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R27 **RELOCATION PAYMENTS**

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HEARINGS

BEFORE THE

SPECIAL SUBCOMMITTEE ON EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

NINETY-FIRST CONGRESS

FIRST SESSION

ON

H.R. 10266 and H.R. 14008

**BILLS TO AMEND THE HIGHER EDUCATION FACILITIES ACT
OF 1963 TO PROVIDE RELOCATION PAYMENTS AND SERVICES
FOR PERSONS, BUSINESSES, FARMERS AND NONPROFIT OR-
GANIZATIONS DISPLACED AS A RESULT OF CONSTRUCTION
FINANCED THEREUNDER**

**HEARINGS HELD IN WASHINGTON, D.C.
OCTOBER 9 AND NOVEMBER 3, 1969**

Printed for the use of the Committee on Education and Labor
CARL D. PERKINS, *Chairman*

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RELOCATION PAYMENTS

THURSDAY, OCTOBER 9, 1969

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The special subcommittee met at 10 a.m., pursuant to call, in room 2175, Rayburn House Office Building, Hon. Edith Green (chairman of the special subcommittee) presiding.

Present: Representatives Green, Brademas, Thompson, Scheuer, Clay, Quie, and Reid.

Also present: Harry Hogan, counsel; and Robert C. Andringa, minority professional staff assistant.

(Texts of H.R. 10266 and H.R. 14008 follow:)

(1)

91ST CONGRESS
1ST SESSION

H. R. 10266

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1969

Mr. RYAN introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Facilities Act of 1963 to provide relocation payments for persons displaced from their places of residence or business as a result of construction financed thereunder.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That title IV of the Higher Education Facilities Act of
4 1963 is amended by adding at the end thereof the following
5 new section:

6 “RELOCATION PAYMENTS

7 “SEC. 408. The Commissioner shall not approve any
8 application for a grant or loan under this Act unless he
9 shall have first obtained adequate and enforceable assurances

1 that the institution, board, or agency to which such grant
2 or loan is made will pay, to persons displaced from their
3 places of residence or business by or as a result of the
4 construction to be financed with the proceeds of such grant
5 or loan, amounts covering the moving expenses and direct
6 losses of property incurred by such persons as a result of
7 such displacement within the same monetary limits and sub-
8 ject to the same conditions as those applicable to the re-
9 location payments provided for under section 114 of the
10 Housing Act of 1949."

91ST CONGRESS
1ST SESSION

H. R. 14008

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 1969

Mrs. GREEN of Oregon introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Facilities Act of 1963 to provide relocation payments and services for persons, businesses, farmers and nonprofit organizations displaced as a result of construction financed thereunder.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That title IV of the Higher Education Facilities Act of 1963
4 is amended by adding at the end thereof the following new
5 section:

6 "RELOCATION PAYMENTS

7 "SEC. 409. The Commissioner shall not approve any
8 application for a grant or loan under this Act unless he shall
9 have first obtained satisfactory assurances that the institution,

1 board or agency to which such grant or loan is made will
2 provide to persons, businesses, farmers and nonprofit organi-
3 zations displaced as a result of the construction to be financed
4 with the proceeds of such grant or loan, fair and reasonable
5 relocation and other payments and relocation assistance in
6 accordance with the provisions of, and subject to the same
7 conditions as those applicable to the relocation payments and
8 assistance provided for under, chapter 5 of title 23, United
9 States Code, the Federal-Aid Highway Act of 1965."

Mrs. GREEN. The subcommittee will come to order for consideration of the bill introduced by Congressman Ryan, H.R. 10266 and H.R. 14008. We have as our witness this morning Preston Valien, Acting Associate Commissioner for Higher Education, Department of Health, Education, and Welfare.

Mr. Valien, you may proceed as you wish.

STATEMENT OF PRESTON VALIEN, ACTING ASSOCIATE COMMISSIONER FOR HIGHER EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY RICHARD R. HOLDEN, ACTING DIRECTOR, DIVISION OF COLLEGE FACILITIES, BUREAU OF HIGHER EDUCATION; AND DR. ALBERT L. ALFORD, ASSISTANT COMMISSIONER FOR LEGISLATION

Mr. VALIEN. Thank you, Madam Chairman.

I am Preston Valien, Acting Associate Commissioner for Higher Education, Department of Health, Education, and Welfare. I am accompanied by Mr. Richard R. Holden, Acting Director, Division of College Facilities, Bureau of Higher Education; and Dr. Albert L. Alford, Assistant Commissioner for Legislation.

It is a pleasure for me to meet with you this morning to discuss H.R. 14008.

As I understand the provisions of this bill, before the Commissioner of Education could approve an application for a grant or loan under the Higher Education Facilities Act, he would first have to obtain satisfactory assurances that persons, businesses, farmers, and nonprofit organizations displaced from their places of residence or business as a result of the construction were paid relocation costs equivalent to those paid under the Federal-Aid Highway Act of 1965.

This would mean that an institution of higher education, in order to receive a grant or loan, would:

- (1) Make relocation payment, either for actual reasonable moving expenses or a specific moving and dislocation allowance.
- (2) Provide a payment for relocation housing to assist displaced persons in obtaining comparable housing.
- (3) Reimburse expenses incidental to the transfer of property.
- (4) Provide relocation assistance services to displaced persons.

A similar bill, H.R. 10266, contains essentially the same provisions, except that relocation payments are to be in accord with those authorized under the Housing Act of 1949.

During the 5-year history of the Higher Education Facilities Act, almost 3,300 facilities have received Federal assistance. So far as we know, only 50 of these projects included relocation programs and all of these 50 were associated with urban renewal programs. So far as we know, few institutions have undertaken independent relocation programs and it is reasonable to assume that some people have been displaced without relocation benefits. The displacement of persons by construction programs, as you know, has been one of the causes cited for campus unrest. No such incidents to date have been related to Federally assisted projects but this may be more by accident than design. During the past few years there has certainly come to be a growing realization that institutions of higher education are a part of the

community and as such must accept a responsible role in the life of that community.

We believe that fair compensation should be assured to those affected by all construction projects receiving Federal support. This principle is already recognized in our federally assisted housing, highway, and urban renewal programs and we can see no reason why persons who are displaced by the construction of educational facilities should not be compensated similarly.

While we favor this general principle of compensation, we do not feel that H.R. 14008 or H.R. 10266 is the best way to accomplish this end. We would recommend a general solution to this program, as embodied in H.R. 4578, rather than a piecemeal approach, program by program. This latter bill would assure uniform and equitable treatment of persons affected by any Federal or federally assisted construction program. The type of payments to persons, farmers, businesses, and nonprofit organizations under H.R. 4578 would be the same as those contemplated by H.R. 14008.

We recognize that H.R. 4578 does not extend to the case of private agencies or institutions acquiring land. There are certain distinctions in this respect between public and private institutions, such as the power of eminent domain which is usually possessed by public agencies.

On the other hand, tenants—particularly low-income families—displaced by land acquisitions—as distinguished from property owners who are removed after agreement upon mutually acceptable terms—need equitable treatment from private agencies as much as those displaced by public institutions.

We suggest that they deserve consideration in the context of comprehensive legislation—not only with respect to educational institutions, but all other private nonprofit institutions as well.

Therefore, we are studying this problem further with the objective of developing appropriate legislation. In any event, we believe the approach to the problem should be comprehensive in nature and not handled on a program-by-program basis.

Thank you, Madam Chairman. I am prepared to answer any questions you might have.

Mrs. GREEN. There are many who feel that comprehensive legislation is not going to become a reality. If this is the case, why do you object to handling the matter on a program-by-program basis, on an individual basis?

Mr. VALIEN. It is my understanding, Madam Chairman, that a comprehensive program is well underway in the Senate.

Mr. ALFORD. It is my understanding that S. 1 is moving along there. Obviously, we cannot anticipate what is going to happen, but the administration has reported favorably on S. 1. As far as I know, there is no action on the House side on the general bill which has been introduced here.

Mrs. GREEN. If an individual bill in regard to this particular matter could be drawn up and become law until the comprehensive takes over, what would be wrong with that, if there is need for some action?

Mr. VALIEN. I think it might complicate the administration of the whole situation because if you will look at the comprehensive bill, it now provides for the replacement of almost a dozen different bills

which are now in existence. I think when we go into that we will have a large number of administrative problems in order to make those programs that are now already in operation comparable with the uniform bill.

Mrs. GREEN. If there are a dozen already in existence, what makes it better or worse if there are 13 instead of 12?

Mr. VALIEN. That is a very good question. My own feeling is we can move the comprehensive bill along rather fast, and we think it would be better than adding another program to ones which will already have to be repealed.

Mrs. GREEN. Do you think the action taken by the Congress last year with respect to highway relocation is going to impede the action on a comprehensive bill?

Mr. ALFORD. Are you referring to last year?

Mrs. GREEN. Yes.

Mr. ALFORD. I guess I do not know specifically what you are referring to here. You are, of course, building on the Federal Highway Act in your proposal. As a matter of fact, the general legislation, S. 1, would also use that same criteria to apply to all projects.

Mrs. GREEN. This is the amendment which I introduced last year to the Highway Act which requires payments to owners as well as to persons leasing property and it became the law. If I understand your argument, you are saying if we pass a similar one in regard to expansion of college facilities, then it is going to make it difficult to pass a comprehensive law. My question is: did the amendment last year passed by the Congress impede the progress of the comprehensive bill?

Mr. ALFORD. I don't know that we could say it would impede a comprehensive bill. From our experience in examining what has happened in the facilities program to date, we do not necessarily assess an urgency of the need at the present time because, as we indicated in the testimony, we know of no cases where the Federal funds have been involved in the critical issues which have arisen in connection with relocation payments.

For example, I think Columbia was one of the cases where this had been cited as a problem and Federal funds were not involved here.

Mrs. GREEN. I think there is abundant evidence that there are lots and lots of colleges where they have expanded and they made the citizen whose property has been taken over very, very angry. It may not have become a lawsuit.

Mr. ALFORD. We recognize the equity here and we are in favor of taking care of this. I do not know whether I can assess, for example, whether an independent bill which would get out faster than the general bill dealing with the whole problem.

Mrs. GREEN. I am trying to understand why you would favor a comprehensive bill which would accomplish that purpose and oppose an individual bill. This I do not understand because if a comprehensive is passed, then it could incorporate the parts of the existing language.

Mr. ALFORD. I think our position is fairly consistent on this. Normally we do favor the more comprehensive approach where this is possible. Since we do have this kind of legislation presently wending its way through Congress, and since we have supported such legislation, we feel it is logical to amend that legislation to take care of the differ-

ences that your bill has relative to the private institutions rather than moving on a separate front.

Mrs. GREEN. You say you generally favor comprehensive legislation. Is this in all fields of education?

Mr. ALFORD. I guess we would have to define comprehensive, but we do have a tendency to favor this.

Mrs. GREEN. I am glad for this change in attitude.

Congressman Quie?

Mr. QUIE. What about the loans from private lenders that the Federal Government subsidizes under both the Housing Act and the Facilities Act? Would they be included in this legislation in your interpretation?

Mr. VALIEN. Yes; in the Facilities Act it would be included.

Mr. QUIE. So whether it is a direct loan or a subsidized private loan—

Mr. VALIEN. As far as we could determine, they would be.

Mr. ALFORD. It would be a relocation cost. It is not the loan per se that we are protecting here. It is just that the relocation costs would be counted as part of the amount of money you would need for a loan or grant purpose.

Mr. QUIE. You would require the relocation cost be added before you subsidize the private loans, would you not?

Mr. ALFORD. Yes; under the title III operation.

Mr. QUIE. You say as far as you know there are only 50 projects that included relocation programs. How many of them had the problems of relocation? For example, where a farmer out into the country sells his land—I don't know if that is relocation necessary. Maybe if they bought a farm building, it would.

Mr. ALFORD. This is part of our problem. In private acquisitions, in many cases there are built-in protections. When a farmer sells to a private institution, he is going to insist on compensation for any relocation problem he has. That is not the main source of the problem in relocation. It is where you get into cities where there are tenants, involved who do not have the protection of built-in lease agreements, or are not in a position to negotiate for their benefits, that problems arise.

Mr. QUIE. How many of those 3,300 facilities were built with Federal assistance? Was there really a relocation problem that this act would try to get at, say, tenants who would be displaced?

Mr. HOLDEN. We ran a sample test and it looks like about 5 percent of our total facilities had land acquisition which included buildings and that would amount to maybe 175. Of that, 50 required some type of relocation program. Maybe another 25 had some type of relocation problem, but because it was a private institution or a public institution where the land was not associated with urban renewal there was no way for the Government to step in and do anything.

Mr. QUIE. Are we saying there are 25 facilities which if this legislation had been enacted into law would have required you to insist on relocation programs?

Mr. HOLDEN. Something in that nature. One thing, it is not normal for us to pick this up in the program operation and we only hear about it when some complaint comes from somewhere; and in the specific cases where we have heard actual complaints one application never got approved and in the other one the local authority finally moved in and took care of the relocation.

Mr. QUIE. So far as the total overall picture, it is pretty small.

Mr. HOLDEN. It is relatively small because most colleges nowadays are still building on their own existing campus or expanding in the rural area where you are buying land, where you don't have tenants. I think probably in the future one of the chief elements in this would be the increasing number of community colleges which are building in urban areas. They will be displacing people.

Mr. QUIE. Some of them will find a place where they are not displacing anyone for construction.

Mr. HOLDEN. Certainly some of them are out of the city.

Mr. QUIE. What about Columbia University? Was that protest up there caused by a relocation?

Mr. HOLDEN. It was definitely a relocation problem but there were no Federal funds involved. In fact, I believe they owned the land and they asked the people on the land to move out so they could build a gymnasium, I think, and the students mobilized behind the tenants and finally forced the university to stop the plan.

Mrs. GREEN. Were there Federal funds involved in the construction of those buildings?

Mr. HOLDEN. No, there were no Federal funds.

Mr. SCHEUER. I realize that we can not legislate for situations, like that at Columbia, where there is neither Government funding nor eminent domain. Nevertheless, that should not deter us from helping owners and tenants displaced by Government-financed construction.

Now, New York City has had countless construction programs with Government funding. In many cases tempers rose simply because the construction agents did not provide adequate compensation for relocated tenants. For, as Mr. Valien said, it makes no difference to a dispossessed tenant whether or not the construction involves eminent domain. To him relocation is a painful and tragic problem. For too long we in Congress have neglected this problem of tenant relocation. Moreover, let me add that relocation should entail equitable treatment for all persons affected by the construction.

Two members of this subcommittee—our distinguished chairman and Mr. Ryan—have introduced bills to cope with the problem of relocation. However, since the future of these bills remains uncertain, I think that this committee should pay close attention to the fate of the Senate bill S. 1. Mr. Valien, can you give us any information about the legislative status of S. 1?

Mr. ALFORD. I do not work with these committees but my understanding in talking to people in clearing this testimony was that it was fairly close to being reported out on the Senate side. As a matter of fact, this is one of the reasons that we do not necessarily recommend amending S. 1 per se but maybe wait until the House gets the bill and get an amendment to take care of the private situation here. I am only reporting to you hearsay because I do not have this on any factual basis, but this is what I was given to understand, that the bill was moving along very well and they expected to report it out soon.

Mrs. GREEN. My information is no more definite or specific than yours, but I have made inquiries of colleagues in the House and I do not get the feeling that there is any intention of acting on this at all this year. There is just not the interest.

Mr. ALFORD. Do you mean on the House bill?

Mr. SCHEUER. Is there a House bill that is a counterpart to S. 1?

Mrs. GREEN. Yes, but I do not find the desire to move on it. Therefore, I just do not understand the logic of the Department in saying we should not act on this because a comprehensive bill might be taken up. You can certainly make the adjustment to the comprehensive bill to supersede the other one.

Mr. ALFORD. Do you think if S. 1 were reported out and reported by the Senate there would be any more inclination on the part of the House committee to deal with that?

Mrs. GREEN. I do not have a little old crystal ball but my reading of this at this time—and this is what prompted me to introduce this bill—is that the comprehensive bill is not going to go anywhere.

Mr. SCHEUER. To what House committee has that been assigned?

Mr. ALFORD. Public Works.

Mrs. GREEN. Congressman Clay?

Mr. CLAY. I have no questions.

Mrs. GREEN. Let us take as an example an urban renewal project which affects a university or a college that is receiving Federal funds under any one of several of the higher education bills. If the property has been condemned for urban renewal and then it is given over to the university and the property itself is not used for the purposes for which it was intended at the time of condemnation, what is your attitude?

Mr. VALIEN. I think our attitude would be that any property that is affected by the federally assisted construction should be assisted with relocation costs and whether or not the property itself is used for the specific construction that is involved.

Mrs. GREEN. Would you think there ought to be a requirement in the law that it could only be used for the purposes for which it was being condemned?

Mr. VALIEN. I would have to study that question because I would think that that might raise a question of proper utilization of the property being acquired.

Mrs. GREEN. Let me give you a hypothetical case. Suppose in an urban renewal program there were a dozen apartment houses, the land was condemned, the Government took it over for urban renewal. This would be on a matching basis. Then it was turned over to the university and the apartment houses themselves—other property was torn down—were not torn down, they were left standing and then they were turned over to another corporation to use for rental purposes. Do you think it is proper for the Government to be involved in an action where we take away an apartment house from an individual who has been making his living renting those apartments, saying it is going to be urban renewal, and then we turn it over to someone else and say they can use it for rental purposes?

Mr. VALIEN. I would rather have that question raised with the people in urban renewal. I am not sure I understand all of the ramifications that would lead to that kind of action or decision.

Mrs. GREEN. The university would be involved as well as the urban renewal people.

Mr. VALIEN. The university would be a factor in the situation but I would presume the urban renewal program would have certain regulations, guidelines, and principles with which I am not acquainted in this particular situation.

Mrs. GREEN. May I ask you to review that and send me a memorandum on the attitude of the Department and what the intent is.

Mr. ALFORD. I think I might say, Mrs. Green, I understand your concern with this and in the case you give as an illustration there is a serious problem of equity. I assume the problem would be in developing legislation which would prohibit any different use for land. You may run into situations which may be quite different where the proposed new use may be every bit as much in the public interest as the former proposed use but maybe changes in the conditions or situations called for a change in the utilization of the land acquired.

I think there are cases where you could shift the use of the land and would still be serving a very effective public interest. I think you might have difficulty in devising legislation which would prohibit the kind of thing you are talking about and, at the same time, would not lock you into an ineffective use of land which you may have acquired under urban renewal practice. I believe this would have to be considered very broadly not only within the Department but I think probably within the administration per se before we could come up with an effective answer.

Mrs. GREEN. I would ask unanimous consent that this memorandum be inserted at this point in the record.

(The memorandum requested follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
Washington, D.C., December 22, 1969.

HON. EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: I am enclosing a statement in response to the question you raised about condemnation proceedings under urban renewal programs during the October 9 hearings on H.R. 14008. This statement has been prepared in consultation with the Department of Housing and Urban Development and the Bureau of the Budget.

In addition, I thought that you might be interested in some information reported to the HUD people as they looked into the specific situation which you mentioned to me affecting Portland State College.

They believe that you may have been referring to a method of land reuse in the Portland State College Project, Project No. Ore R-16. Under this method, the Portland Development Commission, acting as the local public agency, sold properties it had previously acquired to Portland State College for redevelopment. The college caused the buildings to be rehabilitated to provide decent, safe, and sanitary housing for students. A short-term lease of the properties to a nonprofit student housing corporation to manage them has been executed. At the end of the lease term, the buildings on the properties are to be demolished and the college would then redevelop and use the properties for whatever permissible purposes are set forth in the urban renewal plan. It seems that this procedure, which might appear to be a mere transfer of ownership of property at the moment, is actually a provisional situation awaiting the final utilization of the land for college purposes.

Please let me know if I can be of further assistance.

Sincerely yours,

ALBERT L. ALFORD,
Assistant Commissioner for Legislation.

PROPOSAL TO PROHIBIT CHANGES IN THE REUSE OF PROPERTY ACQUIRED BY URBAN
RENEWAL CONDEMNATION

It has been suggested that legislation should be adopted to prohibit any change in the proposed reuse for a given property if the property were previously acquired by a local urban renewal agency through condemnation proceedings.

The direct consequence of such legislation would be to perpetuate a property's

designated reuse as it existed in the plans when condemnation took place. An indirect consequence would be to inhibit takings by condemnation, regardless of urgency, when the likelihood exists that reuse and other changes to the urban renewal plan might be made thereafter.

After consultation with the Department of Housing and Urban Development, which administers Federal urban renewal assistance pursuant to Title I of the Housing Act of 1949 as amended (42 U.S.C. 1450-1469b), it is recommended that legislation of the kind proposed not be enacted. An ongoing urban renewal project in the course of time must be responsive to changing local needs. What might appear to be a desirable method of redevelopment and reuse at the start of a project may prove inappropriate after project activities have progressed substantially toward completion. Examples of intervening changes may include the sudden relocation of a proposed school or highway, upward or downward fluctuations in local land values, and different rates of market absorption for alternate reuses.

These eventualities have been anticipated by Section 110(b) of the Housing Act of 1949 (42 U.S.C. 1460(b)) which defines an urban renewal plan for a given project in terms of how it may exist "from time to time." The Oregon Renewal and Redevelopment of Deteriorated and Blighted Areas Law also anticipates such eventualities by expressly authorizing desired changes to urban renewal plans or projects (Section 457.220, Oregon Revised Statutes). To destroy the resiliency necessary to assure an urban renewal project's responsiveness to rapidly changing local needs is ill advised. The bare circumstance that property is taken by condemnation instead of by negotiated purchase should not have the effect of "locking up" the property's reuse for the duration of the urban renewal plan's effective life.

It may be that such suggested legislation is sought as a means of assuring that property condemnations take place at a time no earlier than when its proposed redevelopment and reuse have been fixed decisively, thus preventing the possibility of "premature" condemnations in advance of project needs. Such an effort to mitigate hardship occasioned by condemnation and displacement, we believe, is more appropriately reflected in the purposes of the Uniform Relocation Assistance and Land Acquisition Policies Act of 1969, S. 1, now under deliberation in Congress. Additionally, existing policy of the Department of Housing and Urban Development prohibits blanket condemnations in an area until all efforts to achieve a negotiated purchase have been exhausted. Even then, actual displacement of occupants must be preceded by 90-day written notice.

It is true that HUD policy permits temporary uses to be made of acquired land prior to redevelopment for the permanent reuse. Such temporary uses can include retaining existing occupants as tenants, temporary leasing to off-site tenants, and temporary leasing for social or recreational purposes, provided they further project objectives, benefit project residents, or minimize hardships. Productive use of property during this interim period can accommodate such project needs as providing temporary relocation housing. Such temporary uses, however, should not be confused with changes in the property's permanent reuse.

For the foregoing reasons, it is recommended that reuses for land which is part of an urban renewal project remain capable of modification tailored to project needs, regardless of the manner by which the property was acquired.

Mrs. GREEN. If there are no other questions, thank you very much. The subcommittee is now adjourned subject to the call of the Chair. (The subcommittee adjourned at 10:50 a.m., to reconvene subject to the call of the Chair.)

RELOCATION PAYMENTS

MONDAY, NOVEMBER 3, 1963

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10:30 a.m., pursuant to recess, in room 2261, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Green, Scheuer, Quie, and Erlenborn.

Also present: Harry Hogan, majority counsel and Robert Andringa, minority professional staff assistant.

Mrs. GREEN. The subcommittee will come to order for the further consideration of H.R. 10266 and H.R. 14008. The first witness this morning is the Congressman from New York City, the Honorable Bill Ryan.

Congressman Ryan, we are delighted to have you here and we are glad you were able to adjust your own schedule so you could be here today.

STATEMENT OF HON. WILLIAM F. RYAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. RYAN. Thank you very much.

Madam Chairman and members of the subcommittee, I am pleased to appear today in support of legislation to guarantee relocation payments to persons in businesses displaced as a result of construction under the Higher Education Facilities Act.

I have been very much concerned about the problem of dislocation resulting from institutional expansion in densely populated urban areas and for years have introduced bills addressed to this problem.

When the Higher Education Facilities Act of 1963 was on the floor on August 14, 1963, I offered an amendment to that bill to require relocation benefits.

In this Congress my bill is H.R. 10266.

Federal assistance for the construction of higher education facilities is necessary so that our colleges and universities are able to prepare the young men and women of America for the future. However, in our cities where there is little vacant land available, college and university expansion often conflicts with other important social interests.

My bill is aimed at alleviating an effect of institutional expansion—dislocation of families and businesses in the surrounding community.

When an education institution expands, it not only causes the personal hardship and expense of displacement but also in many cases

there is additional hardship because little or no relocation assistance is provided.

The desirability of a university's expansion plan from an educational standpoint is often offset by the undesirability of the inconvenience and displacement it forces on local residents.

When institutional expansion is aided by Federal funds, the Federal Government should bear the responsibility of making relocation assistance a prerequisite to the granting or loaning of funds.

The Federal Government has accepted this responsibility when urban renewal funds are involved. Section 114 of the Housing Act of 1949 requires that local public agencies pay dislocation benefits to families, businessmen, and nonprofit organizations displaced by urban renewal.

These benefits were expanded in the Housing and Urban Development Act of 1965 to include displacement resulting from low rent public housing, mass transportation, public facility loans, open space land and urban beautification and neighborhood facilities.

Why then should there not be a provision to include assistance for displacement by university expansion? Under the Federal aid highway program there are now relocation benefits. In the expansion of a university the owner of a building is compensated. And in New York City, if the building is under rent control, a minimal payment is made to the tenant. But in most cases, the tenants have no legal right to relocation benefits or to assistance with their moving expenses, and usually, they are unable to find housing of comparable quality or cost.

The same situation faces the businessman. The small businessman often is displaced on short notice. A proprietor who may have spent his whole life building up his business is faced with a move which may force him to pay large moving expenses, to pay a higher rent, and to lose his clientele.

He may even be forced out of business.

I have pointed out the inconsistency of providing relocation benefits under urban renewal but not under other federally assisted construction, such as higher education facilities.

There is another anomaly in that assistance is provided for education expansion when the land is acquired through urban renewal and then turned over to the institutions. The University of Chicago is an example of such expansion. This, however, is a rare occurrence.

This means that if a university were to expand for two blocks; one block being included in an urban renewal plan and the other not—the residents and small businessmen in the urban renewal block could receive assistance; those living on the nonurban renewal block could not. Of course, this is a blatant inconsistency.

I might point out that this is not merely a city problem. It exists wherever construction of educational facilities results in people being dislocated.

My bill is very simple. It amends title IV of the Higher Education Facilities Act of 1963 by adding a new section:

RELOCATION PAYMENTS

SEC. 408. The Commissioner shall not approve any application for a grant or loan under this Act unless he shall first have obtained adequate and enforceable assurances that the institution, board, or agency to which such a grant or loan is made will pay, to persons displaced from their places of residence or business

and by or as a result of the construction to be financed with the proceeds of such grant or loan, amounts covering the moving expenses and direct losses of property incurred by such persons as a result of such displacement within the same monetary limits and subject to the same conditions as those applicable to the relocation payments provided for under section 114 of the Housing Act of 1949.

I have one change in my bill to recommend. In order to make it perfectly clear that all benefits of section 114 of the Housing Act of 1949 would be available:

On page 2, line 7 of H.R. 10266, I would insert language after the word "displacement" which will read "and other relocation adjustment payments."

The amendment will make sure it encompasses all the relocation benefits provided under the Housing Act.

I am pleased that the distinguished chairman of the subcommittee, Mrs. Green, has introduced H.R. 14008 which is similar. Her bill requires relocation payments and assistance as provided in the Federal Aid Highway Act of 1965 whereas my bill uses the urban renewal benefits.

I urge that legislation be reported which will accomplish the purpose of insuring that those displaced by federally financed higher education construction be guaranteed relocation assistance and compensation.

I might point out that the Senate, I believe, on October 27, passed a bill, S. 1, which is directed towards the problem to which I have testified.

That deals with displacement caused by a Federal acquisition of land under Federal programs or acquisition of land by a State unit under a Federal program.

However, it does not deal with the problem to which our bills are addressed and that is the situation where land is acquired by a private institution which is being federally assisted.

Certainly it is important that the Subcommittee on Education deal with the question of educational institutional expansion. But the same problem does exist with other federally assisted programs.

It exists in connection with hospital and other health facilities construction under the Public Health Service Act. I have introduced legislation on that problem which is pending before the Interstate and Foreign Commerce Committee which has jurisdiction over public health matters. I have also drafted an overall omnibus bill which was referred to the Committee on Banking and Currency, H.R. 609, which would encompass displacement through all Federal programs.

I proposed in H.R. 609 that there be created within the Department of Housing and Urban Development a Relocation Assistance Bureau to handle relocation in all of these programs.

I take it for that reason it was referred to the Committee on Banking and Currency. But, of course, S. 1 is now pending before the House Public Works Committee.

It seems to me, and I know this has been a matter of great concern to the distinguished chairman of this subcommittee, that at a very minimum, we ought to require each Federal program, where displacement may occur as a result of loans or grants from the Federal Government, to provide relocation benefits. If it can be done through an omnibus bill which reaches this problem, fine.

If not, however, I urge that this committee enact legislation dealing with the subject matter under its jurisdiction.

I have before me statements which have been submitted, which I would like to present for the record, from two very prominent individuals in the Morningside Heights community where Columbia University is located.

Each of them would have liked to have been present to testify. However, because of the fact that tomorrow is election day in New York City, they were unable to do so.

One is a statement of the Honorable Basil A. Paterson, member of the New York State Senate, representing the 27th senatorial district, which includes the Columbia University area.

It is a brief statement in which he points out the need for the enactment of legislation similar to H.R. 10266. If I may have permission, I would like to include that statement in the record. I believe it is before all the members.

Mrs. GREEN. Without objection it will be included in the record at this point.

(The document referred to follows:)

STATEMENT OF HON. BASIL PATERSON, NEW YORK STATE SENATE (27TH DISTRICT)

In the past five years the residents of Morningside Heights in the Borough of Manhattan, City and State of New York (situated in my State Senatorial District), have been under severe pressure from the programs for expansion of the fifteen major institutions located in that vicinity. While we are well aware of the urgent demands on these institutions for expanding their facilities, we are distressed to know that the residents up-rooted by this expansion are caused grievous discomfort, anxiety and financial hardship in being forced, under the gun, to seek other housing. This condition has created an atmosphere of antagonism between threatened residents and the institutions.

Through the proposed legislation will not resolve all the points of friction it will go a long way towards removing the financial burden inequitably thrust upon those forced to relocate.

I support bill H.R. 10266 and urge its enactment.

Mr. RYAN. The second is the statement of the Honorable Robert M. Ginsberg, Democratic district leader of the 69th assembly district, Part A, which again is the geographical political area which encompasses Columbia University. And I would like to submit his statement for the record, in which he supports the bill, H.R. 10266, and then adds that he urges the committee to go further and pass legislation "requiring that all institutional expansion shall be ineligible to receive Federal funds unless there has been meaningful consultation with the local community and approval obtained for this expansion by some type of democratic procedure within the community."

I think that both statements point up the seriousness of the problem of institutional expansion in a densely populated urban area.

(The document referred to follows:)

STATEMENT OF HON. ROBERT M. GINSBERG, DEMOCRATIC DISTRICT LEADER, 69TH ASSEMBLY DISTRICT, PART A

GENTLEMEN: It is my understanding that this week you shall be holding hearings on H.R. 10266. Although I shall not be able to be personally present in Washington on any of the days when the hearings shall be held, I would appreciate your accepting my views in writing.

I am the Democratic District Leader in the Assembly District in New York City which contains Columbia University. I have had, therefore, sad first hand experience with institutional expansion.

I most enthusiastically support H.R. 10266, introduced by Congressman Ryan, as badly needed legislation to protect the innocent victims of social upheaval

caused by institutional expansion. I have been a witness too often to the callous disregard to community residents which has been sadly characteristic of our great institutions in their rush toward expansion.

I may also point out that no issue is more favorable to the radical elements both at Columbia University and also within our community than the heartless removal of local residents, many of whom have lived in the neighborhood 20 or 30 years.

I should like to add that in addition to my enthusiastic support of Congressman Ryan's bill, I would also urge that your Committee go far further and pass legislation requiring that all institutional expansion shall be ineligible to receive Federal funds unless there has been meaningful consultation with the local community and approval obtained for this expansion by some type of Democratic procedure within the community.

Mr. RYAN. We are also honored to have with us this morning two prominent citizens of the city of New York, who are going to testify. I don't know whether you wish to hear them first or whether you want to ask me questions beforehand.

I refer to Dr. Janet Karlson, and Miss Shirley Rector, representing the borough president of Manhattan.

Mrs. GREEN. We will hear from Dr. Karlson and Miss Rector in just a few minutes.

I want to congratulate you on your leadership in this area and your long time interest in bringing some sort of logic between the various Federal programs that we have in the area of condemnation or acquisition of land.

With reference to section 408, down at about the seventh line, "amounts covering the moving expenses, and direct losses of property incurred by such persons," do you feel that section 408 applies in an adequate way to the renters, the people who are leasing property, as well as the owners of property?

Mr. RYAN. Yes, I do. It is the intention of my bill to cover all of those persons who are displaced. This would include tenants who are paying rent to property owners and it would also include people who are not referred to as tenants in New York City but as roomers, residents in rooming houses who may be simply paying rent on a weekly basis as roomers.

Mrs. GREEN. Would you tell me if this became law, how would it have changed the situation at Columbia a year and a half ago? I have heard conflicting stories in this regard.

Was there Federal money involved there? Would this have had any application for the acquisition of land in the dispute that arose?

Mr. RYAN. I think it is fair to say that had a provision such as this been enacted by the Congress of the United States and been in effect a number of years ago, for instance, if it had been incorporated as part of the Higher Education Act of 1963 when I first offered such an amendment, then it would have helped to cushion the impact of the expansion of the university in the surrounding community.

I cannot say to you that there would not have been difficulties on the university campus, but the so-called town-gown conflict might have been lessened. Unfortunately, the university has been very insensitive to the problems of the people in the surrounding community, and only within the last year or so has there been any marked change in attitude.

But I do think that, had this been in effect as a matter of law or if the university administration itself had voluntarily recognized the problem of people displaced through university expansion, and had

really consulted with the community, there might very well have been a different story on the university campus.

There are a number of blocks on Morningside Heights which have been demolished to make way for the construction of higher education facilities.

Some of this is financed under the Higher Education Act of 1963.

There is an area on Morningside Heights between Morningside Drive and Amsterdam Avenue, 118th Street to 117th Street, which is the site of the proposed School of International Affairs. According to the Department of Health, Education, and Welfare, some \$2.6 million, almost \$2.7 million, has been made available to Columbia University under title 2 of the Higher Education Facilities Act of 1963 to accomplish that particular project.

Mrs. GREEN. I am not sure if I understand you. Is it your judgment that bills, a bill, or a law, should go so far as to say that if any buildings on a campus are being partially financed by the Federal Government, or financed in whole by the Federal Government, then that any acquisition of land, even though the buildings on that particular land are not being financed by the Federal Government, would come under the provisions of this legislation?

Do I make myself clear?

Mr. RYAN. I think I understand the question. My answer would be in theory, yes. However, it would be difficult to administer.

What I am suggesting is that, wherever there is an application for a loan or a grant from the Federal Government for the construction of a facility, there be a requirement that, before the loan or grant be approved, the applicant give adequate and enforceable assurances to the Federal Government that relocation payments and benefits will be made to people displaced as a result of that particular construction.

In other words, I think that, in drafting the law, it should be made applicable to the particular grant or loan which results in the construction which leads to the displacement.

Mrs. GREEN. Let me go back to Columbia then. I don't think I fully understood your position. It was my understanding that there were no Federal funds involved with respect to the buildings that were in the planning stage.

I don't understand how this law would have affected the Columbia situation.

Mr. RYAN. I am sorry if I did not make myself clear. Almost \$2.7 million was made available to Columbia University under title II of the Higher Educational Facilities Act for the construction of the School of International Affairs.

Mrs. GREEN. Which would have been on this land?

Mr. RYAN. This is the site, a whole block adjacent to the Columbia campus, which is now part of the Columbia campus, that has been acquired by the university; and Federal funds amounting to \$2.7 million are being used to construct the School for International Affairs.

The site was acquired with apartment buildings on the site. The tenants were displaced. The site has been leveled; and the School of International Affairs is in the process of being completed.

If my bill had been law, the university would have been required to make relocation payments and benefits to those displaced as a condition of receiving the \$2.7 million for the construction of the School of International Affairs.

That is a specific Federal grant to the university, and the university is using it to construct facilities which have displaced several hundred people.

Mrs. GREEN. How many years previously had the land been acquired and the buildings razed?

Mr. RYAN. Contemporaneously. That grant has been made, according to HEW, over a period from 1965, and the university was at that time clearing the site.

Mr. SCHEUER. Will my colleague yield?

Mr. RYAN. Yes; I will be glad to do so.

Mr. SCHEUER. First of all I would like to congratulate my colleague from New York for the leadership he has shown over a long period of years on this problem.

I personally feel that where a low-income tenant is removed from his residence or his place of business there in the sense that it is a "momma and papa" store, which most of these are, that he should be made whole, whether the improvement is covered by a Federal grant or not, whether it is for a hospital, a university, a bridge or a school or any other public facility whether it is the subject of State benefits or no matter how it is financed.

If it is a public improvement, then part of the cost of the project in the public bookkeeping project costs ought to be the civilized and humane treatment of the people who are living there.

Mrs. GREEN. Would you yield there?

You would not limit that to low-income families would you? You were not really saying that a law should be directed to just low-income family tenants?

Mr. SCHEUER. Yes; I would say that. If there was a public improvement contemplating taking buildings on Park Avenue, I think those people are quite capable of taking care of themselves. They are protected by lease, and have all kinds of options.

I would restrict this to small businesses and people in the low-income or moderate-income categories. I certainly would not say that where the Federal Government demolishes an office building, takes over an office building as they sometimes do, or takes over valuable property as they sometimes do, the tenants therein should be protected.

For example, when Robert Moses took over private property on Long Island to create his park system, he compensated the owners therefor. But if there had been renters living in those mansions, I would not think that they would be entitled to relocation payments.

Mrs. GREEN. What about the man who has built up a business for 30 years? He is leasing the property. He has been in that location for 30 years and has built up the property and created a lot of good will.

The cost of moving is considerable. I know of one case where it amounted to \$40,000 and an individual's business was ruined, his livelihood lost. You would not compensate him?

Mr. SCHEUER. I would compensate him definitely.

Mrs. GREEN. Not just low income?

Mr. SCHEUER. As far as business is concerned, whether the man is a renter or owner, he should be compensated where he has a substantial business for the value of his loss. Where it is an insubstantial business, he still should be compensated for the cost of moving even though the business may not have a determinable economic value.

But certainly where the man has a business and going concern value he should be compensated for that, where it is a Federal program, a State program or a city program or for whatever the end use may be.

It is of little interest to him whether it is a school, hospital or an overpass, or a public housing project.

He has felt the impact of the bulldozer and I think he should be compensated.

Again I want to congratulate my colleague from New York for the deep leadership and concern that he has shown over a long period of years.

Mr. RYAN. I appreciate the gentleman's comments.

Mrs. GREEN. Congressman Quie?

Mr. QUIE. I have no questions.

Mrs. GREEN. Congressman Erlenborn.

Mr. ERLBORN. I have no questions either. I do know that this has been a problem that has received some attention in other committees. One of the unfortunate things seems to be the diversity of jurisdiction over various programs. As has already been pointed out the Public Works Committee has one comprehensive bill. Another bill that you introduced is before Banking and Currency, and now we have one before Education and Labor.

I know in my other committee, Government Operations, we have had bills before us with comprehensive provisions for all Federal grant-in-aid programs.

I am sympathetic with the bill you have pending before us, but I hope it would be handled in a comprehensive manner rather than to have various provisions under the jurisdiction of various committees. I think one comprehensive approach to this is desirable.

But I commend the gentleman for his efforts before our committee here today and before other committees that have jurisdiction in this area.

Mr. RYAN. I thank the gentleman. I agree with the desirability of an overall uniform approach. Unfortunately, apparently the Senate has now acted on a bill which still does not cover our problem, but until now there has not been an overall bill which has progressed very far through the legislative process.

It has always seemed to me that, where there was before an appropriate committee a program, such as the program before this committee, which in the process of its implementation would result in the displacement of people and consequent hardship, it was perfectly appropriate to condition grants and loans under that program upon receiving assurances that relocation benefits would be paid, whether it is Higher Education Facilities Act, or the Hill-Burton Hospital Construction Act, or the Health Professions Educational Assistance Act, whether it is the Community Mental Health Centers Act, the Public Health Service Act, or whatever it may be.

Therefore, I have attempted to present to each committee which has jurisdiction over a program which has that effect the proposition that it should condition the loans and grants under such a program upon the compensation of tenants, owners, businessmen who are displaced as a result of construction.

Mr. ERLBORN. I think that is perfectly a legitimate way to proceed. I would just hope that the pressures that develop as a result

of this would lead to a comprehensive bill to cover all federally assisted projects, and I see nothing wrong in the interim with amending the existing individual programs.

I would hope that a comprehensive bill would then preempt what might be conflicting provisions in the several different grant-in-aid programs.

Mrs. GREEN. If my colleague would yield?

Mr. ERLNBORN. I would be happy to.

Mrs. GREEN. Subject to the approval of the subcommittee, I would suggest this as a method of procedure. That we act in the subcommittee, and then hold the bill and not bring it to the attention of the full committee pending the action taken in the Public Works Committee. At the same time we can make available to the Public Works Committee a copy of the transcript of our hearings and inform them of the action of the subcommittee.

Then if they don't act, we can bring this bill to the full committee. But I must say that I agree with you that it would be far preferable to have an omnibus bill with the same provisions both for owners and the renters of the property, than for each one of us to go into piecemeal action.

So unless the subcommittee wants to proceed in a different manner, it is my intention to proceed in the fashion I have outlined so that the Public Works Committee may know our views.

Let me ask one other question, if I may, Mr. Ryan. In at least one instance, there may be others that I do not know about, there was a section of land that came under urban renewal and the land was condemned. The owners and the renters of property were told that all of the buildings would be destroyed—that it was necessary for the urban renewal project.

However, not all of the buildings were destroyed. In this case some of the apartment houses were left standing. Then part of this urban renewal area was turned over to a university. Arrangements were made that the apartment houses should remain standing and they were leased to new private corporations to rent as dormitory space at the university.

This created a great deal of ill will. What would be your reaction to a situation like this? Do you think they ought to be required to use it for the purposes which they originally stated or intended? Do you think that a provision should be written in this bill that the land that comes under urban renewal or under university expansion or any of our other programs must be used for that purpose or must go back to the original owner?

Mr. RYAN. It seems to me that it is a perversion of the intent of the urban renewal law to permit land to be acquired for one purpose, and, if it is not used for that purpose, to be used for a regular commercial real estate purpose.

If property is acquired for the purpose of urban renewal, then it ought to be rehabilitated or the land developed according to a master urban renewal plan for the area.

If it was the intent in the particular case of which you speak to acquire the property for one purpose and it was not used for that, then it would seem to me that an injustice had been done to the orig-

inal owner or the tenants of the original property which ought to be corrected.

Mrs. GREEN. If there are no other questions to Mr. Ryan, may we ask Dr. Karlson and Miss Rector to come up and join Mr. Ryan at the table and then you may proceed as you wish.

STATEMENT OF DR. JANET KARLSON, NEW YORK, AND MISS SHIRLEY RECTOR, NEW YORK, BOROUGH OF MANHATTAN

Mrs. GREEN. Mrs. Karlson, Miss Rector, we welcome you to the subcommittee this morning. Will you proceed with your statements in any way that you wish.

Dr. KARLSON, we will call on you first.

Dr. KARLSON. Madam Chairman and members of the committee, I am very glad to be here because this is something that has concerned all of us who specifically live near Columbia and I have happened to have lived near Columbia for 10 years now.

And it is a pretty serious matter for all of us who live there and I am sure this is quite true all over the United States in big urban cities. I want to address my remarks in support of H.R. 10266 as the chairman of the Joint Schools Committee, which is a national committee devoted to the educational needs of all young people, as well as the chairman of the Manhattan Improvement Association, a tenant group functioning in the vicinity of Columbia University.

The Joint Schools Committee has been battling the powers that be for additional Federal, State, and city funds to expand the present higher educational facilities to meet the needs of every high school graduate wanting to go to college.

In this day and age, it is essential that the youth of today be trained to live useful and productive lives.

To this end a college education is a must. The needs of our country demand that additional teachers, engineers, scientists, and doctors be trained now. The existing facilities are not sufficient to adequately educate and house the large number of applicants.

This is one side of the coin, and we will continue to try in every way to expand the remedial and physical needs of all would-be college applicants, but not at the expense of evicting families from their homes, and the uprooting of small businessmen with no provision for relocation.

Our committee, both the tenants group and the school committee, feels that at this day and age no structurally sound building, particularly in the city of New York, should be evacuated. We feel, with the housing shortage, colleges should rent space from office buildings until the housing situation is eased.

We who live in the Columbia area have begun to regard Columbia University as an evil octopus pouncing and preying upon innocent people destroying their homes and livelihood. This is said in shame, as I received my Ph. D. from Columbia.

Sometimes I am shamed to say so because of their acts. When we think of the thousands of displaced persons, the thousands of people in need of decent homes, and the hundreds of decent empty apartments vacated by Columbia—this is something else that Columbia pulls—and when you asked Congressman Ryan these questions, I was very much

interested. Columbia harassed tenants, vacated apartments and there now are in the area—Columbia owns the property—vacant apartments, structurally sound, very livable and you have 100,000 people waiting to get in public housing.

These buildings were rent controlled. They decontrolled them and bought them. This is another sin that Columbia has committed.

I don't know whether you can put that in the bill. But it is something to think about. However, we feel that, even though H.R. 10266 it is not going to eradicate the eviction of people, it is a minute insurance that families and businesses receive financial assistance to bridge the gap of losing a home or business. On that I would like to also add on the payment. I don't know whether you realize it, but these people who got evicted and say paid \$70 a month rent, can't find apartments like that, so that is a consideration that has to be taken very seriously.

Anybody who is in a rent controlled apartment is not going to move voluntarily. That means not only are they forced to move, but sometimes their entire way of life has to be changed because in order to get an apartment they have to pay \$200 or \$300 a month when they can only really afford to pay \$70.

What has happened to all of these thousands of people should not be, we say, and it seems to us that Congressman Ryan's H.R. 10266 be recommended for speedy passage.

I would like to speak on this because I think this might not be easy to put in an omnibus bill, because I think it is the answer of course, but let's get something passed. Columbia and other city colleges are doing some things, too, and we are squeezed, we are right in the middle.

We have, of course, hospital expansion which is all necessary. Let them build up and not vertical, and let people have homes.

Mrs. GREEN. Are the buildings that you said are structurally sound, and that have been vacated, still standing? They have not been razed?

What do they intend to do with them?

Dr. KARLSON. I took some very concrete action once after the sit ins at Columbia University because the community sided with the students. We did not want the gym. We also wanted to point up all the empty apartments and I believe the address was 614 West 114th Street. We went in that apartment. We cleaned the apartment and stayed in the apartment overnight to publicize the fact that this was a building.

When I say it was a nice apartment, it is a much nicer apartment than that which I live in, airy, clean, empty.

Ironically enough, that building is eventually going to be used—I don't know whether it gets Federal funds—for the school of social work. And it is empty. So it is sort of ironic that they are building a building or planning to in the far off future.

Mrs. GREEN. How long has it been empty?

Dr. KARLSON. I can't tell you that statistically. But I can send you a list of all—and I understand there are about 500—we can send it to you with the date that they were vacated.

Mrs. GREEN. How long approximately, a years, 2 years?

Dr. KARLSON. Some of them 3 and 4 years. My friend, Ann Margetson, knows people even further down that have been evicted 5 years ago.

Mrs. GREEN. The buildings are still standing and empty?

Dr. KARLSON. They have never done a thing.

Mrs. GREEN. You make a good point. If we have structurally sound buildings maybe they should be used and the university ought to rent.

I am curious about one statement you make. It has nothing to do with Congressman Ryan's bill, but you stated that your joint schools committee believes that every high school graduate wanting to go to college should be able to attend.

How do you propose financing college education for all interested and able students?

Dr. KARLSON. I feel that all youngsters should have the opportunity to continue school, if they want to. I feel for example, because I am talking about education, and I am talking about New York City though this is true in most of the United States, most of the secondary education is not of high quality at this point.

I am talking about public schools. I believe in public schools and I have four children all of whom went to public schools.

But I feel that they come out of high school not equipped for college. They should be helped. They are not equipped to do a darn thing. They need some kind of special training.

Maybe they don't want an academic training. We do know that the situation as far as physicians, scientists, and engineers is drastic, we need them—dentists. We need them desperately and many of these youngsters who have gone through school have a real high potential. I have taught remedial reading to kids that have been thrown out of school at the age of 17, who read second grade level.

I have taught them to read at college level. I have gotten them high school equivalency tests and they are doing well.

Mrs. GREEN. I understand these things. But I still want your definition of college. You say a college education is a must.

Dr. KARLSON. I think they need special training.

And higher education. Our trade schools are inadequate, though the private industry has good trade schools.

Mrs. GREEN. Do you include in this concept vocational schools, technical schools?

Dr. KARLSON. Certainly, we have one youngster now that is definitely vocational. We must get him in a good vocational school.

Mrs. GREEN. Mr. Quie?

Mr. Erlenborn?

Mrs. GREEN. Miss Rector, may we hear your statement?

Miss RECTOR. I appreciate being able to come here this morning, Madam Chairman and the rest of the committee. I am here from the borough president of Manhattan, Mr. Sutton's office, and in support of Congressman Ryan's bill, H.R. 10266.

I just want to cite for the record some of the problems that come across my desk in my day-to-day work.

This is one of the most acute problems—people needing some place to live or some place to rent or some place to expand. Last week, particularly an acute problem came, where a mother, a widow, with four children was in a building that was sought and gotten for expansion, institutional expansion.

She was the only tenant in that building. The other people scrambled and got some place to go. However, this particular mother had no resources but to come to our office for aid in trying to find another apartment. They had exhausted all of her efforts with all of the city

agencies in trying to do so. She did not fall into the category of urban renewal, so the relocation certainly could not help her.

She is one example of the kind of problem that we have. It has become a real hazard for her. I don't know how we are going to help her but we are trying.

Mrs. GREEN. Was that at one of the universities?

Miss RECTOR. It is not one of the universities. It is a private institution that is expanding for educational purposes.

Mrs. GREEN. This particular bill would not affect it then?

Miss RECTOR. This would not affect it, but I just cite it as one of the similar problems that I am familiar with. As a parent involved in community affairs, particularly in the area of equal educational opportunities for all children, I see the dire need for a proper education for all children.

Unless they have received a higher education, they will not be able to compete in today's technical world. But right now one of the most immediate problems New York is faced with is the administration policy of the city colleges. All sorts of irrelevant testimony that I have heard in the past few weeks has been directed to areas other than the most important one and that is the need for more space, and more money, and we hope that you here will also help us in the struggle until we reach this goal.

The black and Puerto Rican youngsters do need compensatory education. But when this goal is ultimately reached, I am sure that it will create many, many more problems, as the expansion of these colleges will have to come about.

Community people, leaders and parents, are all asking that until large enough facilities are constructed, that store fronts, empty lofts, and other buildings, be used in the interim. While they are being used, on the other hand, expansion will create this big monstrous problem.

Many of the tenants foresee themselves in the stores and in apartments, displaced, no money available, and no other place to go.

Therefore I cannot stress too strongly that Congressman Ryan's bill be passed to alleviate and relieve some of these relocation problems that currently affect these tenants with the lack of money and the lack of any other place to move.

Thousands of people in New York have been harmed by such expansion and consequently have been negative in viewing it. Therefore the very people who need education on every level view this negatively.

We think a good public relations job needs to be done in addition to relieving these tenants so that a more favorable view and more understanding of the need to expand will come about; so that on the part of the citizenry, there be a more healthy and wholesome active involvement on the part of these people and these tenants whom expansion will affect.

Thank you.

Mrs. GREEN. Thank you very much, Miss Rector.

Congressman Quie, do you have any questions?

Mr. QUIE. I have no questions.

Mrs. GREEN. Congressman Erlenborn?

Mr. ERLBORN. I have no questions.

Mrs. GREEN. May I express my thanks to all three of you on behalf of the committee for coming down here today. I think I can assure you

that this subcommittee is interested in this problem and we do hope that an omnibus bill will be enacted.

But barring that I suspect we may take some action.

Mr. RYAN. Thank you very much.

I want to thank you and the members of the subcommittee for your courtesy and deep interest in this problem and Miss Rector, education consultant to the president of the borough of Manhattan, and Dr. Karlson for appearing and testifying and illustrating very graphically some of the problems confronting those who do face the expansion of institutions in an urban environment.

Thank you very much.

Mrs. GREEN. Our next witness is an old friend of the subcommittee Dr. Levi, from the University of Chicago.

Dr. Levi, we welcome you to the subcommittee this morning and we are delighted that you are here on behalf of the American Council, to present your views.

**STATEMENT OF DR. JULIAN LEVI, UNIVERSITY OF CHICAGO, ON
BEHALF OF THE AMERICAN COUNCIL ON EDUCATION**

Dr. LEVI. Good morning, Madam Chairman. It is a privilege always to appear before this committee and particularly before this chairman.

It is a privilege I personally appreciate deeply.

I appear on behalf of the American Council on Education which is the coordinating agency for higher education in the United States. It includes among its members over 1,635 colleges and universities and regional and national educational associations, and I appear on behalf of a number of other associations identified on the cover sheet of this testimony.

(The associations referred to follow:)

American Association for Higher Education
American Association of Junior Colleges
American Association of State Colleges and Universities
Association of American Colleges
Association of American Universities
Council for the Advancement of Small Colleges
National Association of State Universities and Land-Grant Colleges
National Catholic Educational Association

Dr. LEVI. We welcome the opportunity to speak on the subject of relocation payments and assistance to individuals displaced by the physical expansion of colleges and universities.

The past 25 years have witnessed an enormous increase in the number of students attending public and private institutions and the end is not yet in sight.

The necessary physical expansion had undoubtedly led to the displacement of individuals and businesses in areas immediately adjacent to the college and university campuses. This should be, and is, a matter of concern to all of us. Indeed many institutions have voluntarily made relocation payments in the belief that they had a moral, if not a legal obligation to do so.

Mrs. GREEN. Could I interrupt here, Dr. Levi?

This impressive list of organizations on the front, you are representing all of them?

Dr. LEVI. Yes.

Mrs. GREEN. May I suggest that I have never seen such unanimity in the field of education in my life before?

Dr. LEVI. I am happy to note that the past 25 years have witnessed an enormous increase in the number of students attending public and private institutions and the end is not yet in sight.

We are in agreement with the concept embodied in H.R. 10266 and H.R. 14008 that would make such payments mandatory.

In that regard I have a good deal of material as to what the University of Chicago—of course which is the institution I know best—has done in this connection of the problem, and if at the conclusion of this statement you would be interested in my going into some details, I will be delighted to do so.

We are in agreement with the concept embodied in H.R. 10266 and H.R. 14008 that would make such payments mandatory. We believe, however, that the bills are too limited in scope, in that they necessarily apply only to the Higher Education Facilities Act of 1963.

This would leave uncovered construction projects funds funded in whole or in part by other Federal agencies such as the Public Health Service, the National Science Foundation, and the Atomic Energy Commission.

Moreover it would seem to us unwise to identify educational institutions as presenting a unique problem in this area.

In one sense it is not an educational problem at all. It is a national problem and should be treated as such. No one would deny that those who must make adjustments in their personal lives for the greater good of the general public should be adequately protected and compensated.

We would take the position, therefore, that when projects are Federal or federally assisted, there is a Federal responsibility to assist those who are displaced.

This would be true whether the project is undertaken by a college or university or by a myriad of other entities that are acquiring land and building facilities under Government sponsorship.

For this reason I believe that a Government-wide approach to the problem is desirable. Such an approach, as Representative Ryan has indicated, has already been passed by the Senate in the form of S. 1.

A similar bill (H.R. 4578) has been introduced in the House and we are informed that hearings on it will begin in the near future.

Both bills recognize Federal responsibility for relocation payments and provide that the first \$25,000 in payment to displaced persons shall be paid by the Federal agency concerned and that no local agency need agree to make any relocation payment in excess of \$25,000.

We might note in passing that both bills seem to apply only to public (State) agencies. Since in the case of higher construction the social need is the same whether the institution is public or private, we believe that public and private institutions should be treated alike.

If this committee decides to go forward with either of the bills under consideration today, it would be our recommendation that higher education should be treated in the same manner accorded the cities under the Housing Act of 1949.

When municipalities take property under their power of eminent domain, for housing purposes under that action section 114 provides for the payment of relocation grants exclusively by the Federal Government and by the—not by the political subdivision.

We have not been able to ascertain, in the limited time available to us for study, where responsibility for payment would fall if the Federal Aid Highway Act were used as a model.

If however, it fell on the college or university the result would be a sharp increase in the cost of the facility, a result in contradiction of the basic purpose of the Higher Education Facilities Act.

We would point out that the Department of Housing and Urban Development which has jurisdiction over the Housing Act of 1949, has established an orderly and efficient mechanism for the processing of claims and the making of relocation payments.

The Federal Aid Highway Act provides that the State highway departments may make relocation payments or provide relocation assistance by utilizing the facilities, personnel and services of any other Federal, State, or local governmental agency having an established organization for conducting relocation assistance programs.

We are informed however that the various State highway authorities by delegating their relocation payments and assistance function to other governmental units have not established an efficient and expeditious process for the handling of their claims.

We would therefore prefer the provisions of H.R. 10266 insofar as they provide for payment of relocation expenses under the guidelines laid down in section 114 of the Housing Act of 1949.

In actual operation this legislation probably ought to take the form of authorizing the Secretary of Housing and Urban Development to enter into loan and grant contracts with institutions of higher education providing for full reimbursement of relocation costs.

Thank you, Madam Chairman, for the opportunity to present our views. I shall be happy to answer any questions. I do have the detail as to what we have done at the University of Chicago and what I know has happened at then some other institutions, if the committee is interested.

Mrs. GREEN. Thank you, Dr. Levi.

Have you presented your views to the Public Works Committee, or did you present them on the Senate side then?

Dr. LEVI. It is our intention to present them to the Public Works Committee of the House.

Mrs. GREEN. Did you do this on the Senate side?

Dr. LEVI. No, we did not.

Mrs. GREEN. No one from the American Council testified on the Senate side?

Dr. LEVI. No one that I am aware of did it. I think that is an omission which is a sad one.

Mrs. GREEN. It seems to me that part of your statement contradicts other parts. You first recognize that no one would deny those who must make adjustments in their personal lives for the greater good of the general public adequate protection and compensation. Then you say on page 3, as to the cost of it, "If, however, it fell on the college or university, the result would be a sharp increase in the cost of facility—a result in contradiction of the basic purpose of the Higher Education Facilities Act."

That seems to say that you are opposed to it?

Dr. LEVI. No, we are not. I am sorry if that impression gathers. We are not opposed to it. But let me make this suggestion. On any campus

today which has federally supported facilities which come on to the campus as a result of a great many Federal programs beyond the Higher Education Facilities Act, it would be most unfortunate if there were a relocation program, in one case and not in the other.

We feel it ought to go across the board.

Let me tell you, for instance, one experience we had in the city of Chicago, involving the University of Chicago. We had a neighborhood redevelopment corporation. Southwest Hyde Park Neighborhood Redevelopment Corp.

All of the stock of the Southwest Hyde Park Redevelopment Corp. was owned by the University of Chicago. We carried forward a clearance program involving four blocks of property, involving the acquisition of more than 100 parcels, involving the relocation of some 500 families, and also involving the relocation of businessmen.

These businessmen were located in a strip on the south side of 55th Street. The north side of 55th Street was within the Hyde Park area—the Hyde Park-Kenwood urban renewal program. The result was that businessmen on the north side of the street were receiving the benefits of federally supported relocation payments. Whereas, businessmen on the south side of the street, although compelled to relocate exactly as businessmen on the north side were compelled to relocate, were at that time not eligible for Federal relocation payments.

As far as the University of Chicago is concerned, in proceeding with the project we met all of the requirements of relocation from our own funds. Families received \$40,670.13, individuals, \$8,042.84. We paid moving expenses of \$7,397.79. We bought leases, paid for them, \$5,536.47. We paid fees of \$390; and we overpaid for some properties in order to get lease adjustments in the amount of \$10,254.80.

Incidentally the practice of the University of Chicago has been that on all of the acquisition that we do, where there is displacement, we enter into a contract with the city authorities to carry out a relocation program, and we compensate the city at the rate of \$50 per family and \$50 per single family to pay for their overhead in doing the work.

But we were still left with the problem of these businessmen where we wanted to be sure that their claims were processed precisely as the claims on the north side of the street were processed.

We were fortunate in finding a solution. It happened that the city of Chicago had an interest in widening the street. Whereupon, we said to the city that if the city would enlarge the boundary to include just the strip, we would donate some 14 feet of area to them, which is what we did.

This involved a cost as near as we can estimate of around \$175,000. On the other hand, it avoided what we think would have been an utterly impossible situation.

Visualize it; two men both in business, one on one side of the street, the other on the other side, and one has the benefit of a program and the other does not.

Mrs. GREEN. In that program, did you reimburse the people who were renting as well as the owners of the property?

Dr. LEVI. Yes.

Mrs. GREEN. I congratulate you. I wish this were always the case.

Dr. LEVI. There is one other case that is interesting. Of the 506 families involved, there was not one eviction action filed. One of the

ways in which you judge the effectiveness of a relocation program is whether you lose families, where you don't know what happened to them. I have to say to you that we lost 14 families out of this 504. We followed the others and we determined that the housing which they received was standard, and if it was not standard, we continued to offer them service in order that it be standard.

As a matter of fact we have done more than that. In connection with the 60th and Cottage project that Representative Ryan referred to, the university is acquiring land as a result of a renewal project.

However, we joined that renewal project with a project undertaken by the city in which some 16 acres of land were made available to a not-for-profit foundation organized by the Woodlawn Organization and the Two Kate Maremont Foundation, and I can report to you this morning that families are moving into that housing project that became possible for the city to undertake as a result of expenditures which we had made for expansion, including the southwest Hyde Park project.

In connection with the 60th and Cottage project, we said to the city of Chicago, "What would you like to do in relocation that the present arrangements do not permit you to do?"

They identified to us three circumstances. This is a letter written to the Southeast National Bank by the University of Chicago on April 18, 1969:

There is delivered to you herewith for deposit in escrow the sum of \$1,000 to be used for the purpose of giving financial assistance to families located in the 60th and Cottage Grove Project area to assist them in relocating to other suitable living accommodations.

This sum is to be disbursed by you in the form of checks drawn against said escrow account, made payable to payees in amounts as determined and directed by either the Department of Urban Renewal of the City of Chicago or the Woodlawn Organization pursuant to the procedures set forth below.

These funds are to be made available to those families who cannot secure the necessary aid for relocation expenses through other sources and who fall into one of the following listed groups:

One, those families who desire public housing and for whom public housing would afford the best relocation result based on family size and income but who had formerly resided in public housing and on their termination had left a balance owed to the Chicago Housing Authority, CHA, will not rehouse these families so long as such balances remain unpaid. If any of these families can qualify for CHA housing, these funds may be used to pay the balances which they owe CHA.

Two, those families who wish to purchase homes under one of the FHA insured programs but who may not have sufficient funds to make the minimal downpayment from \$200 to \$500. If any of said families are able to find suitable homes to purchase and can obtain the FHA approvals necessary, then these funds may be made available to them to assist them in making the requirement downpayments.

Three, those families who still live in the 60th and Cottage Grove area or who have already moved off site, who wish to move into the new housing being constructed along Cottage Grove Avenue, and who are eligible for such housing but do not have sufficient financial resources to make another move.

These funds may be made available to help pay the cost of a second move for such families.

You are to make disbursements of these funds upon your receipt of a written request from either the city of Chicago Department of Urban Renewal or the Woodlawn Organization.

Said request shall set forth the amount to be paid out, the name of the person to whom the check is to be made payable and is to be accompanied by the written certification that the proposed disbursement meets one of the specific requirements set forth above.

The checks are to be delivered to either the Department of Urban Renewal or Woodlawn Organization which will in turn deliver such checks to the named payees.

The fund will remain there for 3 years. So that there is, I think, a recognition of the problem I am told for instance that Columbia itself has spent \$542,000 in relocation payments in the past 6 years, that they do have a program which is based on need, and which they say is more generous than New York City's schedule of relocation payments.

I would add only one other thing. The particular proposal I just read to you regarding the Southeast National Bank was worked out by a faculty-student committee at the University of Chicago. Relocation is a very, very difficult unhappy business. You can't avoid it. I think that it is necessary that the institutions behave with the utmost of care and consideration. We have tried to do that.

The resources available to us may be better than what are available to other institutions. This is one reason why I personally am enthusiastic about the bill which has been proposed.

I think this is assistance which is greatly needed by higher education.

Mrs. GREEN. In the move that you referred to a moment ago, what kind of assistance did you give to businessmen who were leasing property?

Dr. LEVI. What we did was to pay moving expenses—

Mrs. GREEN. The full moving expenses?

Dr. LEVI. Yes—as permitted by the Federal regulations, as well as a factor of goodwill.

Mrs. GREEN. What do you mean as permitted?

Dr. LEVI. There is a ceiling of approximately \$25,000 per case.

Mrs. GREEN. Then you did not pay the full, if it was over \$25,000?

Dr. LEVI. We did not. We felt that what we had to do was to be the equivalent of the Federal program.

Mrs. GREEN. Did you pay anything in addition to the moving expenses?

Dr. LEVI. Yes, we paid good will payments—

Mrs. GREEN. On what was the goodwill based? Did you have a formula?

Dr. LEVI. There is a formula which has been worked out by the Federal Department of Housing and Urban Development. What we actually did as a matter of fact was this, Madam Chairman: We arranged that the city of Chicago process these claims as if they were fully reimbursable by the city of Chicago and the Federal Government and then said, "having processed the claim and having handled it exactly as you would have handled an aid project, let us know what is involved and we will send you a check."

Fortunately we were able to get a good deal of this finally under the full Federal program.

Mrs. GREEN. What is the amount that can be paid for loss of business, goodwill, whatever you want to call it?

Dr. LEVI. I would have to get the exact regulations and the law. It is partly a matter of law and partly a matter of regulation, Madam Chairman.

It involves, I think, the payment of the actual moving expenses and a goodwill figure and I think the figure on goodwill is \$25,000.

Mrs. GREEN. You stated your preference for the urban renewal over the highway relocation bill. The only argument that I see you make is that the Department of Housing and Urban Development has established an orderly and efficient mechanism the Federal Highway Act you say in essence has not.

Of course it is new. That was just passed last year. But do you have any other reasons for supporting one over the other? I refer specifically then to the amounts of money and the purposes for which they may be spent.

Dr. LEVI. It is not as much a matter of money as it is a matter of evenness in administration. What I mean by that is that when a highway program comes into a city, for instance, it is a longitudinal affair; it runs across a community on a narrow strip. The urban renewal program, on the other hand, is I suppose latitudinal. It involves a great deal more in area. HUD has much more experience in the city. I think it is very important that in a public program we have a symmetry to it and I think that you will find that the Department of Urban Renewal is doing much more of that kind of work in cities than the Federal highway will be doing.

Mrs. GREEN. I don't understand the symmetry. If a business or an individual is displaced and he suffers a tremendous loss in both moving costs and the loss of his business, what difference does it make?

Why shouldn't he be treated as an individual who suffers?

Dr. LEVI. I want to see him compensated. You and I are on the same wavelength on that. What I am saying is this, and I say this as a result of some years of experience, the setting of relocation payments, when carried out by a Government agency, involves an administrative discretion.

This is inevitable. I think that it is very important that the person who is doing the most relocation activity, and who is judging most of the claims, handle as great a number as he can so that we get equality and uniformity in the way the program is administered.

The relocation people will be administering under housing and urban development more in cities than the highway people ever will simply because the volume of the land and the volume of the relocation claims they have is far higher than what the highway people have.

Mrs. GREEN. I don't want to dispute you on that, Mr. Levi. I really don't know. But I think that the highway that has gone through my city and across the county extends I suspect a much longer distance than across the city itself.

We have had the instance which you referred to that on one side of the street they got payments and on the other side they did not.

What I want to do is to compare the actual provisions of the urban renewal act and the actual provisions of the highway relocation act at this time.

It seems to me there is more justice for an individual, whether he be a homeowner or a tenant of a housing project, or an apartment, and especially for an individual businessman, under the provisions of the Highway Act than under the Urban Renewal Act, because he has the full cost of moving expenses and this is not subject to somebody's whim at the moment.

The amount of business, the goodwill loss, I suppose this is a matter that somebody can decide rather arbitrarily. But I would like to have

the education groups make a comparison of the costs of the exact provisions rather than simply stating that one is efficiently operated and the other is not.

Dr. LEVI. We would be glad to.

Mrs. Green, I can accept the part of the blame for that particular position simply on the basis that we have had all of this experience with the people in housing and urban development.

(The information referred to follows:)

The Housing Act of 1949 (Public Law 171), 81st Congress, Secs. 114 and 117, as added by Housing Act of 1964 (Public Law 88-560), Sec. 310(a), 78 Stat. 769 [1964]; as well as the Housing and Urban Development Act of 1964 (Public Law 89-1170), Sec. 404(a), 79 Stat. 451 [1965]; together with the Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 89-754), Sec. 107, 80 Stat. 1255 [1966]; the Urban Mass Transportation Act (Public Law 88-365), Sec. 7, 78 Stat. 302 [1964]; and the United States Housing Act of 1937 (Public Law 412), 75th Congress, Sec. 14(8), 50 Stat. 888 [1937], as amended, authorize the Secretary of Housing and Urban Development to provide relocation assistance. Such assistance provides for permissible relocation payments for different categories of recipients and is summarized in the Urban Affairs Reporter, Volume 1, at Paragraph 9309, as shown on the following two pages.

19309 RELOCATION PAYMENT TABLE

The following table summarizes the permissible relocation payments authorized for different categories of recipients (.05):

Class of Payee	Type of Payment	Amount of Payment
Families and individuals	Moving expenses (including storage and related costs) and loss of property	Up to \$200
<i>Conditions:</i> (1) payment may be made for reasonable and necessary moving expenses and any actual direct loss of property for which no other reimbursement or compensation has been made; (2) If fixed amounts are to be paid in lieu of actual moving expenses and loss of property, prior HUD approval of a Fixed Relocation Payments Schedule is required.		
Families and elderly individuals	Relocation Adjustment Payment	Up to \$500
<i>Conditions:</i> (1) payment is based on amount by which average annual gross rental required for decent, safe, and sanitary housing of modest standards in locality exceeds 20% of annual income of claimant; (2) payment may not be made to claimant able to obtain a suitable dwelling unit in a low-rent housing project or in housing assisted under federal rent supplement program; (3) no payment may be made until a Schedule of Average Annual Gross Rentals for Standard Housing in Locality has been approved by HUD; (4) except in certain specific situations, payment must be made jointly to claimant and landlord; (5) entire amount of payment must be paid out within 5 months of claim approval, in specified monthly amounts.		
Business concerns and non-profit organizations	Payment for moving expenses, including storage and related costs; and loss of property, except goodwill or profit	Property loss only: \$3,000 Combination of property loss and moving expenses: \$3,000 Moving expenses only: \$25,000; however, payments in excess of \$25,000 may be made when municipality agrees to share excess amount with Federal Government
<i>Conditions:</i> (1) payment may be made for reasonable and necessary moving expenses and any actual direct loss of property for which no other reimbursement or compensation has been made; (2) concern must give 30 to 90 days' written notice of its intention to move and must permit inspection of property to be moved; (3) no payment for moving expenses in excess of \$500 may be made unless concern has submitted 3 bids covering cost of move. Payment may not exceed lowest bid; (4) payment to a concern moving beyond 100 miles may not be in excess of reasonable and necessary expenses for such distance of 100 miles; (5) prior HUD approval is required for a claim in excess of \$10,000; (6) payment for storage and related costs may be made to concern which does not immediately reestablish operations at another location.		
Small business concerns	Small Business Displacement Payment	\$2,500
<i>Conditions:</i> (1) payment may be made to concern with average annual gross receipts in excess of \$1,500 together with average annual net earnings before taxes in excess of \$500, or average annual gross receipts in excess of \$2,500; provided that average annual net earnings before taxes are less than \$10,000. An exception may be made to the minimum business activity level in the case of displacements prior to June 15, 1966 (see Regulations).		
Business concerns	Payment for removal of outdoor advertising display	Subject to same limitation as for moving expenses
<i>Conditions:</i> No special conditions listed.		

Owners of property acquired by municipality

Payment for certain settlement costs and related charges

Amount necessary to cover reasonable and necessary settlement costs for which owner has not been otherwise reimbursed or compensated.

Conditions: (1) transfer of title must have occurred on or after August 10, 1965; (2) claimant must have been owner of conveyable interest in the real property on date of transfer of title, but need not have been occupant of the property.

.05 *Code Enforcement Letter No. 3*, p. 6, Department of Housing and Urban Development, June 14, 1967. Application forms

and forms for the submission of specific information are furnished upon specific request to the appropriate HUD regional office.

Relocation payments pursuant to the Federal-Aid Highways Act (Public Law 90-495), 82 Stat. 815 [1968] are provided under Sections 505 through 508 of that Act, appearing in the Urban Affairs Reporter, Volume 2, at Paragraphs 13,646E through 13,646H, as shown on the following two pages. We are not aware of the issuance of any regulations.

[§ 13,646E]

§ 505. Relocation payments

(a) **PAYMENTS FOR ACTUAL EXPENSES.**—Upon application approved by the State agency, a person displaced by any highway project approved under section 106 or section 117 of this title may elect to receive actual reasonable expenses in moving himself, his family, his business, or his farm operation, including personal property.

(b) **OPTIONAL PAYMENTS—DWELLINGS.**—Any displaced person who moves from a dwelling who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (a) of this section may receive—

(1) a moving expense allowance, determined according to a schedule established by the Secretary, not to exceed \$200; and

(2) a dislocation allowance of \$100.

(c) **OPTIONAL PAYMENTS—BUSINESSES AND FARM OPERATIONS.**—Any displaced person who moves or discontinues his business or farm operation who elects to accept the payment authorized by this section in lieu of the payment authorized by subsection (a) of this section, may receive a fixed relocation payment in an amount equal to the average annual net earnings of the business or farm operation, or \$5,000, whichever is the lesser. In the case of a business, no payment shall be made under this subsection unless the State agency is satisfied that the business (1) cannot be relocated without a substantial loss of its existing patronage, and (2) is not part of a commercial enterprise having at least one other establishment, not being acquired by the State or by the United States, which is engaged in the same or similar business. For purposes of this subsection, the term "average annual net earnings" means one-half of any net earnings of the business or farm operation, before Federal, State, and local income taxes, during the two taxable years immediately preceding the taxable year in which such business or farm operation moves from the real property acquired for such project, and includes any compensation paid by the business or farm operation to the owner, his spouse, or his dependents during such two-year period.

[Note.—For date of applicability to states, see § 13,646L.]

[§ 13,646F]

§ 506. Replacement housing

(a) In addition to amounts otherwise authorized by this title, the State agency shall make a payment to the owner of real property acquired for a project which is improved by a single-, two-, or three-family dwelling actually owned and occupied by the owner for not less than one year prior to the initiation of negotiations for the acquisition of such property. Such payment, not to exceed \$5,000, shall be the amount, if any, which when added to the acquisition payment, equals the average price required for a comparable dwelling determined, in accordance with standards established by the Secretary, to be a decent, safe, and sanitary dwelling adequate to accommodate the displaced owner, reasonably accessible to public services and places of employment and available on the private market. Such payment shall be made only to a displaced owner who purchases and occupies a dwelling within one year subsequent to the date on which he is required to move from the dwelling acquired for the project. No such payment shall be required or included as a project cost under section 504 of this title if the owner-occupant receives a payment required by the State law of eminent domain which is determined by the Secretary to have substantially the same purpose and effect as this section and to be part of the cost of the project for which Federal financial assistance is available.

(b) In addition to amounts otherwise authorized by this title, the State agency shall make a payment to any individual or family displaced from any dwelling not eligible to receive a payment under subsection (a) of this section which dwelling was actually and lawfully occupied by such individual or family for not less than 90 days prior to the initiation of negotiations for acquisition of such property. Such payment, not to exceed \$1,500, shall be the amount which is necessary to enable such person to lease or rent for a period

not to exceed 2 years, or to make the down payment on the purchase of, a decent, safe, and sanitary dwelling of standards adequately to accommodate such individual or family in areas not generally less desirable in regard to public utilities and public and commercial facilities.

[Note.—For date of applicability to states, see ¶ 13,646L.]

[¶ 13,646G]

§ 507. Expenses incidental to transfer of property

(a) In addition to amounts otherwise authorized by this title, the State shall reimburse the owner of real property acquired for a project for reasonable and necessary expenses incurred for (1) recording fees, transfer taxes, and similar expenses incidental to conveying such property; (2) penalty costs for prepayment of any mortgage entered into in good faith encumbering such real property if such mortgage is on record or has been filed for record under applicable State law on the date of final approval by the State of the location of such project; and (3) the pro rata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting of title in the State, or the effective date of the possession of such real property by the State, whichever is earlier.

(b) No payment received under this chapter shall be considered as income for the purposes of the Internal Revenue Code of 1954 or for the purpose of determining the eligibility or the extent of eligibility of any person for assistance under the Social Security Act or any other Federal law.

[Note.—For date of applicability to states, see ¶ 13,646L.]

[¶ 13,646H]

§ 508. Relocation services

(a) Each State shall provide a relocation advisory assistance program which shall include such measures, facilities, or services as may be necessary or appropriate in order—

(1) to determine the needs, if any, of displaced families, individuals, business concerns, and farm operators for relocation assistance;

(2) to assure that, within a reasonable period of time, prior to displacement there will be available, to the extent that can reasonably be accomplished, in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, housing meeting the standards established by the Secretary for decent, safe, and sanitary dwellings, equal in number to the number of, and available to, such displaced families and individuals and reasonably accessible to their places of employment;

(3) to assist owners of displaced businesses and displaced farm operators in obtaining and becoming established in suitable locations; and

(4) to supply information concerning the Federal Housing Administration home acquisition program under section 221(d)(2) of the National Housing Act, the small business disaster loan program under section 7(b)(3) of the Small Business Act, and other State or Federal programs offering assistance to displaced persons.

(b) Nothing in this chapter shall be construed to prohibit any person from exercising any right or remedy available to him under State law with respect to any action of a State agency in carrying out this chapter.

[Note.—For date of applicability to states, see ¶ 13,646L.]

COMPARISONS OF SIGNIFICANT RELOCATION PROVISIONS

Relocation provisions	Housing Act of 1949	Federal-Aid Highway Act
1. Actual moving expenses-----	Available to families and individuals not to exceed \$200. Available to displaced business concerns and nonprofit organizations but not to exceed \$25,000 for moving expenses only. Moving expenses over \$25,000 may be paid if the locality shares the extra cost with the Federal Government.	Available to families, individuals, businesses, nonprofit organizations and farm operations for reasonable moving expenses (no maximum).
2. Optional relocation payment in lieu of actual moving expenses (fixed payment).	Available to families and individuals up to a maximum \$200. Available to business concerns and nonprofit organizations up to a maximum \$3,000 for property loss only. \$3,000 maximum for combined moving expenses and property loss.	Essentially the same plus a \$100 dislocation allowance. Available to business concerns or farm operators in an amount equal to the average annual net earnings of the business or farm or \$5,000 whichever is the lesser.
3. Additional payment to assist in securing replacement housing.	Available to displaced families, and elderly and handicapped individuals in an amount up to \$500 per year for 2 years.	Available to any family or individual displaced from any dwelling, provided the family or individual actually and lawfully occupied the dwelling for not less than 90 days prior to the initiation of negotiations for the property. The payment, not to exceed \$1,500, shall be an amount necessary to rent a decent, safe, and sanitary dwelling for a 2-year period.
4. Additional payment to assist in purchasing replacement housing.	Available to the owner of real property which is improved by either a single- or 2-family dwelling. The payment may not exceed the maximum \$5,000.	Essentially the same. The major difference is that under the statute the owner of a 3-family dwelling is eligible for payment.
5. Payment for expenses incidental to transfer of property to a public agency.	Available to all owners of real property acquired for the project.	Essentially the same.
6. Small business displacement payments.	Available in the amount of \$2,500 to a displaced business concern with average annual net earnings of less than \$10,000.	Available to any person who moves or discontinues his business or farm operation. The payment shall be in an amount equal to the average net earnings ¹ of the business or farm or \$5,000, whichever is lesser.
7. Small business administration loans.	Any small business which suffers physical displacement as a result of a Federally aided urban renewal, highways, other constructions projects who suffer substantial injury because of displacement is eligible for this type loan.	Same.
8. Relocation assistance in finding suitable accommodation.	Families and individuals are provided assistance in finding housing that is standard, of adequate size, within their financial means, reasonably convenient to employment, transportation, and other public facilities, and available on a nondiscriminatory basis. Business concerns and nonprofit organizations are provided assistance in finding appropriate accommodations. Referrals are made to available commercial space and to real estate brokers or agents with available properties.	Essentially the same. Do.

¹ The term "average annual net earnings" means $\frac{1}{2}$ of any net earnings of the business or farm before Federal, State and local income taxes, during the 2 years immediately preceding the taxable years in which the business or farm operation moved.

Mrs. GREEN. I would again remind you this highway act was only passed last year. So there is not any experience.

Dr. LEVI. That is right. That is one of the reasons.

Mrs. GREEN. That would destroy the provisions of being fair.

Mr. Quie?

Mr. QUIE. Professor, on those University of Chicago construction projects that you were talking of, were there any Federal grants under the Higher Education Facilities Act involved in any of those? Were there any loans?

Dr. LEVI. There were loans under the college housing act to pay for costs of rehabilitation in four or five properties and Pierce Towers

which is a residential hall, was financed in part under the College Housing Act.

These relocation funds that I have described to you came from free educational funds. If you know what the condition of university budgets is, these are the most precious and difficult funds you can find.

MR. QUIE. As far as the owners of property are concerned, would you have found it necessary to treat them in an equitable way just to be able to acquire the property?

DR. LEVI. Precisely.

MR. QUIE. So from what I can see, the owners of property won't gain any more benefit if this legislation is passed.

It will be the tenants really who will benefit from this legislation. Wouldn't that be true?

DR. LEVI. Yes, with one condition. We have one circumstance—I referred to a \$10,000 item of excess payment—where we required the owner, as a condition of our acquisition, to arrive at a suitable arrangement with his tenant, because we felt that if the owner did not do it, we would have infinite difficulty.

To that extent the owner will be assisted. But that is very indirect. Generally speaking, I would say to you this does two things. It will help tenants and business people who really ought to be helped.

The other thing it will do, and I think this is very important, is to require that universities preserve the proper kind of moral position. I think that if you deal with people unfairly and inconsiderately and improperly, you are going to have trouble. You should have.

MR. QUIE. If this legislation was enacted into law, would the tenants have received anything more than you have provided for?

DR. LEVI. No.

MR. QUIE. What would you expect was the additional cost—and if you can do this on a percentage basis, it would be helpful—for compensating the tenants or making certain that the owners were compensated?

MRS. GREEN. Are you speaking of renters of an apartment or business?

MR. QUIE. Both renters of an apartment or business establishment who would have a lease and, therefore, have to be compensated.

MRS. GREEN. If you would yield further, you said that these laws would not provide anything more than you provide. That is not as I understand it.

DR. LEVI. The University of Chicago in its own projects provided for tenants what they would have received, if the program had been federally financed and if these claims had been processed for Federal relocation benefits.

MRS. GREEN. The bill which I introduced differs from Congressman Ryan's in that the relocation payments made are quite different. My bill provides for the actual moving expenses as in the Highway Act. One of the reasons I introduced an amendment to the highway bill last year, was that in highway relocation we have the problem of individuals who were leasing affected property.

They did not own it. Actual moving expenses in one case were \$40,000 and the man's property, his means of earning a living, was completely destroyed.

He did not receive a dime in moving expenses.

The actual moving expenses of \$40,000 would be paid for under the bill I introduced. They are not paid for under your urban renewal formula, and as I now understand it, they were not paid by the University of Chicago.

The bill for highway relocation allows in terms of the goodwill or whatever you want to call it, that up to \$5,000 can be paid. Under the urban renewal act, \$2,500 is paid. As I understand it, the University of Chicago did not pay up to \$5,000 or an amount equal to the average net earnings up to or more, whichever was less.

Dr. LEVI. These regulations have varied over the years. At the time that we were carrying out this program—

Mrs. GREEN. Dr. Levi, if I could because of time interrupt, I agree with you on this. But in response to Mr. Quie's question the bill does provide quite a lot more in terms of tenants than the sums that were given by the University of Chicago.

Isn't that true?

Dr. LEVI. No. No, because what happened in this case was that the exceptions we are dealing with are the exceptions that deal with business people. With the exception of the business tenants, it becomes a matter of what the particular regulations were at a particular time.

The regulations have also provided for special assistance and that we provided in every case. This would not be changed.

Mr. QUIE. So you say there is a possibility that the business tenants may have received more had this bill been enacted into law and we used what we expect will be the terms of the Federal Highway Act.

Is that what you are saying?

Dr. LEVI. My recollection and I will want to check this is that the regulations as to business tenants, issued by the Secretary of Housing and Urban Development, provided originally for the payment of all moving expenses, plus goodwill up to \$25,000.

Subsequently, those regulations were changed and the \$25,000 figure has been reduced.

I have some recollection of a \$5,000 figure. I would like to file a memo to give you the actual details.

Mr. QUIE. I would appreciate it very much if you would do that. Could you estimate what would be the percentage increase in the cost of a project by compensating the tenants in Chicago, which you say are the same compensations as would be available to them if this bill was enacted into law?

Dr. LEVI. I can't do that for this reason: The projects which you are describing have as the principal, construction, in other words, the building of the facility.

Mr. QUIE. Would acquisition of land and improvements of land also be a part of it?

Dr. LEVI. There is a percentage which has been pretty well established over the years in connection with urban renewal projects. I can give you that figure.

(The information referred to follows:)

I also recall Representative Quie's question concerning relocation costs as related to program costs. You will recall that I suggested to Mr. Quie that statistics as to relocation grants made by the Department of Housing and Urban Development could be obtained and compared to total loan and grant authorizations. Such statistics, as furnished by the Program Control and Statistics Branch of the Renewal Assistance Administration of the Department of Housing and

Urban Development, for fiscal 1967 to 1969 inclusive, as well as totals since the commencement of the Urban Renewal Program in fiscal 1950 through fiscal 1969 are as follows:

	Dollar amounts in millions			Total since beginning of urban renewal (1950) through fiscal 1960
	Fiscal 1969	Fiscal 1968	Fiscal 1967	
Total loan and grant contract authorization.....	\$571.2	\$891.9	\$690.6	\$5,817,000,000
Relocation portion.....	\$46.7	\$78.7	\$58.2	\$381,500,000
Percent of total for relocation.....	8.2	8.8	8.4	6.5

The increase in the percentage of total taken for relocation in recent fiscal years is, in all likelihood, due to the expansion of relocation benefits as compared to those authorized in earlier years of the program.

In interpretation of this data, we should remember that the basic elements of cost covered by the loan and grant contract authorization include acquisition, administration, demolition, site preparation and other project costs, and do not include direct construction costs. The percentage factor, therefore, cannot be assumed to apply to academic facilities construction.

Dr. LEVI. That is, as a kind of a rough rule of thumb, the relocation contribution amounts to somewhere between 6 and 10 percent of the total cost of the acquisition.

Bear in mind on an urban renewal project, all that you are talking about are the elements of land acquisition, demolition, and site preparation for new construction.

This of course does not include any element of construction. What this would amount to in terms of new construction. I don't know. I would suspect it would be far less.

Mr. QUIE. But you are saying in your testimony that whatever this percentage is, it ought to be borne entirely by the Federal Government. Is that right?

Mr. LEVI. Precisely, because I don't see any reason why a university or a hospital, any enterprise of this kind, should be treated less favorably than cities are treated, and the fact is that under the urban renewal legislation, the entire burden of relocation is borne by the Federal Government.

There is no local contribution.

Mr. QUIE. Under urban renewal, the Federal Government pays for all of the increased costs—the difference between what you purchase all of that land for and then sell it again to the private sector, the private concerns.

Dr. LEVI. No, this works out on this basis. There are two formulas.

I can work it out precisely under the terminology. The total cost of acquisition, administration, demolition, site preparation, and what have you is known as gross project costs.

From this you deduct what you sell the land for to the private developer. This is known as disposition proceeds. This leaves you a net project cost, which is the difference. That is the loss. That is borne on the basis of one-third local, two-thirds Federal, or if the city assumes all administration costs then it is borne 25 percent local, 75 percent Federal.

The point that is so clear about the relocation is that even though the Congress had before it the readymade mechanism for sharing, because that is in the law, they specifically provided that as to relocation payment—this is the effect of section 114—these are not susceptible to

sharing, they are not included in gross project costs, but they become an independent Federal grant wholly at Federal expense.

Mr. QUIE. The closest that it would be possible to get now under the Higher Education Facilities Act would be the Federal Government paying 50 percent of the cost for the construction of the academic facilities.

But we seem to have moved away from that of late. In fact with the authorization of something over \$1 billion, we are not even going to appropriate \$100 million. I guess it was something like \$40-some million for 2-year colleges and \$33 million for 4-year institutions. The move now seems to be toward private lending with the Federal Government subsidizing the interest rate, so it would be the same as if the loan was made directly from the Federal Government.

In this case it seems to me that the Federal Government is getting farther and farther away from making grants to the facility and there is less likelihood of 100 percent financing of relocation.

Dr. LEVI. There is a difficulty that comes into the other formula as well. As you and I know, lawyers always can differ about things. In the city of Chicago, for years, we had a simply impossible situation with the Chicago Board of Education concerning their payment of relocation costs on their site clearance.

They took the position that the funds which were voted to them by the Illinois Legislature and which they collected in the way of taxes were for educational purposes. They took the position that as far as they were concerned, they could not spend any of this money, necessary as the objective was.

I don't happen to agree with that position. What we did at Chicago is very clear proof of that. But on the other hand, I hesitate to think what bond counsels, people of that kind, are apt to say on loans made to educational institutions, as to whether some of the proceeds of these loans can be used for relocation purposes.

I think there is a serious problem that will arise in some States on this.

Mr. QUIE. I gather from what you say, since the University of Chicago has already paid for the relocation allowance in the case of their expansion, that personally you can't have anything against the requirement of the payment of relocation allowance even though the Government does not pay 100 percent of the amount.

Therefore, the American Council on Education must be opposed to this legislation unless the Federal Government pays 100 percent of the cost.

Dr. LEVI. I won't say that it is opposed. I would put it this way: I think there are two qualifications I would make to it.

Not all universities have the resources available to them that fortunately we have available to us. Moreover, we are a private institution, probably under less constraint as to what we regard as a proper educational expenditure, if you please, as compared to a public institution.

If this requirement is put on all institutions at the time of the present budget crisis, which is what we are having, we have the feeling that it is going to be extraordinarily difficult for them.

Mr. QUIE. What will probably happen is that the private institutions will find that the Federal loan is of much greater benefit to

them than a public institution because they can float bonds that a private institution can't do.

The private institutions might find that they have to comply with the law and the public institutions might choose not to borrow money from the Federal Government. But I think there may be a little reaction in the meetings of the institutions or the associations of higher education.

Dr. LEVI. It is difficult to speculate about these things. For instance, at the moment as you know we have a Tax Reform Act of 1969. Nobody knows what the effective dates ultimately will be of this legislation.

If you want an agonizing discussion, sit down with a donor at this moment and try to persuade him to give you funds when neither you nor he know what the tax consequences of his behavior is apt to be.

It is very very difficult.

Mrs. GREEN. It seems to me that the plight of the individual though whether it be a renter of an apartment or the person who is leasing property for a business is forgotten in what you have just said.

If I understand correctly, you said in response to Mr. Quie, when he asked you if you would be opposed to it if it went 100 percent Federal, that we must remember that not all universities have the resources available that the University of Chicago does.

Then you referred to the budget crisis facing all of our colleges and universities. Accepting both of those statements, it seems to me that the one ingredient which you have for the moment forgotten is the budget crisis which is being placed on the individual family or the small businessman if he is forced to move.

You are saying that your budget crisis is great and that the university is having problems and so they should not be required to pay if I understand you, unless the Federal Government funds it 100 percent.

You are really saying to heck with the little individual.

Dr. LEVI. I certainly would not want to be in that position.

Mrs. GREEN. I understood you to say that the American Council would oppose it.

Dr. LEVI. No, I did not, but I would hope that the Federal Government would deal as generously with the university as it has dealt with the cities.

I say that for this reason. I personally, assuming this were an obligation imposed upon institutions, without any reimbursement whatsoever, say to you that perhaps this is correct. But the consequence of it is an immediate increase in tuition. You have to find the money some place. The resources are not there in most places. It seems to me that there ought to be a solution here such as was found in the case of the cities.

I don't feel that universities ought to be dealt with any less generously than cities.

Mrs. GREEN. I think though there are an awful lot of individuals who don't feel that they ought to be treated any less generously by a university than any other institution with respect to relocation cost. Maybe some of those who have to move their families at a tremendous personal sacrifice would not have much sympathy for the argument that tuition will be increased when they are looking for money for bread and butter.

Dr. LEVI. I have never been prepared to say to a family that is confronted with relocation because of necessary university expansion that they have the extreme privilege at this moment of making their sacrifice for the glories of higher education.

That kind of dialog I think is impossible.

Mrs. GREEN. Though you have done well at the University of Chicago and are to be commended for it, nevertheless, universities and colleges across the country have done it at the cost of individuals.

Individuals have had to make that sacrifice for the glory of higher education.

Dr. LEVI. Of course.

As a matter of fact this is more difficult than that. There are very few alternatives in this situation. I know because I was the author of section 112 of the Housing Act of 1949. When a university or a hospital needs land, its need for land is not generalized.

It is specific. In other words, you can't move patients a long distance. If you have to acquire property near a hospital for hospital expansion in the medical school, it has to be the adjacent property. Otherwise it is unwarranted expansion of facilities, duplication all over the place.

Mrs. GREEN. Congressman Erlernborn?

Mr. ERLERNBORN. In reading the provisions of the two bills before us, 10266 and 14008, it appears to me that the concept of both of these bills would be to impose the total cost of relocation payments upon the institution.

Is that your reading of these bills?

Dr. LEVI. I am not sure.

Mr. ERLERNBORN. It seems to be the philosophy in the wording of the bills that the Commissioner would not approve the application unless he shall first have obtained adequate and enforceable assurances that the institution will pay certain benefits to the persons displaced, and the benefits are different in the two bills only in the reference to the type of benefits that would be paid.

The only reimbursement that I can see that the institution might be entitled to would be under an interpretation of title IV in the Higher Education Facilities Act, in the definition of development costs.

Dr. LEVI. Precisely.

Mr. ERLERNBORN. There it is not very clear, and neither one of these bills would amend that definition to include relocation payments as part of the acquisitions costs.

Dr. LEVI. That is right.

Mr. ERLERNBORN. So it would either take a favorable interpretation of acquisition costs of the land, or an amendment to the definition to make it clear that some reimbursement would be paid.

The maximum would be 50 percent, as I understand it.

Dr. LEVI. That is right. This is precisely why I say that if the thing is to be done, I think it ought to be done the way it is in the case of cities in which there is a direct contract between the Secretary of Housing and Urban Development and the local public agency.

Mr. ERLERNBORN. Does S. 1 contain relocation payments for higher education facilities?

Dr. LEVI. No, it does not.

Mr. ERLERNBORN. Does S. 1 have the Federal Government bear the entire cost of relocation?

Dr. LEVI. S. 1 does with a reducing formula, I think as of 1972.

Mr. ERLNBORN. That formula would then turn the greater share of the cost over to the local government?

Dr. LEVI. It works it out I think eventually to a 50-50 match.

Mr. ERLNBORN. With the experience I have with these formulas, I have no great hope that the formula will ever become operative. I have made the observation before, and I think it has been borne out, that receiving some of these Federal funds is like getting hooked on dope.

You can't withdraw it without causing withdrawal symptoms. Those are usually in the form of entreaties to members of this committee to retain the old formula and not to allow the increasing share to be borne by the local agency.

I think you probably are aware of that same sort of thing.

Dr. LEVI. I am aware of that.

Mrs. GREEN. Thank you very much, Doctor. We are grateful to you. Again may I express my thanks to Miss Rector and Dr. Karlson.

(Whereupon, at 12:05 p.m., the subcommittee adjourned, to reconvene subject to the call of the Chair.)