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001. email	From Clara J. Shin to Terry Edmonds re: thanks (1 page)	08/31/99	P6/b(6)

COLLECTION:
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Speechwriting
Terry Edmonds
OA/Box Number: 17509

FOLDER TITLE:
Arkansas Delta/New Markets 12/10/99 [1]

2006-0462-F
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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
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THE WHITE HOUSE

WASHINGTON

Getting out of way so States can

TO:

FROM: TERRY EDMONDS
ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF SPEECHWRITING

Being a parent is
hardest job -
In administration
has tried -
if they have choose between
good worker - good parent
we all lose -
FMLA school - invested
after - now
million yesterday - more
budget signed
wins[illegible]

Final 07/07/99 11:45pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS TO THE 15th ANNUAL
NATIONAL ACADEMY FOUNDATION
INSTITUTE FOR STAFF DEVELOPMENT
ANAHEIM HILTON AND TOWERS
ANAHEIM, CALIFORNIA
July 8, 1999

Acknowledgments: Sec. Daley; Rep. Sanchez; Mayor Tom Daley; Warren Christopher; Dan Hesse [Hessay], president & CEO of AT&T Wireless; George Vrandburg, AOL; Hazel del Rosario; and all the business leaders, elected officials, and educators who are here today. I want to make special mention of Gene Sperling, who worked so hard to make this new markets trip a reality. And I particularly want to thank Sandy Weill and the Rev. Jesse Jackson, whose partnership in the Wall St. Project was the pioneering effort that helped pave the way for the trip.

And thank you for inviting me here to your annual conference. It is appropriate, I think, that at the close of my new markets trip, I should address a group like this one – a group that's working to prepare our children, and thereby our nation, to seize the opportunities of the 21st Century.

Over the last four days, I have traveled across America, shining a spotlight on opportunity in places not yet blessed by our nation's prosperity. I have been glad to have a number of you along for the ride. Together, we have seen the power of public-private partnership in Appalachia and the Delta, and the spark of retail investment in the first shopping center built in decades in East St. Louis. We have seen that a sound infrastructure can bring opportunity even to the remote regions of Indian country. In South Phoenix, we have seen the benefits of community empowerment; and, here in Los Angeles, we have seen the hopes that education and job training are bringing to the young people of Watts.

For me and for all of us who took this tour, it has been a remarkable four days. We have seen a face of America that is not often seen -- a face in the shadows. But it is a face that should no longer remain hidden; because in these blessed times, we can see clearly its considerable promise and potential. I took this trip because I wanted all of American business to see what enormous opportunities there are in America's new markets. And I wanted all Americans to see that by embracing these opportunities, by ensuring that we leave no one behind as we move forward into the 21st Century, we have a greater chance than at any time in our history to grow together rather than growing apart.

We have seen and learned much this past week. The CEOs and national leaders I have traveled with have spoken at every stop about financial capital and its power to transform cities and rural areas. But today I want to talk to you about a different form of capital -- human capital.

Because if we really want to develop these untapped markets I've been talking about, we have to develop the untapped abilities of the people in distressed communities. If we give business the right incentives, it might locate there -- but it won't stay -- not without the skilled workers it needs to thrive and expand.

Today, America has a better opportunity than ever not only to create those jobs in new markets -- but to fill them with new workers. These are prosperous times for America. Our economy is strong – the strongest in a generation – and growing stronger, with 19 million new jobs and the lowest unemployment in 30 years. Now, more than ever, businesses are looking to expand, looking for new workers, looking for new opportunities. They have never had a greater incentive to look in the places several exits off the beaten path, and to give a chance to someone who might otherwise go undiscovered. Now is the time. If we don't seize that opportunity today, when in the world will we? To anyone for whom these are the best of times, I say we should seize that opportunity, and we should seize it now.

Everywhere we've gone this week, we've met people eager for opportunity. They don't want charity. They don't want handouts. What they want is a hand-up -- a good, private-sector job and the simple pride of a paycheck. The communities I've visited are filled with gifted, creative, hard-working people. They're eager to work. I say: let's put them to work.

The working world they will enter, as you know, is changing dramatically. The three fastest-growing careers in America, offering far more than average pay, are all in computer-related fields. The high-tech industry employs more people today than the auto industry did at its height in the 1950s. And the very industries you'd think would be mostly unaffected by technological change -- construction, transport, auto -- are, in fact, being transformed by it. Now, even the jobs at the Walgreens I just visited in East St. Louis -- retail jobs -- require the use of computers.

Today, I am releasing a Department of Commerce report that confirms more and more Americans than ever are connected to the Internet. But it also shows there is a growing "digital divide" -- between those who have access to the Internet and the digital economy and those who don't. That gap exists along lines of education, income, region, and race.

I don't think we have to accept that fate. The very information technology that drives our new economy is also creating the tools that can ensure no one gets left behind. Millions of Americans on the margins of the economic mainstream can now join in the enterprise of building our nation. For the very first time, a child in South Central L.A. or the most remote part of Indian country can have access to the same world of knowledge, at the same instant, as a child in the most affluent suburb. Imagine the enormous benefits to business, and to the American economy, if not just a fraction but all young people entering the workforce have that access and master those skills.

So our imperative is clear: If we want to tap the potential of new markets, we must unlock the potential of new workers. And any company smart enough to invest in these new markets must also be smart enough to invest in the people in those very same neighborhoods. To build a strong workforce for the future. . . to make sure that we leave no one out and no one behind. . . we must invest in human capital, and give people the tools it takes to succeed.

That is why my administration has made education America's number one priority -- through HOPE scholarships and Pell Grants, and by reducing class size and hiring 100,000 new teachers. That is why we are connecting every American classroom to the Internet. And that is why the $8 million in corporate commitments made today to NAF are so very important; as are the information technology academies NAF has pledged to create in distressed communities. Sandy Weill always says that today's students are tomorrow's employees. And he knows as well as anyone that the best way to expand opportunity, to create jobs, and to renew hope is to do it together -- private and public, business and government.

So I am pleased that AT&T is committing more than $1.4 million to increase access to the tools of the high-tech economy; that America Online will provide more than $1 million in grants to help narrow the digital divide; and that Oxygen Media, on the cable network it will launch next year, will offer high-tech training on TV. I have often said on this trip that government works best as a partner to the private sector, as a catalyst that helps create the climate for opportunity and investment. That is the philosophy behind my New Markets Initiative: using tax incentives to leverage private-sector investment, to get capital flowing to people and neighborhoods it might otherwise miss.

I believe this tour has been a significant step toward opening America's new markets. But as we look ahead, we know that this is not the last day of our new markets initiative; it's just another step along the journey. The real measure of our success is not whether CEOs joined the President on a trip to new markets but whether the same CEOs will return to those markets -- followed by other CEOs, and other entrepreneurs, and a flow of capital and energy and ideas.

I pledge to do my part in the weeks and months ahead. Next week, I will send our new markets legislation to Congress; and over the next several weeks we will announce a new national effort to promote the BusinessLINC partnerships -- pairing big business with smaller, often disadvantaged companies -- that the Vice President has championed. And this fall, I will travel to Newark to challenge owners of professional sports teams to follow the fine example of Ray Chambers and Lewis Katz at the New Jersey Nets, and bring resources and hope to the children who need it most.

Opening new markets is more than a great business opportunity. It is a way to keep our economic expansion going with higher growth, higher wages, and low inflation -- but it is more than that, too. It is a moral and a civic responsibility. I want every business in America that has been blessed by this new economy to commit itself to seeing that every American is blessed by it as well. I want every corporate leader to assess whether outdated assumptions are keeping them from building new business relationships in new markets.

It's hard to believe, after all we've seen, that it was just two days ago that I was standing on Martin Luther King, Jr. Street in Clarksdale, Mississippi. I've been thinking of one of the lesser-known passages of Dr. King's "I Have a Dream" speech, in which he challenged America "to refuse to believe that there are insufficient funds in the great vaults of opportunity in this nation." Today, those vaults of opportunity are more full than at any time in our history. Our goal, then, must be to open them to more of our people -- from Appalachia to the Delta, from our cities to the remote regions of Indian Country -- and to give more Americans the chance to live the dream of Dr. King, and to fulfill our founders' dream of opportunity for all. Thank you and God bless you.

June (talking pts.)

THE WHITE HOUSE

Office of the Press Secretary
(Anaheim, California)

For Immediate Release July 8, 1999

REMARKS BY THE PRESIDENT
IN DISCUSSION ON YOUTH OPPORTUNITIES

Southwest College
Los Angeles, California

12:00 P.M. PDT

THE PRESIDENT: Thank you. Please sit down. We're running behind now. I've got to get to be more businesslike. Since Alexis has been so fulsome in her kind comments, that was an example of Clinton's second law of politics -- always be introduced by someone you've appointed to a high position. (Laughter.)

Let me say to, first, our host here in Representative Maxine Water's district, we're delighted to be here. I want to thank all of you who made it possible for us to come to this beautiful facility. Let me say I am doing something today I never thought I would ever do, for those who have been on the tour with me, I came to Los Angeles to cool off. (Laughter.) It was 100 degrees in Washington when we left; it was 100 degrees in Appalachia; it was 100 degrees in the Mississippi Delta; it was 100 degrees in East St. Louis; it was only about 94 on the Indian reservation yesterday; and it was over 100 in South Phoenix. So I came to Los Angeles to cool off, and I thank you very much for that.

I want to thank Secretary Daley and Secretary Slater who are here. And, Reverend Jackson, thank you for making this tour with us, and all the business leaders who have been with us. I want to thank Congresswoman Millender-McDonald. We were just over at the transportation academy in her district, and I enjoyed

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that very much. Congresswoman Loretta Sanchez, thank you for being here. Congressman Javier Becerra; and Congressman Paul Kanjorski, who came all the way from Pennsylvania, has been on every step of this tour, and I thank him.

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Governor, thank you for making us feel welcome. And, Devon Burke (phonetic), thank you. And I'd like to thank all the business leaders and all the leaders from entertainment and athletics and other things that are here today.

I will be very brief because I want to hear from the young people here. I have believed from the beginning of my tenure as President that in order for the American economy to really work, and in order for the American society to work, every American should believe that he or she had a chance to be a part of it. And we've worked on this for some time. And you hear Alexis talking about the economic statistics: we now have the longest peacetime expansion in history, the longest minority unemployment rates ever recorded. But everyone knows that there are still substantial numbers of people in our distressed urban and rural areas and on our Indian reservations that basically have not been part of this recovery.

In Watts, for example, the unemployment rate has dropped almost 50 percent, but it still is three times above the national average, just for example. And so it seemed to me several months ago -- and I talked about this in my State of the Union address way back in January -- that there was a way to tap the enormous feeling that a lot of our business leaders have that they've done very, very well in a stock market that's more than tripled in six years and a strong economy, and that they ought to give something back with the idea that it would actually be good economics to give something back.

Those of you who follow the business news know that every time the Federal Reserve meets there's all this tense speculation, will they raise interest rates or not? Well, what does that mean to these young people here with their yellow tee-shirts on? It is that most economists believe that there is a limit to how low the unemployment can go, and a limit to how high the economic growth can go, before you have so much inflation that you have to stop it, which kills the economic recovery.

Now, how can you keep it going? How can we keep this recovery going -- never mind all these kids we're here to hear about, just for those of you who have done well in the stock market? How could you keep it going? The easiest way to keep it going is to go to places where there aren't enough jobs and there aren't enough consumers, and create more of both -- create more business owners, create more workers, create more consumers. That's all growth completely without inflation.

It allows America's economic expansion to continue, so there's a real sense in which every time we hire a young person

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off the street in Watts and give him or her a better future, we are helping people who live in the ritziest suburb in America to continue to enjoy a rising stock market. And it proves beyond any doubt that we are all in this together, that we're all better off when the least of us do well.

And also, we have a chance here that we've never had before at least in my lifetime, certainly not since the American economy began to unravel in the late '60s. We have got a chance to actually build an economic infrastructure in the inner-cities and in rural America that will restore something like a normal economy to places.

There will always be -- some times are pretty good, some times won't be so good. But what we want for every American is to live in a community where at least he or she has the same shot everybody else does.

Now, the first three and a half days, what we spent focusing on is how to get money into isolated places. That's basically what we've been focusing on. And we talked a lot about the things we've been doing since 1993. We've had wonderful business leaders from all over America -- by the way, on both parties. This is not a partisan issue anyplace but Washington, D.C., and I hope it won't be there -- saying, hey, this is a good business, this is a good deal, we want to be a part of it. And we talked about this new markets legislation I have proposed which would give tax credits and government guaranteed loans to people who would invest to give equity to people to start businesses in the inner-city and in rural America.

And basically what I've asked the Congress to do is to give businesspeople the same incentive to invest in America they get to invest today in poor communities in Latin America or Asia or Africa or the Caribbean. I don't want to take those opportunities away; I just want American communities to have the same shot at the future. (Applause.)

So, now, what we're here today to say is that even if we do all that, in the world we're living in, there is a high premium in an information society placed on knowledge, skills, what you know today and what you can continue to learn. One of the young people I saw today is about to join the United States Army, once in a gang, was working a computer program in which he was able to match someone in Russia who wanted to buy tires with someone in Colombia who wanted to sell them, and he could get a commission off of it in between. Well, I just give you that as one example. I saw a lot of other -- I saw two young people who were designing automobiles that would be less wind-resistant and,

therefore, would operate at higher rates of efficiency.

Another young man who was mixing sound, so that if I -- he told me if I sang a song flat into his microphone he could tune it up so I'd sound just fine. (Laughter.)

All these things make this point, and that's why we're here, to finish, in a way, with the most important thing of all --we can put in place the financial networks, we can create a lot of jobs, but our young people -- and 60 percent of the young people, men and women -- young men and women in the most distressed areas of America are neither in school or at work still. And so we can do all of these things and provide these investments, but if our young people don't have the opportunity to learn and to continue to learn and to continue to get training for a lifetime, we won't be able to do it.

The first place I went in Appalachia, 57 percent of the people who live there never finished high school. It's very remote. But there's a man there that expanded a firm that does business with all the high-tech companies in the country from 40 to 850 employees by having all of his present employees do a continuous job training on every new person they try to take out of the hills and hollows of Appalachia.

So there is no place, even in rural America, that can escape the reality that we must train and educate our young people if we really want this to work. So that's what we're here about.

I thank Secretary Herman for this youth opportunities initiative, and all of you who are participating. So, Alexis, why don't you take over and let's hear from our folks. (Applause.)

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THE PRESIDENT: Let me just say, Mel Farr, who is a former all-pro football player from Detroit, is becoming the largest automobile dealer in America, and it's just worked out. One of the announcements we made earlier on our tour is that he has a lot of big financial institutions who've agreed to buy his car loans in bulk, which will enable him to expand all across America and put minority-owned dealerships in every community in this country.

And for people who have modest incomes, you know, he has adapted this sort of car leasing proposal -- you remember, this started a few years ago when people stopped buying cars and –

started leasing them and leased them three years. Mel will lease people cars, give you leases for as short a period as two months. But if you don't pay, you can't make off with the car, he's got a device that will turn the car off. (Laughter.) So he soon will be responsible for the widest distribution of car ownership in America with the largest number of cars that won't run. (Laughter and applause.)

This is actually a brilliant thing, because he's giving people a chance to have cars they never could afford otherwise. He's recognizing that people who don't have a lot of cash income have to live from month to month. And he's doing it in a way that is giving people a chance to run dealerships who never could have run them before; and they will all train people and hire the kind of people that Toyota Center is training.

So, thank you, Mel, for a brilliant thing you're doing. (Applause.)

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THE PRESIDENT: Thank you. Let me just briefly say in closing, first of all, I want to thank all those who have participated and those who are here who have not said anything, but by the power of their example are doing a great thing for our country. We have advocates here; we have investors; and we have those are examples -- particularly these young people who have spoken.

To me, this is the best of all endeavors because it is the morally right thing to do and it is in the self-interest of every American who participates in it. I believe -- I listen to these young people, and I read the notes on their lives before I came here -- you know, things happen to people in life, and the good things and the bad things, especially to our children, are not evenly distributed. And yet, among all the poor people in America, there are people who could help us find a cure for AIDS, a vaccine; there are people who could help us to -- I talked to one of the young men earlier who developed composite parts for cars that would be as strong as steel and weigh a thousand pounds less and get 80 miles a gallon, or 90. There are people who could solve every problem out there. The talent and the human spirit are evenly distributed across racial and income lines.

But things happen to people and things happen to communities. In our inner-cities and a lot of our rural areas, the economic bases that once made them organized, thriving and successful, evaporated -- and we did a lousy job as a country of replacing that. We were slow off the up-take. And in other

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places, like our Indian reservations, arguably, there never was an economic basis that would be self-sustaining.

So what we do here is to say that this is not something the government can do alone, but the government should do it's part. And this is not something the private sector can be expected to do unless we provide the training and the support for the young people and provide the framework within which we lower the risk of these investments as much as is prudent.

But we have to remember the human element in all this. We were in East St. Louis yesterday, visited a Walmart Store in one of the most distressed inner city areas -- I mean, Walgreen's store, this beautiful Walgreen's store -- 30 employees. The manager of the Walgreen's store was a 24-year-old African American girl that grew up in that community and got out of college and was just good at what she did. And that company believed in her enough to give her a chance at the age of 24 to run a store with 30 employees. An example. You're an example. You're an example. You're an example. All of you are examples.

The rest of us -- who basically had a lot of luck and good fortune in live -- you know, we all like to believe we were born in log cabins we built ourselves, but most of us were helped along life's way and we had a lot of luck to get where we are. And most of us, with all the bad things that happened to us, end life ahead of where we would be if all we got was what we just deserved. And we should remember that.

And we should think about these children and remember that it is in the interest of America -- the talent and the gifts and the richness of their souls and their spirits are evenly distributed. But things happen to them or things happen to the place where they happen to be born, or where they happen to live now -- and we can make it better. If we can't do it now, with this economy as strong as it is, we'll never get around to doing it.

So when we leave here we should remember that, and we should do it. Thank you very much.

END 12:53 P.M PDT

June
(talking pts.)

THE WHITE HOUSE

Office of the Press Secretary
(Phoenix, Arizona)

For Immediate Release July 7, 1999

REMARKS BY THE PRESIDENT
IN ROUNDTABLE DISCUSSION ON SMALL BUSINESS DEVELOPMENT

La Canasta Food Products Factory
Phoenix, Arizona

5:55 P.M. PDT

THE PRESIDENT: Thank you very much. First, I want to thank Ed Pastor for making me feel so welcome and for being my friend and doing a wonderful job for you back in Washington, D.C. He has the respect of every member of Congress and when he talks, we all listen.

I want to say to all of you that I am honored to be back in Phoenix. Arizona has been very good to Hillary and to me and to the Vice President and Mrs. Gore, not only in voting for us in the last election, but in proving that the philosophy of government and the policies we've followed can bring us together and make us a stronger country. So I want to begin by saying a simple "thank you."

I'd like to thank the people who have come here with me today. Congressman Pastor mentioned Congressman Kanjorski from Pennsylvania, Congressman Clyburn from South Carolina, our Small Business Administrator Aida Alvarez, and my Deputy Chief of Staff, Maria Echaveste; they are all here and others. I thank them. (Applause.)

I'd like to thank the Reverend Jesse Jackson for coming on this tour with me, along with the business leaders. (Applause.) I know there are some public officials here. I think Janet Napolitano, your Attorney General, is here; she met me at the airport. Jim Hill, the State Treasurer of Oregon, is here. Thank you both. (Applause.)

I'd like to thank the business leaders here with me, Leo Guzman, Mary Ann Spraggins, Gene Humphries of Enron, Stephen Burd of Safeway, John Corella of Corella Electric, Myrna Sonora of KTVW 33; some of you probably watch that. (Laughter.) Mike Welburn of Bank One, Andy Gordon of Arizona Multibank, Frank Ballasteros of MICRO; Leonard Mareno of Mareno Welding; Yolanda Kaiser of Builder's Book Depot. And, obviously, I'd like to thank our host, Josie Ippolito, and all the other wonderful women in this remarkable family that own this. (Applause.)

Ed already said why we're here, and I'm here mostly to listen to the people here. But I want to make a very important point. I want you to know why we are here. We are here because we have the longest peacetime expansion in history, almost 18 million new jobs since I took office, the lowest unemployment rates among Hispanic Americans and African Americans ever recorded. Our country has been really blessed by these good economic times. It has contributed to giving us the lowest crime rate in 25 years, the lowest welfare rolls in 30 years, declining rates of teen pregnancy and drug abuse. We have 90 percent of our little children immunized against serious childhood diseases for the first time in the history of our country.

But we know as blessed as America has been, not every American has been blessed by this recovery. All you've got to do is drive down the streets here in South Phoenix to see that. So what we are doing is going around the country to say we can do better, that morally, now that we're doing so well, we have an obligation to give every American who is willing to work for it a chance to walk across that bridge into the 21st century with us, so we go forward together, leaving no one behind.

And not only that, it's good economics. A long way from South Phoenix, I have to worry every day about how I can keep creating jobs so you have more people to buy these wonderful products you are producing. I mean, 840,000 a day -- that's a lot of people, you know. Of course, not everybody eats as many at one sitting as I do. (Laughter.) So, I mean, it's a lot of people. So I think about that.

How can I do that? Well, we can sell more of our products overseas, which we're trying to do. We can take more people off welfare, disabled people, and help them get in the work force, which we're trying to do. But the easiest way to keep America's economy going strong is to get more investment, create more jobs and create more consumers in the neighborhoods, in the cities and in the rural areas and on the Indian reservations which have not yet felt this recovery. That's what this whole thing is about --

how we can do this together.

And I'm here to make three points. Number one -- and I want to give some specifics in a minute -- we've been working at this for six and a half years with our empowerment zones and our enterprise communities and our community development banks -- you have one here -- with the vigorous support of the Community Reinvestment Act.

Number two, therefore, American business needs to know that there are good opportunities right now in inner cities and in rural America. This is not about charity; this is about how to make money by helping people who are willing to work for themselves get the chance to do it, to start those businesses or become good employees. That's what this is about. (Applause.)

Finally, it's about supporting our New Markets Initiative, which seeks to make it easier for people to get equity capital to start or expand their businesses in any poor neighborhood or underdeveloped area anywhere in the United States of America. So that's why we're here. And that's the message you're sending out here in South Phoenix, to every community in America, where there are good people who need investment and jobs.

Now, let me say that there are a lot of good things that are happening and I want to thank some of the people who are here. I want to thank Safeway for the new store at 16th Street and Southern Avenue, and the new shopping center that it will anchor. That will create a lot of jobs. And, interestingly ,enough, we're trying to highlight this everywhere, because in almost every city in America, even with high unemployment, there are obviously a lot more people working than not working and there is more purchasing power in our cities than there are stores to take it up. So we thank Safeway.

I also want to thank Univison, because they are about to build a new multimillion-dollar broadcast facility for its local station, KTBW 33, and they're going to build it right here in South Phoenix, and that will help your economy to grow. Thank you. (Applause.) Thank you.

I want to thank the community development institutions like Arizona Multibank, the microenterprise organizations like MICRO. That's a fancy way of saying they loan small amounts of money to people to start small businesses who couldn't get the money anywhere else, and guess what? They usually make good loans and they make money doing it, by giving people a chance who couldn't get a chance anywhere else.

I want to thank Arizona Multibank* for launching Magnet

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Capital, which is a new venture capital fund, backed by the Small Business Administration that will give lower-income entrepreneurs the equity they need to grow and expand. So thank you very much, Mr. Gordon. (Applause.)

Now, there's lots of other things that all you have to say. Just remember, we came here for three reasons. One is, to show the business community of this country that we have the kind of partnership between government and the private sector that makes it more attractive to invest in places with higher unemployment and with too few businesses. Two, to make the point that there is a huge amount of opportunity out here right now. And the more American business knows about it, and the more they invest in it, the better they'll do.

And, three, we have a proposal before the Congress to go nationwide to give big tax breaks to people to help provide equity capital. And I want you to know what I'm doing. I'm basically asking the Congress to give investors like those on this stage with me today the same incentives to invest in South Phoenix that we give them right now to invest in the developing countries of Latin America and Africa and the Caribbean. I want to do that, but you should have the same incentives here. (Applause.)

So thank you all for coming and, Congressman, the floor is yours. You want to introduce the folks who are going to talk? I think maybe you're going next -- our hostess.

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THE PRESIDENT: Thank you very much. Let's give him a hand; I thought that was good. (Applause.)

If I could -- if I could just make one point. One of the things that I learned traveling around the country in 1990 and 1991, before I decided to run for President, was that the crime rate was going down in areas where more police were on the street, and in the communities, and working with their neighbors -- not just because they were catching people quicker, but because it was actually preventing crime from occurring in the first place.

In the last six and a half years, we have funded 100,000 more police officers for our streets -- in small towns and rural areas as well as big cities. And in the budget I now have before the Congress, we're trying to get another 50,000 targeted at the highest crime areas in the country.

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So that will help -- that's something that we didn't come here to talk about today, but if I can persuade the Congress to do that, that will obviously help you and others like you to locate more stores and to have more sub-stations. And it will also bring the police in closer contact with the community, and increase confidence and good feeling. So I thank you very much for that.

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THE PRESIDENT: I want to thank you for the work that you have done. You know, we were just together over at Chicano's Porlacasa. And the work you did to help them set up their micro lending program. The Vice President, who has supervised all of our community economic development efforts for the last six years announced this new SBA initiative with Aida not very long ago.

But I just want to emphasize to you, we were in the Mississippi Delta yesterday -- it was also 100 degrees there -- and we were in a little factory that makes picture frames, that had been gone into bankruptcy. And we met a young man that thought he could turn it around and he had opened the place back up -- a place with terribly high unemployment.

But one of the people I met there was a woman who had worked for a small business that was doing okay, but the person running it in this little town, for family reasons, couldn't go on. And she was the only person qualified to take over this business, otherwise it was just going to disappear. But she made very low wages for a person who owns a business, and she had no money in the bank.

And because she was able to get some equity capital from someone as farsighted as you, her little business in a year went from five employees to 11 employees -- instead of five people losing their jobs -- and a woman that never made more than a few dollars an hour in her life is now a successful small business owner. That is that sort of thing we ought to be doing more of. And if we did more of it in places like South Phoenix, the unemployment here would not be higher than the national average and the incomes would not be lower. So I thank you very much for what you're doing. (Applause.)

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I'd just like to make two points if I might, by way of completely agreeing with what you just said. First of all, for people who think we don't need these SBA programs anymore because the

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economy's doing so well, I would remind you that the SBA is a permanent example of the kind of approach that I believe we should be taking in the government. The SBA basically gives people the tools to make the most of their own lives. They make the market more likely to work in places where it otherwise wouldn't work. And for people who don't think it matters -- you know how much all these telecommunications companies are worth now and what's happened to the stock market in the last six years -- it's more than tripled. Thirty percent of our growth coming out of high tech.

Intel and America Online -- huge companies worth billions upon billions of dollars -- started with SBA loans. And so, I think, you know, that's enough to rest our case. The second thing I would say is, there are -- not all the business people that have been on this trip are right here in Phoenix, and not all the business people who wanted to go on this trip can go. But there is a phenomenal amount of interest in this, and I must -- I want to give credit to Reverend Jesse Jackson. His Wall Street project has been working on this for years.

I mean, there is a much higher level of awareness among American business leaders that there is money to be made and a better society to be made at the same time in these neighborhoods. So I don't think you have to worry. I think when we can finish this tomorrow afternoon in East LA, you will see a much higher level of commitment and interest in corporate America than we had before. Thank you, Mr. Corella. You're great.

(Applause.)

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THE PRESIDENT: First of all, I want to thank Gene, because, really, Texas is a classic example -- it's almost exactly like Arizona and Phoenix. The unemployment rate in Phoenix as a whole is less than 3 percent. The unemployment rate in this section of Phoenix is twice the national average, maybe a little more. You have the same thing in Houston.

I just want to illustrate, use Enron, which is a fabulous and very large energy company, to illustrate a point that he made, that I think we should emphasize because it goes back to something John made. One of the reasons we're taking this trip here is that one of the -- is that even in business, even with a market economy, where people are always supposed to act in their own self-interest, people cannot do what they don't know. And people cannot have a relationship with people with whom they are not acquainted.

And one of the things that Enron* did, saying that he worked through a local community investment group, is to have -- to literally build networks of relationships between big businesses and people that they would otherwise never, ever, ever come in contact with.

And so, I say again, I think -- you heard what Steve said about Safeway figuring out there was a market here. Once you begin to establish these networks of relationships, and once they become a part of the fabric of American life, then we can build an economic, a normal economic infrastructure in these distressed areas -- so that the next time a recession comes along, we won't be hurt so badly here, and then when the pickup comes, everybody will benefit instead of just a few.

So I can't thank you enough. But I do want to emphasize what -- Gene Humphries was a little too modest here. We do have a substantial number of business leaders heading companies more or less in the size range of Enron*, who are helping. But we are nowhere near where we need to be. We need hundreds, we need thousands of people with the kind of commitment that he's manifested, because without these relationships, the decisions cannot be made to put the money there.

Thank you. (Applause.)

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THE PRESIDENT: I'd like to ask a question -- thank you. (Applause.)

I'd like to ask Frank or Andrew a question: what is the average size of a microenterprise loan that you give?

MR. GORDON: For the last 10 years, Mr. President, it has been under $2,500. And those $2,500 make a difference. Our default rate, after lending over $7 million in Arizona, sir, the default rate is less than 4 percent.

THE PRESIDENT: Let me say that this is -- give him a hand. (Applause.) This is a fairly typical experience worldwide.

I got interested in this 15 years ago, when I met a man who was trained in the United States and went home to Bangladesh and founded -- one of the poorest countries in the world -- founded a community bank making microenterprise loans to poor village women, average about -- then -- probably $20. Today, they average about $50. But that's a lot of money, in American terms, -

given the size of their economy.

And they had a 96 percent repayment rate. Now he's made millions of these loans, in a country with 100 million people. So I'm -- one of the things I'm quite proud of is that now, under our administration, we now fund 2 million microenterprise loans every year in poor, poor villages -- in Africa, in Asia, in Latin America.

But again I say, if it's good enough for us to do for them -- which we need to do, so those countries can keep their democracies alive, and be good citizens, and not cause wars, and have a decent life -- it's certainly good for America. And my only regret is that we don't give ten times as many of them every year. And if we have institutions like Arizona Multibank* and Micro* everywhere -- we have the networks out there, again, to make the contacts -- I think there's really very little limit to what we can do in getting more money for micro loans, because they plainly work.

Is the average person, the average size of the business, a single employee, self-employed? Or is it two?

MR. GORDON: It's a sole proprietor, sir.

THE PRESIDENT: Sole proprietor.

MR. GORDON: Sole proprietor. Although they do get help from their family. It's just -- it's a family business. It's not only that self-employed -- but that's what makes it, it guarantees its success, because of the support.

THE PRESIDENT: That's why they repay the money back, isn't it?

MR. GORDON: Yes.

THE PRESIDENT: Thank you.

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THE PRESIDENT: I'd like to say something about both these presentations. First of all, the way the New Markets Initiative works in terms of who gets the tax credits and who qualifies, the way this works is, people that invest in a business enterprise can get up to a 25 percent tax credit for the money they put up, then they qualify for every dollar they put up for $2 in bank loans that are government-guaranteed, and the government guarantee dramatically lowers the interest rates on the bank

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loan, so that between the tax credit and the lower interest rates, you reduce the relative risk of investing in these areas to make it more attractive.

And existing businesses qualify every bit as much as new businesses do; it is the area -- where do the people live, what is their per capita income, what is the unemployment rate, how much do we need the new investment here. So we could never get into -- it would be a bureaucratic nightmare to try to make distinctions between existing and new businesses. Everybody's eligible. It's people we're trying to help and places we're trying to reach.

The only other thing I would like to say is to thank you for what Univision is doing here and for what Univision doubtless will do to publicize this meeting to the Hispanic world in America. As you know, I'm very close to Henry Cisneros and I think that the American people should know that next to the Vice President, the two people most responsible for everything we've done in this community development area over the last six years are the present HUD Secretary, Andrew Cuomo, and his predecessor, Henry Cisneros. So this is, indeed, something to celebrate. (Applause.)

So the only thing I want to say is when you start building that building down here, hire some of these folks and make sure it's a good deal. Thank you very much. Thank you all. (Applause.)

END 6:37 P.M. PDT

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THE WHITE HOUSE

Office of the Press Secretary
(Pine Ride, South Dakota)

For Immediate Release July 7, 1999

REMARKS BY THE PRESIDENT
TO THE PINE RIDGE INDIAN RESERVATION COMMUNITY

Pine Ridge, South Dakota

12:00 P.M. MDT

THE PRESIDENT: Thank you very much. Thank you. Thank you, Mr. President, and thank you to all of you here from Pine Ridge and all the other tribal leaders who are here for HUD's Shared Vision Conference. I am profoundly honored to be in Pine Ridge and in the Lakota Nation. In fact, to try to demonstrate my appreciation and respect, I would like to try -- to try to say something in Lakota. (Applause.) Mitakuye Oyasin. (Applause.)

My neighbors, my friends, we are all related. (Applause.) Consider those who have come here today to join hands with you, along with Secretary Cuomo, Secretary Glickman, your great congressional delegation, our Democratic leader, Tom Daschle in the United States Senate and Senator Johnson, Congressman Thune. You don't know this, but we have members of Congress from all over America who have come here to express their support and their commitment to join you in building a better tomorrow.

Congressman Ed Pastor from Arizona; Congressman Dale Kildee, from the state of Michigan; Congressman Jim Clyburn, from South Carolina; and Congressman Paul Kanjorski, from Pennsylvania, he has come all the way from Pennsylvania to be here. (Applause.)

I want to thank the other people from the administration, especially Assistant Secretary of the Interior, Kevin Gover and Lynn Cutler, in the White House, who work with all of our Native American leaders around America, for what they do. (Applause.) I want to thank the CEO of Fannie Mae, Frank Raines; the CEO of Northwest, Mark Omen; the PMI President, Roger Horton; Mortgage Bankers Association President Don Lang; Champion Homes CEO Walter
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Young -- for all the work that they are prepared to do in building a better future and they're here today. (Applause.)

I want to thank my good friend, Jesse Jackson, for never letting us forget our common obligations. (Applause.) I thank the other members of our delegation today -- Bart Harvey, from Enterprise; Al From, from the Democratic Leadership Council. I'd like to thank the young AmeriCorps volunteers who are here today for all the work they do. (Applause.)

I would like to finally say a word of appreciation to all the people who live here on this reservation, who welcomed me into their homes, who talked to me today as I walked down their streets. I thank especially Geraldine Bluebird, who Secretary Cuomo mentioned -- she let me sit on her porch and she told me how she tries to make ends meet for the 28 people that share her small home and the house trailer adjoining.

I thank the children who stopped their playing and shook hands with me and listened to me while I encouraged them to stay in school and to go onto college and to live out their dreams. (Applause.) I want to bring you greetings from two people who are not here -- first, from Vice President Gore, who has headed our empowerment zone effort that Pine Ridge became a part of today. (Applause.) And, second, just a little over an hour ago, I talked to the First Lady, and Hillary has spent more time in Indian Country than any First Lady in history. She is intensely committed to this effort, and she asked me to say hello to you. (Applause.)

President Saulway said today I was the only President ever to come to an Indian reservation for a nation to nation business meeting. I remember back in 1994, I invited all the tribal leaders in America to the White House, and it was the first such gathering since the presidency of James Monroe in the 1820s. Now, I know that Calvin Coolidge came to Pine Ridge in the 1920s, and that President Roosevelt visited another Native American reservation, but no American President has been anywhere in Indian Country since Franklin Roosevelt was President. That is wrong, and we're trying to fix it today. (Applause.)

I was profoundly moved by the pipe ceremony, just as I was when your congressional delegation took me last night not only to Mount Rushmore, but to the Crazy Horse Memorial, and to the museum that is there with it.

But I ask you today, even as we remember the past, to think more about the future. We know well what the failings of the present and the past are. We know well the imperfect

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relationship that the United States and its government has enjoyed with the tribal nations. But I have seen today not only poverty, but promise.

And I have seen enormous courage. I came here today for three reasons. First of all, to celebrate the empowerment zone and the housing projects that are going on here now. Second, to talk about my New Markets Initiative and what else we can do. But, third, with the business leaders who are here -- and I've already introduced them, but I'd like to ask the business leaders I just mentioned to stand up. We want to send a message to America that this is a good place to invest. Good people live here. Good people live in Indian country, they deserve a chance to go to work. (Applause.) Thank you. Thank you. (Applause.)

You've already heard President Saulway and Secretary Cuomo recite the statistics. It's a hot day out here and I know you're suffering in the sun. But I want to send a message to America. So I just want to say a few things, and I want you to think about this. Think about the irony of this. We are in the longest period of economic growth in peacetime in our history. (Applause.)

We have in America almost 19 million new jobs. WE have the lowest unemployment rate ever recorded for African Americans and Hispanics. For over two years our country has had an unemployment rate below 5 percent. But here on this reservation, the unemployment rate is nearly 75 percent. That is wrong, and we have to do something to change it, and do it now. (Applause.)

When we are on the verge of a new century and a new millennium where people are celebrating the miracles of technology, and the world growing closer and closer together, and our ability to learn from and with each other and make business partnerships with each other all across our globe, and there are still reservations with few phones and no banks, when still three or four families are forced to share two simple rooms, where communities where Native Americans live have deadly disease and infant mortality rates at many times the national rate, when these things still persist, we cannot rest until we do better. And trying is not enough; we have to have results. We can do better. (Applause.)

Our nation will never have a better chance. When will we ever have this kind of opportunity where unemployment is low, inflation is low, there's a lot of money in our country, the value of our stock market has tripled and then some. Business people are looking for new places to invest, and people who have done well feel a moral obligation to try to help those who are

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less fortunate, who have not fully participated.

And we see it from Appalachia to the Mississippi Delta to the inner cities of our country, to the Native American communities. If we can't do this now, we will never get around to doing it. So let us give ourselves a gift for the 21st century -- an America where no one is left behind and everyone has a chance. (Applause.)

We will do our part. You have suffered from neglect, and you know that doesn't work. You have also suffered from the tyranny of patronizing inadequately funded government programs, and you know that doesn't work. We have tried to have a more respectful, more proper relationship with the tribal governments of this country to promote more genuine independence, but also to give more genuine support. And the empowerment zone program, as the Vice President and I designed it six years ago, is designed to treat all communities that way. We're not coming from Washington to tell you exactly what to do and how to do it, we're coming from Washington to ask you what you want to do, and tell you we will give you the tools and the support to get done what you want to do for your children and their future. (Applause.)

President Saulway and a number of tribal leaders came to me at the White House a couple of months ago. You may have heard in the national press that I repeatedly referred to this profoundly emotional meeting. I have given a great deal of thought to what was said then and what I heard now. We can do better. I would like to mention just a few specific things, for you have all heard years of pretty words.

There is no more crucial building block for a strong community and a promising future than a solid home. Today, I want to talk about a number of things the government and the private sector are going to do to increase homeownership. Our whole team visited those new homes that are being built not far from here. We talked to the families that are moving into those homes. I had a little boy take me through every room in the home, tell me exactly where every closet was, tell me what his sister's room had that he didn't have, and why it was all right, because she was older and she needed such things.

This is important. So what are we going to do? Private lenders, like Bank of America, Northwest, Bank One, Washington Mutual, are going to work with the Mortgage Bankers Association and HUD, to more than double the number of government-insured or guaranteed home mortgages in Indian country in each of the next three years. (Applause.)

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Right here in Pine Ridge, Fannie Mae, under Frank Raines' leadership, has set aside millions of dollars to help you buy those homes at below-market rates. And they are spending hundreds of millions of dollars all across this country to help people just like you become homeowners for the first time. (Applause.) And Secretary Cuomo's Partnership for Housing is giving financial incentives and counseling to help families figure out how to actually get this done, how to buy their own homes and pay for them.

But, as I heard over and over today, even if we went in and tried to repair or rebuild or build new homes for every family here, and in every Indian community throughout the United States, we must have jobs if we want these communities to work. (Applause.) Adults need to have something to look forward to every morning when they get up. And if they want their kids to stay in school, and stay out of trouble, and look to tomorrow, their lives have to be evidence that looking to tomorrow pays off. It is appalling that we have the highest growth rate in peacetime in our history; that we have an unemployment rate below 5 percent for two years, and the unemployment rate on this hallowed reservation is almost 75 percent. That is appalling, and we can do better. (Applause.)

No community in America, can grow, however, without basic blocks. No community in America should be without safe running water and sewer systems. So the Department of Agriculture will put nearly $16 million in water projects throughout Indian country, including two right here in Pine Ridge, that will also help you get jobs, as well as improve the quality of life. (Applause.)

As you can see, in this Big Sky country, it is rather warm and it gets windy from time to time, as the Natives will attest. The Department of Energy will help you harness the power and profits of wind and solar energy, to save money and make money. (Applause.) Owens Corning and North American Steel Framing Alliance will provide skills training and the promise of quality jobs. And Citibank and Gateway Computer Company will work with Oglala Lakota College and other schools to help Native American students get the computer skills that will allow them to get 21st century jobs. (Applause.)

And our Federal Communications Commission will work with you to improve telephone service throughout Indian Country, an absolute prerequisite for getting any new business in here.

Let me just say that one of the things that we have learned is that the computer and the Internet make it possible for many people to do many kinds of work in any community, anywhere in the United States; indeed, increasingly, anywhere in the world. The fact that this reservation is a long way from an urban center would have been an absolute prohibitive barrier to a lot of economic development just 10 or 15 years ago.

The explosion of computer technology and the Internet, if you know how to use it and you know how to deliver for others with it, has literally made the distance barrier almost insignificant for many kinds of economic activity. So I want to implore you to use your tribal college and work with these companies and make the most of the skills they are offering, and we can get the jobs to come here once you can do them. (Applause.)

Finally, we must seize the vast potential of tourism right here in Pine Ridge by building a Lakota Sioux heritage cultural center. Every year, millions of families travel long, long distances to see Mt. Rushmore -- 2.7 million last year. The Crazy Horse Memorial, about a million and a half, even though only the head has been finished. The Crazy Horse Memorial last year had 1.5 million visitors; only the head has been finished. I went there late last night. And the Badlands National Park.

Now, if you look at that, you have to ask yourself: How can you have -- how many people, if you did everything right down here, if we built this cultural center, of all the people that go to see Crazy Horse, of all the people that go to see Mt. Rushmore, of all the people that go to Badlands National Park, how many would come here. I'll tell you -- a whole lot. An enormous percentage, if you give them something to come and see. That is nothing more than the simple, profound, powerful story of your eloquent past and your present, of your skills and your heritage and your culture and your faith.

These commitments that we are making today are just the beginning. Thirty-one years ago this spring, Senator Robert Kennedy came to Pine Ridge. Many of you probably still remember that visit. Senator Kennedy, seeking medical care for his child, lying sick in the back of an abandoned car, refusing to sit and begin an important meeting until all of the tribal leaders had their proper seats.

You may remember his message of hope. Let me say that all across America, people were watching that. I have to say, on a purely personal note, one of the most touching things about this day for me is that the wife of our HUD Secretary is Robert Kennedy's daughter, and she is here today and this is a proud day. I'd like to ask her to stand. Kerry, please stand. Thank you. (Applause.)

We lost all those years. There were a lot of reasons, and a lot of things are better than they were 30 years ago. But this is the first time since the early 1960s when we had this kind of strong American economy, and we have no excuse for walking away from our responsibilities to the new markets of America.

I have asked the members of Congress to go back and pass legislation that will give major tax breaks and government-guaranteed loans to people who will put their money in Indian Country, to lower the risk of taking this chance. (Applause.) We are going to do everything we can to make your empowerment zone work. But remember -- there is nothing that we can do except to help you to realize your own dreams.

So I say to every tribal leader here: The name of the conference you are attending is Shared Visions. We must share the vision, and it must be, fundamentally, yours -- for your children and their future. If you will give us that vision and work with us, we will achieve it.

Thank you, and God bless you. (Applause.)

END 12:22 P.M. MDT

THE WHITE HOUSE

Office of the Press Secretary
(Anaheim, California)

For Immediate Release — July 8, 1999

REMARKS BY THE PRESIDENT
TO NATIONAL ACADEMY FOUNDATION ANNUAL CONFERENCE

Anaheim Hilton and Towers
Anaheim, California

3:00 P.M. PDT

THE PRESIDENT: You know, Hazel, you might consider just skipping that hotel business and going right into politics. (Laughter.) I want to thank all of you for your welcome. And I thank Hazel and her fellow winners behind us for reminding us of why we're here. Mayor Daley, thank you of making me feel welcome -- and, Secretary Daley, Secretary Slater. Representative Sanchez, we're delighted to be in your district and to be here with other members of Congress who are here.

I'd like to say a special word of appreciation to my wonderful friend, our former Secretary of State, Warren Christopher, who is here with us today and supporting this endeavor. (Applause.)

Since this is the last event for me in this week-long odyssey across America to our -- what we called America's new markets, I'd like to say a special word of thanks to the folks on the White House staff who made it possible, including my National Economic Advisor, Gene Sperling, without whom this never would have occurred. (Applause.)

And I want to say a special word of thanks to Reverend Jesse Jackson, who worked with Sandy Weil on the Wall Street Project, went to Appalachia before it was fashionable, who always believed that poor people were smart, wanted to work, and had a right -- a moral right -- to be part of America's future. Thank you, Jesse Jackson. (Applause.)

And, thank you, Sandy Weil, for the Wall Street Project, which attempts to marry the investment capacity of Wall Street with the human capacity of all those places we've been visiting. Thank you for the National Academy Foundation. Thank you for being a good friend to me and to all these young people and so many others. And thank you for inviting me to this annual conference.

This is really quite an appropriate place for me and those who have traveled with me this last week on our new markets trip to end our journey, reaffirming your commitment and ours to prepare all our children for the new century. Over the past four days, as I have traveled across America, we have sought to shine the spotlight on places still unlit by the sunshine of our present prosperity. A number of you have been along for what has truly been a remarkable ride.

We've seen the power of people in public and private life to work together in the Appalachians and in the Mississippi Delta. We've seen the spark that retail investment can bring in

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the first shopping center built in decades in East St. Louis, Illinois. We've seen the impact in the most basic infrastructure and housing opportunities, even in the remote regions of Indian country in South Dakota, still the most left-behind part of America.

In South Phoenix yesterday in temperatures exceeding 100 degrees, we saw the enormous benefits of community reinvestment initiatives. And here, earlier today, we saw what education and job training can bring to young people in Watts -- people who are normally identified with distressed neighborhoods, showing me how do design automobiles on a computer, or to conduct sophisticated business transactions between two different countries with young Americans 17 years old, picking up a commission for being the middleman.

I took this trip for three reasons. First, I wanted every American businessperson, every American investor, to see that there are enormous opportunities out there today in the areas that have been left behind by our economic recovery. Second, because I wanted to highlight the tools that have already been put in place, to encourage more people to invest in those communities -- the empowerment zones and the enterprise communities which Vice President Gore has so ably led for six years now; the community development financial institutinos that we have supported; the Community Reinvestment Act, which has led to billions of dollars of reinvestment in our developing neighborhods; the education and training initiatives desigend to give all of our people a chance not only to have good, basic skills, but to keep on learning for a lifetime.

And, third, I wanted to highlight our New Markets Initiative, a piece of legislation simply designed to give American investors who are willing to take a chance on new and expanded businesses in distressed urban and rural communities access to the same kind of tax credits and loan guarantees, to lower the relative risk of their investment in America that they can get to invest in poor communities from Africa to Asia to Latin America to the Caribbean. I'm for those investments, but I think America's communities should have access to the same capital with the same incentives. (Applause.)

The idea behind this, obviously, is that the government cannot do this alone, but business cannot be expected to go it alone. When government provides the conditions and tools, acts as a catalyst to bring the power of the private sector to benefit all of our citizens, and provides the investment and the education and training of our young people, this is not only good economics, it is the right thing to do. We can build one America where nobody is left behind when we cross that bridge into a new century. And if we do, we'll all be better off.

The CEOs and national leaders I have traveled with, we've heard it every stop: look, we just need a chance; our kids need education, our adults need training, and we need somebody who believes in us enough to give us a chance.

I'll never forget the woman we met in the Mississippi Delta, who was working for a very small business in a depressed community that had five employees. She made a very modest wage, and the owner of the business just decided to close up. He said to her she was the only person capable of running the business. But nobody would give her a loan because she'd never had any money in her life, she had only worked for modest hourly wages.

Because there was a community investor willing to take a chance on her, she got investment capital, she bought the business -- two years later, she went from five to 11 employees and she has just about paid her loan off. There are thousands of stories like that waiting to be written in America in every community that is still depressed.

So we want to encourage that. And that's why so much of this trip is focused on how to get financing. A remarkable businesswoman from New York, Mary Ann Spraggins*, went on this trip. She's trying to set up a vision fund with $250 million in private sector capital to give venture capital to these kinds of places. If we get our way, the people who invest in that fund will be eligible for a 25-percent tax credit for putting that money into high unemployment areas, and they'll be eligible to borrow $2 for every $1 they put up in that fund and have it guaranteed by the government so we lower the interest rate. That's the government's contribution; but somebody still has to make the investment to put these people to work. (Applause.)

So most of the capital we've been talking about these last several days has been money. We see in the Pine Ridge Reservation in South Dakota a remarkable grandmother, providing school clothes for her grandchildren, having to literally buy the tennis shoes her grandchildren wear to school on the installment plan all summer long while the shoes are kept in layaway, so the kids will have them. When there were 11 people living in a house with about 800 square feet, another 17 in an adjoining house trailer with about 900 square feet. We need money; those people need housing.

We also saw American Indians that have been waiting for nine years moving into their first homes. A little five-year-old boy, six-year-old boy took me by the hand and led me all through his new home and showed me his sister's room and explained why it was okay that she had a bigger room than he did. (Laughter.) She was a teenager, and teenagers needed things like that. (Laughter.) The pride that they felt, these people, this mother who had worked all her life and finally getting a decent home for her children to live in.

So a lot of this is a money problem. I used to joke with a lot of my friends -- I still say this -- that I had about nine or 10 rules of politics that I kept in my mind all during my career running for office, and rule number two was, when anybody stands up and tells you it's not a money problem, they're talking about somebody else's problem, not theirs. (Laughter.)

So money is a big issue here. But there's another kind of capital that in some ways is even more fundamental -- human capital, people. When Hazel stood up here and you clapped for her, you were clapping for the astonishing development of human capital; of what she has done with her life and the chance that her mother took in going to Hawaii, the risks and the heartache and the difficulties her family went through -- it made you feel good.

And what I want to say to you today is that there are people just like these young people we're honoring back here on every Indian reservation, in every hill and hollow of Appalachia, up and down the Mississippi Delta, in every inner city. And they deserve -- they deserve -- the chance to be whatever they're willing to work hard to be. And unless we're prepared to do that, even our best efforts to bring new investment to these distressed communities will be less than fully successful.

Now, we have a better opportunity and a better reason to do that now than ever before. As I tell people, I spend a lot of time in Washington -- Sandy's always saying that I've done a good job as a Democrat with the economy so more people can live like Republicans. (Laughter and applause.) And I've done my best to do that.

But you should know that one of the things that we seriously debate back in Washington, D.C., a long way from Anaheim, is, how can we keep this going. We already have the longest economic expansion in peacetime in our history. We have the lowest African American and Hispanic unemployment rates ever recorded. We have almost 19 million new jobs, and we have very low inflation, and we've had unemployment rate below five percent for two years. So a big question is, how much longer can this go on, and how can we keep it going without having inflation build up, then having interest rates go up and having the recovery stop.

This is not an academic issue if you're about to get your first job, of if you're sitting there trying to make up your mind whether to take out a huge bank loan to expand your business. You want to know if we can keep this going.

My answer is, we can keep it going if we can find non-inflationary ways to promote growth. Now, what are those? Well, we can sell more American goods and services around the world -- why I hope the Congress will agree to help us expand our trade with other countries. We can also bring populations that are outside the work force into the work force. With the welfare rolls are now the lowest they've been in 30 years and there are a lot of people still on welfare that are able-bodied, but they have limited skills, we could bring more people from welfare into the work force.

You can bring hundreds of thousands of disabled people who are capable of doing more and more kinds of jobs, thanks to technology now, into the work force. And the Congress, I believe, will soon send me a bill that will enable those that have high health care costs that are now being paid by the government to keep that health care coverage so private employers can afford to hire them.

But by far, the biggest opportunity -- by far -- in keeping this economy going without inflation is to get more investments, more jobs, more new business owners, more new workers and, therefore, more new consumers, into the rural and urban areas that have not yet been blessed by this recovery.

That's why every single American actually has a vested interest in our success here. And more and more businesses are looking for young people like those we celebrate, because there's a shortage of skilled workers, even though there are people who are still looking for jobs. In some job categories, a shortage of hundreds of thousands. Therefore, if Americans are willing to look a few exits off the beaten path, we can continue to grow this economy and we can continue to have more of the kind of stories we just heard.

Let me also say to you, if we can't do this now, with the strongest economy we have ever had, when it is manifestly in the self-interest of every enlightened decision-maker in the country, when will ever get around to doing it? (Applause.)

Let me tell you some of the things that we saw on the human capital front. We walked down the dusty streets on an Indian reservation. We saw the boarded-up storefronts in a town in the MIssissippi Delta, famous for its role in the civil rights struggle. We saw desperate living conditions in a little hollow in Appalachia where everybody had a job and they still couldn't afford a decent house to live in.

But every place we went, nobody wanted charity, nobody wanted a handout. What they wanted was a hand up. That's why this will work. What people want is a good private sector job, the simple dignity of a paycheck, the ability to house and educate their children and provide health care for them. And what you know here, what these young people behind me demonstrate, is that intelligence and ability and drive and dreams are equally distributed in this country among the poor and the non-poor. (Applause.)

I've often said, things happen to people that derail their lives, and then they have to work hard to get them back on track. Things happen to places like that, too. I know the Mississippi Delta, which includes a big part of my own home state, the economy that once sustained that area has been gone a long time. Nobody was ever able to figure out how to put a new economy in its place. But there's a new economy out there that could fit in that place.

There are new economies that could fit in the most remote villages of the Appalachian Mountains. There are new economies that could go into the Native American reservations. How many data processing jobs do American companies ship overseas on airplanes every night to go to poor countries and other places? They could be done on Indian reservations, for example. We have got to think about that.

We all can identify with a human story. If Hazel stands up here and tells us the story of her family, it grips us and we pull for her. But what you need to know is, all these places have stories like that. We got the land and the mineral rights away from the Indians, and we said, oh, we'll make a deal, we'll have a nation-to-nation relationship with you, and we will provide for the education and health care and housing of your people; but we'll do a poor job of it and we'll spend just as little as we can get away with. And then, we'll say you must not really want to do any better.

We have to write new stories for these places. And it takes a commitment to money capital and the human capital. And what Sandy and all of you who have been involved in this magnificent project show, this is Exhibit A that we can do it.

Now, let me say on a very positive note, I'm quite optimistic that I am quite sure that one answer to this in the United States and all across the world is better dispersal of technology. When I went to Africa, I went to these little villages where people had maps -- these children were in these little village schools that had maps that still showed the Soviet Union and other nations that haven't existed in a long time. But if those kids just had one computer for the school and a printer, they would never have to worry about that. We could change the map of the world every day, and all those little kids would have an updated map. Right?

Technology will enable some of these areas to skip a whole generation of development if it is broadly dispersed. Secretary Daley referred to the Department of Commerce report today on technology. Let me tell you what it says. It confirms what you already know. More and more Americans than ever are connected to the Internet. It is the fastest-growing method of human communication in all of history by far.

But it also shows, this report, that there is a growing digital divide between those who have access to the digital economy and the Internet and those who don't, and that the divide exists along the lines of education, income, region and race. It might have pointed out, of course, that all of us parents are not as good as our kids. That divide's not so serious, but the real one is.

And yet, we know -- I will say again -- that the very information technology driving this new economy gives us the tools to ensure that no one gets left behind, that gives us the tools to provide a story for these communities, to literally provide a self-sustaining economic infrastructure for the 21st century. Millions of Americans now on the economic margins can join the mainstream in the enterprise of building our nation.

A child in South Central L.A., in the most remote part of Indian country, can have access to the same world of knowledge in an instant as a child in the wealthiest suburban school in this country. Now, just imagine if not simply a fraction, but all of our young people entered the work force, had access to the Internet always, and had mastered the skills of the new information economy.

So if we want to unlock the potential of our workers, we have to close that gap. We've done what we could. We have provide the Hope scholarship and other tax credits so that we've literally opened the doors of college to all Americans. We have emphasized higher standards, smaller classes, more teachers.

We're connecting every American classroom to the Internet, and I think we'll make our goal that the Vice President and I established here in California in 1994 of having all the classrooms connected by the year 2000.

The $8 million in corporate commitments made today by this group are so very important, as are the information technology academies to which Sandy referred earlier. Sandy has said often that today's students are tomorrow's employees, today's students are tomorrow's economy. They're not just somebody else's employees, they are tomorrow's economy.

So, bringing these skills to distressed families in distressed communities can have more to do with our ability to restructure the economy in these areas than perhaps anything else. I also want to thank AT&T, and I think, Ann Hesse*, the CEO of AT&T Wireless, is here for committing more than $1.4 million to increase access to the tools of the high-tech economy.

I want to thank America Online, George Franberg* of AOL is here, for providing more than $1 million in grants to help narrow the digital divide. I want to thank Oxygen Media on the cable network it will launch next year. They will offer high-tech training on TV, so more embarrassed adults can learn what their kids already know. (Laughter.)

This is the kind of thing we have to do. If we have money capital and human capital, we can bring hope to the places that have been left behind.

The last thing I want to say to you is this.

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hope to the places that have been left behind.

The last thing I want to say to you is this: This tour, this last four days that we have all spent together has been a significant step toward opening America's new markets. But it can't be the end of the journey. It has to be, instead, the opening salvo of a battle to build a real economy in every community in this country. The real measure of our success is not whether CEOs join the President on a trip like this which moved the nation, but whether the same CEOs and others will return to those markets and move the lives of the people there. (Applause.)

So I say to you, you have to do that. The real test of the success is not whether I've got a legislative idea, but whether Congress will set aside its partisan differences and put that idea into law so we can have more investments in these communities. (Applause.)

Next week I will send our new markets legislation to Congress. Over the next several weeks we'll announce a new national effort to promote the business link partnerships, pairing big businesses with smaller, often disadvantaged companies -- an idea the Vice President has so strongly championed.

And this fall we're going to take another tour. I am gonig to start in Newark to challenge the owners of professional sports teams and professional athletes to follow the example set by the owners of the New Jersey Nets -- Ray Chambers and Lou Katz -- who set up the ownership of the Nets in a way that 35 percent of the profits of the franchise are reinvested in downtown Newark, to give the future to the people there. (Applause.)

You might know that the Nets have now -- those gentlemen have joined in a joint parntership with the New York Yankees, they now have a big partnership, and they have dedicated a significant percentage of the profits of the joint venture to reinvest in inner city New York, in the Bronx, and in Newark. (Applause.)

So I'm going to go up there, I'm going to highlight what they're doing, I'm going to see what we can do to help. And we're going to make another round here to show people that there are things that we can do together that are both morally right and good business.

Often on this trip Reverend Jackson has referred to the fact that Dr. Martin Luther King, just before he was killed, thought that he had done about all he could do to get the legal changes necessary to get rid of the stain of racial segregation; and that the great disadvantages and discrimination still alive in America could only be eliminated if there were a new alliance of people across racial lines to create genuine economic opportunity for all Americans.

It's hard to believe to somebody like me, anyway, at my age, that's it has now been more than 30 years since Dr. King was killed and his dream was put on hold. One of the lesser known passages in his famous speech at the Lincoln Memorial in August of 1963 involved language in which he challenged America, and I quote -- "to refuse to believe that there are insufficient funds in the great vaults of opportunity in this nation."

Well, my fellow Americans, today those vaults of opportunity are more full than they have ever been in the entire history of this country. And we have more evidence than we have ever had that when children like those that we talked about today, and when young people like those we celebrate today -- Hazel, and her peers behind me -- do well, we are all strengthened; that there is a fundamental sense in which our futures are bound up together, from Appalachia to the Mississippi Delta to the Native American reservations to the inner cities to the wealthiest corners of our land.

All our kids need a chance to live their dreams. And the American Dream needs for all Americans to be blessed by the opportunity that has given so much to us. Thank you for what you do to achieve that goal. And God bless you. (Applause.)

END 3:32 P.M. PDT

Final 07/04/99 8:00pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON RETAIL INVESTMENT
EAST ST. LOUIS, ILLINOIS
July 6, 1999

Acknowledgments: Secs. Cuomo & Slater; Sen. Durbin; Reps. Jerry Costello, Clyburn, Kanjorski; Mayor Debra Powell; Jesse Jackson; Jackee Joyner Kersee; Mel Farr; Walgreens CEO TBD; Bank of America rep. TBD; ICIC rep. TBD

I want to thank the employees of Walgreens for showing me their fine new store. You know, I almost managed to get some of my shopping done. But more important, you – the residents of East St. Louis – can get your shopping done at this new center and spend your hard-earned dollars in your own neighborhood. As the other speakers have said, this is about more than convenience. It's about creating opportunity here in the heart of a hard-pressed community.

These are prosperous times in America. Our economy is strong and growing stronger; and, as it expands, its benefits reach more and more of our people. African-American and Hispanic unemployment are at record lows. Wages are rising. In the past six years, our rising tide has lifted more than a million children out of poverty.

Still, there are pockets – in cities like this one, and in rural areas like the Delta, which I visited this morning – where prosperity and progress are mostly a dream. I know the pride East St. Louis has always taken in its industry, and the hit you took when the packing houses and the shipping yards shut down. I know of the friends and families who left to seek new lives in new towns. I know that poverty here is more than three times the national average. And even though the average income here is up $3,500 since 1993, it is still $4,000 less than the typical American earns.

I have seen the poverty in East St. Louis; but I also see the promise. Commerce is coming. Retail is returning. It brings with it new jobs, new residents, new hope. I say it's long overdue. The gap between purchasing power and actual retail sales here in East St. Louis is 40 percent. So it's a good thing there's 50,000 square feet to fill along these two blocks of State Street, and it's no wonder businesses like Blockbuster and State Farm Insurance are lining up to fill it. And these aren't the only bricks and mortar going up in East St. Louis – we're not far from the hotel, bank, library, and homes being built. And I'm proud that HUD block grants, along with Bank of America and May Department Stores, are helping you build the Jackee Joyner Kersee Center. Private investment is indeed a spark that can light a whole community.

Al Gore and I came here in 1992, on the second bus tour of our campaign. We said we were "On the Road to Change America," and one of the things we were trying to change was the way Americans thought about creating jobs and opportunity. In the 1960s, some people thought the government alone could do that. In the 1980s, others argued that the market would do it. You know and I know that didn't happen. More and more people were succeeding, but more and more people were being left behind. So I came here and said: "All of us [can] take control, take our lives back, take our neighborhoods back, take our futures back." But for that to happen, government and business had to work together, as partners. I said then that my administration would make "a big investment in jobs. . . by providing incentives to the private sector."

That is the approach I have pursued as President. And that approach is working – through Empowerment Zones and Enterprise Communities, community development banks, a stronger Community Reinvestment Act – all the means to get capital flowing to people and neighborhoods it might otherwise miss. The Vice President and I made East St. Louis an Enterprise Community in our first round, back in 1994, and last year we designated this city, along with St. Louis, as an Empowerment Zone for our second round. Congress should approve that funding and help you to take back your city and your future.

Through our New Markets Initiative, we are building on this approach – expanding the circle of opportunity, highlighting our most promising new markets, creating a better climate for business. The new investments we've announced today will make a difference: Bank of America's half a billion dollars, targeted to low-income communities; Inner City Ventures, and its capital for inner-city companies with great growth potential; and Mel Farr, who extends credit to minorities who have a hard time getting it, and sells and leases cars to people who would otherwise have a hard time getting to work.

It is private enterprise that built East St. Louis – built the stockyards and the shipping yards that made this an "All-American City." [*Look magazine gave it this award in 1960.*] And it is private enterprise that is rebuilding East St. Louis. This is an old city with a proud history. But it is also a new market, one we are only beginning to tap. But we are beginning. Let us, all of us, get to work, and make East St. Louis an all-American city for the 21st Century.

THE WHITE HOUSE

Office of the Press Secretary
(East St. Louis, Illinois)

For Immediate Release July 6, 1999

REMARKS BY THE PRESIDENT TO THE EAST ST. LOUIS COMMUNITY

Walgreen's Plaza
East St. Louis, Illinois

5:27 P.M. CDT

THE PRESIDENT: Thank you. (Applause.) Ladies and gentlemen, I used to think that I was reasonably astute at public affairs, but I don't have any better sense than to get up here and try to speak behind Mayor Powell, Cathy Bessant and Jesse Jackson. I don't know how smart I am today.

Let me say to all of you, it is wonderful to be here. Madam Mayor, thank you for making us feel so welcome and for your sterling leadership. I'm delighted to be here with Jackie, your hero, and my friend who is all of our heroes. Thank you. (Applause.) Thank you, Dave Bernauer fore this wonderful Walgreen's store. I'm going to go in and shop in a minute, add to the local community.

Thank you, Mel Farr, for bringing jobs and opportunities and cars, even in two months' installments, to every community in this country. Thank you. (Applause.) Thank you, Reverend Jackson, for believing that we could keep hope alive in every city and rural area in this country and it could be good business to do so. (Applause.)

I want to thank some others who are with us here today -- Joe Stroud of Jovan Broadcasting; my good friend, Al From, the Democratic Leadership Council; David Wilhelm, the former Chairman of the Democratic Party from Illinois, who is here with me today.

I want to thank Senator Durbin and Congressman Costello, two of the ablest, finest people in the United States Congress. (Applause.)

I want to tell you that they are joined here today by other members of Congress, including Congressman Jim Clyburn, who came all the way from South Carolina; Congressman Paul Kanjorski, from the state of Pennsylvania; and Congressman Dale Kildee from Michigan, all of whom care about this community and communities like it all across America. I thank them. (Applause.)

And I want to thank your neighboring Mayor, Clarence Harman, for coming over from St. Louis, and your former Mayor, Gordon Bush, for being here with me. (Applause.) And I want to thank Secretary Cuomo, Secretary Glickman, Secretary Slater and all the other people from the administration.

We have had a great time these last two days, going across America. We are going to finish this day, first by shopping at Walgreen's -- (applause) -- and then we're going to get in an airplane and fly to South Dakota, where we will begin tomorrow at the Pine Ridge Indian Reservation in South Dakota.

So from Appalachia to the Mississippi Delta to East St. Louis to Pine Ridge. (Applause.) It has been a wonderful trip. But let me ask you something: If you look around this crowd today, I have to make -- this is a happy day, a happy day. But I want to say one serious thing off of this subject today, because of a remark that was made earlier by Cathy that I believe in community development; emphasis community.

You have been very good to me, to the First Lady, to Vice President Gore and Mrs. Gore. You have supported our initiatives and especially the Vice President's leadership of all of our community development. But what's the first thing that makes it work? Look around this crowd today. We have people from all kinds of backgrounds, all different colors, all different religions. (Applause.) Everybody -- all different ages, working for something good.

So this is the first chance, my first stop in Illinois since the tragic string of shootings in Illinois and Indiana these last couple of days, that have come to end with the apparent suicide of the alleged gunman. Now, I don't want to say a lot, but I think it's important to note that while we have to wait for all of the details to come in, the early reports indicated that this shooting spree, against Jews, Orthodox Jews, against the young Asian students, taking the life of a former basketball coach at Northwestern, an African American, all were motivated by some blind racial hatred against anybody who didn't happen to be white.

Isn't it ironic that this occurred during the time we celebrated the birth of our nation on the 4th of July? That action was a rebuke to the very ideals that got us started. Also a stern reminder to us that even as we celebrate this, even as we stand up against racial and ethnic and religious hatred in Kosovo, in Northern Ireland and the Middle East and Africa, we've still got work to do here at home. (Applause.)

So I say to you: I want to get back to the celebrating, but I issue an appeal here from East St. Louis to every community and every citizen in this country: We must search the hearts of our citizens and search the strength of our communities, that Congress should pass the hate crimes legislation, but we should rid our hearts of hatred immediately. (Applause.)

Now, I want to tell you what got us going on this. In 1992, when I ran for President, I came to East St. Louis, and I said I wanted to create a country in the 21st century where there was opportunity for every citizen, responsibility from every

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citizen and a community of all American citizens. I said that we ought to have a new role for government, that government couldn't solve all the problems, but walking away from them did not work very well, either; and that we had to focus on creating the conditions and giving people the tools to make the most of their own lives and to get together across lines that had divided them for too long.

Goodness knows, in the inner cities and the rural areas of our country, lines have divided those who worked hard that had no money and those who had plenty of money, but didn't believe it could be very well spent in the inner city or in rural areas.

Now, if you look at what has happened since, we see in this community both poverty and great promise, retail returning, new jobs, new residents, new hope, Walgreen putting up 400 stores across America, many of them in inner-city areas. But still, there are many unmet needs and unmet opportunities.

You heard what Cathy said about opportunities. Let me tell you, the economists talk about something in our inner cities called the "purchasing power gap." Let me tell you what that means. That means most people in East St. Louis, even though the unemployment rate is higher than the national average, most people get up and go to work every day. (Applause.) And if you take the money that you earn here as against the money you are able to spend here because of the jobs that are here and the stores that are here, in America as a whole, there is 25 percent more money earned than spent in the inner cities. In Los Angeles, it's 35 percent; in East St. Louis it is 40 percent. So you can handle this Walgreen's and a lot more besides, and we want to see them coming here. (Applause.)

And we thank Bank of America for the library, and we thank those involved in the hotel, the bank, the homes being built near here. We also want you to know that we want to do our part. Secretary Cuomo's Housing and Urban Development block grants, along with Bank of America, and many department stores are helping Jackie build the Jackie Joyner-Kersee Center near here. (Applause.)

So this is what Vice President Gore and I have tried to do with our empowerment zones and our community banks and our vigorous enforcement of the Community Reinvestment Act. It says you're supposed to loan money everywhere in America. That law has been on the books for 22 years, but over 95 percent of the money loaned under it, billions of dollars has been loaned since the Clinton-Gore administration has been in office. And I am proud of that. (Applause.)

We made East St. Louis an enterprise community in our first round of empowerment zones and enterprise communities way back in 1994, and because you have done so well, East St. Louis is designated as an empowerment zone for our second round, which means more money being spent here by the government, more tax incentives for the private sector to put businesses here, and to hire the people from East St. Louis and give them good jobs. (Applause.)

Senator Durbin, Congressman Costello and every member of the Congress here is committed to creating that second round of empowerment zones and funding them this year. We need help from Republicans and Democrats alike. This is not a party issue.

All Americans benefit when all Americans work. (Applause.)

Now, let me tell you why else we came here today. We want to make two points which all the previous speakers have made. I just want to be very explicit. Starting with what the Mayor said about, location, location, location, accessibility -- boy, that was a good rap, wasn't it? I liked that. That was good. (Laughter.) The first point we want to make is, when the Wallgreen President comes, or when an executive from Bank of America comes, or when Mel Farr comes, and comes to places like this, or the Mississippi Delta, or Appalachia, the other places we're going, is, hey, there are business opportunities out here. If you've got people who want to go to work and people with money to spend, and they're both in the same place, it's a good place to invest. (Applause.)

The second thing we're doing is promoting what you have heard referred to as the New Markets Initiative. Now, let me just tell you what that is. That's a bill we're going to put before the Congress that says that if people invest in any high unemployment, high poverty area, anywhere in America, inside or outside one of our empowerment communities, they can get a tax credit for the money they put up, and they can go to the bank and borrow money and have it guaranteed -- a guaranteed loan by the federal government, which will lower the interest rates, which will mean it will be much cheaper for people to invest in communities like East St. Louis than it otherwise would be. (Applause.)

Now, the government is not going to do it. Nobody is going to put any money here if they think they're going to lose it. If you put up $100 and you invest it and I give you a 25-percent tax credit, if it's a bad investment, you still lose $75. But it makes it more likely that people will do it. It makes it more likely that they will take a look. It makes it more likely

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that you will build the kind of relationships which will make people know you, and trust you, and want to build a common future with you. And that is what we're trying to do. It is not a handout, but it is darn sure a hand up, and you are entitled to it. (Applause.)

And let me say to all of you, it is something that is good for the rest of America. We've had almost 19 million new jobs; the longest peacetime expansion in history; the lowest African American and Hispanic unemployment rates ever recorded in this country to date -- but the unemployment rates are still higher than they are for the rest of the country. Incomes are rising, but they're still lower than they are for the rest of the country. There is room to grow and to learn.

Look, we're all going to have to work hard at this. Nobody's got all the answers. There is no magic wand. But we know one thing: people make these investments one at a time, just like Mel Farr sells his cars: one at a time. You can only build one Walgreens on this spot. And somebody had to come up with the money. Somebody had to make the decision. Somebody's got to hire all the people that work here. Somebody's got to train them. Somebody's got to make all these decisions.

But what we can do is to create an environment in which more people will want to hold hands with you and walk into the 21st century, so that nobody is left behind, and we all go forward together. (Applause.)

You know, in 1960, Look Magazine said East St. Louis was an all-American city. It was because of stockyards and shipping yards. It was because of private enterprise. The government can help, but private enterprise will make East St. Louis that all-American city again, if we go forward together. (Applause.)

And I just want to make one last point to everybody else in America who's looking at this. I spent a lot of time as your President, now, trying to figure out, how can I keep this economic good time going? When we started, nobody believed we could have an economic expansion that would go on this long. When we started, no conventional economist believed you could have unemployment rates under four and a half percent nationwide without having inflation and high interest rates, which would wreck everything. When we started, no one thought so.

But, you know, all of these young, technological geniuses are figuring out all this new computer technology, and it's rifling through what we all do, and it's making us more

productive. And we're doing a good job.

But now I say to myself every day when I get up, now what can I do to keep this going? The only way to keep it going -- more growth with no inflation; more jobs and higher wages without bringing it to a halt -- is to have new people working, and new people buying. New people producing.

Where are those people? Those are the people you move from welfare to work. Those are the people who are disabled -- and we're going to let them keep their health insurance when they go into the workplace, so they can move into the workplace. (Applause.) And most important of all, those are the people in the inner cities and the rural areas, on the Native American reservations that have been passed by by this recovery.

America has been blessed by this economic recovery. Now we are determined to see that all Americans are blessed by it as we move into the 21st century.

Thank you, and God bless you. (Applause.)

END 5:45 P.M. CDT

THE WHITE HOUSE
WASHINGTON

8/25

Terry —

By my count, there were seven sets of remarks on the New Markets tour — 4 speeches, 3 roundtables. I've enclosed the transcripts of all 7, and the final drafts for my 2 speeches and one roundtable. I've indicated who wrote the other speeches in case you'd like to look at their original drafts — Lowell's Hazard + Pine Ridge remarks were beautifully written, if largely disregarded...

Hope this is helpful.

[signature]

remarks:
Lowell

THE WHITE HOUSE

Office of the Press Secretary
(Hazard, Kentucky)

For Immediate Release July 5, 1999

REMARKS BY THE PRESIDENT
TO THE PEOPLE OF APPALACHIA

Main Street
Hazard, Kentucky

4:10 P.M. EDT

THE PRESIDENT: Thank you very much. Well, the Governor always told me if I would only come to Appalachia I would get a very warm welcome. (Applause.) I want to thank the good people of Hazard and Perry County for giving me that warm welcome. I want to thank all the people of Eastern Kentucky who have made me and my party feel so welcome today -- Paul and Judy Patton. I thank Mayor Gorman and Judge Noble. I thank those who have come with me today -- our Agriculture Secretary -- you heard from Secretary Glickman -- our HUD Secretary, Secretary Cuomo; SBA Administrator Alvarez. We have two Congressmen here -- Jim Clyburn from South Carolina and Paul Kanjorski, who came all the way from Pennsylvania, because they have places like Appalachia there, and they wanted to come down here to be with you. (Applause.)

I want to thank Duane Ackerman and the other CEOs who are here, including Dick Huber of Aetna; the One Central Bank Kentucky CEO, Kip Stolen; Sarah Gould from the MS Foundation; John Sykes from Sykes Enterprises -- I'll mention him in a moment.

I want to thank the Reverend Jesse Jackson, who keeps hope alive. (Applause.) And the others in our group, including Al From, the leader of the Democratic Leadership Council; and David Wilhelm, who is from nearby in Ohio and was my first Democratic National Committee Chairman. I'd like to thank the

young people here in AmeriCorps -- (applause) -- and I would like to say a special word of thanks to Cawood Ledford. Boy, he is --

(applause) -- I was thinking that if old Cawood had been a political announcer instead of a basketball announcer and I could

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have kept him with me these last 25 years, I'd have never lost an election. (Applause.)

You know, Kentucky has been good to me and Hillary and to the Vice President. It has been brought to my attention that, in addition to the economy, we've been pretty good for Kentucky. Since I've been in office, UK basketball has had the most successful six years since Adolph Rupp was the coach. (Applause.) And Tim Couch hasn't done badly, either. (Applause.)

You know, yesterday we celebrated the last 4th of July of this century -- the last 4th of July of this century. Think of it -- 223 Independence Days. I want you all to drink plenty of water and I'll make this quick, but you need to know why we came here. I wanted to come to the heart of America and Appalachia to talk about whether we're all going forward into the 21st century; whether we really can build a bridge over which we can all walk together.

I'll bet you some of you here are actually the descendants of those people Governor Patton talked about, the Revolutionary War heroes who helped to settle this state. But, you know, whether our parents and their parents came here on the Mayflower or slave ships, whether they landed on Ellis Island in the 1890s or came to Los Angeles Airport in the 1990s, around the 4th of July we're supposed to celebrate what we have in common as Americans, to reaffirm that what unites us is more important than what divides us. Well, if we believe that, we have a shared stake in one another's success.

I came here to say to you I believe at this time of prosperity, if we can't find a way to give every single hardworking American family the chance to participate in the future we're trying to build for our country, we'll never get around to do it. Now is the time to move forward. (Applause.)

Our country is the world's leading force for peace and freedom and human rights. We have the lowest crime rate in 25 years, the lowest welfare rolls in 30 years, 90 percent of our little children are immunized against serious childhood diseases for the first time in history. We have the longest peacetime expansion we've ever had -- almost 19 million new jobs. Wages are rising for the first time in 20 years for ordinary people. We have a million kids lifted out of poverty, the lowest minority unemployment rate ever recorded.

And yet, even though this is a blessed time for America, not all Americans have been blessed by it. And you know –

that as well as I do. (Applause.)

So I came here to show America who you are. (Applause.) And when I leave here I'm going on to the Mississippi Delta, to my home country. Then I'm going up into the Middle West, and then over to Phoenix, Arizona, and up to the Pine Ridge Indian Reservation in South Dakota, and then ending this tour in East Los Angeles to make a simple point -- that this is a time to bring more jobs and investment and hope to the areas of our country that have not fully participated in this economic recovery. We have an obligation to do it. (Applause.)

I started out the morning in the town of Tyner, a little village, with a wonderful woman who took me to see her 69-year-old father that just lost his wife after 51 years of marriage. And I saw four generations of that family. And I walked in the neighborhoods and I listened to the people tell me they needed better housing and better transportation.

And then I went on to Mid-South Electronics, a place that had 40 employees 10 years ago, and has 850 today and about to expand some more, to make the point that any work that can be done by anybody in America can be done here in Appalachia -- and throughout the other places in this country where they're not fulfilling their promise. (Applause.)

I came here in the hope that with the help of the business leaders here, we could say to every corporate leader in America: Take a look at investing in rural and inner-city America. It's good for business, good for America's growth, and it's the right thing to do. If we, with the most prosperous economy in our lifetimes, cannot make a commitment to take every person along with us into the 21st century, we will have failed to meet a moral obligation and we also will have failed to make the most of America's promise.

You know, these economists in Washington and New York used to tell me that if the unemployment rate ever dropped below 6 percent in America we'd have inflation out of control. Well, it's been under 5 percent for two years now and inflation is still low. (Applause.) And I'm telling you, it can go lower. We can hire more people, we can have more jobs -- (applause) -- but we've got to go to the places where there have not been enough new jobs and there has not been enough new investments and we have to provide incentives for people to go there. (Applause.)

I asked these business and political leaders to join me because we wanted to send a signal to America that we know that

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government can't solve these problems alone. But we know that we'll never get anywhere by leaving people alone, either -- you've tried it that way here in the hills and hollows of Kentucky and West Virginia and Ohio and Virginia and Appalachia, for years; that didn't work out very well -- that what works is when we go forward together.

I came here to say that I believe the government's part is to create the conditions of a strong economy, to give individuals the tools they need to succeed, including education and training, and to give incentives to businesses to take a second look at the places that they have overlooked. And then the job of the private sector is to give you a chance to make the most of your God-given ability. That is what we are trying to do. (Applause.)

With the help of Vice President Gore, we've had 135 empowerment zones and enterprise communities -- I was in one earlier today. They've helped to create tens of thousands of jobs. But we have to do better nationwide. We've worked with people like the Kentucky Highlands Investment Corporation. But we have to do better nationwide.

So that's why I'm going around here. I want to do two things -- well, really three. Number one, I want people to know a lot of good things are going on here now. (Applause.) Number two, I want them to understand that more good things can go on, and number three, I want us to do more. I want us to pass a law in Congress to create new markets in America, to say we're going to give a businessperson the same incentives to invest in new markets in America we give them today to invest in new markets overseas. (Applause.)

Now, meanwhile, I want to thank the companies represented here -- companies like Bell South, ready to help provide jobs and training for your people. The MS Foundation. The Appalachian Regional Commission, with my friend, Jesse White, here, will help Appalachian entrepreneurs create new small businesses. Sykes Enterprises is making a major commitment -- listen to this -- to construct two information technology centers in Eastern Kentucky that will bring hundreds of new jobs to Pike and Perry Counties. Thank you, Mr. Sykes. (Applause.)

Across our nation, banks like Bank One, City Group, Bank of America, First Union, will invest hundreds of millions of dollars to finance new small businesses and other promising enterprises. I want to thank all these companies for their support.

But again, I say: Look here, America. We've got people working out here and doing fine and doing marvelous things. Look here, business community. Take another look. There are great opportunities here. But I also want to say to the Congress: Just simply give me one more tool for them, give people the same incentives to invest in Appalachia or the Native American reservations of the Mississippi Delta or the inner cities we give them today to invest in poor countries overseas, and let the American people show what they can do. (Applause.)

Ladies and gentlemen, it's been a hot day -- but when I'm gone, I hope you'll remember more than that the President came and you were hot. I hope you will remember that it was the beginning of a new sense of renewal for this region and for all the people in our country to go forward together. (Applause.)

Thank you and God bless you. (Applause.)

END 4:21 P.M. EDT

Final 07/04/99 8:00pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
TALKING POINTS FOR BUSINESS ROUNDTABLE
WATERFIELD CABINET COMPANY
CLARKSDALE, MISSISSIPPI
July 6, 1999

- **Acknowledgments**: Sec. Slater, who worked with me on the Delta Commission; Sec. Herman; SBA Admin. Alvarez; Reps. Bennie Thompson, Ronnie Shows, James Clyburn, Paul Kanjorski; Rev. Jesse Jackson; panelists TBD; employees of Waterfield & people of Clarksdale

- **Thank you for inviting me so close to home and even closer to the Crossroads, the Home of the Blues.**

- **Since 1967, when Robert Kennedy came here to Clarksdale, lives in the Delta have been steadily improving.** Still, as Robert Kennedy so often said, we can do better. And as he said that same year: "We must turn the power and resources of our private enterprise system to the underdeveloped nation within our midst." That is what we are doing on this tour; and that is much of what I mean when I say this should be a season of progress for America.

- **Today, the American economy is expanding as never before**. Because our growth has been so strong and sustained, its benefits have flowed to millions of people once cut off from the economic mainstream. African-American and Hispanic unemployment are the lowest on record. Wages are rising. In the past six years, our rising tide has lifted more than a million children out of poverty.

- **Still, there are too many places in America where opportunity is too scarce**. In the Delta, the poverty rate is 1½ times the national average; and here in Coahoma [Co-a-homa] County, it's 2½ times greater. The typical resident of this region earns only $17,000 a year. That's up nearly $3,000 since 1993; though compared to the nation as a whole, it's still only 67 cents on the dollar. And this morning, we saw the shut-down storefronts that tell the story as powerfully as any statistic.

- **But I see more than poverty here; I see great promise.** The success of businesses like Waterfield signals a brighter future not just for Clarksdale, but for the whole of this vast region I call home. On this factory floor, and in the paychecks and pride these workers bring home, we feel the power of private investment and of a strong public commitment to create jobs, attract capital, and expand opportunity.

- **As Governor, when I chaired the Lower Mississippi Delta Development Commission with Govs. Mabus and Roemer, I said that government and business had to work together in a new way – as partners for progress.** That was the only way, as I said back in 1988, "to make the millions of people who live in the Delta area full partners in America for the first time in history." That is the approach I have pursued as President. And that is the approach that is working – through EZs and ECs, a stronger CRA, and CDFIs.

- **The Enterprise Corporation of the Delta (ECD), a private, tax-exempt business development group, is one of those CDFIs, and a real success story.** Since 1994, ECD has given financial or technical assistance to more than 600 companies – like Delta Laundry and Computers, Inc. here in Clarksdale. Overall, ECD has helped generate more than 5,000 jobs and $200m in annual sales. Bill Bynum, thanks for coming today. As CEO and President of ECD, you're doing great and vital work.

- **Today, on behalf of the corporations represented here, I am pleased to announce $14m in new private investments in ECD.** And today, across America, other companies are announcing more than $60m in new investments in CDFIs. With these new resources and the power of private enterprise, the Delta and places like it can truly become centers of commerce – and of hope.

THE WHITE HOUSE

Office of the Press Secretary
(Clarksdale, Mississippi)

For Immediate Release July 6, 1999

REMARKS BY THE PRESIDENT IN ROUNDTABLE DISCUSSION ON INVESTMENT IN THE DELTA REGION

Waterfield Cabinet Company
Clarksdale, Mississippi

10:25 A.M. CDT

THE PRESIDENT: Thank you. Please be seated. Well, it's hot as a fire cracker in here. (Laughter.) So I feel right at home. (Laughter.) I don't know whether Bob Koerber and the people at Waterfield are insured against heat stroke by strangers happening in along the way, but let me say that I am delighted to be here today. I've had a good day already.

And I've got a large group with me, and I can't mention them all, but I'd like to mention a few of them. First I want to thank Secretary Slater, who is, as all of you know, also from Arkansas and worked with me on the Delta Commission. I want to thank our Secretary of Agriculture, Dan Glickman; our Secretary of Labor, Alexis Herman, who is here with me; our SBA Administrator Aida Alvarez. Reverend Jackson, thank you for being here.

I'd like to thank David Brosczek from Fed Ex; Jack Hugsland from Greyhound. We'll introduce our panelists later. I'd also like to say a special word of thanks to Lt. Governor Ronnie Musgrove and his family. They're here -- (applause) -- and we thank him for his interest in the development of the Delta. (Applause.)

Our Congressmen, Bennie Thompson, from this district -- (applause) -- thank you. And I understand Congressman Ronnie Shows from Mississippi is also here -- Ronnie is standing up there -- thank you. (Applause.) And we have two visitors who have come from a long way away to be with us -- Congressman Jim Clyburn from South Carolina, and Congressman Paul Kanjorski, all the way from Pennsylvania, down here. Thank you very much. (Applause.)

And we thank Attorney General Mike Moore for being here, and all the other people from Mississippi who are here. (Applause.)

Let me say again to Bob Koerber and all the folks here at Waterfield, we thank you for giving us a chance to both tour this plant and to camp out in some of your space.

And I would like to be very brief. I've learned to attenuate these remarks of mine. Yesterday, it was 100 degrees in Hazard, Kentucky; we had 10,000 or 15,000 people outside. And I said, I don't believe I better give this speech I was going to give.

Hello, Governor Mavis. It's nice to see you. Welcome.

Thank you very much for being here. (Applause.) And I think my friend, William Winter, is here. Governor Winter, are you here somewhere? He met me at the airport. (Applause.) So, anyway, I talked for about five minutes, and I'd like to do that.

I just want to tell you exactly why we're here. First of all, the people in the Delta know better than anybody else that while this country has had an unbelievable run -- we've had the longest peacetime expansion in our history, nearly 19 million jobs since the day I took the Oath of Office. (Applause.) We have the lowest recorded rates ever of unemployment among African Americans and Hispanics. We have the highest rate of home ownership ever. We have a million kids lifted out of poverty.

Now, having said all that, in the Delta, the poverty rate is much higher than the country as a whole; in this county, it's over twice as high. The unemployment rate is higher than the national average, and the investment rate is lower.

Now, a lot of you -- I remember when I was out on a barge in the Mississippi River outside Rosedale with Ray Mavis back in the mid-'80s, and we signed this agreement with the then-Governor of Louisiana about all the things we wanted to do with the Delta. And then we worked on the Delta Commission for all those years. A lot of good things have happened here, and I want to talk a little about some of them. But I want you to know, I am making this tour of America for one simple reason: I want everybody in America to know that while our country has been blessed with this economic recovery, not all Americans have been blessed by it, that it hasn't reached everyplace. (Applause.)

I want our country to know that there are great opportunities out here for investment for jobs in America. I want them to know what we have done already to make it easier for people to make the most of those opportunities, and what we're still trying to do.

Now, let me say, ever since I became President, I have done what I could to increase investment in undeveloped areas through the empowerment zones, which give tax credits and put tax money into distressed areas; through the enterprise communities; through getting banks to more vigorously approach the Community Reinvestment Act; and setting up community development financial institutions, or supporting those that are already in business, like the Enterprise Corporation of the Delta. It's a private, tax-exempt business group. It is a real success story. Just since 1994, it's given financial or technical assistance to more than 600 companies, including Delta Laundry and Computers here in Clarksdale.

Now, we set these operations up all over the country. Overall, the ECD here has helped to generate more than 5,000 jobs and $200 million in annual sales. Bill Bynum, the CEO and President of ECD is here. We thank him for being here today. (Applause.)

Today corporations represented here with me are going to invest $14 million more in the ECD, so they'll have more money to loan out to people here to create more jobs. Today, around the country, there will be about $150 million more announced to be invested in organizations like this.

In addition to that, I'm trying to get Congress to pass a bill which will give tax incentives, tax credits and loan guarantees to people to invest in the Delta and other poor areas of America, just like they get today to invest in poor areas around the world. I think that it's a good thing that we encourage people to invest in Africa, Latin America and the Caribbean, but they ought to have the same incentives to invest in the Mississippi Delta and Appalachia and the Native American reservations and the inner cities. (Applause.) That is what we're trying to do here. We're trying to close what Reverend Jackson calls the "resource gap."

Now, let me say, we've got a lot of other challenges in the Delta. We have a terrible crisis in American agriculture today. Last year we came up with billions of dollars to try to keep our farmers going. This year we're going to have to do it all over again. And we've got a lot of other problems. But, fundamentally, what I want America to know is that every place in the country, and today this place, is full of good people, capable of doing good work, who can be trained to do any kind of work. And we are going to do everything we can in the government to give the financial incentives necessary for people to invest here.

And I want to make the same point I made yesterday: Everybody in America has a selfish interest now in developing the Delta. Why? Because most economists believe that if we're going to keep our economic recovery going without inflation, the only way we can possibly do it is to find more customers for our products and then add more workers at home. If you come here, you get both in the same place. You get more workers and more consumers. So it's good for the rest of America as well. (Applause.)

So, again, I say I am delighted to be here. I had a wonderful time in Memphis last night, but I ate too much. I'm sorry it's so hot, but I hope nobody passes out. And I want to

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give Secretary Slater now a chance to talk to our panelists, and then I want all of you to think about when we leave here, what we can do to show people the opportunity that's here now, and what you could do to help me pass on a bipartisan basis the necessary tax incentives and loan guarantees to say to any investor, anywhere in America, if you come to the Mississippi Delta, you can get at least a good a deal as you could investing anywhere else in the world, and we're right here at home and we need you.

Thank you very much. (Applause.)

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THE PRESIDENT: I just want to emphasize for everybody who is here listening, because a lot of you may be able to come to Bill with a good idea -- there are -- it's not just that there is not enough money available in this area for good investments. Someone has to decide what's a good investment. And what he has done is to basically go out and get money from other people who, on their own, would never have the time or effort or maybe even the inclination to make these investments, but they trust them to do it -- including our Community Development Fund, which, as you heard, has given him $4.5 million.

Hillary and I, when we were in Arkansas, helped to set up the Southern Development Bank in Arkansas, as you know, so we believe in this. In addition to that, I want to emphasize one other thing. In the empowerment zone program that the Vice President has run for us over the last six years, people who invest there can get substantial tax benefits for investing, and then they get tax benefits for hiring people. But they don't get them if they're outside of these zones.

One of the reasons that I'm trying so hard to pass this legislation is not everyplace in America can be in an empowerment zone, even if we keep increasing them every year. So what I want to do is to make every area in America that needs an investor equally eligible to get the investors' attention by being able to get these kinds of tax benefits, so we can get more money into these development corporations and then have equal tax incentives for investors to go into high unemployment areas -- those two things, if we have enough people like you who are as good as it as you have been, I think will make a huge difference. I think it will really, in the next five or six years, would make a breathtaking difference, because people are out here looking at these markets now. And I want to thank you.

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THE PRESIDENT: Let me say this very briefly. I was there when you started, and I was delighted when I heard you were going to be on the program. I wish we'd had time today -- we don't -- to tell everybody the fascinating story of how you got started, how you found the equipment to do the brown rice in the first place. And someday you ought to write it up, because no one who understands what was going on in America at the time would believe it. And it's a real tribute to your initiative. And I'm glad you're still doing well, and glad you're still growing. Thank you for being here today. Thank you. (Applause.)

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THE PRESIDENT: Let me say, I'm delighted that you've done so well over these years since you began in Arkansas. I remember when you planted roots in Pine Bluff. I just think it's worth pointing out that the South Shore Bank of Chicago, which financed you, was really the first great community development bank in the United States. And they were inspired, among others, by a man named Mohamad Yunus from Bangladesh, who has now made millions of loans to poor, poor village people in Bangladesh through the bank you set up.

Hillary and I had some contact with him; that's what led to the establishment of the bank in Arkadelphia and to my belief that we in the national government ought to do more to support people like Bill. I think -- again, you've just heard now three stories, and two of them involve people who have had to get credit. A lot -- I always say one of Clinton's laws of politics is, when somebody tells you that a problem is not a money problem, they're almost always talking about someone else's problem, not their own. To a great extent, this is a money problem. You have all these talented people and all these good ideas; there is a pretty even distribution of human resources and ability in this whole world, but there is not an even distribution of access to capital. And that's what it is we're trying to fix. So I thank you. (Applause.)

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THE PRESIDENT: You have an announcement, right? Okay. You're being way too modest. Now, you know, this lady is the assistant plant manager here. According to my notes, she also is the mother of five children. (Applause.) When this place was in bankruptcy, they took it out and they've turned it around. They're doing good business, they're expanding their work force. And I think what we need, frankly, are more people that have this particular expertise, particularly in the Delta, because there's

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more than one place like this.

Our host was telling us there's another place across the river in Arkansas that he's been looking at now. If we had a core of people who had this skill to go with what our local venture capitalist and banker here is doing for us, we could really do some good.

But I think we ought to recognize that what these people have done here and the jobs that they've given folks the opportunity to hold is quite important and could be a good model for others in the Delta. So I thank you for what you've done. (Applause.)

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THE PRESIDENT: Well, I know we've got to wrap up. If you don't remember anything else when you leave, remember what Cathy said -- not just the $500 million, although that's real money even in 1999; that's very impressive. This is a good business opportunity here. If we cannot fully develop the Delta now when we have the strongest economy in our lifetime, when will we ever get around to it?

And remember -- put yourself in my position. I sit in Washington all the time, trying to think about how can we keep this economic recovery going, adding more jobs, raising incomes, without having inflation? If we get inflation, then the Federal Reserve will have to raise interest rates so much the economic recovery will slow down.

The only way to do it -- I will say again to all of America -- the only way to do it is more customers which then makes possible more employees, when you can do that with higher productivity and no inflation. The best place in America to do that is a place which has not yet felt the recovery. This is a big deal.

And I want to thank all of our business leaders for coming, and all of our great entrepreneurs here in the Delta. I want to thank you -- I know we could stay here until tomorrow if we could all keep breathing.

I do want to point out that except for the occasional reverend of the cloth and the odd politician, the head of the electric utility is the only guy still wearing his coat because he wants you to use more juice. (Laughter.) And I think that is very impressive. I want to thank our friend from Greyhound because we may always need some people to be able to get to and

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from jobs that aren't in the small towns of rural America, but who want to live in rural America. That's been one of the big challenges Secretary Slater has tried to face with welfare reform, even; trying to make sure people who live in the inner cities can at least get to the suburbs, or who live in small towns and get to a big city so they can take a job without having to undermine their ability to be good parents.

And I want to thank my friend, Bob Cabe from Blue Cross. You need to know that in our former lives, we were both lawyers. And he's a very special economic development expert for me, because in 1981, I was the youngest ex-governor in the history of America with very limited future prospects, and he and his firm offered me a job. So I am living proof that economic development works, thanks to Bob Cabe -- and I thank you very much. (Applause.) And I want to thank, again, all these people for their wonderful work.

The story needs to go out across America: This is a good investment. This is a good deal. We will help you. We will help you. We have institutions to help you. We have tax relief to help you. And more and more, our financial institutions are coming up with the money. But America needs to wake up and recognize that the best new market for American products and for new American investment is right here in the U.S. of A.

Thank you very much and God bless you. (Applause.)

END 11:10 A.M. CDT

Fore Book

PART III: THE OPPORTUNITY WE DESERVE

2. COMMUNITY EMPOWERMENT AND JOBS: HARNESSING MARKETS FOR DISTRESSED COMMUNITIES

A. INTRODUCTION

In December of 1997, I paid a visit to an area of the South Bronx that had once been close to the economic equivalent of a third world country: the people living there were under-employed and under-housed and the financial community had traditionally under-invested in them. When President Reagan visited the area in the 1980s, he compared it to London in the Blitz. For many it seemed like a community beyond hope or repair.

The transformation I saw two years ago was remarkable. The South Bronx had gone from decay and chaos to development and pride; from a fragmented collection of individuals struggling to survive to a cohesive community of citizens, working to build a better life for everyone. It was the kind of meeting that made me proud to be President and even prouder to be an American.

How did this transformation happen? In addition to the hard work and commitment of the people of the South Bronx – who simply shattered the conventional wisdom about the poor – we worked to develop a new approach to the issues of community empowerment that did not rely on older, preconceived notions.

B. A THIRD WAY

When I took office in 1993, our cities – including the South Bronx -- were reeling from failures of two opposing policy frameworks. On the one hand, there was a sense that government had failed over the years through well-intentioned but misguided programs that focused on the amount of government dollars spent rather than on incentives and results. On the other side were those who brought further neglect and economic decline to inner cities by a laissez-faire approach that called only for government retreat.

Recognizing that the solution to our pressing urban social and economic problems was not "more of the same," I proposed a third way to tackle the problems of our distressed communities – an approach that was rooted in the lessons of what works and what does not.

This third way acknowledged that government can't solve all of our problems, but it can't leave people to sink or swim on their own, either. That we have an obligation, all of us, to give every single person the tools to make the most of his or her life. That we have a duty, together, to create opportunity for those who have been forgotten; to take responsibility for the welfare of not only ourselves and our families, but of our whole community; and to build that community out of every single American, excluding no one because of their background, their race, their religion or any other trait that has nothing to do with undermining our common humanity.

My Administration's community empowerment agenda rejected both the laissez-faire approach and the more of the same approach, and instead focused on a strategy designed to empower people with the skills, opportunity, and capital they needed to take responsibility for rebuilding their communities. This approach is based on four key principles:

1. A radical expansion of individual opportunity and responsibility -- empowering every American with a chance to improve their own lives. This included policies to reward work, such as expanding the Earned Income Tax Credit (EITC) and the enactment of welfare reform and welfare-to-work initiatives.

2. Spurring private investment and expanding access to capital and credit in our distressed communities by providing incentives for community lending and community empowerment strategies and by challenging the private sector to seek out untapped markets.

3. Securing safer communities by signing the Omnibus Crime Bill and Brady Law, and putting 100,000 police officers on the beat.

4. Focusing on bottom-up, community-based solutions to the problems in distressed neighborhoods and towns instead of federal mandates, by reinventing government, providing more flexibility and designing challenge grant programs that spur all elements of communities to pull together.

C. AN AGGRESSIVE AGENDA FROM DAY ONE

In *Putting People First*, Vice President Gore and I outlined a comprehensive empowerment agenda to tackle the problems of distressed communities – and to do so in a way that rewarded work, ensured greater access to capital, and created safer neighborhoods. This included: the creation of the first-ever federal Empowerment Zones and Enterprise Communities; establishment of a network of Community Development Financial Institutions (CDFIs) and reform of the Community Reinvestment Act (CRA) to provide greater access to capital, credit, and basic banking services to more Americans; expanding the nation's affordable housing stock by making the Low-Income Housing Tax Credit (LIHTC) permanent and the Mortgage Revenue Bond (MRB) program, reinventing the Department of Housing and Urban Development, and increasing the number of housing vouchers; encouraging entrepreneurism by expanding the number of microenterprises, and making available Individual Development Accounts (IDAs) to low-income persons who want to save for their education, a first home, or their retirement.

From day one, Vice President Gore and I pursued this agenda aggressively and, remarkably, we achieved all these policy goals. And while we as a nation still have much further to go, for the first time in 30 years, the structural changes are placing distressed communities on the winning side of new development trends. In our cities, jobs, incomes, and homeownership are going up, while crime and welfare rolls are going down. The poverty rate is at its lowest level in nine years, wages are rising faster than in the nation as a whole, employment has risen 11 percent since 1992, and for the first time in history more than half of central city households are homeowners.

Several factors have contributed to these positive developments: the longest peacetime expansion in American history; public-private partnerships spearheaded by a new generation of innovative mayors, local leaders, private entrepreneurs, and community-based organizations; and our empowerment agenda.

On the other hand, even though we have the lowest peacetime unemployment rate since 1957, there are still 37 cities -- 37 -- where unemployment is double the national average. There are lots of smaller communities where children still have to go past abandoned storefronts to get to a grocery store to buy a carton of milk. There are rural areas and very small towns which have had almost no new investment in the last six years. And, of course, in many, many of our Native American areas and communities there is still a great deal of economic distress and uncertainty.

While we have taken important steps together and made real progress, we need to do more. Many minorities are still being left behind. And it isn't because they don't want to or don't try. In addition, the markets still fail to draw needed investment capital to fuel businesses and job creation, and they fail to provide the personal financial services—from checking accounts to insurance to micro-lending for entrepreneurs—that can be the gateways to economic mobility and security.

I believe as we go into the 21st century that no one should be left behind. We should genuinely create opportunity for every responsible citizen. And because we've got the strongest economy in at least a generation, we have been given an opportunity to prove that we can bring the benefits of free enterprise to every neighborhood in America.

We need to help all Americans share in America's prosperity. Since so many of these distressed communities are communities of color, we must overcome the fears and stereotypes about race and poverty which have kept lenders and investors from giving these communities a hand up. We must face the challenge of harnessing the full power of markets to bring development and opportunity to our neediest communities.

D. BRINGING OPPORTUNITY TO MORE AMERICANS

I have always believed that if we give people the opportunity to improve their lives, they will meet the challenge. Ensuring access to capital, credit, and basic financial services has been the cornerstone of my empowerment strategy, and we have seen the results. The private sector has become re-engaged in our cities and distressed communities. Our six year campaign to highlight the untapped potential of America's underserved communities and helping them to find their competitive niche in the marketplace has brought hope and opportunity back to places long-forgotten or cast aside. Looking ahead, we need to build upon what we have achieved and promote new ideas and policies that expand community empowerment and bring the economic mainstream flowing to neighborhoods that have been left high and dry behind long-standing dams of segregation, discrimination and even hopelessness. The dams have been crumbling, but the years ahead must bring them completely down. The markets of the economic mainstream, if harnessed effectively, can bring a flood of empowerment, entrepreneurialism, and jobs. I think this is a crucial component of our workplan to build One America.

As Robert Kennedy once said, "To ignore the potential contribution of private enterprise is to fight the war on poverty with a single platoon while great armies are left to stand aside." We need to unleash the power of mainstream financial markets, linked to effective non-profit partners, so that people in distressed communities have a chance to get loans that will allow them to start good businesses, build and buy decent homes, and raise their families in dignity. As I have said many times, there needs to be a new partnership between Washington and communities and individuals of this country—there needs to be a way of doing business at *all* levels of government that creates the conditions for people to seize opportunities for themselves. We have embarked on an empowerment strategy to help restore the American Dream in distressed areas by focusing on helping people help themselves and by combining existing ideas and resources with new initiatives to spur growth and investment.

Building Upon a Solid Foundation

When I traveled throughout around America during the 1992 campaign people would come up to me in places that had high unemployment or low-income or other economic problems, and say that they could start their own businesses, become entrepreneurs, and be self sufficient if they just had access to capital and credit, if they had they right technical support, marketing support, loan guarantees. They weren't asking for a handout, only a hand up.

I have always believed that we cannot repair the basic fabric of society until people who are willing to work have work. Work organizes life. It gives structure and discipline to life. It gives a role model to children. We cannot repair the American Community and restore the American family until we provide the structure, the value, the discipline, and the reward that work gives.

So at the start of my administration we put into our first economic plan a proposal to create Empowerment Zones and Enterprise Communities which would provide tax credits, direct investment, technical assistance to communities that had been left behind.

But Empowerment Zones and Enterprise Communities were about more than just economic incentives. It was a challenge to communities to work together. I knew from my days as Governor of Arkansas that top down, one size fits all programs don't work anywhere except on paper. I wanted a different kind of program. I wanted to reinvent how the federal government did business by providing the flexibility communities needed to plan more strategically through a community-driven process.

As the Vice President has noted, one of the great success stories surrounding the Empowerment Zones and Enterprise Communities initiative is that the application process itself has been highly beneficial to communities. Even communities that were not designated as EZs or ECs gained from the application process because it brought together all the different parts of the community and got people to think differently about what would make these places better.

ACCOMPLISHMENTS OF THE EMPOWERMENT ZONE AND ENTERPRISE COMMUNITY STRATEGY

The EZ/EC Initiative

- 135 Empowerment Zones and Enterprise Communities have been designated
- Federal seed money has leveraging over $14 billion in additional public and private sector investment in

The Empowerment Zone and Enterprise Community Initiative is also a key element of this Administration's job creation strategy for America. Its purpose is to create jobs and business opportunities in the most economically distressed areas of inner cities and the rural heartland through a combination of tax incentives and performance grants. It also focuses on activities to support people looking for work, such as job training, child-care, and transportation.

Since its inception in 1994, the EZ/EC Initiative has produced outstanding results by empowering people to create business opportunities and jobs, leverage public and private partnerships, provide affordable housing and make communities safer and better places to live. There are tangible signs that the Empowerment Zone strategy is working in communities around the country.

When I was Governor of Arkansas I heard about a man named Muhammad Yunus in Bangladesh, one of the poorest countries in the world, who had set up small, community-based banks to make very small loans to rural village women to start small businesses. When I met him in the mid-'80s, the Grameen Bank had made had made 400,000 loans at market interest rates to groups of people. Yet, they had a higher repayment rate than the commercial banks did at traditional interest rate levels. Now the Grameen Bank has made about 2 million loans.

I knew we had to replicate this program in the United Sates and in my first year in office I proposed to create a network of community development banks and financial institutions to work alongside mainstream institutions in expanding access to capital to low-income communities. Today, that vision is turning into a reality, with the Treasury Department's CDFI Fund.

The Fund has invested $125 million thus far in community development banks, thrifts, credit unions, loan funds, micro-funds, and venture capital firms whose primary mission is serving low and moderate income communities. These locally-based financial institutions, in turn, use their superior local knowledge and community development expertise to make profitable loans in inner-city and rural small businesses, affordable home ownership strategies, and community infrastructure – bringing mainstream financial institutions into these communities along the way. The Fund has also made $58 million in awards to mainstream banks, leveraging ten times that amount in private sector investment. We are going to expand funding for CDFI, and give it new tools to grow micro-businesses in these communities.

We have also worked very hard to streamline and strengthen the Community Reinvestment Act to make it focus more on performance than paperwork and process. Now CRA focuses on what counts, how much banks lend, invest, and what level of basic banking services, such as checking and savings accounts, ATM machines, tellers, they provide in underserved places. Although CRA has been on the books for twenty years, ninety five percent of all the financial commitments made under the law have been made in the last five years.

The Community Reinvestment Act (CRA) encourages mainstream financial institutions to help meet the needs of their communities, consistent with safe and sound banking practices. CRA is helping to restore healthy markets in distressed communities, helping to build homes, create jobs, and restore hope all across the country. In 1993, large commercial banks alone made $18.6 billion in community development investments. And lending to minority and low-income borrowers is on the rise. Since 1993, home mortgage lending to African Americans has increased by 58 percent, to Hispanics by 52 percent, and to low- to moderate- income borrowers by 38 percent, well above increases in the overall market.

Since 1992, nonprofit community groups estimate that the private sector has pledged over $1 trillion in loans going forward for affordable home ownership and community development. While it is very difficult to say how much of this activity would never have occurred without the CRA, the structure of accountability is a modest regulatory imposition in comparison with the dividends. The CRA is an invaluable tool.

Tax Incentives. We have also harnessed the power of the private sector through targeted tax incentives. We made permanent the low income housing tax credit, which creates nearly 90,000 units of affordable housing each year. And we have proposed expanding it by 40 percent, to help create another 180,000 units of affordable housing over the next five years. Such tax credit investments typically qualify as CRA loans and can constitute a major basis for linking resources and incentives into a comprehensive system which acknowledges the enormous help which financial institutions have, and can, play in rebuilding distressed communities. Also, with Vice President Gore's leadership, we have enacted two rounds of Empowerment Zones, which are helping to bring growth and opportunity to some of the most economically distressed communities in our nation. We have also passed a Brownfields Tax Incentive to help clean up nearly 11,000 environmentally contaminated sites in our inner cities and rural areas, and bring them back to life—and I have proposed to Congress that this incentive be a permanent part of our tax code.

E. NEW DIRECTION

We now must take more direct action to harness the power of the private market to provide equity capital to businesses often left out of the mainstream.

For years our government has worked to give Americans incentives to invest in emerging markets around the world. But we now know, as we look forward to how we can continue to create jobs and have economic growth without inflation, that our greatest untapped markets are here at home -- at the least $85 billion in untapped markets. (GREENSPAN QUOTE: LISA OR SARAH PLEASE IDENTIFY)

They are up in Harlem and the South Bronx, Watts, Roxbury, or in any of the other countless number of cities around the country where every morning working parents have to go all the way out to the suburbs to get a job.

So how are we going to do this? First, the business leaders of our country have to help us. We have to mobilize the private sector to bring new jobs and opportunities. We know that, since the government, the federal government is the smallest it has been since 1962, what we can do is to do what we have been doing. We can find a new way to create the conditions and give the private sector the tools to bring investment to these areas to put people to work.

Now, how can we do that? More empowerment zones, more community development banks, but also our New Markets Initiative. If we want more investments in the inner-cities, more investment in the medium-sized cities and small towns, more investments in rural areas, you've got to have more equity investment. So in the State of the Union I proposed this New Markets Initiative, to leverage billions of dollars in that kind of investment by providing tax credits of up to 25 percent of the equity placed in untapped markets.

I also proposed to create American private investment companies and new market venture capital firms to bring more equity capital to investors who develop or expand in these areas with loan guarantees that would cover up to two-thirds of the investment. If you have 25 percent tax credit for what's at risk, and a loan guarantee of two-thirds of the rest, and a plain market there, and we can actually get this out in simple terms that people can understand, I think we have a chance to spark an enormous amount of economic development in America before this administration's work is done.

We should not be thinking of our success without an equal determination to give every one of our fellow citizens a chance to be a part of it as we go into a new century. We don't have to leave anyone behind. And if we can't do this now, when in the wide world will we ever get around to it?

NEW MARKETS INITIATIVE.

Communities that are more livable are more likely to be places of hope and economic opportunity. Under the leadership of the Vice President, our Livability Agenda integrates the commitments of more than a dozen Federal agencies. As part of this Agenda, the Administration will continue to work with and learn from states, communities, and other stakeholders, and to develop new strategies to provide them with additional tools and resources. The Livability Agenda also supplements the various programs that make up the Administration's Community Empowerment Agenda, which is designed to encourage reinvestment in existing communities and provide greater opportunity for their residents.

Look To GSEs to do more. We also need to examine other new ideas. For example, banks that make business and other job-creating loans in distressed areas may need help akin to that we have long given to mortgage lenders—the kind of assistance that helped build the middle-class, the suburbs and our modern American dream of home ownership.

That means various tools to provide credit enhancement or subsidies for such lending. For example, to increase dramatically the levels of community development lending, lenders must be able to take the borrower's commitment to pay off the loan and turn around and sell that commitment to investors on a secondary market in the same way that banks can sell home mortgages on a secondary market. It is that secondary market that allows the lending bank to replenish its resources and make still more loans. The lending risk can be divided up – shared between the lender, the investors from the government, and various levels of government. Another thing to explore is using state and federal tax incentives to draw more debt and equity capital into community development. Our proposal for a *New Markets Tax Credit* is a step in that direction, and additional flexible incentives will be needed. All of this should be considered in relation to the current set of housing-related institutions and incentives, including FHA, Ginnie Mae, Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System. We must ask ourselves, what reforms are necessary to better focus these institutions on meeting the continuing need for housing capital in underserved communities? Should the role of these institutions be expanded to meet the community development challenge or our distressed urban and rural communities? Or, should we create or help the private sector create parallel institutions to focus exclusively on the unique challenges presented in building a finance system for community development?

First and foremost, we must recognize that public, democratically defined incentives, leadership and vision can be important, but only private resources and energy, tied to personal initiative and drive, can give us the widespread and enduring success every community deserves.

Complementing that private engagement, local community growth strategies have to be linked to regional growth opportunities, since it is regional economies that are the major engines of our prosperity. Local communities—both the public and private actors—need information and technical expertise to analyze and harness economic growth throughout their regions. Regional transportation planning is one of the building blocks for this cooperation but even more can be done to include housing, jobs, and community reinvestment as well.

Regional leadership must work with the private sector and with non-profit agencies to provide technical assistance and mentoring to small businesses to overcome barriers to entering the mainstream economy. And we need national and regional institutions that can help local community-based organizations provide low-income families with the necessary skills and to connect them to available jobs throughout their local economy, as we are trying to do, for example, in the Welfare-to-Work Partnership.

I believe that to continue and improve our prosperity in the 21st century, we need to bring all American communities into the economic mainstream. The workplan I have outlined here will help bring growth and opportunity to America's economically distressed communities. Now, while the economy is so strong, is the right time to act. We cannot afford to miss this chance to invest in the opportunity we deserve.

As Dr. King said on the steps of the Lincoln Memorial, America must "refuse to believe that there are insufficient funds in the great vaults of opportunity I this nation." Those vaults of opportunity today are richer and fuller than they have ever been. Now what we need to do is to open those vaults up so they'll fill up even more for all of you.

THE CLINTON-GORE ADMINISTRATION'S COMMUNITY DEVELOPMENT AGENDA AND RECORD

August 11, 1999

PRESIDENT CLINTON AND VICE PRESIDENT GORE ARE BUILDING ON THEIR RECORD OF ACHIEVEMENT THROUGH A NUMBER OF NEW COMMUNITY DEVELOPMENT INITIATIVES THIS YEAR. While Americans are enjoying the fruits of our strong economy, we still need to do more to improve conditions in underserved urban and rural communities and connect these communities to the economic mainstream. To address this need, President Clinton and Vice President Gore are working on several fronts:

The New Markets Initiative. President Clinton's FY 2000 balanced budget provides a new initiative designed to create the conditions for economic success by prompting approximately $15 billion in new investment in urban and rural areas through:

introduce (Rangel)

- *The New Markets Tax Credit.* To help spur $6 billion in new equity capital, this tax credit is worth up to 25 percent for investments in a wide range of vehicles serving these communities, including community development banks, venture funds, and the new investment company programs created by this initiative (see below). A wide-range of businesses could be financed by these investment funds, including small technology firms, inner-city shopping centers, manufacturers with hundreds of employees, and retail stores.

- *America's Private Investment Companies (APICs).* Just as America's support for the Overseas Private Investment Corporation helps promote growth in emerging markets abroad, APICs will encourage private investment in America's untapped markets, by leveraging up to $1.5 billion in investment in new development projects and businesses that are expanding or relocating in inner city and rural areas. introduced (LaFalce, Sarbanes)

- *SBIC's Targeted to New Markets.* For over 40 years, SBA's Small Business Investment Company (SBIC) program has provided roughly $20 billion in equity and debt financing to more than 85,000 different companies, helping them to grow from small businesses to household names, like AOL and Staples. However, too little of the capital invested has benefited our cities and rural distressed communities. SBA now will be offering more flexibility and new financing terms for Small Business Investment Companies (SBICs) that invest in underserved areas.

- *New Markets Venture Capital (NMVC) Firms.* NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity and technical assistance of private investors. to be introduced (Velazquez, Kerry)

- *BusinessLINC.* The President's FY 2000 budget includes seed money to expand Business LINC --- an innovative public-private partnership launched by Vice President Gore --- in economically distressed communities. BusinessLINC (Learning, Investment, Networking and Collaboration) is designed to encourage large businesses to mentor small business owners and entrepreneurs.

- *Community Development Financial Institutions (CDFI) Fund.* The budget proposes to expand funding for the CDFI Fund to $125 million--a $30 million increase from 1999. The Fund increases the availability of credit, investment capital, financial services, and other development services in distressed communities.

money to investors not business
incentives for investment

- *New Markets Lending Companies (NMLC).* For the first time in many years, SBA will approve approximately 10 new non-bank lenders --- firms authorized to originate loans under SBA's largest loan program – the 7(a) General Business Loan Guaranty program. Firms must have a strategy to target lending to underserved areas.

- *Microenterprise Lending and Technical Assistance.* Microenterprise initiatives in the FY 2000 budget include the proposed PRIME Act, under which the CDFI Fund will provide microenterprise technical assistance through competitive grants to microenterprise development organizations that focus on low-income entrepreneurs. President Clinton's and Vice President Gore's proposal also includes a doubling of support for technical assistance in SBA's Microloan Program and a doubling of support for SBA lending to leverage over $75 million in new microlending.

Additional Initiatives Designed to Improve Conditions In Underserved Rural & Urban Communities. President Clinton and Vice-President Gore have proposed the expansion or establishment of the following additional initiatives designed to create the conditions for economic success by encouraging new investment in urban and rural areas:

- *Empowerment Zones and Enterprise Communities.* The FY 2000 budget proposes full funding for ten years for the Second Round of Empowerment Zones and Enterprise Communities, which were designated in January, 1999. This includes $100 million over ten years for urban EZs; $40 million over ten years for rural EZs; and $3 million for rural ECs. The FY 2000 budget also includes $50 million to create a new Regional Empowerment Zone Program to assist 1st and 2nd urban EZ and ECs in linking their economic development strategies to their broader regional economies.

- *Regional Connections.* Regional Connections will provide competitive funding to States and partnerships of local governments to develop and implement new, locally driven "smarter growth" strategies that create more livable communities by addressing economic and community development needs across jurisdictional lines. Regional Connections, will complement federal programs that respond to growth and investment patterns. The budget proposes funding at $50 million in FY 2000.

- *The Economic Development Initiative and Section 108 Loan Guarantee Program.* This program supports economic development in distressed communities in conjunction with the Section 108 loan guarantee program. In FY 2000 many projects will be eligible to participate in the Community Empowerment Fund Trust, a pilot program, which will enable the pooling of loans and the creation of a private sector secondary market for economic development loans. The CEF specifically targets Welfare-to-Work and City-Suburb Business Connections.

- *Low-Income Housing Tax Credit.* Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of $1.25 per capita to allocate to affordable housing projects. While building costs have increased 40 percent in the last decade, the credit has not been adjusted for inflation. President Clinton and Vice President Gore propose to increase the cap on the LIHTC from $1.25 per capita to $1.75 per capita .

- *Helping America's Communities Redevelop Abandoned Buildings.* Redevelopment of Abandoned Buildings, would attack one of the primary causes of blight in urban neighborhoods: abandoned apartment buildings, single-family homes, warehouses, office buildings, and commercial centers. Under the proposal, HUD will provide $50 million in competitive grant funds in FY2000 to local governments to support the demolition or deconstruction of blighted, abandoned buildings.

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