

Mr. SCHWENGEL. An increase now?

Mr. PIKARSKY. Yes.

Mr. SCHWENGEL. Because of the cutback?

Mr. PIKARSKY. Well, because of the pressures in the economy.

We really assume that if there are delays, that this will continue and at least at the same pace, and perhaps at an accelerated pace; so there certainly would be problems there in how far we will be able to stretch our highway dollar.

Mr. SCHWENGEL. That conceivably can be proved, that the cutback will cause more inflation.

Mr. PIKARSKY. I do not believe there is any doubt that we could make a positive case, without any question, in that area.

Mr. SCHWENGEL. Now, further on this point, are you making studies now of the economic advantages that come to your area because of the Interstate System, the building of the transportation system?

Mr. PIKARSKY. We have made some. We are making additional studies which would show that the taking of some of the land from the tax rolls, while it has a serious problem for the individual home owner, and we hope that by improved relocation and purchasing procedures, we can minimize the impact on the community, otherwise, as Mayor Braman said, regardless of any other benefits we are not going to have any urban expressways built in any urban areas.

It is going to come to a halt as it has in San Francisco, New York, Boston, and other areas.

I think this is the major reason why consideration should be given to increased relocation payments.

Aside from that, we have shown that by planning the highway in context with residential-industrial corridors, we bring in a tax base to the city that has not been there now, and develop that more fully and encourage the people to come where the labor market is.

Right now many people are leaving the central city because of the highway congestion to relocate outside the central city, and they are doing that at a disadvantage in not having an adequate labor market.

Mr. SCHWENGEL. Now, with the development of your system, and I know something about Chicago because my family lives there, and we go there quite often, and I can say that going downtown is a lot easier now on the north side than it used to be, and it is a reduction of cost and improvement of convenience, but it is also the extra cost of goods and materials that have to be delivered in and out of that area, and I am wondering if you are asking people, we are trying to gather some figures on the estimated amount of that reduction of cost.

Mr. PIKARSKY. We are doing that as part of the justification of our system in benefit-cost ratios and all, and we are certainly doing that and, of course, the other important aspect of this is the saving in lives.

There is no question that there is a considerable saving in lives throughout the entire Interstate System.

Mr. SCHWENGEL. I am sure that is true, but if we can have those figures, the economic effect that you have just now mentioned, the overall economic effect that is to the people and the businesses, and the taxpayers, and you established pretty well that we are not losing overall on the tax base, in fact we are improving the tax income for the local communities.