



# NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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## DOLE INTRODUCES RURAL ECONOMIC DEVELOPMENT ACT OF 1979

WASHINGTON -- Senator Bob Dole (R-Kan.) today introduced the Rural Economic Development Act of 1979, designed to assist the revitalization and continued economic growth of rural communities. The bill would stimulate and support balanced economic growth in rural communities by establishing a Rural Economic Bank, which would make financial, technical and planning assistance available to small communities in non-metropolitan areas.

"Past federal initiatives for rural economic development have failed," said Dole. "Rural America has over 50 percent of the nation's substandard housing and 40 percent of the nation's poverty-line families, even though it has only 27 percent of the people. Our rural regions lay behind the rest of the nations in health, education and other necessary public and social facilities," he added.

"Polls show that Americans would prefer to live in the small cities and towns of rural America, if adequate economic and social opportunities are available. The legislation I propose would encourage creation of new job opportunities in rural areas by attracting private capital through the mechanism of a federally chartered Rural Economic Development Bank. Such a bank could support local financial institutions and insure that adequate credit resources were available to meet the needs of private enterprises that would expand or locate in small communities," said Dole.

"The development bank concept is not, of course, a new idea. Senator James Pearson of Kansas, introduced such legislation when he was in the Senate. I am continuing the Rural Development Bank concept today, because I sense a reawakening of interest in the economic well-being, and quality of life in general, of rural America," said Dole.

"The Rural Economic Development Bank that I propose would be a self-financing, government chartered corporation. The bill provides that the bank would be capitalized through the sale of \$3 billion in nonvoting stock to the U.S. Treasury. Initially, the Treasury would purchase 20 percent of this amount. As the bank's business develops, the Treasury would be authorized to purchase additional bank stock in amounts of up to \$600 million a year," said Dole.

"The Bank would be authorized to make loans and loan guarantees to new or expanded private enterprises in small communities located in nonmetropolitan counties. Although small communities in some nonmetropolitan areas have been experiencing economic growth in recent years, these areas are primarily in counties adjacent to metropolitan areas. Other non-adjacent rural areas have experienced little or no growth.

"The Rural Economic Development Bank will not guarantee equality of economic opportunity between rural and urban areas. A Rural Development Bank, however, can contribute to balanced national growth by insuring that adequate credit resources are available to rural communities to encourage and sustain their economic growth," concluded Dole.