

small business enterprises hitherto operating in the urban renewal neighborhood.—This is reflected in the President's message to Congress on January 26, 1966, by the statement that "Nevertheless the social and psychological effects of relocating the poor have not always been treated as what they are." The Advisory Commission on Intergovernmental Relations has stated that, from 1949 through September 1963 the urban renewal program "is estimated to have displaced 177,000 families and 39,000 businesses." Chester Hartman, in the November 1964 issue of the Journal of the American Institute of Planners, reports that a relatively large number of displaced persons moved into substandard housing or failed to improve their overall residential status despite increased rents, and concluded that "on the whole relocation has made a disappointingly small contribution to the attainment of 'a decent home in a suitable living environment for every American family.' Given the premise that one of the cardinal aims of renewal and rehousing should be the improved housing welfare of those living in substandard conditions, it is questionable whether the limited and inconsistent gains reported in most studies represent an acceptable level of achievement."

More than 35 percent of the small businesses displaced by urban renewal either liquidated or disappeared, according to the January 1965 report on "Relocation" of the Advisory Commission on Intergovernmental Relations. The Commission report also stated that the first 2 years of existence of a small business are the hardest and the firm that survives 5 years has an excellent chance of continuing, but that "small businesses that have been operating over 5 years and then are displaced, however, show a much higher discontinuance or closing rate than if left alone, indicating that they are being severely hit by displacement."

The report also stated "adding to the relocation difficulties of displaced businesses is the economic hardship they may suffer in the critical period between announcement and start of an urban renewal project. The announcement creates a 'wet blanket' effect which depresses the area. * * * Finally, adjustment to the new location requires at least 6 months and perhaps as long as the 'critical 2 years' during which survival of new businesses is most in doubt. * * * Frequently, businesses would like to return to the renewed area but face appalling obstacles * * *."

Section 9 of the proposed act deals with "relocation requirements and payments," and consequently is pertinent to the shortcomings referred to above. Section 9(a) provides as follows:

"A comprehensive city demonstration program must include a plan for the relocation of individuals, families, business concerns, and nonprofit organizations displaced or to be displaced in carrying out the city demonstration program. The relocation plan shall be consistent with regulations prescribed by the Secretary to assure that (1) the provisions and procedures included in the plan meet relocation standards equivalent to those prescribed under section 105(c) of the Housing Act of 1949 with respect to urban renewal projects assisted under title I of that act, and (2) relocation activities are coordinated to the maximum extent feasible with the increase in the supply of decent, safe, and sanitary housing for families and individuals of low or moderate income, as provided under the comprehensive city demonstration program, or otherwise in order to best maintain the available supply of such housing for all such families and individuals throughout the city."

Obviously, this provision offers nothing new, but merely refers to the relocation standards of the Housing Act of 1949. There is no recognition of what the President's message referred to as "the social and psychological effects of relocating the poor." There is no recognition of the irreparable damage done to small business enterprises which have been built up to serve the needs of a neighborhood about to be obliterated.

2. *Failure to provide housing within the urban renewal neighborhood at a cost which would make it available to former residents of the neighborhood.*—This is recognized in the President's message by the statement that "Present programs are often prisoners of archaic and wasteful building practices. They have inhibited the use of modern technology. They have inflated the cost of rebuilding." In the winter, 1965 issue of Law and Contemporary Problems of Duke University School of Law, Dr. Martin Anderson also alludes to this failure, as follows:

"From 1950 through 1960, about 126,000 housing units were destroyed in urban renewal areas. Of these, 101,000 were classified as substandard by local