

other construction conducted by or with funds provided by the Federal Government. Title VIII would extend this loan program (1) to cover not only small businesses displaced, but also nondisplaced small businesses which suffer economic injury, (2) to cover businesses injured not only by urban renewal and highway or other construction programs, but by also "... any other public improvement program ..." and (3) to cover not only businesses injured by Federal or federally-aided programs, but also businesses injured by wholly State or local programs.

We are opposed to these amendments to the Small Business Act. We believe it is impractical to provide assistance to other than those who are actually displaced, and we believe it inappropriate for the Federal Government to assume responsibility for relocation for displacees from other than Federal or federally-aided programs.

Title IX of the bill would establish a uniform policy on land acquisition practices. We concur in the objectives of title IX; but believe that certain amendments are desirable for purposes of clarification, permitting greater flexibility and more fully protecting the Government's interests.

Section 901(a)(3) concerns the establishment of a fair and reasonable price to be paid for property acquired. We interpret this provision as assuring that the Government will reimburse landowners in an amount which is fair and reasonable, commensurate with the appraised value of the land, and arrived at through mutual negotiation. We do not believe that the provision is intended to preclude effective negotiation or to establish a "one-price" policy. Since some of the administering agencies so interpret the section, we recommend that the legislative history make it clear that a hard and fast "one-price" policy is not intended.

Section 902 provides that when real property is acquired, the fair market value for such property should be paid therefore unless it is the intention of the seller to convey the property for less than fair market value. We concur in this provision.

Section 903(c) provides that in determining the extent of real property to be acquired and the evaluation thereof, we should pay for tenants' improvements even though the tenant may be required to remove the improvements by a contract with the owner of the land. The Department of Justice and some of the major land-owning agencies point out that the present language might cause the Federal Government to pay both the property owner and the tenant for the improvements. We will be glad to provide language to assure that the interest of the United States will be protected and the objectives of the provision accomplished.

Section 904 provides that an acquiring agency shall reimburse the seller for all reasonable expenses incidental to the transfer of title to the Government. We favor the objective of this provision, but recommend certain minor amendments concerning the timing of the payment and limitations on reimbursement to seller for mortgage penalty costs. We will provide language to improve this section.

Section 905(b) details those land acquisition policies that State agencies will be required to follow after January 1, 1970 to obtain approval of grants, agreements, or contracts for Federal financial assistance where acquisition of land or of any public improvement is