

is direct Federal action or action by an agency of local government that is aided or assisted by Federal public funds.

For example: if the Daimler Grocery Store in Hattiesburg, Miss., is in the path of a proposed new secondary road that the county is going to build, we would want this bill to have some specific penalties spelled out to assure that Vernon Daimler would not be denied the relocation assistance provided by this bill just because he is black and just because the agency in Mississippi that handles the project is manned by bigoted local civil servants.

Our question to this committee is: "How would this particular NBL merchant be assured of the benefits intended by this legislation if an intervening State or local agency administers its provisions?"

Where are the enforcement teeth? What will happen if the local agency follows a policy of rampant, premeditated, racial discrimination in the administration of this and all of its other official functions?

What in this will prohibit or preclude the operation of such a policy of flagrant bias?

To go a step further, any State or local governmental agency in the normal pursuit of administering the public policy objectives of the office involved can embark upon a worthy community project, that has widespread community support. Indeed, such a project could serve an unchallengable public community need. But to execute the project displacements and relocation of minority citizens will be necessitated. In many areas of this Nation, the displacees will not find it practical to secure standard housing accommodations of the prices and payments set forth in this legislation.

It is our thinking, in the light of today's circumstances, that some provision should be written into section 805 or other appropriate sections of title VIII that will assure the payment of enough money to establish the displacee in his new location. The actual physical relocation is only part of the problem.

In the case of a residential dwelling, relocation payments should accomplish the objective of transplantation of the household to the degree that the operational obligations are identical to the position held prior to movement. In other words, whatever proportionate share of net income is allocated to each living and for household operational expense prior to movement, that same proportionate share should prevail subsequent to relocation.

In the case of a typical NBL business, the same conditions and circumstances should prevail with respect to his living accommodations and in addition to his business. This assumes, of course, that to some degree both elements are affected by the relocation. With specific reference to the business, the relocation payments must achieve the objective of reconstituting a going concern in a new business environment. If a farmer is entitled to actual and reasonable expenses in searching for a replacement farm, certainly the small business operator is entitled to actual and reasonable costs of feasibility studies and other services and cost needed to establish a new business location.

We have a pilot program, Project Outreach, where we are providing a small amount of technical assistance to businessmen with such problems. What we are doing fills only the smallest part of the need, and indicates how much more attention and resources must be applied, not to solve the problem but just to find out more about how big it is.