



# SOUTHERN MUTUAL HELP ASSOCIATION, INC.

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**PRESIDENT**  
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**Statement**  
**of**  
**Lorna Bourg**  
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PRESENTED TO THE  
U.S. SENATE COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS  
WASHINGTON, DC

March 7, 2006

Mr. Chairman, Ranking Member and Members of the Committee:

Thank you for your interest, leadership and commitment to community-based organizations and their role in recovery from the 2005 Gulf Coast hurricanes.

I want to tell you the untold story of Hurricane Rita and its devastating impact on rural Louisiana and how we can do better in our response as a nation.

As President and Executive Director of Southern Mutual Help Association, Inc. (SMHA, a 501(c) not-for-profit community development corporation), based in New Iberia, Louisiana, I had the opportunity and duty to SMHA's mission of creating healthy, prosperous rural communities to see first hand what had happened to our beloved Louisiana.

There are three important points I wish to make as a result:

1. Outside of the levee breaks, most rural Louisiana residents could recover with some normal assistance from Hurricane Katrina. Hurricane Rita, coming only weeks later caused devastation of biblical proportions. As a lifelong resident of Louisiana, having experienced many terrible hurricanes, nothing comes close to the scale and scope of Hurricane Rita's devastation of rural Louisiana.

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After traveling extensively to Louisiana rural communities, villages, settlements, towns and cities, the SMHA team believes there are nearly 200,000 homes, facilities and businesses that are destroyed or inundated (not counting in New Orleans). The power of tsunami-like waves obliterated whole parishes (counties) leaving little evidence that structures existed. The marsh-mud liquid mixture inundated nearly every structure as well as agricultural lands all along coastal Louisiana.

After forty years in rural community development, I can tell you it's difficult to find any words that convey the *geographic scale and depth of trauma and turmoil Louisiana's rural communities are experiencing*. You must see for yourself. I invite you to do so.

2. The failure of federal policy, understanding, leadership and response even until this date is a gross negligence and, as one visiting film maker stated to me recently, "borders on criminality".
  - As a nation we must have the capacity to respond in a timely manner to enormous disasters within our borders. We do not now have such capacity. I'll recommend how we can do better.
  - As a nation we must be able to generate the resources for immediate and full recovery from such a level of devastation. We do not now generate such needed, expected and deserved resources. I'll recommend how we can do better.
  - America must have a level of policy and leadership equal to the level of response required. We have not yet seen such policy or leadership. I'll recommend how we can do better.

*Failure to understand, structure bold policy and lead Americans to a timely and full recovery in this natural disaster telegraphs to our enemies that we are unprepared to deal with a recovery from a man-made disaster. It is a huge crack in America's homeland security.*

3. As a nation we can and must do better.

Southern Mutual Help Association recommends the following:

- \* First, pre-disaster preparation must be more strategic to achieve timely response in the face of such a national disaster. We need to use existing resources in local communities and in geographic regions. Federal dollars for relief, recovery and redevelopment must flow quickly to affected states. Pre-disaster selection, training, bonding and certification of local not-for-profit community development corporations (CDC's), financial institutions, first responders and relief organizations can accomplish a more timely response.

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These entities have community social capital and intelligence to quickly determine who was impacted and to what extent. Recovery dollars could be quickly transferred electronically to banking institutions within states and disbursed to support first responders, relief organizations and CDC's. This would minimize non-sensical and seemingly arbitrary cash assistance. FEMA temporary shelter units could be distributed with more community-based intelligence. (Currently in Iberia Parish large numbers of FEMA trailers sit idly at the airport while locally, hundreds of families are in desperate need of such shelter assistance on their own land.)

*A strategy of "down-to-the-closest-local-community" distribution of resources creates the national infrastructure to respond in a more timely manner. Having such pre-disaster strategy in each region in America allows needed resources closest to an affected area to be delivered most quickly.*

- \* Second, no new bureaucracies need be created to achieve a level of policy and leadership equal to such a national disaster.

Americans have always responded with generosity to disasters. Just witness the volunteers from across our nation who are in Louisiana to help us, the fundraisers and checks from adults, children, churches, foundations, colleges and corporations. Yet it is not nearly enough.

I remember my grandmother telling me about the war bonds everyone bought in World War II. Some, in a sense of patriotism, never even cashed them, they were so proud to be a part of such a noble effort.

*Congress needs to establish a **National Disaster Recovery Bond** giving Americans a structured way to express their generosity beyond writing a check to the charity of their choice.*

The billions of dollars generated could be used to retire home mortgages and business debt for which collateral no longer exists. This preserves the integrity of our financial institutions, prevents defaults and credit debacle. The refinanced rebuilding spurs the local economy. Refinancing packages could carry a small monthly fee or premium to pay interest to bond-holders. It takes vision and leadership to use a national disaster to call on all Americans to invest in rebuilding better than before so America's enemies will not perceive us as weak and ineffectual. *A **National Disaster Recovery Bond** could be used for any natural or man-made disaster and would be part of America's first line of defense and national security.*

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Third, both political parties and our President have voiced belief in America as an ownership society. *Using the Gulf Zone area (Texas, Louisiana, Mississippi, Alabama and Florida) to model a true Homeownership Tax Credit would incentivize investment in the re-building of so many lost homes.* Congress and the President need to seize this unique opportunity.

Finally, SMHA wants you to know that over five months later our organization is often the first and only responder helping rural Louisiana clean out, de-construct and begin reconstruction. Without the quick and un-bureaucratic help from national foundations such as W.K. Kellogg, F.B. Heron, Mary Reynolds Babcock, Jesse Smith Noyes, Fannie Mae, MacArthur, Needmore, Flora, Associated Black Charities, community trusts such as N.Y. Community Trust, partners such as Oxfam America, the Union for Reformed Judaism, Farm Aid and intermediaries such as Rural Local Initiatives Support Corporation and volunteers from colleges and universities such as Colgate, Berea, Warren Wilson, and church groups such as The Mennonite Disaster Service, The Amish, Unitarians, United Methodists, Presbyterians, Catholic congregations of religious women such as the Sisters of Providence, the Volunteers of America and the rural network of CDC's especially that led by Jim Upchurch, and the many generous individuals across America who contributed — none of SMHA's Rural Recovery Response would have been possible. With their help SMHA has 150 homes and businesses repaired or in process of repair. There are tens of thousands of homes, facilities and businesses left to repair or rebuild. We count on your leadership and policy for a full recovery.

To learn more about Southern Mutual Help and the Rural Recovery Response, please go to [www.SouthernMutualHelp.org](http://www.SouthernMutualHelp.org).