

HUD displacement payment, in the end administrative savings may well result in fiscal savings.

While provisions of more adequate relocation payments will not prevent liquidate of some displaced businesses, notably those with elderly proprietors, for many small undercapitalized businesses, the provision of full moving costs will make the difference between successful relocation and the painful decision to go out of business. An analysis of past experience in the Commonwealth shows that while 25% of businesses displaced by urban renewal liquidate, for highway displacement this figure is now 35%. There appears to be a definite relationship between the adequacy of relocation payments and the higher liquidation rate.

Projection of past experience also indicates that the uncompensated moving costs under present highway restriction of \$3000 will reduce the net worth of more than 500 businesses and will adversely affect their working cash position.

Therefore, the Commonwealth urges the adoption of a Uniform Relocation Assistance Act in order to assist more adequately the relocation of households from federally financed projects, and in order to provide for relocation assistance to businesses which will minimize the liquidation rate of displaced businesses, end the inequities between programs operating in the same communities, and reduced the hardship upon businesses forced to move for the benefit of the general public.

In conclusion, we all know that relocation has been a major source of controversy in capital improvement programs today. It can be expected that this tension will grow as more public works projects come into being. If the relocation programs can be made more effective and more equitable, the development process could be smoothed and improved, greatly to the benefit of those displaced and the community as a whole.

TABLE A.—ESTIMATED DISPLACEMENT OF HOUSEHOLDS AND BUSINESSES BY GOVERNMENT ACTION, COMMONWEALTH OF MASSACHUSETTS, 1968-72

Takings by—	Residential				Businesses	Percent
	Family	Individuals	Total	Percent		
Renewal.....	5,085	3,942	9,027	42	3,871	56
Highway.....	10,627	71	10,698	49	2,979	42
Other.....	1,438	639	2,077	9	181	2
Total.....	17,150	4,652	21,802	100	7,031	100

Source: Commonwealth of Massachusetts, Bureau of Relocation. Derived from estimates furnished by agencies with eminent domain power.

APPENDIX A

This summary of business displacements for the period 1964 through 1967, and projections for 1968 through 1972 serve to emphasize the increasing seriousness of the economic hardship on the businesses displaced incidental to Federal or federally assisted highway programs.

Based on actual displacement reports received from all taking agencies within the Commonwealth, the following has been established:

REPORTED DISPLACEMENT EXPERIENCE

Urban Renewal.—1964 through 1967, 3623 business units were displaced. Relocation case records indicate the total relocation experience is as follows:

(a) 2717 (75%) units relocated with move expenses

(1) 2078 (75.4%) with relocation costs under \$3000.

(2) 441 (17.5%) with relocation costs over \$3,000 but under \$10,000.

(3) 154 (5.6%) with relocation costs over \$10,000 but under \$25,000.

(4) 42 (1.5%) with relocation costs over \$25,000.

(b) 906 (25%) units ceased operations incurring no move expenses but received property loss, small business displacement payments and other benefits.