



# NEWS from U.S. Senator Bob Dole

(R.-Kans.)

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## DOLE SUPPORTS NEW YORK LOAN GUARANTEE PACKAGE

WASHINGTON -- Sen. Bob Dole (R-Kan.) today said he would support the New York federally guaranteed loan package.

"We cannot ignore that the record of New York of repaying every cent of the emergency federal loans with interest, its willingness to cut public employment, to raise taxes, and to hike many city fees, is commendable," Dole said in a statement on the Senate floor. "The city has demonstrated its willingness to get tough, to bite the bullet, and to make unpopular decisions necessary to restore the financial confidence in New York."

Dole said he was giving his support to the package in an effort to help bring rural and urban forces together.

"The sooner we recognize the link between urban and rural problems the sooner we will reach a consensus on public policies which are responsive to the problems which confront us as a nation," he said.

Following is the text of Dole's floor remarks:

Mr. President, the extension of federal assistance presents the Congress with many difficult questions. In many ways, the decision reached by Congress could shape federal and local governmental relations for years to come.

### SOLID RECORD

Mr. President, the Senator from Kansas intends to support the legislation reported by the Senate Banking Committee. I believe that in the last three years New York has faced many difficult problems. New York, by its solid record of repayment of seasonal loans, and its new-found austerity in city budgeting, by the excellent work of Mayor Koch and the City Council, and by the demonstrated willingness of Government, Labor and Management to work together has earned its chance.

In 1975, New York was on the brink of economic collapse. Denied access to public credit markets, the city and its residents faced financial disaster, massive unemployment, and a severe cutback on vital city services. The complex web of government, private, and pension fund investments which have moved New York to a most sound fiscal basis have been controversial.

### 1975 AID

There is no doubt that the issue of federal aid to New York in 1975 was very emotional. Many people were seriously alarmed about an ill-advised bail-out of a fiscally irresponsible city. Others believed that the economic collapse of our largest city would have a tremendous ripple effect throughout the country. For many others who tried to keep an open mind on the issue, their viewpoints were misrepresented and inaccurate conclusions were drawn. In my opinion, the presidential election may have been lost because of an inaccurate newspaper headline.

of 1976 did not seem to matter that despite his initial opposition, President  
himself proposed a financing package which may have provided the assistance to  
the city.

As the Vice-Presidential nominee of my party in 1976, I feel that my position on the New York  
City issue was greatly misunderstood. In fact, on my campaign trip to the city, I was greeted  
headlines which quoted then Mayor Beame as saying that I was not welcome in New York because  
I had opposed seasonal financing.

#### CLOTURE PETITION

The fact is, I co-signed the cloture petition to end the filibuster on the New York aid package.  
The cloture vote--not the vote for final passage of the bill--was the key to the success of  
seasonal financing in 1975. The Senator from Kansas understood, as did those who followed  
the Senate debate, that without a successful end to the filibuster the seasonal financing  
which the city has used for almost three years would not have become law.

#### LOAN GUARANTEE

Mr. President, I share many of the concerns that have been issued by the Chairman of the  
Banking Committee, Mr. Proxmire, and others. More could be done by New York's corporations,  
its banks, and its labor unions to restore the city's financing. However, we cannot ignore  
that the record of New York of repaying every cent of the emergency federal loans with interest,  
its willingness to cut public employment, to raise taxes, and to hike many city fees, is  
commendable. The city has demonstrated its willingness to get tough, to bite the bullet,  
and to make unpopular decisions necessary to restore the financial confidence in New York.

I believe that the loan guarantee concept is vastly preferable to a federal direct loan. In  
this instance, the loan guarantee is a reasonable investment on behalf of the people of the  
United States and the future of its largest city.

I must call attention to my colleagues to the fact that the federal government has guaranteed  
loans to local governments before. The Metro-Rail Transit System operating in Washington is  
constructed on federally guaranteed loans. The Lockheed Corporation received a well publicized  
federal loan guarantee several years ago. Many farmers in my home state of Kansas take  
advantage of federal loan guarantees from the Small Business Administration and the Farmers'  
Home Administration. Loan guarantees are available to purchasers of homes, small businesses,  
college students, farmers, large corporations and foreign governments. The Congressional  
Research Service estimates that \$81 billion in federal loan guarantees will be made in FY'78.

#### DOLE SUPPORT

Many of my colleagues have chosen to speak of this issue in terms of pitting urban and rural  
forces against each other. The Senator from Kansas believes that public and private policies  
must be formulated which recognize both urban and rural problems as national problems. Many  
small communities are experiencing problems once thought to be reserved for larger cities.  
I am speaking of the problems of crime, environmental pollution and of employment. Almost  
every governmental district in America must look to the bond markets to finance its capital  
needs. The sooner we recognize the link between urban and rural problems the sooner we will  
reach a consensus on public policies which are responsive to the problems which confront us  
as a nation.