

One great merit of the proposed Demonstration Cities Act of 1966 is that this program is directed toward remedying both the causes and the consequences of poverty. For it will help direct the allocation of economic resources, both public and private, to a priority area of public need, helping in time, to eliminate the causes of poverty. At the same time, it is also designed to deal effectively with the consequences of poverty, by making slums and blighted areas its direct priority target.

The proposed Demonstration Cities Act of 1966 is soundly conceived and carefully drafted. We are strongly in accord with its objectives.

Let me comment on some of its specific provisions of particular concern to us.

One of these is section 9, dealing with relocation requirements and payments.

This provides for relocation payments by a comprehensive city demonstration agency to a displaced individual, family business concern, or nonprofit organization, in the amount and in the circumstances authorized by sections 114 (b), (c), (d), and (e) of the Housing Act of 1949.

We ask that the language of this section of the proposed 1966 act be amended to bring it up to date. Surely, the amount that may have been reasonable and adequate 17 years ago is far from sufficient to make a reasonable and adequate provision for this need in the coming year.

The very least that can be done—and that is not enough—is to relate the language of section 9 to section 114 of the Housing Act of 1949 as amended.

While the 1949 Housing Act recognized that the National Government considered relocation a public responsibility and an essential feature of slum clearance, important revisions in the relocation program have since been enacted into law.

The Housing Act of 1954 shifted the entire emphasis from individual redevelopment projects to a broader program of attacking the entire problem of urban decay. The 1954 act also gave the HHFA Administrator the nondelegable responsibility of approving a local public agency's relocation plan. In addition, the 1954 law authorized Federal Housing Administration loan insurance on liberal terms for low-cost private housing for displaced families in eligible localities.

In the Housing Act of 1956, Congress decided for the first time that people displaced by urban renewal could receive financial help as a matter of right rather than as a device for facilitating slum clearance. Local public agencies receiving Federal funds were authorized to make payments to all dislocated families, individuals, and businesses for "reasonable and necessary moving expenses and any actual direct losses of property" up to a specified maximum amount. The 1956 act provided for such relocation payments to be covered by 100 percent Federal grant.

The maximum limits of relocation payments were raised by the Housing Act of 1957, while the 1961 act removed completely the statutory ceiling on relocation payments to businesses, leaving them to the discretion of the HHFA Administrator.