

You may know a Mrs. Murphy who was in the same kind of a situation I have just mentioned. Well, I know a Mrs. Perkins who is in the same kind of a situation that I have just mentioned. She is a lady who I guess is about 70, owns a little two-story house in a neighborhood which is not too attractive, but her home is well taken care of and very nice. When the urban renewal gets into that area and buys her house, even if she gets as much money as the bill makes it possible for her to get, it will not be enough for her to move to another home and become an owner, which means that this elderly lady, who has all her life been an independent homeowner and taxpayer, will not be able to do it unless we find some way to make more money available.

Senator MUSKIE. The administration testified, I think it was last week, recommending that up to \$5,000 be available in addition to the fair market price to cover just this kind of situation.

I take it you would be receptive to that suggestion.

Mr. MITCHELL. Indeed, I would. I think that up to \$5,000 in that situation might very well be adequate. I would say that a comparable dwelling, a dwelling comparable to the kind she now occupies, probably would cost in that market at around \$8,000 or \$9,000, which would mean that she would get her price from the Government and presumably up to \$5,000 in addition. There might be a little left over that is not taken care of.

But I have another suggestion in here that might fill that gap.

Senator BAKER. If the chairman will yield, and Mr. Mitchell will permit, there is also testimony taken at those hearings that consideration should be given to the test of replacement value as distinguished from fair market value of the facility taken. It seems to me that that may be a more equitable approach to the matter than the allocation or the allowance of an arbitrary additional "moving cost." Once again, I have an open mind on this but I think we have got to recognize the fact that in the case of involuntary displacement the replacement is the significant cost rather than the fair market value of the property taken, and some consideration should be given to it.

Mr. MITCHELL. Oh, I think that is so true. There was a case here in the Washington area where an elderly gentleman owned some property that was needed by private development and he held out, even though he just had a little shack, so he got, I think, nearly \$100,000 in the end. Well, if we were in a private operation, obviously, the owner could hold out and get what he wanted.

I think, as you have indicated, that equity would suggest that we do something which at least makes it possible for the displaced person not to suffer because he gets the fair market value of his house, but cannot purchase a similar place for that amount elsewhere. Also—

Senator HANSEN. Mr. Chairman, if I could interrupt, let me say first of all that I am very much interested in your testimony, Mr. Mitchell. I might add, parenthetically, I subscribe to the statement made by Senator Baker. It seems to me that that is the test that should be applied, and not the application of the fixed amount on top of what otherwise might be available.

But if we are thinking about trying to put a person back into the status that he was in prior to the exercise of the rights of eminent domain, I think we have got to be concerned with the replacement. On that basis, have you any idea as to the impact that these programs