have been governed by uniform policies for land acquisition since the enactment of title IV of the Housing Act of 1965 in August of that year. We are pleased to endorse their extension to all of the land acquisition programs of the Government.

Section 905 of the title sets forth the land acquisition policies that State agencies will be required to follow as a condition of Federal financial assistance for the acquisition of real property or the provision of a public improvement. The requirement that an owner of real property be offered a fair and reasonable price before commencement of negotiations was adopted in February of this year for the low-rent public housing program, the title I urban renewal program, and other programs of the Department. We believe that an offer of the full fair value for property to be acquired is necessary to protect the unsophisticated and the poorly informed, who should not be required to contend with unduly hard bargaining by agents for a public body. Indeed, we believe that a policy of offering fair value is necessary to discharge the governmental obligation to see that all owners of real property are treated fairly and impartially before their property is taken for a public use or purpose. While this policy represents a marked departure from past governmental practice, we believe that it represents a necessary reform, and our limited experience to date indicates that it is working well. I should point out that we regard this as a fair-price policy, but not a hard and fast one-price policy, since it is possible to have negotiations as to price, centered upon factors that may have been overlooked by the public body in arriving at what it believes to be a fair and reasonable consideration for the property.

Section 905(*b*)(2) provides that the State agency will, in determining the amount of compensation for the property, disregard any decrease in the value of real property prior to the date of valuation if the decrease is caused by the public improvement and is not due to physical deterioration within the reasonable control of the owner. We believe that it is generally fair and equitable to ignore any decrease in the value of the property that is caused by the public improvement or the likelihood that the property is to be acquired for the improvement.

We agree with the recommendation of the Bureau of the Budget, that the effective date of the land acquisition practices required under section 905(*b*) should be deferred to a date 3 years after enactment, in lieu of the January 1, 1970, date contained in the bill. The additional leadtime will not only permit States and municipalities sufficient time to make changes in their laws, but also to determine whether to apply these policies to other land acquisition programs and to make the necessary adjustments in present procedures and practices so that the new system will work well from the time it is initiated. As recommended by the Bureau of the Budget, the effective date of section 906, which repeals the present HUD land acquisition policies, should be similarly postponed.

I would also like to mention an expense item which is presently compensable under our programs but which is not covered under this legislative proposal. The part of the title that deals with federally assisted programs contains no provision, such as is found in section 904 in the case of Federal programs to cover expenditures incidental to the transfer of property to the acquiring agency. These would include record-