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TO	Benjamin, Daniel Blinken, Antony J. Gibney, James S. Gray, Wendy Johnson, David T. Moffett, Julia Naplan, Steven J. Rubin, Eric S. Showalter, Victoria A. Wozniak, Natalie S.
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release January 30, 1997

REMARKS BY THE FIRST LADY
AND SECRETARY OF THE TREASURY ROBERT RUBIN
AT MICROENTERPRISE AWARDS CEREMONY

The East Room

MRS. CLINTON: Thank you. Please be seated, and welcome to the White House. I am delighted to have all of you here today for a wonderful occasion -- the inaugural presentation of the

Presidential
Awards for Excellence in Microenterprise Development. Each of
our
awardees represents the promise of microlending and
microenterprise
and human empowerment and economic opportunity in our country.

All of you are distinguished guests, but I want to thank,
especially, Senator Kennedy and Congressman Davis for being here
with
us. I want to thank Administrator Brian Atwood of USAID, Small
Business Administrator Phil Lader; and from the Treasury
Department,
Kirsten Moy, the Director of the CDFI, the Community Development
Fund. We are delighted that this day has come.

Around the world and here at home, many of us have seen firsthand
the power of microcredit to transform the lives of individual
loan
recipients, their families and their communities. I have seen
how
very modest loans are enabling men and women to lift their
families
out of poverty, make their neighborhoods better places to live,
and
strengthen their country's economies. I've met with women in
some of
the most remote parts of India and some of the poorest barrios in
South America, in places that have weathered civil wars and
earthquakes, and I have listened as they have told me how their
lives
were changed from destitution to inspiration because a community
bank
had given them the opportunity to start a small business, perhaps
sewing clothes or selling auto parts or baking bread and pastries
or
weaving mosquito netting.

I wish all of you could have been with me as members of a
microlending network in Santiago, Chile told me their stories. I
met
a seamstress who told me that for years, she could barely make a
living and compete with the large clothing factories in the city.

She said, I felt like I had all this potential and energy, but I
was
a bird in a cage. But buying a high speed sewing machine with a
small loan from a village community bank made her feel like a
caged
bird set free. There are many, many people like her throughout

our
country and the world.

Microcredit and microenterprise can help communities thrive. And as we will see from the stories of today's award recipients, they are
already seeing a difference in the lives of many people here at home. Too many citizens across our own country -- people who work
hard, who have little or no collateral who wish to secure a loan to
start a business, know that it is but a distant dream today. As one
woman at Mi Casa, a micro lending project in Denver, told me, too many great ideas die in the parking lots of banks.

Well, we hope these awards will help to change that -- not only because of the projects represented here but because of the inspiration we hope this will give to many in the private financial
marketplace to reconsider what collateral might mean, what credit could mean, and to give economic opportunity where there is none.

These awards represent one of the commitments our country made at the United Nations' Fourth World Conference on Women in Beijing, to
encourage local governments, businesses, and citizens to support micro lending.

These micro lending networks and the small businesses they create can be important tools in our efforts to move Americans off welfare
and to give working but poor Americans more of a chance to realize
their own potential. The loans represent not only an infusion of cash into a business but also an infusion of confidence in a recipient's ability to succeed. Whether it is a beauty salon in Albuquerque or a child care center in San Diego or a small restaurant
right here in the District of Columbia, small neighborhood businesses created with micro loans can bring much needed jobs, goods,
services, and opportunities to low income areas. They are already
showing that they can help reclaim our cities and destitute rural areas from decay and decline.

So I want to thank all of the awardees for their vision, their compassion, their pioneering efforts, their hard headed business and

entrepreneurial sense, and to know that they will continue and
many
others will follow with these efforts.

I am also pleased that one of the partners and leaders in this
effort here in the administration is someone who understands
fully
what it means to unleash the economic and human potential of our
citizens, and who has worked very hard every day for the last
four
years to do just that. I'm pleased to introduce the Secretary of
the
Treasury, Bob Rubin. (Applause.)

SECRETARY RUBIN: Thank you very much. Let me say that it is
really a great pleasure to join the President and the First Lady
in
honoring these first recipients of the Presidential Awards for
Excellence in Microenterprise Development. The people who are
gathered here are turning the President's vision into a reality.

The President has long advocated addressing the problems of
depressed areas in America with greater access to capital and has
recognized that that access to capital is a critical step in
helping
bring the residents of the inner cities and rural depressed areas
into the economic mainstream.

When then Governor Clinton was running for election in 1992, he
talked about establishing a network of community development
banks
across the country, and after he was elected one of the first
things
he did was to begin to implement that vision. As a consequence,
legislation was enacted. Pursuant to that legislation, the
Treasury
has put into place a Community Development Fund that is run by
Kirsten Moy.

The First Lady's experiences and her visits abroad have
enormously
energized this effort, particularly in causing us to focus on
microenterprise activity, microenterprise lending. Last spring,
the
First Lady and I had the opportunity to launch the effort that
has
led to the awards being granted today. Today, we have seven
awardees
who have gone through a rigorous two stage process involving
review

by a national panel of recognized experts. Microenterprise is a relatively new and emerging activity in this country. But in my opinion, it is a very, very big idea.

All of these recipients are refining their strategies. The best practices that we recognize here today provide important lessons for
others involved in similar activity around the country. In a few years, I have no doubt that the programs that will then be engaged in
by microenterprise lenders will be different than they are today, but they will build on the work of the people that we are honoring
today.

Finally, let me say that I deeply believe that if our economy is going to reach the potential for all of us that it can reach, then we
must address the problems of our depressed areas, inner cities, and
in rural America. That is only by bringing all Americans into the
economic mainstream that we can reach that potential.

So for all of us, no matter what our incomes or where we may live,
programs like the kinds of programs that we're recognizing today are
of vital importance. Thank you.

END

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THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript January 30, 1997

REMARKS OF THE FIRST LADY,
SECRETARY OF TREASURY BOB RUBIN AND
AID ADMINISTRATOR BRIAN ATWOOD
IN PRESS BRIEFING

The Map Room

1:30 P.M. EST

MRS. CLINTON: I want to go ahead and get started. I wanted to wait until some of the people who were in the other briefing could get here, but I don't want to wait too much longer so that we'll have a chance to visit. And if they come in, they can just join us.

I really appreciate all of you gathering here today to talk with us about something that is very important and near and dear to my heart. Some of you who have accompanied me on some of our overseas trips know that we have visited microenterprise projects and you have seen for yourselves some of the potential that those projects hold for transforming the lives of men and women and children. And I greatly appreciate the continued interest of those of you who have been with me on these trips and the new interest of others of you.

I'm also pleased that Treasury Secretary Rubin and Administrator Atwood could be here, along with their key staffs who have been working on microenterprise issues both within the domestic arena and internationally.

And over the next week, a number of activities will take place here in Washington that will showcase microenterprise, both its successes in developing countries and its application in advanced economies such as ours.

A little later this afternoon, the President will announce the Presidential Awards for Excellence in Microenterprise Development. These awards are our first effort to recognize within the United States the extension of credit and economic opportunity to Americans who might otherwise lack the chance to become economically self sufficient. I should mention that these rewards are a direct outgrowth of the United Nations Fourth World Conference on Women in Beijing. They represent our nation's commitment to the platform of action agreed to in Beijing.

On Monday, Secretary Rubin, Administrator Atwood and I will speak at an international microcredit summit here in Washington. This conference brings together experts from around the world to talk about ways we can learn from each other and to apply lessons within
our own borders. That is a commitment that AID has under Brian Atwood's leadership to pursue what he calls, lessons without borders.
And microenterprise is just one aspect of that.

Later Monday afternoon, I will have the opportunity to visit a microenterprise project in Washington called FINCA, which operates on
several continents. Those of you who were with me in Nicaragua and
in Chile in 1995 will remember that we visited FINCA projects on that
trip.

I want to move on to some brief remarks by Secretary Rubin and Brian Atwood, but I want to reiterate something that I have said repeatedly about microenterprise. Although I view this as a very important tool for economic and social development, it is not by any
means the only tool that we need to be utilizing here and abroad to
promote opportunity among people.

And I think it will have special application in the whole array of
tools we attempt to use in moving people from welfare to work. But
it also has implications for working poor people, for communities that have lost enterprise and economic opportunity. But it has to
fit in with other efforts that are designed to equip people to make
better decisions for themselves.

So with that, let me turn to Secretary Rubin.

SECRETARY RUBIN: Well, microenterprise lending is something that the President and the First Lady were involved with when they were in
Arkansas, so this has a real history in the Clinton administration.
The President, when he ran in '92, as some of you may remember, advocated a nationwide network of community development banks.

After the election, one of the first things the President did was

to set people to work to turn that vision into a reality, and out
of
that came the CDFI Fund which was enacted and is now in the
process
of being implemented. The first grants have been given out. And
I
think it's an -- I think both the CDFI Fund, which is a fund of
grants to community development institutions of various kind
around
the country, and the microenterprise program, which is conducted
within the Community Development Fund, are both very, very
important
ideas.

As the First Lady said, they are part of a much broader effort to
bring the residents of the inner cities and other depressed areas
in
our country into the economic mainstream. I've had a personal
belief
for a long time that the issues of the inner city and more
generally
the issues of those who live in depressed areas -- rural and
inner
city -- are probably the single most economic problem our country
faces. And this country will never be what it can be
economically or
socially for any of us, no matter where we live or what our
income
is, unless we deal with those problems.

When the First Lady went to Asia and came back and talked to us
more about the microenterprise area, I particularly felt an
enormous
sense of energy about this idea. I think it's a very important
idea.
It is still a relatively small program in this country. But I
think it is a very, very big idea, very, very important idea.
And I
think it will be an important part of the effort -- an effort
that we
must be successful at over time if we're going to be the kind of
country we want to be, to bring the residents of these depressed
areas into the economic mainstream.

MR. ATWOOD: It's obvious that we're operating nowadays in a
global
economy and that there are a lot of interconnections between the
international arena and our domestic economy. This idea is an
idea
that we first heard about in Bangladesh, and we've brought it

back --
and Mohammed Unis, who also, I think, came to Arkansas to brief the
First Lady and Governor Clinton at the time, and the first real experiment in this was the Good Faith Fund in Arkansas financed by
the South Shore Bank in Chicago.

We, in this administration, have really given this a boost because
we announced in 1994 a major microenterprise initiative. We began
then spending about $130 million a year. We are out ahead of the revolution that's occurring around the world --obviously started and
we give full credit to Mohammed Unis -- but the work that we have done has really encouraged a lot of others. We're funding about 150
microenterprise institutions in 40 countries and we feel that we're
reaching about 20 million people.

Now, just last year, we worked to negotiate with the Development Assistance Committee of the OECD a document that put forth some targets for the international donor community. One of the targets
was that we would try to reduce by one half extreme poverty. When I
say extreme poverty, I'm talking about $370 or so a year -- people
who make about $1 a day. Part of the effort is this microenterprise
effort. There are about 1.3 billion people. We've got to make inroads if we're going to do it.

We tried to keep our loans to under $300 overseas. And people say,
my goodness, that's very small, but think about the people who live
in extreme poverty -- $370 a year. People paid back these loans to
the tune of over 95 percent repayment rate. Banks around the world,
including a lot of American banks, are now beginning to get very interested in this.

Mrs. Clinton visited Banco Sol in Bolivia, which is now the number
one bank in Bolivia. We started that program with about $4 million.

They now have a loan portfolio of $30 million and 60,000 people who
have benefitted from the program are active -- actually have loans
that are active at this point.

So this is really a revolution. It is hitting here. We've taken our Lessons Without Borders program to many cities, and Mrs. Clinton
spoke to the national conference where a lot of cities were represented in Baltimore just a few months ago. The people of Baltimore sent a delegation to Kenya to look at our microenterprise
program there. They created a women's entrepreneurs fund, which is a
microenterprise fund in Baltimore. It's really catching on. And I
will conclude by saying that of the awardees this afternoon -- there
are seven -- four of them were AID recipients. They were working with us, helped us fashion our program. So you can see the interconnectiveness that I've talked about. We're learning lessons
from our work overseas.

MRS. CLINTON: I just would add, before we throw it open for questions on this or related subjects, that part of what is attractive
about this effort is something that both Brian and Bob alluded to,
and that is there is a stereotype of people who are poor, and particularly people who have been on welfare in our country which is
just not accurate when it comes to describing the full range of human
potential and skills that are available if nurtured and if given a
chance to flourish.

We found that in Arkansas when we began to work with South Shore Bank, which is located in Chicago, and was really -- I guess it's fair to say, Brian -- the first effort to transplant some of the lessons learned abroad at home. But to put it in an American context, you cannot take what is done in Bangladesh and transfer it
directly to Chicago or Arkansas or Washington, D.C., but you can take
the principles underlying what was done in Bangladesh and take those
principles and begin to make them work in the American context.

And
that is what South Shore has done for a number of years, and what we
did in working with them in Arkansas.

What I would hope that would come out of this emphasis on microenterprise and the relationships that can be built in communities
because of the catalyzing of this kind of economic activity is a greater appreciation in our society at large about the capacity of
people at all levels in our country. One of the things that I'm heartened by is something Brian said -- is that a number of commercial banks are now recognizing that there are markets in our own
country that they have ignored, and that by thinking anew about how
to provide credit in some of our poorest communities, it's going to
be good for them as well as for those residents.

And I guess I would just end by saying if you visited enough of these projects, as I have now here and abroad, you will be struck by
the tenacity and the commitment of people to help themselves if given
what I call these tools of opportunity, one of which is credit.

So we're very hopeful about this, not only in terms of the projects
that are being done and the recognition that we're giving them, but
in the ripple effect, in the way that not only more projects like this can be started, but others who extend credit, who offer opportunities in the private marketplace will begin to think differently about what is out there that can be available.

So with that, I would be glad to -- yes.

Q Can I follow up on that -- that rickety bus ride into Jessore when
Mohammed Unis was explaining how that one beggar woman was finally
convinced to take one dollar, and you saw in the faces what a difference it made -- but that's a Third World country. And when you
get to the giant engine of the American economy, what is your realistic expectation that some of these micro loans and microenterprises are really going to make a difference, particularly

when you're looking at the numbers of people, welfare to work -- what's a realistic expectation of the kind of impact it would have?

MRS. CLINTON: I'm not sure that we know, Ann, but I can say based on my experience -- and then certainly Brian and Bob and the people who are working on this can add to that -- I think it's a very realistic strategy to pursue. And I can't say the numbers of people who will be affected or the communities that will be revitalized in whole or in part, but you may remember just a few weeks ago I went with Secretary Cisneros to announce this new community bank in Washington, D.C., and I have followed its development and I have kept in touch with the people who are working on it, and I know from sitting there talking to those people who are going to be both investors and borrowers from that bank that it has tremendous potential.

Now, that doesn't mean it's going to be easily implemented or that there aren't going to be changes that will have to be made in both the philosophy and the practice of it as we move it on a broader scale here in America. But just based on the examples that I know, examples from Illinois, from Arkansas, now from Washington, it is clear to me that if you look at depressed urban and rural areas, particularly urban areas in America, there's a lot of income in those areas, because of transfer payments and because, frankly, of illegal transactions that go on. So there's money in those neighborhoods.

What there isn't is capital accumulation that can be translated into economic institutions, jobs, and everything we think of as the market economy being able to spawn greater opportunity. If we can crack that through microenterprise, through community development fund efforts, if we can begin to get capital and credit into those neighborhoods, we know that there are people there who will be able to create businesses and jobs. So it's just a question of how

much
patience we're willing to exercise, how much support we're
willing to
give, and how much of a subsidy there needs to be in the
beginning,
because there does have to be some subsidy to start with.

Do you have anything to add to that?

SECRETARY RUBIN: No, I think the question is critical mass, and the First Lady said it very well.

Q Is there money in the President's budget for this?

SECRETARY RUBIN: Yes. We have an appropriation request in the budget to be submitted next Thursday for the Community
Development
Fund, and it's a substantial -- we're not going to pre announce
the
budget, but it's a substantial request. And those funds, amongst other things, can be used to help fund these microenterprise institutions around the country.

Q Can you just give us an idea of how that could grow over last year?

MRS. CLINTON: Oh, you want us to spoil all the surprises. (Laughter.)

SECRETARY RUBIN: I'll tell you what we plan to do. I have to help. (Laughter.)

Q I think it's already out.

SECRETARY RUBIN: Okay. We're requesting $125 million for the Community Development Fund this year, and then we scale it up in
over
a five year period, requesting $1 billion. We think, as I said before, this is a program with enormous potential. Some portion
of
that will be available for microenterprise lending, and that's an issue that the people who run the Community Development Fund will have to decide as they go along. But they had a very large
number of
institutions that were interested in the microenterprise areas,
and
we think it's a very promising area.

Q How do you measure the success rate of these programs? I guess

in
one way, it's easy at such a micro level, but once these things
get
going and are translated to the United States, how do you measure
whether they're working or not, the success rate?

MRS. CLINTON: I think there are a number or measurements that I
would point to. One, the loan repayment rate, which historically,
both internationally and here at home is phenomenally high. And
we're talking about loan repayment rates in the neighborhood of
98,
99 percent. I think when I go to FINCA on Monday, their loan
repayment rate is what -- 98, 99 percent? So that's a
measurement of
success -- that people are taking seriously their
responsibilities
with the money entrusted to them, paying it back. And they pay
it
back with interest. I mean, it is something that is a market
driven
model.

Secondly, I think if you look at where some of the community
development bank like projects have been operating for a
significant
period of time, you can actually see the differences. Like if
you
were to go to South Shore in Chicago, you can go to neighborhoods
and
see the kind of critical mass the Secretary's talking about,
because
you can see whole streets with flourishing small businesses,
whereas
10 years ago they were burned out holes. There was nothing
there.
So that you can actually see the transformation.

And I think the third thing I would say is that one of the ways I
would measure success is to see how much this government effort
spurs
private action as well. And it's kind of like the Internet. I
mean, that was a government project. People forget that. It was
created by the government. It was nurtured by the government.
It
was subsidized by the government. Then it was spun off into the
private market. What I would like to see is 5, 10 years from
now,
having community banks that are free standing private banks --
maybe
they would be part of a larger holding company -- back in

neighborhoods, back on street corners -- banks like I used to remember
when I was growing up, with people being able, with advances in technology, to get small loans again. I mean, right now most banks
won't even process a loan less than, what, $2,500 in lots of areas.

So I think a third measure of success is how much the private sector will recognize this market as one that want to be part of.

Q What typically is the interest rate? We asked earlier today about
commercial rates.

MR. ATWOOD: In this country there certainly are commercial rates because of usury laws and the like. Overseas, they charge actually a
little more, but one has to remember that the poor, even if they didn't have access to one of these facilities, go to the old money
lenders. And the old money lenders really sting them with high interest rates -- I mean, double.

Q But what is it that your subsidizing if these are market rate loans?

SECRETARY RUBIN: These microenterprise lenders, because these are
small loans, have very large operating costs relative to the loan made. So that even if you have an extremely high repayment rate, as
the First Lady said is what we generally expect will be the case, and
you have market rates of interest, you're still having to absorb very high operating costs per loan.

Q Mrs. Clinton, is this something you intend to focus on over the next four years? Do you think this is one of the major themes that
you'll try to pursue over the second term?

MRS. CLINTON: I think it fits into what I have tried to do really
for 25 years, but certainly over the last four, and will continue to
do, which is to look for ways to promote the tools of opportunity for
people. I believe very strongly that part of what my husband is

trying to do, and people like Bob and Brian helping him to do, is
to
create conditions -- social, political, economic conditions --
that
will equip more people to be able to be, as Bob says, full
participants in the mainstream economy, be able to make good
decisions
for themselves.

And so that's something that I've done for a long time and I'll
continue to do. And I view this as an area, a strategy that has
a
lot of promise.

Q There were some international goals that Mr. Atwood was talking
about. Do you have domestic goals, like how many people at this
point are participating and how many would you like to
participate?
And also, one thing that I'm not clear about is, banks often do
have
stringent rules about who can borrow, who can't, who's reliable,
who's not. Do they bend those rules, or do they change them in
some
fashion?

MR. ATWOOD: I think within the case of microenterprise lenders
you
really have to look at creditors in a somewhat different way.
You
have to try character judgments about people rather than using
the
conventional criteria. And thus far, it is a relatively small --
relatively small in this country. But I think the idea itself is
a
very, very big idea. And I think the key is for us to support it
so
that it can become what it has the potential to be.

Q So do you have actual figures on how many people are
participating
at this point?

MR. ATWOOD: I don't know the answer to that.

STAFF PERSON: -- is quite young -- organization is less than
five
years old. One of our bidders has actually documented --
developing
this country -- organizations that serve several hundred, even
several thousand microentrepreneurs. We do not have a total

number --

MR. ATWOOD: Just to add one point, that the banks and the participants in these organizations also offer a support mechanism.
They create networks so that it isn't just as if you give a loan to
someone and they're out on their own. They make contacts with other
people, the suppliers for the kinds of things they need. And, obviously, in our capitalist society, there is room to grow. They
grow -- the next thing they may ask for is a Small Business Administration loan. But they can move from the micro state to the
small business to the medium size business.

MRS. CLINTON: I just wanted to add to that before we turn to Jim.
I think that's a point that we probably should have made earlier.

Some of the models that are most successful take people and create
what are called, alternatively, things like borrowers groups or marketing groups or whatever,so that people come together and they
support each other in the process of taking out a loan, and then they
support each other's business. So that, for example, if you -- when
I was in Washington a few weeks ago, there is a little, tiny store
-- a little, tiny restaurant that got a microenterprise loan. And so
the people in the neighborhood who are part of that group, they frequent that restaurant. They begin to understand that if they support that restaurant, then when they go to take a loan maybe to
start a used car lot or whatever, they can do business. So that in a
sense, it's recreating the community support for a marketplace and
getting people back into the idea that by supporting their neighbors
and their businesses they too will prosper.

And lots of loan groups will not lend to the next person in line for a loan unless the first person has paid off the loan. So there

is an incentive for the second, third, and fourth people who wish
to
get loans to support the businesses of the first person, because
that's the way they will get their loan.

Q Historically, the survival rate on small businesses is pretty
low.
Do you have any idea what the success rate is -- not just on
repayment of loans because the loans are small, it assumes that
they
can be paid back rather quickly -- but after the first, second,
third
year, that's when you really see a drop off in these small
businesses. They just go bust.

SECRETARY. RUBIN: This is so new, I think when somebody asked
before how are you going to measure success, these are the kind
of
things that we're going to have to work with. But I think as
Brian
and the First Lady said, it's not only money, but it's technical
assistance. And it's the kind of support that can help people
run
their businesses more effectively. I think I would be reasonably
optimistic about a success ratio in this kind of endeavor. It's
going to take time before have enough data to have meaningful --

Q One other question. It's often said that good policy is often
good
politics. And based on the percentages and the demographics of
people who get these loans -- as we understand it, 85 percent
minorities, 40 percent women -- that seems to dovetail very
nicely
with White House outreach. Does that come into play, the
politics of
all this?

MRS. CLINTON: I don't think so. But I think if you were to look
at the people in the areas that are most in need of this kind of
economic activity, they are predominantly minority areas and very
heavily female headed household areas. So I think that you've
got
the demographics and the need kind of fitting together.

But I think that in many of the projects, what's interesting --
and
we saw this when we were in Bangladesh and in India -- the
number,
the percentage of women participating is much higher, even than
40

percent.

I know when Mohammed Unis started his work in Bangladesh he
intended to be revolutionary for an Islamic country and have 50
50
borrowers, men and women. But what he found was that very often
in
that kind of society the women were much more eager to get the
loans,
more responsible in getting the loans paid back. So, therefore,
now
their borrowers are like 80 percent, 85 percent women. And we
have
found that in many parts of the world. So what will actually
happen
when this all gets set up, I don't think anybody knows. I don't
think we can predict what the breakdown in terms of borrowers
will
be. But it is something that we're going to try to encourage as
broadly as possible, and particularly in the areas that need it
the
most.

Q Have you had any discussions with the Republicans about this?
Do
you think they'll go along with it?

MR. ATWOOD: I just want to add that this is really strongly
supported by a bipartisan coalition on the Hill. I mean, this is
capitalism at it's best. I mean, this is really stimulating.
We're
reaching for a segment of our society -- and this is certainly
true
in other societies around the world -- that the normal economy,
if
you will, the formal economy, hasn't reached for yet. And this
is
quintessential American values and the best of capitalism.

Q In the effort to make welfare reform work, how much do you think
this can help? And in our experience with these programs, have
we
found that the people who end up participating are people who
would
have been on welfare or are they people who are working poor and
wouldn't necessarily be --

MRS. CLINTON: Well, I think the best way to answer that is to
say
that we think this will be one of the strategies that will be

helpful
to certain groups of people on welfare. In the work that I'm familiar with in the projects around the country, many of the participants in these microenterprise efforts have been either on welfare at the time of their loan or just off welfare, in danger of
falling back on. I mean, that kind of marginal status.

But it is certainly not limited to people on welfare. It is something that -- there are many working poor people with good ideas
who are eligible for this, as well. So, again, I don't know that we
have the data to answer that definitively. And a lot of it's going
to be kind of a learn as you go in what works best in local communities to move people off of welfare. And I think that this is
only one of the tools. There's got to be a broad array of strategies
to be used.

Q Mrs. Clinton, I'm just wondering if this kind of a briefing is maybe something that you plan to continue as you go about pursuing
your interests in this next term. I mean, this is an unusual thing
and obviously a big draw for some of us. Do you plan to spend more
time with Washington based press reporters as you go about your --

MRS. CLINTON: Yes, yes, and I do. Because I thought that -- I certainly enjoyed the trips we've taken abroad and we've had, I
think, an opportunity both from my perspective and those who are traveling with us to see a lot of things and learn a lot of things
that's very difficult to do in the sort of daily routine of the White
House. There's so much that you have to do that is reactive and you
have to constantly be covering what is of the moment.

And I think there's some advantage both for the issues that I'm concerned about and for the kind of attention that can be paid to them to try to take times like this and to step out a little bit and
look at something that may not be a front burner story, but is actually of some interest, as we've seen. There's been a tremendous

amount of publicity about this, which has been very surprising to
me
to see the coverage both in TV and radio and in the print.

So, yes, I'd like to do this more and if I can get up the energy
and time I'll do it on a regular basis on issues.

SECRETARY RUBIN: Can I add one thing on that? These inner city
issues, I said it before, I think are the most important economic
issues facing this country. And I think that the First Lady
participating in this way is enormously helpful. Because one of
the
problems is getting media attention, media focus on these very
important issues and the programs that I think are responsive so
that
we can develop support, public and congressional support from
these
programs. So I think it's enormously helpful that the First Lady
bring her ability to get attention to focus on issues something
like
this. So I at least hope you do. (Laughter.) It's a very
important
contribution in trying to move forward on these things.

Q Mrs. Clinton, both you and the President have talked in the past
about your belief in the ability of government to do good in
people's
lives. It's clear that we live in pretty austere times, and it
seems that both you and the President have chosen to highlight
areas
that have -- where government is essentially a catalyst,
hopefully
involving the private sector. Could you talk in general about
how
your views about the role and power of government have evolved,
let's
say from the first term until now?

MRS. CLINTON: Well, I think that the way that my husband has
talked about government is really what he has advocated as long
as
I've known him -- which is a long time now -- and what he's tried
to
do in every public position he's held, and what I've also tried
to
do. I thought that it was very significant in the Inaugural
Address
when he repudiated the position that President Reagan had taken
in
his first Inaugural. If you remember in the first Inaugural,

President Reagan said, government is the problem. And then we struggled along for more than a decade trying to figure out, well, if the government is the problem, then how do we deal on a national level with issues that confront us that can't be dealt with either individually or just through the market. And so there was a lot of back and forth about that and we had a kind of stand off between those who thought government was the problem about everything, and those who thought government was the solution to everything.

And I think it is extremely significant that at the end of this first term, what the President has basically done is to resolve that debate. Now, there are still going to be rear guard actions fought by people who have a kind of monolithic view one way or the other about government. But the real challenge and the action for the next years will be to define more clearly what it means for government to be a catalyst, a partner; for government to play an appropriate role in seeding opportunity and working with other institutions in society.

And I think that has been basically, for as long as I've known Bill Clinton, what he's been struggling with. And I think that that's part of what brings people like Bob Rubin and Brian Atwood into this administration -- is to figure out how do we get the proper balance between these institutions and government. If you believe that government is the problem and the market is the solution, of if you believe government is the solution and market is the problem, you cannot make progress in dealing with what we're confronting as we move toward this new century.

So take this issue, which may look like a kind of small issue at first glance, but, as he usually is, Bob Rubin is prescient and right that this is a very big idea. And it's a big idea because it takes governmental catalytic action that will directly affect some people's lives; but more than that, create a new environment for private economic activity that could have very long term consequences.

So that there will be and continue to be certain functions that I would argue -- speaking only for myself and not anybody else -- that only the government can do, and other functions that only the market can do. But, as with life, we will find that much of the rest of it is in this kind of gray middle. And that's where the real debate should be.

So I think that as we go forward in the next four years it will become increasingly clear -- or at least I hope it will be -- that when my husband has been talking about finding a third way and creating a new vision about how to function if you're part of the government or the market, that he wasn't sort of trying to straddle the middle or figure out a way to have it on all sides, but he was describing reality. But it was a reality that had not yet caught up with either the vocabulary or the understanding, I would argue, of most of the rest of us.

So that's where we are right now. You know, Bob, who is one of the leading sort of articulators of this -- you might want to add something. (Laughter.)

Q -- have your views changed about what the proper balance is -- that's what I'm asking.

MRS. CLINTON: Not at all. Not at all. It hasn't changed at all.
I believe in the balance of power. I believe in the balance of power in government. I believe in the balance of power between government and the private sector. I believe in the balance of power between men and women. I believe in the balance of power. And I think that if you tilt too far one way or the other, you run into trouble.

But that makes it very difficult sometimes to explain in political terms, because it is much easier if you pursue a position that is either ideologically pure or more easily explained and people

would
say, oh, okay, she's a free marketeer, or she's a big
governmenter,
or whatever you might want to say; when the truth is that what
we've
tried to do from the beginning of this country is to strike that
balance.

Now, the balance changes as society's needs change, as economic
conditions change. And so that's what we're up against now, I
would
argue.

Q You're saying, then, that Bill Clinton invented triangulation
before it became -- (laughter.)

MRS. CLINTON: Well, let me just say, that I think if you go back
and study him closely and look at what he did as a governor, that
it's fair to say that he understood that balance and argued for
it
and took stands against both extremes, as I would characterize
them,
for quite some time.

Q Mrs. Clinton, I really hate to bring up front burner issues, but
duty calls. There is one that we just had a briefing on, and
that's
that computer list. Would you care to say anything about that?
Because you have been depicted as the person who pushed that.
And
also the allegations that it was actually used in a political
purpose
by the DNC.

MRS. CLINTON: Well, here's what I know about it -- and I wasn't
aware that it was an issue until just a little while ago when
somebody said it had been raised. As I understand it, the
computer
database was put into place to keep track of events and people
associated with the official business of the White House. And so
far
as I know, that is how it was used. There were many practical
uses
for that. You know, had we invited somebody to a dinner before?
We
didn't know. We had no records.

If you recall, when we arrived here there was no computer system,
basically. It had been removed or it didn't exist, I can't
remember

which. And you can't run any kind of modern enterprise without
some
kind of database. And that's what I assume the database was
created
for and used for.

Q Mrs. Clinton, you're given credit for ordering this in 1994 or
when
you needed some way to keep track. I guess the question is when
the
White House attorney's -- Counsel's Office came out with a clear
directive that this can be used only for official White House
business, the question became whether -- can the Democratic
National
Committee use the resources to send out the Christmas card or to
get
a Christmas card list or whether using the resources of these
people
have been invited to the White House, they've been guests. Can
we
contact them? Should we contact them for donations or party
support?
And I think that's where the line is. Are you aware of any of
this
information going to the Democratic National Committee?

MRS. CLINTON: Ann, I'm not aware of any of the specific uses.
And I would doubt if I were the person who ordered it. I
certainly
was one of the people who said, how will we know whether people
--
I'll give you a perfect example. If we're going to have a
dinner,
how will we even know whether somebody has been invited before?
We
used to get lots of calls with people who would say, I need to be
at
this dinner. And we'd say, we're you here six months ago. Oh
no, I
wasn't here. (Laughter.) So there were a lot of issues like
that
that struck me as being something we needed some good information
on.
And that's all I know about it at this time.

Q Mrs. Clinton, one of the things that happens is in these memos
is
Marcia Scott created this -- throws your name around a lot saying
that you're insisting that this be a top priority. And I
wondered if

-- when you're talking about changes, if you have done anything here
to try to make sure people don't take your name in vain or don't give you credit or don't somehow say that Mrs. Clinton is demanding
this when, in fact, maybe you really aren't after all.

MRS. CLINTON: Well, Rita, I wish I knew how to do something about
that because just this week, I've had people tell me that someone has made it very clear that I want them to have a certain job -- someone I've never heard of. This happens all the time. I don't know quite how you deal with human nature on that level because I guess that's what we're talking about. But I've certainly tried to
make it clear. And everyone who works for me tries to make it clear
that we want to know if anybody is using my name or referring to me
as being the person who has suggested something. And we're just going to do the best we can on that.

I don't know what else to say. I find it surprising. I've told this story before about Madam Mitterrand telling me that she wasn't
having flowers at the state dinner because I had told people my husband couldn't be around flowers because of his allergies. And I
was horrified.

Well, when we were in Australia, we were at the Governor General's
house and we were walking down the grounds and the Governor General
says, oh -- to my husband -- he says, so sorry we had to lock up all
the kangaroos and koala bears. (Laughter.) Bill, of course, who would rather see a kangaroo and koala bear than most anything, says,
what do you mean you had to lock them up? Oh, we were told you couldn't have -- and then they trace it back -- oh, I'm the one who
told somebody the President couldn't see the kangaroos and the koala
bears. (Laughter.)

So I think it's amusing except that it has gotten me into a little
bit of controversy from time to time. (Laughter.)

Q -- say it had to be a top priority?

MRS. CLINTON: Oh, I certainly think the White House needed a computer database. I mean, absolutely. I assume all of your businesses have some sort of computer records. But the design of it,
the use of it, that was for other people to figure out. I didn't know anything about that. But I absolutely believed that we needed a
computer system.

At the beginning, some of you may remember, we would have these great big events and people were turned away at the gate because there was no list, because they weren't on the list. And we had terrible, embarrassing encounters at the White House that I didn't
think were appropriate. So, yes, I thought we needed some kind of
database that could be used for official events.

Q Can we be on the list to get back in? (Laughter.)

MRS. CLINTON: I don't know. We'll see. I don't know.

THE PRESS: Thank you.

END

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MSMail

DATE-TIME	03 February 97 17:47
FROM	Wozniak, Natalie S.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Remarks by the First Lady at the Microcredit Summit [UNCLASSIFIED]
TO	Benjamin, Daniel Blinken, Antony J. Gibney, James S. Gray, Wendy Johnson, David T. Moffett, Julia Naplan, Steven J. Rubin, Eric S. Showalter, Victoria A. Wozniak, Natalie S.
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release February 3, 1997

REMARKS BY THE FIRST LADY
AT THE MICROCREDIT SUMMIT

Sheraton Washington Hotel
Washington, D.C.

MRS. CLINTON: Thank you very much. Thank you,
choir,
that was wonderful. I got to listen to you as I stood outside.

I
am thrilled to see such a turnout for this summit, which is one
of
the most important gatherings that we could have anywhere in our world, to talk about what is possible for raising the sights and aspirations of people, giving them the tools of opportunity, expanding access to credit and creating conditions in which men, women and children will be able to make for themselves better lives.

I'm very grateful to all who have made this summit possible, particularly to the co chairs, to the heads of state who
are gathered, to other distinguished guests, to the Results Educational Fund, to many of the private corporations and other foundations that have helped to sponsor this important gathering.

This is truly an historic occasion. Microfinance is
a
subject that is near and dear to all of our hearts who are gathered
here. And this first global summit on microcredit offers an unprecedented opportunity for us to draw attention to the successes
of microcredit in developing countries, as well as in applications in
advanced economies around the world.

By bringing together experts from every continent we

will be able to learn from each other's challenges and achievements,
and apply those lessons within our own borders. I hope that this

conference will engender new understanding of microcredit and its

potential to transform the lives of individuals, their families, their communities and their nations.

Although it is called "microcredit," this is a macro

idea. This is a big idea, an idea with vast potential. Whether we
are talking about a rural area in South Asia or an inner city in the
United States, microcredit is an invaluable tool in alleviating poverty, promoting self sufficiency and stimulating economic activity

in some of the world's most destitute and disadvantaged communities.

I first heard about microcredit more than a decade ago when my husband, then the governor of Arkansas, and I were involved in looking for ways to create economic opportunity in the poorest

sections of one of the poorer states in the United States. We had heard about the work of the Grameen Bank in Bangladesh and about the work that the South Shore Bank in Chicago. And we reached out to

representatives of both to explain to us how this idea of very small amounts of credit could make such a difference.

I remember well when we met with Muhammed Yunus in the Governor's Mansion in Little Rock in 1986. We sat there and listened as he told us how the idea which he had had as an economics Ph.D. and then a teacher back in his home in Bangladesh began to be put into practice. He offered advice as the project in Arkansas got off the ground. Within a few years we, too, could see how the fruits of the Good Faith Fund, as the project in Arkansas was called, were beginning to take root.

It was so contrary to conventional thinking about finance and economic development. And, yet, before our eyes and based on reports from Bangladesh and India and Chicago and elsewhere, we knew something important was happening that had escaped the notice of many who worked in development, of many who were in finance departments of governments. And both my husband and I were determined that the concept of microcredit would have universal relevance. We looked for ways to apply microcredit in America, taking the best of the principles and values that it represented, but making it sure that it could be put into practice in different settings.

Now, more than 10 years later, we can look around this room, from one end to the other, and appreciate the power of Muhammed Yunis' vision. And we can celebrate the courage and dedication it has taken on the part of all of you today -- pioneers in microfinance, lenders in microcredit enterprises, representatives of government and private business and foundations and grass roots community organizations from all over the world -- the courage that it took to come and understand how the conventional wisdom about poor people and economic opportunity was no longer adequate. (Applause.)

To really understand the significance of this summit one must recognize that you are here because you have broken a paradigm, you have gotten out of the conventional box of thinking about the poor, about economic opportunity, about the partnership between the public and private sector. It is this type of unconventional thinking that we need more of in our world today, to address the problems that all of us confront. (Applause.)

I know those of us here understand that microcredit is a tool -- not the only tool, but we believe an important tool available to promote economic and social development. We have seen with our own eyes in the last several decades how the global economic revolution has transformed lives, many for the better. People with opportunities in places that never thought or dreamed they could see clean water, roads, their children attending school, access to health care.

And yet, we also know that global economic change has not only made winners, it has made losers as well. And part of our challenge is how do we harness these vast forces of change for the benefit of all people, how do we ensure that no matter where one lives, no matter what race or ethnic background, no matter whether a man or a woman. It is the individual human being willing to work

hard who will be given the opportunity if that person takes responsibility to seek and find a better life for themselves.

That is why this idea is important not only on its
own
merits and that we should work to spread it, be honest about what
it
can do, make changes where necessary, recognize that it has
limitations. But the idea is not only important for what it is,
but
for what it represents when we put it into the context of the
global
economic changes that are sweeping through all of our countries.

(Applause.)

The United States has long supported microcredit
overseas through USAID. And I am pleased that the United States
will
continue to support microcredit programs and that I hope more
American citizens will recognize how important it is to support
the
economic aspirations of our friends and neighbors around the
globe.
And one of the ways we will attempt to deliver that message is to

demonstrate here within our own borders how microcredit can
change
the lives of Americans.

Indeed, we are beginning to spread microenterprise
throughout the United States. It has to be tailored to our
particular economic and social circumstances. And so it is by
the
very nature of the communities which it is working in going to be

diverse -- offering different kinds of loans, resources and
business
assistance.

But I am pleased that the President, working with
the
Secretary of the Treasury whom you will hear from later, have
recognized the important role that microcredit will play in
economic
development throughout our country in helping people who are
currently on welfare in the United States find opportunities for
their own economic self sufficiency. And to that end, just this
last

week, the President and Secretary Rubin presented the first
Presidential Awards for Excellence in Microenterprise
Development.
The awards recognize efforts within our country to extend credit
and
economic opportunity to Americans who otherwise lack the chance
to
become economically self sufficient.

The awards also underscore the ripple effect that
microcredit projects can create -- not only in lifting
individuals
out of poverty and moving mothers from welfare to work, but in
creating jobs, promoting businesses and building capital in
depressed
areas.

The United States is also promoting microcredit
through
the Small Business Administration's Microloan Program -- a
public
private partnership which has already awarded $70 million in
grants
to nonprofit organizations with nearly half of the loans granted
going to women. The loans range from $125 to $25,000.

Because of the promise that microcredit holds in the

United States, the President announced last week that he is
requesting substantial increases in federal funding for the
Community
Development Financial Institutions Fund. His budget calls for a
$1
billion increase over the next five years. (Applause.)

As I said last week at the White House when we were
celebrating microcredit, there are millions of people in our
country
as there are millions of people in all the nearly 100 countries
represented here who are brimming with initiative and desire to
take
responsibility and to work hard. But they need what I call the
tools of opportunity, and one of those tools is access to
credit.
For too long, many people -- not only the poorest of the poor,
but
working people and others -- have had to turn to the lenders in
the
community that extract great price and cost for the money that

they
give. Others have been shut out completely from any kind of
access
to credit. And the result has not only been to depress their
opportunities, but to depress that of those in their families and
in
their communities.

Later today, I will visit a microcredit project
right
here in Washington, D.C. -- one of the FINCA USA projects. I
spent
time with a FINCA borrowing group in Managua, Nicaragua, and I'm
looking forward to hearing from the borrowers in this group here
in
Washington -- how that model is working for them.

What we are finding is that modest loans are
transforming lives, reclaiming villages and rural areas and
cities
from decay and decline, and helping to reduce the number of
people
living in substandard conditions or extreme poverty.

I have seen that with my own eyes. Many of you are
veterans of microcredit who are here, but others of you have come
for
the first time to learn how this concept can be translated and
transplanted where you live. And others of you in the press are
finding this a new idea, something you had not really focused on
before. And still others in government and private business are
looking for ways to help the economic development of people in
the
communities that you serve. And I want to take just a few
minutes to
visualize why I am such an admirer and supporter of microcredit;
why I believe that it has such great potential.

So I brought with me some of the pictures that I
have
had taken as I have traveled to various continents and countries
looking at microcredit efforts, and if I could I'd like to show
them
to you as I talk a little bit more about why they make such an
important difference.

I want to start with a picture from India, and those
of
you who are familiar with SEWA -- and I believe that Ela Bhatt
is

here and will be speaking -- know how important the Self Employed

Women's Association has been. This group has made it possible for very poor women to learn about finance, to borrow money, to be part of a bank, to save money. And when I visited I met with hundreds of women, some of whom had walked for 12 or 15 hours to come to meet

with me, to tell me what those initial small loans meant. And I want to emphasize that it was not just stories about what the loans bought and what they were able to do with the loans, it was the entire of sense of self worth and potential that those loans created in the women that made the biggest impression on me.

Women stood up and said that they had been vegetable

vendors in the markets and had been abused by police officers, others of authority, with no place to turn to try to keep their businesses going when times were difficult. They told me of working on their family farms, eking out a living in very hard soil with little equipment and little support. And yet, woman after woman stood up and said to me that since they had become members of the Self Employed Women's Association, they were no longer afraid. They were not afraid to speak up for themselves, to find their place in their family and their village, to help contribute to the income that made it possible for them to think of sending a child to school or having a child get the health care that child needed.

Many of you will find and be able to relate the same

kinds of experiences that I have had. And I hope that as we talk

about microcredit and as we look at the physical manifestations of loan, ledgers, and I have reviewed -- of businesses that have been started, of milk cows that have been bought, we will also not forget that you are seeding those people with a dream and a hope that

they
will be functioning members of society whose children's lives
will
be better.

I've also seen firsthand what happens in Bangladesh,
and for anyone interested in microcredit you know that it is a
journey to the Grameen Bank that is often part of the learning
experience because of the longtime efforts that have been
undertaken
there. When I visited with a group of women in a village
outside
of Jasore, I realized that I was visiting a Hindu village, and
my
schedule did not permit me to go down the road further to visit
a
Muslim village. And I wanted to see women from both communities
who
were participating with Grameen. The women in the Muslim village
came to the Hindu village, the first time there had ever been
such
participation together. Never had there been a meeting like
that.

And I listened as 150 Hindu women and 150 Muslim
women
told me how their lives had been transformed by virtue of earning

income. These women had lived much harder lives than any I could

even imagine, and yet they were filled with hope about their
future.
And one of the reasons is that Grameen doesn't just extend
credit,
as many of you know. It tries to put the women and the men who
are
borrowers not only in borrowing groups for credit purposes, but
to
help support one another in solidarity, to build stronger
families
and communities.

Each person who joins the bank has to abide by 16
decisions or principles that range from the mundane such as "we
shall
build and use pit latrines," to the much more difficult to
explain
and understand -- "we shall not inflict injustice on anyone;
neither
will we allow anyone to do so," or "we shall always keep our

children and the environment clean." There is even one
principle
against dowry, which is extraordinary considering the attitudes
in
many of those communities about the proper role of women and
certainly the importance of dowry.

As each woman waits her turn to get a loan, she
knows
she cannot borrow money until the woman before her has repaid her

loan. So there is a built in incentive to support each other's
enterprises.

I saw women making steel and concrete beams they can

sell to other women who use them to build houses with loans from
Grameen and I visited such a house. So a whole self sustaining
market is created within one village.

Grameen also in Bangladesh attempts to work with
children to change attitudes about what is possible for them.
Here
there was a skit performed in which some of the young children,
young
boys and girls, were talking about attitudes that were held
about
education, and in particular, whether or not girls should be
educated
as well as boys. And by performing that skit, they were serving

notice that they understood there was another way, another idea
of
what could be possible for them.

And so when you go to Bangladesh, and you see, as
many
of you have, what Grameen means, just like what the
Self Employed Women's Association means in the lives of these
women,
their husbands, their families, it makes it clear that we're
talking about not only economic transformation, but social
transformation as well. (Applause.)

Some months later, I visited a microenterprise
project
in Denver, Colorado, here in the United States. In this case
women,
many of them Hispanic Americans, received career counseling and
vocational training, and entrepreneurial technical assistance.

It is
provided by a group called Mi Casa. And here, the women were explaining to me what it meant for them to finally be taken seriously. Many had been on welfare or were just off welfare, and
they were looking for an opportunity to take the skills that they had
acquired and turn them into income.

Many of those women were good bakers, good
seamstresses. They could make alterations. They could provide food
for small restaurants. But they didn't, as we hear so often, have
access to credit to get started. One woman said to me something I
have never forgotten, when she described to me what it was like trying to go to her local bank. She did not have any traditional
collateral, but she was a hard worker. She's always worked for other people. She had a good product to sell. But she was turned
away because the amount of money that it would have taken for the
bank to process her loan was not, in the bank's eyes, worth the investment. And she said, too many great ideas die in the parking
lots of banks. (Applause.) And one of the hopes I have is that conventional banking will understand that there is an economic opportunity, a market niche for those willing to service this community.

I certainly was impressed by that when I was in
Managua, Nicaragua, meeting with women in a borrowing group shortly
after the United Nations Fourth World Conference on Women in Beijing, where the platform of action included a commitment microcredit. And as I have said, and as the President's said, much
of the work that we are doing in the United States to advance microcredit is in part a fulfillment of our responsibilities under
that platform of action. (Applause.)

I went here to the weekly meeting of the FINCA Group
and there were about 30 women who described how they had received
small loans to start neighborhood bakeries, seamstress shops -- one
was making mosquito netting; one was selling auto parts door to

door. I was surprised and very excited when several of the
women
not only gave me their products, but also asked me what I had
been
doing in India because some of them had seen on television some
pictures of my trip to the Self Employed Women's Association.
They
wanted to know what the women there were spending their money on
and
what businesses they were starting. And I felt that there was
an
opportunity for this to be literally a global movement, with
people
learning from each other and supporting each other. And this is
exactly what this summit means to do.

I've also been impressed by the work I've seen in
Santiago, Chile, where community bank relies on peer networks to
promote and sustain local miicrobusinesses. Here in a local
market I
met the vendors who were showing their commitment to the bank by

putting up awnings in matching blue and yellow to demonstrate
that
they were part of microenterprise.

Most memorable to me was a woman who told me that as
a
seamstress she could not compete with the larger factories, and
yet
she knew there was a market for her work because she had many
people
who had come and asked her to make something for them but she
did
not have the capacity to do so. With a small loan, she was able
to
buy a high speed sewing machine and replace her old, antiquated
one.
She said that when she got that new sewing machine she felt
like a
caged bird set free. And that is a good a way to describe how
many
of the people I have met seem to feel when given the
opportunity.

I saw that again firsthand recently in La Paz, when
I
met with borrowers at Banco Sol and had a chance to visit the
bank
itself -- a physical place that is dedicated to microcredit. And

the
people there were very proud of what they had accomplished. And
the United States is pleased that this bank, now the largest
bank in
Bolivia, was initially supported through a loan from USAID. It
is
the first commercial in the world completely dedicated to
microlending.

The default rate is extremely low, about 2.2
percent;
and the repayment rate, obviously, extremely high. I often say
to my
banker friends that if they had customers like these people, who
paid off their loans at 95, 97, 98 percent, they would be very
happy. And I think if more banks understood -- (applause) --
the
tenacity, the commitment, the entrepreneurial spirit of people
like
these who are given a chance to help themselves, we would go a
long
way in not only extending credit, but in eliminating many of the
unfortunate stereotypes about people who are poor. (Applause.)

Anyone who has worked with microcredit or seen its
impact around the world as I have will testify that those
stereotypes
are just plain wrong. Most people who are eligible for
microcredit
around the world work as hard as they know how, from sunup to
sundown, and sometimes for many hours before and beyond. And
yet,
too often, those of us in positions of influence or authority or
power dismiss them. We seem to have a belief that if they are
poor,
they are meant to be poor and will always remain poor. Yet many
of
us come from families, generations back who themselves were poor,
and through hard work and sometimes lucky breaks and
opportunities
an extended helping hand, we were able to climb our own way out
of
poverty and to have the benefits that that gave us and our
children.

These microcredit projects are proof of what we can
unleash if we invest in the economic and human potential of all
the
world's citizens. I am heartened that so many commercial banks

and
finance ministries and others around the world are beginning to
show
such an interest in microcredit. We know that this is not the
only
answer; we still need investments in education and health,
infrastructure in many parts of the world, but we know that this
is a
critical component of what will work in nearly any setting we can

define.

It is becoming increasingly obvious that this tool
not
only transforms lives but lifts communities and societies as
well.
And that, after all, is what this summit is about. It is not
just
about giving individuals economic opportunity, it is about
community,
it is about responsibility. It is about seeing how we are all
interconnected and interdependent in today's world. It is
recognizing that in our country the fate of a welfare recipient
in
Denver or Washington is inextricably bound up with all of ours.
It
is understanding how lifting people out of poverty in India or
Bangladesh redounds to the benefit of the entire community and
creates fertile ground for democracy to live and grow because
people
have hope in the future.

So I think all of you who have helped to make the
pictures that I've shown a reality, who have been advocates on
behalf
of microcredit and the concepts of community and responsibility
that it represents, and I hope that as a result of this summit,
many, many more people will understand how microcredit can
transform
lives, will learn lessons on how to do it right -- (inaudible) --
all of us will recognize that as we move toward this 21st
century,
we have an opportunity that has seldom come, if ever, in the
history
of humankind. We have a world that can, with technology,
democracy,
free enterprise, extend the benefits of prosperity and peace to
countless millions whose lives can be lifted up.

So, for all of us, I hope that we will go forward

from
this summit more convinced than ever that providing economic opportunity, giving people a chance to be responsible, building community can happen everywhere if we have the will to make it so.

Thank you for what you're doing. Godspeed on the work ahead. (Applause.)

END