Mr. SAMUELS. Mr. Chairman, I would like to get one point in the record in relationship to the 502 corporations.

In the last 15 months, 61 percent of our 502's have been made in towns under 10,000. We will increase the investment in 502's from $50 million to about $75 million this year, which is about a 50-percent increase. We are moving very aggressively, Mr. Chairman, in this. We are not going as fast as you would like us to, but we are going reasonably fast.

The CHAIRMAN. Mr. Broyhill, any questions?

Mr. BROYHILL. Not right now.

The CHAIRMAN. Mr. Addabbo, further questions?

Mr. ADDABBO. Yes, Mr. Chairman.

First, may I compliment you on your stand. And I know you bring quite a bit of experience to the Agency. I am happy and proud to say that you are a resident of our great city, and a great citizen of our State.

You have left a comfortable spot in business because of your dedication to public service, and you are now dedicating yourself to government, and more important, to people.

In reference to the new programs, is there any similarity—or what is the difference between this program and the former SBDC program?

Mr. SAMUELS. The SBDC program was run by the poverty group. And the program was that the poverty group had a piece of it and SBA had another piece of it. What we have got today is just a better planned program, all in one agency. And I am hoping when the poverty bill is passed that the money that the SBDC had will come to us. At the present time I have no funds to support SBDC in my budget. But if that impact money comes over to us, we will be able to support some additional service, but coordinate it in a businesslike way into the management and effective decentralization of SBA activities in every city.

Mr. ADDABBO. In your discussions with the American Bankers Association, have they given you any dollar figure as to how much compensatory capital they will set aside?

Mr. SAMUELS. Every city I have been to—and I think the ABA as a group nationally didn't want to go by the experience of other financial institutions by putting a big figure in—in every city I have been in the banks have committed themselves when figures have been mentioned—and there are some in my testimony to the Proxmire committee today—figures that are ample to support the kind of business development that we need. The banks are not going to lack for funds in supporting us. Our problem with the banks, Mr. Congressman, is whether they will understand and be able to wear two hats when making a SBA loan and a regular loan. Because this term "compensatory capitalism" is a new principle for them.

For instance, I sat with the leadership of the Bank of America, who really gave me a speech on compensatory capitalism and their belief in the fact that the banks had to loan money in an entirely different way to the inner cities, which is really what I have been trying to sell the banks across the country. But how do they get that down to their loan officers? And we are working on new procedures to help the banks train for an entirely different approach to financing.