SMALL BUSINESS DISPLACEMENT

Title 8 of the Bill seeks to alleviate the burden of those small businesses which are impacted by relocation. The Bureau of the Budget would limit this to those "actually displaced." The argument extended seems largely to be one of convenience—it's hard to tell the degree of displacement except for those actually steam-rollered.

While I would not minimize this stricture, we cannot limit our expression of justice solely to those areas where it is easily applied. All too frequently it is the fledgling minority group business man who is most impacted by the clearing away of the patronage upon which his small retail or service establishment depends. In the course of a recent Newark survey, we secured ample evidence of this. I think it is up to HUD or another appropriate agency to define appropriate operating methodologies here with which to help administer this Act. I would not accept the Bureau of the Budget's criticisms.

BUSINESS RELOCATION ALLOWANCES

The Bill, as presented, calls for optional payments of up to $5,000. The Bureau of the Budget suggests the actual expenses of moving plus a maximum of $2,500. Both require income tax returns to establish the profitability of the business. Both maximum payments are related to this profitability.

Let me suggest here that if we are to err, we should err on the side of reasonable generosity. At the level of payment which we are speaking of here, we truly have reference to small, small business. These businesses do not move easily. They are frequently unique to a particular location, to a particular ethnic group, not uncommonly they have essentially grown in a fashion which makes them nontransferable.

To use a, perhaps, overly pretentious term, the small, small business of the older area of the city has a most delicate ecology. By pulling it out of its environment, we expose it to very substantial risk at best. The fact that so very many of the small businesses are not re-established is cited as proof of the fact that they didn't make economic sense and therefore, that their continuance is irrelevant, their clearance merely advancing the time of their demise. While there may be some macro-economic logic to these conclusions, they have little relevance to the individual owner and operator whose life style and income means are sustained by this type of endeavor.

The $5,000 payment suggested in the Bill is not a windfall, but rather an appropriate indication that government is taking cognizance of this problem. Given this analysis I would seriously question the $2,500 figure suggested by the Bureau of the Budget.

Let me suggest here that in any case the typical small owner secures many benefits which are not shown on the income tax return. To the degree that the latter is the required documentation in order to secure these payments, the latter will understate the degree of hurt.

RENT SUPPLEMENTS

Title 8, section 802(e) is, in my opinion, one of the most important contributions which could be made in the field of relocation. It provides for filling the dollar gap between the dislocatee and the requirements of the market for appropriate housing accommodations. The one addendum I would make is to the clause providing that the supplement will be sufficient (within the $500 annual limit) to make up the difference between the new rent and twenty percent of the income of the family dislocated.

I would suggest strongly that some type of variable allowance based on the number of people in the household should be adopted here. Housing expenditures as a function of family size vary very substantially.

Subject to this stipulation, however, may I take the opportunity of commending the Committee on its resourcefulness and forward thinking.

Senator MUSKIE. Our last witness of the morning, and I do not know how far we are going to get, is Harold F. Wise, legislative chairman of the American Institute of Planners. It is a pleasure to welcome you, sir.