one alumnus recalls, since the days when half the class expected to wind up in the family business."

In some respects, O & M may be trying to offer graduate students the best of two worlds for the price of one. Up to now—unlike Harvard, Princeton, Syracuse and the University of Texas, for example—Yale has not made a major effort in the areas of public policy or public administration.

'Kind of Business Torque'

Furthermore, the university's one step in the direction of management studies has been the department of administrative sciences, which one Yale official describes as "mainly a group of economics courses that have a kind of business torque." The department, to the distress of some of its 125 students, is being absorbed by O & M.

Yale, like other universities, has to compete for top students. O & M is opening at a time when a tight job market has stimulated rising student interest in graduate business courses and started a concomitant decline in enthusiam for many more traditional graduate studies.

The carefully planned diversity of the student body—are among the things that attracted 31-year-old Pam Bronk to O & M. After working in the securities business for almost eight years, Miss Bronk returned to college and was graduated from Berkeley last year.

She seriously considered going on to ... "If you're a woman in securi es analysis," she said, "you need credentials to get ahead." Miss Bronk finally decided to come here because she felt that Harvard and Stanford "have already found their way of doing things."

"Everything is so new at Yale," she continued, that it "gives us more flexibility and the chance to do some creative thinking that can help to shape the school."

Is Yale's new school really offering something new, or is it simply repackaging elements that can be found in somewhat different form at any top business school?

'Doing Something Different'

Capt. Jeffrey McNally, who graduated from the United States Military Academy in 1971, doesn't think so. "Yale is going to teach us the principles of managing anything," he said. "I don't think any other school does that in the way we're going to do it."

Many influential Yale alumni have been pushing for the establishment of a graduate school of business for years. O & M, in fact, was made possible by a $15 million endowment contributed by three well-known business men-alumni.

"The big question," said Dean Donaldson, "has always been what could Yale do that others haven't already done?" "We are doing something different," he continued, "by tearing down the academic walls and the artificial limitations that were put up between business and public administration. We're fulfilling the need for a new kind of school."

For their $4,000 a year tuition—about 50 percent of the class is receiving financial aid or loans—O & M students will ingest a heavy dose of such basic subjects as accounting, economic analysis and finance in their first two semesters here.

In the second year of a two-year course leading to a master's degree they can concentrate on the management of public or private institutions or in such functional specialties as marketing and organizational behavior.

Almost all of the group of seven students interviewed here last week saw some risk in making a commitment to a new program that might fail, but the consensus was that the magic of a Yale degree could not hurt.

"As Dean Donaldson told us," said Claudia Stone, a 23-year-old Wellesley graduate, "there is minimum downside risk, and the potential on the upside is almost unlimited."