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LOCAL INITIATIVES SUPPORT CORPORATION
1825 K STREET, N.W., SUITE 909, WASHINGTON, D.C. 20006
TEL: (202) 785-2908
FAX: (202) 835-8931

What Is Local Initiatives Support Corporation (LISC)?

LISC, one of the nation's leading nonprofit corporations, helps local people rebuild deteriorated neighborhoods across America. It provides financing and technical know-how to nonprofit community development corporations called CDCs. These neighborhood-based groups develop affordable housing, spur commercial investment, create jobs and expand other services that improve the quality of life in the low-income communities where they live and work.

What Is LISC's History?

Established by the Ford Foundation in 1979, LISC is the nation's largest community development support organization with programs in 34 cities and regions around the country. With LISC's help more than 1300 CDCs nationwide have built or rehabilitated 57,000 decent, affordable homes and apartments, created 9.6 million square feet of commercial and industrial space, and gained recognition as a driving force in community renewal. LISC believes that CDCs are the most effective vehicle for transforming their own communities.

How Does LISC Raise Money?

Since its inception, LISC has raised \$1.4 billion in donations and investments to bolster CDC activities. The funds have come from more than 1400 corporations and foundations, individuals and public agencies. These dollars have enabled CDCs to leverage more than \$2.6 billion locally.

How Does LISC Distribute These Funds to CDCs?

LISC provides grants and loans to CDCs as well as equity for affordable housing development. The 34 program areas are each served by a small LISC staff and a Local Advisory Committee. When a new program is launched, national LISC matches the dollars raised locally. Once established, local programs work closely with area CDCs and recommend projects to LISC's national Board of Directors. With board approval, national LISC then uses this money to support CDC sponsored activities such as housing production, economic development and social services.

How Has LISC Expanded Financial Support for Low-Income Communities?

In 1987, LISC created the following two affiliates:

•National Equity Fund (NEF)

NEF is the country's largest nonprofit corporate investment fund for community-based affordable housing development. It organizes partnerships of Fortune 500 corporations interested in investing in affordable housing. In return, NEF investors receive Low Income Housing Tax Credits which can be applied against their federal income taxes. In eight years, NEF has raised nearly \$1 billion to create more than 20,000 homes for individuals and families across America.

•Local Initiatives Managed Assets Corporation (LIMAC)

LIMAC attracts new capital to the community development field by creating a national secondary market for affordable housing and community development loans. It enables an expanding group of institutional investors to support community development efficiently and with minimal risk. As the creator of this secondary market, LIMAC has the staff and expertise to select, underwrite and monitor loans. It pools loans, provides credit enhancement and converts loans into securities that are then sold in large denominations to institutional investors through private placements. By selling loans to LIMAC, lenders are able to recycle loan funds and increase lending activity in communities nationwide, including those not directly served by a LISC program.

In 1992, LISC created a third affiliate:

•The Retail Initiative (TRI)

TRI, a nonprofit national commercial equity fund, was formed to assist CDCs in bringing quality retail goods and services into their neighborhoods. Drawing upon LISC's network of 34 local programs, TRI is working with CDCs to locate and assemble sites, identify operators and development partners and attract city, state and federal subsidies. The TRI 1994 Limited Partnership was closed on August 11, 1994 with \$24 million from 10 investors, including Prudential, Home Savings, First Interstate Bank, Bank of America and Metropolitan Life.

revised 2/24/95



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

To: Seidman
for Barr

MEMORANDUM

More to follow.

DATE: June 6, 1996
TO: RAHM EMANUEL
FROM: MICHAEL BARR *mb*
SUBJECT: CLEVELAND -- NATIONAL EQUITY FUND ANNOUNCEMENT

Sylvia Mathews suggested that you would be interested in more information on the National Equity Fund Announcement scheduled for the weekend of the Conference of Mayors meeting in Cleveland.

This year, NEF raised \$400 million from the private sector to help community development organizations around the country build affordable housing and advance community development.

NEF's success is built on two Administration initiatives: permanent extension of the low income housing tax credit in 1993, and vigorous support for the Community Reinvestment Act.

We work closely with LISC, its parent entity, on a number of projects. LISC would be delighted to have the Administration take credit for making this possible.

Attachment
cc: Sylvia Mathews

The White House
Office of the Press Secretary

For Immediate Release

July 19, 1995

REMARKS BY THE PRESIDENT
ON AFFIRMATIVE ACTION

The Rotunda
National Archives

11:40 A.M. EDT

THE PRESIDENT: Thank you very much. To the members of Congress who are here; members of the Cabinet and the administration, my fellow Americans: In recent weeks I have begun a conversation with the American people about our fate and our duty to prepare our nation not only to meet the new century, but to live and lead in a world transformed to a degree seldom seen in all of our history. Much of this change is good, but it is not all good, and all of us are affected by it. Therefore, we must reach beyond our fears and our divisions to a new time of great and common purpose.

Our challenge is twofold: first, to restore the American dream of opportunity and the American value of responsibility; and second, to bring our country together amid all our diversity into a stronger community, so that we can find common ground and move forward as one.

More than ever these two endeavors are inseparable. I am absolutely convinced we cannot restore economic opportunity or solve our social problems unless we find a way to bring the American people together. To bring our people together we must openly and honestly deal with the issues that divide us. Today I want to discuss one of those issues: affirmative action.

It is, in a way, ironic that this issue should be divisive today, because affirmative action began 25 years ago by a Republican president with bipartisan support. It began simply as a means to an end of enduring national purpose -- equal opportunity for all Americans.

So let us today trace the roots of affirmative action in our never-ending search for equal opportunity. Let us determine what it is and what it isn't. Let us see where it's worked and where it hasn't, and ask ourselves what we need to do now. Along the way, let us remember always that finding common ground as we move toward the 21st century depends fundamentally on our shared commitment to equal opportunity for all Americans. It is a moral imperative, a constitutional mandate, and a legal necessity.

There could be no better place for this discussion than the National Archives, for within these walls are America's bedrocks of our common ground -- the Declaration of Independence, the Constitution, the Bill of Rights. No paper is as lasting as the words these documents contain. So we put them in these special cases to protect the parchment from the elements. No building is as solid as the principles these documents embody, but we sure tried to build one with these metal doors 11 inches thick to keep them safe, for these documents are America's only crown jewels. But the best place of all to hold these words and these principles is the one place in which they can never fade and never grow old -- in the stronger chambers of our hearts.

Beyond all else, our country is a set of convictions: We hold these truths to be self-evident that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness.

Our whole history can be seen first as an effort to preserve these rights, and then as an effort to make them real in the lives of all our citizens. We know that from the beginning, there was a great gap between the plain meaning of our creed and the meaner reality of our daily lives. Back then, only white male property owners could vote. Black slaves were not even counted as whole people, and Native Americans were regarded as little more than an obstacle to our great national progress. No wonder Thomas Jefferson, reflecting on slavery, said he trembled to think God is just.

On the 200th anniversary of our great Constitution, Justice Thurgood Marshall, the grandson of a slave, said, "The government our founders devised was defective from the start, requiring several amendments, a civil war, and momentous social transformation to attain the system of constitutional government and its respect for the individual freedoms and human rights we hold as fundamental today."

Emancipation, women's suffrage, civil rights, voting rights, equal rights, the struggle for the rights of the disabled --all these and other struggles are milestones on America's often rocky, but fundamentally righteous journey to close the gap between the ideals enshrined in these treasures here in the National Archives and the reality of our daily lives.

I first came to this very spot where I'm standing today 32 years ago this month. I was a 16-year-old delegate to the American Legion Boys Nation. Now, that

summer was a high-water mark for our national journey. That was the summer that President Kennedy ordered Alabama National Guardsmen to enforce a court order to allow two young blacks to enter the University of Alabama. As he told our nation, "Every American ought to have the right to be treated as he would wish to be treated; as one would wish his children to be treated."

Later that same summer, on the steps of the Lincoln Memorial, Martin Luther King told Americans of his dream that one day the sons of former slaves and the sons of former slaveowners would sit down together at the table of brotherhood; that one day his four little children would be judged not by the color of their skin, but by the content of their character. His words captured the hearts and steeled the wills of millions of Americans. Some of them sang with him in the hot sun that day. Millions more like me listened and wept in the privacy of their homes.

It's hard to believe where we were just three decades ago. When I came up here to Boys Nation and we had this mock congressional session I was one of only three or four southerners who would even vote for the civil rights plank. That's largely because of my family. My grandfather had a grade school education and ran a grocery store across the street from the cemetery in Hope, Arkansas, where my parents and my grandparents are buried. Most of his customers were black, were poor, and were working people. As a child in that store I saw that people of different races could treat each other with respect and dignity.

But I also saw that the black neighborhood across the street was the only one in town where the streets weren't paved. And when I returned to that neighborhood in the late '60s to see a woman who had cared for me as a toddler, the streets still weren't paved. A lot of you know that I am an ardent movie-goer. As a child I never went to a movie where I could sit next to a black American. They were always sitting upstairs.

In the 1960s, believe it or not, there were still a few courthouse squares in my state where the rest rooms were marked "white" and "colored." I graduated from a segregated high school seven years after President Eisenhower integrated Little Rock Central High School. And when President Kennedy barely carried my home state in 1960, the poll tax system was still alive and well there.

Even though my grandparents were in a minority, being poor, Southern whites who were pro-civil rights, I think most other people knew better than to think the way they did. And those who were smart enough to act differently, discovered a lesson that we ought to remember today: Discrimination is not just morally wrong, it hurts everybody.

In 1960, Atlanta, Georgia, in reaction to all the things that were going on all across the South, adopted the motto, "The city too busy to hate." And however imperfectly over the years, they tried to live by it. I am convinced that Atlanta's success -- it now is home to more foreign corporations than any other American city, and one year from today it will begin to host the Olympics -- that that success all began when people got too busy to hate.

The lesson we learned was a hard one. When we allow people to pit us against one another or spend energy denying opportunity based on our differences, everyone is held back. But when we give all Americans a chance to develop and use their talents, to be full partners in our common enterprise, then everybody is pushed forward.

My experiences with discrimination are rooted in the South and in the legacy slavery left. I also lived with a working mother and a working grandmother when women's work was far rarer and far more circumscribed than it is today. But we all know there are millions of other stories -- those of Hispanics, Asian Americans, Native Americans, people with disabilities, others against whom fingers have been pointed. Many of you have your own stories, and that's why you're here today -- people who were denied the right to develop and use their full human potential. And their progress, too, is a part of our journey to make the reality of America consistent with the principles just behind me here.

Thirty years ago in this city, you didn't see many people of color or women making their way to work in the morning in business clothes, or serving in substantial numbers in powerful positions in Congress or at the White House, or making executive decisions every day in businesses. In fact, even the employment want ads were divided, men on one side and women on the other.

It was extraordinary then to see women or people of color as television news anchors, or, believe it or not, even in college sports. There were far fewer women in minorities as job supervisors, or firefighters, or police officers, or doctors, or lawyers, or college professors, or in many other jobs that offer stability and honor and integrity to family life.

A lot has changed, and it did not happen as some sort of random evolutionary drift. It took hard work and sacrifices and countless acts of courage and conscience by millions of Americans. It took the political courage and statesmanship of Democrats and Republicans alike, the vigilance and compassion of courts and advocates in and out of government committed to the Constitution and to equal protection and to equal opportunity. It took the leadership of people in business who knew that in the end we would all be better. It took the leadership of people in labor unions who knew that working people had to be reconciled.

Some people, like Congressman Lewis there, put their lives on the line. Other people lost their lives. And millions of Americans changed their own lives and put hate behind them. As a result, today all our lives are better. Women have become a major force in business and political life, and far more able to contribute to their families incomes. A true and growing black middle class has emerged. Higher education has literally been revolutionized, with women and racial and ethnic minorities attending once overwhelmingly white and sometimes all male schools.

In communities across our nation police departments now better reflect the make-up of those whom they protect. A generation of professionals now serve as role models for young women and minority youth. Hispanics and newer immigrant populations are succeeding in making America stronger.

For an example of where the best of our future lies just think about our space program and the stunning hook-up with the Russian space station this month. Let's remember that that program, the world's finest, began with heroes like Alan Shepard and Senator John Glenn, but today it's had American heroes like Sally Ride, Ellen Ochoa, Leroy Child, Guy Bluford and other outstanding, completely qualified women and minorities.

How did this happen? Fundamentally, because we opened our hearts and minds and changed our ways. But not without pressure -- the pressure of court decisions, legislation, executive action, and the power of examples in the public and private sector. Along the way we learned that laws alone do not change society; that old habits and thinking patterns are deeply ingrained and die hard; that more is required to really open the doors of opportunity. Our search to find ways to move more quickly to equal opportunity led to the development of what we now call affirmative action.

The purpose of affirmative action is to give our nation a way to finally address the systemic exclusion of individuals of talent on the basis of their gender or race from opportunities to develop, perform, achieve and contribute. Affirmative action is an effort to develop a systematic approach to open the doors of education, employment and business development opportunities to qualified individuals who happen to be members of groups that have experienced longstanding and persistent discrimination.

It is a policy that grew out of many years of trying to navigate between two unacceptable pasts. One was to say simply that we declared discrimination illegal and that's enough. We saw that that way still relegated blacks with college degrees to jobs as railroad porters, and kept women with degrees under a glass ceiling with a lower paycheck.

The other path was simply to try to impose change by leveling draconian penalties on employers who didn't meet certain imposed, ultimately arbitrary, and sometimes unachievable quotas. That, too, was rejected out of a sense of fairness.

So a middle ground was developed that would change an inequitable status quo gradually, but firmly, by building the pool of qualified applicants for college, for contracts, for jobs, and giving more people the chance to learn, work and earn. When affirmative action is done right, it is flexible, it is fair, and it works.

I know some people are honestly concerned about the times affirmative action doesn't work, when it's done in the wrong way. And I know there are times when some employers don't use it in the right way. They may cut corners and treat a flexible goal as a quota. They may give opportunities to people who are unqualified instead of those who deserve it. They may, in so doing, allow a different kind of discrimination. When this happens, it is also wrong. But it isn't affirmative action, and it is not legal.

So when our administration finds cases of that sort, we will enforce the law aggressively. The Justice Department files hundreds of cases every year, attacking discrimination in employment, including suits on behalf of white males. Most of these suits, however, affect women and minorities for a simple reason -- because the vast majority of discrimination in America is still discrimination against them. But the law does require fairness for everyone and we are determined to see that that is exactly what the law delivers. (Applause.)

Let me be clear about what affirmative action must not mean and what I won't allow it to be. It does not mean -- and I don't favor -- the unjustified preference of the unqualified over the qualified of any race or gender. It doesn't mean -- and I don't favor -- numerical quotas. It doesn't mean -- and I don't favor -- rejection or selection of any employee or student solely on the basis of race or gender without regard to merit.

Like many business executives and public servants, I owe it to you to say that my views on this subject are, more than anything else, the product of my personal experience. I have had experience with affirmative action, nearly 20 years of it now, and I know it works.

When I was Attorney General of my home state, I hired a record number of women and African American lawyers -- every one clearly qualified and exceptionally hardworking. As Governor, I appointed more women to my Cabinet and state boards than any other governor in the state's history, and more African Americans than all the governors in the state's history combined. And no one ever questioned their qualifications or performance. And our state was better and stronger because of their service.

As President, I am proud to have the most diverse administration in history in my Cabinet, my agencies and my staff. And I must say, I have been surprised at the criticism I have received from some quarters in my determination to achieve this.

In the last two and a half years, the most outstanding example of affirmative

action in the United States, the Pentagon, has opened 260,000 positions for women who serve in our Armed Forces. I have appointed more women and minorities to the federal bench than any other president, more than the last two combined. And yet, far more of our judicial appointments have received the highest rating from the American Bar Association than any other administration since those ratings have been given.

In our administration many government agencies are doing more business with qualified firms run by minorities and women. The Small Business Administration has reduced its budget by 40 percent, doubled its loan outputs, dramatically increased the number of loans to women and minority small business people, without reducing the number of loans to white businessowners who happen to be male, and without changing the loan standards for a single, solitary application. Quality and diversity can go hand in hand, and they must. (Applause.)

Let me say that affirmative action has also done more than just open the doors of opportunity to individual Americans. Most economists who study it agree that affirmative action has also been an important part of closing gaps in economic opportunity in our society, thereby strengthening the entire economy.

A group of distinguished business leaders told me just a couple of days ago that their companies are stronger and their profits are larger because of the diversity and the excellence of their work forces achieved through intelligent and fair affirmative action programs. And they said we have gone far beyond anything the government might require us to do because managing diversity and individual opportunity and being fair to everybody is the key to our future economic success in the global marketplace.

Now, there are those who say, my fellow Americans, that even good affirmative action programs are no longer needed; that it should be enough to resort to the courts or the Equal Employment Opportunity Commission in cases of actual, provable, individual discrimination because there is no longer any systematic discrimination in our society. In deciding how to answer that let us consider the facts.

The unemployment rate for African Americans remains about twice that of whites. The Hispanic rate is still much higher. Women have narrowed the earnings gap, but still make only 72 percent as much as men do for comparable jobs. The average income for an Hispanic woman with a college degree is still less than the average income of a white man with a high school diploma.

According to the recently completed Glass Ceiling Report, sponsored by Republican members of Congress, in the nation's largest companies only six-tenths of one percent of senior management positions are held by African Americans, four-tenths of a percent by Hispanic Americans, three-tenths of a percent by Asian Americans; women hold between three and five percent of these positions. White males make up 43 percent of our work force, but hold 95 percent of these jobs.

Just last week, the Chicago Federal Reserve Bank reported that black home loan applicants are more than twice as likely to be denied credit as whites with the same qualifications; and that Hispanic applicants are more than one and a half times as likely to be denied loans as whites with the same qualifications.

Last year alone the federal government received more than 90,000 complaints of employment discrimination based on race, ethnicity or gender. Less than three percent were for reverse discrimination.

Evidence abounds in other ways of the persistence of the kind of bigotry that can affect the way we think even if we're not conscious of it, in hiring and promotion and business and educational decisions.

Crimes and violence based on hate against Asians, Hispanics, African Americans and other minorities are still with us. And, I'm sorry to say, that the worst and most recent evidence of this involves a recent report of federal law enforcement officials in Tennessee attending an event literally overflowing with racism -- a sickening reminder of just how pervasive these kinds of attitudes still are.

By the way, I want to tell you that I am committed to finding the truth about what happened there and to taking appropriate action. And I want to say that if anybody who works in federal law enforcement thinks that that kind of behavior is acceptable, they ought to think about working someplace else. (Applause.)

Now, let's get to the other side of the argument. If affirmative action has worked and if there is evidence that discrimination still exists on a wide scale in ways that are conscious and unconscious, then why should we get rid of it as many people are urging? Some question the effectiveness or the fairness of particular affirmative action programs. I say to all of you, those are fair questions, and they prompted the review of our affirmative action programs, about which I will talk in a few moments.

Some question the fundamental purpose of the effort. There are people who honestly believe that affirmative action always amounts to group preferences over individual merit; that affirmative action always leads to reverse discrimination; that ultimately, therefore, it demeans those who benefit from it and discriminates against those who are not helped by it.

I just have to tell you that all of you have to decide how you feel about that, and all of our fellow countrymen and women have to decide as well. But I believe if there are no quotas, if we give no opportunities to unqualified people, if we have no reverse discrimination, and if, when the problem ends -- the program ends, that criticism is wrong. That's what I believe. But we should have this debate and everyone should ask the question. (Applause.)

Now let's deal with what I really think is behind so much of this debate today. There are a lot of people who oppose affirmative action today who supported it for a very long time. I believe they are responding to the sea change in the experiences that most Americans have in the world in which we live.

If you say now you're against affirmative action because the government is using its power or the private sector is using its power to help minorities at the expense of the majority, that gives you a way of explaining away the economic distress that a majority of Americans honestly feel. It gives you a way of turning their resentment against the minorities or against a particular government program, instead of having an honest debate about how we all got into the fix we're in and what we're all going to do together to get out of it.

That explanation, the affirmative action explanation for the fix we're in is just wrong. It is just wrong. Affirmative action did not cause the great economic problems of the American middle class. (Applause.) And because most minorities or women are either members of that middle class or people who are poor who are struggling to get into it, we must also admit that affirmative action alone won't solve the problems of minorities and women who seek to be a part of the American Dream. To do that, we have to have an economic strategy that reverses the decline in wages and the growth of poverty among working people. Without that, women, minorities, and white males will all be in trouble in the future.

But it is wrong to use the anxieties of the middle class to divert the American people from the real causes of their economic distress -- the sweeping historic changes taking all the globe in its path, and the specific policies or lack of them in our own country which have aggravated those challenges. It is simply wrong to play politics with the issue of affirmative action and divide our country at a time when, if we're really going to change things, we have to be united. (Applause.)

I must say, I think it is ironic that some of those -- not all, but some of those who call for an end to affirmative action also advocate policies which will make the real economic problems of the anxious middle class even worse. They talk about opportunity and being for equal opportunity for everyone, and then they reduce investment in equal opportunity on an evenhanded basis. For example, if the real goal is economic opportunity for all Americans, why in the world would we reduce our investment in education from Head Start to affordable college loans? Why don't we make college loans available to every American instead? (Applause.)

If the real goal is empowering all middle class Americans and empowering poor people to work their way into the middle class without regard to race or gender, why in the world would the people who advocate that turn around and raise taxes on our poorest working families, or reduce the money available for education and training when they lose

their jobs or they're living on poverty wages, or increase the cost of housing for lower-income, working people with children?

Why would we do that? If we're going to empower America, we have to do more than talk about it, we have to do it. And we surely have learned that we cannot empower all Americans by a simple strategy of taking opportunity away from some Americans. (Applause.)

So to those who use this as a political strategy to divide us, we must say, no. We must say, no. (Applause.) But to those who raise legitimate questions about the way affirmative action works, or who raise the larger question about the genuine problems and anxieties of all the American people and their sense of being left behind and treated unfairly, we must say, yes, you are entitled to answers to your questions. We must say yes to that.

Now, that's why I ordered this review of all of our affirmative action programs; a review to look at the facts, not the politics of affirmative action. This review concluded that affirmative action remains a useful tool for widening economic and educational opportunity. The model used by the military, the Army in particular -- and I'm delighted to have the Commanding General of the Army here today because he set such a fine example -- has been especially successful because it emphasizes education and training, ensuring that it has a wide pool of qualified candidates for every level of promotion. That approach has given us the most racially diverse and best-qualified military in our history. There are more opportunities for women and minorities there than ever before. And now there are over 50 generals and admirals who are Hispanic, Asian or African Americans.

We found that the Education Department targeted on -- had programs targeted on under-represented minorities that do a great deal of good with the tiniest of investments. We found that these programs comprised 40 cents of every \$1,000 in the Education Department's budget.

Now, college presidents will tell you that the education their schools offer actually benefit from diversity; colleges where young people get the education and make the personal and professional contacts that will shape their lives. If their colleges look like the world they're going to live and work in, and they learn from all different kinds of people things that they can't learn in books, our systems of higher education are stronger.

Still, I believe every child needs the chance to go to college. Every child. That means every child has to have a chance to get affordable and repayable college loans, Pell Grants for poor kids and a chance to do things like join AmeriCorps and work their way through school. Every child is entitled to that. That is not an argument against affirmative action, it's an argument for more opportunity for more Americans until everyone is reached. (Applause.)

As I said a moment ago, the review found that the Small Business Administration last year increased loans to minorities by over two-thirds, loans to women by over 80 percent, did not decrease loans to white men, and not a single loan went to a unqualified person. People who never had a chance before to be part of the American system of free enterprise now have it. No one was hurt in the process. That made America stronger.

This review also found that the executive order on employment practices of large federal contractors also has helped to bring more fairness and inclusion into the work force.

Since President Nixon was here in my job, America has used goals and timetables to preserve opportunity and to prevent discrimination, to urge businesses to set higher expectations for themselves and to realize those expectations. But we did not and we will not use rigid quotas to mandate outcomes.

We also looked at the way we award procurement contracts under the programs known as set-asides. There's no question that these programs have helped to build up firms owned by minorities and women, who historically had been excluded from the old-boy networks in these areas. It has helped a new generation of entrepreneurs to flourish, opening new paths to self-reliance and an economic growth in which all of us ultimately share. Because of the set-asides, businesses ready to compete have had a chance to compete, a chance they would not have otherwise had.

But as with any government program, set-asides can be misapplied, misused, even intentionally abused. There are critics who exploit that fact as an excuse to abolish all these programs, regardless of their effects. I believe they are wrong, but I also believe, based on our factual review, we clearly need some reform. So first, we should crack down on those who take advantage of everyone else through fraud and abuse. We must crack down on fronts and pass-throughs, people who pretend to be eligible for these programs and aren't. That is wrong. (Applause.)

We also, in offering new businesses a leg up, must make sure that the set-asides go to businesses that need them most. We must really look and make sure that our standard for eligibility is fair and defensible. We have to tighten the requirement to move businesses out of programs once they've had a fair opportunity to compete. The graduation requirement must mean something -- it must mean graduation. There should be no permanent set-aside for any company.

Second, we must, and we will, comply with the Supreme Court's Adarand decision of last month. Now, in particular, that means focusing set-aside programs on particular regions and business sectors where the problems of discrimination or exclusion are provable and are clearly requiring affirmative action. I have directed the Attorney

General and the agencies to move forward with compliance with Adarand expeditiously.

But I also want to emphasize that the Adarand decision did not dismantle affirmative action and did not dismantle set-asides. In fact, while setting stricter standards to mandate reform of affirmative action, it actually reaffirmed the need for affirmative action and reaffirmed the continuing existence of systematic discrimination in the United States. (Applause.)

What the Supreme Court ordered the federal government to do was to meet the same more rigorous standard for affirmative action programs that state and local governments were ordered to meet several years ago. And the best set-aside programs under that standard have been challenged and have survived.

Third, beyond discrimination we need to do more to help disadvantaged people and distressed communities, no matter what their race or gender. There are places in our country where the free enterprise system simply doesn't reach. It simply isn't working to provide jobs and opportunity. Disproportionately, these areas in urban and rural America are highly populated by racial minorities, but not entirely. To make this initiative work, I believe the government must become a better partner for people in places in urban and rural America that are caught in a cycle of poverty. And I believe we have to find ways to get the private sector to assume their rightful role as a driver of economic growth.

It has always amazed me that we have given incentives to our business people to help to develop poor economies in other parts of the world, our neighbors in the Caribbean, our neighbors in other parts of the world -- I have supported this when not subject to their own abuses -- but we ignore the biggest source of economic growth available to the American economy, the poor economies isolated within the United States of America. (Applause.)

There are those who say, well, even if we made the jobs available people wouldn't work. They haven't tried. Most of the people in disadvantaged communities work today, and most of them who don't work have a very strong desire to do so. In central Harlem, 14 people apply for every single minimum-wage job opening. Think how many more would apply if there were good jobs with a good future. Our job has to connect disadvantaged people and disadvantaged communities to economic opportunity so that everybody who wants to work can do so.

We've been working at this through our empowerment zones and community develop banks, through the initiatives of Secretary Cisneros of the Housing and Urban Development Department and many other things that we have tried to do to put capital where it is needed. And now I have asked Vice President Gore to develop a proposal to use our contracting to support businesses that locate themselves in these distressed areas or hire a large percentage of their workers from these areas -- not to supplement what we're doing in affirmative action, not to substitute for it, but to

supplement it, to go beyond it, to do something that will help to deal with the economic crisis of America. We want to make our procurement system more responsive to people in these areas who need help.

My fellow Americans, affirmative action has to be made consistent with our highest ideals of personal responsibility and merit, and our urgent need to find common ground, and to prepare all Americans to compete in the global economy of the next century.

Today, I am directing all our agencies to comply with the Supreme Court's Adarand decision, and also to apply the four standards of fairness to all our affirmative action programs that I have already articulated: No quotas in theory or practice; no illegal discrimination of any kind, including reverse discrimination; no preference for people who are not qualified for any job or other opportunity; and as soon as a program has succeeded, it must be retired. Any program that doesn't meet these four principles must be eliminated or reformed to meet them.

But let me be clear: Affirmative action has been good for America.
(Applause.)

Affirmative action has not always been perfect, and affirmative action should not go on forever. It should be changed now to take care of those things that are wrong, and it should be retired when its job is done. I am resolved that that day will come. But the evidence suggests, indeed, screams that that day has not come.

The job of ending discrimination in this country is not over. That should not be surprising. We had slavery for centuries before the passage of the 13th, 14th and 15th Amendments. We waited another hundred years for the civil rights legislation. Women have had the vote less than a hundred years. We have always had difficulty with these things, as most societies do. But we are making more progress than many people.

Based on the evidence, the job is not done. So here is what I think we should do. We should reaffirm the principle of affirmative action and fix the practices. We should have a simple slogan: Mend it, but don't end it. (Applause.)

Let me ask all Americans, whether they agree or disagree with what I have said today, to see this issue in the larger context of our times. President Lincoln said, we cannot escape our history. We cannot escape our future, either. And that future must be one in which every American has the chance to live up to his or her God-given capacities.

The new technology, the instant communications, the explosion of global commerce have created enormous opportunities and enormous anxieties for Americans. In the last two and a half years, we have seen seven million new jobs, more millionaires and new businesses than ever before, high corporate profits, and a booming stock market. Yet, most Americans are working harder for the same or lower pay. And they feel more

insecurity about their jobs, their retirement, their health care, and their children's education. Too many of our children are clearly exposed to poverty and welfare, violence and drugs.

These are the great challenges for our whole country on the homefront at the dawn of the 21st century. We've got to find the wisdom and the will to create family-wage jobs for all the people who want to work; to open the door of college to all Americans; to strengthen families and reduce the awful problems to which our children are exposed; to move poor Americans from welfare to work.

This is the work of our administration -- to give the people the tools they need to make the most of their own lives, to give families and communities the tools they need to solve their own problems. But let us not forget affirmative action didn't cause these problems. It won't solve them. And getting rid of affirmative action certainly won't solve them.

If properly done, affirmative action can help us come together, go forward and grow together. It is in our moral, legal and practical interest to see that every person can make the most of his life. In the fight for the future, we need all hands on deck and some of those hands still need a helping hand.

In our national community we're all different, we're all the same. We want liberty and freedom. We want the embrace of family and community. We want to make the most of our own lives and we're determined to give our children a better one. Today there are voices of division who would say forget all that. Don't you dare. Remember we're still closing the gap between our founders ideals and our reality. But every step along the way has made us richer, stronger and better. And the best is yet to come.

Thank you very. And God bless you.

END

12:28 P.M. EDT

ROUTING SLIP

DATE: 5/24/966/22
TerryFROM: Stephanie Streett and Anne Walley
Deputy Assistants to the President and Directors of SchedulingSUBJECT: U.S. Conference of Mayors Summer Meeting

Don Baer	<u>✓</u>	Mack McLarty	<u> </u>
Peg Cusack	<u> </u>	Leon Panetta	<u> </u>
Rahm Emanuel	<u> </u>	Jack Quinn	<u> </u>
Jack Gibbons	<u> </u>	Carol Rasco	<u> </u>
Laura Graham	<u>✓</u>	Paige Reffe	<u> </u>
Marcia Hale	<u>✓</u>	Patti Solis	<u> </u>
Alexis Herman	<u> </u>	Doug Sosnik	<u>✓</u>
Nancy Hernreich	<u> </u>	G. Stephanopoulos	<u> </u>
Kitty Higgins	<u> </u>	Todd Stern	<u> </u>
John Hilley	<u> </u>	Ann Stock	<u> </u>
Harold Ickes	<u> </u>	Kim Tilley	<u> </u>
Jennifer Jose	<u> </u>	Jodie Torkelson	<u> </u>
Ron Klain	<u> </u>	Laura Tyson	<u> </u>
Anthony Lake	<u> </u>	Melanne Verveer	<u> </u>
Evelyn Lieberman	<u> </u>	Michael Waldman	<u>✓</u>
Bruce Lindsey	<u> </u>	Maggie Williams	<u> </u>
Mike McCurry	<u>✓</u>		

FILE: accept for 6/22

COMMENTS: _____

Jonathan Weiss 6-9034
re: VP
Talk w/Marcia Hale

ROUTING SLIP

DATE: 3/25/96

FROM: Stephanie Streett and Anne Walley
Deputy Assistants to the President and Directors of Scheduling

SUBJECT: US Conference of Mayors Summer Meeting

Don Baer	☒	Mack McLarty	☐
Peg Cusack	☐	Leon Panetta	☐
Rahm Emanuel	☐	Jack Quinn	☐
Jack Gibbons	☐	Carol Rasco	☐
Laura Graham	☐	Paige Reffe	☐
Marcia Hale	☒	Patti Solis	☐
Alexis Herman	☐	Doug Sosnik	☒
Nancy Hernreich	☐	G. Stephanopoulos	☐
Kitty Higgins	☐	Todd Stern	☐
John Hilley	☐	Ann Stock	☐
Harold Ickes	☐	Kim Tilley	☐
Jennifer Jose	☒	Jodie Torkelson	☐
Ron Klain	☐	Laura Tyson	☐
Anthony Lake	☐	Melanne Verveer	☐
Evelyn Lieberman	☐	Michael Waldman	☒
Bruce Lindsey	☐	Maggie Williams	☐
Mike McCurry	☒		

FILE: Pending

COMMENTS: Per SS and AW on 3/25/96

SCHEDULE PROPOSAL

TODAYS DATE 03/19/96

___ ACCEPT

___ REGRET

___ PENDING

TO: Stephanie Streett & Anne Walley
Deputy Assistants to the President &
Directors of Scheduling

FROM: Marcia Hale
Assistant to the President for
Intergovernmental Affairs

REQUEST: For the President to address the Summer 1996 meeting of the U.S.
Conference of Mayors

PURPOSE: This is a good opportunity for the President to speak to many mayors
bout how recent actions by Congress will affect the relationship between
federal and local governments.

PREVIOUS

PARTICIPATION: The President addressed this group during their 1995 Annual Winter
Meeting.

BACKGROUND: Possible Dates/Times for address.

- 1) The President has historically spoken at the Luncheon on Monday at 12:30 however, there are two other possibilities to be examined.
- 2) Speech on Sunday at 9:00 AM at Plenary Session. Immediately after this session, the participants are walking to Jacobs Field for the Indians/Yankees game. USCM suggests the President consider doing the speech then attending the game. This will ensure a big attendance at the speech, good exposure at the game and guaranteed media coverage for both.
- 3) Speech on Tuesday at 9:00 AM at the closing Plenary Session. This is the session where Mayor Daley will be sworn in as President of the USCM. This also has it advantages.

NOTE: The USCM does not have a preference as to which of the three possibilities is chosen.

DATE & TIME: June 21-25, 1996 *DRAFT SCHEDULE ATTACHED*

LOCATION: The Renaissance Cleveland Hotel, Cleveland, Ohio

DURATION: 1 Hour

BRIEFING TIME: 5 minutes before speech

PARTICIPANTS: The President, members of the U.S. Conference of Mayors

MEDIA

COVERAGE: Open Press

REMARKS: Provided by speechwriters

VPOTUS

ATTENDENCE: No

RECOMMENDED

BY: Marcia Hale

CONTACT: Megan Williams (66581)

1996 ANNUAL CONFERENCE OF MAYORS

June 21-25, 1996

Cleveland, Ohio

PRELIMINARY PROGRAM OUTLINE

DRAFT DRAFT

FRIDAY, JUNE 21

10:00 - 5:00 p.m.

Registration

Special Workshops & Task Forces

6:00 - 8:00 p.m.

Welcome Reception (Renaissance Cleveland Hotel)

SATURDAY, JUNE 22

7:00 - 5:00 p.m.

Registration

7:30 - 9:00 a.m.

Membership Standing Committee

9:00 - 10:00 a.m.

Orientation for New Mayors, New Members
and Executive Assistants

STANDING COMMITTEES

10:00 - 11:30 a.m.

Urban Economic Policy

Community Development and Housing

Criminal and Social Justice

Energy and Environment

11:30 - 1:00 p.m.

Luncheon

STANDING COMMITTEES

1:00 - 2:30 p.m.

Health and Human Services

Jobs, Education and the Workforce

Transportation and Communications

2:30 - 4:00 p.m.

Arts, Culture and Recreation

International Affairs

SATURDAY, JUNE 22 (Continued)

ROCK AND ROLL WITH CLEVELAND

Once a dream and now a reality, the Rock and Roll Hall of Fame is one of Cleveland's newest venues. Join us for an evening which will rival the grand opening as you tour this interactive showplace which captures the sights, sounds and memories of the music that changed the world.

**USCM Executive Committee/Advisory Board
Dinner (Invitation only)**

SUNDAY, JUNE 23

7:00 - 5:00 p.m. Registration

7:30 - 9:00 a.m. Women Mayors

9:00 - 12:00 noon Plenary Session/Workshops

12:00 - 2:00 p.m.

~~Luncheon~~

walk to stadium - eat hot dogs, etc in tent for lunch
Cleveland Indians

2:00 - 4:00 p.m.

~~Workshops and City Tours~~

us
New York Yankees

Social Event

MONDAY, JUNE 24

7:00 - 5:00 p.m. Registration

9:00 - 11:30 a.m. Business Session

11:30 - 12:30 p.m. Reception

12:30 - 2:00 p.m.

Luncheon

The Classiest lunch we have
City Livability Award

2:00 - 4:00 p.m.

Workshops and City Tours

Social Event

TUESDAY, JUNE 25

9:00 - 12:00 noon

Closing Plenary Session

Mayor Daley Takes Gavel as President of USCM

FACSIMILE COVER SHEET

ATTENTION: Terry EdmondsCOMPANY: White HouseFROM: Kevin DonahueDATE: 6/20/96TIME: 3:25COVER PLUS: 14MESSAGE: The information you requested regarding Cleveland, ect.is attached. Please call if you need more information.

DIX & EATON

Turned Tables

Mayor Mike White gives
Cleveland's future a
whole new spin

by Bruce Schoenfeld



Cleveland's mayor sat silently at the head table of a journalists' forum, listening with thinly veiled disgust to a political ally. A Democratic politician had been asked if the alcohol and cigarette tax created to fund stadium improvements and save the National Football League's Browns could be extended to surrounding counties. That politician talked his way up one side of the issue and down the other, making points with tortured logic, sending the journalists to their notebooks to recall the original question.

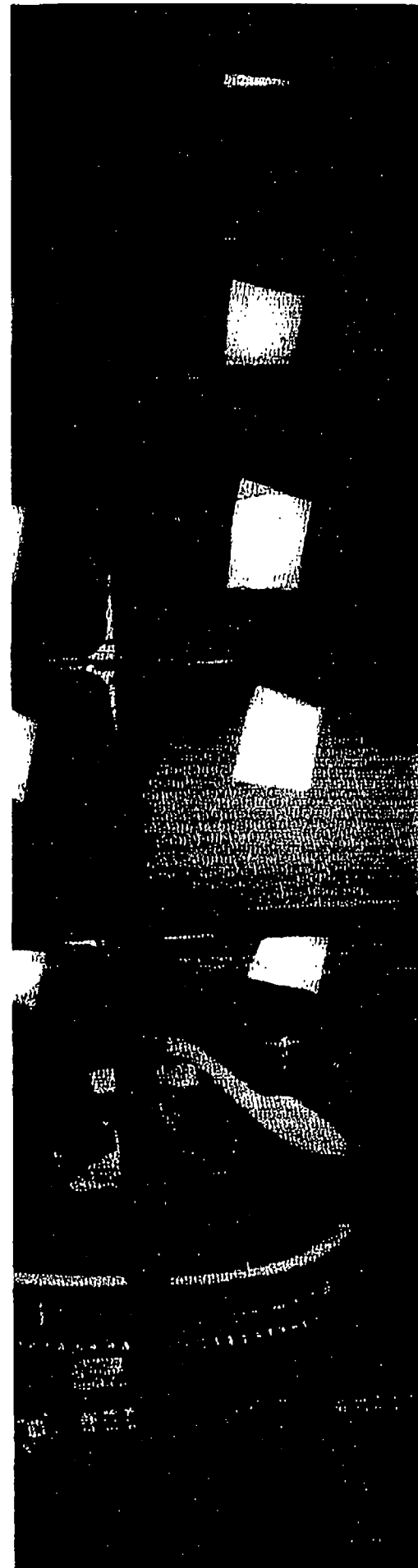
When he finished, Mayor Michael R. White jackknifed his body like a diver, leaning forward with typical urgency to address the room. His remarks on the topic lasted six words.

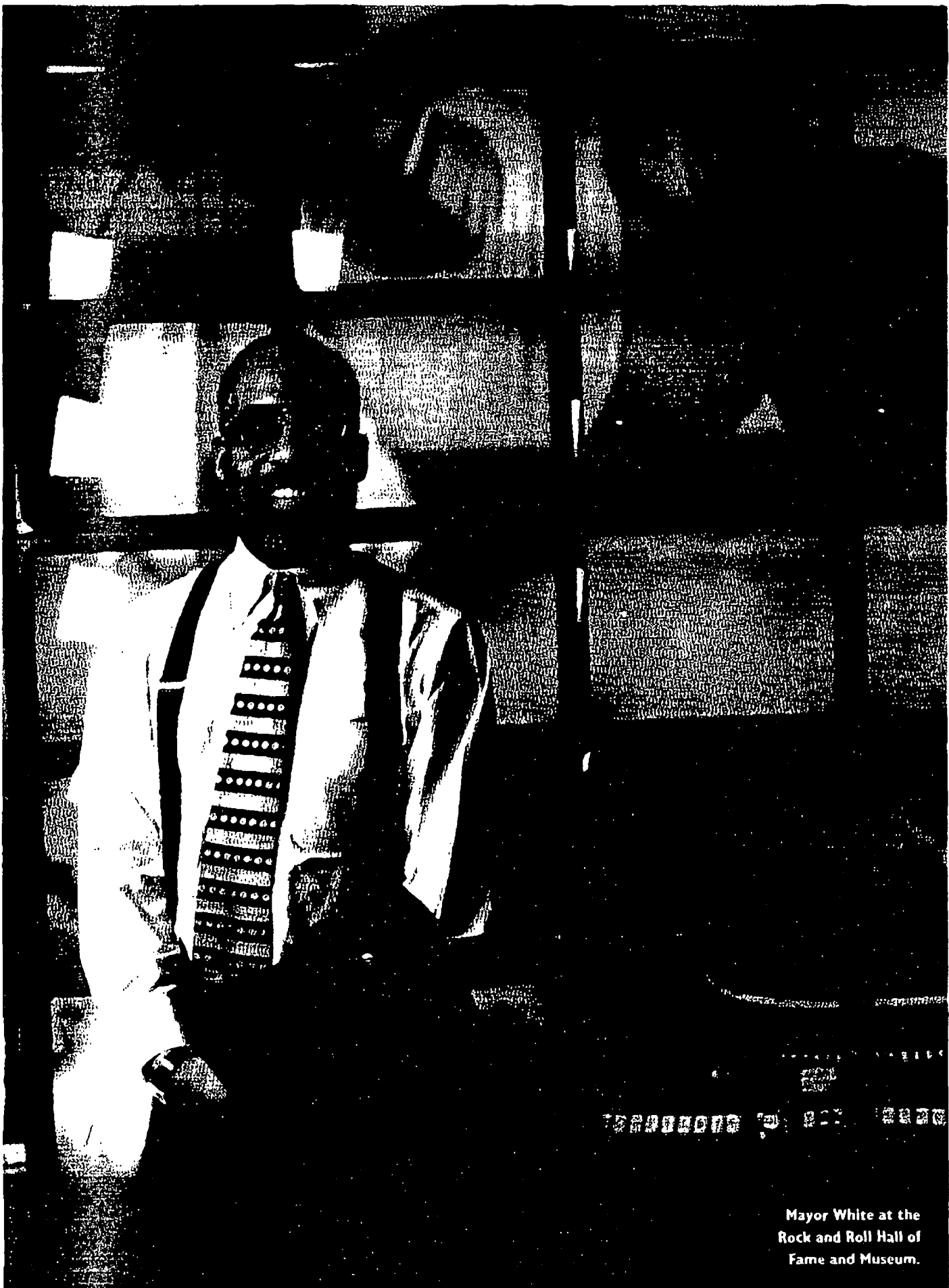
"I'm a realist," White said. "It wouldn't pass."

Walking briskly back to his office, White needed half a block to explain the Trumanesque doctrine that has made him possibly the most popular politician in America. "Voters don't

expect us to be perfect, and they don't expect to agree with us all the time," he said. "All they want is for us to be honest with them."

His success at speaking plainly to Cleveland's voters is indisputable. Since White's election as the city's second African-American mayor in 1989, when he bolted to victory from 7% name recognition, the city has celebrated a rebirth. White convinced the moneymen to make the Rock and Roll





Mayor White at the
Rock and Roll Hall of
Fame and Museum.



Hall of Fame and Museum a reality. And, with a county commissioner as a close ally, he pushed through public funding for the Gateway Center, which put a new Major League ballpark in the center of the city, brought the Cavaliers' basketball team home from a suburb, and spawned a booming night life. Less visibly, he lured development into downtown during a time of economic downsizing. During his tenure, commercial space downtown has expanded by 3 million square feet.

The struggle to keep Baltimore from stealing the Browns, who have played in Municipal Stadium since the 1940s and contribute some \$47 million annually to the city's economy, vaulted him onto the national stage, showing outsiders a tenacity and sense of purpose that Clevelanders have seen all along. "You'll be hard-pressed to find

Mayor White convinced the money

anyone who thinks Cleveland is going in the wrong direction," says Carole F. Hoover, the president of the Greater Cleveland Growth Association.

Tellingly, the progress hasn't all involved big business, and it hasn't all happened downtown. While other cities, still smarting from the loss of federal funds in the 1980s, are cutting services to balance budgets, White has somehow juggled corporate incentives with revitalization of some of America's most blighted neighborhoods. Hough, the scene of race riots in the '60s, now boasts upper-middle-class housing amid the squalor, thanks to a variety of public and private programs. That's as important to Cleveland, White believes, as shiny, new

buildings on the lakefront. "You have a city of all old and poor people," he says. "It won't work."

White is a Democrat who defies categorization. He has sold city lots for \$100 to anyone who would build houses on them, privatized municipal services and found a way to get 125 police officers out from behind desks and on the streets. When he ran for reelection in 1993, Clevelanders rewarded him with 86% of the votes. White didn't lose one of the city's 731 precincts and, as far as anyone can determine, held the majority in every conceivable demographic subset. "It's an extraordinary achievement, especially given the vituperative nature of Cleveland's politics," says political consultant David Axelrod, who had worked with White previously but was not involved in the '93 election. "To get that much of the vote is beyond belief."

White, 44, first attracted statewide notice in 1972 at Ohio State, where he won the presidency of a student body that was 5% black. A former city councilman and state legislator, he claims to have no political ambition beyond his current job, which he has coveted since

growing up in a working-class home on Cleveland's East Side. "I'm at the pinnacle of my political career," he says. He sounds less like a politician than a professor when he explains why America's cities have declined over the past three decades. He blames interstate highways, not only for cutting through established neighborhoods, which is the conventional wisdom, but for luring corporate growth away from the city and into the greenbelt. Anyone wanting to use the abandoned land downtown had to first demolish the existing industrial detritus, which made the cost prohibitive.

White had campaigned on the promise to undo that damage. So he swapped below-market loans and

cheap land deals for commercial development. "A mayor lends credibility to an idea when you know he'll do what he says he'll do," says John Graham, the Cavaliers' CEO, from his downtown office overlooking the Cuyahoga River, which no chronicler of Cleveland's rebirth can avoid noting once actually caught fire (in 1969). It's not the view that has Graham crowing, but the state-of-the-art arena that has invigorated his franchise along with his city. "It's okay to appeal to people to do business for morality, but it's got to make business sense, too," White says.

With the Gateway project secure, White turned to the neighborhoods. "Mayors have limited resources to make something catalytic happen," says Peter Rubin, the developer of a 50,000-square-foot shopping mall in Brooklyn Centre, a lower-income area that had been underserved by retail outlets. "What Mike White did was use those resources as they haven't been used before." Not satisfied with storefront renovation and window insulation, White put together sweetheart deals with banks for new homes

Sitting at a meeting of power utilities in City Hall's refurbished Red Room, White is the most intense person at the table. He's nattily dressed, as always, in suspenders, patterned tie, dark green suit. Everything he does is rigorous. He scratches at his beard with urgency, asks questions in machine-gun bursts, peering through round-rimmed glasses with heavy-lidded eyes. Later, Mike Konicek of Cleveland Power says, "I think this guy has infinite capabilities. I've never worked with anyone who knows more details, and not just knows them but understands why they're important. He really listens."

White's consummate skill is getting all of Cleveland to feel that way. "He makes the majority of his constituent groups feel they have a place at the table," says Bob Bergman, director of the Cleveland Museum of Art. "It's not that everybody wins, but everybody gets to play." He loves to construct task forces that mirror the city: blacks and whites, sure, but also East and West Siders, young and old, rich and poor. The Cleveland Empowerment Zones Citizens Advisory Council

members at any hour to discuss a project and admits he has no idea what he would do for a living if he wasn't the mayor. "I am not addicted," he once told the *Cleveland Plain Dealer*. "I'd say work and I are going steady. It's a hot-blooded thing."

That ethic may be what is needed to turn a city around, and White expects the same level of commitment from his aides. In 1993, when a late-December snowstorm socked Cleveland, the mayor and his staff, including employees with young children, spent two days in a civic forced march, helping the infirm down staircases and delivering food to shelters as Christmas came and went. "He has great expectations and little patience, and that's a difficult combination," says Hoover. He can be brutal — political enemies and even friends call him "Mike the Knife" — and unsparingly blunt. "He is not the guy you want to get into a high-profile dispute with," says Axelrod.

"A lot of politicians think I'm a fanatic," White admits, eating a tuna sandwich in his car for a four o'clock lunch. "But I don't have to play the game the way it traditionally has been

men to make the Rock and Roll Hall of Fame a reality.

and stores, but made them conditional upon inclusion of other revenue sources. "He gave us the phone numbers and said, 'Call these people, make it happen,'" says Rubin.

It helped that Cleveland was in bad shape. "It's easier to get people together when there's a common need for change," says Barbara Bissett, the president of a multimillion-dollar steel distributor. But White seemed to pull the city forward with the force of his personality, making change happen merely because he said it would. "I have never seen an individual have such a profound impact on the self-image of a city," says Axelrod. "It's a miraculous turnaround, and it's a function of him, not anything else."

includes Dr. Jerry Sue Thornton, president of Cuyahoga Community College, as well as Bernice Craig, a retired factory worker representing the North Boulevard Street Club. "What he tries to do is keep people connected until the process takes on its own momentum," says Bissett. "There's a broad cross-section of the population that really believes in him. And success breeds success."

White has immersed himself in his role as the city's caretaker. Driving late at night in one neighborhood or another, he'll stop the car if he sees youths congregated to ask why they aren't at home. He arrives at work at 7 a.m., even on Saturdays, and often stays until midnight. He will page staff

played because I'm not going anywhere." He dislikes politics because it impedes the risk-taking needed to effect change, which America's cities must do: "You tell me what enterprise is the same today as it was 50 years ago," he says. "The only one I can think of is big-city government."

He remains a politician so he can run the city. Democrats see him as a governor or U.S. senator, but he insists that his vision doesn't range beyond Cleveland, and that there is much more work to be done. "I've been trying to get this job for 28 years," White says. "Why would I leave it so soon?" □

Bruce Schoenfeld is a journalist based in Boulder, Colo.

FROM: DIX & EATON INC.
Gary Wells, Kevin Donahue
1301 East 9th Street, Suite 1300
Cleveland, Ohio 44114
216/241-0405

FOR: THE NEW CLEVELAND CAMPAIGN
1801 East 9th Street, Suite 1020
Cleveland, Ohio 44114
216/574-8940

EDITORIAL BACKGROUNDER

Now Two Hundred Years Old, Cleveland Emerges As "New American City"

EXPERTS CITE CLEVELAND AS THE MODEL FOR URBAN RENAISSANCE

Cleveland, Ohio, proves that reincarnation -- at least, for America's cities -- is possible.

Once the birthplace of great industries and a magnet for people of hope from all over the world, Cleveland plunged to its nadir in 1978 when it became the first American city to default on its loans since the Depression. While the city had been losing population and businesses for years, this event -- trumpeted nationwide -- seemed to be Cleveland's death rattle.

Many Clevelanders now say default was the best thing that ever happened, as it galvanized elected, civic, and business leaders to take action. In particular, new structures developed which focused private-sector energy and dollars on the city's turnaround and forged strong alliances with elected and civic leaders.

Cleveland's now-famous public-private partnership was the subject of a May 1996 Harvard Business School case study called "Leadership in Action: The Cleveland Turnaround," in which James E. Austin, Harvard's Richard P. Chapman Professor of Business Administration, aptly summarized Cleveland's achievements:

The transformation of Cleveland from the depths of industrial "rustbelt" depression ... to restored economic growth, revitalized urban development, enhanced public management and civic consciousness is one of the country's great community turnarounds. Many problems and challenges remain, but Cleveland is heralded by many as the Best Practice leader in urban renaissance.

Clearly, Cleveland has not only reversed its long spiral into decay, but has built a foundation to withstand the new realities for urban America, including diminished federal and state funding. This "New American City" is imbued with the spirit of urban problem-solving, supported by a strong public-private partnership which has developed unique solutions to problems all cities face. Now, this partnership is forging strategies to continue the revitalization of Greater Cleveland, guiding everything from economic growth to neighborhood development.

Long-Term Urban Plan Yields Success

In the aftermath of default, Cleveland's budding public-private partnership emerged with a plan to restore economic vitality and spent the next two decades rebuilding downtown and the neighborhoods, capturing tourism, reviving manufacturing, and spurring new business and high-growth industries.

Now, Cleveland's once-desolate downtown glitters with new museums, sports and entertainment centers, apartments, hotels, and office buildings, with nearly every significant project conceived and funded by a collaboration of the public and private sectors. Since 1990, more than \$3.5 billion has been invested in downtown development alone and an impressive \$9.2 billion overall in development projects throughout Greater Cleveland. Neighborhoods throughout the city are sprouting new housing and businesses. Tourism is now a major industry, and other sectors of the economy are flourishing too. And with it, Greater Cleveland's population has begun to register real growth during the 1990s.

This year, Cleveland's Bicentennial celebration will showcase the effectiveness of the city's public-private partnership, as the Cleveland Bicentennial Commission -- another public-private collaboration -- oversees the completion of eight major capital development projects which will serve as "legacies" to further enrich the city's many assets.

Creating An Environment That Stimulates Economic Growth

The eight-county Greater Cleveland economy is growing by strengthening its traditional economic base and diversifying into new high-growth industries.

One of the strongest forces behind this impetus has been Cleveland Tomorrow, an economic development organization of the chief executive officers of the area's largest businesses, which came together after default to rebuild the area's vitality. Part of its strategy was to create affiliate organizations focused on different initiatives: The Cleveland Advanced Manufacturing Program (CAMP) aims to strengthen the manufacturing sector and operates one of only six national technology transfer centers sponsored by the U.S. Department of Commerce; Primus Venture Partners provided the area's first locally focused source of venture capital; and Enterprise Development Initiative (EDI) offers consulting services and support -- such as business incubators -- to new ventures. These efforts and others have helped create an environment which nurtures economic growth.

Greater Cleveland is now headquarters to 96 large corporations, both publicly and privately held, with revenues of \$100 million or more. Fourteen are *Fortune* 500 companies. Service sector jobs comprise approximately 32 percent of Cleveland-area employment. The area's manufacturing sector has steadied at nearly 21 percent of area employment, and productivity has climbed sharply.

From 1990 through 1995, the rate of new job creation in the City of Cleveland doubled compared with a similar period in the 1980s, from 5,350 to 10,333 new jobs. And throughout Greater Cleveland, 208 business expansions and relocations were undertaken in 1995, creating 6,520 jobs and adding more than \$974 million in new investment to the community.

As evidence of Greater Cleveland's robust economy, *Site Selection* magazine's 1995 rankings list Cleveland-Lorain as one of the country's top five metropolitan areas for new business investment and expansions -- for the third time in a row. The rankings also place the area seventh in the nation for new manufacturing facilities.

Reaching For The World

International trade is one of the fastest-growing segments of the Cleveland economy. In 1994, approximately 2,300 Cleveland-area firms were involved in international trade, a 44

percent increase since 1991. Overall, Ohio ranks third in the nation, behind only California and Texas, in exporting manufactured goods.

This explosion of international trade can be seen in the volume of goods handled at the Port of Cleveland, where international cargo handling doubled from 435,000 tons in 1992 to 870,000 tons in 1995.

Cleveland also had a record year for airline service in 1995, with an unprecedented 11.1 million passengers traveling through Cleveland Hopkins International Airport.

Nurturing Small Businesses

Small businesses flourish in Greater Cleveland, with around 7,000 start-ups annually. Entrepreneurs are greatly assisted by the Council of Smaller Enterprises (COSE), the small-business organization of the Greater Cleveland Growth Association, the nation's largest chamber of commerce. COSE assists its 15,500 members with management consulting, government advocacy, and tremendous cost savings through group purchasing. In fact, a national survey by A. Foster Higgins & Co. showed that COSE businesses spent \$592 less per employee on health benefits in 1994 than their counterparts across the country. Overall, COSE's group purchasing saved Cleveland small businesses over \$81 million in 1994.

Expanding Cleveland's Biotechnology Hub

Cleveland's fast-growing health care industry is a top-five regional employer, with a human resource pool of more than 100,000 employees trained in health care and related fields. The area is home to more than 100 biotechnology and medical products companies, as well as more than 300 research and development centers, many dedicated to biomedical research and product development. Among these, Case Western Reserve University and its research partner, University Hospitals of Cleveland, receive more than \$104 million in federal research funds, forming one of the nation's largest biomedical research centers. The Cleveland Clinic Foundation adds another \$52.7 million in biomedical research dollars from government and foundation sources.

Greater Cleveland also has a business incubator specifically enjoined to grow biotechnology companies. The Edison BioTechnology Center, an excellent example of

government-industry partnership, offers consultation, research, and supplier connections for start-up companies.

Northeast Ohio: "Polymer Valley"

Just last year, Ohio topped California as the nation's leading polymer state, with shipments of nearly \$15 billion and employment surpassing 100,000. Plastics -- the largest segment of the polymer industry -- is the state's fastest-growing industry and second-largest employer. Of the state's 1,100 plastic processors, 56 percent are located in Northeast Ohio. All told, the area is home to 1,500 polymer-related firms which employ more than 35,000 people.

The area now leads the world in both basic and applied polymer research. Recently, *U.S. News & World Report's* "America's Best Graduate Schools" ranked polymer science programs at Case Western Reserve University and the University of Akron among the top five in the nation. These scientific studies are harnessed to the needs of area businesses through the Edison Polymer Innovation Corporation, a consortium among government, academia, and industry that funds and directs research projects and offers local polymer companies sophisticated applications for product development.

A New International Phenomenon: Visit Cleveland

In the 1980s, Cleveland's public-private partners targeted tourism as an industry that could diversify Cleveland's economy and bring dollars into the city. Few people found it credible then that travelers or conventioners might choose Cleveland as a destination.

Reality has surpassed all initial hopes. In 1995, nearly 7 million visitors came to Cleveland -- an increase of 17 percent over 1994, when visitors generated \$3.9 billion in spending and supported a total of 91,500 jobs. In 1995, the Convention & Visitors Bureau of Greater Cleveland received more than 152,000 inquiries about the region, a 126 percent increase over 1994. And in only the first three months of 1996, the Bureau received 171,000 inquiries.

In addition, more than 330,000 convention delegates converged upon Cleveland in 1995, staying an average of two days and spending about \$178 per day. Many thousands more will visit this year, as 315 organizations have booked their 1996 conventions in Cleveland, an increase of 10 percent over 1995. More tourists also are expected for 1996, in part because of the series of programs and events to celebrate Cleveland's Bicentennial.

Even before these events were announced, worldwide attention has been riveted upon Cleveland since the Cleveland Indians' spectacular American League Championship season in 1995, as well as the 1995 opening of the \$90 million Rock and Roll Hall of Fame and Museum, built with a powerful combination of public-private funds and involvement. The Rock Hall drew visitors -- including 2,200 media representatives -- from all over the world, has surpassed all initial attendance estimates, and anticipates more than 900,000 visitors by its first anniversary.

Tourists and convention delegates also flock to a major entertainment district called the Flats which has developed along the banks of the Cuyahoga River, near the original site of the city's founding. Once an industrial area dominated by warehouses, small factories, and maritime operations, the Flats is now crowded with more than 50 restaurants, nightclubs, and bars, as well as a 2,000-seat open-air amphitheater, a riverfront boardwalk, and riverboat cruises. The Flats area employs more than 3,000 people, generates revenues of \$100 million and crowds of more than 7 million each year, and is the second-largest tourist draw in Ohio.

Cleveland's long-established amenities continue to attract visitors, as well. To the east of downtown is University Circle, a one-square-mile area with a concentration of cultural, educational, and medical institutions unmatched anywhere in the world. The Circle is home to the internationally acclaimed Cleveland Museum of Art and Cleveland Orchestra; the Cleveland Botanical Garden; the Crawford Auto-Aviation Museum; the Cleveland Museum of Natural History; The Health Museum; the Cleveland Children's Museum; the Cleveland Play House, the nation's oldest regional theater; and Karamu House, the country's first multicultural center for performing arts and music.

Greater Cleveland also has the most lake shore of any metropolitan area in the world; its Lakefront State Park, with 575 acres of shoreline, is one of the most visited state parks in the country. Encircling the city is the 100-mile-long "Emerald Necklace," one of the nation's largest metropolitan parks. And Cleveland Metroparks Zoo, one of the nation's largest, has opened a major RainForest exhibit, the most comprehensive display of its kind in the world.

In addition to these attractions, Cleveland is hosting a number of events guaranteed to bring even more visitors to town, including the 1996 International Triathlon, the 1997 Major

League Baseball All-Star Game, the 1997 National Basketball Association All-Star Weekend, and the 1998 National Collegiate Athletic Association Division I Wrestling Championships.

Downtown Cleveland: Attractive For Work, Recreation, And Living

Fifteen years ago, downtown Cleveland emptied at night. Now, as a result of major developments initiated by Cleveland's public-private partnership and smaller projects which continue to spring up in their wake, downtown Cleveland bustles day and night.

One of the major catalysts of downtown activity is Jacobs Field and Gund Arena, the \$425 million sports complex funded with a two-thirds/one-third combination of public and private monies. Cleveland's largest development ever, the complex opened in 1994 and draws nearly 6 million people each year. During baseball season, more than 40,000 fans throng to Jacobs Field for each of the Cleveland Indians' 81 home games. This past winter, the Cleveland Indians made baseball history by being the first team to sell out its entire season within days. And with their move to Gund Arena, the Cleveland Cavaliers became the nation's only professional sports team to return downtown after leaving for the suburbs.

Eight blocks away, Playhouse Square Center -- the nation's fourth-largest performing arts district -- draws more than 1 million people downtown each year and spins off over \$60 million in revenue to the local economy. Playhouse Square comprises four elegant Vaudeville palaces; once in ruins, they were the focus of the world's largest theater restoration project, driven by a combination of public and private funds. The Center offers more than 700 shows each year, many produced by Playhouse Square Foundation or its five constituent companies: Ohio Ballet, Cleveland Ballet, Great Lakes Theater Festival, Cleveland Opera, and DanceCleveland.

Playhouse Square Foundation is also sparking development outside the theater walls as the major partner in the nearby 14-story Wyndham Cleveland Hotel at Playhouse Square. Added to other new downtown hotels developed by Ritz-Carlton, Radisson, and Marriott, the newly opened Wyndham brings the number of downtown hotel rooms to 2,800.

A flurry of development is at work in downtown's Historic Warehouse District as well, where landmark brick warehouses are being converted into attractive condominium and apartment complexes. The latest to open was the Perry Payne building -- listed on the National Register of Historic Places -- adding 93 apartments in March 1996. Later this year, Crittenden

Court -- the city's first new apartment construction since the 1980s -- will add another 208 units, bringing the Warehouse District's number of housing units to more than 1,000.

Downtown Cleveland will also be enhanced by major legacy projects launched by the Cleveland Bicentennial Commission and now approaching completion. These include the Great Lakes Science Center, among the largest interactive science museums in the country, and Voinovich Bicentennial Park -- both next to the Rock and Roll Hall of Fame and Museum at North Coast Harbor -- as well as the RTA Waterfront Line, an extended transit line running from Tower City's retail, business, and dining center on Cleveland's Public Square through the Flats to the North Coast Harbor attractions. Other downtown legacy projects include Settlers Landing Park, established at the site of Moses Cleaveland's landing on the Cuyahoga River; Star Plaza, a new park at Playhouse Square; and City of Bridges, a dramatic, permanent lighting of bridges along the Cuyahoga River in the Flats.

City Neighborhoods Spring To Life

One of the grander visions of this anniversary year is Bicentennial Village, an ambitious revitalization project in the Fairfax neighborhood made possible through extensive collaboration among Cleveland's people, corporations, and organizations. It features construction of 33 homes sold at market rates and 16 more made available through Habitat for Humanity; the repair and rehabilitation of 200 existing homes; and storefront renovations, commercial expansions, landscaping, and public improvements. Bicentennial Village is intended as a model for neighborhood revitalization, both in Cleveland and beyond.

While Bicentennial Village is unique in that no other city has initiated such a major neighborhood improvement project as part of its anniversary celebration, the collaboration which realized this project has been rebuilding Cleveland neighborhoods for years. Under a renewed focus on the neighborhoods initiated by Mayor Michael R. White, more than 2,000 homes have been built since 1990 -- nearly six times the number built during the 1980s and more than in any similar period since the Korean War.

Cleveland's financial institutions have provided tremendous support to this initiative. Since 1991, eight local financial institutions plus the Fannie Mae Corporation, the nation's largest source of mortgage funds, have committed more than \$1.6 billion in formal reinvestment

agreements toward neighborhood revitalization -- believed to be a national record. In fact, Shore Bank -- a nationally recognized model of innovative lending practices to spur neighborhood development -- chose Cleveland for its first urban expansion largely based on Cleveland's culture of public-private partnership. Shore Bank has added its resources to help drive neighborhood revitalization in a target area on Cleveland's east side as well as spur small-business development throughout the region.

Cleveland's housing efforts receive backing from a variety of other sources, too. These include the Enterprise Foundation, a national nonprofit organization that supports community-based development, which has invested \$77 million in Cleveland housing over the past decade and, along with other national organizations, chose Cleveland in 1995 as a showcase city for neighborhood revitalization. Backing also comes from Neighborhood Progress, Inc. (NPI), a local organization which works with corporate and foundation funding partners to invest in and professionalize community-based development organizations, and increase the pace and scope of physical development. Over the past five years, NPI has raised \$22 million and supported \$122 million overall in neighborhood investment. And a new partnership between NPI, the Enterprise Foundation, and the Local Initiatives Support Corporation is expected to pump at least \$175 million into Cleveland's neighborhoods over the next three years.

Cleveland's neighborhood revitalization efforts include commercial development as well. In the last 15 years, eight shopping centers and four strip centers have been built in city neighborhoods, helping to provide residents easier access to goods and services and bolster inner city economies. The newest is Church Square, a 23-store, \$13 million shopping center in one of Cleveland's poorest neighborhoods, built with the help of a \$2.5 million federal grant. The shopping center opened in 1994 with 100 percent occupancy, and several retail chains report that Church Square stores are among their highest-grossing stores in the region. And on the 11-acre site next door, construction has recently begun on Beacon Place at Church Square, a \$13 million development of 92 market-rate homes.

One of Cleveland's greatest opportunities to revitalize inner city neighborhoods lies in the city's Empowerment Zone, a six-square-mile area comprising one commercial and three residential neighborhoods. Cleveland is one of only eight cities to receive this designation,

which provides more than \$90 million in federal grants. By combining these grants with \$87 million in Department of Housing and Urban Development loans, Cleveland expects to generate \$177 million of investment for businesses, housing, labor development, and social services.

Cleveland: A Model Of The New American City

Since the ignominy of default, Cleveland has developed a network of organizations and a culture dedicated to urban problem-solving. As proof of the city's new ethos, Cleveland has won an unprecedented five "All-America City" awards for its ability to address problems through collaborative, citizen-based initiatives. As the city's comeback has been hailed by urban analysts and has made newspaper headlines around the country, dozens of teams from other cities -- including Phoenix, Detroit, Tampa, Philadelphia, Jacksonville, and Dallas -- have visited to learn from Cleveland's example.

And it isn't only outside observers -- but Clevelanders themselves -- applauding the change. Biannual surveys by the Citizens League of Greater Cleveland demonstrate a high level of satisfaction among Cleveland residents. Large majorities believe the quality of life in Greater Cleveland has risen in the past five years and that the city's image has soared, and they have declared their optimism for the future.

By maintaining its spirit of can-do collaboration, the Greater Cleveland community continues to transform itself into a model of the New American City. While not perfect and never able to rest on its laurels, Greater Cleveland and its many partners show that a community can do what many have considered impossible: restore vitality and civic pride, and create new beauty alongside the old, in our historic cities.

TERRY,

Enjoyed talked with you today. Several folks have called us about including the below reference (in some form) in the speech somewhere. On the Round II/Brownfields legislation, the name of the bill to be introduced will be "The Community Empowerment Act." Please let me know if you need any other info on empowerment or have any questions; be happy to help.

--Jonathan Weiss
(456-9034)

To be included if possible:

"I'd like to recognize Mayor Lanier of Houston for having just been appointed to chair the Rebuild America Coalition, an important program of the U.S. Conference of Mayors focusing on issues related to our nation's infrastructure."

Terry
Edwards
Nov 1992

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 20, 1996

REMARKS BY THE PRESIDENT
TO THE WOMEN'S LEGAL DEFENSE FUND

The Washington Hilton
Washington, DC

12:55 P.M. EDT

THE PRESIDENT: Thank you very much. If I had any sense, I would quit while I'm ahead. (Laughter.)

Thank you for that wonderful, warm welcome. I thank those here at the head table for their work -- Ellen Malcolm and Pauline Schneider. John Bryan, thanks for sitting up here with me and upholding gender equality. (Laughter.) I appreciate that. And thank you for proving as, I believe, one of America's truly outstanding chief executive officers, that it is possible to do well and to do good in one's life. Thank you for what you have done. Thank you. (Applause.)

And thank you, Judy Lichtman. You know, she was saying all that about constancy and always being there. And the truth is, I just could never bear to disappoint her. (Laughter.) You are a remarkable national treasure for what you have done here, and we are very grateful to you. Thank you. (Applause.) Thank you. (Applause.)

You were kind enough to mention the women who hold prominent positions in our administration and who fill judgeships of this country, and the U.S. attorneys positions and others. There are two who came with me today who have a lot to do with the work we do on women's issues, and I would like to acknowledge them in particular -- Alexis Herman and Betsy Myers. I thank them for what they have done in -- (applause).

I note with some satisfaction and pride that in the last two years you had the Vice President speak here. And then you had Hillary speak here. And I'm glad you finally got around to me. (Laughter.) I appreciate being given the chance to come. (Laughter.)

I also appreciate, and I know Congresswoman Jane Harman, who's here with me, appreciates what you said about the Congress and the budget. John heard me say this yesterday, but about 10 days ago or so I was at one of these fundraisers, you know, that you do a lot of

appreciates what you said about the Congress and the budget. John heard me say this yesterday, but about 10 days ago or so I was at one of these fundraisers, you know, that you do a lot of at this time of year, there was a gentlemen there at the fundraiser who had brought his son. His son was his companion at the fundraiser. And this young man was 10 years old. I asked him after this interchange how old he was because it was so amazing. This young man comes up to me, shakes my hand, says, you know, Mr. President, he said, I imagine it's difficult for you to hear a funny joke that you can actually retell in public, isn't it? (Laughter.) A 10 year old boy. And I said, well, now that you mention it, it kind of is. (Laughter.) When I was a governor, I used to keep people laughing all the time. Then they told me it wasn't presidential.

And he said, well, I heard one that I think you can use. I think it's appropriate. (Laughter.) I said, alright, what is it?

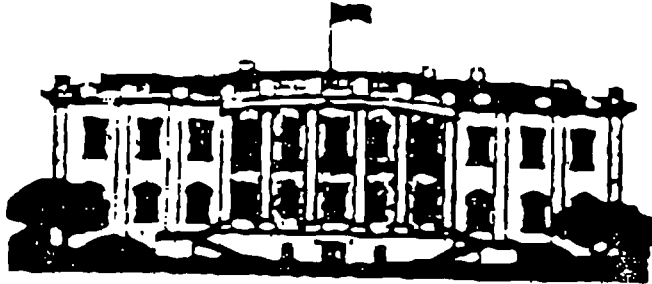
He said, well you should tell people that you're being President with this Congress is sort of like a man standing in a cemetery. There are a lot of people under you, but nobody's listening. (Laughter and applause.) In case you'd like to meet that young man, he's now the youngest member of the White House speechwriting staff -- (laughter) -- and intending to support his parents in their old age.

I am very honored to be here, especially on your 25th anniversary, to thank you more than anything else for the work that you have done for opportunities for women, for stronger families, and a brighter future for America. As many of you have heard me say so many times, I am convinced that we are moving into an age of enormous possibility for our people as we move from the Industrial Age to the Information Age, as we leave the Cold War behind for a new global society that is full of its own problems but still provides people more opportunities to live out their dreams in different ways than any previous period in human history.

I ran for President because I wanted to move our country into the 21st century, meeting the challenges of this new era, protecting our values and guaranteeing that every American who would be responsible should have the chance to pursue opportunities; that would give every person -- without regard to their race, their gender, their background -- the chance to live out their dreams, because I wanted to see this country coming together instead of being divided. And I was very tired, and I'm even more tired today, of seeing the political process used to take this incredible kaleidoscopic, diverse society to divide the American people when we ought to be working for ways to unite the American people. (Applause.)

And because I felt very strongly that our country at the end of the Cold War could not revert to its historic impulse, to withdraw into our borders -- that this is a time when we have to stay involved in the world, when only America can be the world's greatest source of inspiration for peace and freedom and for prosperity.

So those were the things that I wanted to do when I ran for this job, that I was determined to do when I got this job. And you have helped in that mission. You know, preserving the basic values of America and making us live up to them -- that's really what the



UNITED STATES DEPARTMENT OF STATE

OFFICE OF THE WHITE HOUSE LIAISON
ROOM 6311

PHONE: (202) - 647-4820

FAX: (202) - 647-5837

DATE:

TO:

TERRY EDMONDS

FAX NUMBER:

456-5709

FROM:

ERIHARIN COUSIN, DIRECTOR

TOTAL PAGES:(Including Cover Sheet):

12

COMMENTS:

Terry, The attached document is an
"unclassified DRAFT". ~~It is~~ However
the document provides a succinct overview
of the relevant issues covered in the recent
International Conferences on City in
Istanbul.

06/20/96 14:37 202 647 5837

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NAIROBI FOR PERMREP ALATIMER

E.O. 12958: N/A

TAGS: AORC, EAID, UNCHS, UNCED, OECD

SUBJECT: HABITAT II FINAL REPORT

REF: A) ISTANBUL 1328 (NOTAL) B) STATE 87691

Summary

1. This cable reports on The Second UN Conference on Human Settlements (Habitat II) which was held in Istanbul from June 3-14, 1996. It is provided for posts' information. Department thanks all posts which made demarches in the months leading up to the Conference, and especially Embassy Ankara and Consulate General Istanbul for their excellent support to the U.S. delegation before and during the event.

2. Conference opening remarks were delivered by UN Secretary-General Boutros Boutros-Ghali, Turkey's President Suleyman Demirel, and Conference Secretary-General Wally N'Dow. The U.S. opening statement, focusing on our themes of sustainability,

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enablement, and partnership and delivered by HUD Assistant Secretary Michael Stegman, was well received. At the closing high-level segment, the U.S. was represented by HUD Secretary Henry Cisneros. He characterized Habitat II as a process that would ultimately forge an international framework for building healthy, sustainable, and livable urban communities for the next century and beyond.

3. Attendance was estimated at 10-12,000 for the two-week event, including over 700 accredited nongovernmental organizations. About 500 mayors and local officials were allowed to participate in a UN conference for the first time. The Conference produced a 185-paragraph final document, "The Habitat Agenda," and a four-page Istanbul Declaration.

4. The Conference ended at 3:30 am Saturday, June 15. Negotiations on the Conference's final document, "The Habitat Agenda," continued until well after midnight on the final day over issues not central to the main themes of the event. These involved contentious language on human rights, reproductive health, and references to "foreign occupation" and unilateral imposition of sanctions in violation of international law. Compromises were reached only after the U.S. delegation threatened to vote against the entire "Habitat Agenda" unless offending language was changed.

5. Apart from a difficult denouement, however, Habitat II did further its twin goals of "adequate shelter for all" and "sustainable human settlements development." The U.S. delegation made significant progress in achieving international agreement on reducing lead pollution, improving shelter access to the disabled, and promoting environmental justice for vulnerable groups. Health, education and population issues were resolved to our satisfaction. We achieved a successful compromise on the "right to adequate housing" issue early in the Conference. End Summary.

Conference Organization

6. Two main Committees were established as planned. Shafqat Kakakhel (Pakistan) chaired Committee I (The Habitat Agenda), and Martti Lujanen (Finland) chaired Committee II (Partners Forum). Committee I met in two

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Working Groups. Working Group I negotiated "The Habitat Agenda" from the beginning through Part IV, Section D. Working Group II handled Part IV, Sections E and F, which were largely unnegotiated coming into the Conference. An informal group dealt with the "Istanbul Declaration." Other informal groups were set up for specific issues.

Committee I: Negotiations on "The Habitat Agenda"

7. "The Habitat Agenda" is Habitat II's final document. Of all the recent UN mega-conferences, this one had the largest portion of its final document in brackets coming into the Conference. As a result, government delegations had to spend a significant amount of time at the Conference negotiating text, a process which was complicated by many factors. The Conference leadership did not have a clear plan for finishing "Habitat Agenda" negotiations within two weeks, and there was no real driver of the process. Despite US del efforts, the bureau mechanism, where key regional groups consult daily with the chairs, was not organized until the second week due to lack of G-77 cooperation. The absence of goal-oriented planning by the Conference Secretariat in general made it difficult to move the process along. In this context, consensus was difficult to achieve on most topics, and it took great effort on the part of the US del to bring issues to closure.

8. It proved difficult even to achieve agreement where consensus language was available from prior conferences. Several G-77 members and other delegations revisited the major issues of this decade's conference cycle-- environment, human rights, population and reproductive health, women's rights, etc. In addition, the G-77 viewed this Conference as its last chance after Rio to push for increased development assistance, a need perceived by the G-77 in order successfully to implement the Conference's recommendations.

Committee II: (Partners Forum)

9. Each of the "partners" (local authorities, the private sector, academics, professionals, foundations, labor unions, and parliamentarians) had the opportunity to

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make presentations to national delegations and other entities under this aspect of the Conference. After an uncertain start, agreement was reached on how to reflect the outcome of Committee II. The chair's summary text of the proceedings will be appended to the final report of the Conference rather than attached to the Habitat Agenda as first suggested by Conference Secretary-General Wally N'Dow. Habitat II was the first UN conference to formally include nongovernmental organizations and local authorities in its deliberations.

10. Mayors and other local authorities emphasized the importance of decentralization of responsibility and adequate funding for local governments. Some participants recommended creating a charter similar to the one issued by the European Commission. In another session, the "World Business Forum" called for the creation of a Task Force to track the progress of partnership initiatives, a major theme of Habitat.

11. Some controversy developed when the "Foundations Forum" presented a document entitled "the Istanbul Declaration". The Chairman of Committee II suggested that the "Foundations Forum" change the declaration's name to avoid confusing the document with the Habitat II Istanbul Declaration draft text negotiated by government delegations in Committee I. A compromise was reached to place the Foundations Forum's declaration in the annex of Committee II's final report with a complete description of the document's contents.

12. The "Global Forum of Parliamentarians" discussed the necessity of legal instruments to regulate human settlements and promote broad community involvement. The "Forum of National Academies of Science and Engineering" underscored the pivotal role and responsibility of science in achieving long-term sustainability of human settlements. On a different tack, the "Forum of Professionals and Researchers" described their commitment to the emergence of a "social city" through controlled development.

13. Committee II produced a report reflecting the diversity of views exchanged during its proceedings. Overall, the Committee II format provided a useful venue for promoting dialog between government delegations and the various presenters, as well as between presenters and other partners in the audience.

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Istanbul Declaration

14. A separate informal group was set up to work on the text of an "Istanbul Declaration," a short statement of purpose for participating governments. Initial progress was slow because of G-77 unwillingness to discuss language until negotiations on "The Habitat Agenda" had proceeded through the first week of the Conference. During the second week the chair of the informal group, Amb. Balkan Kizildeli (Turkey), produced a consolidated text with elements from Turkish, EU, and G-77 documents. This provided the catalyst for negotiations which were concluded on the last evening of the Conference.

15. In general, these negotiations proved difficult due to divergent views on human rights, NGOs, reproductive health, sustainable development, and the concept of the family. A compromise was finally reached at the end of the Conference through ministerial level intervention. The resulting three-page document is an effort to satisfy all while offending none, and reflects the main themes of the Conference--adequate shelter for all, sustainable human settlements development, enablement, partnership, and the importance of effective implementation of "The Habitat Agenda."

NGO Forum

16. Participation: The NGO community participated actively in Habitat II, but with only about two-thirds the number of prior UN mega-conferences. Statistics showed 8200 registered NGO members and 2400 organizations (600 Turkish, 1800 non-Turkish) at 340 booths. The Forum was a lively place with myriads of activities.

17. Police Presence: A leading issue was strong NGO concern about large police presence, particularly around the NGO Forum site. NGOs were especially disturbed by obvious plainclothes police presence inside the conference venue itself. The issue was magnified when the unofficial "Alternative NGO Forum," organized off-site by Turkish human rights organizations, was closed down by Turkish authorities. But the difficulties of the first week of the

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NGO Forum were overcome the second week with a marked decrease in police patrolling both inside and out of the Forum site.

18. NGO Lobbying: The Women's Caucus played a major lobbying role, as did a number of pro-family groups participating in the Conference. Having learned from previous conferences, NGOs put together a global composite document which pulled together suggested NGO language on the Habitat Agenda. Through U.S. efforts the NGO Global Composite was accepted as a Conference document. This was the first time that an NGO document was considered part of the formal negotiating materials.

19. NGOs and the US Del: The USDel was very successful in interacting with the NGO community, based on collaboration developed from prior UN conferences through private sector advisor members of the delegation. As with previous conferences, the USDel held daily briefings for the NGO community (primarily US NGOs) at the NGO Forum site. In addition, Secretary Cisneros spent an hour talking with NGOs about their experiences from the conference and what type of follow-up should be undertaken by US agencies to further the Habitat Agenda.

Best Practices Exhibit

20. This exhibit parallel to Habitat II promoted the exchange of best practices and successes in the shelter sector. It featured displays and video presentations from more than 100 government, municipal, private and international organizations. A database of successful approaches has been compiled and is available via the Internet and on CD-ROM. As a dynamic tool, the database will continue to be expanded as an ongoing effort after the Conference is over.

21. The U.S. was represented at the exhibit by the Department of Housing and Urban Development (HUD), in partnership with 25 U.S. National Excellence Award winners from a competition conducted as part of HUD's preparations for Habitat II.

22. In addition, twelve organizations from 10 countries received the international Tokyo and Dubai Awards for Excellence in Improving the Living Environment. These

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awards were presented by UN Secretary-General Boutros Boutros-Ghali and Conference Secretary-General Wally N'Dow on June 4 during the plenary session of the Conference. Two U.S. organizations were honored with this award: The City of Chattanooga, Tennessee and Banana Kelly Community Improvement Association in the Bronx, New York. Also receiving awards were Community Planning Process and City-Neighborhood Partnership in Lublin, Poland and Shelter Upgrading in Agadir, Morocco, both USAID projects.

Press

23. There was a significant amount of coverage of Habitat II by both the American and international media. Members of the delegation interviewed with reporters from the Washington Post, the Washington Times, the Los Angeles Times, the Christian Science Monitor, ABC News, CNN, Time, Monitor Radio, CBS radio and AP, among others. The press was interested in the "right to housing" issue, our "Best Practices" award winners, and the experience of the American mayors on the delegation, who included Gregory Lashutka (Columbus), Gene Roberts (Chattanooga), and Kurt Schmoke (Baltimore). Coverage was largely positive. According to CNN, there were about 2800 reporters at Habitat II, more than the number of official government delegates.

24. Upon arrival for the high-level segment, HUD secretary Henry Cisneros met with a small group of reporters from the Washington Post, Washington Times, AP, Reuter, and the Christian Science Monitor. Thereafter approximately 50 members of the media attended his open press briefing. He also addressed the U.S. delegation with coverage by CNN which followed him to a number of activities on his first day at the Conference. In addition, the U.S. delegation participated in an Internet documentary with over 1 million on-line users worldwide.

"The Habitat Agenda"

25. The remainder of this cable addresses key issues in "The Habitat Agenda" which was adopted by consensus at 3:30 am, June 15.

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"Right to Adequate Housing"

26. An important and high-profile issue was how "the right to adequate housing" would be characterized. The U.S., many Latin American countries and some Asians saw housing as an important component of the "right to an adequate standard of living." The EU, however, sought a reference to the "right to adequate housing" as a separate right. In a round of constructive negotiations, agreement was reached on language (para 13), which reaffirms the commitment to realization of all human rights, in particular the "right to adequate housing" as set out in the Universal Declaration of Human Rights (UDHR). This description of the "right to housing" as contained in the UDHR places it squarely in the context of the "right to an adequate standard of living." Para 44 of the text further describes the right as an "important component of the right to an adequate standard of living." Despite intense press coverage, the issue was resolved early in the Conference and thus did not threaten its success.

Sustainable Development and other issues

27. Sustainable development: We maintained the primacy of "sustainable development" (as contrasted with "sustained economic growth") as the overarching paradigm for improving the quality of life. Paragraph 1 of "The Habitat Agenda" states "There is a sense of great opportunity and hope that a new world can be built, in which economic development, social development and environmental protection as interdependent and mutually reinforcing components of sustainable development can be realized through solidarity and cooperation within and between countries and through effective partnerships at all levels." Numerous other paragraphs in the document clearly reference the primary importance of "sustainable development" consistent with Rio Agenda 21.

28. Disabilities: The U.S. commitment to inclusion, independence and empowerment of people with disabilities is reflected in the "Habitat Agenda" text. Language acknowledges that disability is a part of normal life. Shelter and sustainable human settlements must include and reflect the needs of persons with disabilities for them to

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be sustainable for all. Habitat II reaffirms important disability human rights and non-discrimination commitments articulated in the Standard Rules on Equalization of Opportunities for Persons with Disabilities. (Habitat Agenda paras 9, 22ter, 27jbis, 69p, 72)

29. Lead: The U.S. took a strong lead on this issue. Text was agreed which calls for eliminating uncontrolled exposure to lead and other heavy metals, and taking appropriate action to manage their use safely and effectively. The language states that effective and affordable alternatives to the use of lead and other heavy metals are available, and that appropriate alternatives should be sought for those products where exposure to lead can neither be controlled nor managed. The Conference approved a call for the elimination of lead in gasoline as soon as possible. During the Parliamentarians Forum, 96 delegates agreed to introduce legislation to eliminate leaded gasoline. (Habitat Agenda paras 27(i), 95 bis bis)

30. Indigenous people: Recognition of indigenous people, respecting their culture and ensuring equal access to economic and social programs has been included in the document. (Habitat Agenda paras 25k, 90quart)

31. Homelessness: Significant language was approved on the issue of criminalization of homelessness, which will ensure that people are not arrested because of their status as homeless people. (Habitat Agenda para 44 bis-b)

32. Environmental justice: The USdel succeeded in reaching agreement on environmental justice language. We met some resistance on related language from the European Union, but overcame it in the end. The document recognizes that vulnerable groups are especially at risk when they may face disproportionate environmental and health impacts. It calls for initiatives that discourage disproportionate siting of polluting industrial facilities in areas inhabited by people living in poverty or members of other vulnerable or disadvantaged groups. The text also calls for adequate research on the extent to which women and children are exposed to environmental hazards and improved shelter to mitigate health and safety risks to women, older persons, children and people with disabilities that are associated with activities in the home. (Habitat Agenda paras 72, 74d, 82, 94, 96)

33. Involvement of local authorities: Local authorities

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have, by committing to be partners in the implementation process, also agreed to broaden their agenda to include affirmative obligations to address the needs of vulnerable groups, women and children, and a variety of related social issues.

34. Forced Evictions: The issue of forced evictions (paras 25(f), 44bis (b) and 75(b)) was also sensitive. The agreed texts of the above paragraphs were patterned after para 75(b) which was based on a Brazilian compromise proposal. The EU, Canada and the G-77 had sought a text referring to "human rights and other norms as contained in relevant international law." The U.S. (and Israel) preferred text which replaced vague references to international law with an admonition that human rights should be taken into account in the context of evictions. The Brazilian text, slightly amended, was adopted to U.S. and NGO satisfaction.

35. Health and Education: "The Habitat Agenda" contains a number of references to health and education, including Principle 10 (para 22ter) and a reference to health in the commitments section (para 27(a)ses)). Our efforts, supported by Canada, the EU and a few developing countries, to include language from Cairo and Beijing on reproductive health met with only limited success. "The Habitat Agenda" includes specific reference to family planning in a section on population and sustainable development (87a) and a reference to reproductive health in a sub-paragraph on women's health. Even these references were opposed by the Holy See, the Sustainable Families Caucus, and several Islamic and Latin countries. Language on primary health care and basic health care services, including references to the International Conference on Population and Development, will serve to reinforce the commitment by the international community to these important issues. (Habitat Agenda paras 22ter, 27(a)ses, 87a, 92 bis, and 96(d)bis)

International Cooperation and Follow-Up

36. This issue was dealt with in the last two sections of "The Habitat Agenda." They had not been fully negotiated at PrepCom III in New York due to lack of time, and were subject to slow and involved discussions in Istanbul. Essentially the G-77 wanted the Conference to endorse a

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significant expansion of the UN Center for Human Settlements (UNCHS) in Nairobi. UNCHS would be the main player in implementing "The Habitat Agenda," with an expanded staff, an enlarged mandate, and additional resources. The U.S. and other Western delegations opposed this view. We saw an important role for UNCHS in Conference implementation, but opposed expansion and favored a multifaceted approach, whereby many different actors inside and outside the UN system could contribute to implementing Habitat II's major conclusions.

37. This dichotomy of views replayed itself in negotiations on over forty paragraphs of text involved. In the end a significant role for UNCHS was endorsed, but ECOSOC was given the primary role to oversee system-wide coordination in implementing "The Habitat Agenda." We were satisfied with this outcome. The U.S. also stated clearly that we support the continued existence of UNCHS and its location in Nairobi, but that its role and future mandate cannot be prejudged until the ongoing high-level discussions on UN reform take their course.

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