

This certainly is not in keeping with the idea of the equitable effort to make the displacee whole. Now, I wonder if the chairman would be willing to ask appropriate agencies to supply us information to the extent of that practice. I know of my own knowledge that it does exist.

Mr. MITCHELL. I do, too.

Senator BAKER. I would be very interested in finding out how extensive it is in those concerned with highway projects, with urban renewal projects, with other projects, including the Corps of Engineers, not to single them out specifically, but along with others who are involved in the acquisition of properties and the displacement of people by eminent domain.

Senator MUSKIE. I think there are probably other lines of inquiry that could accompany the two you two Senators have suggested, and I would ask the staff to do that with the Department—I do not know to what extent the Department of Transportation might have documentation of the practices of the various State highway commissions, but to the extent that they are in a position to provide information we ought to explore it along these lines and others that occur to you.

Senator BAKER. I am sure, Mr. Chairman, that they do have because they reserve the right to pass on the transaction the amount of the original tender offered and the amount of money actually tendered in court according to various procedures for eminent domain. I am certain those two are available, and I think that might give us some reasonable information on the picture.

Mr. MITCHELL. I think that would be true of many of the States and cities also and, probably, to a much worse degree than the Federal Government.

Senator MUSKIE. I had not thought of it, but I do not think that I would be disposed to quarrel at all with the general statement that you have made. Senator Hansen?

Senator HANSEN. It could be that this additional facet of interest has already been explored. But if it has not, what are the rules and guidelines that apply in the passing of title with the exercise of eminent domain insofar as tax liability is concerned? Are there certain times within which a reinvestment can be made? Has that question been explored?

Mr. MITCHELL. There is a provision in this bill which I believe is designed to try to meet that problem in that the extra amounts which are given are not to be considered as taxable income. I do not recall the section, but I assume that is what the framers of the legislation had in mind.

Senator HANSEN. Does it make any difference whether or not that award is reinvested in other income-producing property on a whole?

Mr. MITCHELL. There is a requirement, as I recall, that it must be in property where you acquire the fee, or a 99-year lease, and that either is a home in the case of a homeowner, or a business in the case of a businessman, as covered by this bill, which I think is a very good provision.

Also the "substantial economic injury" clause in lines 20 and 21 on page 40 may well prevent many small operators from getting the kind of assistance they would need in a new area. Elderly and even