

Senate - Armed Services

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# NAVY LAND ACQUISITION, PHILADELPHIA, PA.

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## HEARINGS

BEFORE A

### SUBCOMMITTEE OF THE COMMITTEE ON ARMED SERVICES UNITED STATES SENATE

EIGHTY-SEVENTH CONGRESS

FIRST SESSION


ON

NAVY LAND ACQUISITION NO. 11, SITE FOR CONSTRUCTION OF  
CAPEHART HOUSING, ADJOINING U.S. NAVAL BASE,  
PHILADELPHIA, PA.

JUNE 29 AND JULY 17, 1961

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NAVY ACQUISITION NO. 11, SITE FOR CONSTRUCTION  
OF CAPEHART HOUSING ADJOINING U.S. NAVAL  
BASE, PHILADELPHIA, PA.

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THURSDAY, JUNE 29, 1961

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON ARMED SERVICES,  
*Washington, D.C.*

The subcommittee (composed of Senators Thurmond (chairman), Bartlett, Cannon, Case of South Dakota, and Beall) appointed to consider Acquisition No. 11 by Navy of 27.59 acres of land adjoining Naval Base, Philadelphia, as a site for construction of 400 Capehart housing units, met, pursuant to notice, at 2 p.m., in room 212, Old Senate Office Building.

Present: Senators Thurmond (presiding), Cannon, and Case.

Also present: Senator Clark of Pennsylvania.

Harry L. Wingate, Jr., chief clerk; and Gordon A. Nease of the committee staff.

Senator THURMOND. The subcommittee will come to order.

All of the members are not here at this time, but we are going to start on time, and I am sure they will be here within a few minutes.

The Senators have a great many obligations and sometimes the public does not understand, but they cannot always be present if we have a meeting.

The purpose of the meeting this afternoon is to give consideration to Navy acquisition project No. 11, which proposes the acquisition of fee title in 27.59 acres of land in the city of Philadelphia.

This land is desired to provide a site for 400 units of Capehart housing which were authorized in last year's Military Construction Act.

The Navy's estimate of the cost approximates \$550,000. Although this seems rather expensive, there is some indication this may be a low estimate, and that the property may cost the Government considerably more and in excess of the amount the law allows for the acquisition of lands and outside utilities in connection with Capehart housing projects.

We, therefore, plan to explore the Navy's requirements, the probable cost of this property, and the availability of other possible less expensive sites.

We have with us witnesses from the Department of the Navy and other interested outside witnesses from the city of Philadelphia, including the Honorable Richardson Dilworth, the mayor of Philadelphia.

In order to put this matter into the proper perspective, we will hear first from the Navy witnesses. You may proceed, Captain Heaman. (The fact sheet, together with the acquisition report follow:)

FACT SHEET—NAVY ACQUISITION PROJECT No. 11

(1) Attached is a copy of the proposed Navy acquisition project No. 11 which if approved would provide for the purchase of fee title in 27.59 acres of land in the city of Philadelphia at an estimated cost of \$500,000. (The Navy's most recent appraisal is \$550,000.) The purpose of this acquisition is to provide a site for 400 units of Capehart housing authorized in Public Law 86-500.

(2) The Navy personnel who will occupy the proposed Capehart housing now reside in a project known as Passyunk Homes which were built by the Government during the war and then turned over to the city of Philadelphia with the proviso that the Navy should have occupancy of a certain number of units. The right of the Navy to occupy 679 units of this housing terminates on February 1, 1962, and the city of Philadelphia is most desirous of having these units for its own use.

(3) Supposedly, a great number of other Government and privately owned tracts of land in and near Philadelphia were examined, but this proposed site was the only one found suitable. It is adjacent to the Naval Hospital and within walking distance of the Philadelphia Navy Yard.

(4) The Marshall Building & Contracting Corp., owners of some 18 acres of the proposed tract, strongly oppose the taking of this land by the Navy. They have presented an appraisal from a reputable appraiser indicating the value of the entire 27.59-acre tract at fair market value is \$950,000. This firm proposes to develop private housing on the property they supposedly own and have done so on nearby property. Representatives of this firm desire to testify.

(5) Attorney John J. Gilbride, Jr., representing M. Wilson & Sons, Inc., general contractors, who own and operate a business from some 3 acres of the proposed tract, has submitted an appraisal indicating the Wilson investment is valued at \$566,232. The Wilson Co. estimates their moving cost will approximate \$60,000.

(6) Among other suggested sites for the Capehart housing project is the Navy-owned Mustin Field which is adjacent to the Philadelphia Navy Yard. This field contains only a 3,000-foot runway. It is now used only for administrative flying and some research and development on a catapult located there. It has been indicated, however, that due to the high water level underlying this area and the poor foundation conditions, Mustin Field is unsuitable for housing. In part, at least, a similar situation exists on the property the Navy proposes to acquire as it is fill land and will require pilings under the foundations.

Secondly, the Navy will shortly declare Fort Mifflin, an old ammunition storage depot, surplus. It is understood this property contains over 400 acres and is located about 2 miles from the proposed housing site. It is believed the city desires this property for industrial purposes.

(7) Under existing law the military departments may spend as much as \$1,500 per unit in appropriated funds for land acquisition and outside utilities on any one Capehart project but not to exceed \$1,000 per unit for all projects. Under this procedure the Navy could spend as high as \$600,000 for the property. Since it will undoubtedly be necessary for them to proceed with condemnation, and should the courts allow more than this, they may pay the difference out of funds available to them for deficiency judgments provided for in the appropriation act. In addition to whatever they do pay for the property, they must likewise pay for outside utilities which the Navy feels will not exceed \$30,000, and they will have to pay moving costs for certain residences and businesses now located on the property. It appears unlikely that the Navy can acquire this property for the amount stipulated by them.

(8) On June 13, 1961, the House Committee considered and approved this project. A review of the testimony indicates they heard only Navy Department witnesses and one unofficial witness from the city of Philadelphia. They did, however, have the appraisal report submitted by the Marshall Building & Contracting Co. before them.

(9) Possible witnesses: (a) Navy witnesses; (b) representative of Marshall Building & Contracting Co.; (c) representative of M. Wilson & Sons, Inc.

## ACQUISITION REPORT No. 11

Station designation: U.S. Naval Base, Philadelphia, Pa.

Use: Capehart housing project; housing facilities at the naval base.

Area: 27.59 acres.

Estimated cost: \$500,000.

Authorization act: Public Law 155, 82d Congress.

Appropriation act: Public Law 86-630.

(1) This is a report concerning the proposed acquisition of fee title in 27.59 acres of land, at an estimated cost of \$500,000, as a site for the construction of 400 units of Capehart housing authorized by Public Law 86-500.

(2) The mission of the U.S. Naval Base is to provide logistic support for the operating forces of the Navy and for dependent activities and commands in the area. The units to be constructed are for occupancy by enlisted personnel of the base. The enlisted personnel of the base is 2,436 and the proposed permanent peacetime strength will be approximately 2,400.

(3) The land proposed for acquisition adjoins the Naval Hospital, Philadelphia, and is located about 1 mile from the main entrance to the naval base. It is bounded by four city streets. The land consists of 21 parcels in 13 ownerships. Families or tenants occupying four brick dwelling houses, and the owners or lessees of a miniature golf course, a small restaurant, a small office building, and a general repair shop will be required to vacate as a result of this acquisition. No relocation of roads or streets will be required. Utilities in the area can be extended to serve the land proposed for acquisition. Markets, schools, churches, and recreational facilities are available in the residential areas north and west of the land. The housing will be row-house type.

(4) There is no suitable Government-owned land available in the vicinity of the naval base on which the housing could be constructed. The site selected is the only available, relatively unimproved land, in the vicinity which is suitable for the proposed housing.

(5) This submission is in accordance with the provisions of section 511, Public Law 86-500.

**STATEMENT OF CAPT. W. H. HEAMAN, ASSISTANT CHIEF, BUREAU OF YARDS AND DOCKS FOR REAL PROPERTY MANAGEMENT; ACCOMPANIED BY WILFRED P. TIENCKEN, BUREAU OF YARDS AND DOCKS FOR REAL PROPERTY MANAGEMENT; F. P. CAHILL, APPRAISER, NAVY DEPARTMENT; LT. COMDR. D. P. WHYTE, CAPEHART HOUSING CONSTRUCTION OFFICER; WILLIAM JOHN GREGG, OFFICE OF ASSISTANT SECRETARY OF THE NAVY (I. & L.); REAR ADM. CHARLES H. LYMAN, COMMANDANT, FOURTH NAVAL DISTRICT; AND HAROLD S. SHAW, DIRECTOR, HOUSING DIVISION, FOURTH NAVAL DISTRICT**

Captain HEAMAN. Thank you, Mr. Chairman. Mr. Chairman, Senator Case, in the requirements for this project, as you said, it was developed several years ago, and it was authorized this last year.

Our last housing report shows that the need for 1,900 housing units exists in Philadelphia. We have about 200; about 500 are taken care of, leaving a balance of 1,200 needed.

Now, in addition, we have, several years ago, in 1957, I think, transferred to the city of Philadelphia the Passyunk housing area which is a low-cost housing area.

We have 679 enlisted people living in that housing area.

One of the requirements of this transfer was the fact that the Navy would vacate within 3 years. Those 3 years have passed and each year the Congress has extended it, and this is within the city.

Senator CASE. Admiral, was this some of the Lanham housing?

Captain HEAMAN. Yes, sir; low-cost housing.

Mr. GREGG. I am from the Assistant Secretary's Office.

Passyunk Homes were built with Navy appropriated funds, sir. The unit was built for Navy enlisted personnel and civilians attached to the shipyard during World War II.

In about 1956-57, Congress, without the request of the Department, transferred or made it available for transfer to the city of Philadelphia, sir, which created our housing problem for service personnel in one of the housing bills before the Congress.

Senator CASE. How many units were there in this housing?

Mr. GREGG. Approximately, well, there were two portions of Passyunk. It was built in two blocks. If I recall correctly in the neighborhood of a thousand units or 1,100 units. I can supply that for the record. (Nine hundred ninety-six units.)

Senator CASE. Are they still occupied?

Mr. GREGG. Yes, sir.

Senator CASE. By Navy personnel?

Mr. GREGG. No, sir. We have an allowance in the neighborhood of 600 or 700. They had to give us priority under the terms of the law, sir.

Captain HEAMAN. We have 679 living in there at the present time.

Senator CASE. And you say the right of the Navy to occupy that terminates in 1962?

Mr. GREGG. Yes, sir.

Captain HEAMAN. Yes. It was 1960, and then extended by Congress, and I thought it was for 1 year.

Senator CASE. I wonder if we are talking about different things. The Lanham Act housing was extended for 3 years, but if this is built out of appropriated funds, it probably has a different status.

Captain HEAMAN. Section 705, amending section 802 of the Housing Act of 1959 to extend for 1 year the period during which military personnel and civilian personnel employed in defense activities may continue to occupy the Passyunk war housing project in Philadelphia, with occupancy preference and without regard to their income.

Senator CASE. Well now, does that mean you have 1 year beyond February 1, 1962?

Mr. GREGG. No, sir.

Captain HEAMAN. It is just 1 more year.

Senator CASE. When does that extension expire?

Admiral LYMAN. February 1962. (Public Law 87-70 approved June 30, 1961, extends date to 1963.)

Senator CASE. All right. Thank you.

Captain HEAMAN. In order to provide this additional housing, 400 units of enlisted housing, we made a survey of some 33 Government sites in the Philadelphia area, and found none of those that were suitable, and then investigated some 20 other parcels of privately owned land.

Of the Government property, the two that have the most possibility were Mustin Field and Fort Mifflin.

For these, due to location, cost of improvements, the lack of community support, marshaling yards adjacent, the test center, and various other reasons, we gave them up and selected this site adjacent to the Navy yard in Philadelphia, consisting of these 27 acres.

Now, the site selected, as shown on this enlarged picture here, and I have another chart which I will show in a minute of the other location, is a very, very desirable location for housing.

Senator THURMOND. You might point out anything on the map you want to show us as you go along.

Captain HEAMAN. This is the site right in here.

Senator THURMOND. That is the 27.59 acres?

Captain HEAMAN. Yes, sir. This is a city park, city golf course, the naval hospital is adjacent and this is the Passyunk housing area that we spoke of earlier.

This is the same area, this being the Navy yard, Mustin Field, Fort Mifflin, the International Airport, naval hospital, the Franklin Roosevelt Park, the golf course. This in green is the site in question. This is the naval hospital, and the Passyunk homes are here.

Senator CASE. Just so we get this into the printed record, Captain, the golf course that you speak of is located between the Navy yard and the proposed site for the Capehart housing.

Captain HEAMAN. Yes, sir.

Senator CASE. And the Passyunk housing is immediately north of the Capehart site?

Captain HEAMAN. Yes, sir.

Senator CASE. And the U.S. naval hospital is immediately east of the Capehart site?

Captain HEAMAN. Yes, sir.

Senator CASE. How far is it from the U.S. naval hospital to Mustin Field?

Captain HEAMAN. This would be about a half mile to the main gate, down into here about eight-tenths of a mile.

Senator CASE. Eight-tenths of a mile from the naval hospital to the Navy yard?

Captain HEAMAN. About half a mile.

Senator CASE. Half a mile.

Captain HEAMAN. Yes, sir.

Senator CASE. Where is Mustin Field in relation to the Navy yard?

Captain HEAMAN. Mustin Field lies just to the east of the Navy yard proper. It is immediately adjacent to it.

Senator CASE. And both Mustin Field and the Navy yard are in the area circumscribed by this red line?

Captain HEAMAN. Yes, sir.

Senator CASE. And so Mustin Field is contiguous to the Navy yard?

Captain HEAMAN. Yes, sir.

Senator CASE. Thank you.

Captain HEAMAN. The project that we propose will be row houses compatible with Philadelphia-type construction in that area.

They will be three and four bedroom, basement, garages, 1½- and 2-bathroom houses.

Our plans have been checked out and are compatible with the desires of the city, have been approved by the inspector's office, and meet the Philadelphia building codes.

It might be well to go into our valuation of the property.

In February of this year we had two appraisals made by two reputable and well-known appraisers in the Philadelphia area. They made the appraisal of this area at approximately \$1,250 per housing unit.

This appraisal was completed in February, and the two appraisals came out remarkably close. I want to emphasize they were separate and independent appraisals. Two different companies made two different, separate appraisals.

Then, as there were several other sales that had been reported subsequent to the appraisal early in June of this year, we had our appraisals by these two appraisers updated. They brought them up to the 9th of June so that they are very, very recent, and based on every bit of known information that they could get. They reviewed their estimates, raised them slightly, and it comes up to about \$1,370 per housing unit.

Now, in addition to this, the week prior to the 9th of June, the first week of June, we had Mr. Cahill, sitting here, our senior Navy appraiser, spend a week going over these appraisals with the appraisers, with other people, review all of the other information available in the area, and he feels that this is a sound appraisal.

The assessed evaluation, incidentally, of this land is \$147,700.

Senator THURMOND. What was that figure?

Captain HEAMAN. \$147,700, and a 61-percent ratio of the Philadelphia area would make the market value \$250,000.

Now, this assessed valuation is not up to date, but our appraisers did take that into consideration and, as you know, our appraised evaluation for the tract as a whole is \$550,000.

Do you have any questions, sir?

Senator THURMOND. All right. Do you have any information regarding what the current owners paid for this land, and when it was purchased?

Captain HEAMAN. Mr. Cahill, our Navy assessor, is here, and he did look into that question, sir.

Mr. CAHILL. Yes, sir.

I find from the record that the appraisers have gotten, and that the records that the District Public Officer procured from the deeds, that between 1955 and 1960, 18½ acres were bought at a price—

Senator THURMOND. Excuse me, just a minute.

I understand Senator Clark has come in.

Senator Clark, won't you come around and sit with the committee?

Senator CLARK. Thank you very much, Senator, I did not want to interrupt your committee. I just wanted to present the mayor of Philadelphia and then I will be on my way.

Senator THURMOND. You may sit with us.

You may proceed, Mr. Cahill.

Mr. CAHILL. I found that 18½ acres or 67 percent of the land that we hope to acquire, was bought between 1957 and 1960 for \$187,500. There is one sale there or one parcel—

Senator THURMOND. How many acres did you say that was?

Mr. CAHILL. Eighteen and one-half, call it, sir.

Senator THURMOND. I see. All right.

Mr. CAHILL. Now, I have reduced that 18½ to 27.59 on that same proportion, thinking you gentlemen would like to do it, and it comes out to \$280,000.

Senator THURMOND. In other words, if you use the same cost per acre then the 27.59 acres would aggregate what figure?

Mr. CAHILL. \$280,000, sir.

I presume you only want them in round figures.

Senator THURMOND. That is all right. Thank you.

Mr. CAHILL. Now, there is a reasonably big parcel, parcel D owned by Simon for 7.88 acres, that had been in an estate for several years, and that—

Senator THURMOND. How many acres is that?

Mr. CAHILL. 7.88. If you add that to the 18.47, you have 26.35 acres, practically the entire take. But that, as I have said, sir, has been in the same ownership for years, and there has been no sale of it to date.

Senator CANNON. Has that property been offered for sale?

Mr. CAHILL. That property has been offered for sale, and we found an agreement of sale, sir, for that property. The appraisers knew of that agreement of sale, and two other agreements of sale of the same parcels of the same area that we now know of.

They took that into consideration and came up with this revised value of \$550,000.

Senator THURMOND. What did the sale agreement provide for, what was the figure in the sale agreement?

Mr. CAHILL. That sale agreement was \$213,000.

Senator CANNON. \$213,000?

Mr. CAHILL. Yes, sir. It was dated May 18, 1961.

Senator THURMOND. There were two other agreements, weren't there?

Mr. CAHILL. Yes, sir.

Senator THURMOND. That was one agreement that covered 7 acres, I believe?

Mr. CAHILL. Yes, sir.

Senator THURMOND. And there was another agreement which covered 5 acres, wasn't there?

Mr. CAHILL. 4.92. That was for \$165,000.

Senator THURMOND. And then the third agreement covered about 10 acres?

Mr. CAHILL. 10.37 acres. That was for \$260,000. The agreements for the 10.37 acres and the 7.88 acres provided, among other things, that the agreements should not be recorded. But, again may I repeat, sir, our appraisers in their revision studied these agreements rather carefully.

Senator THURMOND. They took the agreement into consideration in arriving at their fair market value?

Mr. CAHILL. At \$550,000.

Senator THURMOND. All right, sir.

Captain HEAMAN. There are other considerations. For example, in one of the agreements the seller included the provision for the sanitary sewers, the storm sewers, the water lines, the paving in the streets, the filling and grading of the area, which would be an additional cost, but that was taken as part of the selling price.

Senator THURMOND. I see. Can you furnish any information regarding recent sales of land in this immediate area?

Mr. CAHILL. The appraisal report is very voluminous on sales of land around in the area. I have about 30-odd sales.

Senator THURMOND. Could you just give us some examples in the immediate area?

Mr. CAHILL. Here is one that is shown on the plot plan, east side of Twentieth Street, excluding a small corner, from Pack Avenue to south of Gary Street, dated November 1956, 18 acres, \$200,000, at \$11,100 an acre.

Senator CANNON. Excuse me, was that 1956?

Mr. CAHILL. That was November 1956.

Another one, April 1957 was for 10½ acres at \$15,000.

Another one dated September 1960 covers four small parcels.

Senator THURMOND. What date was that?

Mr. CAHILL. September 1960, sir.

Senator THURMOND. 1960. All right, go ahead.

Mr. CAHILL. It is right small. It was 1.4 acres, approximately \$15,000 an acre.

We have another one that covers two very small parcels and, sir, it is my opinion that the appraisers exhausted the entire field, and this is what they found, they had 1.37 acres, a settlement as of this date had not been completed, but it was a price at \$31,000 which was indicated.

Senator THURMOND. \$31,000 for the 1.37 acres?

Mr. CAHILL. No, sir; per acre.

Senator THURMOND. Per acre.

Mr. CAHILL. In all cases, if you desire me to, I will give you the price per acre.

Senator THURMOND. Yes, sir; I wish you would do that.

Mr. CAHILL. Now, we have another one for 4.2 acres in April 1960 at an indicated price of \$18,333 per acre.

I have another one in January 1961, for 11 acres for \$14,000 an acre.

And, sir, may I correct the record when I say "I have;" "the appraisers have" in their report, and considered it.

Then he says, "I have examined the revised master plan of the Food Distribution Center, a copy of which is enclosed herewith," and he says, for example, "45 acres were purchased by Food Fair Stores at \$10,000 per acre. Perloff Bros. purchased 21 acres at \$10,000 per acre. The Horn & Hardart Baking Co. purchased 15 acres at \$10,000 per acre."

Senator CANNON. Those are all industrial sites, is that right?

Mr. CAHILL. These are for that Food Distribution Center which lies over there quite a ways removed. It is reasonably so it will be accessible for tenants of this development for use.

Captain HEAMAN. It is an industrial area which has been developed through here.

Senator CLARK. If I may say something, Mr. Chairman, because this was done when I was mayor of Philadelphia, the Food Distribution Center was a large area brought together under the auspices of the city and turned over to a corporation for development to give food distribution for the entire metropolitan area of Philadelphia, and they now have land accessible for commercial sites and food distribution sites, and a limited amount of industrial property.

Mr. CAHILL. Now, they also recognized the sale or the offer of sale of the so-called aquarium site, which is for 10 acres at \$50,000 per acre.

They did not pay much attention to that. They said they did not know why. I found recently, had it checked, that 7.5 acres of that sold in 1952 for \$4,000 per acre, and tract 2.7 acres, sold in 1955 for \$7,000 an acre.

I asked one of the appraisers if the sale had gone through, when I was there, and he said as of that date it had not.

Senator THURMOND. In your opinion, has the value of these properties been inflated due to the Government's interest in it?

Mr. CAHILL. Well, Senator, I have had 45 years of experience, and I think—and I do not mean it, sir, facetiously—that when it is known that the Government is going to acquire properties they do have a tendency, sir, to go up.

The appraisers, however, must have recognized that because they raised their valuation between February of 1961 and early June of 1961 some 10 percent.

Senator THURMOND. According to the appraisal reports submitted by Mr. Ezra Whitman, Jr., the Marshall Building & Contracting Corp., who will later testify, 22 acres of this land are under agreement of sale for a total of \$638,000. Would you care to comment on this?

Mr. CAHILL. That is the same one, sir, that I was telling you about. I can recapitulate that if you wish. I recapitulated it, and I think he is right.

Senator THURMOND. You covered that, I believe.

Mr. CAHILL. I thought I had.

Captain HEAMAN. Those were the contracts 1, 2, and 3 we referred to earlier.

Senator THURMOND. Have you given careful consideration to other possible Government-owned sites for this housing?

Captain HEAMAN. Yes, sir.

Senator THURMOND. Such as the Mustin Field or Fort Mifflin?

Captain HEAMAN. Yes, sir.

Senator THURMOND. Which, I understand, is soon to be declared excess?

Captain HEAMAN. Originally we made a study of 33 possible Government sites in this area, which were Government owned, to see whether they were suitable or could be used for this housing.

In addition to the 20-odd sites, and on this map you will notice down by the International Airport is the Fort Mifflin site, which is excess. It is immediately adjacent to the sewage disposal plant, and to the north you will see the sewage leaching beds. The industrial area is up in here and up in here [indicating]. It is an industrial type of plan, rather than residential.

This is low around the outer edge of it. The only suitable place is in the very center.

Senator THURMOND. Fort Mifflin is across the river, too, is it not?

Captain HEAMAN. Yes, sir. Here is the Schuylkill River. The Navy yard is to the east of the river. Fort Mifflin is to the west. The Delaware River, to get there would have to come up across this bridge up here and down. We have some recent photographs of Fort Mifflin area, the leaching beds up in here [indicating]. Here is the end of the runway which is the main duty runway for the Philadelphia airport, taking off right across the top of the site.

The other site, Mustin Field which we discussed earlier, is the area contiguous with and immediately adjacent to the Navy yard. That is an operating administrative type field.

You will notice the runways in here [indicating] and I also have a photograph of that, showing the main runways.

The only possible area for housing in there would be up in the northern part between the runways immediately adjacent to the marshaling yard, the railroad track area, to the north. We had those two.

It might be of interest to the committee to know that we queried the Federal Housing Administration to ask them what they thought of the two sites, and taking the Fort Mifflin site, they said:

Our normal underwriting procedure is to go over the site feasibility and we offer the following comments: We believe serious deficiencies exist in the following features: (1) special hazards and nuisances. The site is in the direct path of the main instrumental landing strip of the Philadelphia International Airport which would create a constant hazard from low-flying aircraft and take off and landing. Special hazards also exist with serious threat of flooding in the high-water stage.

Senator THURMOND. This is subject to flooding, you say?

Captain HEAMAN. Yes, sir.

Senator THURMOND. What is on this Fort Mifflin site now?

Captain HEAMAN. It was an Ordnance storage site.

Senator CLARK. Senator Thurmond, could I respond to that?

It is one of the famous historic sites in America.

Fort Mifflin was where the Continental Army prevented the British Navy from coming up the Delaware River for some 13 days before Lord Howe moved into Philadelphia and chased Gen. George Washington out to Valley Forge.

It is an historical site which I hope very much is going to be preserved for posterity much as you keep Fort Sumter down in South Carolina. [Laughter.]

Senator THURMOND. I guess you look on this as a site that helped to bring freedom to the United States, just like we look upon Fort Sumter as helping to bring freedom to the South.

Senator CLARK. That is right. We are in complete accord. [Laughter.]

Senator THURMOND. In view of that, maybe we had better not disturb it.

Senator CANNON. How do you reconcile your statement, Senator Clark with the statement here that it is believed that the city desires this property for industrial purposes?

Senator CLARK. You ask the mayor when he comes on. He and I are not entirely in agreement on that.

Senator THURMOND. You may proceed, sir.

Captain HEAMAN. One of the other comments made by the Federal Housing is that another one of the things they take into consideration is the adequacy of civil, social, and commercial centers.

For a neighborhood to remain stable and retain a high degree of desirability, it should be adequately served by grade and high schools, neighborhood shopping centers, playgrounds, parks, community halls, libraries, theaters, and so forth.

These features do not exist in or in close proximity to the Fort Mifflin site.

Transportation: Transportation requirements for all members of the family should be served, they say, in competition with neighborhoods of a similar income level. The nonavailability of any means of public transportation to the site would make the location undesirable from a mortgage risk standpoint.

For residential properties located in close proximity to a sewage treatment plant subjects the occupants to serious health hazard and long-term marketability would be adversely affected.

Mustin Field, the same type of serious deficiencies listed in two and three, which were the transportation and the civic center facilities; and the other disadvantage, of course to this Mustin Field is that that is an experimental field where catapult testing is conducted right there, immediately adjacent to the runways.

Senator THURMOND. Senator Cannon, do you have some questions?

Senator CANNON. Yes.

You have given us a figure here now for some 21 acres or 22 acres of \$638,000. Does that include the acreage with the improvements on it?

Mr. CAHILL. Yes, sir.

Senator CANNON. And that includes the—

Mr. CAHILL. Excuse me, sir. It is \$638,000. Those are the agreements of sale.

Senator CANNON. I understand that.

Mr. CAHILL. No, sir. They have relatively little improvements on them.

Senator CANNON. What is your estimated value of the improvements on the remaining acreage?

Mr. CAHILL. Without allocating them, sir, and I know you appreciate that I do not want to tell them by parcels, the values assigned to the improvements are roughly \$100,000.

Senator CANNON. So that based on this, if we took the contracts of the sale, plus the allocation to the improvements without the additional acreage involved at all, we would come up with a figure of roughly \$738,000?

Mr. CAHILL. Well, you have two ways to consider it.

Senator CANNON. Did I misinterpret your answer?

I understood you to say that this acreage does not include the improvements.

Mr. CAHILL. The improvements are not in that acreage there. That is correct, sir.

Captain HEAMAN. They are not located on that.

Mr. CAHILL. They are not located on that.

Senator CANNON. So if you took the contract of sale on this acreage you would have \$638,000, based on the contract of sale, and if we took your acreage based on the improvements alone, it would be \$100,000, making a total of \$738,000 plus a few acres yet remaining, about 5 acres yet remaining?

Mr. CAHILL. Arithmetically you are correct. Of course, you realize our appraisers counted these agreements of sale separate.

Senator CANNON. I realize they have, and that was going to be my next question. How can they possibly justify an appraisal of \$550,000 in the face of outstanding contracts of sale to this extent of your own valuation of improvements?

I have had a little experience in condemnations myself, and I think that it looks to me like you are trying to get under the wire insofar as the law is concerned, rather than apply a realistic approach to this.

Mr. CAHILL. Well, sir, those appraisers, believe me, acted independently, and were not told of any limitation by me, they had access to those three agreements. I did not attempt to influence them. But due to the circumstances in the agreements, they raised their value to \$550,000.

Senator CANNON. And that was as compared to their initial appraisal of how much?

Mr. CAHILL. \$500,000.

Senator CANNON. So they made a raise of \$50,000—

Mr. CAHILL. Ten percent.

Senator CANNON (continuing). Over what interim period, how much time elapsed?

Mr. CAHILL. From February 20, roughly, until the 1st of June, say in March, April, May, say 4 months, and they gave consideration, they told me, to these agreements of sale.

Senator CANNON. Now, have you ascertained whether this land can be purchased other than through condemnation procedures?

Mr. CAHILL. I have not, sir.

We always try to hope we can get it by friendly negotiations.

I do not think we would try until it had been approved to see what the owners—

Captain HEAMAN. I do not think we could, Senator, until we have a go-ahead.

Mr. CAHILL. I might also state, Senator, that the appraisers had knowledge of Mr. Hess' \$950,000 valuation.

Senator CANNON. Was the \$950,000 valuation fixed by appraisers?

Captain HEAMAN. Yes, sir.

Mr. CAHILL. It was fixed by an appraisal made for the owner, by Mr. Harold B. Hess.

Senator CANNON. It was a reputable appraising firm?

Mr. CAHILL. He is a reputable appraiser, bears a good reputation, so I understand, in the area.

When I went to Philadelphia, I phoned the Bureau and asked the advisability of my meeting with the property owners and their appraisers. Captain Heaman thought it was a smart idea, so a meeting was arranged, and I told them that I would listen, and several of them met there, including Mr. Hess, who made the overall valuation of \$950,000, and Mr. Phillips, who appraised the industrial land. They told me their figures, and more or less properly so, I think, did not give me the details.

Senator CANNON. So that you have, with three appraisals then as it now stands, you have a high one at \$950,000, and the other two in accord at \$550,000?

Captain HEAMAN. Yes, \$548,000, \$549,000.

Senator CANNON. But you have none that range below \$550,000 out of the three, two against one with the \$550,000 versus the \$950,000?

Mr. CAHILL. Senator, one thing, may I clear, we had 20-odd parcels. While they came out surprisingly close on the total, they had variations in the different parcels, and I assure you this is one time they did not work together. I have seen the time they did.

Senator CANNON. Did these appraisals include the moving costs for the improvements or the businesses that are in these now?

Mr. CAHILL. No, sir.

Senator CANNON. No moving costs at all?

Mr. CAHILL. No, sir. That is beyond their purview.

Senator CANNON. They just appraised it at the fair market value as it stood?

Captain HEAMAN. Yes, sir. It did include the value of this one building here. It did include these, the only industrial buildings here in this northwest corner of the area. You can see the rest of it is all vacant land.

Senator CANNON. I do not have any other questions, Mr. Chairman.

Senator THURMOND. Senator Case.

Senator CASE. Thank you, Mr. Chairman.

Senator Cannon has already asked you with reference to the amount of land that was involved to reach this \$638,000 figure represented by the three purchase agreements. What would you evaluate or what would you appraise the remaining  $4\frac{1}{2}$  acres to be?

Mr. CAHILL. You see, I did not appraise it, you know.

You realize we had reputable appraisers who went out there, and what you want, sir—

Senator CASE. I want a direct answer to the question as to what the appraisal would be for the 4.42 acres not covered by the purchase agreements.

Mr. CAHILL. I think I can give you that, sir; \$139,000.

Senator CASE. Did that include the improvements on that land?

Mr. CAHILL. Yes, sir.

Senator CASE. That would make a total of \$777,000 as an appraisal, taking the purchase agreements at face value.

Captain HEAMAN. Yes, sir.

Senator CASE. What will it cost to put in the outside utilities?

Mr. CAHILL. I do not know, sir, but it is known.

Captain HEAMAN. The city will provide the utilities up to the boundary line.

Senator CASE. Will they provide the utilities to the 5-foot line?

Captain HEAMAN. No, sir. That is included in the contract. The contract itself includes the utilities to the 5-foot line, from the mortgage line, from the outer line to the area itself—

Senator CASE. Am I wrong in my understanding that the Navy feels it would require not to exceed \$30,000 for the outside utilities?

Captain HEAMAN. No, sir.

Senator CASE. If you add that to the \$770,000, you would have \$807,000.

What would be the allowance for moving expenses for the people who will be dispossessed, or the businesses?

Mr. CAHILL. Senator Case, I do not know. It is not in my field, but I think Mr. Tiencken can tell you, sir.

Mr. TIENCKEN. It could not exceed 25 percent of the properties that would have moving costs, and that would be the portion of the \$139,000; it would not apply—

Senator CASE. If it were 25 percent of the \$139,000, that would be approximately \$35,000.

Mr. TIENCKEN. That is correct.

Captain HEAMAN. That is correct. But all, or most all, of the \$100,000 of the \$139,000 does not have any improvements on it.

Mr. TIENCKEN. It would probably be closer to \$25,000, Senator.

Senator CASE. Is it correct that pilings would be required for the foundations?

Captain HEAMAN. Yes, sir.

Mr. CAHILL. Yes, sir.

Senator CASE. What would be the cost of the pilings?

Captain HEAMAN. That is included in the construction contract, and not the other; I do not know.

Commander WHYTE. Our estimate is \$700 or \$800 per unit on that, and that is included in the cost per unit within the mortgage boundary.

Senator CASE. What do you estimate then that the units would cost?

Commander WHYTE. Well, we must stay within the \$16,500 limit per unit.

Captain HEAMAN. Our estimate from the A. & E. indicate that we can build these quarters within the mortgage limit of \$16,500, including the pilings, foundations.

Commander WHYTE. Including such foundations.

Senator CASE. What has been the average cost experience of the Navy in Capehart units in the past year?

Commander WHYTE. I would have to provide that for the record later, Senator, but I would imagine that it would run close to \$15,800 on an average basis in the past year.

(NOTE.—For fiscal year 1961, average cost experience is \$15,379.)

Senator CASE. On an average basis it would run \$15,800, and your ceiling is \$16,500?

Commander WHYTE. That is an estimate.

Senator CASE. But here you think you could accept a piling cost of \$700 or \$800 and still stay under the \$16,500?

Commander WHYTE. Yes, sir. Of course, we are building row-type units here.

Senator CASE. Does that take into consideration the action of the Armed Services Committee in eliminating or in the review of the Capehart housing and eliminating or classifying houses as between field officer quarters and others?

Commander WHYTE. The \$16,500 is all inclusive, and is the average cost. Of course, in this project here, that is the \$16,500 is the maximum average cost per unit.

Captain HEAMAN. They are all enlisted houses.

Commander WHYTE. These are all enlisted houses, all 400.

Captain HEAMAN. There are no officers' quarters at all.

Senator CASE. Is there any housing beyond the Navy yard grounds? Would you put your map up there again, please.

Commander WHYTE. There are some quarters on the Navy yard grounds of the activity served and I do not have a record of exactly how many are on the grounds. There are 116 families occupying other quarters.

Captain HEAMAN. Admiral Lyman is here, the commandant of the district.

Senator THURMOND. Maybe he can answer that.

Admiral LYMAN. Yes, sir. We have approximately 85 officer quarters on the base. No enlisted housing is on the base itself, and no enlisted housing anywhere in the Philadelphia area.

Senator CASE. What is the reason for the—or what is the difference of the 30 between 85 and 115?

Admiral LYMAN. I am not sure where the 115 came from, sir.

Commander WHYTE. Perhaps because some other activities are served besides just the shipyard itself, sir.

Senator CASE. These are officer quarters that are on the Navy yard grounds?

Admiral LYMAN. Yes, entirely Navy.

Senator CASE. Are they satisfactory quarters?

Admiral LYMAN. Some are and some are not. A large proportion of them are converted prisoner-of-war barracks, but we make-do with them and we are glad to have them.

Senator CASE. Are they unsatisfactory by reason of the general area location?

Admiral LYMAN. No, sir. The location is all right.

Senator CASE. How far are they from the Mustin Field area?

Admiral LYMAN. Let me see if I may come around to the map here. The officers' quarters are mainly four big apartment buildings which are right in this area. And there are some quarters along the waterfront here, roughly 8 or 10, but the majority are in this area, sir.

Senator CASE. Where you indicated on the map as being the site of the majority of these officer quarters, is that not just about as close to the north area of Mustin Field, which it had been previously testified would be the area of Mustin Field usable for houses if housing were to be located on Mustin Field?

Admiral LYMAN. No, sir; because any housing which would be put on Mustin Field would have to be up in this area, and if I may—it does not show on the chart underneath, there are many other disadvantages to Mustin Field for housing other than the proximity.

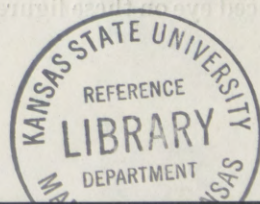
This is the whole naval base; this is all built up with industrial buildings and with housing, and now these houses, I say, are mainly four big apartment buildings which were prisoner-of-war barracks during the war, and were converted.

Senator CASE. Irrespective of the quality of the buildings, though, I thought you had already assured me that the area was not unsatisfactory as far as location is concerned for the existing housing.

Admiral LYMAN. No, sir; it is not. It is all right in here. I have no complaint as to this.

Senator CASE. Is not the area where the word "Mustin" appears just about as close to that as it could be? That certainly is in the general area.

Admiral LYMAN. No. Again mention has been made of the catapult test sites which are located just about in here and shoot up in this direction and in this direction, and, furthermore, the land in here is low and swampy.



The land up in here is low and swampy, and the main Pennsylvania Railroad yards come down here right from under Fourth Street, and then fan out like this. This whole triangular area, is the Pennsylvania Railroad yards, and these are their ore loading piers. They are ore and coal loading piers. To construct housing in here has been gone into at great length, I can assure you, Senator.

Senator CASE. Just looking at the map it does not appear to me that there would be very much difference between where this present housing is and the area that was earlier indicated as Mustin Field, so far as its distance from the Pennsylvania tracks is concerned.

Captain HEAMAN. I think this photograph, Senator, would explain this a little bit better. Here are the houses down in here that he is referring to. Here is the runway. This is the area you are referring to in here, and these are the main tracks.

Admiral LYMAN. Yes.

Senator CASE. Is this the only place that you carry on this catapult testing?

Admiral LYMAN. Yes, sir.

Senator CASE. I mean for the Navy?

Admiral LYMAN. It is the principal area for research and development work on catapult testing, and this whole part of the yard is the Naval Air Material Center where all sorts of research and development work is done mainly, as I say, flights in and out. There are these, the catapult testing, which is done up in these directions.

Senator CASE. If this land in that general area is valued or appraised at anywhere near from \$20,000 to \$33,000 an acre, isn't that rather expensive, and rather an expensive area to use for catapult testing?

Admiral LYMAN. Oh, I am sure that you would not get anywhere near a price like that for that land, sir. It is low and swampy, and it is immediately adjacent to all the railroads.

Senator CASE. You keep moving your hand back there away from the area most closely related to the present housing area which was the area that I understood was examined as a possibility for the housing.

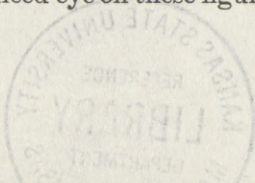
Admiral LYMAN. I do not quite follow you, sir. All various places on Mustin Field were examined.

I might add, incidentally, sir, Mr. Milne, the Assistant Secretary of the Navy for Material at the time, made a particular trip to Philadelphia with his staff to go over all the various possibilities in the area.

He looked at Mustin Field, and Fort Mifflin, and many, many other sites, and he agreed entirely with my feeling that this site is absolutely ideal, and that none of the others are satisfactory at all.

Senator CASE. Yes. But on the basis of the figures and testimony to date, you have not any chance of qualifying for a Capehart housing project under the limitation of \$1,500 per unit, and putting 400 units there. If the additions of the moving costs, the improvements, the lands not involved in the sales contracts and the land in the sales contract, you would get up to \$842,000, and you are way above the \$600,000 that would be permitted on a \$1,500 per unit basis.

Admiral LYMAN. Senator, frankly, I look with an extremely jaundiced eye on these figures.



Senator CASE. I think you do, and I think others who have testified thus far do. But I do not know how the court or the jury would look at it.

Let me make this observation.

Admiral LYMAN. Yes, sir.

Senator CASE. This is part of the record, and two of these contracts are on file, I would assume that those who wanted to resist the condemnation to get that before the court in some way, and if they do, I would not guarantee that a jury would give an award and condemn this and stay under the \$600,000 figure.

Admiral LYMAN. I have full confidence, sir, both from Mr. Cahill and in the various appraisers—

Senator CASE. You have full confidence in a jury? I have full confidence in the men—

Admiral LYMAN. Reasonably so; yes, sir.

Senator CASE. That if this evidence were presented to them that there are three outstanding sales contracts on it which total \$638,000, and leave unconsidered the additional 4½ acres and the improvements thereon, and the moving expenses and the utility costs, do you have any confidence that a jury would set an award under \$600,000?

Admiral LYMAN. I frankly do, sir; I do.

Senator CASE. You are entitled to your opinion.

Admiral LYMAN. Yes, sir; and consider, sir, they consider, for instance the assessed valuation of that land is \$174,000, and the normal ratio for undeveloped land in the city of Philadelphia is roughly 61 percent.

There have been many sales in that area which Mr. Cahill has quoted of sales over the past 4 and 5 years at figures very, very much less than even this \$550,000 figure which the appraisers have given.

One of the three contracts of sale, one of them, my recollection is, is predicated on the fact that the rezoning can be brought about. That is a condition of the sale, that a rezoning can be brought about which is contrary to the present zoning for housing, and certainly the city of Philadelphia has given no indication of approving any change in zoning.

Captain HEAMAN. May I add to that, Senator, there seems to be in the \$600,000 you referred to of the sales agreement, now those prices include that the seller will in one case provide all the utilities, the sanitary sewers, the storm sewers, all of the paving, the water, the filling and grading of the area.

We have not included those in our appraisals because they are included in the other part of the contract, in the construction part of it.

Senator CASE. Now, you are referring to tract No. 1 of the League Island Development Co.?

Captain HEAMAN. I am trying to show the sales agreement and appraisals are not on the same basis.

Senator CASE. Has any part of that construction taken place yet?

Captain HEAMAN. No, sir. They have never been sold. These have never been recorded. These are not sales.

Mr. CAHILL. Two of them, sir, cannot be recorded. The agreements specifically provide that they shall not be recorded.

Senator CASE. In the memorandum which the clerk handed members of the committee there was nothing to indicate on this tract No. 1

that particular agreement was not to be recorded, and the sale date was October 1, 1960.

Captain HEAMAN. Oh, sir, that is the date of the agreement. It is not the sale date. That has not been consummated.

Senator CASE. That has not been consummated?

Captain HEAMAN. None of these.

Senator CASE. Has the \$75,000 been paid, I mean has the \$67,500 been paid?

Captain HEAMAN. No, sir.

Senator CASE. That was payable at the time of the contract, \$67,500 at the time of settlement to be paid within 9 months.

Mr. CAHILL. Which would be July 1.

Senator CASE. Which would be July 1.

Mr. CAHILL. Yes, sir.

Captain HEAMAN. Whether those have ever gone through, I do not know.

Senator CASE. A day or two away.

Admiral LYMAN. May I add here, sir, in the hearings before the House on the same subject, Representative Byrne was asked a specific question:

You have seen these appraisals made by these two separate firms which the Navy employed and backed up by Mr. Cahill and you have seen this figure of \$950,000 which is quoted in this letter from Mr. Whitman.

The question was asked of Mr. Byrne:

Do you think this calculated risk is worth taking?

And Mr. Byrne replied that he did, and Mr. Byrne is a Philadelphian. He is familiar with this area.

Senator CASE. Now, a few questions with reference to Mustin Field.

Admiral LYMAN. Yes, sir.

Senator CASE. What is the length of your longest runway?

Admiral LYMAN. The longest runway is 6,300 feet, sir.

Senator CASE. Which one is that?

Admiral LYMAN. It is a runway which actually runs like this. It runs due east and west. This runway.

Senator CASE. What kind of a runway is that?

Admiral LYMAN. That is a concrete runway. I do not remember the width of it, but it is an ample runway. We take four-engined planes in on it regularly.

Senator CASE. The memorandum supplied to the committee indicated that the field contained only a 3,000-foot runway.

Admiral LYMAN. No, sir; 6,300. It is either 6,300 or 6,600. It is over 6,000 feet; I can state that.

Senator CASE. I couldn't see how you could take a four-engined plane in on a 3,000-foot runway except under emergency or very favorable conditions.

Admiral LYMAN. No; it is over 6,000 feet, definitely, sir. I can state that positively.

Senator CASE. Will you indicate again on the map where that 6,000-foot runway is?

Admiral LYMAN. Yes. It runs parallel.

Captain HEAMAN. It is runway 9-27.

Admiral LYMAN. The prevailing wind most of the time enables us to use that runway, although all of them have been in use, but that being the longest one, if there is any—unless there is quite a stiff breeze, they prefer to use it.

Senator CASE. Assuming that the map is in the position with north at the top here the way it happens to be placed; is that correct?

Captain HEAMAN. Yes.

Admiral LYMAN. The streets in the naval base run due north and south and east and west.

Senator CASE. Is the northwest-southeast runway used?

Admiral LYMAN. Northwest-southeast, this one; yes, sir. That is used a pretty fair amount.

Senator CASE. How long a runway is that?

Admiral LYMAN. I do not have the figures on hand, but it is about 3,500, 4,000.

Captain HEAMAN. I would say 4,000 feet.

Senator CASE. How many landings do you average per day, landings and takeoffs?

Admiral LYMAN. I do not have those figures here.

Senator CASE. Do you have any idea?

Admiral LYMAN. No, sir. I do not think I could be quoted. I took off from there coming down here today.

Senator CASE. Will you supply for the committee a record showing the landings and takeoffs by use of the northwest-southeast runway over the last 6-month period?

Admiral LYMAN. We will do that. We will be happy to do that. (The information referred to and subsequently furnished follows:)

Northwest-southeast runway (4,000 feet): This runway is used only when 20-25 knot winds prevail. During such periods landings on the east-west runway (6,135 feet) usually involve dangerous landing conditions. Total traffic on all runways approximates 130-135 landings per month.

Actually, the use of the runways is a separate consideration relative to the employment of the Mustin Field facilities. The field is under the cognizance of the Naval Air Material Center (NAMC). That command supports research, development and test activities of the various laboratories of the Center, including those of—

- Naval Air Engineering Facility (ship installations), NAEF(SI)
- Aeronautical Engine Laboratory
- Air Crew Equipment Laboratory
- Aeronautical Structures Laboratory
- Aeronautical Materials Laboratory

The development work at the Center involves firing catapult shots. The shots have a dead load weight of 10,000-100,000 pounds in varying velocity up to 160 knots. There are four major test sites which have one catapult and at least one arresting gear installation each. The total original cost of these sites was about \$16 million. Duplication at a new location would now cost approximately \$35 million. Unfortunately, the installations are fixed and capable of firing only in the southeast-northwest direction. The catapult installations at NAEF(SI) Lakehurst are shipboard type and are employed for the testing of equipment actually in existence and production. This includes both normal development of equipment and improvement as well as special high priority investigations of malfunctions encountered in fleet operations. The tests facilities at Lakehurst and Patuxent are intended for, and primarily used in, conjunction with problems involving aircraft suitability, compatibility, and serviceability evaluation of either aircraft or other equipment. I wanted to differentiate between the work of testing at Lakehurst as opposed to the development work conducted at Mustin Field.

In addition, the Engine Laboratory operates a continuous jet engine exhaust noise suppression investigation. They explore after-burner combustion prob-

lems and in so doing generate a noise level of 155 decibels. The Engine Laboratory also has numerous test cells which develop an unpleasant level of noise.

Senator CASE. I would like to see you get the housing that you need, but if you are going to run into a situation where the probable land cost on the site you have selected is outside the limits permitted by the law, it seems to me that you ought to give consideration to the possibility of liquidating that northwest-southeast runway and putting your housing in there in the general area of the northwest end of that runway.

Admiral LYMAN. In here.

As I say, there are various things other than the runway—

Senator CASE. That is immediately adjacent to the area you have testified the housing was well located.

Admiral LYMAN. Well, in here there is a difference when you get right up here on the railway yard.

Senator CASE. So far as one can tell from the map before us, though, there is a vacant area in there if that northwest-southeast runway were not in there, there is an area which would be comparable in size to the area you have in mind for the Capehart project.

Admiral LYMAN. If I could show you this—do you see this? This is Mustin Field. Here is the main east-west runway. This is that northwest-southeast. Now, the area you are considering is up in here, doing away with this runway, and bringing it up in here?

Senator CASE. Where are those four apartment buildings?

Admiral LYMAN. The apartment buildings are right in here.

Senator CASE. In this area right in here?

Admiral LYMAN. Yes.

Senator CASE. And if this runway were out of here you would be just a piece of that?

Admiral LYMAN. Yes; if that runway were taken up and housing were put in there, there are objections due to the fact that the land is low and swampy.

Senator CASE. You have got to put in pilings over in this other area.

Admiral LYMAN. Yes, sir.

Senator THURMOND. Go ahead and tell us your objection.

Admiral LYMAN. Another thing, all the Pennsylvania Railroad traffic to the Philadelphia waterfront and to the ore and coal loading piers, here is the coal loading pier and the ore loading pier down here at the end, and all the Pennsylvania Railroad traffic for the Philadelphia waterfront comes down here on just, I think it is, a double track-line until it comes right to this point. Then it branches out and you see this is all railroad yards, and then these tracks circle up and go up along the Philadelphia city piers.

There is an awful lot of freight banging and hauling. You see, these are marshaling yards all in here, and you have trains being made up, freight trains.

Senator THURMOND. There is objection from the noise standpoint. What other objections are there, Admiral?

Admiral LYMAN. To the matter of its being low land, for one thing. Now, again here you can see some of these catapult sites.

Senator THURMOND. Let me question you on this point. You say it is low land. I am just trying to bring the facts out.

These 27, is it lower than these 27.59 acres?

Admiral LYMAN. Yes, sir; very much.

Senator CASE. Is the proposed site fill land?

Admiral LYMAN. It is fairly good land.

Senator CASE. Hasn't it been filled?

Admiral LYMAN. It probably was, I don't know.

Senator THURMOND. Is this fill land here? Do you know?

Admiral LYMAN. No, that is not filled land, I am reasonably certain of it.

Senator THURMOND. You say it is very low though?

Admiral LYMAN. Yes.

You see, originally what is now the naval base of Philadelphia was called League Island, and it was an island by virtue of the fact that an inlet came up in one direction from the Schuylkill River and swampland coming out of this and it was called the Naval Base League Island for years and years. It was filled in right along what is now the main entrance to the base right down in through here, you see, a branch of the Schuylkill River, and this is a branch of the Schuylkill River where we actually berth ships up to heavy cruisers, right in up to Broad Street.

Senator CASE. And that is west of the housing area where the four apartment buildings are?

Admiral LYMAN. Yes, sir; that is west of it.

Now, the area right down through here, the main entrance to the naval base, you see there is no entrance to the naval base, except right down here, right down Broad Street and one over through a lift bridge across here.

Now, this land was filled in, but the land to the eastward here, along the edge of Mustin Field is, I am reasonably certain, in its original pristine swampy condition.

Senator CASE. When you supply the figures with respect to the traffic on the northwest-southeast runway, would you also supply the figures with respect to the traffic on the other runways?

Admiral LYMAN. Yes, sir.

Senator CASE. On a 6-month basis.

Admiral LYMAN. Yes.

(This information is supplied on p. 19.)

Senator CASE. Those are all the questions I have Mr. Chairman.

Senator THURMOND. All right, sir.

Captain HEAMAN. Could I add one thing?

Senator THURMOND. We have to move along.

Captain HEAMAN. Yes, sir. As you know the plans and specifications are complete on this. They are out to bid. We open the first of the month on this site.

If we have to do that over again it would delay us a great length of time and probably cost in the neighborhood of \$150,000 to redo the plans because these would not be satisfactory on another site.

We would have to do the whole thing over again.

The other thing is, as you pointed out by—

Senator THURMOND. You mean you have made plans on this proposed site which would cost \$150,000 if you changed to another site; is that the point?

Captain HEAMAN. Yes, sir. The plans and specifications are now out to bid for construction, and to stop that now and move to a new site we would have to get new plans and specifications at a cost of about \$150,000.

Another disadvantage of the Mustin Field, of course, is that it is farther from the schools, it is farther from the shopping centers, theaters; it does not have transportation.

Senator THURMOND. I want to ask you this question, Captain. Why did you go ahead and make your plans and specifications that cost \$150,000 until you know you would get approval of the Armed Services Committee?

Captain HEAMAN. Well, this is done all the time, sir.

When we make our appraisals of a site and it comes within the money in order to speed up the job we go ahead on it.

Senator THURMOND. Suppose the Armed Services Committee does not approve it now, then the Government has lost \$150,000, has it not?

Captain HEAMAN. Yes.

Senator THURMOND. Wouldn't it seem to be the sensible thing to do to try to get approval before you undertake this?

Captain HEAMAN. Yes.

Senator THURMOND. I would suggest that the Navy consider that in the future, whether this is approved or not approved.

It would just seem to be commonsense and a lot of practicality in saving money to get approval before you undertake any experience.

I understand that this same situation happened on the Long Beach Hospital that this committee turned down.

Captain HEAMAN. No, sir; I do not—

Senator THURMOND. You are not familiar with that, but it is all under the Navy, and I would suggest—

Captain HEAMAN. That was a donation, was it not?

Senator THURMOND (continuing). Since you are representing the Navy here today to be on guard against these matters, because there is no use in wasting the Government's money. There is no use to proceed with a project until they have got approval.

Here is \$150,000 that will be lost unless we approve this project. Does that make sense what I am saying to you, Admiral? Does that make sense to you?

Admiral Lyman. Yes, sir. I do not know, I am not familiar with it.

Captain HEAMAN. The time is the only thing, Senator.

Senator THURMOND. You could have come to us long ago before you were ready to undertake this and gotten your answer then just as you are coming in now, couldn't you?

Captain HEAMAN. Yes, sir.

Senator THURMOND. It is not an effort to go ahead and get into it and then say, "Now, if you don't approve the Government is going to lose \$150,000?"

That wasn't your purpose was it?

Captain HEAMAN. No, sir. [Laughter.]

Senator THURMOND. Some people might charge you with that, though, the way it has been handled.

Captain HEAMAN. Well, the normal procedure when they approve—

Senator THURMOND. I know it is the common procedure because it happened out here in California, Long Beach Hospital. But what we are objecting to is the normal procedure.

Captain HEAMAN. I see.

Senator THURMOND. I do not know how these gentlemen feel. I do not attempt to speak for the whole committee. Do you feel that way?

Senator CANNON. Oh, absolutely.

Senator THURMOND. Senator Case, how do you feel?

Senator CASE. Yes, Mr. Chairman. I doubt that it really has been normal procedure for all these plans to be let out before these projects have received approval of the Armed Services Committee.

I have been on the committee; I was originally on the subcommittee on Real Estate and Military Construction from 1953 on, and during most of the time, I am sure that they did not proceed to let the plans out for design and incur expense prior to the approval of the project.

Admiral LYMAN. May I add one thing, Senator?

You are asking about the catapult sites here.

Senator THURMOND. Yes, sir.

Admiral LYMAN. I might add that the Navy has millions of dollars in this catapult-testing installation here, and we shoot catapults up to 20 tons in weight, and occasionally they get away from us and go shooting across the field.

As a matter of fact, we have it arranged now so that each catapult, each dead load as it is fired, has a siren attached to it, battery powered, which blows like the devil, and the dead load is fired, and when it is caught in the arresting gear, then a man runs up and turns off the siren. We did this from experience at times when the thing got away from the arresting gear and shot across the side.

Senator CASE. Why don't you put them on the river side and fire them to the east?

Admiral LYMAN. At the times these things were built there, there was no idea of building housing or anything up in that area, sir.

Senator THURMOND. The point you are making is that it might be unsafe if you had a housing project up in the portion referred to by Senator Case because of catapult firing?

Admiral LYMAN. Yes, sir; testing.

Senator THURMOND. Could you change the direction of the catapult firing to some other direction and be safe?

Admiral LYMAN. No, sir. You see, they are built right into the concrete. The length of the runway, I think they show—you cannot see all of them, but here is one, here is another one, here is a third one.

Senator CASE. Actually don't you do most of that catapult testing over at Lakehurst?

Admiral LYMAN. No, that is a different function. We do have a naval air test facility at Lakehurst which does a great deal of testing of arresting gear, mainly arresting gear, arresting gear and actual planes.

We do not check the actual planes here. But all the research and development work is done here.

Senator CASE. Admiral, I will ask one more question.

If your appraisers had not come up with a figure under \$600,000 what would you then have recommended as a site for this housing?

Admiral LYMAN. Senator, I would have scratched my head bald if that had come about.

Senator CASE. It would not take me very long to do that, but it would take you quite a while.

Admiral LYMAN. Thank you. [Laughter.]

Actually, we went over so many, many sites, and as I said, Mr. Milne came up and we went over Fort Mifflin and this, even housing projects which had gone broke over in Jersey, and we would really be terribly hard put and this site as we have it selected is so absolutely ideal—

Senator CASE. I know, but you have not answered my question.

Admiral LYMAN. Yes, what would we have done if they had not? I do not know, sir. Frankly, we would try to make the best someplace else.

Probably our second, really our No. 2 site, is up around in—there is another possible site that was up in here, which is better, would be better than either the Fort Mifflin or the Mustin Field site but—

Senator CASE. Did you make any appraisals on it?

Admiral LYMAN. Let's see, Mr. Shaw, did we make any appraisal on it?

Mr. SHAW. No, sir.

Admiral LYMAN. No, sir. We know it would be a little bit less, just as an estimate I would say it would probably cost three-quarters to four-fifths.

Mr. SHAW. I do not believe so, sir. This is industrial land and it is included in an urban redevelopment program in the city of Philadelphia, the Walt Whitman project.

Admiral LYMAN. Our No. 2 site probably would have been this one up in here, but it was so far beyond, so far behind this other one that they were not in the same league.

Senator CASE. Mr. Chairman, I do not care to ask any further questions.

Senator CANNON. Mr. Chairman, may I ask another question or two?

Admiral, what about this Passyunk project; was that turned over to the city at no cost to the city?

Admiral LYMAN. I do not know about the cost involved.

It was turned over to the city of Philadelphia with the proviso that a percentage, a certain percentage of the homes, 679, and it has been that relatively stable at that over many years, that the Navy should have occupancy of that 679 units.

Senator CANNON. Now, is the reason that you need the new units now because that agreement terminates February 1, 1962?

Admiral LYMAN. Primarily; yes, sir.

Senator CANNON. Well, have you tried to negotiate with the city to see if you cannot work out with them an agreement to continue the occupancy?

Admiral LYMAN. Why, yes, indeed, we have, sir. And the city urgently needs that land for their own purposes.

Senator CANNON. I know they say they urgently needed it but have they said they would not make the houses available to you from February 1962 on?

Admiral LYMAN. Basically, yes.

Senator CLARK. Senator, can I say a word on that because I serve on the Banking and Currency Committee, and ever since I have been down here over the objections of the city of Philadelphia the Banking and Currency Committee has permitted the Navy to stay 1 more year in Passyunk homes.

We just put that in for the last time, I may say. I was quite unhappy about it in the housing bill, which we finally passed yesterday. Of course, the mayor will speak for himself when you call him.

Senator THURMOND. Can I ask you a question on that point right there, Senator Clark? How did the city get possession of this property?

Senator CLARK. I would rather let the mayor answer that question because I have not researched it and he has.

Senator THURMOND. I believe he is going to testify a little later.

Are there any more questions now? If not, Captain, I want to thank you for your testimony, and you, Admiral.

(A short recess was taken.)

Senator THURMOND. The subcommittee will reconvene.

Our next witness is Mayor Richardson Dilworth, of the city of Philadelphia. Mayor Dilworth, come around and have a seat.

#### STATEMENT OF HON. RICHARDSON DILWORTH, MAYOR OF THE CITY OF PHILADELPHIA

Mr. DILWORTH. Thank you, sir.

Senator THURMOND. Just have a seat right there, Mr. Mayor. We are glad to have you with us, and you may proceed with your testimony.

Mr. DILWORTH. Thank you very much, sir.

Well, the city is intensely interested in this because, of course, the Navy yard we regard as one of the really fine Navy yards of the country, one that has rendered tremendous service both to the Nation and to the Navy over many, many years.

You may remember that the White Fleet was built there, and it has probably the finest civilian trained and skilled personnel, we believe, in any yard, private or naval, in the country, and it has, in addition to the Navy personnel, 13,000 civilian personnel at the Navy yard.

So, of course, it has been a tremendous asset to our city. It has been a matter of enormous pride to our city.

It is a Navy yard that has had tremendous accomplishments, and when the *Kitty Hawk* came out in not too good shape, the place they took it to was Philadelphia Navy Yard to have the errors of the private shipyard corrected.

Now, if I may attack first this question of the land price, this will take land off our taxables, but we consider and we, the city, will spend better than \$1 million furnishing utilities to this, and running the streets through there.

The cost to the city will be slightly over \$1 million, but we think that is an obligation of the city to our Navy yard and to what it means to the city and everything else.

As regards the second site, there honestly is not a second site any more.

Senator THURMOND. You favor the site the Navy favors; do you?

Mr. DILWORTH. Oh, yes, sir. We went all through this and you remember during the last administration they were not very favorable to this sort of proposal.

When Mr. Milne came up there he was dead set against anything of this kind. But when he reviewed that whole area, and they went clear down into New Jersey and sites in New Jersey and everywhere else, they agreed entirely with Admiral Lyman who has put so much time and effort into this and with us. Of course, we want to make our contribution to the Navy yard, because it means so much to us that this is the only really decent site that remains for this type of housing.

Now, in 1957, it was absolutely all set. When Admiral McLean was down here, and here is the newspaper publicity on it, that another good site which was right near there, it was Packer Avenue and Hartfrantz Street, which would have cost about \$13.5 million, and would have been about 700 units, but this same group came in and killed that, and very much on this same basis, by persuading the committee that we could not possibly come within the price and with the same so-called agreements of sale.

But the facts show, and this can be absolutely established, that this same group then proceeded to buy the land within the appraised value, not the values they came down here and testified to, and not the so-called agreements of sale, they came down and testified to.

Now, it is the same game being played all over again this time. It is that blunt, sir.

We are absolutely confident that the so-called agreements of sale, if you read them as an attorney, sir, they do not have to be carried out and will never be carried out.

If this is not killed and if they do succeed in killing this again and gobbling up this piece of land for themselves to build this kind of housing on, they will buy this property within \$550,000. There just is not any question about it in our minds.

In other words, this is just designed to kill this, which is the last decent available site for housing for the enlisted personnel, which is so badly needed. And if they succeed in killing it they will purchase this land themselves within a figure of \$550,000.

We just do not think there is any question about it. They did it the last time.

These agreements of sale are out of all proportion to what land sells for in that particular area.

For example, to give you a perfect example, on one of these they claim they are going to pay \$28,000 an acre, for it is so-called residential housing. They claim they are going to pay \$26,000 for an adjoining parcel of D residential housing.

Well, any builder in Philadelphia will tell you that residential housing is only worth, by rule of thumb, three-fourths of what C residential housing is, but they had to bring this up over \$600,000, so they have a so-called agreement of sale by which they will actually be paying more for C residential housing than they claim they are going to pay for D residential housing. Well, anybody in real estate in Philadelphia knows that just is not so.

It is just that blunt, sir, and that is the situation.

This is the only decent remaining piece of land for this kind of really badly needed housing for the enlisted personnel. These gentlemen are trying to kill it with these kind of tactics. Now, that is just as bald as it is.

Senator THURMOND. What is your estimate of the value of this 27.59 acres?

Mr. DILWORTH. I would say any jury, if they intend to come in we can show exactly what has happened, and that is not too unusual in the city, I regret to say—for example, right opposite our city hall, if I may bring this example in, sir, of course, we are trying to make a really good municipal center in the center of our city, and there was the old Pennsylvania Railroad Broad Street Station site, and we wanted to acquire that to make this part of a really fine municipal center right in the center of the city.

As we were about to negotiate with them, we are suddenly informed they have again an unrecorded agreement of sale with a New York development firm which, in my recollection it is, I think it was, for \$3.5 million.

We knew that just was not so. It was unrecorded. If you read the agreement of sale it was perfectly plain they did have to sell the land, and that the so-called purchaser did not have to purchase it.

Senator THURMOND. No binding contract?

Mr. DILWORTH. We were certain it was not, and so then we just said, "All right, if you won't make a fair contract with us we will just have to condemn it."

So we got the property for \$2.5 million. That is certainly not unknown in real estate practice in our city, but that is exactly what is happening here, sir, and I do not think there is the slightest doubt that this land can be acquired for less than \$600,000, in fact, for somewhere between \$500,000 and \$550,000.

You see, these appraisals theoretically—you know, and there is no use saying that our real estate appraisers are honest and the others are not. Real estate appraisers do pretty much, and I am sure we have all had that same experience. The most ethical real estate appraisers try to give a client every break they can.

This appraisal is obviously based, among other things, on their getting a change of zoning.

Well now, the last time around they had the political organization behind them, but this time they do not, because we have convinced the political organization that this would be fatal because this is the last single decent piece of land that is available and can be used for this purpose, sir.

So this time they cannot succeed in getting a zoning change from our city council, so they would never get it into the shape where it could be possibly worth that sum of money under any circumstances.

Senator CASE. Mr. Mayor, do you apply the characterization that you have given of these appraisals to the work of Harold B. Hess?

Mr. DILWORTH. Mr. Hess is a good appraiser; we have used him. The other two appraisers are excellent appraisers. But any appraiser in the circumstances—

Senator CASE. It has been indicated to members of the committee that Mr. Hess has appraised this tract at \$950,000.

Mr. DILWORTH. I think, among other things, Senator, it is absolutely clear he appraised it on the basis that they are going to get this zoning change. They are not, sir.

Senator CASE. I do not know as to that. I do not know the basis of the appraisal, of course. But I do know that Mr. Hess apparently has been an appraiser for the city of Philadelphia, for the Redevelopment Authority, for the Commonwealth of Pennsylvania, the Department of Highways, for its Department of Forests, for the Delaware River Bridge Commission, the Redevelopment Authority of the City of Philadelphia, and at one time apparently had something to do with, was negotiator for the Redevelopment Authority in connection with the food-distribution center which was mentioned by Senator Clark.

Mr. DILWORTH. That is right, sir, and I am sure that had he been our appraiser here, the appraisal would have been about \$550,000.

Senator CASE. How is that?

Mr. DILWORTH. I say had he been our appraiser here, sir, I think the appraisal would have been about \$550,000.

Senator THURMOND. Let me ask you about this piece of land Senator Case was speaking about, Fort Mifflin. Is that land suitable for the housing?

Mr. DILWORTH. Well, for several reasons, it is not.

Senator THURSTON. Close to where the word "Mustin" is. That is the one I meant to ask you about.

Mr. DILWORTH. Where the word "Mustin" is written there?

Senator THURMOND. Where the word "Mustin" is written there. Senator Case was asking one of the witnesses about that, locating the housing about in there. What is your opinion of that location for housing?

Mr. DILWORTH. Exactly the same as the admiral, sir, and I am sure if your committee came up there you would be of the same opinion. That is low swampy land. They have spent millions of dollars putting this catapult facility in there, and you cannot just turn those around; and not only is it swampy, but all this Pennsylvania Railroad freight and all of that is there, but in addition to that you are apt to have these catapults coming through your walls. I mean it would really be a terrible site.

Of course, we want naval housing. We are very happy to see it anywhere, and we would like to keep taxables on our rolls. But really, sir, that would be an absolutely unsatisfactory site, and this is really correct, and we went around to Mr. Milne. He was opposed to this whole proposition when he came up there. After he took a look at all these sites and motored through New Jersey and every place else, he said he agreed with us there was one site remaining that was really good, sir, and would really fill the purpose, and that was this site.

Senator THURMOND. That is the only site suitable, in your opinion?

Mr. DILWORTH. I do not think there is any question about it. You see, it does not make any difference to us.

Senator THURMOND. And this site will accommodate 400 families, is that right?

Mr. DILWORTH. Yes, sir; 400 families.

Senator THURMOND. Now, suppose the Navy Yard should expand some, then where would the employees be located?

Mr. DILWORTH. Well, the Navy Yard would not expand up in that direction.

Senator THURMOND. I mean, these 400 families.

Mr. DILWORTH. They are going to be hard put to it.

Senator THURMOND. Additional employees.

Mr. DILWORTH. It is going to be hard put for us. That is one of the things that worried us, and that is why we fought so hard in 1957 for these 700 family units. It is not going to be easy. There is no question about that.

Senator THURMOND. You have 679 Navy families in the housing that was formerly owned by the Government, I believe, and given to the city, was it not?

Mr. DILWORTH. Well, that is a great hardship on us. We are doing it because we feel that is something we have to do to accommodate the Navy properly. We are 5,000 public housing units short, and in addition to that, every time we come down here to talk to the Public Housing people, they say, "If you want to be generous and let the Navy sit in 670 of your units, don't complain to us."

That is what we face down here, sir.

Senator THURMOND. Well now, what is going to happen to these, let me see, how many families have you got, 679? This new project will not accommodate but 400. You will be 279 short then. What is going to happen to them?

Mr. DILWORTH. We will take care of them. We will let them stay.

Senator THURMOND. They will stay?

Mr. DILWORTH. Until we can get something for them.

Senator THURMOND. They would stay in this same location?

Mr. DILWORTH. Yes, sir. But it is a great hardship on us because, as I say, we are 5,000 public housing units short, and every time we come down here—

Senator THURMOND. You are so crowded for space there and land is so precious there, and the Navy may again begin to have to look around for its expansion and such a place like Charleston, S.C., may be an appropriate place. [Laughter.]

Any questions? Senator Cannon?

Senator CANNON. Mayor, the report here is that the city is probably interested in getting Fort Mifflin for development purposes. Senator Clark does not seem to agree with you on the use. What is the use the city will make of this land?

Mr. DILWORTH. I think I agree with Senator Clark on the Fort Sumter reference. But he took off on a rhetorical flight of fancy there. Fort Mifflin is way down here [indicating]. We are going to preserve Fort Mifflin. We have gotten it from the Army and we are going to preserve it and make it a historical site. That is still an industrial area. It would be brutal to use that for a housing development, because we think that is worth about \$50,000 an acre. That is the best industrial land in the city.

Senator CANNON. I was not referring to the housing use, I was referring to the statement that the city is interested in getting that, when it is made surplus, for industrial purposes.

Mr. DILWORTH. Right in here, sir.

Senator CANNON. Is the city interested in that?

Mr. DILWORTH. Oh, yes, sir.

Senator CANNON. Why does the city not come up with some type of proposal to maybe trade that golf course up there for Fort Mifflin, or purchase this property if, as you say, it can be purchased for \$50,000, and offer a trade there?

Mr. DILWORTH. Senator Cannon, anybody who gave away or sold open space in our city, or any big city, would be run right out of office, and very properly so. We do not have nearly enough open recreation space in the area or in the city. We just cannot give park space for housing, because we are pushing in exactly the opposite direction. We are spending fairly considerable capital sums each year to acquire additional park space, additional recreational areas, and to open things up wherever we can.

Senator CANNON. Could the city legally purchase this area in question and offer to exchange it for proper value for Fort Mifflin?

Mr. DILWORTH. That I am not certain of, sir.

May I say this, we think we are doing our share here. We are going to put in over a million dollars in utilities in running this street in. And of course, we lose all taxes on that piece of property.

Senator CANNON. The point I was trying to make, if the city is interested in acquiring Fort Mifflin, which the Government owns, and the Government is reluctant to go into this proposal because they may have to pay more than the Government allows, perhaps they could acquire this property and offer it in some exchange basis.

Mr. DILWORTH. That I am not certain of, sir. I am just not certain.

Senator THURMOND. Would the city pay market value for Fort Mifflin if it bought it?

Mr. DILWORTH. Yes, we claim—

Senator CASE. \$50,000 an acre?

Mr. DILWORTH. No, sir.

Senator CASE. I thought you said that is what it was worth.

Mr. DILWORTH. I said if that was in private hands, in the next few years, that could be easily worth as much as \$50,000 an acre. But certainly, it is not, in its present condition, nor, in our opinion, should the Government sell it on that basis to a city, particularly when it is moving facilities out.

For instance, we had the same question with Army piers up there, which we had maintained and helped maintain for the Army for years. When they decided to sell them, at first they were going to sell them just for general purposes. We said, and they finally sustained our position, I think, and properly so, if they were going to be sold, they should be sold as piers. There were 20 acres inland from the piers sold as storage space, because otherwise, they would just absolutely ruin the entire port of Philadelphia, because we could not match a bid on that from city resources for just general purposes. We did not think the Federal Government had any right to wreck the business of the port, and I think it got exactly the same sort of proposition there.

Senator THURMOND. Would you have the authority to condemn this property up here, this site, this land needed by the Navy, and then offer it to the Government at a figure of \$550,000?

Mr. DILWORTH. Oh, if the so-called agreements of sale were gone through with and they tried to hold us up, we can limit—I am positive we can get it for \$550,000 or better.

Senator CASE. There is so much difference between the city condemning, though, and the Federal Government condemning it. The chairman was asking could you condemn it and then turn it over to the Government?

Mr. DILWORTH. I think our proposal was that—

Senator THURMOND. At a figure not to exceed \$550,000.

Mr. DILWORTH. I think our proposal was that if there was any hitch in the negotiations we would move to condemn.

Senator CASE. If the Government would offer you \$550,000 for that property, would you undertake to obtain it for the Government?

Mr. DILWORTH. Yes, sir.

Senator THURMOND. Is there any any way—would you guarantee it would not cost the Government more than \$550,000?

Senator CASE. If they gave an option to the Government on it.

Mr. DILWORTH. I have to talk to our city solicitor before I can tell you whether, as a mayor of the city, I can make an unconditional guarantee. But I am absolutely certain that if this is OK'd, it will get into the Navy's hands for \$550,000 or less.

Senator THURMOND. You can assure that?

Mr. DILWORTH. Yes, sir.

Senator THURMOND. And you will take the steps to condemn it and turn it over to the Government for a figure at cost, not to exceed \$550,000?

Mr. DILWORTH. If necessary, yes, sir; and as soon as I get back, I shall get hold of—we call our city counsel a city solicitor. We shall get our city solicitor to immediately get up a letter which we shall submit to this committee, as to what makes us certain that this property can be delivered to the Navy for \$550,000.

Senator CASE. I was trying to support your question, here, Mr. Chairman, and my understanding of your question was would you undertake to obtain it for the Government at cost?

Senator THURMOND. At cost, not to exceed \$550,000.

Mr. DILWORTH. Oh, I see. I shall see if I can give you a legal opinion, also, that we can definitely do it. I believe we can. I am not absolutely certain, but I believe we can, as to whether we can move in and condemn it.

Senator THURMOND. If you can, then are you willing to proceed to do it if we can give an approved condition upon that action?

Mr. DILWORTH. Oh, yes, sir; because, as I say, this Navy yard is a vitally important thing to us. It has meant so much to the city; 13,000 employees there. This housing is vital; it is the only decent site left. If there is any way we can get it and turn it over to the Navy for \$550,000, we shall do so, and I shall get you down, as soon as possible, an opinion.

Senator THURMOND. Will you do that right away?

Mr. DILWORTH. Yes, sir.

Senator THURMOND. I imagine the Navy wants to get action without delay.

Mr. DILWORTH. Yes, sir; I imagine they want to move. I shall get an opinion from the city solicitor, if we can get such an opinion, and I think we can, and myself backing it up.

Senator THURMOND. This is the only way we can get it, so I suggest you do your utmost on that.

Mr. DILWORTH. Are there any more questions?

Senator THURMOND. Senator Cannon?

Senator CANNON. No.

Senator CASE. No.

Senator THURMOND. Thank you very much, Mr. Mayor.

Our next witness is Mr. Ezra Whitman, Jr.

**STATEMENT OF EZRA B. WHITMAN, JR., PRESIDENT, MARSHALL BUILDING & CONTRACTING CORP., UPPER DARBY, PA.; ACCOMPANIED BY DAVID PEACE, SECRETARY-TREASURER, MARSHALL BUILDING & CONTRACTING CORP., AND ANDREW P. MURPHY, JR., COUNSEL**

Senator THURMOND. Mr. Whitman, you just proceed to testify. We are glad to have you with us.

Mr. WHITMAN. Thank you.

Mr. Chairman, my name is Ezra B. Whitman, Jr. I am a builder in Pennsylvania. I am president of the Marshall Building & Contracting Corp., located in Upper Darby, Pa. I am accompanied today by my associate, Mr. David Peace, and by our counsel, Mr. Andrew P. Murphy, Jr.

Before proceeding, I would like to express our appreciation for an opportunity to come before your committee, because the matter at hand is of vital importance to us, to our business, and to our future business.

If I may, I would like to read the statement, with your permission.

Senator CANNON (presiding). You may proceed.

Mr. WHITMAN. First of all, let me say that Mr. Peace and myself have been associated in the building business continuously since 1946. During that time we built approximately 3,000 housing units in and around the Metropolitan Philadelphia area.

Our company is engaged principally in the construction of housing, and at no time have we engaged in the purchase of land for speculative purposes.

Since 1956, we have assembled more than 78 acres of land in the immediate area we are discussing today; that is, at 20th and Pattison Avenue in Philadelphia. The land we have developed comprises approximately 1,300 building lots upon which we have erected and sold 648 dwellings in the \$12,000 to \$14,000 price range.

The high standards of construction incorporated in these homes and their acceptance by the public are manifested by the fact that sales at all times have run far in advance of our construction schedule. Our record, we feel, qualifies us beyond any doubt to establish the true value of residential ground in this area. We know the proper allowable cost of ground per dwelling unit, the cost of pilings, foundations, brickwork, and the many other items which make up the total construction cost of a dwelling. We also know that a profitable, fast-moving operation must be sale priced at a figure within the reach of potential buyers and within the scope of the mortgage financing available to them. Therefore we must be very accurate in our own appraisal of the value of land which we purchase for development.

Our company is presently the equitable owner of approximately 18 acres of a 27-acre tract in this same area. This ownership is evidenced

by two agreements of sale which are firm, unconditional contracts, secured by substantial cash deposits, which we have with us today. One contract is for 10 acres at \$260,000, and the other is for approximately 7.5 acres for \$213,000.

Another agreement of sale amounting to \$165,000 is in effect for approximately 5 acres within the subject tract. This property is zoned "shopping center," with current plans contemplating a Howard Johnson restaurant and motel.

Still another parcel of more than 3 acres within the tract is owned by Mr. M. Wilson & Son. This property, with buildings and improvements, has recently been appraised in excess of \$500,000.

Senator CASE. By whom?

Mr. WHITMAN. By Mr. Wilson's appraiser, who, I think, is with him today.

These firm contracts amount to a total of \$638,000, and added to the appraisal value Wilson industrial tract, amounts to more than \$1,138,000.

At this time, the 27-acre parcel, including our 18 acres, is under consideration by the Navy for acquisition through condemnation to erect 400 Capehart housing units. It is our understanding that the Navy Department has placed a valuation of \$550,000 on the tract. We respectfully submit that this figure is unrealistic and far below the current market value of the property.

I would like to emphasize again that our only purpose in contesting this acquisition by the Navy is to permit us to construct homes in the \$12,000-\$14,000 price range which are drastically needed in the Philadelphia area for families of moderate income.

We believe, of course, that adequate rental housing for our military families is a necessary part of our defense program. We do submit, however, that the Navy already owns suitable land for this housing in the immediate proximity of the Navy Yard such as Mustin Field, now obsolete, which was further classified today as being an administrative field, and Fort Mustin, now being used as a storage area.

Senator CASE. Should that be Fort Mustin or Fort Mifflin?

Mr. WHITMAN. It should be Fort Mifflin.

Furthermore, the Philadelphia Redevelopment Authority, in cooperation with the Housing and Home Finance Agency, has recently acquired hundreds of acres approximately 3 miles from the Navy Yard for 12,000 homes, primarily single-family units, and an industrial park known as the New Eastwick project. We feel certain that sufficient area could be allotted to the Navy Department to construct 400 Capehart units at an immensely lower cost, well within the limits of that act.

The issue may be raised that our purchases were made after it had been rumored that Navy contemplated acquisition of this land. This we readily acknowledge, but we were confident that because of the high cost of this land, qualification by the Navy Department within the limits of the Capehart Act could not be accomplished. Capehart allows \$1,500 per family unit for ground acquisition and certain land improvements. Four hundred units, therefore, would develop an allowable expenditure of considerably less than \$600,000 for land purchase, and since the property in question was worth closer to \$1 million, it was obvious that the condemnation could not take place within the spirit and the financial limits of the Capehart Act.

We have retained the services of Harold B. Hess, realtor and appraiser of Philadelphia, Pa., to appraise the entire 27-acre tract. Mr. Hess has been an active and licensed appraiser in Philadelphia since 1924, and is a past president of the Philadelphia Chapter of Industrial Realtors, Philadelphia Board of Realtors, as well as the national president of Industrial Realtors, and his qualifications have been presented here. I have attached to my statement a summary of his outstanding qualifications, which I believe you gentlemen have.

Mr. Hess has appraised this entire 27-acre tract at \$950,000. I have made available to the subcommittee staff a copy of his appraisal, and would like to submit another copy today if you wish.

Unfortunately, Mr. Hess could not be with us today because he is in Paris, France, where he is scheduled to deliver an address before the International Body of Realtors and Appraisers.

Before closing, gentlemen, if I may answer some of the statements made today, I deeply resent the implications that Mayor Dilworth has made. I resent being referred to as "that gang from Philadelphia." The Mayor said that 4 years ago, we stepped in and stopped an acquisition by the Navy by appearing in Washington and testifying before a committee. That is not true. We did not.

We learned recently in the Department of Defense that the price of the ground that Navy was then considering was not the factor that made Navy abandon their plans to acquire that ground. We were told that it was only a part of an overall reappraisal of the Navy housing project program at the time. Accordingly, anything we might have felt regarding the price of the ground, we were assured it was not an influencing factor in making their decision.

We have with us, gentlemen, here agreements of sale, copies of them. I think that Mayor Dilworth will find that he is going to be hard pressed to show that these, as he calls them, so-called agreements, are not valid. These are perfectly valid agreements, unconditioned. There is no thought of wiggling out of these. We do not want money from the Navy. We have bought the ground with the intention of building houses on it.

It has been suggested that certain conditions in these agreements might be dependent upon city utilities. I have here copies of an ordinance, signed on the 26th of this month, by Mayor Dilworth authorizing the city to proceed with the installation of these sewers and other necessary utilities. We have at no time based any of our agreements on a conditional basis.

We shall be happy to answer any questions to confirm or substantiate what we have said in our statement.

Senator THURMOND (presiding). Go ahead.

Senator CANNON. With respect to this contract you have entered into, the one now governing the 4.9 acres, where you have a \$165,000 agreement, how much money have you paid on that contract?

Mr. WHITMAN. That is not our contract, Senator. That is what we have referred to as the Howard Johnson piece.

Senator CANNON. I see. And yours is the \$260,000 contract?

Mr. WHITMAN. Yes, sir. We have two of them, one at \$260,000, and one at \$213,000.

Senator CANNON. The \$260,000 contract, did you pay the \$260,000?

Mr. WHITMAN. Yes, sir; there is the contract.

Senator CANNON. Is there any provision that you will get that money back if you do not conform to the terms of the agreement?

Mr. WHITMAN. No, sir.

Senator CANNON. There is no condition there as to rezoning of the land?

Mr. WHITMAN. Absolutely not. And while you mention that, may I state further that a change of zoning was never a consideration confronting us when we bought the ground. We shall build that ground whether it is "D" residential or "C" residential. We have a bargain here.

Senator CANNON. Your next payment on that is \$65,000, due October 2?

Mr. WHITMAN. That will be at settlement, I believe.

Senator CANNON. Is there a subordination provision in the contract?

Mr. WHITMAN. No.

Senator CANNON. So that you are under a firm contract now to complete the terms of that agreement, and have paid \$26,000 down on it. If you did not proceed, you would lose your money?

Mr. WHITMAN. Yes, sir.

Senator CANNON. What was the reason that you have a specific agreement not to record the agreement?

Mr. WHITMAN. It seems to be customary in Philadelphia. We have been dealing in real estate transactions since 1946. For some reason, agreements are never recorded, because if they are recorded, it is felt that might, at the later time of settlement, cast some cloud on the title. If the deal does not go through and there is a recorded agreement of sale, the owner might then have a cloud on the title, which might be difficult to remove, or a lengthy procedure.

Senator CANNON. Or it might involve a tax problem of the owner, too, whether or not it is considered a sale at that time, and he would take the property back at the sale price and then get a new base for tax purposes.

Mr. WHITMAN. Yes, sir. Agreements for sale are simply not recorded in Philadelphia.

Senator CANNON. Now, your other contract is the \$213,000 one?

Mr. WHITMAN. Yes, sir.

Senator CANNON. How much have you paid down on that?

Mr. WHITMAN. \$21,000, plus \$10,000 which we paid the day before yesterday—\$31,000.

Senator CANNON. That met the terms of your agreement, \$10,000 at the time of the contract, \$11,000 before May 30, 1951, and \$10,000 before June 30, 1961?

Mr. WHITMAN. That was paid yesterday, but the check has not cleared.

Senator CANNON. And you will pay the next \$10,000?

Mr. WHITMAN. Yes, sir.

Senator CANNON. And no conditions for rezoning?

Mr. WHITMAN. No, sir.

Senator CANNON. You would have your 7.8 acres, plus 10.2 acres, you would have 18 acres of land that you would be able to build houses on?

Mr. WHITMAN. Yes, sir.

Senator CANNON. That is your intended use?

Mr. WHITMAN. It might be of interest to you gentlemen, just quickly to show this is what we have done across the street from this tract of ground. There are 648 houses which we have built and sold, and they are occupied. This is not a fly-by-night venture for us.

Senator THURMOND. Where is that on here? Would you point it out over here?

Mr. WHITMAN. Right in this area [indicating] these streets which you see in here with the courtyards, all down through here, across the street from the contemplated tract.

Senator CANNON. But this tract that calls for the rezoning and for the installation of improvements by the seller is not your contract at all?

Mr. WHITMAN. No, I would not want to say that I know exactly, but the same real estate man who worked with us on one of our acquisitions here was also the agent for Howard Johnson in acquiring their ground. We have his assurance that the only condition in that contract was that sewers and water be made available to the tract prior to settlement. Here are the ordinances from the city of Philadelphia, signed by Mayor Richardson Dilworth, on the 26th of this month, providing the sewers.

Senator CANNON. The summary here indicates that on your 10-acre contract, the seller is obligated to grade that property. What is the cost of grading?

Mr. WHITMAN. Nothing. The cost of running a bulldozer.

Senator CANNON. What does it run an acre?

Mr. WHITMAN. It does not run anything. As a matter of fact, that has been accomplished. That property is now to grade, and the owner, the previous owner, has assured us that the fill itself cost him nothing. He had to pay the rental of a bulldozer to keep it level.

Senator CANNON. And is your corporation financially able to take care of the terms of the contract?

Mr. WHITMAN. Absolutely.

Senator CANNON. You have no problems there?

Mr. WHITMAN. No.

Senator CANNON. The type of housing that you put on there, do you have to have support, drive pillings in there?

Mr. WHITMAN. We drive pilings that bear anywhere from 25 to 40 feet deep. We cap those with concrete, and our foundation walls are built in the form of steel reinforcing, reinforced concrete walls. They are virtually beams.

Senator CANNON. You are not building row houses?

Mr. WHITMAN. Row houses, yes.

Senator CANNON. You are building row houses?

Mr. WHITMAN. It is a plan somewhat different from the conventional row house. We do not have one after another. We worked this out with the Planning Commission of Philadelphia so that we have curving streets, we have courtyards, cul de sacs, garden area. We created a beautiful area in what was, 5 years ago, a wasteland inhabited by rats.

Senator CANNON. These other appraisers of the Navy Department, did they contact you to find out if you had many arrangements with your contractor?

Mr. WHITMAN. No, but they contacted us to verify the status of these agreements. As a matter of fact, copies of these agreements were given to one of the Navy appraisers at his request. If I may say, when we are speaking of appraisers, I also deeply resent the inference that Mayor Dilworth made that Harold Hess made an appraisal to suit our requirements. I know that if Mr. Hess were here, he would resent it even more deeply.

Senator CANNON. Have you used Mr. Hess on prior appraisals?

Mr. WHITMAN. Not on appraisals, no.

Senator CANNON. This is the first time you have used him on appraisals?

Mr. WHITMAN. Yes.

Senator CANNON. I have no more questions.

Senator THURMOND. I want to ask you, what is the condition of this site; that is, is it a very suitable site for houses?

Mr. WHITMAN. I think it is probably the best site for houses in the entire Philadelphia area, for this reason. For many years, this ground in this whole area was dump ground, used for disposal of refuse by the city of Philadelphia. The housing immediately to the north of it is old, antiquated, much of it owned by the Stephen Girard Estate—little cement walks in front, nothing in the back. Many of the families down there were doubled up, younger married people living with their parents. We have built 650 houses down there. We have not spent a cent on advertising. The people come to us.

We have another portion of our original tract on which we can build 168 houses as soon as the sewers are available, these sewers. We have people standing in line to put their names down, saying, "We do not care what it is, let us get our name on the map so when you build those, we can buy them."

Senator THURMOND. What is the value of the lot on which each house would be located, the average value?

Mr. WHITMAN. Average value? You mean on what we have built or what we contemplate?

Senator THURMOND. On what you contemplate in this particular one.

Mr. WHITMAN. It would be \$1,300 per lot.

Senator THURMOND. How many houses do you plan to build on this—you own 18 acres?

Mr. WHITMAN. Yes; 360, a concentration of about 20. We have with us a plan which has been given preliminary approval by the Philadelphia Planning Commission, which contemplates 23 to an acre. We do not want to pinch them that much. We shall get 19 or 20 to an acre.

Senator THURMOND. Have you observed this land close to the word "Mustin" on the map yonder? Mustin Field, where it was suggested—Senator Case was inquiring about it—it was suggested that maybe that would be a good location for these Navy houses.

Mr. WHITMAN. I have not actually walked over the ground, Senator, because it is quite a trick for a civilian to get into the Navy yard, but we have driven down through Broad Street, where a car can be parked and you can look over the whole area.

Senator THURMOND. Is there any other land around the Navy yard that is suitable for these houses, except this 27 acres in question?

Mr. WHITMAN. We have suggested that there are lots for 12,000 homes, which the Philadelphia Redevelopment Authority has recently condemned and taken over, and that is across the Penrose Avenue Bridge from this site. That is from this site a block in here on the Penrose Avenue Bridge, and when you come off the Penrose Avenue Bridge, you are immediately adjacent to this vast acreage.

Senator THURMOND. Will you point that out on the map here?

Mr. WHITMAN. It shows Penrose Avenue crossing the Schuylkill. This is the site [indicating]. The approaches to Penrose Avenue Bridge start about here and drop off here [indicating] at the area that our stake is, here.

Senator THURMOND. Now, your Navy yard, is down here in Mustin Field?

Mr. WHITMAN. Yes, sir.

Senator THURMOND. Is there any Government installation anywhere adjoining this proposed site?

Mr. WHITMAN. This proposed site [indicating]?

Senator THURMOND. Yes. What is it adjoining?

Mr. WHITMAN. The naval hospital.

Senator THURMOND. And what else is there?

Mr. WHITMAN. We have the Passyunk homes, which may or may not be considered as naval homes, I do not know. There is an Army Quartermaster Corps in this area.

Senator THURMOND. This proposed site would be a very convenient location for these houses for the Navy, would it not?

Mr. WHITMAN. Yes, sir.

Senator THURMOND. What did you say you paid for this 18 acres?

Mr. WHITMAN. \$473,000.

Senator THURMOND. You do not think that this land could be obtained by the Government under \$550,000?

Mr. WHITMAN. Absolutely not. I think a court of law would uphold these honest arm's-length transactions between willing buyers and sellers.

Senator THURMOND. Then if the city obtained it, if they had to pay more than that for it, they would have to bear the loss if the Government took it over at \$550,000?

Mr. WHITMAN. That is what I would feel. Somebody would have to, because I am so convinced that a court would verify the validity of these agreements.

Senator THURMOND. I suppose it would be immaterial to you who paid the money if you got your money?

Mr. WHITMAN. We do not want the money, no; we do not want money. We do not want to spend all this time and make plans—

Senator THURMOND. My question is based on if the Navy builds the houses, if the land should be condemned. I understand your position that you prefer not to sell the land at all.

Mr. WHITMAN. Absolutely.

Senator THURMOND. But if it should be condemned, then whatever amount was fixed by the court, it would make no difference to you who paid it?

Mr. WHITMAN. That is right, but we shall be very disappointed to go through all this and get our money back believe me. That is not what we want.

Senator THURMOND. Your business is developing subdivisions?

Mr. WHITMAN. Yes, sir.

Senator THURMOND. Building homes—do you build the homes yourself?

Mr. WHITMAN. We subcontract the vast majority of the work, which is customary.

Senator THURMOND. What type of house do you plan to build on this project?

Mr. WHITMAN. It will be concrete foundation, brick, masonry.

Senator THURMOND. How many bedrooms?

Mr. WHITMAN. Three bedrooms, living room, dining room, kitchen, garage, and a basement which can be converted to a recreation room if the owner so wishes.

Senator THURMOND. And the land would be rented at about \$1,300? What will the house sell for?

Mr. WHITMAN. \$13,700.

Senator THURMOND. \$13,700?

Mr. WHITMAN. Yes.

Senator THURMOND. Senator Cannon, do you have any questions?

Senator CANNON. Do you already have plans? Are your plans drawn for the project there?

Mr. WHITMAN. Let me say that we have submitted a plan to the Planning Commission of Philadelphia, which is the first step. All plans must have preliminary approval by the planning commission before you can go any further.

Senator CANNON. But the only other expense you have actually incurred is having the land graded and submitting the plans for it. You did not even have to incur that expense?

Mr. WHITMAN. There was no expense. Our expense has been the cost of appraisal and our time that has been consumed in making this presentation.

Senator CANNON. Your 18 acres are all vacant?

Mr. WHITMAN. All vacant.

Senator CANNON. You do not have any improvements on it?

Mr. WHITMAN. No.

Senator CANNON. And your price for the 18 acres of vacant land is \$473,000?

Mr. WHITMAN. \$473,000, the sum total; yes, sir.

Senator CANNON. I do not have any other questions.

Senator THURMOND. Thank you very much, Mr. Whitman.

Mr. WHITMAN. Thank you, sir.

Senator THURMOND. Our next witness is Mr. Michael Wilson.

**STATEMENT OF MICHAEL WILSON, IN BEHALF OF M. WILSON & SON, INC., PHILADELPHIA, PA.; ACCOMPANIED BY JOHN J. GILBRIDE, JR., COUNSEL, AND ELMER PHILLIPS**

Mr. GILBRIDE. Senator, I am the attorney for M. Wilson & Son, the contracting business which occupies about a 5-acre part of this whole tract up in the northeast corner.

Mr. Phillips, would you point that out on the map?

Senator THURMOND. Would you point out, as long as you have it there, the 18 acres we have just been discussing here with Mr. Whitman, and then point out your 5 acres?

Mr. PHILLIPS. The 18 acres that Mr. Whitman referred to is in this area through here [indicating]. Mr. Wilson's property is in along here, and this property is in here and up in here [indicating.]

Now, this [indicating] does not come out to 20th Street.

Mr. GILBRIDE. So the project would divide Wilson's land?

Mr. PHILLIPS. Yes, it would separate it and leave him just a little over an acre.

Senator THURMOND. About an acre on the other side?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. What business are you in, Mr. Wilson?

Mr. WILSON. The heavy construction business, Senator, sanitary disposal, and a fuel oil contractor.

Senator THURMOND. Is this your testimony?

Mr. WILSON. Yes, sir.

Mr. GILBRIDE. Senator, may I open with just a few remarks?

Wilson is an established business down there. There are two other corporations, and they have the sole proprietorship, individual ownership for established businesses in that address for 47 years. They have an investment there of between \$1.5 and \$2 million, according to the information that I have.

Now, there are buildings; you will hear that testimony. It is a viewpoint of Wilson that he does not want to oppose, but his whole life's work is concentrated in this particular project, and he has no other place in the area to move to.

Now, Wilson, tell your story here, will you?

We are not associated with anybody. We are with no other group. We are independent. Our own position is our own position.

Mr. WILSON. Shall I read this, just to beef it out?

Mr. GILBRIDE. Yes.

Mr. WILSON. My name is Michael Wilson. I operate M. Wilson & Son, Inc., at 3400 South 20th Street, Philadelphia. This business is a contracting business and heavy earth-moving equipment rental service. We have cranes of various capacities up to 80 tons. We also have low bed trailers with which to move the cranes, bulldozers, and other large equipment. These low bed trailers have capacities of 40, 50, 60, and 110 tons. When we wish to move this equipment to the sites of use, it is necessary to obtain permits from the city of Philadelphia, which permits direct us to use routes laid out by the city engineers so that we will not cross any bridge or street that will not hold the weight of the equipment; and after having the permits a city policeman on a motorcycle or red car accompanies our equipment to see that we do not deviate from the prescribed route. We are not permitted to use the Grays Ferry Avenue Bridge nor the Passyunk Avenue Bridge across the Schuylkill River. I recently had a contract to remove fill from the site of a large sewer in West Philadelphia and at that time had to fill hundreds of thousands of yards at the Gulf Refining Co. at Girard Point, at which time I had over 300 laborers in addition to the skilled men to operate the cranes, bulldozers, and so forth.

In addition to this business I also operate Eastern Industrial Corp. from the same address. This business is a trash disposal, where I supply large 2- to 10-yard containers to large supermarkets and they fill them with debris and then our trucks replace the container with an empty one and remove the full container and take it to the incinerator.

Our location is ideal for this business as the incinerator is located at 7th and Pattison Avenue, Philadelphia, and our yard is 13 city blocks west of the incinerator and on a straight run, with a minimum of traffic lights. This business is very competitive and any time lost in additional mileage and traffic-light stops can make the difference of profit or loss on the operation.

We also operate the South Philadelphia Fuel Oil Co. from this location and again the location is of utmost importance. Our fuel oil trucks can travel from our yard to the Gulf Oil Refinery at Girard Point in approximately 5 minutes. Again this business is highly competitive and if an extra 15 minutes is taken in obtaining the supply, it can make the difference of profit or loss.

From those brief descriptions of our operations, I believe that you can see that if the land owned by the 3400 Corp. is taken from me, or diminished to the point where I cannot store all of our equipment at this point, it is certainly going to drive me out of business. I cannot relocate in the industrial section of the Eastwick redevelopment by reason of the additional mileage that will be placed on each trip of operation of all three of the enterprises that my son and I operate. Surely this will produce a havoc of the men I employ in these businesses and cause economic distress to them, their families, and the suppliers of necessities to them. I am greatly distressed to think that if this condemnation is made I will have to dispose of approximately \$1.5 million worth of equipment and by reason of there being few buyers for equipment of this nature will probably have to take about 10 cents on the dollar.

Mr. GILBRIDE. Now you have how many corporations operating from that address?

Mr. WILSON. I have three.

Senator THURMOND. You want to ask him some questions?

Mr. GILBRIDE. Yes. May I?

Senator THURMOND. Go ahead.

Mr. GILBRIDE. How many corporations do you have operating from that address?

Mr. WILSON. Wilson & Son, Inc.

Mr. GILBRIDE. What is the purpose of that?

Mr. WILSON. Heavy construction.

Mr. GILBRIDE. And the 3400 Corp. is merely a holding corporation?

Mr. WILSON. Yes.

Mr. GILBRIDE. And the Eastern Industrial Corp. is sanitary disposal?

Mr. WILSON. Yes.

Mr. GILBRIDE. And you have South Philadelphia Fuel Oil Co.?

Mr. WILSON. Yes.

Mr. GILBRIDE. Do you have any other?

Mr. WILSON. Wilson Hauling.

Mr. GILBRIDE. That acreage, is that zoned?

Mr. WILSON. It is zoned, limited industrial.

Mr. GILBRIDE. Now, during the last war and down through the years, have you had any public or Navy projects?

Mr. WILSON. Yes. During the First World War, we hauled out of where the Food Center is today, I would say, at least about 1½ million yards of fill, which the Navy men were referring to, this airstrip that they are talking about. We dug that out.

Mr. GILBRIDE. The Munstin Airfield?

Mr. WILSON. That is right.

Mr. GILBRIDE. What do you know about that?

Mr. WILSON. That is almost at the same elevation as the railroad tracks. Years ago, in the First World War, it was swamp. Today it is not swamp. Right by the Food Center is where I used to be with Charlie Core. When Charlie Core died, I had to get out of there for the Food Center. We dug this property out during the Second World War. That whole entire project you see there, we dug that out to build the west Navy Yard gate on 26th Street, and all throughout Penrose Avenue, we dug that out about 10 feet.

Not knowing that I was ever going to buy it, I bought this property. I filled this property about 10 feet below street elevation. My property there, they cannot drive piles. I have concrete slabs in there, anywhere from 1 foot to 4 feet thick, from 7 feet to 16 feet long, all reinforced concrete, and I filled that whole entire area there. I would say it cost me about \$16,000 to fill that. The only reason I filled that was to carry my heavy equipment.

Years ago the city came in and said, "How about letting me fill that ground?" I was the first one down there and they wanted to fill it with city ash rubbish. I said "No, you could not ever fill that with that, you have to use heavy stuff on it." All around me, south of me and west of me, is all city rubbish, cans, boxes, what not, all that entire area you see there. They cannot drive piles. They wanted to try to run lines in it, and they are going to be stuck.

We had realtors down there and I showed them my slabs. Some of the slabs are nearly 3 feet in diameter. I would say three-quarters of my property is full of that concrete slab.

Senator THURMOND. How much of it?

Mr. WILSON. Three-quarters of it is full of concrete slab, three-quarters of the property. We took all these slabs out of the Gulf Refining Co., these tank foundations. They use a 5-ton rod, and we break them, just crack them enough and then we haul them up in big slabs. That is something I really had to have for my ground and fill it up there.

I have from 1 to 2 feet of dirt on top, fill dirt, and it is still settling all the time. We just keep filling it up and grading it, for the last 5 or 6 years.

Mr. GILBRIDE. You say to be forced to move would drive you out of business?

Mr. WILSON. It certainly would. I cannot go west because of my business. My equipment is too heavy. East of me is a food center. I cannot buy anything down there. It is \$50,000 an acre. In fact, they won't let me talk to anybody about buying it. When Lieutenant Mielich was down there, I showed him these concrete slabs and said, "I'll show you what I got in my yard." I said, "I'll take a shovel and dig it up for you, it will take about 20 minutes." We dug it up. There was some fellow there, some engineer, who tried to tell me why you could drive some piles. I told him the city spent \$60,000 east of the Navy yard to move concrete because they could not drive piles there, that was the old railroad station. They spent \$60,000 or \$70,000 to move that concrete out of the way, which I would say would be 3 by 4 stones, you know, to move that concrete out of there, and rock, and drive piles and backfill it.

Mr. GILBRIDE. How long have you been in that vicinity?

Mr. WILSON. Since the First World War.

Mr. GILBRIDE. How long have you been in the business—heavy construction business?

Mr. WILSON. Since the First World War.

Mr. GILBRIDE. Are you familiar with that whole neighborhood?

Mr. WILSON. The whole neighborhood, whole entire neighborhood. I never got out of south Philadelphia. I did 90 percent of the work for Gulf Refining Co., built most of their stills, most of their pipelines, their refinery, and across the river from them is a tank. We put all of that on these oil levees, and also absorbed the oil. We worked in Fort Mifflin, right across from the Gulf Refining Co.

That is when Gulf started building that plant and they stopped us on account of the war. They said on account of if something ever happened around that neighborhood, they would blow the oil refinery up, so we were stopped from working on it.

Then I filled in a lot of Fort Mifflin, and it is still on the same elevation as the Gulf refinery across the river, exactly. There are no low spots in Fort Mifflin.

Of course, the mayor said he tried to buy it.

Mr. GILBRIDE. What was your remark about this Munstin Airfield?

Mr. WILSON. I kind of figured to put a housing project down there.

Senator THURMOND. Do you say they could put one in there?

Mr. WILSON. I imagine they could, because we put a lot of fill in during the First World War. We hauled out where the Food Fair is today, I would say at least 50 acres of ground from Fifth and Pattison Avenue, clean to the railroad, clear down to Stone House Lane. I worked on the drydocks there, and all, and I worked on every plant and around that plant going into the war, the First and the Second World Wars. I have tried all over in the vicinity for a piece of ground to put my equipment, and there is nothing available.

Mr. GILBRIDE. How much did you say you have invested in that whole project, the four businesses?

Mr. WILSON. I would say \$1.5 or \$2 million.

Mr. GILBRIDE. Any questions?

Senator THURMOND. \$2 million invested in this 5 acres?

Mr. WILSON. That is with my equipment.

Senator THURMOND. Where is your home?

Mr. WILSON. I live at Fort Lauderdale. I retired because I had a heart attack. My son runs the business.

Senator THURMOND. Where does your son live?

Mr. WILSON. He lives over in Haddon Heights, in Camden, about a 10-minute run from the business.

Senator THURMOND. Why did they take 3 acres of your property and not take the other 2 acres?

Mr. WILSON. I do not know. They wanted 4½ or 5 acres.

Senator THURMOND. I notice the line comes down somewhat instead of going straight. Possibly the Navy wants to answer that, in a few minutes.

Captain HEAMAN. What was the question?

Senator THURMOND. The Navy wanted 3 acres of this gentleman's property and not the other 2 acres. Why did they not take the other 2 acres? Otherwise, you would leave him with a bad severance damage, would you not?

Captain HEAMAN. This is a new road. The city is to put a new road in.

Senator THURMOND. They have not put it in yet, have they?

Captain HEAMAN. No, possibly that is a new plan.

Senator THURMOND. They will not put this in unless the Navy builds the houses, will they?

Captain HEAMAN. I do not know.

Mr. GILBRIDE. Can you answer that, Phillips?

Mr. PHILLIPS. It is on the city plans, but it has never been open and never dedicated.

Mr. GILBRIDE. Wilson considers it part of his ground. He is using it and I believe he is using—I believe he filled it.

Senator THURMOND. Has the city condemned that for a road yet?

Mr. WILSON. No, sir; they never did.

Senator THURMOND. They have not condemned it or taken it yet?

Mr. WILSON. No, sir.

Senator THURMOND. It is on paper?

Mr. WILSON. It is on paper. They had the zoning done there when I bought that property. That is where they staked me out, all through here [indicating], down here.

Admiral LYMAN. You own that land? That is not a city street which has not been cut through?

Mr. WILSON. That is right.

Senator THURMOND. You own the land where the street is to go through?

Mr. WILSON. That is right.

Senator THURMOND. How much on the other side?

Mr. WILSON. I would say about an acre.

Senator THURMOND. How many acres in all?

Mr. WILSON. I would say close to 7 acres.

Senator THURMOND. There would be 3 acres taken here, 3 acres in the street?

Mr. WILSON. No; they want about  $4\frac{1}{2}$  or 5 acres of my property now, I understand, according to the way they have it planned out. All this in here is city ash rubbish—all here and all back of it. They only have one little spot in here where they have some solid fill. That is all they have, that is all the kind of fill in there.

But in my property here, when I had a meeting down there with Lieutenant Mielich, I showed him, they wanted to take test blocks. But I said I did not want—I would save him the trouble and I have all concrete slabs through here. I have concrete slabs all through my yard. I use it for solid fill, and I put in dirt fill on top, and every time it rains, it sinks down.

Senator THURMOND. It still sinks down? The concrete did not stay?

Mr. WILSON. The dirt moves between the concrete slabs, you understand. When you dump it, it all moves down between the concrete. They cannot drive pile there. I would bet anybody in this room.

Senator THURMOND. This site is a god site for houses, is it not?

Mr. WILSON. As I say, this is all ash rubbish. This whole entire plot. Only one little plot is not.

Senator THURMOND. The Navy testifies that it is a good site, and I believe the mayor testified it is a good site, and I believe Mr. Whitman testified it is a good site for houses.

Mr. WILSON. The mayor did not say that I had a lot of big concrete in that corner because he does not know what I got in there.

Senator THURMOND. If this land should be condemned by the city or by the Government, how much would it cost you to move?

Mr. WILSON. To move off there, around \$60,000 or better. First of all—

Senator THURMOND. How do you arrive at that figure?

Mr. WILSON. Moving all I have in my shops and all, and everything I have in the equipment.

Senator THURMOND. That is to move the buildings and all?

Mr. WILSON. I could not move the buildings.

Senator THURMOND. What would cost \$60,000 then?

Mr. WILSON. To move that equipment. We have all kinds of ramps, all kinds of machinery in the shops, road pressers and tire changers, and all kinds of compressed steel welded together.

Senator THURMOND. To move your heavy equipment and your shop equipment would cost \$60,000?

Mr. WILSON. That is if I could find some place for my equipment, because I am about the only one, outside of another man up in Philadelphia, Morrissey, that has that type of equipment—80-ton cranes and so on.

Senator THURMOND. Is this Mr. Phillips with you?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. Are you the appraiser, Mr. Phillips?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. What is your appraisal of this property?

Mr. PHILLIPS. My appraisal, as a net loss to Mr. Wilson, assuming he retains this piece to the north and assuming that he has to give up a bit of Hartman Street in order to keep his industry there from being landlocked, it would leave Mr. Wilson with just approximately an acre.

Senator THURMOND. I mean how many acres would be in this project, of his property?

Mr. PHILLIPS. Almost 4.

Senator THURMOND. I understood it was about 3 acres.

Mr. PHILLIPS. His total holdings are approximately 5.

Senator THURMOND. His total holdings are now 5 acres?

Mr. PHILLIPS. That is right.

Senator THURMOND. There is 1 acre across the street?

Mr. PHILLIPS. He even has his gasoline pumps in where the bed of the so-called street would be.

Senator THURMOND. How many acres does he have in all, now?

Mr. PHILLIPS. Approximately 5.

Senator THURMOND. There is 1 acre that will be across the street that is not taken, is there not?

Mr. PHILLIPS. Almost an acre, I think.

Senator THURMOND. How much is the street going to take?

Mr. PHILLIPS. About 8,900 square feet.

Senator THURMOND. What part of an acre is that?

Mr. PHILLIPS. 8,900 square feet is 0.203 acres, so approximately 20 percent of an acre, or a twentieth of an acre. Point 2034.

Senator THURMOND. Well, say, two-tenths for round figures will be in the street?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. He will have 1 acre left across the street?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. That is 2.2 acres?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. And he has 5 acres?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. So that leaves him 2.2 from 5 is 2.8 acres, isn't it?

Mr. PHILLIPS. His remaining ground would only be 1,085 acres, sir.

Senator THURMOND. Your figures do not tally with mine. Why don't you break it down for us if you have it there?

Mr. PHILLIPS. All right.

Senator THURMOND. Tell us how much would be left with him across the street, how much the street takes, and how much will be within this project area? There are 5 acres in all. How is it broken down in those three divisions?

Mr. PHILLIPS. Well, the land north of Hartranft Street, we would have 35,460 square feet, or 0.6140 acre. The bed of Hartranft Street is 8,850 square feet, or 0.2036 acre. There is half of former Hulseman Street, which has been vacated, which is on the very northern line of this man's ground, containing 2,970 square feet, or 0.0681 acre, which gives a total of 1.08530 acres remaining, or 47,280 feet, and, of course, he has to give away that 0.2 acre for the bed of the street, or else he is landlocked.

Senator THURMOND. So there is about 3 acres, then, that will be within this project, is that right?

Mr. PHILLIPS. Close to 4, sir, because the remainder is only 1.08 out of about 5.

Senator THURMOND. You are counting the street in with that, are you not?

Mr. PHILLIPS. I am counting the northern half of Hartranft Avenue as the remainder.

Senator THURMOND. The city will have to pay for the street if it takes the street?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. The Government will not pay for that. I am asking you how much of his land is within this project area, not counting what will be taken for the street, and not counting what will be left for him on the other side of the street.

Mr. PHILLIPS. What will be in the project area will be approximately 4 acres, just a little under 4 acres.

Senator THURMOND. You do not have 5 in all.

Mr. PHILLIPS. Yes, and he retains a little over 1.

Senator THURMOND. There is 1 acre that is not taken across the street, is there not?

Mr. PHILLIPS. That is the only thing he has remaining.

Senator THURMOND. He has that remaining 1 acre across the street?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. How much land is within the street? How much does the street take up?

Mr. PHILLIPS. The whole street would take up four-tenths acre, because half of it is two-tenths, four-tenths of an acre.

Senator THURMOND. Four-tenths of an acre, is all? That is 1.4, then, that the street takes up, and what he has left on the other side of the street, is that it?

Mr. PHILLIPS. That is correct.

Senator THURMOND. So he would have 5 acres minus 1.4; is that right?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. So that is 3.6 acres that will be within the project?

Mr. PHILLIPS. Yes, sir.

Senator THURMOND. Now, what is the value, what do you estimate to be the value of that?

Mr. PHILLIPS. Land and buildings, or just land?

Senator THURMOND. Break it down. How much is the land, 3.6 acres, worth, and how much are the buildings worth?

Mr. PHILLIPS. I had it separately. May I add it?

Senator THURMOND. Do you have your figures on the appraisal of the land? Just the total is all I want.

Mr. PHILLIPS. The total that Mr. Wilson has, I have added \$566,000, with a recapture—

Senator THURMOND. What do you value this 3 acres of land, just bare land, at?

Mr. PHILLIPS. That would run approximately \$420,000.

Senator THURMOND. For 3.6 acres of land?

Mr. PHILLIPS. Yes, sir. I have here a photograph with two circles on it. The lower circle is Mr. Wilson's property, and the upper circle is the land that was acquired by the Philadelphia Electric Co. approximately 3 years ago. They acquired 2.988 acres at 24th and R Street, into Passyunk, a very irregular piece of land. For that, they paid \$300,000, or a rate of \$100,000 an acre.

Now, the Philadelphia Electric Co., by virtue of being a public utility, had the right of condemnation. Had they not felt that the price was fair, they had a right to condemn the land and let the court set the figure. Apparently, that might be considered to be a fair value. That land does not have the value of Mr. Wilson's, because it does not have the publicity. It has not enjoyed the publicity that Mr. Wilson's has. He does have a sign on his shop that is visible from Penroes Avenue, so that customers will know he has that equipment for rent and know that he is located there.

Senator THURMOND. What did you estimate the buildings on it to be worth?

Mr. PHILLIPS. The buildings aggregate in the general area of \$60,000. That includes some cyclone fencing and the dwelling house.

Senator THURMOND. And you total the whole thing is approximately, a total of \$480,000?

Mr. PHILLIPS. Yes, sir; I took his total holdings and appraised them at \$566,000.

Senator THURMOND. I understand he would rather for it not to be condemned even at that price; right?

Mr. PHILLIPS. Yes, sir.

Incidentally, this is a small picture of the type of concrete filling that he has in there. I also have photographs of some of this heavy equipment to give you an idea.

Mr. WILSON. That piece is 10 feet long. The stone was split, and we just bend the rod around it. That piece is about 3 feet thick.

Senator THURMOND. I think that is all the questions I have, unless counsel has some.

Mr. NEASE. I think that is all, sir.

Mr. GILBRIDE. Senator, I sent to Senator Russell a copy of the appraisal in detail. Could I submit a copy for your consideration?

Senator THURMOND. Counsel informs me that we have a copy of it.

Mr. GILBRIDE. All right.

Senator THURMOND. Does the Navy have anything else it wants to say before we close?

(No response.)

Senator THURMOND. Very well, gentlemen.

Mr. GILBRIDE. Thank you for your courtesy.

Senator THURMOND. Thank you, sir; glad to see you.

Does the Navy have anything else it wants to say?

Admiral LYMAN. No; think you very much, Mr. Chairman.

Senator THURMOND. Since that is all the testimony, the subcommittee stands adjourned.

(Whereupon, at 5 p.m., the subcommittee adjourned.)

NAVY ACQUISITION NO. 11, SITE FOR CONSTRUCTION  
OF CAPEHART HOUSING ADJOINING U.S. NAVAL  
BASE, PHILADELPHIA, PA.

MONDAY, JULY 17, 1961

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON ARMED SERVICES,  
*Washington, D.C.*

The subcommittee appointed to consider acquisition No. 11 by Navy of 27.59 acres of land adjoining naval base, Philadelphia, as a site for construction of 400 Capehart housing units met, pursuant to notice, at 2:50 p.m., in room 212, Old Senate Office Building.

Present: Senators Thurmond (presiding) and Bartlett.

Also present: Harry L. Wingate, Jr., chief clerk; and Gordon A. Nease of the committee staff.

Senator THURMOND. The subcommittee will come to order.

Do you wish to make a statement, Mr. Mayor?

STATEMENT OF HON. RICHARDSON DILWORTH, MAYOR OF THE  
CITY OF PHILADELPHIA, ACCOMPANIED BY WILLIAM RAFSKY,  
DEVELOPMENT COORDINATOR; JOHN P. ROBIN, OLD PHILADEL-  
PHIA DEVELOPMENT CORP.; AND PATRICK H. McLAUGHLIN,  
WASHINGTON REPRESENTATIVE OF THE CITY OF PHILA-  
DELPHIA

Mr. DILWORTH. May I say there is here with me today Mr. William Rafsky, our development coordinator, who has charge of all redevelopment and public housing activities, and Mr. John Robin, who is the executive vice president of the Old Philadelphia Development Corp., and I do not need to introduce Mr. McLaughlin, who represents the city down here.

Senator THURMOND. Would you identify him for the record, please?

Mr. DILWORTH. Mr. Patrick McLaughlin, who represents the city of Philadelphia in Washington.

I believe you now have the letter from me which enclosed an opinion.  
(The letter is as follows:)

CITY OF PHILADELPHIA,  
*July 13, 1961.*

HON. STROM THURMOND,  
*Chairman, Senate Armed Forces Committee,  
Senate Office Building, Washington, D.C.*

DEAR SENATOR THURMOND: At the subcommittee hearing on June 29 you were kind enough to hear me in connection with the city's concern about the acquisition of land in Philadelphia by the Navy Department for a Capehart housing project. At that time I agreed to check on the possibility of the city condemning

the land, and agreeing to pay the difference, if any, between the condemnation award, and the maximum (\$550,000) which the Navy can pay under the Capehart housing law.

I am advised by our city solicitor that the city through the medium of the redevelopment authority can condemn the land; and, also put up the necessary additional funds to make up the difference, if any, between a condemnation award, and the amount the Navy can spend for this land. The formal legal opinion of the city solicitor is enclosed.

I also met with our city council and have been assured that if the condemnation proceedings terminate with an award of more than \$550,000 to the property owners, that city council will appropriate whatever sum is necessary to pay the balance of the award over and above \$550,000.

I have also checked the testimony given by Mr. Whitman at the hearings in 1958 as against the price which he actually paid for the land.

You will remember in 1958 a nearby site which would have produced 700 units of housing, and which was strongly urged by the Navy and the Defense Department, and approved by the House of Representatives, was killed in the Senate, largely on the testimony of Mr. Whitman.

The appraisals of the Navy and the city were that the land could be bought for \$16,000 an acre. Mr. Whitman testified that he had agreements of sale for a good part of the land at \$25,000 and \$26,000 an acre; and, that in his opinion, the overall cost of the land would average \$26,000 an acre, as against the Navy and city appraisals of \$14,000.

The fact is that Mr. Whitman purchased all of the land at a price averaging \$16,000 an acre.

I also want to state that as of the present date, Mr. Whitman has not made settlement on a single one of his so-called agreements of sale.

Finally, I think that Mr. Whitman has a tremendous gall to tell the Navy it should give up a part of its Navy yard to build houses on, so that Mr. Whitman can make a handsome profit on land ideally suited for Navy housing.

If your subcommittee will make a trip to Philadelphia, I think you will be convinced that the site adjoining the naval hospital is where the housing should go, and that it would be very bad policy to use up the little remaining space at the Navy yard for housing.

I wish to take this opportunity to thank you and the members of the subcommittee for your consideration of this vital project for our city and the courtesies extended to me at the hearing.

Sincerely,

RICHARDSON DILWORTH.

CITY OF PHILADELPHIA,  
LAW DEPARTMENT,  
*Philadelphia, Pa., July 13, 1961.*

HON. RICHARDSON DILWORTH,  
*Mayor, City of Philadelphia,  
Philadelphia, Pa.*

DEAR MAYOR DILWORTH: You have asked me to advise you how a tract of land located in the vicinity of 20th Street and Pattison Avenue may be acquired for the purpose of constructing low income housing for naval personnel thereon, keeping in mind that the Federal Government will contribute a maximum sum of \$550,000 toward the cost of acquisition.

It is my opinion that this tract of land may be acquired for the foregoing purpose and that the cost of acquisition in excess of \$550,000 may be provided by the city of Philadelphia. I believe that this can be done as follows.

The tract may be certified as a redevelopment area. Following such certification the redevelopment authority may exercise its powers of condemnation under the urban redevelopment law (act of May 24, 1945, Public Law 991), acquire fee simple title, and take possession upon filing with the court a bond to cover just compensation to the owner of the tract as determined by law. In the event that the compensation awarded is in excess of \$550,000, the additional sums of money necessary can be supplied by funds obtained by the redevelopment authority from the city of Philadelphia. The city has the legal authority to make such contribution to the redevelopment authority, pursuant to the urban redevelopment law.

Upon acquisition of title, the redevelopment authority may enter into a lease with or convey the tract to the Federal Government or its nominee for the pur-

pose of developing the tract for low income housing for naval personnel. Both the acquisition of the tract and its ultimate development are clearly proper public purposes within the meaning of the urban redevelopment law.

By this method the tract in question may be acquired and made available for low income housing to naval personnel at cost to the Federal Government not in excess of \$550,000, the balance to be underwritten by the city of Philadelphia.

Sincerely,

DAVID BERGER, *City Solicitor*.

Mr. DILWORTH. After our last hearing down here, we made another complete review of the possibilities of sites for Navy housing. We also discussed them with the Navy people there, and as I said in my letter to you, Senator, I think if the committee or the chairman of the committee visited our city, they would come to the same conclusion as the Navy and ourselves, that the only really desirable spot—in fact, the only very feasible spot—that there is left on which to put the Navy housing is the site that is immediately adjacent to the naval hospital.

We reviewed our appraisals and all that. We are convinced that our appraisals are about correct.

We then obtained an opinion from our city solicitor, which we also checked with a firm of eminent counsel in this field, which I think makes it clear that the redevelopment authority can, under the act, condemn this property, because it is to be used to clear out an area and to provide necessary housing for the community and an activity in the community.

Plus that, sir, we enclosed, or rather, there was a statement from me that I had been assured by the council, and they will meet next Thursday, at which time the necessary resolution, I have been assured, will be enacted, that if the cost should go above \$550,000 in the condemnation proceedings, the city will save the Navy and Government—in other words, the city would put up the difference between \$550,000 and whatever might be the final condemnation figure. We are confident that we shall be able to get it within the \$550,000. That will be in addition to, I think it is approximately \$1,100,000 that the city will spend in furnishing utilities to this site, plus the opening of this one street.

As I said, sir, the Navy yard, like the Charleston Navy Yard, is an institution in our city. In some cases, we have the fourth and fifth generation of people working in that yard. It has been a really skilled yard that has taken tremendous pride in its workmanship, and it has meant an enormous amount to our city, not merely because of the employment there, but everything else it stands for. I think the city is solidly behind us in this.

It is never pleasant to say disagreeable things about other people, but I would like to remind the committee that these two gentlemen who have appeared here did exactly the same thing in 1958, when it was virtually settled on another excellent site, which was immediately to the northeast of this site, which would have provided much needed housing to the extent of 700 units; it was virtually knocked out by the testimony of these two private developers, who claimed just about what they are claiming this time, that they had agreements of sale, that the average price of the land would be \$26,000 an acre instead of the \$15,000 that the city and the Navy estimated. We have gone back over the record, and we find they acquired the entire tract for an average price of \$16,000.

In the present instance, they have not closed for a single one of these properties. They have not put up a cent. In the opinion of the city solicitor, there is nothing binding in these agreements of sale. I am a lawyer myself, I have read them, and I agree they cannot be compelled by the so-called vendor to go through with any of these agreements of sale. I think it is an instance where two gentlemen, seeking what is really the only desirable site left for housing in this area—well, they have no interest in the city, but, for the sake of their own private profit, are trying to knock out something that means a tremendous amount to the city.

We also have the support of our chamber of commerce in this, which I think is very significant, and the support of the Greater Philadelphia movement and the support of the old Philadelphia Development Corp., which has been formed especially by all the leading business and banking interests in the city to promote the renewal and rehabilitation of our city. This we consider a really key thing.

As I say, to show how much it means to us, we are committed already to pay in \$1,100,000 in furnishing of the utilities and the opening of a street, and we are also ready to commit ourselves where an additional sum is necessary over \$550,000, because we think it is that important to the Navy Yard and to the city.

There is one final thing in conclusion, sir. I think if you did personally examine the site, you would agree with the Navy that Mustin Field is no place for this housing.

Senator THURMOND. I have a few questions here that I would like to propound to you.

When you appeared before the subcommittee on June 29, 1961, you indicated you would look into the possibility of the city acquiring the questioned land by condemnation and, in turn, selling it to the Federal Government. Our research into this procedure has revealed that the courts have pretty universally held that one sovereignty cannot take land for the use of another.

Now, from what you have told us, you propose to do just this under the provision of the urban redevelopment law. Does this not raise a serious legal question as to whether it can, in fact, be done?

Mr. DILWORTH. No, sir; we do not think it raises any legal question. Under the redevelopment authority, if you would care to have Mr. Rafsky elaborate on that, he will.

Senator THURMOND. I would be glad to have him do that.

The redevelopment authority is a State agency?

Mr. RAFSKY. State created, yes.

This is not the first incident of this kind, Senator, if I may. We have checked this out before, both with our own counsel as well as with Federal agency officials and the Urban Renewal Administration. Under our State law we condemn land because it is declared blight. Our State supreme court has upheld that once we acquire the land, that is all we have to demonstrate under the State act; its resale has to be consistent with the plan for the area. Under the Pennsylvania law, we plan to acquire a tract of land and turn that land over to the General Services Administration for a Federal office building. We believe, and our city solicitor has checked this, and says we can do the same with Navy housing.

Senator THURMOND. Did that contest reach the appellate court of your State?

Mr. RAFSKY. We have not had court test on the disposal of the land to a Federal agency, but we have had many contests as to taking land from one private user and disposing of it to almost any other purpose we see fit. The court is very clear that the government responsibility under the law is for the purpose of taking the land, that disposal is completely up to the discretion of the administrative agency, provided it is consistent with a plan. There are no prohibitions about turning it over to another agency.

Mr. DILWORTH. There have been court contests over theoretically one private agency against another. For instance, one of the things we did in a redevelopment project; we have, I think, the second oldest Presbyterian Church in the Nation there. The national church body wanted to make a development alongside of it, and we took private homes there, condemned them, and turned them over to the Presbyterian Church.

I think everybody was agreed it was a very desirable and necessary thing to do, because this Presbyterian Church was a great center of tourists, visitors, and is virtually a Presbyterian shrine.

There was a court contest over it, and the court held, as Mr. Rafsky says, that the only thing it has to consider is was it a proper area to take. In other words, did it meet the conditions of blight, and the take, second, the use to which we put it or the person to whom we turned it over, is it consistent with the overall redevelopment plan approved by the Federal Government and the State? That is the only test.

The Government attorneys are convinced, for instance, in this other case, where we are going to do it in Independence Square, there is no problem over that, and there is a very large amount of money involved there.

The Government is going to spend about \$42 million. We are going to have a redevelopment authority where there are now two large, old buildings take that and turn it over to the Government General Services Administration, where they are going to build two office buildings.

Mr. RAFSKY. Maybe it will be of help to know that there are no funds of the Urban Renewal Administration in this, as the mayor has indicated. Only city funds will be used if necessary to supplement the normal Navy Department expenditures.

Senator THURMOND. Only what, did you say?

Mr. RAFSKY. City funds will be used to supplement the Navy Department purchase of the land, if necessary. We are not using any other Federal money in this outfit, even though the Redevelopment Authority is carrying out the condemnation.

Mr. DILWORTH. In other words, the charge could be made that we are using Federal funds here to back up our guarantee that there will be no Federal money whatsoever involved.

We shall spend \$1,100,000 of our own on utilities and a street opening. If it is necessary to pay anything above \$550,000, that will be city money.

Senator THURMOND. In speaking of land, you condemn private property to turn over to a church—did that case go to your high court?

Mr. DILWORTH. No.

Mr. RAFSKY. Yes, we have one case like that in Pittsburgh.

Mr. DILWORTH. In Pittsburgh, that is right.

Mr. ROBIN. Which has gone to the U.S. Supreme Court, among others.

Senator THURMOND. The general policy is you can condemn for public use, but it interests me, as a lawyer, as to how you can condemn private property for any other purpose than a public use.

Mr. DILWORTH. This has been construed a public use.

Mr. RAFSKY. Not the church, but the fact that it is in what we call a blight area is what we call a public purpose. This is a case where the Federal court looks over the shoulders of the agency. Once we have met that criterion of the State act, we have met the public purposes requirement.

Senator THURMOND. You have acquired it for a public purpose?

Mr. RAFSKY. That is correct.

Senator THURMOND. Once you acquire it, you can do anything you want to?

Mr. DILWORTH. No, it has to be consistent with a plan that has been approved by the Federal Government.

Mr. RAFSKY. In this case, it is not Federal Government, but it is consistent with our overall city planning.

Senator THURMOND. You aroused my curiosity as to how you could condemn private property and turn it over to a church.

Mr. RAFSKY. Because the plan might call for an institution such as a church, and this is perfectly acceptable, and this is the principle that has been tested in the courts.

Mr. DILWORTH. In this particular area, you see, this was the oldest—

Senator THURMOND. There has been no test in your appellate court?

Mr. RAFSKY. On the church, yes; it has gone to the U.S. Supreme Court as well.

Senator THURMOND. I would like to have your citations.

Mr. ROBIN. The historic cases are the *Belovsky* case and the *Schenk* case.

Senator THURMOND. If you will just give me your citations, I would like to have them on this point.

Mr. RAFSKY. We would like to send them in. (See appendix XII.)

Mr. DILWORTH. I can see you do not feel this is quite proper. Perhaps I can explain. You take this particular area and you have the oldest Catholic Church north of the Mason-Dixon line; it has one of the oldest Episcopalian Churches in the United States, the church in which George Washington worshipped while he was in Philadelphia, a beautiful church; and you have old Christ Church, one of the most beautiful churches in the city.

You have the oldest synagogue in the country, one which was attended by Haym Solomon, the man who financed the Revolution. It was thought it was extremely desirable in this area.

Here we have, right alongside of us, the Independence Hall National Park, alongside of all this. It was there, not only completely desirable—we also have the old Swedes' Church, one of the oldest churches in the United States, I think. You remember, the Swedes landed there even before William Penn. They landed there in the early 1500's. This old Swedish church is, I think, literally one of the oldest in the country.

All these churches originally had very nice green gardens and cemeteries and so on around them. Some of them have fallen into disuse. To supplement the Independence Hall National Park, these churches should be renewed, the grounds around them, walkways between them, and those that wanted to supplement that, we should help them supplement that, like the Presbyterian Church wanted to set up various things in the neighborhood, the Second Presbyterian Church.

The overall plan was approved, and then, under the plan, we proceeded to condemn. If you could not do that, then there would be virtually no renewal program that you could carry out, because we have never had a renewal program in which we have not had the people come in.

I do not know of any renewal plan in which private property is not taken and turned over to various other what you might describe as private interests, like churches and universities, settlement houses, schools—many things of that kind. If you could not do that, there would just be no renewal or redevelopment.

Senator BARTLETT. Mr. Chairman, I want to apologize to you and to the mayor and his associates for leaving. I am required to go on to another committee meeting, long since set up. I wish I could stay more, but I have been glad to hear you, Mayor.

Senator THURMOND. The testimony will be available for you to read and we shall call this subcommittee together again.

Senator BARTLETT. I shall read it, too.

Thank you.

Senator THURMOND. Now, if you proceed as you have indicated, what assurances have you that the city planning commission will certify the land in question is a blight area, which I believe is a prerequisite of action by the redevelopment authority?

Mr. DILWORTH. Well, if that is something that your subcommittee wants, sir, why, we shall immediately set about to ask the planning commission to do so.

Mr. RAFSKY. I have already talked to the executive director of the planning commission, and he believes that, based on the information we have turned over to him, it can be declared blighted under the State act.

Senator THURMOND. Could you furnish us any information?

Mr. RAFSKY. We would be glad to send that in.

Mr. DILWORTH. When does the planning commission meet?

Mr. RAFSKY. I think it is one day this week.

Mr. DILWORTH. Would you want a resolution from the planning commission, sir?

Senator THURMOND. I think that would be all right. (See appendix IX.)

Mr. RAFSKY. They meet this Friday.

Senator THURMOND. Do you feel that the courts would uphold such a decision by the Planning Division when the developers now interested in this land propose to develop this area with private homes; similar to what has already been done in nearby areas?

Mr. DILWORTH. Yes, because they could not develop it now with what they propose to develop it with, because it does not come within our city plans.

They would have to get it changed, not merely from our zoning board. They would have to get a legislative change in the zoning.

In other words, they would have to persuade the city council to change the zoning and the city council so far, in the 9 years of our new city charter, sir, and this is very important, while the decision of the Planning Commission is not binding on the council, the council has never gone against a decision of the planning commission, and for very good reason, sir.

We worked up—we spent 3 years doing this—a comprehensive plan for our city. Our city, like all the big cities, has sort of grown up like Topsy, without proper planning or anything. We were determined that from now on, the city is going to be planned properly, so that it will be a healthy, decent place in which to live and work and raise our families. We, after 3 years of work, and it involved a million dollars in surveys and studies, adopted a comprehensive plan and we are sticking to it.

The planning commission, which is a combination group of commissioners and the best of our citizens, has religiously stuck to that plan, and these developers do not have a chance in the world of getting that change in zoning so they can slap up row houses in there.

Senator THURMOND. Let me ask you this, now. Did those same developers build houses just across the street there from this property?

Mr. DILWORTH. That is right.

Senator THURMOND. Is there any evidence that they have not acted in good faith?

I am anxious to bring all the facts out, because the subcommittee will want to ask this.

Mr. DILWORTH. I can say this, sir. In 1958, they certainly did not act in good faith. They came down and succeeded in knocking us out.

Senator THURMOND. Who came down?

Mr. DILWORTH. The same two, Peace and Whitman in 1958.

Mr. RAFSKY. There are two significant facts that are different between the two, Senator, if I may, although, as a the mayor said, it is true. First, the zoning for the first tract was proper for the kind of housing they wanted to put in, so they did not have to go to the city council to get a change.

Second, this has lead our planning commission to declare this blight; there are special things necessary to provide the water to this site.

I think it is significant to note that the agreement of sale between the present proposed developers and the owner of the land requires the seller to provide the sewer and water. That sewer and water would not normally be put in because of the heavy expense that it entails, unless we of the city had not asked for it because of the Navy housing, because we felt it was important to the public purpose. So the situation here is not to be compared to the 1958 situation, because this is not the type of building land on which they developed their pervious private housing.

Mr. DILWORTH. I do want to repeat that they declared the last time that our appraisals and the Navy appraisals could not be supported and that the land would cost \$26,000 an acre, and they claimed to have various agreements of sale.

Yet the fact is that they bought the land for an average price of \$16,000 an acre.

Senator THURMOND. Now, I have a letter here of this point from Ezra B. Whitman, Jr., dated July 14, 1961, in which the second paragraph reads this way—I believe this letter is directed to Mr. Gordon Nease, the staff member handling this matter:

Referring to the purchase of land on which we have erected 648 homes, Mayor Dilworth stated that in 1957 we “then proceeded to buy the land within the appraised value, not the values they came down here and testified to, and not the so-called agreements of sale they came down and testified to.” Actually, we purchased the land on April 24, 1956, and settled for it on October 22, 1956, so agreements of sale were never an issue in 1957.

Furthermore, we did not testify before any committee in Washington.

Mr. DILWORTH. Well, they certainly—it is completely ducking the issue, because they knocked it out down here.

Senator THURMOND. I understood you to say they came down and testified.

Mr. DILWORTH. That was my understanding. They knocked it out down here.

Senator THURMOND. He said they did not come down and testify. What evidence do you have that they did?

Mr. DILWORTH. We have those facts, that they testified that this would cost an average of \$26,000 an acre.

Mr. RAFSKY. We do not have evidence that they testified before a committee, but we do know that they talked to certain Congressmen and won on the military affairs committee.

We do know from our own representatives on that committee that because of this statement, we just could not get it through.

Mr. MCGLOTHLIN. It never got to a hearing.

Mr. RAFSKY. These facts the mayor referred to have been independently checked.

Senator THURMOND. I was under the impression from you that they came down here and testified. Now they say they did not testify. What is your position on that? Do you claim they did testify? If so, we would like to get the testimony.

Mr. DILWORTH. Whether there was formal testimony or not I do not know, but we were informed by the congressional committee that they had stated this would cost \$26,000 an acre, and supported it with appraisals and also with agreements of sale. We presented our appraisals, the Navy presented their appraisals, and you can check back, sir, through the Navy Department, and they wound up by buying and the actual price which we have checked back, that they paid for this land was an average of \$16,000 an acre. There is no question about that.

Senator THURMOND. Well, he further said in this letter:

The mayor said, “Well, now, the last time around they had the political organization behind them, but this time they do not, et cetera.” In fact, for 11 months the mayor’s planning commission refused to allow us to procure building permits pending a decision by the Navy as to whether it would condemn the land. This delay, which cost us many thousands of dollars, can hardly be considered as political support.

Mr. DILWORTH. There are two kinds of political support, as you know, sir.

In other words, the administration and our planning commission is a real citizens’ commission with some of our own commissioners sitting on it. It is very different from the political organization.

They also, the last time around, had the support of the Congressman from the District, which they do not have this time.

Senator THURMOND. He further says this, which was pertinent to a statement you made here at the beginning of a hearing this afternoon:

The mayor referred to our present agreements of sale as "so-called agreements." Actually, they are firm, unconditional contracts which were exhibited at the hearing.

Mr. DILWORTH. You are an attorney, sir. Have you read them?

Senator THURMOND. I understood from what you said that you did not consider them binding.

Mr. DILWORTH. They do not have to go through with this if they do not want to.

Mr. RAFSKY. May I read one of the clauses from this?

Senator THURMOND. Yes.

Mr. RAFSKY. One of the clauses in the agreement says:

The purchase price of said lands shall include offsite and onsite improvements presently installed or to be installed at the seller's expense consisting of sanitary sewers, storm, water sewers, water, street paving, filling, and grading to the grades of Penrose and Pattison Avenues.

This cannot be done without the full approval of the city agency, and the city agency has only agreed to do this because of the Navy housing. We do not see how the seller can perform under this agreement.

Further—and I am not quoting now, but paraphrasing—the seller agreed to take back a purchase money mortgage of \$90,000 to be secured on the ground to be conveyed, payable within 2 years with interest at the rate of 6 percent. Furthermore, it provided that if requested by the mortgagor, the seller agrees to subordinate the lien of the mortgage, in whole or any part thereof, on the whole or any part of the land into the lien of institutional construction money and/or permanent mortgages.

Now, the seller can default on this at any point and he does not have a firm agreement either.

Senator THURMOND. Of course, if the purchaser wanted to go through with the matter, even though he did not get what the seller promised him, there is no reason why he could not do that, is there?

Mr. RAFSKY. Except I do not think he could get the utilities here that the city provides.

Senator THURMOND. Now, at the hearing we had here on this matter on the 29th of June, I believe Mr. Whitman testified:

It has been suggested that certain conditions in these agreements might be dependent upon city utilities. I have here copies of an ordinance signed on the 26th of this month by Mr. Dilworth, authorizing the city to proceed with the installation of these sewers and other necessary utilities. We have at no time based any of our agreements on a conditional basis.

Mr. DILWORTH. But that ordinance is specifically for the purpose of permitting the Navy housing. There is nothing that compelled us to do that, and we certainly have not the slightest intention of doing it for a gentleman from Fort Lauderdale who simply wants to come in there and make a handsome profit, wreck our comprehensive plan, take the last decent available site for Navy housing, Senator.

Senator THURMOND. The ordinance he presented here then, that I just referred to, was adopted with the plan in mind?

Mr. RAFSKY. Yes, sir.

Senator THURMOND. With the plan in mind of—

Mr. DILWORTH. He did not put it in; we put it in.

Senator THURMOND. It is not an ordinance which would give him protection?

Mr. DILWORTH. This is a city ordinance. We put it in. The administration of the city of Philadelphia introduced it so we could go through with this Navy housing.

Senator THURMOND. Is there anything in that ordinance which would exempt him from getting these utilities? You said it is only for the Navy.

Mr. DILWORTH. We do not have to do it. This authorizes us to do it.

Senator THURMOND. Your interpretation is that this ordinance authorizes the city to proceed with the installation of the sewers and other necessary utilities?

Mr. DILWORTH. That is right.

Senator THURMOND. Your position is that you would not do it for him?

Mr. DILWORTH. I do not mean for him.

Senator THURMOND. But you would do it for the Navy, is that right?

Mr. DILWORTH. We shall only do it for the Navy.

Senator THURMOND. You will only do it for the Navy? Do you mean you will not do it for him or any other person?

Mr. DILWORTH. Or any other person. That is the reason these gentlemen are here. This is not a contest for a developer from Fort Lauderdale, Fla., a gentleman from Fort Lauderdale, Fla., who wants to wreck our comprehensive plan. We do not intend to let him do it, and I do not think we should. This is no political matter. This is a matter in which we have the complete backing of our chamber of commerce, which is of the opposite political faith than we are, of the Greater Philadelphia movement, which is a movement of businessmen and was written up in the Saturday Evening Post not long ago, what it has accomplished, working in cooperation with the city administration for the city of Philadelphia; with the old Philadelphia Development Corp.; with our citizens council, which is made up of every community council in the city of Philadelphia; and our chamber of commerce, every single one of those organizations, and they are the groups of civic-minded citizens and businessmen that have been working so hard to renew and rehabilitate our city. Everybody is behind us, sir. There is not anybody who is not except two private developers, one of them from Fort Lauderdale, Fla., who want to come in and wreck our whole comprehensive plan, and we have no intention of letting them do it.

Senator THURMOND. Now, I have a few more questions here I want to ask for the record.

If you proceed as you have indicated through the medium of the redevelopment authority, will this be a federally approved redevelopment project under title I of the Housing Act of 1949?

Mr. RAFSKY. No.

Senator THURMOND. In other words, you do not claim that you would apply for any Federal funds and that you would not obtain any Federal funds to assist in paying the city's portion above the \$550,000 if it is appraised above that?

Mr. DILWORTH. We shall go further than that, sir. I will immediately, as mayor of the city, write you a letter that there will be no Federal funds so used.

I shall put it even stronger than that, that the only funds that will go into it will be city funds.

Mr. RAFSKY. We may want to use some State funds on this.

Senator THURMOND. Would you get me a letter to that effect? (See appendix VIII.)

Mr. DILWORTH. Yes.

Senator THURMOND. If so, we shall place that in the record.

I might ask you this question right on that point. If this committee approves this project for the Navy, does the city of Philadelphia have the authority to make a written agreement that, insofar as this project is concerned, no Federal funds will be asked for under title I of the Housing Act of 1949, and that any cost of this land, either directly or indirectly, over \$550,000 will be paid for by the city of Philadelphia?

Mr. DILWORTH. We shall put it in whatever form the Congress wants, Senator, that the Congress feels it should be.

Well, you have my letter. You will be furnished with a resolution of the city council. I would think that would be as tightly as any city can bind itself. If you want an agreement in addition to that, I am sure we can have one executed by the mayor and every individual member of the city council.

Senator THURMOND. You will furnish a resolution, then, by the city council to that effect? (See appendix X.)

Mr. DILWORTH. Yes, sir.

Senator THURMOND. And you will write a letter to me to that effect?

Mr. DILWORTH. That is right, sir.

Senator THURMOND. And if necessary, you will enter into an agreement to that effect, is that right?

Mr. DILWORTH. Yes, sir, absolutely. Because this is—I just cannot emphasize it enough—

Senator THURMOND. In other words, as I understand now, you, the city will bind itself to pay out of the city funds, which will include no portion of Federal funds, any amount above \$550,000 that may be granted to the landowners for this property that is being condemned?

Mr. DILWORTH. That is right, sir.

Senator THURMOND. How soon can you get those to us?

Mr. DILWORTH. Well, Thursday, we shall get the council resolution; Friday is the planning commission meeting. I shall try to mail out late Friday afternoon, so you will have it by next Monday, the necessary letter from me, the resolution of the city council, and the resolution of the planning commission.

Senator THURMOND. Then would the city proceed to condemn this property?

Mr. DILWORTH. Yes, sir.

Senator THURMOND. How long would that take?

Mr. DILWORTH. Well, it depends. If the gentleman from Fort Lauderdale is going to carry it to our supreme court, it could take a little time.

Mr. McLAUGHLIN. We have the right to apply for a pending final judgment by the court.

Mr. RAFSKY. He has the right to—

Senator THURMOND. Do you think it will be tied up for several years in court?

Mr. McLAUGHLIN. 60 days.

Mr. DILWORTH. Well, as you know, sir, we cannot guarantee. I think we could get the courts to expedite the matter. I think we could clear it up within a year unless—you know, the other side has some rights to exercise too.

Senator THURMOND. Suppose we take a 5-minute recess, gentlemen.

(A short recess was taken.)

Senator THURMOND. Mr. Mayor, in order to have the record complete, I want to ask you a few more questions here.

Does the city of Philadelphia have the power to condemn this property and acquire title to it and then convey it to the Navy?

Mr. DILWORTH. The city as such?

Senator THURMOND. The city of Philadelphia.

Mr. DILWORTH. No, I do not think so.

Senator THURMOND. Or does the urban renewal—

Mr. DILWORTH. Yes, that does. I do not think that the city itself, under its own power of condemnation, could condemn this and turn it over to the Navy, no; I do not.

Senator THURMOND. But it is your opinion that the urban renewal—the redevelopment agency could?

Mr. DILWORTH. It is more than an opinion, sir. We have done it in several instances already. It has been done in Pittsburgh and there sustained by the courts.

There is no doubt in our minds that the act, in its purposes, makes it perfectly clear that we can do it in this particular way.

Senator THURMOND. You are confident that the urban redevelopment agency of the city of Philadelphia does have the power to condemn this property and turn it over to the Navy?

Mr. DILWORTH. Yes, sir.

Senator THURMOND. Is the city of Philadelphia willing to condemn the property and give good title to it to the Navy at a price not to exceed \$550,000?

Mr. DILWORTH. Absolutely.

Senator THURMOND. In the event that the court holds that the city does not have the authority to condemn this property, then what course would the city follow?

Mr. DILWORTH. Well, I do not know exactly what the situation would be in that, as you say, extremely—we do not think there is any chance it will happen. But if it does happen, I do not know what our next step would have to be.

Senator THURMOND. Does the city of Philadelphia have the authority to bind itself by contract to pay any deficiency judgment rendered against the United States in a condemnation suit by the Navy of this property over and above \$550,000?

Mr. DILWORTH. Well, the condemnation would be by the redevelopment authority, and our contract would be to reimburse the redevelopment authority, as I see it.

We have made binding contracts with the redevelopment authority. We have, under our city charter and under our State laws, at least as extensive powers as any in the United States.

Senator THURMOND. Then your opinion is that the city of Philadelphia would have authority to enter into a contract with the redevelopment agency to pay it any deficiency judgment made above the \$550,000?

Mr. DILWORTH. That is right.

Senator THURMOND. Then does the redevelopment agency have the power to bind itself by contract to any deficiency judgment rendered against the United States in the condemnation suit by the Navy of this property over and above \$550,000?

Mr. DILWORTH. That agreement would have to come from the city. In other words, the city that is agreeing.

Senator THURMOND. I understood you to say that the city would not have any authority to bind itself, but the redevelopment agency would.

Mr. DILWORTH. I did not mean that, sir. Our contract will be with the redevelopment authority, the city's contract. It is the city that is undertaking to pay the deficiency.

Senator THURMOND. Who to?

Mr. DILWORTH. Well, if the redevelopment authority is condemning, then we would pay the deficiency to the redevelopment authority.

Senator THURMOND. Then does the redevelopment authority have the right to bind itself by contract to pay any deficiency judgment rendered against the United States in a suit by the Navy of the property over and above \$550,000?

Mr. DILWORTH. As I see it, that would not be involved, because we would agree with the redevelopment—

Senator THURMOND. Who could the United States hold responsible for paying any deficiency judgment—the city of Philadelphia or the redevelopment authority, or who?

Mr. DILWORTH. The city of Philadelphia.

Mr. RAFSKY. We have done this in a similar situation. The city of Philadelphia appropriated \$800,000 to the redevelopment authority to buy land which was a redevelopment project, without any participation by the Federal Government.

Some of the property owners felt that they were not paid a proper price, and have taken it to the court. If the amount exceeds \$800,000, the contract goes to the city and the city is obligated to make up the difference, and we shall enter into a similar relationship here.

Senator THURMOND. In your opinion, then, speaking for the city of Philadelphia, it would have the authority to bind itself to pay any deficiency judgment rendered against the United States?

Mr. RAFSKY. That is correct.

Senator THURMOND. Above the \$500,000?

Mr. RAFSKY. That is correct.

Senator THURMOND. If the suit were brought by the Navy to condemn this property?

Mr. RAFSKY. That is correct, and we believe the city council resolution will spell this out.

Senator THURMOND. I understood him to say the city would pay it to the redevelopment authority, rather than to the U.S. Government.

Mr. DILWORTH. All the Navy would pay would be \$500,000.

Mr. RAFSKY. But the mechanism would be that if it were more than \$500,000, the redevelopment authority would receive the additional funds from the city, and it would be the authority that would be the paying agency. We believe that the contract would bind both the authority and the city.

Senator THURMOND. Would both be willing to enter into a contract with the Government to pay the deficiency judgment above \$550,000?

Mr. RAFSKY. Yes.

Senator THURMOND. The redevelopment agency and the city would enter into a contract?

Mr. DILWORTH. That is right.

Mr. McLAUGHLIN. Are you assuming that the Navy is going to do the condemnation now?

Mr. DILWORTH. No, no.

Senator THURMOND. I say, if they did.

You see, there are two approaches here.

Mr. McLAUGHLIN. Oh, I see.

Senator THURMOND. You have a route this way and you have a route this way. One is that if the Navy or the U.S. Government condemned the property—

Mr. McLAUGHLIN. I think that is what the mayor did not understand.

Senator THURMOND. Would the city or the redevelopment agency or both enter into a contract, and do they have the right to enter legally into such a contract, to pay any amount around \$550,000?

The other course would be for the city to condemn the property and turn it over to the Navy at a price not to exceed \$550,000.

Mr. DILWORTH. I do not think there is much doubt that if the city itself, as condemnation agency, attempted to do it, Whitman and Peace could knock it out because it has been the law in Pennsylvania that a municipality cannot condemn for a public purpose and then turn it over to another agency.

So you could not do it as the city. It has been done—

Senator THURMOND. When I say the city, I am speaking of the redevelopment agency, or either. I was using the term "city" as meaning city or redevelopment agency.

Mr. DILWORTH. We want to keep it absolutely clear as to how this will be done. We are absolutely certain, because it has had tests; we have done it three times already. There is not any doubt that under the law and the whole theory of redevelopment, we can do it.

Senator THURMOND. You are saying that the redevelopment agency can condemn the property?

Mr. DILWORTH. Right.

Senator THURMOND. And it is willing to condemn it and then convey it to the Navy at a price not to exceed \$550,000?

Mr. DILWORTH. We shall need a resolution from the redevelopment authority, and we shall get that first.

Mr. RAFSKY. We meet on Tuesday, and we shall have that back.

Senator THURMOND. I have another question. If the Senate Armed Services Committee refuses to give approval to the Navy at this time to proceed with the acquisition of this property, would the city of Philadelphia be willing to institute condemnation proceedings forthwith to acquire the property, on the assumption that the subcommittee

would give approval after the city have acquired good title and stood ready to convey the property to the Navy at a price not to exceed \$550,000?

Mr. DILWORTH. I think we would have to know what was going to be what? In other words, the city has no particular desire to go in—we have enormous capital demands upon us. We have no desire to just acquire this tract of land as a tract of land. We would have to have some reasonable assurance from the committee that they would approve, because otherwise we would put out the money—

Senator THURMOND. Well, my question said that on the assumption the subcommittee would give approval after the city had acquired good title and stood ready to convey the property.

Mr. DILWORTH. Senator, how could we assume that unless you, as the chairman, or the subcommittee were at least willing to write us that you would?

How could I go before the council and say we want—in this case, we would have to lay out \$550,000 and anything extra there might be, with no assurance of any kind that we would have anything but a piece of property. We have no desire for the piece of property.

Senator THURMOND. I am chairman of the subcommittee. Senator Russell is chairman of the full Armed Services Committee, and after we act, we report to the full committee. Then the full committee might be unwilling to proceed in that way and refuse to give approval, but give you assurances in writing that they would give approval when the city had acquired good title and was ready to convey the \$550,000.

Mr. DILWORTH. That is all we would want, sir, if Senator Russell would write us that if we went ahead and did this—

Senator THURMOND. The full committee would have to act. That is the reason that has to come from Senator Russell.

Mr. DILWORTH. We would certainly proceed. In other words, this is an enormously important civic project.

Senator THURMOND. I do not know whether you realize it, but this is one of the most intricate and complex problems that has come before this committee, certainly since I have been a member. There are a lot of technical and legal aspects here that you do not visualize right at the first study of it.

Mr. McLAUGHLIN. Another problem is the expiration of the authority of the Navy to acquire these by October of 1962.

Senator THURMOND. What is that, now?

Mr. McLAUGHLIN. The Navy has only until October of 1962 to acquire the property for this purpose, I understand.

Mr. DILWORTH. The Capehart Act expires in October 1962, as I understand it.

Senator THURMOND. Mr. Nease, do you have any questions you wish to propound?

Mr. NEASE. One or two, sir.

In connection with the last question the Senator asked you, would it make any difference if the committee gave the Navy approval to go ahead with this project upon receipt of good title from the city of Philadelphia?

Mr. DILWORTH. Just so they get approval.

Mr. NEASE. In other words, they could not start building housing until such time as you would act?

Mr. DILWORTH. Sure.

Mr. NEASE. Now, at the present time, the Navy personnel is living in, I believe you call it the Passyunk project?

Mr. DILWORTH. Yes.

Mr. NEASE. I believe that was Lanham Act housing turned over by the city to the Navy. I believe it cost the city nothing at the time, with the understanding that it could be used for the Navy?

Mr. DILWORTH. Yes.

Mr. NEASE. What is the reason they cannot use those?

Mr. DILWORTH. We are in desperate need of public housing for the city. It is constantly thrown up to us when we go over to the Housing Agency, why do you come over here and pester us for housing when you have those 700 units down there? That is like a fielder's choice. If you want to let the Navy stay in there, they say, do not complain to us you are not getting enough public housing units from us. Why do you not kick the Navy out and use it as public housing? Then you can complain to us about the balance of the shortage. But that is what the housing people keep saying to us.

We are tremendously anxious to get that.

Mr. NEASE. I believe there has been some thought that since the Government gave it to the city to start with, they should be entitled to those units, though.

Mr. DILWORTH. They turned it over to us and there were plenty of other considerations at that time, sir. The city of Philadelphia has never gotten anything free from the Government the way many other large cities have. We have paid, in one form or another, for everything we have gotten from the Federal Government.

Senator THURMOND. Did the city pay for these houses you are speaking about?

Mr. DILWORTH. No, not the particular houses.

Mr. RAFSKY. I do not know of any city that paid for Lanham Act housing. That was turned over to them.

Senator THURMOND. Since the city now needs it and the Government gave it over to the city, would it be in order for the city to give it back to the Government?

Mr. DILWORTH. Those houses are not in proper condition for the Navy now. They have deteriorated; they were never good houses to begin with. They are 20 years old now. It certainly does not fill the Navy requirements.

Again, sir, I just cannot urge you strongly enough to come up there and take a look at this.

Senator THURMOND. How many houses do you have in that project?

Mr. RAFSKY. A little under 1,000.

Senator THURMOND. As I understand the Navy's requirements here, they are about 1,000, and even if this project should be approved by the Senate Armed Services Committee for this 400, you still have the deficiency of 600.

Mr. DILWORTH. Well, that is something that can be temporarily accommodated to. But they have eventually—

Senator THURMOND. What is going to happen to these other 600?

Mr. DILWORTH. Senator, seriously, I cannot urge you strongly

enough to come up and look at this situation. You cannot judge it by sitting here.

Senator THURMOND. I want to get on the record your position on these matters. I am the only one here, and the rest have to read the record.

Mr. DILWORTH. Senator, why should we—when we want municipal piers—they were given to the city of Boston. What were those other cities?

No other city has paid any substantial sum. Certainly, when our Army piers are turned back, we are told we have to pay full market for them. We have never gotten anything free out of the Government.

Under the Lanham Act, every city had that housing turned over. Why should you call upon us—

Senator THURMOND. I do not know anything about that.

Mr. DILWORTH. I do, sir, and that is the business of the city.

Senator THURMOND. That does not enter in here. The point I am making now about these houses is this: The Navy, as I understand, and I think they testified, has requirements for about 1,000 units.

If we approve the request of the Navy now, they will put up about 400 units. They will still be short of 600 units.

How is that shortage going to be met?

Mr. DILWORTH. We shall accommodate the Navy until they can need it, but the Navy is not going to stay in there very long and, eventually, we are going to have to pull our housing down and put up new housing.

Senator THURMOND. Where is the Navy going to put that 600?

Mr. DILWORTH. We shall accommodate down there until they can make arrangements for the other 600, but we want to use it as much as we can.

Senator THURMOND. What property is available down there for the Navy to build these 600 houses on?

Mr. RAFSKY. If I may, Senator Thurmond, we have discussed this with the Navy now—

Senator THURMOND. Then if you can find a place to build 600, why can you not find a place to put 400 and keep them together?

Mr. RAFSKY. I think there needs to be some understanding of the Navy. I have been working on this for years, and it is true that they can make accommodations for 600 to 700 people for them to house. When we found a piece of land such as we are talking about now and can only build 400 units on it, the Navy Department decided that this could meet the immediate pressing needs, and the existing housing in the area could meet the others. This was the rockbottom minimum that we could agree on.

We are now thinking of making other land available. We believe this, plus private housing, can do the job.

Now, it is always possible that some of the housing in the Passyunk homes can be made available for the lowest income, largest family housing for the Navy, because they need public housing eligibility.

Further, there has been some liberalization of the public housing legislation in this Congress.

We do not start off with the premise that seems to underlie your question, Senator, that additional facilities will be needed beyond the present project we are talking about.

Senator THURMOND. The Navy stated they had requirements for about 1,000 units.

Mr. RAFSKY. I was not here when the Navy was, but in their discussions with us, they have indicated they can use that many, but this was not what they needed for immediate use.

Senator THURMOND. It struck me if this is going to be a hodge-podge thing to meet a temporary gap and not meet their requirements, we had better be looking at it from the overall standpoint.

Mr. DILWORTH. Senator, seriously, I cannot urge you strongly enough to come to our city. This is not something—this is vital to our city. This is not just the administration of the city of Philadelphia, this is the entire city. Every responsible civic and business organization, our two newspapers, which are both Republican newspapers—this is a civic necessity, a civic problem. If you were to come up and look at the physical situation, you would see why this has been worked out just as it is, and that that is the only logical way to work it out. If you took a look at the Passyunk homes, you would see that is not going to serve the Navy very much longer.

Senator THURMOND. Let me ask you this: Are those houses outdated, outmoded, or worn out?

Mr. DILWORTH. I merely ask you this, sir. If you would come up and take a look at them—

Senator THURMOND. I would rather you would answer my question now for the record, Mr. Mayor. Are the houses worn out, inadequate, or what is wrong with them?

Mr. DILWORTH. I do not think you should put us in this position, in this sense. We are going to have to move people in there. You know how people are. If I say here before you and it is published in the papers and then, in that area, we start moving people into that housing, they will say you are moving us into housing that is not fit for Navy personnel, why should we be pushed into it? That is no dream, as far as I am concerned. I do not want to be in that position.

Senator THURMOND. I am asking you this. If the housing is outmoded, inadequate—

Mr. DILWORTH. I am asking you to take a look at them.

Senator THURMOND. You have housing there for about 1,000 people. Suppose the people just conveyed that land back to the Government and they razed those houses and put up the 1,000 units they want, what would be wrong with that?

Mr. RAFSKY. If I may, Senator, perhaps we are starting off with a different premise. When I participated with the Navy Department in the Public Housing Administration, at the time the Passyunk housing came up, from a city view, we had an idea where the needs were. The best way to answer the need was to maintain a significant number of units for low-rent public housing families, because that is where the need was greatest. Navy Department needs were also important, so we pushed forward on the Capehart housing program. Those were the priorities. If the alternate was private housing, that is way at the bottom. We think we can solve our needs by keeping Passyunk homes for low-income families and building 400 homes in this particular project for the Navy personnel.

We have been over this very carefully, not only with the local Philadelphia Navy Department people, but with officials who have come

up from the Navy and Defense Departments. We have toured the entire area. We have examined very closely the income of people who are going to live in these houses, and the Navy has told us 400 is the minimum, they cannot go below that. They think they can find housing for the others.

If you look at the problem from our point of view, there is no other alternative, from our point of view. They meet our needs for this particular project and we do not want to change in any way the position that Congress has reiterated on two occasions, keep Passyunk for low-income housing. They have only extended the time because they want to get this Navy housing taken care of.

Senator THURMOND. What I was wondering is this: If this land is right close to the Navy and will answer the problem, the Government wants on it, if they raze those houses and put up new units there on that land, that would satisfy the Navy's requirements, would it not?

Mr. RAFSKY. Yes.

Senator THURMOND. I realize it would cause the city difficulty to relocate that housing somewhere else, but that could be done, could it not?

Mr. RAFSKY. Not that easily.

Mr. DILWORTH. Do you realize the city accommodates 2,100,000 people, plus all the industry we have to have to it, in 139 square miles, Senator, and we have virtually run out of land?

Senator THURMOND. Here is the thing. Either the Navy is going to have to go somewhere else to get land to put up these 600 units, even if they acquire this, or you are going to have to do it for the low-income families. Somebody is going to have to do it.

Mr. DILWORTH. May I say this, Senator, and I do not think it is an unfair statement to make. It is not just a question of the Navy officers coming up and looking at this. The Navy civilian businessmen of the Eisenhower administration, which certainly had no great enthusiasm for building this type of housing, they came up; two Under Secretaries of the Navy made a complete study of this from their personal view. Before they came up, their ideas were very much the same as yours.

I do not think, sir, you should undertake to rewrite the decision arrived at, not just by Navy officers, but by the Under Secretaries of the Navy plus the Defense Department, plus every civic group or organization in the city of Philadelphia, without at least taking a look at it, sir. I do not think it is unreasonable that if you want to change a decision that it has taken them 3 to 4 years to arrive at, after the most careful consideration of, as I say, these civilian Under Secretaries of the Navy, the Secretary of the Navy, the Secretary of Defense, as I say, in the city, a project that is not only supported but is recommended by every civic and business agency and the newspapers of our city, sir, I do not think you ought to rewrite that without at least coming up to our city and letting us show you the physical facts.

I do not think that you would want, in Charleston, the reverse done to you, sir, by having some Senator sitting here rewrite the entire plans in that way, sir. I think if you want to rewrite—

Senator THURMOND. I am trying to bring out all the facts. You see, there are five members of this subcommittee. There are 17 members of the full Armed Services Committee. So the matter will finally

be voted on by the full subcommittee and the full committee. But I am trying to get all the facts on the record so that the facts will be available. You have made your request in here that the members come up and see the site if possible. That is on the record.

Mr. DILWORTH. I do not think that is asking too much.

Senator THURMOND. Well, that is your opinion. They may decide otherwise. I do not know what they will decide. But you made your request and it is on the record.

Mr. RAFSKY. Senator, we are not aware that the Navy Department, if it finally constructs 400 housing units, will ask for any more land. They have never said anything of that kind to us. They have agreed to a decision that this is the tract they want, the tract only accommodates the 400 units, and as far as we are concerned, this meets the urgent needs of the Navy Department.

Senator THURMOND. Did the Navy not dispose of this Passyunk, they would have had that land now, would they not, and that would have met their requirements, would it not?

Mr. RAFSKY. It was not the Navy Department's to dispose of.

Senator THURMOND. Then it would have been the Navy's problem to find land there; they would have had land.

Mr. RAFSKY. It was not the Navy Department's decision. This was a decision of the housing agency at the time, in which both the public housing officials of Philadelphia and the Navy Department appeared before it.

Senator THURMOND. Did not the Navy originally own this site?

Mr. RAFSKY. From the point of view of the city of Philadelphia, we made our choice in the sense that we wanted to house the low-income families, and then we wanted to house the Navy yard people and we thought we had the solution. We believe this proposal is one that meets all our needs adequately. The alternative of a privately built private housing project does not meet our needs.

Mr. DILWORTH. Could I conclude by saying this, Senator? We have, as all the big cities do, a really tremendous situation with need for public housing, need for these other things. Our need for the Navy yard is, of course, tremendous, to keep and maintain the Navy yard. But the reason these houses were turned over was because at that time, the need for public housing was desperate, still continues that way. We are still at least 5,000 units behind. There has been an enormous amount of work in our city done, renewed and rehabilitated, mostly with our money, an enormous amount of highway construction.

Do you realize, sir, right in our own city, the highway projects and renewal projects are throwing out of their homes each year about 4,000 families, and about 2,000 of those families are families who are not only entitled to public housing, but who have an awful time getting relocated unless public housing is available. That is why we desperately need every unit of public housing we can get our hands on.

Senator THURMOND. Mr. Whitman, is his testimony said this:

The Philadelphia Redevelopment Authority, in cooperation with the Housing and Home Finance Agency, has recently acquired hundreds of acres approximately 3 miles from the Navy yard for 12,000 homes, primarily single family units, and an industrial park known as New Eastwick project. We feel certain that sufficient area could be allotted to the Navy Department to construct 400 Capehart units at an immensely lower cost, well within the limits of that act.

Do you care to comment on that?

Mr. RAFSKY. First of all, on that last conclusion, this is not true, because we would have to charge a price under the title I program of fair market value for that land, and it would not be much different than it would be if we had this particular land.

Secondly, we have already entered into a contract with private re-developers based on a plan for the area, so that the land is no longer available for this purpose. This is an academic point he is making.

Thirdly, with all due deference to these gentlemen, who may be fine home builders, they are rotten planners. This is not the area for Navy housing, and this area has been surveyed by the Navy and Defense Department people who were there.

Mr. DILWORTH. Again, Senator, I think if you took one look at that area, you would see it is not a proper area physically for this Navy housing.

Seriously, Senator, may I add this? These cities are doing a tremendous job to try to save themselves and also be able to finance themselves. You suggest take a part of your industrial park. In the first place, it is a completely wrong location for this kind of thing. Cities such as ours cannot support themselves unless we can attract industry, and it is perfectly apparent that under the modern manufacturing conditions, unless we can furnish industrial parks, we cannot attract industry.

So to say that we should turn over an area that is absolutely essential to us, the few remaining areas that we have—we only have left in the entire city of Philadelphia two areas of any acreage that we can turn into industrial parks. One is in the northeast, 800 acres. This other is down in the Eastwick area, an area of 850 acres. They are absolutely essential to us as industrial parks.

Senator THURMOND. Mr. Nease, do you have some more questions?

Mr. NEASE. Just one that I would like to ask.

You mentioned earlier that these people would want to acquire this housing up near the Naval Hospital. Based on the rezoning problems, what would be the difference between the housing they are going to build and the Navy requirements? Would it not be the same zoning?

Mr. DILWORTH. No, sir, the Navy has it that can go in under present zoning and their housing could not.

Mr. NEASE. Why would that be, sir?

Mr. DILWORTH. It is "D" residential.

Mr. RAFSKY. The garden-type family apartments the Navy is going to build are permitted under "C" residential zoning whereas a private, single type of house, which would be single or row, which Peace and Whitman are going to build, are not permitted. The only kind they could build would be a kind that is more expensive, in the northeast.

Mr. NEASE. Even though it is in the immediate vicinity, this is zoned for a different type of house?

Mr. RAFSKY. Yes, but not completely; in part.

Mr. DILWORTH. Could I repeat, sir, because this is essential to us as it is to any city struggling for survival? As I said, we spent 3 entire years drafting a comprehensive plan for the city, and we have all stuck to it, because we know how important it is to us. For instance,

the city council passed an ordinance to vary from that plan if the planning commission turned it down and said that that would be a variance of the plan and might break down the whole plan. Since we have the plan in effect, there has never been a variance from that. To start now would be fatal, but, of course, your average developer does not give a doggone about the city's planning or the city's welfare or the fight of our big cities to protect and preserve and renew themselves. That does not interest them. But it not only interests us, it is vital to us.

As I say, this is not just some whim of our city government. I just cannot repeat too often how important it is that we have this support of every civic and business agency in the city in this, including both newspapers, as to how vital this is to our city. Franke came up and took a look at it. He could not believe any of this was necessary. When he looked at the various sites and areas, what was available, he absolutely agreed.

Mr. NEASE. We have information from the Navy that they would open bids on this project on August 3 if they could. Based on the fact that you people think you can condemn under your urban renewal, what would you propose, that they start in and build the housing now before this is settled in the courts?

Mr. DILWORTH. We, under the Pennsylvania law the cities of all classes combined on and persuaded the legislature to enact, when we give our intention to condemn and deposit in court either double the assessed value or else the amount that we have offered and are willing to pay, we can move in and start work. We are working actually on projects now; we have everything in the courts and before the courts. We have moved in, taken possession, and are actually building.

Mr. NEASE. Where would you be, though, sir, if the courts did not uphold your jurisdiction to condemn in this case and you started the housing? What would happen then?

Mr. RAFSKY. They could collect damages, and those are damages for which we would make ourselves responsible.

Mr. NEASE. That would be part of your agreement, if the committee could ask you for this?

Mr. DILWORTH. That is right, sir. That is how vital we believe this is to the development and welfare of our city. I do not think you have every seen a case where there is such unanimity on the part of the whole community, where the city council is actually willing to go along and condemn for the Federal Government.

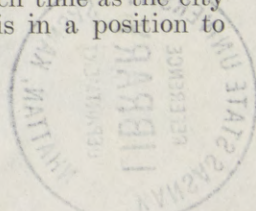
Mr. NEASE. That is all the questions I have.

Senator THURMOND. Well, Mr. Mayor, thank you very much for coming down and bringing your associates with you. The subcommittee will meet very soon and you will hear from us.

(Whereupon, at 4:05 p.m. the subcommittee adjourned, subject to call of the chair.)

#### SUBSEQUENT ACTION

On Thursday July 20 the subcommittee met in executive session and agreed to recommend to the full committee that the Navy be denied authority to proceed with this acquisition until such time as the city of Philadelphia or the redevelopment authority is in a position to



legally tender to the Navy title to this property at a cost not to exceed \$550,000 provided it can be accomplished by December 15, 1961. It was agreed that a recommendation be made to the full committee that the committee direct the following letters to Mayor Richardson Dilworth and Assistant Secretary of the Navy Kenneth E. BeLieu.

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES.

Mayor RICHARDSON DILWORTH,  
Philadelphia, Pa.

DEAR MAYOR DILWORTH: In regard to the desire of the Department of the Navy to acquire some 27.59 acres of land adjacent to the hospital in the city of Philadelphia for the purpose of constructing Capehart housing thereon, I should like to advise you of the decision of the Senate Committee on Armed Services.

This committee is denying permission for the Department of the Navy to proceed with this project until the city of Philadelphia and/or the redevelopment authority acting under the urban redevelopment law of the State of Pennsylvania legally tenders to the Department of the Navy clear title to said property at an amount not to exceed the cost of purchase but in no event more than \$550,000 on or before December 15, 1961. It is to be clearly understood, however, that no Federal funds are to be used to defray the cost of acquisition of this property by the city of Philadelphia or the redevelopment authority.

The Department of the Navy is being requested to keep this committee currently informed of the progress of this matter. Also, the Department of the Navy will be expected to advise this committee of the terms of any settlement that may be arrived at before proceeding with the housing project. I am enclosing for your information a copy of my letter to the Assistant Secretary of the Navy.

Sincerely,

RICHARD B. RUSSELL, *Chairman.*

U.S. SENATE  
COMMITTEE ON ARMED SERVICES.

HON. KENNETH E. BELIEU,  
Assistant Secretary of the Navy,  
Washington, D.C.

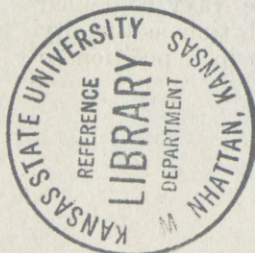
DEAR MR. SECRETARY: Reference is made to my letter of June 14, 1961, and to your letter of July 7, 1961, in regard to Navy acquisition project No. 11 which relates to the proposed purchase of 27.59 acres of land in the city of Philadelphia.

There is enclosed a copy of a letter I have today directed to the mayor of the city of Philadelphia in regard to this matter. As you are no doubt aware, Mayor Dilworth has advised this committee of his belief that this property can be obtained by the city of Philadelphia through the medium of the redevelopment authority for a price not to exceed the Navy appraisal of \$550,000 with clear title being legally tendered to the Department of the Navy for this amount. He advised further that in the event the court awards the owners a greater amount, such costs will be defrayed by the city of Philadelphia without the use of any Federal funds. The committee, therefore, denies authority to the Department of the Navy to proceed with this acquisition project unless the terms of this agreement are complied with no later than the 15th day of December 1961.

You are requested to keep this committee currently informed as to the progress of this matter and as to the terms of any settlement that might be arrived at before proceeding with this proposed housing project.

Sincerely,

RICHARD B. RUSSELL, *Chairman.*



## APPENDIXES

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### APPENDIX I. ADDITIONAL SUPPORTING DATA SUPPLIED BY THE NAVY

NAVY ACQUISITION REPORT No. 11—CAPEHART HOUSING SITE, PHILADELPHIA,  
PA.—SUPPORTING DATA

#### REQUIREMENT FOR PROJECT

Requirements for the 400-unit Capehart project at Philadelphia are based upon the staffing of 14 major activities in the south Philadelphia area.

The consolidated housing report of May 1961 and the DD 874 form indicate the gross housing requirements for the complex is in excess of 1,900 housing units with a net deficit of over 1,200 housing units. Predicated upon the above information, 400 units or 33 $\frac{1}{3}$  percent of the housing requirement has been programmed for construction. It is also noted that Passyunk homes, a PHA housing project, now houses 679 enlisted personnel in inadequate quarters. It is presently thought these units must be vacated by June 1962. A breakdown of eligible personnel with relation to their assigned activities is as follows:

	<i>Approximate percent</i>		<i>Approximate percent</i>
Headquarters -----	4	Recruiting station -----	3
Naval hospital -----	5	Reserve fleet -----	20
Shipyards -----	3	Damage control -----	5
Naval air TecTra unit -----	4	District craft -----	11
NAM at center -----	3	Home ported ships -----	4
Receiving station -----	6	Miscellaneous -----	12
Commissary store -----	4	Marines clothing recruit -----	16

#### SITE SELECTION

Thirty-three Government sites and at least 20 other parcels of privately owned land were investigated prior to the selection of a site for the project. In particular, Government-owned lands at Mustin Field and Fort Mifflin were further reviewed, evaluated, and found not suitable for family housing. Mustin Field was not acceptable because of low ground, high storm-drainage costs, industrial area, active airfield, catapult test center, railroad marshalling yard, and coal and iron ore loading docks adjacent, which operate day and night, causing the area to be covered with dust. Also, the best use of the land would be for commercial purposes. Fort Mifflin is located in a commercial area, surrounded by oil refineries. As a whole, the land is low and unless an area in the center is used, extensive fill and storm drainage would be required. The site is in the commercial airport approach zone and the best and proper use of this land is for commercial purposes. It is also understood that the city of Philadelphia desires this land for the development of an industrial park. The Director of the Federal Housing Administration in Philadelphia has advised the Navy that in their normal underwriting procedure involving site-desirability features, they believe that serious deficiencies exist in both the Fort Mifflin and the Mustin Field properties.

#### SELECTED SITE

The site selected is the one which is best suited for the proposed housing. It is predominantly zoned "residential" and is thus in keeping with the city development plans. It is within walking distance to most of the activities which it will support. It is close to schools, shopping centers, hospital, and

other community facilities. The city will extend the public utilities to the site and the proposed housing is the best use for the land. The city is in favor of this development.

#### TYPE OF CONSTRUCTION

The project designed for Philadelphia is similar and compatible to the type housing presently under construction in this general area. All units are two story row-type, composed of three and four bedrooms, basements, garages, one and a half and two bathrooms. Because of the nature of the land, all foundations will be placed on piling with all exterior and party walls to be brick. The plans and specifications not only meet FHA requirements, but have been checked by the cognizant building inspector's office and have been determined to meet all Philadelphia building codes.

#### VALUATION DATA

At the time the site was being selected, a preliminary appraisal was obtained to be sure that the land value was below the \$1,500 per housing unit maximum allowed for Capehart housing. With this information in hand, the formal plans for the project were initiated and two detailed appraisals obtained by contract from—

Marshall & Stevens, 1420 Walnut Street, Philadelphia, Pa.

John G. Keck, M.A.I., 1622 North Broad Street, Philadelphia, Pa.

These appraisals completed in February 1961 indicated a value of just under \$500,000 for the 27.59 acres or an average of \$18,100 per acre. This represents a land cost of \$1,250 per housing unit. In accordance with our normal custom, acquisition report No. 11 was prepared and submitted to the Armed Services Committees.

Subsequently the Navy was apprised of objections to the acquisition and that three recent unrecorded contracts of sale would indicate that the appraised value was too low. The Navy therefore had its appraisals brought up to date as of June 9, 1961, and made an onsite review of the valuation. This has resulted in an increase in the appraised value to just under \$550,000 or an average of \$20,000 per acre and \$1,370 per housing unit. The Navy considers that the valuations thus obtained represent the fair market value of the properties involved and that it is justified in proceeding with the acquisition by condemnation if necessary, as it would do in any normal case.

#### ASSESSED VALUE

The total assessed value of the property is \$147,700 and based upon a 61 percent ratio of assessed value would indicate a market value of approximately \$250,000. The 1960 tax rate was \$3.66 per hundred and the 1961 rate is \$3.80 per hundred.

#### RECENT CONTRACTS OF SALE

The three contracts of sale which are all included in the proposed acquisition and which prompted the reappraisals are summarized as follows:

(1) Present owner—League Island Development Co. & Montour Corp.

Contract purchaser—John Swartz.

Date—October 1, 1960.

Area—4.927 acres (\$33,500 per acre).

Consideration—\$165,000, payable \$7,500 at time of contract; \$67,500 at time of settlement (within 9 months); \$90,000 purchase money mortgage payable within 2 years semiannually at 6 percent interest.

Conditions—Agree to subordinate mortgage. Utilities at seller's expense include sanitary sewers, storm sewers, water, street paving, filling, and grading; zoning for restaurant and motor lodge; construction permits issued by city.

(2) Present owner—Richard J. Seltzer, agent for Montour Corp.

Contract purchaser—Marshall Building & Contracting Corp.

Date—March 24, 1961.

Area—10.37 acres (\$25,000 per acre).

Consideration—\$260,000, payable \$26,000 at time of contract; \$26,000 at time of settlement, with purchase money mortgage of \$208,000, payable \$65,000 October 1, 1962, \$78,000 October 1, 1963, \$65,000 October 1, 1964, at 6 percent interest.

Conditions—Seller to grade; seller to be responsible for release of outstanding leases; buyer responsible for street improvements; seller responsible for 1

percent Philadelphia realty transfer tax; buyer responsible for 1 percent Pennsylvania realty transfer tax.

(3) Present owner—George F. C. Franks, agent for Elizabeth A. Simon individually and as trustee for estate of Phillip Simon, and Abram L. Lischin, agent for Phillip M. Simon, et al.

Contract purchaser—Marshall Building & Contracting Corp.

Date—May 18, 1961.

Area—7.88 acres (\$27,000 per acre).

Consideration—\$213,000, payable \$10,000 at time of contract; \$11,000 before May 30, 1961; \$10,000 before June 30, 1961; \$11,000 before July 30, 1961; \$21,000 at time of settlement; \$150,000 purchase money mortgage payable \$25,000 semi-annually at 6 percent interest.

Conditions—Release of lots as construction progresses; marketable title insurable at regular rates; seller to pay 1 percent Philadelphia transfer tax; buyer to pay 1 percent Pennsylvania transfer tax; buyer responsible for new utilities; buyer to put up bond for utility costs; agreement not to be recorded.

## APPENDIX II. LETTER FROM ASSISTANT SECRETARY OF DEFENSE THOMAS D. MORRIS, COMMENTING ON LETTERS OF EZRA B. WHITMAN, JR.

ASSISTANT SECRETARY OF DEFENSE,  
INSTALLATIONS AND LOGISTICS,  
*Washington, D.C., June 17, 1961.*

Hon. RICHARD B. RUSSELL,  
*Chairman, Committee on Armed Services,  
U.S. Senate.*

DEAR MR. CHAIRMAN: We have reviewed the inclosed letters from Mr. Whitman concerning the requirement for land in support of a Capehart family housing project in Philadelphia, Pa. Mr. Whitman's letters were referred to me by your memorandums dated May 20, 1961, and June 5, 1961.

On May 31, 1961, a real estate acquisition project for the 27.59-acre parcel of land which is referred to by Mr. Whitman was reported to your committee under the provisions of title 10 United States Code 2662. This land is required as the site for 400 units of Capehart housing which were authorized by Public Law 86-500.

With regard to Mr. Whitman's comments, Department of Defense policies preclude the acquisition of privately owned land if land under military control is available to accommodate requirements. Consistent with this policy Mustin Field, which is mentioned as a possible site for this housing, was considered. However, due to the high water level underlying that area, and the poor foundation conditions which exist there, use of that site is unsuitable. Other military properties, including Willow Grove and Johnsville, were likewise considered but for various reasons were found to be unsuitable. A great number of privately owned tracts both in New Jersey and near Philadelphia were inspected but were also found to be unsatisfactory because of distance, utility costs or other reasons. For these reasons, the 27.59-acre site in question has been selected as the one most suitable for this housing project.

Since receiving your letter, Mr. Whitman has presented to representatives of this office an appraisal estimate concluding that land values, as reflected by other private appraisals which were used in developing the Navy project, are too conservative. On the basis of reinvestigation by Department of the Navy and addition of factors involving more recent property transactions occurring in the area, the initial appraisal estimates furnished the Department of the Navy have been adjusted and now reflect values slightly in excess of \$500,000. In the light of such reinvestigation it has been concluded that the land costs should not exceed the current statutory limitation for this type project and that Navy should proceed with acquisition action.

It should be pointed out that the appraisals obtained by Department of the Navy and by Mr. Whitman were in our opinion prepared by individuals highly regarded, reputable, and well qualified. It is the opinion of the Department of Defense that the differences developed in the judgment of the appraisers do not justify any changes in proposed Navy construction plans.

We will be pleased to furnish you with any additional information which you may desire.

Sincerely yours,

THOMAS D. MORRIS,  
*Assistant Secretary of Defense, Installations and Logistics.*

—————  
MARSHALL BUILDING & CONTRACTING CORP.,  
*Upper Darby, Pa., May 18, 1961.*

HON. RICHARD B. RUSSELL,  
*Chairman Senate Armed Services Committee,  
Washington, D.C.*

SIR: The Navy has announced plans to acquire a 28-acre tract of land bounded by Pattison Ave., Penrose Ave. and 20th Street in South Philadelphia, for the purpose of erecting 400 units of Capehart housing. As equitable owners of approximately 17 acres of this tract, we have strong opinions regarding condemnation of this ground by Navy. To clarify our position in the matter, may we give you our past experience with land values in this area.

Five years ago, in April of 1956, our Summit Realty Corp. purchased land immediately to the east of the tract mentioned above. At that time, as is the case today, it was rumored that the Navy was considering condemnation of our property, but we were advised by Capt. H. B. Jones, Bureau of Yards and Docks, in Washington, and through other reliable sources, that such condemnation could not be given consideration for inclusion in the military budget for 2 years, or even longer. Accordingly, we proceeded to design a subdivision plan acceptable to the city of Philadelphia, prepared plans for low-cost homes, secured approval of the Veterans' Administration and arranged proper financing for construction. Upon our application for building permits, we were advised that the Navy was still contemplating condemnation of our land for military housing under the Capehart Act, and because of this, our application was denied. We then determined that the prevailing cost of this land made it impossible for the Navy to acquire it within the limits of the Capehart Act, and while this was never denied, it was not until October 9, 1957, that the Navy finally withdrew from the picture. It had taken them over a year to acknowledge a fact which was evident at the very beginning. We began construction at once and as of this date, have built and sold nearly 800 homes on that tract of land.

Today we are confronted with a situation very similar to that prevailing in 1956, but there is one outstanding difference; ground values have risen to such a level that in our opinion the Navy is less able than before to qualify for acquisition of the ground under Capehart limitations. While there is a divergence of opinion among appraisers regarding the value of this ground, we feel that no one is as well qualified as we to establish such value with pinpoint accuracy. During the past 4 years, we have purchased approximately 70 acres of ground in this area through many varied transactions.

We have built and sold nearly \$10 million worth of dwellings, and we know precisely what residential ground costs are compatible with a profitable building operation. Furthermore, we have the facts and figures to justify our valuations.

The area in question of approximately 28 acres comprises several parcels:

(1) A subdivision plan for 10 acres of our ground has been given preliminary approval by the Philadelphia Planning Commission, providing not less than 235 building lots, which we value at \$1,180 per lot.

(2) A 5-acre parcel is zoned for a shopping center and is presently under agreement of sale for \$33,000 per acre.

(3) Another 5-acre portion contains the M. Wilson Co., a firm engaged in the operation of heavy excavating equipment. Besides an office building and an industrial building on the site, a large area has been especially prepared to support their equipment and maintenance facilities. Wilson values his ground at not less than \$60,000 per acre.

(4) The remaining acreage which is zoned for residential use may be subdivided into approximately 184 building lots valued at \$1,180 each.

To acquire this raw ground, the Navy will have to spend about \$960,000 for the planned 400 units, or approximately \$2,400 per lot. This, of course is far beyond the established Capehart limitation for acquisition of raw ground and does not provide for the cost of "off site" improvements. We have a copy of a letter written on April 26, 1961, by Rear Adm. Robert E. M. Ward to the Hon-

orable Carl Vinson, in which he states that the value of this tract, as calculated by their appraisers is less than \$500,000. Compared to recent sales of ground in the area, this figure is obviously much too low and certainly does not reflect the highest and best use of the land. A dispute over true value would, in all likelihood, have to be settled in court, and should our figures be upheld, as we sincerely believe they would, Navy would be confronted with the need to secure additional funds beyond those appropriated under Capehart.

As taxpayers, we object to any tremendous expense by Navy when it has within its limits Mustin Field, an airport so antiquated that it can accommodate only outmoded prop-driven transports and trainers. It seems preposterous that this field, which is more convenient than necessary, should be maintained with a fully manned control tower to accommodate the small amount of traffic using it. The Navy has an immense operation field immediately north of Philadelphia, at Willow Grove; it has another at nearby Johnsville and the Philadelphia International Airport is directly across the river from the Navy yard. We suggest that the elimination of Mustin Field and its conversion to a heliport would bring the Navy yard within 10 minutes of any of the surrounding installations. This would leave the Navy with acres of cost-free ground to house their personnel. Would this not be an economical answer in these budget straining times?

At this time, we are in the process of securing appraisals of our ground from highly regarded appraisers, and trust we may have the privilege of presenting their figures to you before a final decision in this matter is reached.

We will be most appreciative of such action on your part as you deem appropriate.

Yours very truly,

EZRA B. WHITMAN, Jr.

MAY 24, 1961.

Hon. RICHARD B. RUSSELL,  
*Chairman, Senate Armed Services Committee,*  
*U.S. Capitol, Washington, D.C.*

SIR: In our letter to you dated May 18, we set forth our position regarding the contemplated condemnation by the Navy of our ground in South Philadelphia. We have since secured a preliminary appraisal of the ground by Harold B. Hess, and enclose herewith a copy of his letter to us together with Mr. Hess' qualifications, which are an obvious manifestation of his integrity and ability. Mr. Hess' comprehensive report will be forwarded to you on or before June 5, next.

In light of Mr. Hess' valuation, we feel even more strongly that Navy's figure of "less than \$500,000" is obviously incorrect. As of this date, there are binding agreements of sale covering three parcels within the tract which amount to \$638,000 and this does not include the most valuable piece comprising 6 acres which contains a going industrial concern. If true market value is recognized, Navy cannot qualify under Capehart limitations for acquisition of this ground. We regard, with great apprehension, that Navy may condemn at a low figure, thus precipitating a dispute which would have to be settled in court, and making necessary Navy's securing additional funds from another source. We believe that such a procedure would not be in keeping with the intent of existing legislation.

Very truly yours,

MARSHALL BUILDING & CONTRACTING CORP.,  
EZRA B. WHITMAN, Jr.

HAROLD B. HESS & CO.,  
*Philadelphia, Pa., May 24, 1961.*

Re land sites (three bounded by Pattison Avenue, 20th Street, Penrose Avenue, and Hartranft Street, Philadelphia, Pa.).

MESSRS. THOMAS FARRELL, DAVID PEACE, EZRA WHITMAN, Jr.,  
*Upper Darby, Pa.*

GENTLEMEN: In accordance with your request, I have made an inspection and valuation of the above-captioned, improved, and unimproved landsites with which I have been familiar for many years, as well as other real estate in this area of South Philadelphia. A full detailed report will follow this letter shortly.

These properties are located in an area of South Philadelphia immediately north of the golf course of the F. D. Roosevelt Public Park, west of the U.S.

naval hospital and east of that part of Penrose Avenue that connects to the north with the Schuylkill Expressway, the eastbound ramp of the Walt Whitman Bridge approach and to the south and west the Penrose Bridge to the Philadelphia International Airport and the Industrial Highway. It is also in close proximity to the U.S. Navy Yard, U.S. Quartermasters Depot, the Municipal Stadium, and the Food Distribution Center, the largest of its kind in the world.

The subject properties are accessible to the aforementioned highways which provide expressway service for trucks and automobiles to Delaware and Maryland to the south, the Schuylkill Expressway connection with the Pennsylvania Turnpike, which services all of western Pennsylvania, and connects directly with the Ohio Turnpike, and so forth, to provide expressway service through to Chicago, and eastwardly to the New Jersey extension connecting with the New Jersey Turnpike providing expressway access to New England through to Maine and northern New York. Penrose Avenue approach leads directly to the Walt Whitman Bridge approach and the Walt Whitman Bridge which serves southern New Jersey via freeways and good highways and connects directly with the New Jersey Turnpike. To local buses (PTC) provide access to local areas and the Broad Street subway. Plans are underway for an extension of the Broad Street subway to Pattison Avenue and Broad Street, six blocks from the subject property, and the new Delaware Expressway will be directly south of the subject property about a half mile away.

Scarcity of land creates increased property values. In this area of Philadelphia, phenomenal increases in land values have occurred which will be illustrated in the report to follow. The reason for this scarcity is because several thousand acres have been taken off the market by developments completed or planned, some of which are as follows:

Food Distribution Center, 400 acres; the Eastwick Redevelopment Area, 2,300 acres; Penrose III Industrial Development Area; the development of 700 homes in the immediate vicinity of the subject property; the acres taken to build the Schuylkill Expressway and the Walt Whitman Bridge approach; and the new Philadelphia Aquarium. Further land will be taken for the extension of the Broad Street subway, the Delaware Expressway and the expansion of the Food Distribution Center; thus making for further scarcity of available sites for residential, commercial, or industrial development by private enterprise.

In this southern part of Philadelphia has taken place one of the greatest developments of any part of urban Philadelphia over the last few years. In 1956 arrangements were made to do away with many acres of land that were burning trash dumps and consequently the effect of the removal of smoke and odors that prevailed throughout this entire area, plus the aforementioned developments, created a startling change that has spiraled real estate values.

The properties herein valued consist of level ground, some have recently been filled to grade by good solid fill and would require spread footings and/or pilings when improved with buildings. Water is close by and can be installed to service the entire area. An ordinance is pending in city council to provide sewers. Electricity and gas are available.

The highest and best use of the subject properties is for development of apartment houses for residential use and for commercial and light or heavy industrial use. As an example, the contemplated use of a portion of the property now zoned "Shopping Center 2" is for the construction of a motel and restaurant by Howard Johnson. Other uses will be for retail stores either as separate entities, with parking, or a shopping center, and industrial use for research laboratories, manufacturing or distribution warehouses. As an example of the industrial use, a portion of the premises is presently zoned "Limited Industrial" and is being used as an office, repair shop and storage yard for heavy industrial equipment. The balance of the property is zoned, "Residential D and C" but changes in this area for the above-contemplated uses have been made in areas in close proximity to the subject property.

In my opinion, the fair market value of the subject property as of May 24, 1961 is \$950,000.

#### CERTIFICATION AND CONDITIONS

I hereby certify that I have carefully examined the appraised property; that I have no interest therein, present or contemplated; that the compensation for this appraisal is in no way contingent upon the amount of the valuation, that I have based the worth of the property upon a study of local conditions, comparison of sales, and a knowledge of real estate over many years of active real estate transactions throughout this area, the city of Philadelphia, and elsewhere.

This appraisal assumes a good and marketable title. Any liens or encumbrances which now exist have been disregarded and the property appraised as though free and clear from any indebtedness.

Respectfully submitted.

HAROLD B. HESS, *Appraiser.*

APPENDIX III. LETTER FROM EZRA B. WHITMAN, JR.,  
WITH ENCLOSURE

MARSHALL BUILDING & CONTRACTING CORP.,  
*Upper Darby, Pa., June 30, 1961.*

Mr. GORDON NEASE,  
*Senate Armed Services Committee,  
Senate Office Building,  
Washington, D.C.*

DEAR MR. NEASE: We consulted our attorney today, Mr. Lawrence Cushmore, of White & Williams, and he has agreed to give you his opinion on the legality of Mayor Dilworth's proposal to condemn ours and other land so that it may be made available to the Navy at a cost of \$550,000. I have taken the liberty of suggesting to Senator Thurmond that you will make this information available to him.

A copy of our letter to Senator Thurmond is enclosed for your information. May I again express our deep appreciation for the assistance you have given us in presenting our case to the Armed Services Committee.

Yours very truly,

EZRA B. WHITMAN, JR.

JUNE 30, 1961.

Senator STROM THURMOND,  
*Senate Office Building,  
Washington, D.C.*

DEAR SENATOR: On behalf of David Peace, Andrew Murphy, and myself, let me express our sincere appreciation for the cordial manner in which you received us yesterday when we appeared before your committee. We were tremendously impressed with your keen perception of the matter at hand and the fairness with which the hearing was conducted.

We were astounded at Mayor Dilworth's offer to have Philadelphia condemn the land and then make it available to the Navy at a cost of \$550,000. We have conferred with our attorney in Philadelphia and he holds that such a procedure would be absolutely illegal. He will write to Mr. Gordon Nease and give full substantiation of his opinion, and we will ask Mr. Nease to make this information available to you.

The testimony presented yesterday leads us to believe, even more strongly, that Mustin Field is the proper site for the Navy to use for housing. The Navy and Mayor Dilworth assert that there is no suitable ground in the area other than the tract which includes our land. But they also state that the 400 units they propose will still not solve their housing problem. It follows, therefore, that the Navy will be forced to use Mustin Field at a later date to provide the housing it needs. Why not start on Mustin Field now where there is adequate space for whatever number of dwellings may be required at no expense for land acquisition?

From our experience, we know that objections regarding the proximity of railroad tracks to dwellings can be minimized by effective and inexpensive screening with fences and planting. This holds true even for railroad tracks carrying rolling freight trains.

Low elevation ground presents no major problem to a competent builder. Part of the land we recently purchased has been filled to a depth of 10 to 15 feet, and we are currently acquiring thousands of cubic yards of fill on another parcel we own in the area—all at no expense, other than occasional bulldozer rental, to level the ground.

Proximity to the Navy yard has been given as a requisite for the site of the contemplated housing. How much closer can they get than being in juxtaposition with the Navy yard itself?

Mustin Field was described by the Navy as an administrative airport. We have suggested before that it be made an administrative heliport, placing it within minutes of International Airport which lies just across the Schuylkill

River, and both Navy installations north of Philadelphia at Willow Grove and Johnsville. This would eliminate the need of any strips for fixed-wing aircraft.

By the Navy's own admission, they never catapult aircraft at Mustin Field but only dead loads equipped with sirens. Along with the information you requested the Navy to furnish you regarding the number of arrivals and departures at Mustin Field, it might be interesting to know how frequently the catapult is fired and whether a satisfactory schedule of firing could be established within the limits of safety if dwellings were located on another part of the field.

In our opinion, the objections the Navy raises to placing housing on Mustin Field do not stand up under unbiased scrutiny and are outweighed by the advantages which could be achieved thereby. We also see no reason why the plans the Navy has already developed at substantial cost could not be used on another site, conceding that some modification might be necessary.

It is regrettable that Mr. Harold Hess, our appraiser, could not be present at the hearing, and I am certain that he will write to you when he returns from Europe on July 5. Mr. Hess will want to offer you full substantiation for his appraisal and no doubt will express his resentment over the remarks by Mayor Dilworth which impugned his integrity as an appraiser.

May I say in closing, sir, that we are proud to have men of your caliber and capability serving in the U.S. Senate.

Yours very truly,

MARSHALL BUILDING & CONTRACTING CORP.  
EZRA B. WHITMAN, JR.

#### APPENDIX IV. LETTER FROM JAN E. DuBOIS, OF WHITE & WILLIAMS

WHITE & WILLIAMS,  
Philadelphia, Pa., June 30, 1961.

Re Marshall Building & Contracting Corp., condemnation of land in Philadelphia, Pa.

GORDON NEASE, Esq.  
Senate Armed Services Committee,  
Old Senate Building, Washington, D.C.

DEAR MR. NEASE: Our client, Marshall Building & Contracting Corp., has asked that we submit an opinion to you on the question whether the city of Philadelphia can condemn real estate for the purpose of turning it over to the United States. As you know, the Federal Government intends to construct housing for civilian employees of the Philadelphia Naval Yard on the property in question.

Our research has disclosed that a State, or one of its political subdivisions, cannot authorize the taking of property within its jurisdiction for the use of the United States in carrying out a national function. The leading Pennsylvania case on the subject is *Darlington v. United States* (82 Pa. 382). The court there stated as follows at page 387:

"The State may take the property of a citizen for public use by virtue of its right of eminent domain, but it cannot take it for the benefit of another sovereignty, for the use of the citizens of the latter, nor can it delegate its right of eminent domain to another sovereignty for such purpose. \* \* \* The foundation of the right of eminent domain is necessity. The reason utterly fails when one sovereignty proceeds to take land for the use of another sovereignty."

Quoting from *Trombly v. Humphrey* (25 Mich. 471), the Pennsylvania Supreme Court went on to state as follows at page 387:

"The eminent domain in any sovereignty exists only for its own purposes: and to furnish machinery to the general government under and by means of which it is to appropriate land for national objects is not among the ends contemplated in the creation of the State governments."

The U.S. Supreme Court in *Kohl v. U.S.* (91 U.S. 367), expressly adopted the rule of the *Trombly* case that a State could not condemn land to be used by the Federal Government. The Court in *Kohl* held at page 373, 374, that "The proper view of the right of eminent domain seems to be, that it is a right belonging to a sovereignty to take private property for its own public uses, and not for those of another." This language was recently quoted with approval in *U.S. v. Certain Parcels of Land in Williams County, North Dakota* (178 F. Supp. 313).

The law on the subject is well summed up in 1 Nichols on Eminent Domain, section 2.113(3) at pages 110-111 as follows:

"It is now generally considered to be the sounder rule that a State cannot authorize the exercise of eminent domain except for the use of its own people, and that consequently a State cannot authorize the taking of property within its jurisdiction for the use of the United States in carrying out the public and governmental functions assigned exclusively to the United States by the Constitution. The eminent domain in any sovereignty exists only for its own purposes; and to furnish machinery to the general government under and by means of which it is to appropriate lands for national objects, is not among the ends contemplated in the creation of the State government. The Supreme Court of the United States has approved this rule as based on the best reasoning. The proper view, it has held, of the power of eminent domain is that it stems from a right of the sovereign to take for its own public use and not for the public use of another sovereign. Beyond that there does not exist the necessity which is the foundation of the right."

Under the foregoing authority it is our opinion that the city of Philadelphia cannot exercise the power of eminent domain for the purpose of transferring land to the United States in order to permit the United States to erect houses on the property pursuant to a Federal statute. Such a taking of property would be for national, as opposed to State, purposes and is beyond the power of the city.

Respectfully submitted.

JAN E. DuBOIS.

APPENDIX V. LETTER FROM EZRA B. WHITMAN, JR.,  
WITH ENCLOSURE

MARSHALL BUILDING & CONTRACTING CORP.,  
*Upper Darby, Pa., July 14, 1961.*

MR. GORDON NEASE,  
*Senate Armed Services Committee,  
Senate Office Building,  
Washington, D.C.*

DEAR MR. NEASE: At the hearing of the subcommittee of the Senate Armed Services Committee held on June 29 last, Mayor Dilworth of Philadelphia made a number of statements which were without basis of fact. To set the record straight, I am taking the liberty of refuting some of these statements. Rather than presenting the issues directly to the Senators of the subcommittee, may I leave it to your discretion as to whether you deem it fitting to bring this to the attention of the Senators, or simply make it a part of the record.

Referring to the purchase of land on which we have erected 648 homes, Mayor Dilworth stated that in 1957 we "then proceeded to buy the land within the appraised value, not the values they came down here and testified to, and not the so-called agreements of sale they came down and testified to." Actually, we purchased the land on April 24, 1956, and settled for it on October 22, 1956, so agreements of sale were never an issue in 1957. Furthermore, we did not testify before any committee in Washington.

The mayor said, "Well now, the last time around, they had the political organization behind them, but this time they do not, etc." In fact, for 11 months the mayor's planning commission refused to allow us to procure building permits pending a decision by the Navy as to whether it would condemn the land. This delay, which cost us many thousands of dollars, can hardly be considered as political support.

The mayor referred to our present agreements of sale as "so-called agreements." Actually, they are firm, unconditional contracts which were exhibited at the hearing.

Mayor Dilworth said, "they will purchase this land themselves within \$550,000." This is absurd since we have already purchased our portion of the tract at an established figure and we have no intention of trying to buy the remaining existing industrial ground and the site zoned for a shopping center.

Contrary to what Mayor Dilworth implied, our land purchase and appraisal were in no way based on a change of zoning. He is the only one who has raised this issue and it is without any vestige of support. However, we do not relin-

quish our privilege of applying for a zoning change if the development of our plans through the Philadelphia Planning Commission dictates that a change of zoning would best serve the proper development of the tract.

While some of the points set forth above were covered by my direct testimony at the hearing, we will appreciate having this letter made a part of the committee's record.

Once again, many thanks to you for the assistance you have given us.

Cordially yours,

EZRA B. WHITMAN, Jr.

WHITE & WILLIAMS,  
Philadelphia, July 14, 1961.

Mr. EZRA B. WHITMAN,  
Upper Darby, Pa.

DEAR MR. WHITMAN: You have requested our advice concerning the legality of a proposal which you understand may be made that the Redevelopment Authority of the City of Philadelphia acquire certain vacant land by eminent domain for the purpose of resale to the U.S. Department of Defense for constructing housing thereon for civilian employees of the Department of Defense.

Such acquisition by the redevelopment authority would presumably be pursuant to the provisions of the Pennsylvania Act of May 24, 1945, Public Law 991, known as the urban redevelopment law, as amended May 27, 1947, Public Law 197, 35 Pennsylvania Statute, sections 1701 et seq. This statute contains a declaration of legislative policy to the effect that the purpose of the redevelopment authority shall be to eliminate "blighted areas" through economically and socially sound redevelopment of such areas in conformity with the comprehensive general plans of the municipality. To this end it is required that any redevelopment be in accordance with a plan certified by the city planning commission to be in conformance with its comprehensive general plan, and that the planning commission designate areas in need of redevelopment and its recommendations for such development. While the courts have given the planning commission and the redevelopment authority a very broad latitude, they have nevertheless held that the designation of redevelopment areas must be in good faith and cannot be wholly arbitrary.

In the two principal cases where the question has been raised, the courts in both instances upheld the action of the redevelopment authority, but in both cases the court found that there was evidence that the authority acted in good faith and within the purposes of the act. Thus, in *Schenck v. Pittsburgh et al*, 364 Pa. 31, the planning commission found that the particular area had been laid out on a street pattern which dated from the year 1784 and which was wholly unsuited to the needs of a modern city because of poorly located street space and failure to provide for ever-increasing traffic, that the area was marred by too great a building density, and that the commercial and industrial uses of the buildings thereon were in large part economically undesirable as shown by the continuous reduction in the appraised values of the properties for tax purposes.

In *Oliver et al. v. Clairton*, 374 Pa. 333, the planning commission certified that over 50 percent of the dwelling units in the area in question were substandard, or of slum quality grade, that there were not lots of adequate width and area to accommodate minimum manufacturing plants, for which use the area was zoned, that industrial, commercial and residential buildings were closely mixed and intermingled to the great detriment of all.

As we understand it, the area with which you are concerned is bounded by (a) 850 newly constructed homes, (b) the naval hospital, (c) a public park, and (d) a main highway, and is not presently broken up into small lots in separate ownerships, but consists of a large area owned by a very limited number of individuals with whom your corporation has valid and binding contracts of sale. Under these circumstances it seems obvious that there is no call for the intervention of a redevelopment process. The city has adequate powers to zone this vacant land for the most desirable uses, and it can readily be developed for those uses and, in fact, will be developed by you for those uses as a matter of private enterprise. Under the circumstances we find it difficult to believe that the city planning commission would so stultify itself as to certify this as a blighted area, and such certification is an essential prerequisite to action by the redevelopment authority. If the city planning commission should go so far as to certify it as such, we find it difficult to believe that our courts would not,

upon the filing of appropriate process by you, make a finding that such certification was in gross bad faith and made for ulterior purposes not within the contemplation of the statutes.

Very truly yours,

C. L. CUSHMORE, Jr.

APPENDIX VI. LETTER FROM JOHN J. GILBRIDE, JR.,  
WITH ENCLOSURE, DATED JULY 1, 1961

PHILADELPHIA, PA., July 1, 1961.

Re proposed housing project for use of U.S. Navy personnel; Code-R-100-11014/  
Capehart 400 parcel tract adjacent to Philadelphia Navy Yard.

HON. RICHARD B. RUSSELL,  
Chairman, Senate Armed Services Committee,  
U.S. Capital, Washington, D.C.

SIR: May I respectfully submit the enclosed recital of the activities of M. Wilson & Son, Inc., and associated businesses. Mr. Wilson appeared as a protestant at the hearing held Thursday, June 29, 1961, at 2 p.m.

At the hearing the question was raised as to the possible use of Mustin Air Field for the proposed project. On page 4 at the eighth paragraph, you will note the comments of Mr. Wilson, on that subject.

After I order the notes of testimony of the hearing and have an opportunity to carefully read them, may I have the privilege of filing with your honorable committee a short brief on behalf of the protestant, Michael Wilson & Son, Inc.

Respectfully yours,

JOHN J. GILBRIDE, Jr.,  
Attorney for M. Wilson & Son, Inc.

M. WILSON & SON, INC.,  
Philadelphia, Pa., June 30, 1961.

JOHN J. GILBRIDE, Jr., Esq.,  
Market Street National Bank Building,  
Juniper and Market Sts., Philadelphia, Pa.

DEAR MR. GILBRIDE: Below you will find a resume of some of the work performed by M. Wilson & Son, Inc., during the past:

During the First World War, I worked with Ervin Leighton on various Government projects such as Hog Island. I worked there from the time they started building the shipyard until the war was over.

When Fort Dix base was first started, we worked hauling material and also Army personnel there on our trucks.

Our trucks were also used by Suskind Bros., 22d and Lehigh Avenue, to transport uniforms to Frankford Arsenal and Quartermasters Depots on Grays Ferry Avenue.

Labor and equipment was supplied by us in the building of a roundhouse on Greenwich Point near the Philadelphia Navy Yard where a coal dumper was built to fuel the ships that were used to transport our soldiers overseas.

Fort Mifflin was another project where we worked during most of the war.

At Girard Point, while the war was still in progress, construction was started for the Gulf Oil Corp. This, however, was stopped by the Government as it was too close to the munitions base at Fort Mifflin.

We have also supplied men and equipment on various Government jobs at the Gulf oil refinery and the Sun Oil Co. in Marcus Hook, Pa.

When the war was over we continued in business in this area on various projects quite essential to the Nation's economy.

We did a great deal of our work in the Gulf oil refinery, both directly for the Gulf and subcontract work for the various contractors working in the refinery. Today we still have very good business relations with the Gulf Oil Corp.

During World War II, one of our largest projects was working at the Gulf refinery where they were building a catalyst still to process high octane aviation fuel. This project was directed by a Navy commander who was on the jobsite at all times. At that time we had about 100 trucks, 30 cranes, 10 bulldozers, and approximately 400 men on the job. This was in 1943.

In 1944, Lummus Co. from New York erected a still at the Gulf refinery and used our facilities.

We also worked with Chas. Corr hauling fill from 5th and Pattison Ave., to the Philadelphia Navy Yard. Chas. Corr excavated about 50 acres of his property to a level of 8 or 9 feet deep and the fill was hauled into the naval air base. This job covered a period of about 1 year.

The M. W. Kellogg Co. came into the Gulf refinery in 1945 to erect a catalyst and various other stills and we supplied them with equipment and labor.

During this period, while the war was still in progress, we subcontracted with Berlanti Bros., on a contract to raise and repave Penrose Avenue. A new entrance was made to the Philadelphia Navy Yard known now as the west gate which is at 26th Street. We excavated fill from the site of our present property and hauled it to 26th and Penrose Avenue in order to make the new entrance which was essential to the Navy.

When the war was over, since the Gulf refinery projects were not entirely finished, we continued at the Gulf refinery working on the revamping of various units for different products well into 1946.

During this same period, we worked for the Gulf Oil Corp., moving 2 million cubic yards of ash fill and hauled it to various locations. We also worked at building dikes and levees which was the start of the Schuylkill River tank farm, thus giving employment to many men.

The Sharon Hill tank farm of the Gulf Oil Corp. was in the process of being built at the same time. We supplied the equipment and labor to a great degree through a subcontract with Riggs Distler & Co., Inc., Baltimore, Md.

We worked on a pipeline from Hog Island pier to the pier at Girard Point for the Gulf Oil Corp.

At Fort Mifflin, Lippsett, Inc., of New York used our services and equipment for their project.

A subcontract with Peter Kiewitt & Sons, Inc., of Omaha, Nebr., required our labor and equipment to move approximately 2 million yards of fill from a city sewer project. This job ran nearly 3 years.

When the tides of the Schuylkill River eroded the soil at the Philadelphia Navy Yard, Merritt, Chapman & Scott required our services to haul and place rock and solid fill to correct this condition.

Also for Merritt, Chapman & Scott Co. we worked to load 100-foot sheet piling onto barges at Girard Point to go to the Texaco oil refinery at Eagle Point, N.J.

The M. W. Kellogg Co. used our facilities for their project at the Texaco oil refinery at Eagle Point, N.J.

We subcontracted for the Lummus Co., Foster-Wheeler Co., Graver Construction Co., General American Tank Co., and Chicago Bridge & Iron Co., while the new refinery was being constructed for the Texas Oil Co. at Eagle Point, N.J. This project covered a period of about 2½ years.

Our equipment and labor was used to pull an 11,000-foot pipeline across the Delaware River from Bridgeport, N.J., to the Sun Oil Co. at Marcus Hook, Pa. This was a project of Merritt, Chapman & Scott Co.

Our services were also employed by Merritt, Chapman & Scott Co., on the bridge at Annapolis, Md.

With Booth & Flinn our services played a part in the erection of the Penrose Ferry Bridge.

The E. I. du Pont de Nemours & Co., Inc., regularly employ our services in their Philadelphia, Wilmington, Carney's Point, and Deepwater plant at Pennsgrove, N.J., as well as the Repauno Works at Gibbstown, N.J.

For Procon, Inc., we have enjoyed pleasant business relations at their projects in the Sinclair refinery at Marcus Hook, N.J., the Atlantic refinery, Philadelphia, Pa., and Socony Vacuum refinery in Paulsboro, N.J.

On a demolition job at the Gulf refinery, Philadelphia, we took down 13 stills, a cement clay building containing 24 large tanks, 2 large boilers, 1 large boiler house as well as 25 buildings, containing pumphouses, powerhouses and all pipelines attached to these stills and boilerhouses. This project took 1 year to complete.

The United Engineers & Constructors Inc., of Philadelphia have used our equipment on the generating station for the Philadelphia Electric Co. at Essington; their project at Delaware Power & Light Co., Edgmoor, Del., as well as the generating station for Public Service Electric & Gas at Duck Island, N.J.

With the M. W. Kellogg Co. we worked on the Kennicott Copper Co. plant in Baltimore, Md.

These projects listed above are only some of the high points of the service rendered by our company.

In our line of equipment we carry some of the largest cranes in the Philadelphia area. The only other contractor who has cranes as large as ours is James Morrissey, who is in the extreme northeast section of the city.

Before purchasing the present site where our business is located we rented a yard from Charles Corr at Fifth and Pattison Avenue for a number of years until we were forced to relocate because of the food distribution center plans.

Subsequently we purchased our present property, which was at the time 8 to 10 feet below street level. This required great quantities of fill for which we used reinforced concrete slabs—1 to 2 feet thick, 4 to 7 feet wide, some as long as 16 feet in order to have a firm foundation for the heavy equipment.

As recently as 1960, the city of Philadelphia sold ground to Food Fair Stores, Inc., for a warehouse on 10th Street opposite the Municipal Stadium, north of the Philadelphia Navy Yard. The Food Fair Stores and the city of Philadelphia awarded a contract to J. H. Terry Co. to drive piling on this site. When the Terry Co. started to drive test piles they found that this was a physical impossibility since concrete slabs had been used to fill this ground. The cost of removing and hauling these slabs and supplying clean fill for this ground in order to drive the piles as required cost approximately \$80,000 to \$90,000.

Since the size of the slabs used to fill the Food Fair property were only about one-third of the size of the slabs used to fill our present property, we estimate the cost of removal and hauling and supplying clean fill to be far in excess of \$90,000.

As of June 30, 1961, I reviewed the site at the Philadelphia Navy Yard known as Mustin Air Field and it is my opinion that 600 to 700 housing units suitable for Navy personnel could be built on that area. The ground is high ground of the same elevation as the railroad that runs parallel with it.

Since the Navy has become interested in our property, we have searched for ground in all locations in the Philadelphia area and cannot find anything suitable for our type of business and for our heavy equipment.

If this condemnation is carried out, it will force me out of a business which has been carried on well in this area for many years. This will not only cause a distinct hardship for M. Wilson & Son, Inc., but will also affect our many employees and their families who will therefore be driven from their jobs.

Taking a broader viewpoint, the unsettled condition of our country today may well bring the threat of another war and in view of the important part our type of service played in World War I and World War II, we feel that a dissolution of our business should be a great loss to the country as well.

Yours very truly,

MICHAEL WILSON, *President.*

APPENDIX VII. LETTER FROM JOHN J. GILBRIDE, JR., DATED JULY 17, 1961

PHILADELPHIA, PA., *July 17, 1961.*

Re proposed housing project for the use of U.S. Navy personnel, code—R-100-11014/Capehart, 400-parcel tract adjacent to Philadelphia Navy Yard.

HON. GORDON A. NEASE,  
*Professional Staff,  
Senate Committee on Armed Services,  
Washington, D.C.*

DEAR MR. NEASE: Thank you for your gracious letter of July 7, 1961.

After reading the transcript of testimony, I am of the opinion, that it is unnecessary to submit any brief on behalf of Michael Wilson.

However, I wish to thank the Senate Armed Services Committee and yourself for all the courtesies extended to us.

I have enclosed two further statements by Michael Wilson and with your permission and the permission of the Senate Armed Services Committee may they be submitted for the records.

Respectfully,

JOHN J. GILBRIDE, JR.,  
*Attorney for Michael Wilson.*

JULY 13, 1961.

On July 12, 1961, I looked over the site at Fort Mifflin and checked the mileage which is shown below:

From Philadelphia sanitary treating plant, 1½ miles to the northwest gate guardhouse building No. 197.

From the southeast gate, 2 miles and the buildings in Fort Mifflin are one-half mile further in. The Army Engineers now occupy part of these buildings.

There are 40 or more buildings in Fort Mifflin; these are of red brick and were built during the First and Second World Wars. In my opinion they are in very good condition and could easily be converted into a wonderful housing project. The plans which the Navy have for building on my grounds are almost identical with the buildings now at Fort Mifflin. The buildings are far apart and they have plenty of room for expanding as just west of these buildings the Government has ground which was never used and, there is room to build approximately 800 to 900 additional homes.

Just west of the site the Government built Army barracks during the Second World War and they had plenty of soldiers coming and going during wartime. The statement made by Captain Heaman that this is "low ground," I feel that he is wrong for the reason that the Government would never go through two wars and spend millions of dollars at this site in Fort Mifflin if they thought the ground too low.

Mayor Dilworth stated that Fort Mifflin is too close to the Philadelphia sanitary treating plant, but the city of Philadelphia has acquired approximately 3,400 acres of land and some of this land is just one-fourth mile from the Philadelphia sanitary treating plant. They intend to build the Eastwick housing project here. I believe that the mayor could spare 30 to 40 acres of this groundsite for a Navy project as this ground is much cheaper than ours. They have been demolishing these homes by piecemeal for the past 3 years, putting families out of their homes and small business people out of business, therefore, the majority have no place to move.

I certainly feel that the Mustin Field is also a very good site in the Navy Yard for this housing project; also the site off the golf course which is seldom used and would be another good location for the Navy project.

On March 14, 1961, was the first I had learned that the Navy wanted my property. They asked me to meet them in town for a meeting but I requested that they come to my office to have this meeting. I showed Lt. R. M. Mielich, Lieutenant Bennett and Messrs. Plater, Hauffman, Keek and Taylor my property; also advised the rock that they would have to move and haul away which would cost \$10 a cubic yard and to haul good fill in its place would cost \$3 per cubic yard before they could drive pilings and this would cost approximately \$80,000 to \$90,000, because the city of Philadelphia and Food Fair spent well over \$90,000 to remove their concrete and have it filled and hauled back for about two acres for the warehouse opposite the navy yard during the latter part of 1960.

March 20, 1961, my son, Harry, and I went to see Lt. R. M. Mielich and a Mr. O'Connor was there. We had a meeting about my ground and I asked these gentlemen if they could secure for me a piece of ground that is in front of mine north of Hartranft Street also a piece of ground in back of mine in order that I could move there for the reason that they are cutting my ground in half and I would not have any access to the street. They told me that any ground the Government does not want they would not be bothered with.

Lieutenant Mielich told me that he was glad he had the opportunity of looking over my property and had seen all the rock and stated that this kind of changed the whole entire picture of my property.

MICHAEL WILSON.

JULY 13, 1961.

Captain Heaman, stated that the main duty runway takeoff is right across the top of the site of Fort Mifflin. I have checked the main takeoff landing strip at the Philadelphia Airport and it runs north and south which is about a mile west of Fort Mifflin site.

From past experience in doing work in this vicinity we never had any mishaps. If this site is now undesirable I cannot understand why the Government spent so much money putting up these nice buildings and during the First World War this site at Fort Mifflin was full of powder magazine buildings. There is another runway strip which runs southeast and northwest.

These are used frequently. On the northwest runway all planes taking off rise over the most part of Eastwick redevelopment housing project when the homes are completed.

June 29, 1961, Mayor Dilworth is planning to build a new \$10 million stadium in Torresdale which is in the northeast section of Philadelphia and about 10 miles from the present Philadelphia Stadium. The present stadium is beautiful and seldom used and the ground covers from Broad and Pattison Avenue to 10th and Pattison Avenue and is located within the Philadelphia Navy Yard gates. This site would accommodate approximately 2,000 homes.

MICHAEL WILSON.

APPENDIX VIII. LETTER OF JULY 21, 1961, FROM MAYOR DILWORTH,  
OF PHILADELPHIA

CITY OF PHILADELPHIA,  
July 21, 1961.

HON. J. STROM THURMOND  
*Armed Services Committee,  
Senate Office Building, Washington, D.C.*

DEAR SENATOR THURMOND: As I indicated at the July 17 hearing before your subcommittee, I am enclosing a copy of actions taken by our city council, city planning commission, and redevelopment authority clearly accepting responsibility for any cost above \$550,000 for the purchase of a tract of land at 20th and Hartranft Streets in Philadelphia for the purpose of the Capehart housing project to house Navy personnel in this area.

We are prepared to enter into an agreement with the Navy Department indemnifying this agency against any cost in excess of \$550,000. The funds which the city would use if necessary, would be from its own tax sources, or from State aid, and will not in any way come from Federal title I urban renewal funds. The legal ability of the city to undertake this action has already been certified to by the opinion prepared by our city solicitor previously sent to you.

In line with your suggestion I am also enclosing references to Pennsylvania court cases which clearly have determined the powers of the redevelopment authority to acquire this land and dispose of it in conformance with our comprehensive plan. May I take this opportunity to again point out to the subcommittee that our comprehensive plan, prepared after 3 years of intensive research, calls for this type of development for the tract at 20th and Hartranft Streets. The alternative private housing being proposed by interests, some of which do not have roots in Philadelphia, would be in conflict with this plan and upset the orderly development of our city.

It would be unfair to penalize cities which are greatly built up, like Philadelphia, because of high land costs. This is particularly true in this case because the city is prepared to make up any difference between the Navy Department purchase allowance and the actual land price.

Sincerely,

RICHARDSON DILWORTH.

APPENDIX IX. LETTER WITH ATTACHED RESOLUTION OF THE  
PHILADELPHIA CITY PLANNING COMMISSION

CITY OF PHILADELPHIA,  
CITY PLANNING COMMISSION,  
Philadelphia, July 21, 1961.

HON. RICHARDSON DILWORTH,  
*Mayor, City of Philadelphia,  
Philadelphia, Pa.*

DEAR MAYOR DILWORTH: As requested in your letter of July 19, 1961, the planning commission adopted the attached resolution at its meeting of July 21, 1961. The resolution indicates that at its meeting of August 4, 1961, the commission will certify as a redevelopment area the area bounded on the north by the right-of-way line of the Delaware River Port Authority and Moyamensing Road, on the east by 20th Street, on the south by Pattison Avenue, and on the west by Penrose Ferry Road. The property which is proposed for the Navy housing at 20th and Hartranft Streets is located within these boundaries.

The commission is proceeding with the preparaton of a redevelopment area plan for this area.

Sincerely yours,

MURRAY G. ISARD, *Acting Chairman.*

#### RESOLUTION

Whereas the Philadelphia City Planning Commission has examined the area of the city of Philadelphia bounded on the north by the right-of-way line of the Delaware River Port Authority and Moyamensing Road, on the east by 20th Street, on the south by Pattison Avenue, and on the west by Penrose Ferry Road; and

Whereas the commission finds that this area presents the characteristics which warrant its designation as a redevelopment area, as defined in section 3(n) of the urban redevelopment law of May 24, 1945, Public Law 991; and

Whereas this area includes the property at 20th and Hartranft Streets, which has been proposed for Navy housing (Capehart housing project); and

Whereas the city believes this to be an extremely important project in the development of the city: Now, therefore, be it

*Resolved*, That the Philadelphia City Planning Commission instructs its staff to prepare for the commission's meeting of August 4, 1961, the necessary documents in order to certify at that time as a redevelopment area, as defined by the urban redevelopment law, Public Law 991, the area bounded on the north by the right-of-way line of the Delaware River Port Authority and Moyamensing Road, on the east by 20th Street, on the south by Pattison Avenue, and on the west by Penrose Ferry Road.

### APPENDIX X. RESOLUTION NO. 180 OF THE CITY COUNCIL OF PHILADELPHIA

#### RESOLUTION 180

RESOLUTION endorsing the mayor's proposal that the city assume part of the cost of the acquisition of a tract of land in the vicinity of the Philadelphia Navy Yard for the construction of a Capehart housing project for low income Navy personnel

Whereas there is a need for housing for low income personnel employed at the Philadelphia Navy Yard; and

Whereas a subcommittee of the Armed Forces Committee of the U.S. Senate has indicated that it is not willing to recommend the allocation of more than \$550,000 under the Capehart housing law toward the cost of acquiring land for the construction of such housing facilities; and

Whereas the mayor of the city of Philadelphia appeared before this subcommittee and indicated that the city of Philadelphia would be willing to make available such funds as may be necessary in excess of the \$550,000 required to pay for the acquisition of the ground located in Philadelphia near the Philadelphia Navy Yard; and

Whereas the Council of the City of Philadelphia believes that the acquisition of the plot of ground now under consideration for the construction of low cost housing for Navy personnel would be beneficial to the city as well as to the Federal Government; therefore

*Resolved*, *By the Council of the City of Philadelphia*, That it endorses the mayor's proposal that the city of Philadelphia undertake to make available such sum over \$550,000 as may be necessary to acquire the land needed for the construction of low income housing for the personnel of the Philadelphia Navy Yard, under the Capehart housing law.

*Resolved*, That the city council will enact necessary legislation which will authorize the city to enter into an agreement with the U.S. Navy indemnifying and saving it harmless from any costs or liability in excess of \$550,000 arising out of or pursuant to the acquisition of the aforesaid ground.

*Resolved*, That certified copies of this resolution be forwarded to Senator Strom Thurmond, chairman of the Senate Armed Services Subcommittee; Senators Joseph S. Clark and Hugh Scott; Congressmen William J. Green, Jr.,

William Barrett, James Byrne, Kathryn Granahan, Robert N. C. Nix, and Herman Toll; Mayor Richardson Dilworth; and William Rafsky, director of the Philadelphia Redevelopment Authority.

Certification: This is a true and correct copy of the original resolution passed by the Council of the City of Philadelphia on the 20th day of July, 1961.

JAMES H. J. TATE,  
*President of City Council.*

Attest:

NATHAN WOLFMAN, *Chief Clerk of the Council.*

Sponsored by Councilman Leon J. Kolankiewicz and Councilman George X. Schwartz.

## APPENDIX XI. RESOLUTION NO. 2820 OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF PHILADELPHIA

REDEVELOPMENT AUTHORITY OF THE CITY OF PHILADELPHIA

PHILADELPHIA, PA.

RESOLUTION 2820

DECLARATION OF POLICY—NAVY HOUSING

*Be it resolved by the Redevelopment Authority of the City of Philadelphia,* That with respect to an area bounded by 20th Street, Hartranft Street, Penrose Avenue, and Pattison Avenue, in the city of Philadelphia, containing 30 acres of land, more or less, upon certification by the Planning Commission of the City of Philadelphia that said area is blighted, or is part of a larger blighted area, and upon preparation of said commission of a redevelopment area plan, as required by law, the authority shall proceed to prepare a redevelopment proposal for submission to City Council of the City of Philadelphia, authorizing the acquisition of said area by condemnation, pursuant to the urban redevelopment law of May 24, 1945, Public Law 991, the authority having been assured that city funds for said purpose will be made available.

I, Robert H. Gray, secretary of the Redevelopment Authority of the City of Philadelphia, do hereby certify that the above is a true and correct copy of the original resolution adopted at the regular meeting of the authority on Tuesday, July 18, 1961.

ROBERT H. GRAY, *Secretary.*

## APPENDIX XII. CITATION OF COURT CASES RELATIVE TO THE POWERS OF THE REDEVELOPMENT AUTHORITY

CITY OF PHILADELPHIA, *July 21, 1961.*

REFERENCES TO PENNSYLVANIA COURT CASES WHICH INDICATE THE POWERS OF THE REDEVELOPMENT AUTHORITY TO ACQUIRE LAND AND DISPOSE OF IT IN CONFORMANCE WITH THE CITY'S COMPREHENSIVE PLAN:

*Belovsky v. Redevelopment Authority of the City of Philadelphia, et al.*, 357 Pa. 329 (1947).

*Oliver, et al. v. City of Clairton*, 374 Pa. 333 (1953).

*St. Peter's Roman Catholic Parish v. Urban Redevelopment Authority of Pittsburgh, et al.*, 394 Pa. 194 (1958).

*Burt v. Urban Redevelopment Authority of Pittsburgh, et al.* (W. D. Pa. 1950); affirmed 340 U.S. 802 (1950).

*Derman, et al. v. Parker, et al.*, 348 U.S. 26 (1954).

## APPENDIX XIII. LETTER OF JULY 21, 1961, FROM PACKER PARK CIVIC ASSOCIATION, PHILADELPHIA

PACKER PARK CIVIC ASSOCIATION,  
*Philadelphia, Pa., July 21, 1961.*Hon. STROM THURMOND,  
*U.S. Senator,*  
*Senate Office Building, Washington, D.C.*

DEAR SENATOR THURMOND: On behalf of the Packer Park Civic Association, I am taking the liberty of writing to you in regard to the Navy's proposed condemnation of land at 20th and Pattison Avenues in the South Philadelphia area. Our association represents the majority of more than 600 homeowners in Packer Park, a new community which lies immediately to the east of the land in question.

Recent newspaper articles in Philadelphia have quoted Mayor Richardson Dilworth as proposing to condemn this land through the redevelopment authority and then turn it over to the Navy. It is our understanding that the mayor has offered to pay, from a still unidentified source, the difference between the Navy's allowable limit of expenditure and the actual value of the land. We are probably correct in assuming that such money would come from us, the taxpayers of Philadelphia. If this is the case, we will strongly protest any such unnecessary outlay of funds by the mayor.

We are advised by counsel that the redevelopment authority's power of condemnation extends only to areas which have been classified as blighted. May we emphasize, Senator, that we are proud of our homes and our new community and any effort to declare this a blight area will be met by intense opposition from us when such a proposal is brought out in open hearing. We feel that no fair thinking man would inspect this area and disagree with us.

While it may not be within our prerogative to do so, may we suggest that there is Government-owned ground in the vicinity of the navy yard which could well be used as a site for military housing, thus allowing a continuation of the residential atmosphere of our community.

We trust you will accept this as our wholehearted protest against the action proposed by Mayor Dilworth and give it your consideration in deliberating the matter.

Respectfully yours,

DONATO C. D'ANGIO,  
*Chairman Welfare Committee.*

