

THE ROLE OF THE FEDERAL GOVERNMENT IN RELOCATION ASSISTANCE

The Federal government must continue to perform a leadership role in bringing relocation assistance to all those displaced by public action. The goal of the present title of S. 698—uniform relocation assistance for all those displaced by Federal or Federally-assisted programs must be made a reality. The surest and most effective way to achieve this goal is for the Federal government to provide for 100 percent reimbursement of relocation costs. Such action by the Federal government would also provide the quickest way to stimulate State and local governments to take responsibility for providing assistance for those displaced by State and local improvement programs. At the present time, about half of all displacement comes from State and local public programs, not related to Federal assistance. Already, the role of the Federal government in bringing assistance to those displaced by Federally-assisted programs is bringing actions to provide similar benefits for non-Federally-related displacement.

For all of these reasons, NAHRO favors the establishment of a 100 percent Federal relocation assistance for all Federal or federally-aided programs which cause displacement.

Sincerely yours,

JOHN D. LANGE, *Executive Director.*

STATEMENT OF ANGUS McDONALD, DIRECTOR OF RESEARCH, NATIONAL FARMERS UNION

Mr. Chairman and members of the committee, although we cannot qualify as experts in the field of state and local taxation and programs which make available to the states grants-in-aid for various purposes, we feel that this legislation is a step in the right direction inasmuch as it would, if enacted and administered properly make systems of states, grants-in-aid and various programs initiated by the Federal Government more consistent in carrying out the objectives of Congress.

Our impression is that the several states administer grants-in-aid in various different ways depending on the local situation. It has been reported that in some instances grants-in-aid by the Federal Government were used to reduce or substitute the amounts available appropriated by the state. If this is true, we think it is a subversion of the Congressional purpose.

The plight of the states and local tax districts in regard to the availability of needed funds is well known. Although we do not favor the turning over of Federal funds to the states without standards or strings attached, we would hope that the some 220 grants-in-aid programs would be continued and expanded and that this legislation would lead to greater efficiency in the administration of programs.

We would hope also that the legislation would encourage the states to rely more on income taxes as a source of revenue. We note from a recent report titled "State and Local Taxes" authored by the Advisory Committee on Intergovernmental Relations, that of the thirty-one billion, nine hundred and ten million total dollars collected by states in the year 1967, only two billion, two hundred and twenty-seven dollars were derived from corporate net income taxes. In view of the substantial reduction in corporate taxes effected by Congressional law, we hope that the states will rely more heavily on corporate taxation and taxation of wealthy individuals.

The Farmers Union has recently supported the principle of ability to pay taxation in a resolution passed unanimously at our national convention in March 1968. This principle was reaffirmed on May 27, 1968 in a statement issued by the Executive Committee of the National Farmers Union which called for the imposition of excess profit taxes to meet the current fiscal emergency.