

very bad. I do think, however, that some can be absorbed in new towns, but I certainly wouldn't want to segregate them in new towns.

Mr. ST GERMAIN. In your opinion, the new towns should be set up in such a manner so that all economic groups and all races would be afforded an opportunity to move into them?

Mr. KRAMER. I think they should be planned so that all economic groups could live there. As far as race is concerned, under the existing laws, these new towns—anything that has mortgage insurance has to be nondiscriminatory.

Mr. ST GERMAIN. You said in your particular project within the city, Prairie Shores, you have 75 percent white and 25 percent Negro.

Mr. KRAMER. Nonwhite because we have some orientals.

Mr. ST GERMAIN. Whereas, prior to that time it was—

Mr. KRAMER. One hundred percent Negro.

Mr. ST GERMAIN. If you know, where did the 75 percent nonwhite find housing, within the immediate area or was there—was housing an improvement over what they left in the slums?

Mr. KRAMER. You are now talking about the people who are dispossessed in the slum clearance project? We, in Chicago, I think really did quite a good job in the matter of relocation. In the first place, before the project was ever started, we got State funds and local funds—a State appropriation, if I remember correctly—it was \$10 or \$20 million, and a local bond issue of the same amount to build relocation housing to take care of these people. They also gave them a priority of occupancy in the existing public housing projects, so that the people who could afford to get standard housing on their own, and the people who couldn't were taken care of, and the surveys that have been made have shown that something like 90 percent of the people who were dispossessed were located in standard housing, either public or private.

Mr. ST GERMAIN. Which was an improvement, because they were being dispossessed from substandard?

Mr. KRAMER. A great improvement, yes.

Mr. ST GERMAIN. On the Prairie Shores project do you know what the time lag was from the time the city of Chicago took over the real estate involved and when you, as developers, were ready to go?

Mr. KRAMER. From the start time, the city started acquiring the land up to the start of construction—it was something less than 2 years. This project went fairly quickly. As slum clearance and private redevelopment was very new we didn't know whether we could get people to live in the multistory buildings in the slum area. So we had a deal with the city to take up the land, one-fifth at a time over a 5-year period. So we started construction on one building and before the year was out we started construction on the next building and in a shorter time on the third building, and it went so well that the fourth and fifth buildings were built simultaneously at the end of 3 years. So we never went the 5-year term at all.

Mr. ST GERMAIN. In addition to the housing that you erected, the five units, was there any other work done in any other area—for instance, you stated that since your tenants who had children who reach school age are moving out, this would indicate there were no schools built to care for these people.