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## **Bush Is in No Hurry on Katrina Recovery**

**The president's go-slow approach is called a recipe for chaos, even by fellow Republicans.**

by **Peter G. Gosselin**

WASHINGTON - Almost two months after Hurricane Katrina slammed into the Gulf Coast and a month after promising in a nationally televised speech to help rebuild the region "quickly," President Bush has settled on a cautious, piecemeal approach that even many members of his own party fear will stall reconstruction and sow economic disarray.

Bush has made highly publicized trips to Louisiana and Mississippi on average of once a week since the storm, but the administration has yet to introduce legislation for two of the three proposals the president highlighted during his September speech from New Orleans.

In the case of the third proposal, \$5,000 accounts to help workers left unemployed by the hurricane, an administration-drafted House bill would provide aid for fewer than a quarter of the jobless.

Despite mounting evidence that Washington is having trouble putting to use most of the \$62 billion in emergency funds approved by Congress so far, the president has resisted appointing a recovery coordinator or further detailing his vision of how to tackle rebuilding. In interviews last week, he explained that he wanted state and local officials to act first.

"I recognize there's an attitude in Washington that says, 'We know better than the local people.' That's just not the attitude I have," Bush told NBC's "Today" show.

Bush's cautiousness appears to be partly a response to some conservatives' clamor for federal budget cuts to offset aid to the Gulf Coast.

In addition, the scale and complexity of reconstruction pose special challenges for an administration that firmly favors market mechanisms over government action, at least domestically.

With the immediate crisis past, administration officials may be hoping that state and local efforts — and the free market — will relieve them of the thorniest decisions, as well as a substantial chunk of the estimated \$200-billion price tag for the region's revival.

However, a variety of prominent Republicans warn that the president's approach is a recipe for trouble.

"So far, all we've done is shovel money out the door to meet the humanitarian needs," said Senate Finance Committee Chairman Charles E. Grassley (R-Iowa). "But henceforth, we've got to be very careful how we spend the money, and that means we're going to need a plan and somebody in charge."

A former Cabinet member had similar concerns.

"With all due respect to the president, things are not going to bubble up from the bottom," said Jack Kemp, who was Housing and Urban Development secretary under President George H.W. Bush. "There has to be some federal leadership here."

Without clear signals from Washington, some reconstruction decisions are essentially being made on autopilot, raising the risk that the region and the nation will repeat past mistakes.

In New Orleans, for example, the Army Corps of Engineers last week put an estimated \$400 million of work out to bid to bring the area's levee and canal system back to its pre-Katrina condition. Corps officials said the work was necessary to secure the city while more extensive protections were designed.

The corps' plans include reviving a large, and largely unused, canal known as "Mr. Go" — the Mississippi River-Gulf Outlet — that environmentalists and many local officials say funneled storm surge from Katrina into neighborhoods, increasing rather than reducing the devastation.

"The White House has studiously avoided making any choices about what should be rebuilt, and the corps has taken that to mean rebuild everything," said David R. Conrad, a senior water resources specialist with the National Wildlife Federation and a veteran corps watcher.

White House officials discounted such criticism Friday and said they had the rebuilding effort well in hand.

Aides said officials were working behind the scenes to ensure that all of the proposals unveiled by the president in his New Orleans speech became law. (In addition to the worker accounts, Bush called for a Gulf Opportunity Zone, or GO Zone, that would provide tax breaks and loans to small businesses, as well as an Urban Homesteading Act that would give low-income families surplus government property and favorable mortgage rates in exchange for the promise to build homes.)

Meanwhile, administration budget officials are preparing another emergency spending bill — this time for about \$20 billion, much of it for such clearly defined projects as rebuilding military bases and a NASA facility. The aides said that Bush had not ruled out proposing a reconstruction "czar" or coordinator, though such a post could not "compete with state and local decision-makers."

But if administration work on reconstruction is proceeding, it seems not to be occurring with anything like the urgency and decisiveness that Bush suggested it would when he stood before the cameras in a darkened and largely deserted New Orleans for his Sept. 15 address.

Then, he pledged: "We will do what it takes, we will stay as long as it takes, to help citizens rebuild their communities and their lives."

He promised "one of the largest reconstruction efforts the world has ever seen" and said: "Our goal is to get the work done quickly."

The president's shift from such bold rhetoric toward talk about the limits of federal involvement and the need for local and private-sector leadership is at least partly traceable to an unexpected revolt by congressional conservatives recently.

Led by the 100-plus members of the House Republican Study Committee, conservatives have insisted that any new spending for Katrina be offset by fresh budget cuts. Their suggestions include killing politically favored highway projects and delaying Bush's signature Medicare prescription drug benefit.

"We saw the White House engaging in an aggressive, multifront drive to rebuild the Gulf Coast, and we thought we ought to bring up the small matter of the bill," said committee Chairman Mike Pence (R-Ind.).

Bush aides dispatched Budget Director Joshua B. Bolten to strike a deal that included an administration promise to seek offsets for most new spending. That has given the White House Office of Management and Budget power to shape rebuilding that it did not have in the early going.

"It's put OMB in the driver's seat, and OMB is running a budget process, not trying to come up with a unified response to a national crisis," said one senior House Appropriations Committee staff member, who like most Capitol Hill staffers asked not to be identified.

More than budget politics, however, is at work in Bush's shift of approach.

As the full dimensions of the rebuilding task become clear, Democrats and some GOP leaders are calling for a degree of government involvement that the president almost certainly finds objectionable. The White House appears to be searching for a way to put primary responsibility for coordinating the work on state and local officials.

But by wiping out whole communities, Katrina created problems that even some Republicans argue cannot be handled by individuals and market mechanisms alone.

"Where once you had an operating society, now there's nothing — no firetruck, no school, no grocery store to buy a loaf of bread," said Rep. Richard H. Baker (R-La.).

Such devastation creates a sort of chicken-and-egg problem, Baker said. "The question is, Who goes first?" If firefighters and police officers return to their communities first, they will have no equipment or food. If car dealers and retailers are the first, they will have no protection.

By offering tax breaks and encouraging local leaders to come up with rebuilding proposals, the White House implicitly hopes Gulf Coast residents solve the riddle themselves.

But Baker thinks that's unlikely. Last week, he proposed that Washington create a

Louisiana Recovery Corp. aimed at making commitments to rebuild whole communities at once, so that residents have the assurances they need to invest there. The corporation would be able to borrow from the government and financial markets, buy up ruined areas and hire developers to rebuild them. Homeowners and local businesses could sell their storm-damaged properties to the firm or reserve spots in the rebuilt communities. If they refused to do either, the corporation could take the properties by eminent domain.

In a separate proposal, conservative Sen. Judd Gregg (R-N.H.) and liberal Sen. Edward M. Kennedy (D-Mass.) called for a Cabinet-level Gulf Coast Recovery and Disaster Preparedness Agency, which would be the conduit for all federal funds to the region. A companion agency with a board of mostly state and local officials would come up with the rebuilding plan.

"You need a single point where all federal funds go through so you have accountability," Gregg said.

White House officials have all but rejected the Gregg-Kennedy proposal and offered only a polite nod to the Baker plan.

The administration has "bought into the idea this should be a bottom-up thing," Gregg said. "The danger is confusion, inefficiency and huge bureaucratic frustration."

In the absence of a clear reconstruction plan, many residents are adrift.

On Wednesday, retired schoolteacher Carolyn Pierce, 63, briefly returned to her white clapboard house at the corner of Gordon and Royal streets beside the huge levees around New Orleans' Lower 9th Ward. It was the first time she had seen it since Katrina struck Aug. 29. About all that escaped the floodwaters were a pair of pennants pinned high on the living room wall that read "Pray for Work!" and "God Loves You."

Asked if she would move back to her old neighborhood and house, Pierce said: "I have no idea. I have no idea what we're supposed to do.

"I want a plan, but nobody seems to have a plan," she said. She stuffed a few books and a water-soaked dress in a green trash bag and left with her brother and a sister.

Lawmakers from the Gulf Coast praised the president for his repeated visits to the region, saying that when presented with specific problems — such as the Federal Emergency Management Agency's recent refusal to provide businesses with trailers to house workers — he had made sure difficulties were ironed out. But they said new problems cropped up in place of the old.

Lawmakers lauded Bush's call for states and localities to decide their own futures, but they said they feared it would be an excuse for Washington to retreat from the region.

"It's not an either-or thing," said Rep. Bobby Jindal (R-La.). "You can be for local decision-making and for a federal effort that cut across the usual bureaucratic lines."

Bush is playing to similar mixed reviews in Washington, where fellow Republicans as well as policy analysts usually sympathetic to the administration said they had been baffled by an apparent lack of follow-through after the New Orleans speech.

Among the complaints: that after an initial rush of spending, the administration has been unable to make use of most of the billions of dollars it requested immediately after Katrina, and that it has offered only the sketchiest of accounts for what it has done with the money it has spent.



FEMA, which received almost \$60 billion of the \$62 billion in emergency funds, had "obligated" or assigned only \$15.6 billion as of last Wednesday — less than a third of the money available — according to a weekly report the agency sends Congress.

"The president put out some very large ideas, but the administration isn't leading on them in any very public way," said Stuart M. Butler, vice president of domestic and economic policy at the conservative Heritage Foundation think tank. "There's been a general hands-off approach, which is disturbing."

Kemp, the former HUD secretary, agreed.

"Laissez-faire, Darwinian capitalism is not going to work here," Kemp said. "Markets do work, but they need the direction of government in situations like this."

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