

Let us for a minute take a look at the findings of small businessmen which have been uprooted and scattered in the past. The two most responsible Federal programs have been the urban renewal program conducted under the Housing Act of 1949, as amended, and interstate highway construction conducted under the Federal Aid Highways Act.

Up to 1963 of the total number of businesses displaced by Federal programs, 70.3 percent were displaced by urban renewal projects and 19.2 percent by Federal aid highway construction. The third large displacee of business, the low-rent housing program, conducted under the Housing Act of 1937, as amended, displaced 75 percent of the total businesses displaced for the same period. It is estimated that through 1972 approximately 18,000 business and nonprofit organizations per year will be displaced by Federal programs, as compared to a yearly average of 11,000 over the most recent years.

Business displacement is an urban phenomenon, 93 percent of all displacements were in urban areas. Who owns these businesses which are being displaced and what kinds of businesses are these? Well, all this takes place in the older and most rundown part of town and we all know who lives there.

Dislocation impairs a business' chances for survival and moreso if the business is small. How serious is this impairment? The findings of a survey of 50 local public authorities for urban renewal by the Urban Renewal Administration in 1963 showed that 35.3 percent of all displaced businesses discontinued operations. Of the operators discontinuing, 55.5 percent were tenants.

The overall result is that the typical business displaced is a small, perhaps marginal, service or eating establishment with a walk-in clientele, which is especially vulnerable to displacement. Gentlemen, that's us.

In Nashville today, this minute, the construction of a link of Interstate 40 through the heart of the Negro business district will directly displace 20 businesses and seriously affect another 146. The highway is dividing the North Nashville community, affecting access of the population to schools, churches, parks, hospitals, and the businesses. In its wake, about 600 dwellings will be razed, thus removing part of the population; the poor system of streets in the area will be further complicated by the permanent closing of 47 streets and the temporary blocking of another 10.

The sight of blocked sidewalks, the 5-mile detours, the dissection of service stations, the granting of \$200 to remove a dry cleaning plant, equipment and all, the evacuation of leasehold tenants with no compensation for recent lease improvement, the refusal of compensation to tenants without leases. Gentlemen, to me, this is a disaster area, which I toured only last week.

On page 40, line 10, this bill refers to assistance from the Small Business Act. The section cited is the single most conservative loan program in the entire package of SBA financial assistance existing today.

Section 7(a) loans start with a requirement that the borrower must invest as much money in the business as SBA loans. So if a displacee needs a \$20,000 loan to reestablish in a new location, he has to have \$10,000 of his own. It is our considered view that section 7(a) will not and cannot be made to serve the needs of the small inner-city busi-