ment because of short amortization schedules. In addition, his age makes him a poorer loan risk. Government's only effective alternative to relocating the elderly businessman successfully as a self-sustaining person—businessman or employee—is to give him public assistance. The personal and psychological consequences of depriving an independent businessman of his livelihood and putting him on public welfare can be imagined.

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. Tenants are anxious to move out, thus decreasing the area's attractiveness and lowering the income of property owners. During demolition and construction, businessmen who remain in the area lose income. They sustain further losses during the actual period of packing, moving, and resettling at a new location. 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. Many difficulties of the first move out of the renewal area must be repeated. Rents in the renewal area are invariably higher and space is less likely to be suitable to their needs. Finally, small commercial establishments, which relied originally on a neighborhood trade, now find that their market has dispersed.

Prof. William N. Kinnard, Jr., summarized recent findings on the problems of business relocation: [29]

1. Relocation payments are useful but hardly sufficient to compensate the businessman for all losses involved.
2. Some affected businesses are marginal or even submarginal and could not be saved under any circumstances. Even so, many that discontinue or disappear could have survived in their previous locations or, under conditions of voluntary relocation, in other locations as well.
3. Compensation for real property solely in terms of the prices and rentals paid in the old location fails to recognize that the public program, by removing some of the supply of business space and creating a large volume of demand at one time, changes the market confronting the businessman who is forced to relocate.
4. Businesses that disappear or discontinue often involve a loss of livelihood for the owner-operator and his employees, particularly the older ones.
5. Businessmen need loans as well as grants to see them through the period of interrupted income.
6. A large proportion of businessmen and their employees may remain without income for a long time. They often must be supported by public assistance and need the help of social agencies.
7. A very large share of the displaced businesses are tenants who are in no way benefited by compensation for real property takings.

Government Relocation Assistance

The public programs that displace people and businesses make varying provisions for relocation aid. Tables 13 and 14 summarize the pay-

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[29] Select Subcommittee on Real Property Acquisition. *Hearings, op. cit.*, pp. 309–311.