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Reaction Paper 2, Vulnerability, contestation, collaboration
7 Mar 05

In 1916, natural disasters, or "acts of God" were seen as unpredictable, unavoidable, and thus the US government was not responsible for their sequelae. The government was largely laissez-faire, and allowed private land to be developed without regulation or consideration of exposure to natural hazards. A combination of progressive reformer Teddy Roosevelt's popularity with the timing of the Triangle Shirt Waist fire and the sinking of the Titanic (both resulting in preventable loss of many lives), let to a growing acceptance of government regulation to protect public health, safety, and welfare. By the 1920s, the beginning of urbanization in America, zoning laws and city planning were in place in hundreds of US cities. Despite improvements, in regulation and planning, though, the federal government did not assume responsibility for the welfare of citizens until the Federal Disaster Relief Act of 1950.

By the 1940s, the US government had broadly increased funding to urban development and neighborhood renewal. This new funding resulted in a rash of construction in disaster-prone areas. As natural disaster damage losses increased, Congress gradually implemented federally funded programs that essentially distributed the financial burden to the nation as a whole. This perhaps created a recurrent cycle of loss, federal (and insurance) compensation, reconstruction, and new loss. Instead of limiting federal disaster assistance funding declarations, the US government continues to encourage hazard mitigation through better community and structural design.

The Federal Disaster Relief Act provided limited funds to assist state and local governments in alleviating suffering and damage following peacetime disasters. It was essentially dormant during the Cold War, when government spending was focused on nuclear development and deterrence. In 1979 administration of the Act was transferred to FEMA, whose focus was integrated disaster response (natural or man-made).

Though of narrow scope and funding initially, the Act was subsequently expanded to cover broad ranges of emergencies and large amounts of state and local funding. It also provides for victim unemployment compensation, individual legal, mental health, and financial assistance, and other diverse benefits. Benefits to communities are granted regardless of the community economic status, whereas individual assistance is economic needs-based, resulting in inequity between individual and public assistance. Although it was initially designed to supplement state and local government funding capacity, the liberal use of these federal funds seem to indicate that the level of government funding does significantly more than merely supplement. In addition, changes from the initial Act in 1950 have made this program more of an entitlement, even at the individual level. Federal disaster funding has grown exponentially. Due to the scope and diversity of programs, Federal disaster assistance spending is difficult to track, control and decrease.

This series of articles illustrated the enormous abuse potential inherent in the US disaster assistance program. Although flood control and other mitigation efforts have been undertaken, the government continues to fund reconstruction in disaster-prone areas without requiring significant additional mitigation efforts. It would be smarter to build in areas less prone to disasters than to fund repeated reconstruction. If the government continues to contribute to the "moral hazard", it will add to spiraling federal spending. Where will the money come from?