Federal and Federally Aided Highway Programs, 1963 through 1967, approximately 246 units displaced. Relocation case records indicate:

(*a*) 217 (75%) units relocated with move expenses reimbursed up to $3,000.

(1) 143 ($65.9%) with relocation costs under $3,000 paid in full.
(2) 61 (28.1%) with relocation costs over $3,000 paid only $3,000.
(3) 13 (6%)[1] with relocation costs over $25,000 paid only $3,000.

PROJECTED DISPLACEMENTS 1968 THROUGH 1972

Urban Renewal activities indicate 3870 units will be displaced during this period. There is no reason to believe that the relocation experience will vary substantially from the 1964 through 1967 period.

Federal and federally aided Highway Programs project a displacement of 2979 units during this period, a 1400% increase over the past five years. During this five-year period there will be three units displaced by highway programs for every four units displaced by Urban Renewal.

If the broader base urban renewal experience factors are applied to the projected highway displacement, the results are:

(*a*) 745 units (25%) will cease operations—liquidation or other—without benefits.

(*b*) 2,234 units (75%) would normally be expected to relocate:

(1) 1675 units (75%) with move expenses within the present $3,000 limit.
(2) 400 units (17.5%) with move expenses over $3,000, but under $10,000.
(3) 125 units (5.6%) with move expenses over $10,000 but under $25,000.
(4) 34 units (1.5%) with move expenses over $25,000.

Most recent national statistics indicate a liquidation rate of 25% for urban renewal activities and 35% for federal highway programs. It can be reasonably expected that 10% of the 560 units with move expenses in excess of $3000 will liquidate due to inadequate relocation compensation. The average number of employees in this business category is slightly over 4 per unit indicating a permanent loss of 224 job opportunities for the area. The other 500 will in relocating experience unwarranted economic hardship, in that the uncompensated move costs will reduce their net worth and, more importantly, their working cash position. This loss of course puts them in an inferior competitive position with both urban renewal relocatees and those businesses not displaced by either program.

As indicated above an additional 745 units can be expected to liquidate for noneconomic reasons, but accelerated by the forced displacement. A gross inequity exists in that these business displacements will not receive the minimal compensation granted to similar displacements due to urban renewal activities. This type of business liquidation almost without exception, involves an elderly business man with a non-salable business due to impending displacement and because of age with no alternatives but to accept the economic loss due to liquidation.

NATIONAL LEAGUE OF CITIES,
U.S. CONFERENCE OF MAYORS,
Washington, D.C., June 18, 1968.

Hon. EDMUND S. MUSKIE,
Chairman, Senate Subcommittee on Intergovernmental Relations, Senate Office Building, Washington, D.C.

DEAR SENATOR MUSKIE: Please accept this as a supplemental statement to our testimony on S. 698, the Intergovernmental Cooperation Act. The National League of Cities and U.S. Conference of Mayors wishes to reiterate its strong support for title VIII of S. 698 dealing with uniform relocation policy.

In particular, we would like to comment upon section 807(b) which provides that the Federal government shall contribute the first $25,000 of the cost of providing a relocation payment to any displaced person. Such authorization is the most significant step taken by the Federal government in the history of

[1] Urban Renewal experience is 1.5%.