

Senator BAKER. Mr. Chairman, if you would yield for just a minute.

Mrs. Spellman, I wonder really if in this matter of relocation costs generally we are not addressing ourselves to an element of existing law within the law of eminent domain. Theoretically, it seems to me, there ought to be consideration of incidental damages instead of actual damages to the value of property. It seems to me that is the concept of law, the common law and statutory concept, and our function here may be to clarify and elaborate on the intention, that somebody could be made whole if they were unwilling to buy their property.

Senator MUSKIE. I agree. I do not think that the people whose property is taken ought to be made to bear the lion's share of the burden of the public improvement. If the public improvement cannot stand the cost of making them whole, then it is not justifiable. The difficulty is to find formulas for implementing this concept. There is also the difficulty that you cannot change the built-in concept of fair market value without a positive assertion of new law. You have to be careful when you make that positive assertion of law that you do not open a great big door that leads to worsening things. I think this perhaps has a lot of merit.

Here is another point that is concerned with the same problem. The present law provides for relocation payment assistance beginning only when agreement has been reached between either the Federal Government and the locality which will proceed with the project. As far as I know no assistance is available during the planning stages of the proceedings. Yet this is the period when displacements begin under the threat of compulsory removal when the project is actually undertaken. During this period tenants move out long before an agreement or even any definite commitment to a project has been reached. Property values decline, tenants move out. Should there be something in the public policy to deal with this period when many people panic?

Mrs. SPELLMAN. I think that is a very, very valid point, really, because that is where the impact is felt. At that point, that is where the money is needed. It would also help speed up the process, too, so that we know that once this matter has gotten to that stage that there will be approval, and so we just ought to start working on this a little sooner and the funds very definitely are needed at that point.

Senator MUSKIE. I guess it is one of the costs of our democratic system that we have sometimes a prolonged period of discussions involving public referendums and city council meetings and discussion groups. When we prolong this period, it certainly creates very real hardships for a lot of people.

Mrs. SPELLMAN. I might point out that Baltimore City is having just this kind of problem. There is an area which is in transition, and which could almost hit the point of bankruptcy because of the delay here in providing the funds that are necessary to keep going.

Senator MUSKIE. One other question and then we had better get to our next witness.

The Committee on State and Urban Relations of the National Governors' Conference and various other State and local organizations have recommended the establishment of State and local central relocation agencies with which the various agencies would contract to handle State relocation problems. Is this a workable idea? Have you had