

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the William J. Clinton
Presidential Library Staff.**

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Domestic Policy Council

Series/Staff Member: Eric Gould

Subseries:

OA/ID Number: 20347

FolderID:

Folder Title:

Section 8 Housing II [4]

Stack:

S

Row:

97

Section:

4

Shelf:

7

Position:

1



Search
Documents

Publications

Saturday
radio
addresses

releases

Speeches

STATISTICS

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 7, 1994

PRESS BRIEFING
BY

not included

ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY BOB RUBIN,
CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISORS LAURA TYSON ,
AND OFFICE OF MANAGEMENT AND BUDGET DIRECTOR LEON PANETTA

Room 450
Old Executive Office Building

10:48 A.M. EST

MR. GEARAN: Good morning. We'll start off the briefing today -- we'll have three presentations, then we'll hold all questions until the end of their remarks. Bob Rubin will start, followed by Dr. Tyson and then Leon Panetta; and then they'll all be available for questions. Thank you.

MR. RUBIN: Good morning, I'm Bob Rubin, Assistant to the President for Economic Policy. The principal focus today obviously will be on Leon's comments -- Leon Panetta's comments with respect to the budget, and Laura's comments with regard to the economy. We thought we'd start with a little bit of context, some contextual comments on process and strategy.

Fundamentally, as this administration has functioned, one of the objectives the President had was to make sure that all of the economic programs and all of the economic activities of the administration worked together, tied together. And, in fact, I think that has happened and happened quite effectively.

The economic programs of this administration share a common process. They fit together into a broad-based economic strategy and they are based on a common economic outlook and common economic analytics. Let me just add as a digression, somebody who had formerly been head of the CEA said to me the other day that one

of the interesting aspects of this administration is that in economic perspective, the CEA has really been part of every economic issue and every economic policy issue -- they're at every table; and he distinguished between his administration and this one in that respect and said he thought that probably it had never existed before in an administration. It's part of trying to do things in a cohesive fashion and making sure that all perspectives are part of every economic policy decision. In any event, that integrated functioning of the economic team, in our view, is probably unique to this administration, results in better decisions, strategic coherence, and cohesive follow-through.

Let me go to the budget itself for the moment. The process this year, as has traditionally been the case, is that OMB worked with every agency to go through the particular agency's budget situation. Then, OMB developed recommendations with regard to that agency's budget, and then the difference came.

OMB brought those recommendations to a broad-based forum consisting of key economic, legislative and other advisors to the President, plus the President and the Vice President. We had, roughly speaking, 13 or 14 meetings -- I don't remember exactly how many -- and each agency in its turn presented its view of the

recommendations to this broad-based NEC forum. And then at the end, we had three meetings totalling about eight or nine hours with no agencies present, but all the advisors to the President and the President and the Vice President, and, reviewing everything that happened, and in a process led by OMB Leon Panetta, the President went through all of the open decisions and made his final sign-offs -- his final decisions on the budget. The result was that every agency had a full and fair hearing before a broad-based panel plus the President and the Vice President. And the President, for his part, had input from all of his advisors so that he could make a fully informed decision with all of the relevant information and analytics and points of view in his possession.

As the President said once during the transition, process isn't very glamorous, but process has a lot to do with outcome. And, as I've just said, I think in this instance in the budget process, and in general in the economic area, we have had processes that pulled all of the various parts of the administration together. The results is, we've had cohesive decision-making and cohesive follow-through.

Strategically, the budget is a piece of a broad-based comprehensive strategy the President has put in place to put the country back on the right track, both with respect to creating economic growth now and for the long term. It includes: deficit reduction, investment, trade expansion, regulatory rationalization, and health care reform.

As Chairman Greenspan said the other day in his testimony -- this is not an exact quote, but the paraphrase of it was that the country, in his judgment, the fundamentals of the country, the underpinnings, I think, was his word, with respect to the economy were in better shape than they'd been in, in two or three decades. In our view, there is no question that that, in large measure, is the function of the President's economic strategy.

More specifically, this year's budget, as Leon will explain very shortly, continues the President's powerful deficit reduction program, and at the same time, operating within the constraints of deficit reduction, continues the President's investment agenda, putting in place programs that will create the

underpinnings for the future economy -- education, training, infrastructure -- all the things that are requisite for competitiveness.

Let me end by saying that it would have been very easy in this year to have had a enormous internecine warfare and strife, given that, a, we had a rigorous deficit reduction program in place and, b, we had an enormous number of investment objectives to superimpose upon the existing budget.

Instead, we had a remarkably harmonious process, and the period since the decisions were made has also been remarkably harmonious. I think it is a great tribute to the processes that the President thought through and then put in place, to the integrity and the professionalism of leadership that Leon showed through this process, and finally to the attitude of the Cabinet members.

And with that, I will turn the podium over to Laura, who will tell you what the economy is all about and what's going to happen.

DR. TYSON: Thank you very much, Bob. Recent economic data that's been coming in confirmed that the economy is on a sustainable expansionary path, with increasing output, rising employment, and a strengthening manufacturing sector. Improvements have come in a variety of intrasensitive spending, business investment, consumer durables, residential **housing**. These sectors of

the economy are stimulating and reinforcing growth in other parts of the economy. Consumer confidence is high, and inflation remains tame.

For 1994, the administration foresees continuing solid and sustainable growth in output and jobs, and very good performance on inflation.

I want to, before I go into the highlights of the forecast, just point out that 1993, in fact, unfolded much as we forecast a year ago. The first half of 1993 was slower than we forecast, the second half was faster. If you look at the year as a whole for the four quarters of 1993, on a fourth quarter to fourth quarter basis, real GDP grew at 2.8 percent, which was exactly what we forecast last February the economy would do if the economic stimulus package were not passed, which it was not.

Now, let me give you the highlights of our forecast for the coming year, and then a little bit into the future. Real GDP is expected, we project, to grow at a three percent annual rate for the next year. Thereafter, the growth rate will slow gradually as the economy reaches full capacity, full employment. Our forecast for GDP growth for 1994 -- this three percent for 1994 -- is unchanged from the one that we released last August.

The second part of our forecast. We forecast that the unemployment rate will fall gradually over the forecast horizon. I want to emphasize that our forecast is based on unemployment measures using the old survey; the only one that we have historical experience with. So what we have done in our forecast is take a projection, or a forecast for, based on what the old survey might have predicted and then give a range based on what the new survey numbers are likely to show. I want to emphasize there is an unresolvable uncertainty in the relationship between the old survey numbers and the new survey numbers. Nobody knows at this point enough about the behavior of the two different surveys to be certain, and that's why we decided to go for a range of forecast.

For 1994, we project that the unemployment rate will be 6.2 percent by the end of 1994 on the old basis, and between 6.5 and 7.1 percentage points on the new basis. We also project that the unemployment rate will continue to fall gradually and steadily for the following four years. I want to emphasize our forecast is consistent with the creation of eight million jobs over a four-year period. And the most recent twelve-month period that we have just lived through suggests we're on track for that target.

Our forecast projects that inflation will remain low. We forecast a 2.7 percent increase in the GDP deflator, and a 3.0 percent increase in the CPI for 1994. In subsequent years we project small increases in inflation. I want to emphasize here that our projections represent a slight downward adjustment in expected inflation compared to what we forecast for 1994 earlier in 1993. That's because 1993 we ended up with inflation rates -- actual rates -- which were below what we had originally forecast. When we went into 1994, we brought our inflation forecast down a little bit.

As far as interest rates are concerned, for interest rates we expect long-term bonds -- 10-year Treasuries -- to have a rate averaging 5.7 percent through 1994. The Treasury bill -- we have always anticipated from the beginning of our forecasting exercises that the Treasury bill -- that is the short end of interest rates -- would rise somewhat. We've been projecting that since the beginning. Our formal forecast is to have the Treasury bill yield increase by 40 basis points in both 1994 and 1995. And I want to emphasize again a point we've made over and over -- moderate increase in short rates is not incompatible with sustained growth and real activity and with nearly stable long-term bond yields.

Now, let me point out a technical issue here. I've been reporting on our forecasts for 1994 and beyond. It is the forecast that will appear in the economic report of the President. When the budget was done, the budget had to have economic assumptions on which to run earlier, and so there is a set of economic assumptions made on the basis of information we had as of early December 1993.

In general, they are almost exactly the same as what we are now forecasting, but we made the final official forecast after we had a little more information. So just as a technical point, the forecast I have just talked about and the forecast that will appear in the Economic Report of the President differ slightly from what's called the economic assumptions on which the budget numbers were run. And the difference is solely that we have better information right now than we had at the beginning of December 1993. And the difference amounts to this: In the forecast -- the official forecast reported in the Economic Report of the President -- we have reduced the unemployment rate by .2 percentage points. That simply reflects the reality that the numbers we got at the end of 1993 were better than anyone anticipated, and we have revised our future forecast based on doing better than we anticipated in 1993.

We also reduced the Treasury yield, that is the 10-year Treasury yield, by .1 percentage point, again because of what was happening to rates between the beginning of December and the time we made our final official forecast.

Let me end this on not a technical note, but an important general note. We believe our forecast continues to be an extremely credible one. We are not painting a rosy scenario, just as we did not do last year. Our forecast, we do not believe to be in any way unduly optimistic. We believe that our credible forecast has

been a key to the success of our deficit reduction program, and I guess as far as emphasizing what factors of credibility or what I might point to, to suggest we have credibility, number one, would be our 1993 forecast and how the economy behaved relative to what we forecast, suggests we were credible then.

Number two, if you look at the CBO projections about key economic variables, they are nearly identical to ours at this point.

So, thank you very much, and I'll be happy to answer questions, but now let me turn over to the real star of the show here, Mr. Panetta, who will tell us all about the budget.

DIRECTOR PANETTA: Good morning. As you know, this morning the President sent up the budget. I want you to know that, in the spirit of this administration, first of all this is a user-friendly budget in that those who suffered from hernias last year and the year before with regards to all of the budget being in one document and one volume, we have returned to an approach whereby we have the backup materials contained in the additional volumes, but the summary of the budget is here, and for those that want a quick view of the key elements of the budget, it's in this document, which is titled "The Budget of the United States."

Now, again in keeping with the spirit of the administration, if you're a high-tech wonk, we also have a CD rom, which has the budget as well. It doesn't have all of the appendix here, but at least it's got the basic elements are contained in this as well. So the information is here, and hopefully everyone will have easy access to it, even though they may not always agree with the elements of it.

We sent the budget up this morning. I might say that the President asked to say that he would liked to have been here to kick this off, but he, as you know, is in Texas, as is the Secretary of the Treasury, Lloyd Bentsen.

The budget builds on the foundation for long-term growth and prosperity that we began last year with the President's economic plan. This is -- please, make no mistake about it, as people go through this and look at the cuts and what have you -- this is a tough budget. It is, by its very nature, a tough budget because of the hard freeze that we have to deal with on the discretionary side.

It's a tough budget that I think keeps the nation on track, and that's really -- the main thrust here was that what we passed last year in the economic plan and what this budget reflects is the importance of staying on track with what the President and the Congress and the nation built last year in terms of deficit reduction, continuing the deficit downward -- this is the most consistent deficit reduction in 40 years. It actually cuts the budget deficit by 40 percent, almost \$126 billion from where we had projected the deficit. And, in addition, it keeps the economic recovery on track as well, because keeping deficits on a downward track we think is essential to economic recovery, and we think that economic recovery is essential, obviously, to producing the kind of jobs that are important for the people of this country for the future.

In addition to that, it continues the key investments that the President began last year in our future. So this is a budget intended to keep the nation, our economic recovery, the investment strategy that the President began last year on track.

One of the reasons that I think President Clinton was elected in the November election of 1992 was that the American people basically wanted to reverse the budget policies and the economic policies of the previous 12 years, and he has essentially carried out that mandate.

The budgets of the past 12 years were characterized by the following: they were borrow-and-spend budgets that resulted in deficits going up. When we came into office, the projected annual deficits had us going for \$300 billion to \$400 billion to \$500 billion, ultimately to \$600 billion annual deficits as we entered the next century.

Secondly, they were fundamentally unfair, particularly to the middle class and to working families in this country. They failed to invest in the areas that we thought were most important for the future and they were fundamentally misleading in that they oftentimes contain gimmicks and rosy scenarios on economic assumptions to basically hide from the American people the true implications of the policies that were contained therein. So, as a consequence, these budgets usually arrive on Capitol Hill dead on arrival.

Budgets that we have tried to present Capitol Hill are budgets that are disciplined, first of all, in that they, in fact, are turning the deficit around and moving the deficit downward as opposed to the path we were on -- that's I think, characterized most significantly by this budget which, in 1995, instead of a \$302-billion deficit, is focusing on a \$176-billion deficit, a drop of almost \$126 billion.

Secondly, instead of tax on fairness, we have a tax system that, according to the CBO, the Congressional Budget Office, is more progressive than at any time in the last 17 years. Instead of ignoring the future, we are investing to improve economic growth to make today's workers and our children more productive for the future.

Finally, the numbers are real. We don't have any rosy scenarios here. I think the economic assumptions that Laura just talked about are, in fact, generally the consensus assumptions. It might even be interpreted as being more conservative than the consensus assumptions about where the economy is going. There are no gimmicks, there are no smoke and mirrors. What you see is what you get in this budget. And for that reason, we continue to be confident that when we present this budget to Capitol Hill as we have today, that we in fact will get support for the basic recommendations and will be able to move a budget resolution through both the House and the Senate that largely reflect the priorities that are contained in this budget.

Let me talk a little bit about each of the areas that I just discussed.

On fiscal discipline, essentially these were the key marks that we were trying to focus on. We wanted to preserve the \$500 billion in deficit reduction that the Congress and the President enacted last year. The budget sticks to the spending caps that were established by that budget. As I said, that's a hard-freeze cap on discretionary spending. What we spent in 1993 is exactly the same amount that we have to spend in '94, '95, '96, '97 and '98. So we are looking at discretionary budgets that contain no inflation increases.

Thirdly, it produces the lowest deficit as a percent of GDP since 1979. And as the President himself pointed out, these declining deficits -- we include the declining deficits for the last three -- for three straight years, assuming we get the deficit reduced in '95, we are looking at the first time in over 40 years, since the Truman administration, that we have seen three years where the deficit has been brought down. And, in addition to that, obviously -- and I think confirming the fact that the numbers are real here -- the Congressional Budget Office just within the last few weeks indicated that the deficit numbers are approximately in the same area that we reflect in our budget.

Next chart. The deficit itself, as I indicated when we came into office, is the upper line, and obviously reflects the path that we were on with \$300 billion deficits going up to \$400 billion, going up to \$500 billion deficits, ultimately. We were looking, as I said, in 1995 at a deficit projected at \$302 billion before the President's plan was enacted. The bottom lines reflect where we think this budget will take us. It will take us to \$176 billion deficit, which represents a 40 percent cut in the deficit. The cut is primarily due to two factors: First of all, the specific deficit reduction measures enacted in 1993, and the improved economic outlook which is also due in part to the President's plan.

Let me just mention, this is the -- this line here is obviously the line that we would follow if we enacted the President's health care reform proposal. This green line reflects the deficit that we would have without health care being enacted. As you can see, in '98, the '95 budget shows the \$176 billion. It starts to level off and then it begins to go back up, largely because health care costs, ultimately, and that's obviously the importance of passing health care reform is to try to keep that line on a downward trend.

Let me also mention that of the \$126 billion in the cut in the deficit, which is the cut from \$302 billion to \$176 billion, \$83 billion of that is due to the enactment of the economic plan. About half of that comes from revenues that will be flowing into the trust fund to reduce the deficit. Half of that are the spending cuts that were enacted as part of that plan, as well. In addition to that, there is about \$22 billion of that number that can be related directly to lower interest impact, either in terms of the economy or interest on the debt. So that you could say that over \$100 billion of the \$126 billion, either directly or indirectly, relates to the enactment of the economic plan and the budget obviously that we are presenting now that continues to implement that plan. The balance of it are basically reestimates, largely in Medicaid and some other areas like that.

Next chart. As a percent of GDP, which is one of the things, obviously, that is an important measure of the deficit's impact in terms of the economy, the deficit declines from what was a high of 4.9 percent in 1992 to 4 percent in '93 and 2.5 percent in '95. We have virtually cut the deficit-to-GDP ratio in half. And you can see the trend that we followed between '89 and '92 in which the percent went up. And you can see where that trend takes us as a result of enacting the economic plan.

How do we get there? We get there through spending cuts. And let me just go into the spending cut portion of this. The spending cuts are going to be tough choices, and obviously they involve some difficult decisions because you can't get there unless you make these decisions. On the spending cuts, we basically have recommended about 115 terminations. Actually, the number is slightly

higher as you go through each of the budgets probably -- this is an approximate number in terms of terminations. Most of those terminations take place obviously in areas that we think are nonpriority areas and in programs that we've identified and that the agencies and departments have identified for elimination. Three hundred cuts -- containing that 115, there are 300 cuts below the '94 level. So what was spent in '94, in '95 we have cut those programs below their '94 level in about 300.

Federal employment is going to be reduced by 118,300. This is part of the 252,000 reduction over five years. But for '95, we will see a reduction of 118,300. That's one of the reasons that we hope that the Congress will enact this buyout in order to give us the opportunity to be able to do this without having to resort to RIFs.

There's a \$16-billion cut in noninvestment programs. That's basically one of the targets. Incidentally, overall, in order to get us to the cap and then get us to make room for the investments, in outlays it's about a \$24 billion cut, overall. Of that, about two-thirds goes for deficit reduction and about a third of that goes for the investments on the outlay side. The five-year cut below baseline is \$221 billion. And let me just give you a chart that reflects in part what we had to do.

Everybody has talked about not gauging the budget so much on the basis of baseline, but on what was spent in '94. And we basically are presenting this budget based on what we spent in '94 -- we aren't using baseline. But I think people do have to understand that baseline is an inflation reflection in the budget. Normally, the budget reflected the growth in inflation and, therefore, said that that level, with inflation, represented where the budget ought to be -- current spending. And there are those that would argue legitimately that if, in fact, a student loan goes up because of inflation and you then don't reflect that inflation, you're engaging in a cut -- certainly a cut for that individual. What we had built into the baseline for '95 through '99 is \$221 billion in inflation for increases. So we are essentially having to reduce that, plus we've had to reduce more in order to meet the caps and in order to fund the investments.

Next chart. On the GDP again, as a percent of GDP spending as a percent of GDP, oftentimes the argument is made, yes, but what is this due to overall government spending? Overall government spending as a percent of GDP is going down. During the previous 12 years, in the Reagan-Bush years, it went up to almost 23 percent, in excess of 23 percent of GDP. It is now going down to about 21 percent of GDP. So it is clearly moving in the right direction in terms of federal spending to GDP.

Let me talk more specifically about some of the spending cut areas. To guide our approach on spending cuts, these were the guiding themes on spending cuts. Basically five themes: First, managing government for cost-effectiveness and results. The fact that we were at the end of the Cold War and could therefore find some savings as a consequence of that, better targeting government programs, eliminating nonpriority programs and paying for government services. Let me just give you an example in each of these areas. Obviously, managing government for cost-effectiveness and results, the 118,000 streamlining reflects part of that approach in better management. In addition to that, we include procurement reforms in the bill that were reflected in the National Performance Review, and we have also included, obviously, some of the streamlining, particularly at the Department of Agriculture, which is tightening up

on their field offices.

With regards to better targeting, we're at the end of the Cold War. Obviously, the defense savings plus the savings with regards to the Energy Department in weapons productions reflect the savings that result as a consequence of that.

Thirdly, in better targeting government programs. These are some of the more sensitive cuts that we propose. The low-income energy assistance program: what we've done on that program is said that this is a program that we think can be better targeted. We have cut it, but we said in cutting it, can we not do a better job in targeting that program to the areas that need it? One of the problems with the low-income energy assistance program is that the formula that is built up around that program requires that when we send money out to assist people, for example, in a Minnesota or Maine or Buffalo who are facing hard weather conditions, that at the same time we've got to send money to Hawaii. It makes little sense to do that. Now, this is an area that we want to work with the Congress on. We think these funds can be better targeted. There is a contingency account that was included in this year's budget that we think can be used as well next year to minimize the impact here. But, clearly, this is an example of a kind of federal program that needs to be better targeted.

On transit operating subsidies, again, we feel that there is about a 25 percent cut on transit subsidies, for operating expenses, because we believe that the place to put federal dollars is on the capital side of the budget with regards to mass transit investment. We're prepared to assist communities in buying buses, buying cars, buying the kind of capital infrastructure that they need for mass transit. But with regards to operating costs, this is an area that we think government needs to participate more in at the local level.

We think that the key thing at the federal level is fully fund the ISTEA formula, the highway formula, fully fund the capital side of the budget, increase it. It goes up about 40 percent, incidentally, but in exchange for that, assume a greater part of the burden with regards to operating expenses. That's the tradeoff.

And, lastly, on public **housing**, where we think again we need to better target and better manage those dollars. In public **housing**, what we have is a situation where we've got about \$8 billion in the pipeline. That's in the pipeline; it isn't coming out the other end. Public **housing**, for one reason or another, is not being constructed as rapidly as it should be. And so what we have said is let's do a better job assisting communities to build the public **housing** at the other end. Don't simply go through the act of putting

it into budget authority here, pumping it into the pipeline without having produced the results at the other end. We don't help people, we don't help the elderly, we don't help those that are interested in public **housing** simply by putting money in the pipeline. We've got to force the process to work better at the local level, and that's why we've made this recommendation. Again, it's an area where we think if we work with the Congress, we can develop a better program, a more effective and efficient program, by doing that.

Let me turn to the investments that we have in the budget as well, because obviously if there is one major distinction, I think, between the budgets of the '80s and the budget that we've presented here, it is where we have targeted the investments. The

investments are largely targeted at what we think are important for the future of the country to take us into the next century. But let me just go through each of these areas because they are important. Jobs and prosperity, obviously the key elements there are education and training.

In the education and training budget, we've increased that almost 24 percent. If you look at the last two years, from the '93 level, we've increased that budget by almost 43 percent. In the area of technology, as another example, technology has increased by 22 percent over '94, almost a 50 percent increase in technology over the last two years. And let me talk through each of these areas so you know basically what we're focusing on.

On the first area, with regards to technology, the primary investments here are in the Commerce Department's National Institute of Standards and Technology, the NIST program, which gets very close to almost an 80 percent increase, because it is an area that both the President and the Vice President wish to emphasize for the future.

The Vice President's proposals for information superhighways are increased as well. The Defense Department's Technology Reinvestment Program, the ARPA program, is another one, as well as the Defense Conversion Dual Use Technology Programs are increased substantially as well. Energy conservation R & D, NASA's Mission to Planet Earth, and the National Science Foundation all are areas that we focused on for increase.

As I said, it's about a 22 percent increase in the technology and research and investment programs.

In infrastructure, again, our goal was to try to protect the formula funding for the highway program, and so we have done that. We've provided a substantial increase for the capital grants with regards to mass transit, and we've also increased funding for the Department of Agriculture's World Development Initiative. And clearly, with regards to HUD, we've provided more money for community development and for the empowerment areas that HUD is working on, as well as funds for the homeless.

On the training and education side of it, and children's programs where we had a major focus, there are substantial increases, obviously, for Head Start, Title I for disadvantaged elementary students, Goals 2000 gets a big increase, although it hasn't finally passed the Congress -- the feeling is that it will pass and, therefore, we've covered it in the budget -- School-to-Work apprenticeship program is also provided for. National Service gets significant funding to get more people to be able to work in their communities, and then there is a significant increase for the WIC nutrition program for pregnant women, infants and young children.

Training is an area that gets a significant increase here. It's almost a 31 percent increase over '94. I might say with regards to the training programs, if you look at '93 and gauge it

against '95, there's almost 143 percent increase here, because these are largely the programs to assist individuals who are dislocated and need to be reemployed.

As you know, the Department of Labor is going to introduce a work force security initiative; we have fully funded that in this budget. It's a significant expansion of those programs, and it's also a significant restructuring of the programs in order to more effectively assist those who are out of work.

In addition to that, we provide expansion of the Job Corps program, and for one-stop career shopping.

For that area of the budget as I indicated, we have a 24-percent increase from '94 -- about a 43 percent increase from '93. In the environment, we provide funding for the climate change action plan at the Department of Energy, natural resource protection and environmental infrastructure in the Interior Department is funded, and EPA's clean water and safe drinking water state revolving funds. Those are key programs that we fully fund.

The environmental investments are up 24 percent from 1994. The health security investments -- we provide additional funding for the Ryan White Program, for childhood immunizations, we increase funding for drug treatment; and we also provide what is, I believe, is a record increase with regards to the National Institutes of Health, in terms of getting those grants out.

Lastly, on fighting crime. We include \$2.7 billion here for fighting crime. What we did essentially is we took the number that is in the bill that was passed by the Senate, which is roughly about \$22, \$23 billion. We took the portion for '95, built that into the budget. It goes for an additional 100,000 police on the nation's streets; it goes to fully implement the Brady bill; to establish community partnerships against crime; in the Department of **Housing** and Urban Development, the program that was announced the other day by the Secretary of HUD; and we have a major initiative to tighten border security and also slow down illegal immigration. Those are all parts of the proposal that are contained in the fighting crime side of it.

Lastly, on national security. Again, to stress what the President said in the State of the Union address, we have a commitment that there should be no further reductions with regards to defense spending beyond those proposed last year. We have established a plan for reductions in the Defense Department. They fit the bottom-up review that Secretary Aspin had developed at the Pentagon. We think we can do this in a way that protects our force structure, protects readiness and maintenance in our national security. The defense budget, incidentally, on budget authority is \$252.9 billion; on outlays it's \$259.9 billion. The '94 level on outlays was \$268 billion.

The key for all of this is obviously to try to help our economy and try to move our economy forward. And probably, that's the most important point of all. I mean, I think we can -- you can look at budgets and describe them in terms of whether or not you get some of these programs enacted, some of the cuts enacted. But in the end, the fundamental test of a budget is whether or not it is working in the economy. And we think this is a program that, in fact, is working.

Let me just mention with regards to jobs alone, what we've seen in the private sector is more job creation since the administration took office than in the previous administration. We've been able to produce nearly two million jobs; some 1.7 million were in the private sector -- 70 percent more than in years, as I said, '89 through '92. Secondly, we have had real economic growth.

The economy has grown at a rate of 2.9 percent since '93. During '89 to '92, it grew at a rate of 1.4 percent. So, clearly, it is impacting as part of a strategy, part of the building blocks you need for economic recovery.

On investment -- and again here is the key between deficit -- why the focus on deficit reduction? Because we think that deficit reduction and a clear plan to reduce the deficit is important in sending a signal to the markets and to the world that we're serious about disciplining our budget. And that ultimately impacts as well on interest rates. By virtue of keeping long-term interest rates down, we have increased investment. And here you have the amount of increase in investment as a result of what's happening in the economy right now.

Business investment, which we think is a key measure of future growth, grew eight times as fast in '93 as it did during the years '89 to '92. And finally, continuing low inflation -- CPI has increased at the lowest rate since 1986. And that means, I think, we have laid the groundwork for a strong, steady recovery.

Let me quote Federal Reserve Chairman Alan Greenspan, who addressed this issue in his testimony. "The actions taken last year to reduce the federal budget deficit have been instrumental in creating the basis for declining inflation and expectations and easing pressures on long-term interest rates. Although we may not all agree on the specifics of the deficit reduction measures, the financial markets are apparently inferring that, on balance, the federal government will be competing less vigorously for private saving in the years ahead. Partly because of these structural adjustments, the foundations of the economic expansion are looking increasingly well entrenched."

With regards to the future and future spending trends, let me just present you with one final chart here, which tells us a lot about where the increases in spending are going to be for the future. The reality is that 90 percent of the increase in spending -- as we proceed from '95 through '99 -- 90 percent of the increase is going to take place essentially in three areas: in health care, in interest payments on the debt, and in Social Security. The area below there indicates discretionary spending which, as you can see, remains relatively small and controlled compared to these other areas.

I think what this says is, again, it is extremely important that if we want to stay on the deficit reduction track, that we have -- that we're now embarked on, that we've got to begin to address these areas, particularly health care because health care is the largest culprit in the entitlement programs right now in terms of being out of control. And so for that reason, we would again stress the importance that Congress has to enact a health care reform proposal that is able to control and lower costs in the health care area so that we can, in fact, keep this country headed downward on the deficit track.

To sum up, as the President has said about -- this is about the toughest budget Congress has seen in a long time. The cuts in the budget are needed, the investments in this budget are essential. We look forward to working with the Congress as they act on these budgets in the weeks ahead. And we are confident that Congress, in the end -- as they did last year -- will adopt this budget and keep us on track.

Happy to start answering your questions.

Q Could you tell us how you treated the health care proposal in this budget, whether the tobacco tax is in, the Medicare-Medicaid cuts?

DIRECTOR PANETTA: Yes. First of all, I should say that the overall budget does not recommend any tax increases. We do have some user fees that are part of the proposal. Secretary Bentsen mentioned the increase in the gun dealers' user fee. We also have some additional fee increases, but there are no tax increases that are asked as part of this budget; and we are not requesting reconciliation for those of you that follow that part of the budget -- we are not requesting reconciliation from the Congress as a consequence.

On the health care plan, what we do is reflect those areas that are on budget from the federal government's perspective, namely we do include on budget what happens on Medicare, what happens on Medicaid, what happens in defense, on veterans. We also include on budget the subsidies that are part of the overall plan so that we have, in fact, reflected those portions of the health care plan which we think do, in fact, relate to the federal government.

What is not reflected here is obviously the premiums that would be charged by the alliances in the plans that are provided for coverage at the state level. And the reason for that is that it is our view that since those premiums are paid to the alliances, which in turn pay them to the insurance companies which in turn pay them to the providers, that none of those funds in any way are related to the federal Treasury. None of them are controlled by the federal Treasury, and the consequence is that we think that issue -- while we will reflect that on the budget, incidentally -- I mean, our goal here is to basically establish a presentation on the health care plan. It's not that we're not going to present the entire plan, including the premiums for presentational purposes in the budget; we will do that. But for purposes of what, in fact, is impacts on the federal budget, that will relate to the federal aspects of it and federal spending that comes out of the Treasury.

Q On the -- you were talking about the labor accounts and saying that the jobs programs are all fully funded. Can you tell us where those are in the budget? We've got end-of-year investments just for 1994 and 1995, and they don't seem to extend, as everything else does, to 1999. Where are they?

DIRECTOR PANETTA: Are you talking about the jobs? The job training stuff?

Q Yes, the job training.

DIRECTOR PANETTA: What do you want, a page number?

Q Well, yes, actually. (Laughter.)

DIRECTOR PANETTA: All right, Barry, you've got a page number. (Laughter.)

Q No, I mean, because you've broken out everything else, and you know, you have all of this investment stuff and you're talking about commerce and everything. But the only thing that you haven't broken out in four years is the labor stuff, and I'm wondering why you didn't do that and where it is.

DIRECTOR PANETTA: Belle?

MS. SAWHILL: I thought it was there. I think we just need to find the right page for you, so we'll do that.

DIRECTOR PANETTA: If you'll talk to Belle Sawhill, she'll get you the right page.

Q You made the point earlier about the necessity of doing something on health care reform to bring the budget deficit under control on a longer-term basis. Looking on page 13, the administration's estimate on the deficit, even with health reform, still is in 1998, 1999, \$180 to \$190 billion. Does that mean we might have still a deficit problem even with health care reform?

DIRECTOR PANETTA: Listen, I think it's pretty clear that, again, when you're trying to bring the deficit down, you've got to take on a number of areas in doing that. We obviously took on some major areas last year in the economic plan, both getting entitlement spending, as well as revenues to help us reduce the deficit. This year we're taking on, obviously, some challenges on the discretionary side, as well as health care reform, and trying to implement those.

I think, obviously, as we proceed, depending on what we see are the consequences of the actions we've taken, additional steps may be necessary. But I think it's pretty clear that the important thing right now is we've established an important beachhead with regards to reducing the deficit, both with the economic plan, with health care reform, with the steps we've taken on discretionary spending, we're headed on the right path.

And it may be important that we take additional steps, but it depends a lot on how the economy performs, it depends a lot on the elements of health care reform and how successful we are there. So, you know, I'm one of those that, you know, having worked with this issue over a number of years, the reality is that this is not an issue you can sit back and relax on. You've got to continue to be vigilant, you've got to be continue to look at the progress we're making.

Right now I think all of us feel very good about the direction we've set. But that is not to say that we shouldn't continue to be vigilant in the future.

Q When individual members, particularly members of the Appropriations Committee, start to resist some of your cuts and your terminations, what will the administration posture be? Will it be, "Show us other cuts," or will you be willing to scale back some of your investment spending?

DIRECTOR PANETTA: Well, you know, I've been asked the question -- did everybody hear the question? Basically, the question is when the Appropriations Committees look at this and begin to resist some of the specific cuts, what will be our position, what will be our posture with regards to that.

The major difference here in dealing with the budget is that we have built in some very important disciplines as part of the Budget Act that was enacted last year. First discipline is, obviously, the discretionary cap. The fact that there is a hard freeze cap in the budget that basically requires the Congress to do exactly what the administration has done, which is to stay below that cap, that is not something that can be breached unless the Congress votes to breach it, which isn't very likely. And if it is breached, we then have a sequester tool which basically cuts all spending across the board in order to ensure that we stay at the cap level. It's a very important discipline.

The other discipline is, obviously, the Pay-Go requirement which says that if we are going to expand any benefits,

if we're going to cut any taxes that impact on the deficit, we've got to pay for them. Those two disciplines have been extremely important, I think, in maintaining the track we're on with regards to deficit reduction.

With regards to the Appropriations Committee, I think they have to confront the issue of the cap. And so the question will be: if they don't particularly like the recommendations we have suggested with regards to the cuts we've recommended here, and the terminations we've recommended, they are going to have to look elsewhere. We think it's important for them to maintain the investments that are part of this budget.

And so we think that in the end, when they evaluate and fully evaluate the recommendations we've made here, and compare them to the important investments that we need to maintain, that in the end, I think a majority of these recommendations are going to be accepted by the Congress, largely because they don't really have anyplace else to go.

Q Secretary Bentsen last week said he thought there would be blood on the floor. Do you think it's going to be that kind of a battle, or are you really not tinkering here with the margins, rather than the kind of battle you had last year?

DIRECTOR PANETTA: I feel pretty confident that this is a budget that we ought to be able to work with the committees on pretty quickly. I mean, we're prepared to sit down and work with them, as we always are. But I honestly think that because of the disciplines that are here, because of the cap, that while they might be tough decisions -- and they will be -- and while there may be some differences that we'll have to work out, that ultimately we're going to be able to move a resolution pretty quickly through both the House and the Senate.

Q Mr. Rubin said at the outset that the budget you're presenting continues the President's powerful deficit reduction program. I'm curious, aside from things enacted last year and the spending cuts that are in place, and the taxes that will kick in and any other cuts, the budget that you're presenting today has some spending cuts and program terminations at least partially offset by increases. What is the net deficit reduction in this budget that is new and not as a result of last year's? What new deficit reduction that wasn't preordained by past legislation are you proposing?

DIRECTOR PANETTA: You sound like one of my old constituents -- "What did you do for me lately?" Let me just say, first of all, I don't just lightly accept the argument that last year's battle was just kind of something that was casually enacted, so why aren't you enacting another \$500 billion.

Q Are you going further this year than what you were required to do in last year's battle?

DIRECTOR PANETTA: Well, I think what we've basically done in the -- obviously the \$500-billion package was the important step. It contained the disciplines I talked about. It also contains the entitlement savings that we've got to continue on track, plus the revenues that were part of that budget. And what we've done here in this budget is largely maintain that progress, but, in addition to that, on the discretionary side, forced ourselves to live within the caps.

Now, to do that, as I said, we are looking at roughly a \$24-billion cut that had to be enacted on programs. And of that \$24 billion, two-thirds basically goes for deficit reduction, a third goes for the investments. But to make room for the investments, you've got to cut other programs.

We are in a new era now, and it's not bad because it forces both the President and the Congress to make fundamental priority judgments, priority judgments about where we can achieve savings, where we can cut existing programs, where we can eliminate

programs that don't work, and where, as a consequence, we ought to be focussing our investments for the future.

That is, I believe, the kind of debate that we should have had for the last 12 years and we never had it. We have it now, and I honestly believe that that's a very healthy debate because it not only goes to what programs we're going to fund; it goes to the role of government and what we're about.

So I would not downplay the fact that \$24 outside --only in Washington is \$24 billion not a significant number. The fact is, it's a huge number and it involves a number of programs that we're going to have to deal with the Congress on, and I think it does represent an important step towards keeping us on track with the deficit.

Let me take you the next step, which I think I may be anticipating a question here. But the fact is that if you were to look at the Penny-Kasich recommendations, the Penny-Kasich amendment of last year, two-thirds of that is in this budget, either in the health care savings, the personnel cuts or in the discretionary cuts. Of the amendment that was offered last week, 50 percent of that is in this budget.

So while there will always be those who will say, "Gee, why can't we do more? Why can't we cut someplace else?" and, "We'll ultimately vote no because it's always the safe vote to vote no," the challenge to them is, "Where do you want to cut? Show us where those cuts are going to be."

And ultimately, I think you're going to find that if we can stay on track with the deficit we have established here, we will be doing a good job for the country and for our economy.

Q To follow up on that, Penny and Kasich, if they come out with another proposal, as they might, they and others, is it anticipated the administration would again fight this year, as you did last year, proposals for large amounts of additional deficit reduction?

DIRECTOR PANETTA: I would recommend to both Congressman Penny and Kasich that they look at the budget, see where the proposals are that we've adopted here that reflect a lot of their proposals, and hopefully join with us in getting this budget passed.

Q Leon, I'm still not clear on the relationship of your cuts to investment. On page 18, in the table of terminations and reductions, you come to a grand total of \$22.2 billion in BA of cuts, okay?

DIRECTOR PANETTA: Right.

Q Then, if you go to page 28, on your investments, the grand total is \$14.8 billion. That would be more two-thirds

investment, rather than two-thirds deficit. How does that --

DIRECTOR PANETTA: I think the difference is budget authority compared to outlays, Leo. We went through this debate the other day ourselves, as a matter of fact. The budget authority number would be higher just be virtue of being budget authority. The outlay number I gave you on the \$24 billion and the amount that then goes to investments is on the outlay side and not the BA side, and the numbers there are BA.

Q Let me just follow up here. Your outlay number is only \$4.8 billion on page 18 in terms of cuts. You change '94 to '95, outlays, minus \$4.8 billion.

Q The number on page 18 in outlays is \$5.5 billion. There is an additional \$10 billion of outlay costs that is not listed on Table 1-4.

DIRECTOR PANETTA: Yeah, these are illustrative, if you'll see at the top. This is not a complete list.

Q Where do we get --

DIRECTOR PANETTA: Where do we get a complete list?
(Laughter.) We can direct you to the right page in that damn thing.
(Laughter.)

Q Could you talk some more on -- about user fees? Could you give us the total amount of user fees for '95 and then the five-year, and then talk about where some of those are besides the gun dealer fee?

DIRECTOR PANETTA: On the user fee area I can tell you where some of the additional user fees are. The firearms dealer fees, we have some fees -- pesticide registration fees, --

Q somewhere?

Q Page 48.

DIRECTOR PANETTA: Page 48 of the analytical perspectives gives you a complete breakdown. But let me just summarize here for others. We have pesticide registration fees, National Park Service fees, FDA fees, and the SEC fees are the highlights of that. I think the sum is somewhere below about \$1 billion for the fees. I should say that they are comparable -- actually, they're probably less than what the Republican budgets have included with regards to user fees if you look at both the Kasich proposal and the Dole proposal last year.

Q How important were low interest rates in this improved picture this year? And how confident are you that these interest rates are going to continue low in light of the nervousness on Wall Street?

DIRECTOR PANETTA: Of that \$126 billion that I mentioned in terms of what we reduced the deficit projection by, as I said, about \$83 billion is due directly to the economic plan. About \$22 billion is due to basically interest-sensitive areas; either interest on the federal debt or, for example, interest savings on RTC and some of the other areas like that as well, as the economic revenues or the return on revenues that we've had as a result of savings in the interest area. So it is important -- it's extremely important. The two work together, obviously.

Our hope is that if, in fact, we can continue to show the country that we're serious about sticking to a deficit reduction track, that there is no reason why the long-term interest rates ought to be affected in any way; that as a matter of fact, it ought to serve as an encouragement to the markets that we are serious about keeping the deficit down. And in fact, you can see that -- even though there's been a short up-tick in the short term, the fact is that there's a consensus that in the long-term interest area, we're going to be able to maintain that at a stable level.

Q At a previous briefing, you said that most of the money for a crime initiative was going to come from the savings in reinventing government. Is that still how that would budget it all?

DIRECTOR PANETTA: Well, the way the amendment was framed on the Senate side, it basically took the savings from the reduction in personnel and basically put that into the crime area. And one way or the other, obviously those savings can -- you know, will be used. We have obviously incorporated those savings in our overall budget, and we're using them and they have specifically defined that as the method they wanted to use. It's not contradictory.

Q Have you reached the dollar goal? Have you reached the dollar goals on Reinventing Government that you thought you would?

DIRECTOR PANETTA: On Reinventing Government, of the recommendations that came to us from Reinventing Government, we had implemented about 85 percent of those recommendations, either in the budget or implementing them through executive order. I think Elaine Kamarck is here, if I'm not mistaken. Did she leave? Okay. But we have, frankly, the National Performance Review and the recommendations contained therein have been very helpful to us in terms of finding the kind of additional savings we needed to meet our target.

But more importantly, we haven't just put another report on the shelf. The fact is that almost 85 percent of those recommendations are being implemented.

Q On targeted investment, as I understand, you've got \$14 billion in budget authority for targeted investments. That's even less than the administration started off with, the \$16 billion investment package. What is the rationale for having less than the administration insisted initially was necessary to get things rolling?

DIRECTOR PANETTA: We had to make tough decisions, as well, not only on the spending side and the spending cut side, but on the investment side, as well. And so the consequence was that we had to more specifically target the investments that the President felt were important for the future.

And so, as a consequence, we have tightened up on that, as well. We felt we had to implement the discipline not only on the cut side, but we had to implement that discipline on the spending side, as well.

Thank you.

THE PRESS: Thank you.

END11:50 A.M. EST

The White House
President and First Lady | Vice President and Mrs. Gore
Record of Progress | The Briefing Room
Gateway to Government | Contacting the White House
White House for Kids | White House History
White House Tours | Help
Privacy Statement



Publications

Saturday
radio
addresses

Search
Documents

releases

Speeches

White House Publications

Office of the Press Secretary

For Immediate Release

February 4, 1994

PRESS BRIEFING
BY

THE VICE PRESIDENT,

SECRETARY HENRY CISNEROS, SECRETARY LLOYD BENTSEN,
ATTORNEY GENERAL JANET RENO AND DIRECTOR OF DRUG POLICY LEE BROWN

The Briefing Room

10:14 A.M. EST

THE VICE PRESIDENT: Thank you all very much for coming. There's no more important issue to President Clinton and to all of us than crime. The entire administration is working on this matter, and just about all of us who are working on it full-time are here today. I'm going to speak first, but then turn it over to Secretary Cisneros and Secretary Bentsen and Attorney General Reno and Director Lee Brown.

I simply want to affirm this administration's determination to make our community safe and to say how happy we are that this concerted and coordinated campaign to reduce crime in public **housing** is now underway. This announcement today of Operation Safe Home represents the coordination of activities throughout the administration to address this problem.

It is not right that we ask poor people to live in public **housing** so dangerous that the police will not even patrol there. It is not right that we ask children to come home from school to hallways and stairwells where they are completely at the whim of drug pushers with Uzi machine guns. It is not right that vacant **housing** units which should be prepared for families in need of **housing** are taken over by drug lords and used as bases for drug sales that infect entire neighborhoods. It is not right that **housing** funds and repair materials are siphoned off by white-collar hustlers when Americans in need of **housing** are sleeping on sidewalks and park benches.

We intend to do something about it. This interagency, administration-wide approach is designed to make **housing** safe in this country.

I was in Chicago yesterday, on a day when the newspapers were filled with the reports of 19 children being found living in squalor, eating food from bowls that dogs were using on the floor of the apartment. The adults were not taking responsibility, obviously, and were allegedly involved with the drug pushers who were on the doorsteps and in the neighborhood.

Last week I went to a high school less than two miles from the White House where gunshots rang out and kids in chemistry class had to duck under the desks when the window was broken by a bullet. I also saw another school yesterday in Chicago, just blocks from the place where those children were found living in squalor, the Flower Vocational School. And this school demonstrated the hope that we can fight crime successfully.

The problem is enormous and we have to understand how serious and how difficult the challenge is. We've all talked about

how much pride we take in the administration's economic successes with all of the new improvements in jobs and the low interest rates and recovering consumer confidence, and it's been a good year. But in the same year that we talk about all these favorable statistics, more than 23,000 Americans were murdered; more than 100,000 women were raped, nearly two million were victims of assault.

In that same year, the statistics tell us that 160,000 children stayed home each day from school because they're scared that they would be hurt at school. And in our public **housing** throughout this country, we see a crime rate and murder rate and incidents of violence that is much larger than in the community as a whole. And today what we're saying is we're going to do something about it.

We're taking a holistic approach. We're taking an approach that coordinates the activities of every department and agency, and we're determined to be successful. This fits in with the President's larger efforts to put 100,000 more community police officers on the streets, to ban assault weapons, to make it tougher for juveniles to get any kind of gun, to put the repeat offenders away and to take the other steps that are necessary to fight crime. And in this Operation Safe Home approach, we're going to zero in on a particular part of the crime problem that is very serious, that we're going to do something about.

So that's the reason we're here. And I want to make just two points briefly before turning it over to Secretary Cisneros. First, not all crime is violent crime. The fraud and abuse in the small number of HUD operations, the equity skimming and multifamily insured **housing** taints everyone unfairly. And we're going to root out both kinds.

Second, the old ways of fighting crime are not enough. The thrust of our National Performance Review Report was that for some problems, government has to develop programs that cut across department and agency lines. And for the problem of crime we're doing just that and this program is an example.

Now, finally, the overwhelming majority of people in public **housing** are good people who work hard and are trying to hold their families together. They deserve the right and the opportunity to walk the streets in front of their **housing** units without getting

mugged; the right to ride the elevator to their floor without worry; to sit in their homes without having bullets crash through the window. And they are the people that we thought about the most in devising this program. They are the ones that we most want to help.

And now it's my pleasure to step back and let Secretary Cisneros describe in some more detail how this program will work and he will then, in turn, recognize Secretary Bentsen who will pass it along to the other members of the Cabinet who are here. Secretary Cisneros.

SECRETARY CISNEROS: Thank you very much, Mr. Vice President.

This effort stems from a pilot initiative that we worked together on in October of this last year, when HUD, together with the Justice Department, United States attorneys and Drug Enforcement Administration in the Boston area, raided and netted 18 major drug dealers operating out of public **housing** -- a group that was known in the Charleston area of Boston as the Irish mafia. And when we were able to root out that problem in public **housing**, it had a major effect in an entire section of Boston.

So, while we address ourselves to public **housing** as a base of operations, in many cases, we're really talking about an entire area of cities -- entire neighborhoods. And so it is

completely in concert with the President's commitment to address crime on the streets of America's cities and communities.

We have a special obligation, obviously, to persons who live in public **housing** settings because they live in **housing** that is federally assisted, and we have an obligation to try to make that **housing**, which we are part of, which we help support, safe. Many public **housing** communities, simply stated, are not safe today.

In Los Angeles, for example, between 1986 and 1989, it's reported that even though the citywide rate of crime is 22 per 1,000 citywide; violent crime incidents, 22 per 1,000; in the public **housing** developments of Los Angeles it is 67 per 1,000, or three times the rate. And in 1988 it was documented that the murder rate in public **housing** in Chicago was three times the citywide average.

Crime statistics also show that public **housing** residents are not to blame for the reign of terror. The executive director for the New Haven, Connecticut **Housing** Authority reports, for example, that while 10 percent of the city's residents live in public **housing**, 85 percent of those arrested on public **housing** authority property do not live there. And the police in Cincinnati, Ohio, report that 77 percent of the people arrested in public **housing** authority crime are nonresidents.

Clearly, no one in America should live in conditions where they live in constant fear. Operation Safe Home will bring the law enforcement resources of the federal government, in cooperation with state and local authorities, to bear on violent crime in public and assisted **housing**. And that means the Department of Justice, the Department of Treasury, the Office of the Drug Administrator.

First I'd like to briefly outline what HUD is doing for its part as an element of this initiative to address violent crime and white-collar crime. There are three elements to our initiative: first, to combat violent crime in public **housing**; second, to deal with white-collar crime -- that is to say the siphoning off of contracts and repairs and money that ought to be going to keep

housing units in good shape; and finally, nonpublic **housing** but other assisted **housing** equity skimming and so forth.

We are proposing to the Congress a new initiative we call COMPAC -- Community Partnership Against Crime -- for the specific purpose of focusing new resources in these settings. We're implementing policies to bar gun dealers from operating in public **housing**; to help **housing** authorities relocate residents who come forward to testify about criminal activities with the cooperation of the FBI; giving public **housing** authorities more flexibility to redirect funds so they can quickly implement new crime-fighting strategies -- all of these directed to the problem of violent crime in public **housing**.

To combat some of the white-collar crime issues, the fraud that leads to physical deterioration of **housing**, which is a valuable, taxpayer-supported effort, we're working to identify in a concerted way the crackdown on public **housing** fraud -- undertaking a joint effort to target, investigate and prosecute case involving substantial fraud in public **housing** administrations; conducting a series of probes now to uncover additional instances of cooperation. And in this, the Inspector General at HUD and the FBI are cooperating.

Equity skimming, I mentioned ago, where property owners illegally divert resources from their projects, results in substandard living conditions for residents and potentially huge losses for taxpayers. Activities where people front and set up sham organizations to provide **housing** and then skim the money off for private gain.

Today we are attempting to, in one area of our responsibilities as a federal government-assisted and public **housing**, to send a clear message that is in concert with the President's larger message to the American people about crime.

Our message to those who would defraud taxpayers and prey on public **housing** residents for illegal gain is straightforward and simple: Don't even think about it. Our message to gains and drug dealers and other criminals is equally clear: There is no safe harbor for you in federally-financed **housing**.

And finally, for the residents of public and assisted **housing**, the people who get up every day and send their children to school, who so desperately need a safe and decent and wholesome environment, our message is: We will not write off your communities as unsalvageable war zones. We will not look the other way while your children are lost to violence and drugs. We're going to work with you to make your homes, your neighborhoods and your communities safe homes.

It is my pleasure to introduce the Secretary of the Treasury, the honorable Lloyd Bentsen, who has participated in some of the pilot initiatives that have given force to this operation. This is an effort to take things that are working and have worked in specific locals, a new kind of cooperation across federal departments, and take it to the country in a major assault on crime based in publicly supported **housing**.

Secretary Bentsen.

SECRETARY BENTSEN: Thank you very much, Mr. Secretary. I suppose last year I must have made two dozen speeches about home

starts and about low interest rates. Different type of speech this time -- talking about safe homes and what we can do about it. And as the Secretary was stating, we've done some test-tube things, we've done some test marketing, we've done some laboratories, in effect, to see what works and what doesn't work. And we saw a situation where we brought the ATF together with the New York **Housing** Authority and we did that in East and Central Harlem to get the firearms out.

The number of robberies in those **housing** projects, down 47 percent. Number of felonies reported, down 13 percent. Number of felony arrests, up 34 percent. We can make a difference if we work at it, if we have the resources, if we pool our best talents, working more cooperatively together. Something that may be a fringe bit of information for us may be very basic and essential to the Justice Department, or vice versa. So working together I think we can do a much more effective job.

And that's why I'm here -- to commit Treasury's enforcement activities to the goal that Secretary Cisneros, that Attorney General Janet Reno, that Dr. Brown, these things that we share -- a safe home.

What we see in **housing** projects is a lot of crime that's committed not by people who live there, but by outsiders. They come in often with handguns and they hire kids to do their dirty work for them. Out of Treasury we'll fight this by doing some of the things that you have not seen before. Insofar as the Secret Service, I don't know anyone that does a better job in protective services; they're experts. So what we'll do in that regard, what I've asked them to do is to apply that expertise to the **housing** projects. They'll go in and they'll look at the lighting, they'll look at the fences, they'll look at the exits. They'll recommend how to make those places safer. They did this in Chicago and it worked; and they'll be doing more of this.

I've asked the ATF to strengthen its work in **housing** projects. We call what we do in Harlem Project Uptown. We look at how violent criminals involved in narcotics -- what they do in these projects and how they're related to firearms. It's very dangerous work. You don't just go in and bust a door down and enter. There's a lot of undercover work that's also done in that regard. And if you do that right, the results are there. Last year we started doing some similar work in Baltimore, carried it on over there.

The Achilles Program of ATF is another one. Here we go after the shooters, the armed career criminals in the highest crime precincts in the country. So far we've locked up over 1,000 criminals who, if they were on the streets, would be committing on the average three violent felonies a week.

There are too many gangs in the projects. ATF agents are instructing local officers how to go into the schools, teach the kids that drugs and gangs are bad. We pick schools near **housing** projects to work on. And one last thing: ATF has made tracing guns recovered on school property a top priority. We want to know who is supplying the guns to the kids. Are they coming from licensed dealers? Are they coming from a black market? And if it's on the black market, did they originate with some particular dealers who do have a license? We started this two months ago, and so far, we've traced several hundred. So, at Treasury, we are doing what we can, and we'll be cooperating with HUD and Justice to make homes safer.

Now, it's my privilege to introduce the Attorney General

of the United States Janet Reno, who has taken a strong leadership role in this regard. Thank you.

ATTORNEY GENERAL: Thank you, Mr. Secretary. Thanks to the Vice President's leadership and to your efforts in the Department of Treasury, we have an unparalleled spirit of cooperation between federal law enforcement agencies. I just commend Secretary Cisneros' efforts in focusing on public **housing** in terms of how we use administration resources in the wisest way possible to focus on violent crime. As the Secretary of Treasury has pointed out, we can make a difference. Working together with local law enforcement in a true partnership between federal agencies and local law enforcement, we can make more of a difference.

We have got to focus on these violent criminals -- make sure that people are willing to testify against them. And as part of this effort, Secretary Cisneros is taking steps to make sure that HUD participates in witness protection programs, which I think is absolutely essential. But we can do more in terms of making sure the United States Attorney, ATF, the FBI and the **housing** inspectors are working together to ensure a focus that can make a difference within communities.

At the same time, I think it is imperative that we not forget white-collar fraud. We get caught up with violence and we forget how people are getting ripped off, how the taxpayers are getting ripped off by those people who think they can thumb their nose at us while they cheat us. We're going after them both in terms of criminal and civil efforts to recover funds for the taxpayers to try make people whole and to try to make public **housing** a safe place.

I have seen public **housing** projects around this country where citizens come together with HUD leadership, with local police, with federal agencies. And when everybody is working together, when we have involved the citizens of public **housing**, then we can truly make a difference.

Mr. Secretary, I commend you for this effort. And I'd like now to introduce Dr. Lee Brown, Director.

DR. BROWN: As the President stated in his State of the Union address, much of the violent crime that has terrorized our cities is the result of drug use and drug trafficking. Our new National Drug Control Strategy, which we will release next week, will focus on breaking the cycle of chronic and hard-core drug use that is responsible for much of that crime, particularly in many of our disadvantaged neighborhoods and around public **housing** and assisted **housing** communities.

That is why Operation Safe House is integral to our national strategy, and why it is so badly needed. And I, too, commend Secretary Cisneros for taking the leadership in bringing forth this very muchly needed program.

For my more than 30 years in law enforcement I have seen time and time again ordinary citizens can gain the upper hand against drugs and violence when they come together, work together in close cooperation with local police and other law enforcement agencies. Operation Safe Home will give public **housing** residents some powerful new allies in their struggle to secure themselves that will give them what all Americans want -- a decent place to live, a healthy environment in which to raise their children.

And so I pledge to the Secretary my best efforts, along

with those of the Office of National Drug Control Policy, to work with him, the Attorney General, and Secretary Bentsen, and other federal agency heads to ensure that Operation Safe Home is indeed a success. And it must succeed because every citizen, including those in public **housing**, have the right to be safe and secure in their home and in their neighborhood.

THE VICE PRESIDENT: I'm going to leave and then let them take the questions on Operation Safe Home.

Q Have you figured out a way yet to pay for the proposals in the President's -- in the crime bill, the President's proposals, given the budget constraints?

THE VICE PRESIDENT: Yes, we have made room in the budget. Now, I'm not going to get into a detailed discussion of the budget because it's not going to be released until next week. But I will say this: We have --

Q For all intents and purposes, it's been made public through various newspapers.

THE VICE PRESIDENT: Nice try, but I'm not going to get into a discussion based on the assumption that it's out.

Q Well, given the constraints, how --

THE VICE PRESIDENT: I will answer your question. The budget makes room explicitly for the crime bill that we're pushing in the Congress. We expect the toughest, most effective crime bill in the history of the United States of America to be passed in this session of Congress. And the budget explicitly carves out room to pay for it.

Q If you're going to cut, as reported today in The Washington Post, eliminate 115 programs to save \$3.5 billion, out of \$1.5 trillion budget, isn't that relatively small potatoes compared to what you could cut?

THE VICE PRESIDENT: Well, the number of programs eliminated, as you will see when the budget is released, is impressive. What's even more impressive is that the budget deficit, which had been projected for next year to be \$300 billion, will be down 40 percent -- \$120 billion lower than what the projections were when we took over.

And President Clinton said 12 months ago that if the Congress would pass our economic plan, we would begin to see more jobs, less unemployment, more economic progress and we would begin to see news stories reporting surprises on the positive side. After 12 years in which the national debt quadrupled, after 12 years in which we had regular stories telling the American people each morning, "Surprise, the budget deficit is much larger than you were told last year or last month or last week," now, we have stories on a regular basis, "Surprise, things are better than you were told they were going to be because the country is moving in the right direction."

The budget deficit is coming down at the same time economics growth is going up. We're not attempting to borrow short-term prosperity at the expense of terrible economic problems down the road; the country has had enough of that. Instead, we're handling fiscal policy and monetary policy and the management of the federal government in a coordinated responsible way. And we're beginning to see the results, and you will see when the budget comes out and

reflection of that progress.

I'm just going to take one more and then I'm going to turn it over to --

Q On today's announcement --

THE VICE PRESIDENT: Pardon me?

Q On today's announcement --

THE VICE PRESIDENT: Yes. What a novel idea, thank you.

Q Well, all of the cooperation among the different law enforcement agencies is something that's been talked about for years, something that you've been claiming to do for a long time. Most Americans expect that HUD and the Justice Department are supposed to keep public **housing** safe, that they're supposed to go after those who are committing fraud. Why do you have to make a big announcement to say you're going to do what people already think you're supposed to do anyway?

THE VICE PRESIDENT: Because they know it's not being done. They know that it hasn't been done in the past. We have been doing it. We've been concentrating on these pilot projects and the experiments on what works and what doesn't work. And you have heard from these four members of the Cabinet the positive results which now justify a nationwide program which we're calling Operation Safe Home.

The fact is that most Americans ought to be able to assume that Cabinet departments and agencies work together smoothly and that any administration in charge of our government has the ability to focus on a priority and then go after it aggressively and in a coordinated way.

The practical reality has been in the past that the boundary lines between departments and agencies have prevented easy and smooth coordination. We are changing that. In the --

Q Why don't you just do it without making a big announcement about it?

THE VICE PRESIDENT: Let me just finish the point briefly. In the National Performance Review announced last year, one of the major themes that we focused on was how to eliminate the barriers to cooperation that have impeded it in the past. Let me just give you one example. When you say, why make a big deal about

it an announce it, A, because it's new; B; because an enormous amount of work has gone into coming up with very creative approaches to having these agencies and departments work together. And C, because we recognize the severity of the problem. We're making it a priority and we're going to do something about it.

Just to take one example -- what Secretary Bentsen said about applying the expertise of the Secret Service in looking at the environment in which residents of public **housing** units have to live is in one sense a small thing, but it can make a tremendous difference, especially when added to the efforts of Dr. Brown and the Attorney General and Secretary Cisneros all in a coordinated way, focusing on how to address these high crime areas where the residents of public **housing** are victims.

And it is unacceptable for this kind of situation to continue in America. I mean, this is -- it's not some public

relations game where we come and announce something for the sake of announcing it. This is a problem that is life and death for the residents of public **housing** units. And we're not just announcing something -- we are setting in motion a nationwide program to do something about it.

And one final point before I leave -- these members of the Cabinet not just in this announcement, not just in this program but across the board, have demonstrated an ability to work together smoothly without worrying who gets the credit, without worrying which bureaucracy gets the FTEs or the budget allocation. All of those things are talked about, but put in perspective. They have managed to work out a team relationship that is absolutely extraordinary -- I believe unprecedented -- and this is an example of the kind of cooperative projects that you're seeing underway.

I'm going to turn it over to Secretary Cisneros and the others.

Q Mr. Gore, can I just follow up on that one point? I mean, when they reach a moment when perhaps they don't agree --

THE VICE PRESIDENT: Yes.

Q who makes the call?

THE VICE PRESIDENT: Purely a hypothetical question.
(Laughter.)

Q No, but seriously, I mean, is there -- I mean, does the President get involved?

THE VICE PRESIDENT: Of course, of course. This has been the smoothest operating Cabinet that I have ever seen -- really and truly. And they work together on projects like this with selfless dedication. And that's a good line to leave on.
(Laughter.)

Q Secretary Cisneros, on this issue of teamwork --you set in motion this series of programs, but the people who are really responsible for administering these changes are the local governments. I mean, are you going to put pressure on these people? And they're also responsible for some of the problems.

SECRETARY CISNEROS: One of the reasons that it's important to announce something like this is because we must communicate to people across the country, especially those who work in local government and who are local law enforcement officials, that we're really doing something in a concerted way that's different.

There are 3,400 **housing** authorities across the country. So a pilot program here and there really won't touch them unless we're able to say, on this day the Vice President, the Cabinet officers together rolled out a new initiative and we want you to be involved in it. So there's a dimension of trying to reach out across the country to get the word out and that's part of the answer to the question of why would you announce this as a new beginning.

Yes, of course, there will have to be involvement from local police and local **housing** authorities. We find that when they see that the federal government is making a federal commitment, when they hear, for example, that the FBI or the ATF is involved in their communities, that we get a heightened level of participation.

As I said to you at the outset, I became convinced that this kind of coordinated effort had to be expanded to **housing** authorities everywhere after I saw what was done collaboratively on a pilot basis in Boston, where the U.S. Attorney in the lead with **housing** inspectors from HUD and DEA agents was so successful in acting on that Charlestown case. But that was a unique case, and we need to take that all across the country to **housing** authorities all across America.

Q Do you folks have the resources to take on these added responsibilities?

SECRETARY CISNEROS: Yes, in some cases, it is taking existing resources and pointing them in a targeted way. In other instances, it is asking in the budgets for new funds. In the HUD case, we are looking at some \$800 million or so dedicated to this initiative. About \$480 million of that is taking existing funds and more clearly putting an anticrime dimension targeting on the use of existing funds.

For example, we spent over a billion dollars in what's called Hope Six Urban Revitalization Demonstration grants to remake big public **housing** authorities this last year. Well, with this focus, we'll put more emphasis on the security aspects on redevelopment, including security both hardware as well as anticrime and prevention measures. An additional \$340 million of new funding is being provided for in the budget that you will see on Monday for these purposes.

Q Secretary Bentsen, while we have you, can I ask you the same question I asked Vice President Gore? In terms of the new budget, you are going to eliminate 115 programs. That sounds impressive, but that's only going to save \$3.5 billion, which is a tiny percentage of a budget that is going to be \$1.5 trillion. So where are the huge savings? Where is the painful cut?

SECRETARY BENTSEN: If you look at what we did on the budget before to be able to bring it down to the extent we have, we have sure had the painful cuts, and I have listened to them. I must also say, you haven't been here as long as I have, but I still think \$3.5 billion is a lot of money. (Laughter.) And when you have cut as much as you have, the incremental cuts become even more difficult to accomplish. And I think we're making remarkable progress in that regard.

Q And on that, Secretary Bentsen, you were in Congress for 12 years. What makes you think -- what makes the administration think that it will be able to achieve any of these cuts since the last 12 years?

SECRETARY BENTSEN: I thought you decided the other 10 years didn't count. (Laughter.)

Q The Reagan years and the Bush years. In those years, Congress blocked almost all their efforts to cut the budget.

SECRETARY BENTSEN: Yeah, but we did it. What we did in '93 proves that we can call on the Congress to do some extraordinary things in the way of cutting back on the deficit and accomplishing that one. And what you've seen in this one is the most major deficit cuts that I've seen in those 22 years and you've seen the results of it in the long-term interest rates -- the lowest they've been in 25 years. And what you're seeing in this economy is a gradual, steady

build-up and a reduction in unemployment, and what you've seen is a major increase in capital investment by business to increase productivity; and even though wages went up, labor unit costs stayed constant. And I'm telling you, we're world-competitive.

Q General Reno, could you give us a sense of where we are in the Justice Department in releasing the information on the Vince Foster suicide that the department promised that it would release?

ATTORNEY GENERAL RENO: We're trying to work with the special counsel to make sure that it's done consistent with his efforts.

Q Secretary Cisneros, there are the sweeps in **housing** projects like Chicago, which have locked them down, put up fences, I.D. cards for residents to keep out the nonresidents. Is this the kind of program that you're talking about initiating? Some civil libertarians think that this is too restrictive on the rights of the residents.

SECRETARY CISNEROS: Those kinds of initiatives are started at the local level. In this case, the Chicago **Housing** Authority decided that the best device available to it were these sweeps. We're not going to stipulate that a **housing** authority police force or a local police force ought to use a particular technique. We're not going to stipulate that a **housing** authority police force or a local police force ought to use any particular technique. But, obviously, those have worked in that case. Where we can be supportive, we will be within constitutional limits -- trying to safeguard the constitutional rights of everyone involved. Those have been upheld.

There are other matters that will have to be addressed in the weeks and months ahead. For example, one of the subjects that I think will come from this effort is a consideration banning guns in public **housing** settings. Whether that is permissive -- that is to say, we allow on leases **housing** authorities to ban guns -- or mandatory -- that the federal government would say any federally supported lease for public **housing** ought to include a ban on guns. These are the kinds of constitutionally-related questions that have to be further explored, but will come from the deliberations that this cooperation makes possible.

Q Attorney General Reno, the Park Police have suggested -- the Park Police have suggested that the White House -- White House Counsel Bernie Nussbaum somehow hampered their investigation into the Vince Foster suicide. Do you have any independent judgment on that?

ATTORNEY GENERAL RENO: I would not comment on it, again, because I want to make sure that we work with the special counsel so as to ensure his independence and to make sure that nothing we said or did would conflict with his efforts.

Q Have you seen the Park Police report?

Q Could I ask somebody about -- could I hear some more concrete specifics on what you're talking about with this Safe Home program? I hear you talking about goals. I hear you talking about intelligence sharing back and forth and cooperation among agencies. What are people who live in **housing** projects, however, going to see? Sending the Secret Service to assess the security of a

place, you're not going to wind up having agents standing post at the **housing** projects.

SECRETARY CISNEROS: Let me give you a few specifics and then let me turn it over to the Attorney General and the Secretary of the Treasury and others -- and also Dr. Brown -- to highlight some of the specifics.

Specifics in the case of HUD, additional funding for neighborhood patrols, for resident involvement in anticrime efforts, for physical security as an aspect of the reconstruction and modernization and redevelopment of buildings. Drug elimination assistance, in other words, grants to **housing** authorities to work specifically on drug-related problems; cooperation with DEA in anti-drug efforts, with the FBI. You heard the Attorney General speak to the witness protection program.

The FBI Director came to us and said, "We're having real problem when there are murders in public **housing**. People do not feel safe. They think the murderers control the places. Therefore, they will not testify. We cannot nail anybody in public **housing** settings. You have to help us make units available so we can move people who are willing to testify either in that city, a large system, or to another city so that they'd be willing to testify and we could begin to get a handle on the people who actually are doing the murders.

A couple of successful cases like that expanded beyond the few places that they have worked and make -- and encouraging for **housing** authorities to participate, you'll see a real change in what residents actually feel. The Attorney General would like to pursue this.

THE ATTORNEY GENERAL: I would really like to address this, because I have seen it in Miami and I have seen projects such as the Secretary describes. If you involve residents, and if you empower them to participate in the judgments affecting their residence, their development, if you go to local police and form a partnership with local police and the federal agencies with ATF and the FBI working together as, thanks to the Secretary, we've been able to do, figuring out who does what best -- ATF can go after the career criminal and can go after the weapons. The FBI and the DEA can join together to go after the violent traffickers. Local police can focus on juvenile crime. They can do it as a partnership.

But what is so successful is when you involve local residents. That's one of the reasons it's important we get this crime bill passed. But even without the crime bill, if we can form that partnership, if we can involve residents, you see so many actions that benefit the whole development taking place and that is what I am very hopeful will happen here thanks to the Secretary's leadership.

SECRETARY CISNEROS: Let me just say also, if you would look, I think you have a packet. In that packet is a handout that is maybe three or four pages of specifics in each of these three areas that we've described: violent crime, white collar in public **housing** settings and assisted **housing**, and many of the specific are laid out there of the things that we'll be undertaking.

Q Mr. Secretary, could you address how this money is going distributed? How are you going to pick the **housing** projects? Are you going to reimburse cities that have already put patrols in the **housing** projects? I mean, what is the system that is going to be

used to distribute the aid? Obviously, you can't --

SECRETARY CISNEROS: Yes, there are several programs that we have where **housing** authority apply for assistance as they would for any other public **housing** program. Presently, we have several which are on a formula basis, dependant upon the size of the authority and the level of need. So both of those, two different methods of delivery will continue to exist.

But we really want to reward places that are making the best effort, doing the most sophisticated job, have the biggest problem, so we really tilt toward reviewing applications and trying to get funding out that way.

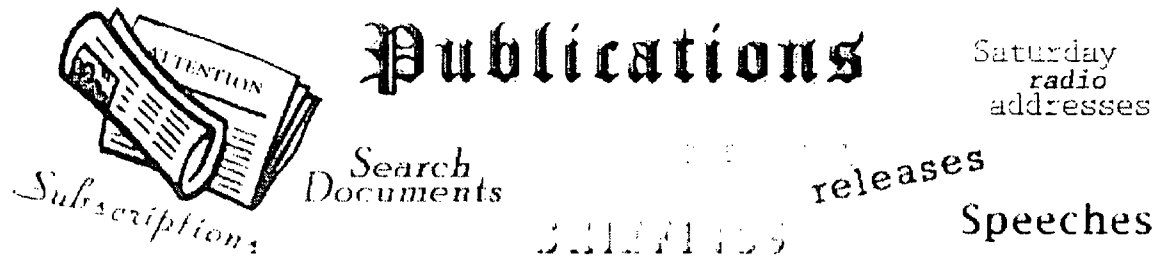
Q Is there an overall price tag --

SECRETARY CISNEROS: I'll be happy to visit with you individually. I'll stay for a moment, but I do believe we need to break up the formal session.

THE PRESS: Thank you.

END10:55 A.M. EST

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)



White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 3, 1994

***** MEDIA ADVISORY *****

GORE TO JOIN CABINET SECRETARIES FOR MAJOR ANTI-CRIME ANNOUNCEMENT

Vice President Gore, HUD Secretary Henry Cisneros, Attorney General Janet Reno, Treasury Secretary Lloyd Bentsen, and Drug Policy Director Lee Brown will announce a major anti-crime initiative -- "Operation Safe Home" -- at 10:00 am tomorrow, Friday February 4, in the White House Press Briefing Room.

"Operation Safe Home" is a joint effort between the Departments of **Housing** and Urban Development, Justice and Treasury to reduce violent crime and fraud in public and assisted **housing**.

#

The White House
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)



Publications

Search
Documents

BRIEFINGS

releases

Saturday
radio
addresses

Speeches

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

Feb. 4, 1994
to
Jan. 20, 1993

For Immediate Release

January 17, 1994

EXECUTIVE ORDER 12092

LEADERSHIP AND COORDINATION OF FAIR HOUSING IN FEDERAL PROGRAMS: AFFIRMATIVELY FURTHERING FAIR HOUSING

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in accordance with the Fair **Housing** Act, as amended (42 U.S.C. 3601 et seq.) ("Act"), in order to affirmatively further fair **housing** in all Federal programs and activities relating to **housing** and urban development throughout the United States, it is hereby ordered as follows:

Section 1. Administration of Programs and Activities Relating to **Housing** and Urban Development.

1-101. Section 808(d) of the Act, as amended, provides that all executive departments and agencies shall administer their programs and activities relating to **housing** and urban development (including any Federal agency having regulatory or supervisory authority over financial institutions) in a manner affirmatively to further the purposes of the Act and shall cooperate with the Secretary of **Housing** and Urban Development to further such purposes.

1-102. As used in this order, the phrase "programs and activities" shall include programs and activities operated, administered, or undertaken by the Federal Government; grants; loans; contracts; insurance; guarantees; and Federal supervision or exercise of regulatory responsibility (including regulatory or supervisory authority over financial institutions).

Sec. 2. Responsibilities of Executive Agencies.

2-201. The primary authority and responsibility for administering the programs and activities relating to **housing** and urban development affirmatively to further fair **housing** is vested in the Secretary of **Housing** and Urban Development.

2-202. The head of each executive agency is responsible for ensuring that its programs and activities relating to **housing** and urban development are administered in a manner affirmatively to further the goal of fair **housing** as required by section 808 of the Act and for cooperating with the Secretary of **Housing** and Urban Development, who shall be responsible for exercising leadership in furthering the purposes of the Act.

2-203. In carrying out the responsibilities in this order, the head of each executive agency shall take appropriate steps to require that all persons or other entities who are applicants for, or participants in, or who are supervised or regulated under, agency programs and activities relating to **housing** and urban development shall comply with this order.

more

(OVER)

2

2-204. Upon receipt of a complaint alleging facts that may constitute a violation of the Act or upon receipt of information from a consumer compliance examination or other information suggesting a violation of the Act, each executive agency shall forward such facts or information to the Secretary of **Housing** and Urban Development for processing under the Act. Where such facts or information indicate a possible pattern or practice of discrimination in violation of the Act, they also shall be forwarded to the Attorney General. The authority of the Federal depository institution regulatory agencies to take appropriate action under their statutory authority remains unaffected.

Sec. 3. President's Fair **Housing** Council. ✓

3-301. There is hereby established an advisory council entitled the "President's Fair **Housing** Council" ("Council"). The Council shall be chaired by the Secretary of **Housing** and Urban Development and shall consist of the Secretary of Health and Human Services, the Secretary of Transportation, the Secretary of Education, the Secretary of Labor, the Secretary of Defense, the Secretary of Agriculture, the Secretary of Veterans Affairs, the Secretary of the Treasury, the Attorney General, the Secretary of the Interior, the Chair of the Federal Reserve, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the Chair of the Federal Deposit Insurance Corporation, and such other officials of executive departments and agencies as the President may, from time to time, designate.

3-302. The President's Fair **Housing** Council shall review the design and delivery of Federal programs and activities to ensure that they support a coordinated strategy to affirmatively further fair **housing**. The Council shall propose revisions to existing programs or activities, develop pilot programs and activities, and propose new programs and activities to achieve its goals.

3-303. In support of cooperative efforts among all executive agencies, the Secretary of **Housing** and Urban Development shall:

(a) cooperate with, and render assistance to, the heads of all executive agencies in the formulation of policies and procedures to implement this order and to provide information and guidance on the affirmative administration of programs and activities relating to **housing** and urban development and the protection of the rights accorded by the Act; and

(b) develop memoranda of understanding and any necessary

implementing procedures among executive agencies designed to provide for consultation and the coordination of Federal efforts to further fair **housing** through the affirmative administration of programs and activities relating to **housing** and urban development, including coordination of the investigation of complaints or other information referred to the Secretary as required by section 2-204 of this order that would constitute a violation of the Act or, where relevant, other Federal laws. Existing memoranda of understanding shall remain in effect until superseded.

3-304. In connection with carrying out functions under this order, the Secretary of **Housing** and Urban Development is authorized to request from any executive agency such information and assistance as the Secretary deems necessary. Each agency shall furnish such information to the extent permitted by law and, to the extent practicable, provide assistance to the Secretary.

more

3

Sec. 4. Specific Responsibilities.

4-401. In implementing the responsibilities under sections 2-201, 2-202, 2-203, and section 3 of this order, the Secretary of **Housing** and Urban Development shall, to the extent permitted by law:

(a) promulgate regulations in consultation with the Department of Justice and Federal banking agencies regarding programs and activities of executive agencies related to **housing** and urban development that shall:

(1) describe the functions, organization, and operations of the President's Fair **Housing** Council;

(2) describe the types of programs and activities defined in section 1-102 of this order that are subject to the order;

(3) describe the responsibilities and obligations of executive agencies in ensuring that programs and activities are administered and executed in a manner that furthers fair **housing**;

(4) describe the responsibilities and obligations of applicants, participants, and other persons and entities involved in **housing** and urban development programs and activities affirmatively to further the goal of fair **housing**; and

(5) describe a method to identify impediments in programs or activities that restrict fair **housing** choice and implement incentives that will maximize the achievement of practices that affirmatively further fair **housing**.

(b) coordinate executive agency implementation of the requirements of this order and issue standards and procedures regarding:

(1) the administration of programs and activities relating to **housing** and urban development in a manner affirmatively to further fair **housing**; and

(2) the cooperation of executive agencies in furtherance of the Secretary of **Housing** and Urban Development's authority and responsibility under the Act.

4-402. Within 180 days of the publication of final regulations by the Secretary of **Housing** and Urban Development under section 4-401 of this order, the head of each executive agency shall publish proposed regulations providing for the administration of programs and activities relating to **housing** and urban development in a manner affirmatively to further fair **housing**, consistent with the Secretary of **Housing** and Urban Development's regulations, and with the standards and procedures issued pursuant to section 4-401(b) of this order. As soon as practicable thereafter, each executive agency shall issue its final regulations. All executive agencies shall formally submit all such proposed and final regulations, and any related issuances or standards, to the Secretary of **Housing** and Urban Development at least 30 days prior to public announcement.

more

(OVER)

4

4-403. The Secretary of **Housing** and Urban Development shall review proposed regulations and standards prepared pursuant to section 4-402 of this order to ensure conformity with the purposes of the Act and consistency among the operations of the various executive agencies and shall provide comments to executive agencies with respect thereto on a timely basis.

4-404. In addition to promulgating the regulations described in section 4-401 of this order, the Secretary of **Housing** and Urban Development shall promulgate regulations describing the nature and scope of coverage and the conduct prohibited, including mortgage lending discrimination and property insurance discrimination.

Sec. 5. Administrative Enforcement.

5-501. The head of each executive agency shall be responsible for enforcement of this order and, unless prohibited by law, shall cooperate and provide records, data, and documentation in connection with any other agency's investigation of compliance with provisions of this order.

5-502. If any executive agency concludes that any person or entity (including any State or local public agency) applying for or participating in, or supervised or regulated under, a program or activity relating to **housing** and urban development has not complied with this order or any applicable rule, regulation, or procedure issued or adopted pursuant to this order, it shall endeavor to end and remedy such violation by informal means, including conference, conciliation, and persuasion. An executive agency need not pursue informal resolution of matters where similar efforts made by another executive agency have been unsuccessful, except where otherwise required by law. In the event of failure of such informal means, the executive agency, in conformity with rules, regulations, procedures, or policies issued or adopted by it pursuant to section 4 of this order hereof, shall impose such sanctions as may be authorized by law. To the extent authorized by law, such sanctions may include:

(a) cancellation or termination of agreements or contracts with such person, entity, or any State or local public agency;

(b) refusal to extend any further aid under any program or activity administered by it and affected by this order until it is satisfied that the affected person, entity, or State or local public agency will comply with the rules, regulations, and procedures issued or adopted pursuant to this order;

(c) refusal to grant supervisory or regulatory approval to such person, entity, or State or local public agency under any program or activity administered by it that is affected by this order or revoke such approval if previously given; and

(d) any other action as may be appropriate under law.

5-503. Findings of any violation under section 5-502 of this order shall be promptly reported by the head of each executive agency to the Secretary of **Housing** and Urban Development and the Attorney General. The Secretary of **Housing** and Urban Development shall forward this information to all other executive agencies.

more

5

5-504. Any executive agency shall also consider invoking appropriate sanctions against any person or entity where any other executive department or agency has initiated action against that person or entity pursuant to section 5-502 of this order, where the Secretary of **Housing** and Urban Development has issued a charge against such person or entity that has not been resolved, or where the Attorney General has filed a civil action in Federal Court against such person or entity.

5-505. Each executive agency shall consult with the Secretary of **Housing** and Urban Development, and the Attorney General where a civil action in Federal Court has been filed, regarding agency actions to invoke sanctions under the Act. The Department of **Housing** and Urban Development, the Department of Justice, and Federal banking agencies shall develop and coordinate appropriate policies and procedures for taking action under their respective authorities. Each decision to invoke sanctions and the reasons therefor shall be documented and shall be provided to the Secretary of **Housing** and Urban Development and, where appropriate, to the Attorney General in a timely manner.

Sec. 6. General Provisions.

6-601. Nothing in this order shall limit the authority of the Attorney General to provide for the coordinated enforcement of nondiscrimination requirements in Federal assistance programs under Executive Order No. 12250.

6-602. All provisions of regulations, guidelines, and procedures proposed to be issued by executive agencies pursuant to this order that implement nondiscrimination requirements of laws covered by Executive Order No. 12250 shall be submitted to the Attorney General for review in accordance with that Executive order. In addition, the Secretary shall consult with the Attorney General regarding all regulations and procedures proposed to be issued under sections 4-401 and 4-402 of this order to assure consistency with coordinated Federal efforts to enforce nondiscrimination requirements in programs of Federal financial assistance pursuant to Executive Order No. 12250.

6-603. Nothing in this order shall affect the authority and responsibility of the Attorney General to commence any civil action authorized by the Act.

6-604. (a) Part IV and sections 501 and 503 of Executive Order No. 11063 are revoked. The activities and functions of the President's Committee on Equal Opportunity in **Housing** described in that Executive order shall be performed by the Secretary of **Housing** and Urban Development.

(b) Sections 101 and 502(a) of Executive Order No. 11063 are revised to apply to discrimination because of "race, color, religion

(creed), sex, disability, familial status or national origin." All executive agencies shall revise regulations, guidelines, and procedures issued pursuant to Part II of Executive Order No. 11063 to reflect this amendment to coverage.

(c) Section 102 of Executive Order No. 11063 is revised by deleting the term "Housing and Home Finance Agency" and inserting in lieu thereof the term "Department of **Housing** and Urban Development."

more

(OVER)

6

6-605. Nothing in this order shall affect any requirement imposed under the Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.), the Home Mortgage Disclosure Act (12 U.S.C. 2801 et seq.) or the Community Reinvestment Act (12 U.S.C. 2901 et seq.).

6-606. Nothing in this order shall limit the authority of the Federal banking agencies to carry out their responsibilities under current law or regulations.

6-607. Executive Order No. 12259 is hereby revoked.

Sec. 7. Report.

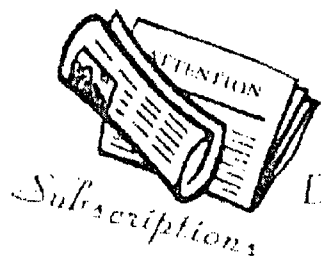
7-701. The Secretary of **Housing** and Urban Development shall submit to the President an annual report commenting on the progress that the Department of **Housing** and Urban Development and other executive agencies have made in carrying out requirements and responsibilities under this Executive order. The annual report may be consolidated with the annual report on the state of fair **housing** required by section 808(e)(2) of the Act.

WILLIAM J. CLINTON

THE WHITE HOUSE,
January 17, 1994.

#

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)



Publications

Search Documents

Saturday
radio
addresses

releases

Speeches

2011/1/15

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 17, 1994

January 17, 1994 ✓

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

Subject: Federal Leadership of Fair **Housing**

On April 11, 1968, one week after the assassination of the great civil rights leader Martin Luther King, Jr., the Fair **Housing** Act was enacted (1) to prohibit discrimination in **housing**, and (2) to direct the Secretary of **Housing** and Urban Development to affirmatively further fair **housing** in Federal **housing** and urban development programs. Twenty-five years later, despite a strengthening of the Fair **Housing** Act 5 years ago, hundreds of acts of **housing** discrimination occur in our Nation each day.

Americans of every income level, seeking to live where they choose, feel the weight of discrimination because of the color of their skin, their race, their religion, their gender, their country of origin, or because they are disabled or have children.

An increasing body of evidence indicates that barriers to fair **housing** are pervasive. Forty percent of all families move every 5 years. This statistic is significant given the results of a recent study, commissioned by the Department of **Housing** and Urban Development (HUD), which found that more than half of the African Americans and Latinos seeking to rent or buy a home are treated differently than whites with the same qualifications. Moreover, based upon Home Mortgage Disclosure Act data, the number of minority persons who are rejected when attempting to obtain loans to purchase homes is two to three times higher than it is for nonminorities in almost every metropolitan area

of this country.

Racial and ethnic segregation, both in the private **housing** market and in public and assisted **housing**, has been well documented. Despite legislation (the Fair **Housing** Act) and Executive action (Executive Order No. 11063), the divisive impact of **housing** segregation persists in metropolitan areas all across this country. Too many lower income and minority Americans face barriers to **housing** outside of central cities. Segregation in **housing** and schools deprives too many of our children and youth of an opportunity to enter the marketplace or work on an equal footing. For too many families, our cities are no longer the launching pads for economic self-sufficiency and upward mobility that they have been for countless immigrants and minorities since the country's birth. And many Americans who are better off abandon the cities.

more

(OVER)

2

The resulting decline in the very heart of too many of our metropolitan areas threatens all of us: the health of our dynamic regional economies -- the very lifeblood of future national economic growth and higher living standards for all of us and all of our children -- is placed at risk.

We can do better. We can start by making sure that our own Federal policies and programs across all of our agencies support the fair **housing** and equal opportunity goals to which all Americans are committed. If all of our executive agencies affirmatively further fair **housing** in the design of their policies and administration of their programs relating to **housing** and urban development, a truly nondiscriminatory **housing** market will be closer to achievement.

By an Executive Order ("the Order") I am issuing today and this memorandum, I am addressing those needs. The Secretary of **Housing** and Urban Development and, where appropriate, the Attorney General -- the officials with the primary responsibility for the enforcement of Federal fair **housing** laws -- will take the lead in developing and coordinating measures to carry out the purposes of this Order.

Through this Order, I am first expanding Executive Order No. 11063 to provide protection against discrimination in programs of Federal insurance or guaranty to persons who are disabled and to families with children.

Second, I am revoking the old Executive Order No. 12259 entitled "Leadership and Coordination of Fair **Housing** in Federal Programs." The new Executive order reflects the expanded authority of the Secretary of **Housing** and Urban Development and I am directing him to take stronger measures to provide leadership and coordination in affirmatively furthering fair **housing** in Federal programs.

Third, I ask the heads of departments and agencies, including the Federal banking agencies, to cooperate with the Secretary of **Housing** and Urban Development in identifying ways to structure agency programs and activities to affirmatively further fair **housing** and to promptly negotiate memoranda of understanding with him to accomplish that goal.

Further, I direct the Secretary of **Housing** and Urban Development to review all of HUD's programs to assure that they truly provide equal opportunity and promote economic self-sufficiency for those who are beneficiaries and recipients of those programs.

I also direct the Secretary to review HUD's programs to assure that they contain the maximum incentives to affirmatively further fair **housing** and to eliminate barriers to free choice where they continue to exist. This review shall include Federally assisted **housing**, Federally insured **housing** and other **housing** and **housing** related programs, including those of the Government National Mortgage Association and the Federal **Housing** Administration.

Today, I am establishing a new Cabinet-level organization to focus the cooperative efforts of all agencies on fair **housing**. The President's Fair **Housing** Council will be chaired by the Secretary of **Housing** and Urban Development and will consist of the Secretary of Health and Human Services, the Secretary of Transportation, the Secretary of Education, the Secretary of Labor, the Secretary of Defense, the Secretary of Agriculture, the Secretary of Veterans Affairs, the Secretary of the Treasury, the Attorney General, the Secretary of the Interior,

more
3

the Chair of the Federal Reserve, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, and the Chair of the Federal Deposit Insurance Corporation.

The President's Fair **Housing** Council shall review the design and delivery of Federal programs and activities to ensure that they support a coordinated strategy to affirmatively further fair **housing**. The Council shall propose revisions to existing programs or activities, develop pilot programs and activities, and propose new programs and activities to achieve its goals.

I direct the Secretary of **Housing** and Urban Development and the President's Fair **Housing** Council to develop a pilot program to be implemented in selected metropolitan areas. This initiative will promote fair **housing** choice by helping inner-city families to move to suburban neighborhoods and by making the central city more attractive to those who have left it. I direct the members of the Council to undertake a demonstration program that will reinvent the way assisted **housing** is offered to applicants, will break down jurisdictional barriers in **housing** opportunities, and will promote the use of subsidies that diminish residential segregation, and will combine these initiatives with refined educational incentives aimed at improving the effectiveness of inner-city schools. I am directing that transportation alternatives be considered along with targeted social service and job training programs as part of the support necessary to create a one-stop, metropolitan area-wide fair **housing** opportunity pilot program that will effectively offer Federally assisted **housing**, Federally insured **housing**, and private market **housing** within a metropolitan area to all residents of the area. The pilot program should call upon realtors, mortgage lenders, **housing** providers, and local governments, among others, to assist in expanding **housing** choices.

To address the findings of recent studies, I hereby direct

the Secretary of **Housing** and Urban Development and the Attorney General and, where appropriate, the heads of the Federal banking agencies to exercise national leadership to end discrimination in mortgage lending, the secondary mortgage market, and property insurance practices. The Secretary is directed to issue regulations to define discriminatory practices in these areas and the Secretary and the Attorney General are directed to aggressively enforce the laws prohibiting these practices.

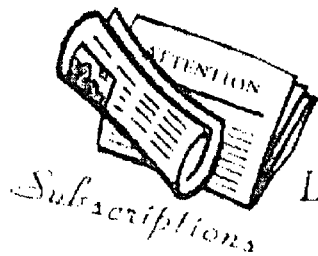
In each of these areas, I direct the Secretary of **Housing** and Urban Development to take the lead with the other Federal agencies in working to gain the voluntary cooperation, participation, and expertise of all of those in private industry, the States and localities who can assist in achieving the Nation's fair **housing** goals.

The Secretary of **Housing** and Urban Development is authorized and directed to publish this memorandum in the Federal Register.

WILLIAM J. CLINTON

#

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)



Search
Documents

Publications

Saturday
radio
addresses

releases

Speeches

DATELINE

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 17, 1994

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES Available Resources ✓

In addition to the \$3.5 billion in tax incentives and social service grants authorized in last year's Budget Reconciliation Act, Empowerment Zones and Enterprise Communities (EZ/EC) will have access to additional federal resources of up to \$3 billion and billions of additional private investment. By going through the process of developing a strategic vision for change and the support of broad-based community partnerships, EZs/ECs will also put themselves in a position to be given consideration for additional federal investments that may total upwards of \$3 billion, plus a substantially larger amount of private investment in business expansion, **housing** and community development. For a complete listing of these programs, see the HUD and USDA Federal resource guidebooks. Examples include:

? One-Stop Capital Shops: Up to 12 Small Business Administration (SBA) One-Stop Capital Shops will be located in designated EZs or ECs, with at least three serving rural areas. The Capital Shops will also serve as national and regional capital distribution points for underserved markets, with each shop having the capacity to provide \$300-\$400 million in private loans and equity investments over five years.

? Community Development Corporation (CDC) Tax Credit: EZs and ECs have the opportunity to nominate two local community development corporations to receive an exciting new tax benefit. Up to 20 non-profit CDCs (including eight in rural areas) will be designated by HUD. The program will provide up to \$1 million in tax credits for up to \$2 million in contributions to a CDC.

? Fannie Mae: Fannie Mae has committed to work with EZs and ECs to generate substantial private investment for **housing** and homeownership based on their \$1 billion HouseOakland initiative. ✓

? Community Development Banks: The President's Community Development Bank and Financial Institutions (CDBFI) legislation, which is pending

in Congress, will provide \$384 million in equity investments on a matching basis and technical assistance to a network of CDBFIs. This program will leverage approximately \$2 billion in public and private investment into low- to moderate-income communities.

? Community Policing: The \$22 billion crime bill pending in Congress will help put more police officers on the streets to work cooperatively with communities that make a long-term commitment to public safety.

? HUD Grants: HUD is proposing to provide up to \$1 billion to be used by EZs or ECs. These funds can be used to provide badly needed, new or rehabilitated **housing** and for Economic Revitalization Grants to help subsidize loan guarantees under the Section 108 Loan Guarantee program and other projects to spur economic development. ✓

? USDA Grants: USDA is proposing to provide \$400 million to designated rural EZs and ECs over the next four years. The funding will be available for **housing** and community facilities, business development, and water and waste systems. ✓

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES: Program Overview

The Empowerment Zones (EZ) and Enterprise Community (EC) program is designed to empower people and communities all across the nation by inspiring Americans to work together to create jobs and opportunity. The Federal government will designate up to 9 EZs and 95 ECs that meet certain poverty and distress criteria and that prepare creative strategic plans for revitalization. (See Application Process Handout for more details).

Key Principles: Four key principles will guide the application and selection process:

? Economic Opportunity. Creating jobs within the community, attracting private investment, and expanding access for residents to jobs throughout the region is a first priority to enabling residents to become self-sufficient and communities to revitalize.

? Sustainable Community Development. Sustainable economic development can only be successful when part of a coordinated and comprehensive strategy that includes physical and human development, for example, safe streets, clean air and water, lifelong learning and a commitment to personal, family and civic responsibility. ? Community-Based Partnerships. A strategic plan for revitalization should start with broad participation of the entire community, including community residents, community groups, private and non-profit sectors, educational and religious institutions and local and state governments.

? Strategic Vision for Change. A vision for change is not a laundry list of concerns, shortcomings, and deficits. It is a vision that describes what the community will become -- e.g. a center for emerging technologies, a key export center for farm products. It is also a strategic map that builds on assets and coordinates a response to the needs of the community by integrating economic, physical, human, and other strategies.

Overcoming Federal Barriers: A primary goal of this initiative is to renew the commitment to cooperation among the federal, state and local governments. The Community Enterprise Board will work with all communities that have submitted a strategic plan for change -- even if

they are not designated as an EZ or EC -- to overcome programmatic, regulatory, and statutory impediments and encourage more effective economic, human, physical environmental and community development strategies.

Tax Incentives: The legislation included approximately \$2.5 billion in new tax incentives. ECs are eligible for new tax-exempt facility bonds for certain private business activities. Businesses located in EZs will also be afforded an employer wage credit of up to \$3000 per year per employee for wages and training expenses for employees who are zone residents. And zone businesses will be afforded additional Section 179 expensing deductions of up to \$20,000 (for an annual total of up to \$37,500). In addition, although not limited to EZs or ECs, individual investors are eligible for a 50% exclusion of capital gains for investments in certain small businesses. And, corporate and individual investors may now defer the gain on the sale of publicly traded securities by reinvesting the proceeds in a Specialized Small

Business Investment Company (SSBIC) -- an SBA-licensed venture capital firm that provides equity investment and loans to socially and economically disadvantaged businesses.

Social Services Block Grants: The legislation included \$1 billion in flexible social services block grant (SSBG) funds that can be used to promote economic self-sufficiency and reduce dependency. ECs will receive approximately \$3 million in SSBG funds for approved activities identified in their strategic plans. In EZs, designated areas will receive up to \$40 million for each rural zone and up to \$100 million for each urban zone for approved activities identified in their strategic plans.

Private-Sector Investment: Designated EZs and ECs will have a range of tools available to maximize the flow of private capital and investment to their nominated areas. Fannie Mae, for example, has committed to work with EZs and ECs to generate substantial investments for **housing** and homeownership. Other new initiatives -- such as the President's Community Development Banking and Financial Institutions Bill, the SSBIC rollover provision, and new, proposed Community Reinvestment Act regulations that focus on actual lending and investment in low-income communities -- should also result in substantial new credit investment in underserved communities.

One Stop Capital Shops: The Small Business Administration (SBA) has committed to targeting some of its considerable lending and community development tools to small and minority businesses in distressed communities and underserved markets. Up to 12 One-Stop Capital Shops will be located in designated EZs or ECs, with at least three serving rural areas. The Capital Shops will also serve as national and regional capital distribution points for underserved markets, with each shop having the capacity to provide \$300-400 million in private loans and equity investments over 5 years.

Additional Federal Programs: On September 9, 1993, the President issued a Presidential memorandum creating the Community Enterprise Board and directing 13 agency members of the Board to identify existing programs that further the goals of the EZ/EC initiative and make resources available from those programs for use by EZs and ECs in implementing their strategic plans. Included in the application materials is a menu of programs, including Community Policing and National Service, for which EZs and ECs may receive consideration and technical assistance.

National Challenge to the Private Sector in Each Region: With the EZ/EC application process, and the tools listed above, local communities and governments have a unique opportunity to build strategic alliances with

the private sector in their region. Many of the tools, such as the SSBIC rollover, One Stop Capital Shops, and CRA Reform, offer positive incentives to the private sector to get involved. The EZ/EC initiative is a national challenge to all sectors to come together to realize a strategic vision for community revitalization.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES: The Application Process

Basic Requirements: Nine empowerment zones and 95 enterprise communities will be designated through a nationwide competition. In order to apply, communities must meet certain eligibility criteria regarding size, poverty, unemployment and general distress. They must be nominated by their states and local governments. And, they must submit strategic plans developed with the input of community residents that describe the community's vision for the future and explains how this vision can be implemented.

Designating Secretaries: Secretary Cisneros of the Department of **Housing** and Urban Development will designate up to 6 urban zones and 65 urban communities. Secretary Espy of the Department of Agriculture will designate up to 3 rural zones and 30 rural communities.

Key Evaluation Principles: The strategic plan will serve as the foundation for community applications, and will be judged on the basis of four key principles: economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change.

Application Forms: Unlike most other federal programs, the empowerment zone and enterprise community application requires very few forms to be filled out. Rather, it encourages communities to identify their own problems and solutions, and to tell the federal government how its resources can be used most effectively to revitalize distressed communities. Communities will be expected to submit strategic plans of their own design, that demonstrate creativity and innovation and outline specific steps on the road to revitalization.

Application Guidance: The application materials released today outline eligibility criteria and the benefits of designation, describe the four key principles and the key selection criteria, outline elements that should be included in community's strategic plans, and explain the application process. In addition, planning guidebooks for both urban and rural areas, issued by the Departments of HUD and Agriculture respectively, provide more detailed guidance on how to prepare strategic plans that encompass the range of concerns communities may wish to address. A separate guide on federal programs offers an extensive listing of federal resources available to help designated zones and communities implement their plans, as well as recommendations from numerous federal departments and agencies on different aspects of strategic planning.

Application Workshops: Throughout February, HUD and USDA will offer a series of 12 workshops across the nation to provide technical assistance for communities that wish to apply. The workshops will offer explanations of eligibility criteria, demonstrations of innovative and creative strategic planning, and discussions with numerous federal officials regarding how their programs can help in the development and implementation of strategic plans.

Application Deadline: Applications must be received by 4:00 p.m. on June 30, 1994.

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)



Publications

Saturday
radio
addresses

Search
Documents

releases

Speeches

BRIEFINGS

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

December 22, 1993

REMARKS BY THE PRESIDENT ON HUD ANNOUNCEMENT
OF **HOUSING** PROGRAMS FOR THE HOMELESS ✓

The Roosevelt Room

2:55 P.M. EST

THE PRESIDENT: Thank you, Reverend Steinbruck. He was so good I kind of hate to spoil the occasion. (Laughter.) I want to thank all of you for being here, those of you who work in the field of homelessness. I want to thank Senator Riegle and Congressman Vento and Congressman Frank and Congressman Kildee for their support in the Congress. I want to say how good it is to see my friend, Mayor Schmoke here, who's done so much in the **housing** area. And I want to thank, too, Secretary Cisneros and Assistant Secretary Cuomo for the leadership they have shown.

I want to try to explain why, three days before Christmas, this is an important event not just because of the money involved, but because this represents a different approach to what has become our most painful and, as a country, I think one of our most embarrassing social problems.

We have tried to look beyond the issue of temporary shelters to the question of permanent relief from the condition of homelessness. And I congratulate Assistant Secretary Cuomo and all the people at HUD, who worked with a lot of you who labor in **housing** and have for years for the homeless; a lot of you who worked with the mentally ill, with people who have other problems, and coming up with an approach that at least gives us a chance to try to go beyond the symptoms to the cause; to try to deal with this problem on a long-term basis.

For years, our nation's attention has been properly focused on the emergency needs of the homeless and the efforts just to find people a place to stay on a cold night. That's an important thing. Nearly every day when I go out running I run by a group of homeless men who sleep on the grates within two blocks of my back

door. And we've developed kind of a friendly relationship -- they say hello to me; I say hello to them. I wish to goodness on the days that are cold and windy, when I find it difficult to find the courage to run, they at least didn't have to spend the night there. But I also know that there are other factors at work inside the minds and hearts of those people which make some of them reluctant to come in and which make it impossible for them to stay in.

So we have tried to ask some other questions with this proposal: What kind of skills and assistance do homeless people need to really move from the streets to places of their own? How do we help maintain their **housing** in more permanent and stable ways when lives themselves have often never been permanent or stable in any traditional sense?

For some of the homeless we may never find the answers. For whatever sad reason, some people do drift beyond the outer realm of society and never come back. But a lot of others, especially the parents and their children, can be lifted out of their helplessness and hopelessness if we relate to them in the right way.

You heard the Secretary say that yesterday the United States Conference of Mayors said that as much as 43 percent of the homeless population may now be parents and children. The mayors' press conference yesterday was the first one ever attended by an administration official since the mayors formed their task force on homelessness 10 years ago. And I want to thank again the leadership at HUD, starting with the Secretary, for bringing new energy and attention to this.

I didn't have much to do with it except to ask that simple question when my longtime friend, Henry Cisneros and I talked about this. I just said, will we ever be able to show the American people that there aren't so many people on the streets?

On Sunday there was a wonderful piece in The New York Times Sunday Magazine about a woman who has transformed an old stereotype of single-room occupancy hotels and replaced it with a new model to help meet the long-term needs we're discussing. She's reinvented this single-room occupancy **housing** to create well-kept places and integrate services for people with special needs and disabilities. And in so doing, she's helping people regain control over their lives.

None of the initiatives of this administration -- strengthening work and family and community -- can be done without forming a partnership with people on the front lines, like that lady and like so many of you in this room. The people who give of themselves not just on Christmas Day, but every day. But as Christmas approaches, I hope the American people will, in all their Christmas prayers, save room for a simple one -- that all of us somehow might realize the humility to know how blessed we are to be in this country, and still to remember those who are not blessed, though they are among our midst.

This Christmas all many of them wish for is a place to spend the night. But what we know is, if they're going to have a place to spend the night they have to have a place where they can live and grow and deal with the demons that bedevil so many of us in this country.

I have a list -- I won't read it to you, but I was -- that Henry gave me that kind of is representative of the kinds of people who are getting these grants. Sometimes I think we make them more inaccessible to ordinary Americans by talking about things like

support services and transition services and this, that, the other thing. But in plain English, what we're trying to do is take people who are battered and bruised and broken, but who still have a lot of God's grace left in them, and find a way to bring all that back to the surface and put their own lives back more in their control.

I hope this new approach works. If it does, it will be because of a lot of you out there on the front lines who are making it work, like this fine and funny -- (laughter) -- man of the cloth. If it does, we will have given the American people a good Christmas present.

Thank you very much. (Applause.)

END3:00 P.M. EST

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)



Publications

Search Documents

Saturday
radio
addresses

releases

Speeches

3111111111

White House Publications

THE WHITE HOUSE

Office of the Press Secretary
(San Francisco, California)

For Immediate Release

October 4, 1993

REMARKS BY THE PRESIDENT
TO CITIZENS OF CALIFORNIA ✓

San Francisco Hilton
San Francisco, California

1:55 P.M. PDT

THE PRESIDENT: Thank you very much, ladies and gentlemen. It's wonderful to see all of you here. I thank you for coming. I want to apologize for our lateness, but I have, as you might imagine, had to spend a little extra time this morning on events around the world, which have required me to be on the phone and it pushed our schedule back a little bit. I thank you all for waiting.

I'd like to particularly acknowledge in the crowd today, once again, at the beginning, the Secretary of Energy Hazel O'Leary, who has done a lot of work on the project that we're here to announce. I see Congresswoman Pelosi, Congresswoman Anna Eshoo, Congressman Tom Lantos here. The Mayor of Oakland, Elihu Harris; and I know Speaker Brown was here. He may have had to leave. Is he still here?

I want to thank, too, some members of Congress who are not here who worked very hard on this issue -- Senator Boxer and Senator Feinstein and Congressman Dellums and Congressman Stark. The President of Stanford is here, Gerhart Caspar -- director, Burt Rickter, and the Stanford Chairman of the Board of Trustees, John Friedenrich. And the Cyprus Freeway area Council member Natalie Baten is here. And there are others here, but I wanted to acknowledge them because they will be affected by some or all of what I have to say today.

I spent a lot of time in California during the

presidential campaign, and I said, if elected, I would come back and that I would remember what I saw and what I learned. This is my sixth trip to California as President, and around those visits many members of my administration have come here. Today, along with the Secretary of Energy, the Secretary of Labor, Bob Reich, is also here.

We have tried to work together in what has been an unprecedented effort, coordinated by the Secretary of Commerce Ron Brown, to develop a strategy to revitalize the California economy. We have tried to continue to study what the problems are and what the opportunities are, given the difficulties of the federal budget. We can't underestimate the problems of this state. Its unemployment rate is about three percent above the national average. About 25 percent of the total unemployed people in America are in this state, even though the state only has 12 percent of the nation's population.

Many of the people who are out of work in California are people who helped to build the economy engine of America -- people who worked in high-tech industries, people who worked in defense industries, people with very high levels of skills, and major contributions to make to our future.

It is clear to me that the economy of this nation cannot recover unless the economy of this state recovers. And it is also clear to me that if what we are doing here works, it will really change the nature of what a president's job is, because it is perfectly clear that as we move into the 21st century, the sweeping global economic changes which will affect our country will over time affect one area more than another, inevitably. That has clearly been the case for the last 15 years. So that what we try to do today for California is what we may be doing tomorrow for the New England region, or for the South where I grew up, or for the Midwest. We are going to have to focus on the fact that not every set of economic changes will affect every part of this country equally.

And that is what we have tried to do. Just in the last seven months, we've worked on getting more infrastructure money to southern California. The biggest infrastructure announcement that has been made so far in this administration was around \$1 billion for a project in the Los Angeles area.

We have worked very hard on trying to change the tax laws in the way that will benefit all of America, but will especially benefit the high-tech industry here -- increasing of research and development tax credit, having a capital gains tax for people who invest their money in new businesses especially in high-tech areas, changing some of the real estate tax rules in ways that will revitalize the incredible depression that California, as well as south Florida and New England have had in their real estate industry. A lot of these things have been targeted to have a significant long-term impact on this state.

I have to say that as hard as we are working, I think that all of you that these problems did not occur overnight, and they cannot be turned around overnight. And there is no way that there is going to be a single government spending program that will do it. We should have strategies that target the investment of our government in ways that are likely to produce other investments and create other jobs and other opportunities.

That's why I am particularly hopeful that the

empowerment zone legislation that was adopted by the Congress in the economic program will lead to the selection of one or more sites in California that will prove that we can get private investment capital back into distressed areas in this country, both urban and rural. There is not enough government money with the kind of debt we've run up in the last 12 years to solve all these problems, but they cannot be solved without government initiative, and new and different kinds of partnerships like the ones we're here to announce today. We can't be, in other words, hands off and we can't do it all on our own.

Let me tell you the things I want to focus on today. And I want to tie them to some things that we've announced in the last week or so that will affect this economy. It's been said that you can't create genius, all you can do is nurture it. Among the many blessings this state has is a scientific and engineering genius and a high-tech infrastructure to support it. Instead of nurturing it for the last several years, we have been denurturing it because you've seen all these defense cuts since 1987 with no off-setting conversion strategy.

When I became President, I found a law on the books that the Congress passed in 1992 with my strong support as a presidential candidate to allocate \$500 million, finally -- five years too late -- but finally to defense conversion. Not a penny of it had been spent because of the ideological opposition of the previous administration. We are releasing the money for defense conversion. That's important; it has to be done. We have to find ways for all the people who won the Cold War to help to win the aftermath. And we have waited too long to begin.

There is a lot of that genius in California that is being inadequately used today. If nurtured, it will help to bring about, not only an economic turnaround for California, but for the entire nation.

Now, that is the background to what leads to the first announcement. Today the Secretary of Energy Hazel O'Leary, who is here, and my Science Advisor Jack Gibbons have given me their recommendation for the site of a major science project known by the deceptively name of the B-Factory. It doesn't have anything to do with honey. (Laughter.)

The importance of the B-Factory, however, is literally universal. It may give us critical answers on how the stars, the planets and the heavens came to be. After much study and serious comparison of all the proposals, the Secretary and Mr. Gibbons have recommended that the B-Factory go to the Stanford Linear Accelerator Center. (Applause.)

There were strong competition for this project by scientists who have worked in this area for literally years, people whose contributions have, and will continue to be outstanding. The B-Factory is a \$240 million international project to create an electron, positron collider -- can you say that? (Laughter.) Sounds good -- for studying the underpinning of all science, the relationship of matter and antimatter. It will involve hundreds of scientists and build on decades of previous research at the Stanford facility.

In that same spirit of encouraging innovation as a path to prosperity, we are also moving forward with the administration's Technology Reinvestment Project. This is a part of our general effort to convert from a defense to a domestic economy. The program is designed to support defense conversion

by taking proposals and providing matching public funds to private funds from all over America.

When we put out the proposals we had an overwhelming response -- over 2,800 projects with about \$8 billion worth of proposed investments. One-quarter of them came from the state of California, the state with one-quarter of the unemployed people in America. An interesting parallel.

Soon we will be announcing the winners of the first round of technology reinvestment proposals for about \$500 million. I'm happy to say that not long ago we reached agreement with the Congress to add to next year's projects another \$300 million, which will mean that next year we'll have even more money for these projects than this year.

The Silicon Valley has been like a cradle for dual-use technology. For example, the Trimble Navigation Company developed a technology used to navigate our tanks in the Gulf War, and now it's adapted to navigate ambulances. This month when we announced the matching grants you will see that many of the leading contenders are in California on the merits, companies that need to have the opportunity to move from where we were as an economy to where we have to go.

I'm also pleased to be able to announce today some help for California on another front, an area we must target for further action -- urban development. The Department of **Housing** and Urban Development today is announcing the awarding of grants totaling more than \$100 million to California, here in the Bay Area and in southern California. About a fifth of the money is aimed for Los Angeles County. These funds will go towards **housing** subsidies for the working poor, **housing** for the elderly, the disabled and for public **housing**. ✓

This country has not had a **housing** policy in a dozen years, and that's one reason in the last dozen years we have seen an explosion of homelessness. So this is part of our effort not only to encourage more investment, but also to restore the fabric of community in every city in this country. It is part of economic recovery. It's also a part of redefining who we are as a people.

I want to pay a special word of compliment to the HUD Secretary Henry Cisneros in his absence here today. We are desperately trying to find some solutions to the very complex problem of homelessness, and we are also trying to use our Nation's Capital to prove that we can not only find ways to move people off the streets, but to move them from the permanent population of the homeless that has grown at such an alarming rate in our nation over the last few years.

The severity of the economic problems here is very significant, but I hope all of you still believe that it's not as significant as the potential for renewed greatness. We have to help California rebuild in ways that are mental and ways that are physical. Today I've asked Congress, in addition to the things I mentioned above, to provide an additional \$315 million to the Department of Transportation to complete repairs to the Cyprus Freeway which was destroyed by the earthquake in 1989. (Applause.)

This request clears the way for Congress to allocate money California needs and, in my view, is entitled to, to

restore this vital link to the East Bay. And it is the kind of thing that we need to be focusing on. You can't rebuild unless you have the materials to rebuild.

Finally, let me say that in trying to help the California economy we've also targeted increasing trade opportunities. When we can no longer count on the Cold War to increase high-wage jobs, we know that we can count on increased trade to do it. A significant percentage of the net new jobs coming into the American economy in the last five years have come from increasing trade. Increasing trade to the Pacific region, increasing trade in Latin America, increasing trade in other parts of the world. That's why I believe we should have a new General Agreement on Tariffs and Trade, which lowers the tariffs especially that all the advanced countries apply on manufacturing products, and why I have fought so hard to persuade the Congress to adopt the North American Free Trade Agreement.

I just had an interesting encounter with my friends at the AFL-CIO, who, as you know, have an opposite position, in which I made the following argument, which I will make again. The objections to NAFTA are basically objections to the system that has existed for the last 12 years, of being to go down just across the border, set up a plant, have lower wages, lower environmental costs, export back into America with no tariffs. The question the American people should be asking is, if we adopt this trade agreement, will it make it better or worse? It will plainly make it better.

We will raise environmental and labor costs across the border. We will lower requirements to produce things sold in Mexico in Mexico. We will lower their tariffs, which are two and a half times as high as ours. They are already the second biggest purchasers of American goods. And California will be the biggest beneficiary of increased trade both to the Pacific and to Mexico and to the rest of Latin America, with the possible exception of Texas to the Mexican case. You must be first or second in any economic scenario.

So my argument is we ought to adopt this deal because it will make the problems better than they are, and it will create vast new opportunities. And it also opens the door to expanded trade on similar terms with the whole rest of Latin America, the second fastest growing part of the world, where no one expects investment will lead, to renewed trade back to America and the loss of American jobs. This is a job winner and an economic opportunity for America.

But there are other things we can do as well, and I want to emphasize them if I might. Last week I announced two projects which I think could really help this state. The first is an effort by the automakers and the UAW and all the government labs to triple the fuel efficiency of American cars by the end of the decade. That could create hundreds of thousands of new environmentally-based jobs.

The second is the most sweeping revision of our export control laws in my lifetime. We have swept away limitations on the export of American computers, supercomputers, and telecommunications equipment, comprising 70 percent of all that equipment produced in America. A potential of \$37 billion worth of production now eligible for export all over the world, without increasing the dangers of proliferation. This will have an incredible impact in the state of California. It needed to be done before, but we finally got it done.

Every single high-tech executive with whom I have talked -- and we developed this policy in cooperation with a lot of people from your state, including people in this room today -- and every one of them believes a huge economic boost for this state, a huge economic boost for this country, and more jobs -- the kind of good jobs that we desperately need. Companies like Hewlett-Packard and Sun Microsystems and Silicon Graphics have all said explicitly, this policy means more jobs for California, and, therefore, a better American economy.

So this summarizes where we are. Are we done? No. Have miracles occurred? No. Are we making progress? You bet we are. Is there any precedent for this kind of effort directed toward a single state or a single region? No, but I want this to set a precedent for my presidency and other presidents to do the same thing when other regions are troubled. We have got to bring this national economy back. Bringing down the deficit, keeping interest rates low, adopting sensible policies that help everybody, that's important. But we also have to focus on the real problems. Whether they're in California or Florida or New England or the Midwest or the South, we have to do it. And that is what today is all about.

I wish you well with the B-Factory. I want you to fix the roads, but most important, I want you to create new jobs with the economic opportunities we are committed to providing. Thank you. Good Luck. And let's keep working. (Applause.)

Thank you. Thank you. You all wait for me, okay? I want to come out and shake hands and meet the children. You all stand right there. But I have to take a couple of questions from the press because of all the events that are unfolding today. So just -- you all will get to watch a mini press conference here. We'll do it. Go ahead.

Q Mr. President, what more have you learned about American GIs who may have been taken captive in Somalia? Has there been any contact at all with their captors? Are you ensured of their safety? And do the incidents over the past couple of days give just still more ammunition to those in Congress who want to pull U.S. troops out of Somalia?

THE PRESIDENT: Well, you asked me about four questions. Let me try to answer them.

First, we do have some troops who are missing, a small number. One or more may have been captured. We have issued the sternest possible warning that American troops captured in the course of doing their duty under international law for the United Nations are entitled to be treated with all the respect accorded to such troops under international law, which means not only no physical abuse, but adequate medicine, food, **housing** and access to personal contact by international inspectors. We are pursuing all of that even as I speak.

We have also issued the sternest warning that if anything happens to them inconsistent with that, the United States -- not the United Nations -- the United States, will view this matter very gravely and take appropriate action.

Now, let me go on to the second question. I think it has become clear that our forces have been subject to greater risk in the last several weeks by the coincidence of two developments. One is the drawdown of American forces. We used

to have nearly 30,000 troops in Somalia. We're now down to 4,000 in part of the agreement we made with the United Nations to terminate our involvement. We have been replaced by the forces of other countries who are, I think, doing their best under the circumstances to man their various positions, but are not as able to be part of a coordinated effort to protect our forces that are still the front line of defense of the policy of the United Nations.

The second is I think, ironically, the fact that the U.N. mission largely succeeded in stopping the hunger and the starvation and the death from disease and the total chaos, so that the hospitals and the schools were open and people could sleep in peace at night. And that created a circumstance in which people, forgetting how bad it was before, could be stirred up for some political activity, at least in one part of Mogadishu. So those two things have happened.

What we have done our best to do is to actually enforce the law against people who committed murder and try to continue our timetable to withdraw and get other forces in without doing anything that would let the country revert to the system to anarchy and chaos that existed before we got there.

I have no reason to believe that a majority of the Somalis really want to go back to the way it was. In fact, all the evidence we have is just to the contrary. So I can't give you any other answer than that today. I do not want to do anything which would imperil the fundamental success of one of the most successful humanitarian missions we've seen in a long time.

But what I did -- all I have done today is to, first of all, authorize the replacement of those people who are entitled to come home, who have done more than their fair share of the Somali peacekeeping, and to authorize a few more troops with armored capacity so that we can do a better job of protecting the people who are there while they're there as long as they are there. That is very important to me. I am not satisfied that we are doing everything we can to protect the young Americans that are putting their lives on the line so that hundreds of thousands, literally hundreds of thousands Somalis can stay alive who would not otherwise be alive, as part of the U.N. mission.

I will have more to say about this in the next few days. I am going, as soon as I leave here, immediately to Los Angeles, where I will spend a few more hours working on this during the day. And then tomorrow when I get back to Washington, we're going to spend several more hours on it. So I will have more to say about this in the next 48 hours, but I think that's all I should say at this time.

Q Mr. President, on Russia, can you tell us, given the fact the President Yeltsin had to use force to put this down, are you concerned that you may have embraced him a little more tightly than you wished?

THE PRESIDENT: Absolutely not. Absolutely not. What choice did he have? The truth is he bent over backwards to avoid using force, and as a result, as the only person who has ever been elected to anything by all the people of Russia, he and his forces were abused very badly. And if you look at what happened, they broke through a police line that was not as well armed as the opponents, and not as willing to use force as the

opponents, and things got out of hand. And I don't see that he had any choice once the circumstances deteriorated to the point that they did.

The government did not start the rioting or the shooting or the violence. If such a thing happened in the United States, you would expect me to take tough action against it, as the only person who has been elected the people of this country. And he did that. As long as he goes forward with a new constitution, genuinely democratic elections for the Parliament, genuinely democratic elections for the president, then he is doing what he said he would do. I am still convinced the United States did the right thing.

Q Well, if you dismissed the Congress, as Yeltsin did, I think it would be a quite different situation in the United States, even though it's a different kind of Congress and a different kind of law. The question I have, Mr. President, is Senator Sam Nunn, yesterday on television, said that the United States and the IMF may have been partly responsible for the economic situation developing in Russia; that is the privatization may create unemployment 20 to 30 percent if the shock treatment of the -- government is opposed by the Russian people. And what I wanted to know from you is what is the economic solution which is driving people in Russia to feel that their problems are not being resolved by the introduction of the market economy?

THE PRESIDENT: Well, the United States -- all Sam Nunn was what we've said several times, which is we don't always agree that the IMF's policies are good for a country like Russia. That's been the United State's position. We pushed IMF quite vigorously about it.

But all of these old command and control economies are having trouble making the transition. Even East Germany that had the phenomenal good fortune to be integrated with the German economy and to get literally untold billions of dollars not available to Russia, not available to Poland, not available to Hungary, not available to any of these countries, is having difficulty. And they're going to have to sort through exactly how they want to do it and what they want to do. Meanwhile, we're doing what we can to support programs and policies that will reduce unemployment in Russia, not increase it, and that will give us the opportunity to help them develop their resources in ways that will put people to work.

But what Senator Nunn said about the IMF is no more than I have said on several occasions. We don't tell these people exactly what they should do or how they should do it. And we don't think the IMF is always right in trying to apply very strict standards to them that may make their economic problems worse.

But, after all, there is no real precedent for this. We've got all these ex-communist countries that are doing their best trying to make it as democracies and trying to develop some sort of modified market economy and we're going to do our best to help them. And I think it's still a whole lot better and the world's a whole lot better off today that we're worrying about this problem instead of whether the Soviet Union will drop a nuclear weapon somewhere, or cause some international crisis somewhere.

After all, there are always problems in the world,

and there will be as long as we are on this planet. I'd rather have this set of problems than the problems we might have had if the Berlin Wall hadn't fallen.

Thank you very much. (Applause.)

END2:25 P.M. PDT

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)

you always get served within five minutes of the time you walk up to the counter; where you can get -- why you can't have an IRS that always gives you the right answer and takes your phone call; why you can't have a government that pays no more for a hammer or a pair of pliers, or, more importantly, for a personal computer than you'd pay at a local commercial outlet.

The Vice President and I are going to work with the Cabinet to find ways to make the government more responsive and to implement this report. We're going to rely on the innovations of our leaders in the Cabinet. For example, under Secretary Cisneros's leadership, the Department of **Housing** and Urban Development is finding new ways to empower citizens, not to expand bureaucracy. The Department is determined to eliminate 75 different rules and statutes that make it more difficult to build **housing** and to redevelop communities and determined to do more to help people who live in public **housing** have control over their own destinies instead of being controlled by mindless rules and regulations and decisions made by people an awful long way from where they live. ✓

We have other community initiatives that we are supporting for states and cities and towns: community policing, citizens patrols and other special programs to keep young people out of trouble. All those things have to spring up from the local level, and there shouldn't be federal rules and regulations getting in the way. States and cities and towns applying for funds for community development and assistance to the homeless will be required now to submit only one application and one report, not the seven that have been required.

Under the Attorney General's leadership, the Justice Department is finding new ways to collect more than \$14 billion that delinquent debtors owe the government. Those who are able to pay should. About 20 percent of the money owed the federal government today is delinquent. It's time we collected on the bills.

Under Secretary Bob Reich's leadership, the Labor Department will offer one-stop career service centers to help their customers make better use of the presently bewildering array of 150 different employment and training programs. There is a gripping story in this report of someone who lost their job in a company because of global competition, then got hired again by the same company and lost this job a second time because of cutbacks in the defense budget. If the person had quit the first time, they could have gotten job training under the Trade Adjustment Assistance Act, but because they quit and went back to work, which was the right thing to do, and lost their jobs a second time before there was a defense conversion plan in place to train people who lost their jobs -- the second time, the same guy couldn't get any job training.

I could give you lots of examples of that. We are going to fix that. We're going to put these programs together and recognize that all Americans need job training. The Labor Department ought to provide it. Instead of providing people to push papers around to figure out how to keep people out of 150 different programs, there ought to be one that all Americans can participate in. (Applause.)

Under Secretary Mike Espy's leadership, the Agriculture Department is concentrating on six key functions: Commodity programs, rural development, nutrition, conservation, food quality and research. This will allow the Agriculture Department to consolidate from 42 to 30 agencies and cut administrative costs by more than \$200 million a year.



Publications

Saturday
radio
addresses

Search
Documents

releases

Speeches

White House Publications

THE WHITE HOUSE

Office of the Press Secretary
(South Miami Heights, Florida)

For Immediate Release

September 6, 1993

REMARKS BY THE PRESIDENT
IN LABOR DAY MESSAGE TO COMMUNITY AND LABOR LEADERS ✓

Caribbean West Apartments
South Miami Heights, Florida

1:50 P.M. EDT

THE PRESIDENT: Thank you so much. I want to thank Marty Urra and my longtime friends, Governor Chiles and Senator Graham, Secretary Reich, and Secretary Cisneros, who have done such a fine job coordinating our national government's response to Hurricane Andrew over the long run down here. I'd also like to introduce a few people even on this hot day -- first of all, the First Lady's here. My wife, Hillary, is down there. (Applause.) There she is. (Applause.)

In addition to Senator Graham, we have four other members of your congressional delegation here -- Representative Carrie Meek -- (applause) -- five, five. Representator Peter Duetsch -- (applause) -- Representative Illeana Ros-Lehtinen -- (applause) -- Representative Lincoln Diaz-Balart -- (applause) -- and Representative Alcee Hastings. Let's get them all up here. (Applause.)

Your Lieutenant Governor Buddy MacKay's been with me all day. I think he's back in the crowd again. We also have a large number of state legislators, Dade County commissioners, and other local leaders here. Let's give them all a hand, all the ones that are over here. (Applause.)

All the legislators and commissioners who want to come up come on up. (Applause.) We've got -- you've got some -- Chelsea's playing today. We have legislators and commissioners

who lost their home in the hurricane; they deserve to be up here, I think. (Applause.)

Bring Larry Hawkins up here. He lost his house, he deserves to be here. That's good. (Applause.)

Ladies and gentlemen, one year ago this week I came here to South Dade County to see what Hurricane Andrew had wrought. A year later I come back as President, honored to see much of the work done that I ran for President to do; honored to see that people here are working together to make government work on the real problems of real people.

I want to thank again Henry Cisneros for taking the lead in coordinating our response. And I want to thank Otis Pitts from Miami for representing the administration so well and helping people overcome the impact of the -- (applause.) Thank you.

You know, Dade County has done a lot for the Clinton administration. I got the EPA Director Carol Browner from Dade County. I got Jeff Watson, who used to work for the Mayor of Miami. There are a number of other people, but I guess the most famous Dade County citizen I now have is Janet Reno, your Attorney General. (Applause.)

I want to tell you that you can be very proud of the work that she has done, and all the others. And you need to know that about three times a day when Janet Reno says something that makes real good sense, she says that she learned it from the people of Dade County that she represented for so long. (Applause.)

One of the things that I wanted very much to do as President was to reestablish a partnership among business and labor and government. I thought we had been divided for too long. I think in order to rebuild America, we have got to reunite America. We've got to reach across the barriers of race and region and income and party and we've got to prove that we can work together on the things that we all have to deal with if we're going to make this country what it ought to be.

I am proud of the work that has been done by the Department of **Housing** and Urban Development and the AFL-CIO in creating a partnership to invest in our communities. Now, you heard Secretary Cisneros mention it, but I want to talk a little bit more about that. ✓

This new partnership between government and labor will make possible the building of 102 moderate and low income **housing** units here in Cutler Ridge. (Applause.)

And let me tell you how this is going to work. We'll also make it possible for a lot of people to be trained to learn the jobs of today and tomorrow, because the Labor Department is going to give the AFL-CIO some money to subsidize apprenticeship programs at this site so that we can give skill training and meaningful jobs to people who live here and need work, too. (Applause.)

All across the country, the AFL-CIO, supported by two government agencies with the funny names that many of you probably never heard of before of Fannie Mae and Freddie Mac, are going to establish a **housing** investment trust fund that will provide an additional \$600 million to rebuild and create

affordable **housing** across this country with a significant percentage of that money going to regions like this one which have been struck by hurricanes or the middle western communities devastated by the floods.

This is the kind of thing that we ought to be doing together. The government can guarantee the security of the pension funds. The unions can put up those pension funds to invest in houses. The Labor Department can help to provide the funds to train people. We'll have more houses, more investment, more jobs, and a better America starting right here in this community. That's the sort of thing we ought to be doing. (Applause.)

You know, this is a day of rest and relaxation for most Americans looking forward to going back to work tomorrow, and many of our young people are going back to school. Well, tomorrow when you return to work, you can know that in this year over one million jobs have been handed -- added to our economy. That's about as many as were added during the previous four years in America. We've still got a long way to go, but it's a pretty good beginning and it's something we can build on. (Applause.)

President Harry Truman, who came from a state that neighbors mine and Missouri, once said this: If the working people of our country are well off, whether they work in factories or on the farms, in offices or in stores, this country will get along all right. The reverse is also true. When the working people of our country are not all right, the rest of the country is in deep trouble.

We have got to make sure that we have policies in this government that reward work and family for hard-working middle class people that are doing everything they can to raise their kids and make this country a better place. (Applause.)

Since you gave me this job, that's what I've tried to do. You heard someone mention earlier the Family and Medical Leave Act. What that means is that for a change -- since that law became in effect, now if somebody has a baby born or a sick parent or a child gets sick, you can take a little time off from your job without losing it. It's high time we provided for that sort of protection in America. (Applause.)

In the economic program that Congress just passed, we see not only the biggest reduction in the federal deficit in the history of this country -- something that will lift a burden off of children in this audience and the grandchildren, something that will make us freer to invest in our future and take control of our destiny, something that has brought us the lowest interest rates in 25 years that is enabling young people all across America for the first time to even think about buying a home -- that economic program also actually did something that, from your point of view, may be more important. It lifted the working poor out of poverty by saying if you work 40 hours a week and you have children in the home, we will not tax you into poverty; we will use the tax system to lift you out of poverty even if it requires a refund. (Applause.)

I haven't look at all the figures, but I can tell you that in Carrie Meek's congressional district, for example, that means over one-third of the working families in that congressional district will be eligible for a tax reduction under the economic program that the Congress passed to promote work and family. (Applause.)

Over 90 percent of the small businesses in the entire United States of America are eligible for a tax cut to encourage them to hire more people, because most of the new jobs are being created by small businesspeople. That is pro-work, it is pro-family, it is not bureaucratic. It is the sort of thing that we need to be doing in this country. (Applause.)

Now, my fellow Americans, on this Labor Day I want to ask you as we move ahead to other challenges to recognize that this is a new and different world. We have here in this country people from all over the world coming here to live, trying to make a new life for themselves in an America trying to move into the 21st century. We are doing it against a backdrop where all the wealthy countries in the world are having trouble creating new jobs and raising people's incomes and giving people security. We have a lot of things we have to do, and I can tell you one thing -- we will never get there unless we ask ourselves not just what's in it for me, but what's in it for us. How can we move together to make this country what it ought to be for everybody whose willing to work hard and play by the rules. (Applause.)

That's what I saw today in Florida City and Homestead -- people who said, what's in it for us who worked together to rebuild our communities and put the lives of families back together. That is what we have to do as a nation.

In the next few weeks you're going to see the Congress deal with an enormous number of issues, but they all have one thing in common: we've got to deal with them to pull our country together and move our country forward. If we don't control health care costs and provide affordable health care to every American family we'll never be the nation we ought to be. (Applause.)

If we don't, if we don't open the doors of college education to all Americans and give all Americans who don't go to college the chance to get good training programs so they can get good jobs, we'll never be the nation we ought to be. (Applause.)

If we don't open new avenues of trade so that we can sell our products around the world and reinvest in this country, where the bases have been closed and the defense plants have been shut down and putting those people back to work, we will never be the nation we ought to be. (Applause.)

And finally, if we don't decide once and for all we are going to have secure, strong, safe communities, free of violence and guns, where we promote independence and work, not welfare, and where everybody has a chance to raise their children in a decent, secure, safe environment, we will never be the nation we ought to be.

On Labor Day, you are doing your part by working for America. And I pledge to you that our administration will do its part by working for these goals to make this country what it ought to be.

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

END2:04 P.M. EDT

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)

energy resources that are within our own control. We have vast amounts of natural gas, for example, in this country that are environmentally cleaner than a lot of the fuels we burn, and we ought to move to develop them.

So the short answer to your question is, yes. It's always -- it's interesting, it's kind of a hard sell in the Congress now because the price of oil is so low and energy is so cheap -- it's much cheaper in America than it is in any other major country. But if you just have enough to get by on, you're living on a Social Security check or you're living on a minimum wage, it's still very, very expensive and a big part of your budget.

Thank you. Yes?

Q I work at New York City ACORN. As you heard, we dealt with the lead in paint thing every day. And as we went on tours, looking, speaking to people, door-knocking, we found out that it wasn't just lead paint and lead poisoning, it was roaches, mice, ceilings that were caving in. So we found out the conditions were like Third World conditions in our backyards, in our own neighborhoods, my own house, my own neighbors. And as we went on we realized that the problem was much bigger than just the lead painting and we realized we needed more manpower. And we found that manpower not just in SOS, but in the community.

And my question to you is a very simple one, but it's a fundamental one. Being a college student I felt very privileged because I was getting money for the community service, but many times I wished that peers of mine who weren't in college and community members could get some type of benefit for the work they did, which no one asked them to do, and the help that they gave us. My question to you is what kind of commitment can your administration give to the community that wants to be involved and who lacks the resources to get things going in their own communities? (Applause.)

THE PRESIDENT: Good question. That's a good question not only on the **housing** issue, but on a number of other issues. And I wish I had a very good, complete answer for you today. I can tell you that that question is one that we have seriously discussed, and I have asked Henry Cisneros, who is the Secretary of the Department of **Housing** and Urban Development, to try to come up with a proposal for me that would help to do that -- where the federal government could basically help local communities trying to engage the energies of people who are prepared to volunteer, work part-time, do whatever it takes to solve some of these problems. They are also very labor-intensive.

I'm hoping beyond that, that some of the things that were in this economic program we passed, for example, making -- extending the low-income **housing** tax credit and some other things that we put in there, will help state governments and local communities to work with developers to try to rehabilitate a lot of these houses and try to put people to work in doing it.

If you look at the building structure of the United States, we still have a lot of commercial overbuilding; we haven't worked through that. And a lot of people are in a position now to finance or refinance their home mortgages or buy new homes because interest rates are low. But the population growth in America of people who can buy homes has kind of slowed down. So the real economic opportunity may be in rehabilitating existing **housing** structures. And we are looking at what can be done to try to deal with that terrible problem.

We went for 12 years without any kind of serious **housing** program in America, and it led to a lot of these difficulties. And now I hope that, through Henry's work, working in partnership with people at the local level, we can come up with a better idea. So I don't have an answer for you today, but I can tell you we're working on the problem. And I see it as a real area of economic opportunity for people, the rehabilitation of existing **housing** structures. It's a better opportunity than building new commercial real estate buildings in many places and a better opportunity than building even new houses in some places where there's no population growth and no demand for it.

So I hope we can come up with an answer to the problem you've posed.

Q First, I'd like to thank you for the opportunity to have the opportunity to participate in the Summer Associates Program.

I work with lower income **housing** as a representative from North Carolina Lower **Housing** Coalition. My question is what type of plan do you have to better stimulate first-time homeownership programs with decent, safe, sanitary, and affordable **housing**?

THE PRESIDENT: The most important thing we can do is get the mortgages down, which we've done. I mean, we have now the lowest mortgage rates in 25 years. So that people can buy **housing** at lower costs.

The other thing that we did in this last economic program was to extend something called the Low Income **Housing** Tax Credit which basically gives people real incentives to build low-cost **housing** that is affordable.

The final thing we're doing is having Mr. Cisneros, the Secretary of the **Housing** and Urban Development Department, work with developers and people in local community groups all across the country to try to figure out how we can either build or rehabilitate more low-income **housing**. So that those three things together I think should permit more people -- particularly low-income working people who have virtually given up on the idea of owning their own home over the last 15 years as the price of **housing** outstripped inflation dramatically -- I think you're going to see that kind of turn around now. And I believe that in the next five years the percentage of people owning their own homes, including lower-income working people, will go up rather dramatically, but only if we work on all three of those areas.

* * * * *

THE PRESIDENT: Thank you very much. I think you could see we were all very moved by the presentation.

Before I ran for President, I was Governor for 12 years, and I spent during that time more time in schools and with children and with teachers and watching people learn and watching people struggle, not just in my state, but around the country I guess in anything else I did. What I saw there emphasizes some very basic things that, again, I would say the whole country could learn from and mobilize young people. Number one, the one-room schoolhouses in New York proved that children can help other children learn dramatically.



Publications

Saturday
radio
addresses

Search
Documents

releases

Speeches

BRIEFINGS

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 14, 1993

RADIO ADDRESS BY THE PRESIDENT TO THE NATION ✓

The Parc Lane Hotel
Oakland, California

THE PRESIDENT: Good morning. This week we took a big step toward restoring opportunity and prosperity to the people of our nation, when I signed into law our economic growth plan. It puts our house in order with the largest deficit reduction measure in our history, mandating more than \$250 billion in spending cuts, with substantial cuts in more than 200 specific spending programs. It makes over 90 percent of our small businesses eligible for tax cuts, if they invest to spur job creation. And it provides new incentives to lift people who work full time and have children in their homes but still live in poverty above the poverty line.

That's a real incentive for the working poor to stay at work and a down payment on our plan to end the welfare system as we know it.

With this economic plan in place, private analysts believe more than 8 million jobs will be created over the next four years. Already the plan has brought interest rates to historic lows and the stock market to historic highs. People are refinancing home loans and business loans, saving a lot of money, money that can be invested to grow this economy. And we've had about a million new jobs come into the economy in the last six and a half months. This plan will help us to restore the economy and revive the American Dream.

But there's another threat to our security, to our economic revival and our most basic values. It's the crime that's ravaging our neighborhoods and communities. There were 90,000 murders in America in the last four years, and a startling upsurge in gang activity, drive-by shootings and bloody carjackings.

There's a virtual war on many of our streets, and crime has become a national security issue to millions of Americans. I've worked to fight crime as an attorney general and a governor. I've worked with law enforcement officers, community leaders, victims groups. I know we can make our streets safer and our children's future more secure.

This week I announced my administration's anti-crime plan and law enforcement officers from all over America came to support it. People from Massachusetts to Mississippi spoke up. William O'Malley, a District Attorney in Massachusetts said the murder rate in Plymouth County had doubled, and the age of defendants in court is getting younger. One of the law enforcement officers said that in his area the average age of a killer was now under 16 years of age.

Police Commissioner Bill Bratton of Boston spoke of the fear that grips his city where homicides have gone up 60 percent this year because of gangs and domestic violence. The attorney general of Mississippi pointed out that the crime wave has now reached small towns and rural areas. And we can't leave them out of our solution.

These facts could be repeated by any prosecutor, any police officer in the United States. We have to give these people the help they need to seize the control of our streets. And that's precisely what I'm determined to do.

Our new crime initiative goes back to basics --toughening criminal laws and disarming criminals, putting more police on patrol, protecting students, restoring order to our streets. It also emphasizes some good ideas that do work --community policing; working with citizens to prevent crime and catch criminals; and boot camps for youthful offenders to give them a second chance to develop self-discipline and other skills to live lawful, successful lives.

Society has the right to impose the most severe penalty on the hardened criminals who commit the most heinous crimes. I support capital punishment, especially against those who kill our police officers. This legislation expands the federal death penalty and limits the time available to criminals to appeal their sentences. The plan cracks down on the easy availability of guns. I'm eager to sign the Brady Bill, which requires a waiting period before the purchase of a handgun. And I've signed a directive ordering the Treasury Department to suspend the importation of foreign-made assault pistols, the weapons of choice for many gangs and drug dealers.

Our crime bill will fund the hiring of up to 50,000 new police officers to walk the beat. It will also create a police corps to allow young people to pay for college and then ask them to return to their communities as police officers in exchange for the educational benefit.

The plan expands the Cop on the Beat Program to help pay to put more police on the street, to hire more security guards to keep our schools safe, to beef up patrol in public **housing** in communities where small businesses are vulnerable to crime. We ask for new federal boot camps to provide wayward young people the discipline, the education, the training they need for a chance to avoid a lifetime of crime.

And we put these new tools into the hands of the toughest and

most talented trio of crimefighters ever assembled at the federal level -- the Attorney General Janet Reno, a seasoned prosecutor from Miami; the FBI Director Louis Freeh, a streetwise former prosecutor and tough federal judge with a nationally acclaimed record of crimefighting; and Lee Brown, the former police chief of New York, Houston and Atlanta, the father of community policing, who now serves as our Director of Drug Control Policy.

But these law enforcement leaders cannot and must not wage this war alone. We in government can start by ensuring that the criminal justice system reflects our values and restores people's confidence in the government's ability to prevent and punish crime.

But the power of every individual to influence those around them is also very strong, and it's also a power we must turn to if we're going to turn the crime problem around. Too many of our fellow citizens simply reject values like decency, order and the respect for the rule of law. Often we can yank people like that back to what is right and what is true.

Every one of us needs to speak up and provide better role models for our young people before we lose them to the meanness of the streets. We can take simple but effective actions like taking car keys away from teenagers and adults who are under the influence of alcohol or drugs before they get behind the wheels of their cars and risk great damage to themselves and others.

We can urge broadcasters and advertisers to tone down the violence we see on television and then theaters everyday and persuade them that there is a market for programs and movies that reflect and reinforce our values. We can remind people of the opportunities they have for community service so that they can express their patriotism and caring by giving something back to the country which gives us so much and helps people in need at the same time.

In short, we can work together as partners. And when we do, when the government works with us and not against us, there is nothing the American people can't do.

With the economic plan in hand and a very tough anti-crime bill on the way, we can truly say our country is headed in a new direction -- more responsibility, more opportunity, a deeper sense of community and restoring the American Dream.

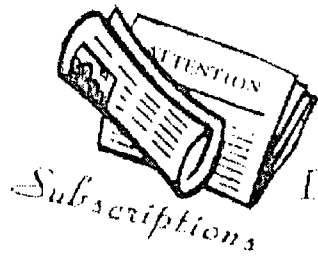
Thanks for listening.

END

<u>The White House</u>	
<u>President and First Lady</u>	<u>Vice President and Mrs. Gore</u>
<u>Record of Progress</u>	<u>The Briefing Room</u>
<u>Gateway to Government</u>	<u>Contacting the White House</u>
<u>White House for Kids</u>	<u>White House History</u>

[White House Tours](#) | [Help](#)

[Privacy Statement](#)



Publications

Search
Documents

Saturday
radio
addresses

releases

Speeches

20000000

White House Publications

The White House

Office of the Press Secretary

For Immediate Release

August 11, 1993

THE CLINTON ADMINISTRATION PLAN ✓

TO EXPAND COMMUNITY POLICING AND REDUCE GUN VIOLENCE

It is time for America to make a serious commitment to community policing, to having people back on the beat, working the same neighborhoods, making relationships with people in ways that prevent crime . . . How will the federal government provide 100,000 more police officers? First of all, by getting the crime bill passed.

Bill Clinton
Detroit, Michigan
October 17, 1992

The first duty of government is to keep its citizens safe. The Clinton Administration is offering a number of initiatives to prevent crime and reduce gun violence:

* Expand community policing in cities and towns across America by putting up to 100,000 more officers on the streets.

* Keep handguns out of the hands of criminals by passing the Brady Bill, which will require a five-day waiting period before purchasing a handgun, and taking other measures on assault weapons that will begin to end the arms race in our streets.

* Provide community boot camps, which give young people discipline, training, and a better chance to avoid a life of crime, and provide criminal addicts with drug treatment.

* Pass a crime bill that increases penalties for gun offenses, reforms habeas corpus procedures to raise counsel standards and limit appeals, and imposes federal death penalties for killing a federal law enforcement officer and other heinous crimes.

PUTTING 100,000 MORE OFFICERS ON THE STREET

A first step we can take to reduce crime in America is to put more police on the streets, walking the beat and working with neighbors as partners against crime. The Clinton Administration's anti-crime initiative will expand community policing throughout the nation. This innovative way of thinking about policing has already helped reduce crime in several communities across the country. From New York to St. Louis to Los Angeles, police departments are using this approach to put more police on the streets.

The Clinton Administration has launched a government-wide effort to put 100,000 more officers and public safety personnel on the street:

Supplemental Appropriations: Congress passed and the President signed into law on July 2 an FY93 supplemental appropriations bill that included \$150 million in community policing grants to hire and rehire police officers. This competitive grants program will become available to states and localities in early September, and will put more than 2,100 new police on the streets over the next three years.

Policing and Public Safety: The cornerstone of the President's community policing plan to put police on the street is the Policing and Public Safety program that will be part of this year's crime bill. An expansion of the Cop-on-the-Beat legislation introduced by Rep. Charles Schumer (D-NY), the Justice Department program will challenge communities to implement community policing by providing grants, training, and technical assistance for police officers. The program is authorized at \$3.4 billion over the next five years, which will help communities put up to 50,000 new officers on the street. The Administration will make full funding for this program a priority.

Police Corps: This four-year, \$100 million program will give college scholarships and police training to as many as 4-5,000 students who are willing to make a four-year commitment to serve their communities as police officers. As Governor of Arkansas, President Clinton instituted the nation's first state Police Corps program.

Safe Schools Initiative: Schools should be a safe haven for children, free of weapons, drugs, and crime. Education Secretary Richard Riley has introduced emergency Safe Schools legislation, based on a proposal by Rep. Schumer and others, that will enable local education authorities to hire security personnel and pay for police officers who include schools as part of their community policing "beat". The Administration's budget request includes \$475 million for Safe Schools over the next five years, which would fund up to 4,000 sworn and non-sworn officers.

Community Partnerships Against Crime: Some of the nation's worst pockets of crime are concentrated in neighborhoods with public **housing**. To help make public **housing** safer, **Housing** and Urban Development Secretary Cisneros is transforming his department's Drug Elimination Grant Program into a more effective program called Community

Partnerships Against Crime (COMPAC). The Administration's budget request includes more than \$700 million over the next five years to put as many as 5,000 sworn and non-sworn officers to work in law enforcement, security, and community policing in public housing.

National Service: Up to one-quarter of the slots in the national service plan Congress is expected to put on the President's desk in September will be available for young people who choose to pay their country and their communities back through public safety and law enforcement. The program could put up to 25,000 young people to work as non-sworn personnel for local police departments, crime prevention groups and other public safety efforts. The President hopes to put the first National Service participants to work by the summer of 1994.

Empowerment Zones and Enterprise Communities: The economic plan which the President signed into law August 10 will create jobs in depressed urban and rural areas around the country by targeting growth incentives and investments into nine Empowerment Zones and 100 Enterprise Communities. The Administration's budget request includes up to \$500 million for up to 6-7,000 officers to do community policing in these areas, because businesses can't create jobs where the streets are not safe. While the Empowerment Zone proposal passed as part of budget reconciliation, the Appropriations Committees have not approved the Administration's budget request.

Troops-to-Cops: As we downscale the military in the aftermath of the Cold War, we need to put our best trained, most talented men and women to work keeping America safe here at home. To help police departments tap into the pool of talented military personnel, Secretary of Labor Robert Reich will make as much as \$10 million from the Defense Diversification Program available to retrain up to 1,500 veterans who are leaving the military for jobs with state and local police departments.

Paying for Public Safety: Funding for these policing programs is included in the Administration's budget baseline for FY 1994-98. If additional funds are required for these and other Administration initiatives, the Administration will continue to pursue additional budget cuts, including ones the Administration sought but has not yet achieved in Congress this year. It is expected that Congressional leadership and the National Performance Review will identify additional savings. Community policing programs assume some state/local match.

REDUCING GUN VIOLENCE

The Clinton Administration is committed to passing the Brady Bill, and reducing the wave of gun violence that is plaguing America.

Brady Bill: This legislation -- named for former Reagan press secretary James Brady, and championed by his wife Sarah -- will impose a five-day waiting period for handgun purchases, and require background checks so that we can help keep handguns out of the hands of criminals. The Brady Bill passed both houses of Congress last session with bipartisan support.

Assault Weapons: Recent attacks on children at a swimming pool in Washington, D.C., and on a law firm in San Francisco have underscored the need for Congress to consider legislation

addressing the sale and availability of semiautomatic assault weapons --the guns of choice for drug- and gang-related crime.

Presidential Action: Today, the President will sign Presidential Memoranda to suspend the importation of assault pistols, which are not covered under the existing assault weapons import ban, and to toughen enforcement of compliance procedures in issuing federal firearms licenses to gun dealers.

COMMUNITY BOOT CAMPS FOR YOUNG OFFENDERS AND DRUG TREATMENT FOR CRIMINAL ADDICTS

In Arkansas, Governor Clinton pioneered the use of community boot camps, which provide young people the discipline, education, and training they need for a better chance to avoid a life of crime. The Administration will work with Congress to convert closed military bases and other appropriate facilities into a system of boot camps. Director of the Office of National Drug Control Policy Lee Brown and Attorney General Janet Reno will work to ensure that we use the criminal justice system to provide criminal addicts with drug treatment.

FEDERAL DEATH PENALTY

The Administration will ask Congress to pass crime legislation that provides the death penalty for nearly 50 offenses -- including killing a federal law enforcement officer and killing state officers in the course of cooperative investigations with federal agencies.

HABEAS CORPUS REFORM

Senator Biden has introduced breakthrough habeas reform legislation, with strong support from district attorneys, state attorneys general, and the Administration. The legislation will, for the first time, limit inmates to filing a single, federal habeas corpus appeal within a six-month time limit. At the same time, the legislation will also assure that all indigent capital defendants will be represented by counsel who meet specific, rigorous experience and qualification standards.

###

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)



Publications

Search
Documents

releases

Saturday
radio
addresses

Speeches

2011/11/05

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 3, 1993

REMARKS BY THE PRESIDENT ON RIVER WALK TOUR

Fredericktowne Village
Frederick, Maryland

11:12 A.M. EDT

THE PRESIDENT: Thank you very much. Good morning, ladies and gentlemen, and good morning, boys and girls. It's great to be here in Frederick today. I want to thank Roger Glunt, the President of the National Association of Home Builders, for being here and for his support of our economic program, as well as the support of homebuilders and realtors all across America who understand what we can do for the American economy if we can get interest rates down and keep them there.

I want to thank the Murrys for giving me a tour of their home before it was finished. One of the things I did in my former life, back when I had one -- (laughter) -- when I was a young man was engage in a little bit of homebuilding. That's hard work. And I'm glad to see somebody else doing it back there. But they did a great job.

I want to say thanks to the Dragers and the Fishmans and the Taylors, the other families here on this circle who showed me their home and talked to me a little bit about their lives. I want to thank Jim Johnson for being here and for the wonderful job that he does at Fanny Mae to help finance homes and make the American Dream come real for Americans. And I want to say thanks to Don Meade, the construction site supervisor, who hasn't spoken today. That will make him the most popular person here. (Applause.) I thank him for showing me around.

Ladies and gentlemen, last year when I was out

campaigning for the job I now hold, I think all of us realized that our country was in a period of short-term recession, which it lasted for about three years, but of long-term economic problems brought on by some economic competition from other countries around the world and from some problems that we had created for ourselves, and that it was impossible to point the blame at one person, that both parties in Washington were to blame, but that it was absolutely clear that we couldn't keep going the way we were going, where the deficit was going up and up and up every year, so our debts were piling higher.

In 12 years -- 12 years -- we went from a \$1 trillion to a \$4 trillion national debt. And the deficit was over \$300 billion a year. And at the same time, we were reducing our investment in the things that make us a rich country -- in incentives for people to build houses, in new technologies to compete with other countries, in the education and training of our work force.

So what I tried to do was to turn that around. It seemed to me that the faith -- we had to begin was to bring down the deficit with a combination of tough spending cuts and tax increases that would be mostly on those who had been more successful, whose taxes had gone down and were in higher income groups.

This plan that I have presented to Congress does that. But I want to emphasize to you -- I'll talk a little more about the details in a moment -- but why would the homebuilders be here supporting it if it were bad for business and bad for America. They wouldn't be. They're here because all these people building these houses need jobs, and we need more people like them working. And if people can work, we wouldn't have half the problems we've got in this country. (Applause.)

Six million Americans are employed in the **housing** and related industry. Homebuilding is critical to our future and critical to the dreams of millions of American families. A year ago, less than half of the American people under the age of 35 thought they had a good chance to buy a home. Today, over 70 percent of them do. And there's one clear reason: lower long-term interest rates, which make mortgage rates as low as they've been in 20 years. ✓

If you think about it, mortgage rates currently are at about 7.5 percent. Now, if someone had a home mortgage at 10 percent and they refinance that at 7.5 percent, in the very first year of the refinancing, they'd save \$2,100. That is way over twice as much in one year as the same family -- let's say, a family with an income of \$40,000 to \$60,000 would pay in new taxes under the energy tax in four years under our program.

That is the key to this whole thing. A balanced approach, cut spending, raise money from people who can afford it, minimize the burden on the middle class, but ask people to pay something, but give them back low interest rates, more jobs, and a growing economy. That is the idea, and the critical thing is the interest rates. (Applause.)

Every time mortgage rates go down a point an additional 350,000 people are able to buy homes. In November, shortly after the election, our administration announced a serious attempt to reduce the deficit based on spending cuts, targeted revenue increases, long-term interest rates started to drop. They've dropped almost one full point since the election. Last week, after the House of Representatives adopted the economic program, they dropped again, and the stock market went up again because people who control these decisions began to believe again that we could take control of our destiny and really move America forward.

You've already heard some of these specific ideas, but let me just reiterate. In this bill there aren't just tax increases, there are spending cuts -- \$100 billion in the entitlement areas, and another \$150 billion in 200 specific cuts in other areas, including a reduction in the size of the federal government by 150,000 employees over the next four years, an across-the-board cut of 14 percent in the administrative costs of government, and hundreds of other specific cuts in spending.

But there are also some incentives in this program, which are important. The small business community -- some of you would be in that -- have been asking for years to increase the expensing provisions in the tax code so they could write off \$25,000 a year, not \$10,000 a year, if they invested in their business to make it more productive. That's in this provision. (Applause.)

Larger businesses who invest a lot of money in new plant and new equipment, which put people to work, have been asking for years for us to change the minimum tax provisions so they won't have to pay taxes on investments they make to put people to work. And we did that in this tax bill, and that will put people to work. (Applause.)

People in real estate have been asking for years that they simply be treated on what are called their passive losses, like people in every other business in the United States of America. And that is in this tax bill, and that will put people to work. (Applause.) These things will create jobs. (Applause.)

Maybe most important of all, for something I care a lot about, I'll bet you that more than half the people in this audience from time to time in the last 10 or 15 years, have complained about the welfare system and have said sometimes there seems like there are more incentives to stay on welfare than off. Well, let me tell you something else this bill does. Some people stay on welfare rather than work 40 hours a week, because if they take a minimum wage job and go to work, they've got to pay somebody for child care; they don't have any health insurance, so they go back on welfare; you pay it through Medicaid, and they can stay home with the kids.

This tax bill -- it's not because the welfare check is big, it's because of the child care and the medical benefits. This tax bill says that, look, we're going to favor work over welfare forever. If you go to work, you work 40 hours a week, you have a child in your house, the tax system will lift you out of poverty. We're going to favor work over welfare. That's a very important thing that this tax bill does. (Applause.)

Now, next week the United States Senate is coming back into session and we have to pass this bill in the Senate. Many senators and many House members and the President would like to pass the bill with even fewer taxes and more spending cuts, and we're going to look for that. But let me remind you, look at the results already. The most important thing is to pass a bill that has real deficit reduction, real spending cuts, put it all in a trust fund so the money can't go to anything else, and no tax increases without the spending cuts, and keep the interest rates down. That is what is important here.

I have been overwhelmed -- yesterday I had lunch again, as I do about every week with a lot of business executives who themselves will have to pay the lion's share of the tax bill. Over 60 percent of this money will come from people with annual incomes in excess of \$200,000; over 75 percent of it from people in the top

seven percent of the income bracket. And most of them are willing to pay as long as they know the interest rates will go down because the deficit is going down.

So I think it's important to say, yes, let's shoot for more spending cuts and less taxes, but let's pass the bill and get the deficit down.

I want to just leave you with this. New home sales last month reached a seven-year high in April -- seven-year high. (Applause.) That's worth doing. Mortgage rates are at a 20-year low. That's worth keeping. (Applause.) Well, I ask you, let's don't take our eye off the ball. It is estimated that in this year alone, if we can keep these interest rates down at this level, it will put \$100 billion back into the American economy, in people refinancing their mortgages, refinancing business loans, lower consumer loans, lower college loans, lower car rates. That's what we've got to do.

I ask for your support. I ask for your support not on a partisan basis, but to rebuild the American economy. There is no party label, there's just jobs and incomes behind this. We've got to grow this economy.

I thank the people on this stage and all of you for being here today to make that point. Thank you very much. (Applause.)

END11:24 A.M. EDT

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)



Publications

Search
Documents

Saturday
radio
addresses

releases

Speeches

20111115

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 19, 1993

EXECUTIVE ORDER 12848

- - - - - ✓

FEDERAL PLAN TO BREAK THE CYCLE OF HOMELESSNESS

By the authority vested in me as President by the Constitution and the laws of the United States of America, including title II of the Stewart B. McKinney Homeless Assistance Act, as amended (42 U.S.C. 11311-11320), and section 301 of title 3, United States Code, and in order to provide for the streamlining and strengthening of the Nation's efforts to break the cycle of homelessness, it is hereby ordered as follows:

Section 1. Federal member agencies acting through the Interagency Council on the Homeless, established under title II of the Stewart B. McKinney Homeless Assistance Act, shall develop a single coordinated Federal plan for breaking the cycle of existing homelessness and for preventing future homelessness.

Sec. 2. The plan shall recommend Federal administrative and legislative initiatives necessary to carry out the plan and shall include a proposed schedule for implementing administrative initiatives and transmitting any necessary legislative proposals to the Congress. These initiatives and legislative proposals shall identify ways to streamline and consolidate, when appropriate, existing programs designed to assist homeless individuals and families.

Sec. 3. The plan shall make recommendations on how current funding programs can be redirected, if necessary, to provide links between **housing**, support, and education services and to promote coordination and cooperation among grantees, local **housing** and support service providers, school districts, and advocates for homeless individuals and families. The plan shall also provide recommendations on ways to encourage and support creative approaches and cost-effective, local efforts to break the cycle of existing homelessness and prevent future homelessness, including tying current homeless assistance programs to permanent

housing assistance, local **housing** affordability strategies, or employment opportunities.

Sec. 4. To the extent practicable, the Council shall consult with representatives of State and local governments (including education agencies), nonprofit providers of services and **housing** for homeless individuals and families, advocates for homeless individuals and families, currently and formerly homeless individuals and families, and other interested parties.

Sec. 5. The Council shall submit the plan to the President no later than 9 months after the date of this order.

WILLIAM J. CLINTON

THE WHITE HOUSE,
May 19, 1993.

#

The White House
President and First Lady | Vice President and Mrs. Gore
Record of Progress | The Briefing Room
Gateway to Government | Contacting the White House
White House for Kids | White House History
White House Tours | Help
Privacy Statement



Publications

Saturday
radio
addresses

Search
Documents

releases

Speeches

20111103

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

BACKGROUND BRIEFING

BY

SENIOR ADMINISTRATION OFFICIALS

May 4, 1993

not included

The Briefing Room

1:26 P.M. EDT

MS. MYERS: We're about to start a BACKGROUND BRIEFING on enterprise and empowerment zones. It is a background briefing. It will feature {Names deleted}

So go ahead.

SENIOR ADMINISTRATION OFFICIAL: We just wanted to be able to provide some background on the President's proposal. This is [names deleted]

The proposal that we announced today was one that the President called for during the campaign and that we developed with an interagency working group and with significant consultation with mayors and businesspeople and community leaders. The overwhelming message that we heard was that -- people saying that they understood that there might be limits to the degree of new federal spending that would be available, but that the most significant improvements that they could get was through the additional ability to coordinate -- come up with a comprehensive and coordinated plan. And that if the federal government could help give them that type of flexibility and coordination, that that would be very important for them coming up with an empowerment strategy for themselves.

The way that we have devised this proposal is that every community would have to come forth with a comprehensive plan showing that it was working with the private sector and state and local

government. They would then make their grant -- they would make their application. They, having done their part in coming up with a coordinated strategy at the federal government, they would make that to one single enterprise board who would be able to give them complete or as much waiver authority as possible so that they could have the flexibility to carry out their program.

A hundred enterprise communities would be chosen and 10 empowerment zone proposals. The main difference between the two was that on the empowerment zones -- well, I should say, while the core of the proposal was to allow this coordination and bottom-up planning and to allow these communities to have priorities in seeking new federal investments so that they could put together a comprehensive plan that included both some tax incentives and better use of existing funds for a specific strategy for their community -- we also include in our budget, in the budget that the President presented on February 17th, \$4.1 billion in tax expenditures for the empowerment zone proposal.

Of that, the majority of that will go to the 10 empowerment zones. And the reason why is that one of the frequent criticisms that's been made is that these things tend to dilute incentives and then no one ever gets to find out whether any of these empowerment incentives can actually help a community. So we chose a two-tier approach that will allow 110 communities to participate in going through the challenge grant process and being part of a coordinated strategy in which they would be eligible for a variety of new funding from federal programs, but that the 10 enterprise -- empowerment zones would be where the majority of the tax incentives were focused.

One of the main criticisms in the past of such proposals has been the tax incentives don't actually benefit the people who live there. This proposal is very well structured to ensure that that does not take case. Of the \$4.1 billion in tax incentives, 75 to 80 percent are in wage tax credits for zone residents. In doing that, we had two different types of employment tax credits. One is for the people -- for the businesses within the zone or within the community, and they would be given the tax credit of up to 25 percent of the first \$20,000 of qualified salaries for zone residents that they hire. So every dollar would be going to benefit both a company within the zone and to help hire those people who live within the zone.

But we also wanted to be able to empower those people from the zone to be able to go to new -- to have opportunities elsewhere outside the zone. So the second part was a targeted credit that would allow the -- an employer outside the zone to get a tax credit for hiring a zone resident. And in this way, we are seeking to both target towards improving the particular place, but also to give the people within that place the ability to seek opportunity wherever they can.

On the handout that we have, on the second page it has a summary of the specific incentives. Before going to any specific questions, I wanted my colleague to speak a little bit, I think, on the notion of the importance of coordinating. Because the thing that we heard and that my colleague, I guess, very much lived in his past life where he ran a very, very successful organization called HELP in New York that helped -- had a comprehensive approach for homeless families was that -- what we heard from mayors and people in the community is that all of the things that come down from the federal government are targeted towards a specific program, a specific problem. Everything comes down in one categorical or programmatic element. It's either for preschool or it's for drugs. And that --

but for people who are at the community, that's not the way they see their problems and their challenges. In order to empower themselves, they feel that they have -- their communities needs a specific strategy where they can have flexibility to come up with -- fine-tune, in a sense, an empowerment strategy to their particular needs.

And so what we're trying to do is get away from just the specific -- from being too restrictive in the specific programs and giving those communities more flexibility to have more of a horizontal or coordinated approach.

The other problem is that everybody tends to do this separately. The state has a solution, the city has a solution, the private sector works on a solution with nonprofits, the federal government has a solution. This leads to waste and lack of coordination. So what we do is we say that anybody who wants to apply has to first show that they have a coordinated plan so that all of those dollars, whether they're coming from the private sector, from local government, or federal government are all being used together for one coordinated plan. Then when they have shown that they can put forth that type of plan, it is only then that they receive waivers and additional funding and tax incentive opportunities. So it very much fits the notion of increased flexibility once you have shown accountability for coming forth with a strategic plan.

But I thought my colleague could say a few words on that and then we could answer whatever specific questions you have.

SENIOR ADMINISTRATION OFFICIAL: Thank you. I think my colleague didn't leave me a few words to say. He said it very well.

The -- you have a specific proposal, the empowerment zone proposal. But I think there are principles that apply in this proposal that apply right across the board. And many of them are radically different than the way federal government has done business in the past.

The first principle is economic opportunity has to be brought back to depressed areas. This, by the way, is both urban and on the rural side. It's not a city program, it's not an urban program. It's a program for depressed communities. So the first point is you have to get jobs in. Economic opportunity is the ladder that generations have used to better themselves. We have to get economic opportunity working again.

The second point, as my colleague made quite aptly, was that economic opportunity alone is often not enough. Tax incentives as a vehicle to get businesses into depressed communities sometimes isn't enough, because the tax incentive isn't enough to seduce a business to go into a depressed area. Because the other costs of business -- the lack of transportation, the lack of a work force, security problems -- outweigh the tax incentives that you can give the business. So you need a comprehensive strategy to get not just that business in, but also to get the individuals who live in that zone -- that area -- back on the ladder of opportunity. And the combination of resources is what an individual would need or a community would need or the local government would need.

We have a federal structure that says HUD does **housing**, that says HHS does health service needs, that says Labor does job training needs. But that structure is not the way the problem presents itself on the community level. Any one individual or family in a depressed area needs all of those services. You need a job,

which means you need job training before you can get the job, which means you need day care to leave your child somewhere when you go to the job, which means you needed **housing** to get a good night's sleep so you can show up for work. That involves right now scores of different agencies, dozens of programs, and literally hundreds of regulations which are often inconsistent or contradictory. You have to do certain -- meet certain obligations and restrictions and regulations to get **housing** by HUD. But then you're also AFDC eligible, and that's a different set of regulations. But you also want to get job training, and that's yet a different set. So what this proposal says is we understand that there is a fundamental disconnect between the need and the structure.

We also understand, as a third point, that the people who know best are the people in the community. You cannot dictate from Washington. Let the community come together with the local government, come up with one comprehensive plan that coordinates all those needs -- that has economic development, and transportation, and **housing**, and health services, coordinates the needs, coordinates the efforts between the city, state, local, federal governments, puts all the money towards one end. And then the federal government will fund that plan on a single source basis, which makes all the difference in the world.

These zones, as you look at the numbers, they have additional monies, additional grants to the zones. My own opinion is what is even more valuable than the grants they will win, will be the freedom from the federal regulations and restrictions. In other words, these areas now get hundreds of millions of dollars in federal aid currently -- community development monies, home monies, Chapter I monies, Head Start monies. But the monies are constrained by the regulations. What this will say is we'll give you one check, we'll break down the fire walls between the programs if it's the same purpose, and that money therefore will be more valuable, frankly, than the current funding.

Those are the main tenets of the proposal that are in the plan that you have before you.

Q Do you mean, sir, that when you administer this, that you'll have less employees or less people dipping into the salary pool? Is that how you're going to save the money, or what?

SENIOR ADMINISTRATION OFFICIAL: You will have -- we're not talking about saving money necessarily in the short run. We're talking about better utilizing the existing funds.

Q Well, does this mean that you'll have less administrative cost?

SENIOR ADMINISTRATION OFFICIAL: Precisely. What it's saying is if we can combine the programs, reduce the regulations, reduce the bureaucracy that one must traverse between the need and funding, you will indirectly be getting more of the money to the source, because you'll be cutting down the levels of bureaucracy, all of which charge an administrative fee.

You have a program in Washington that has to get to a community, a person in a depressed community. That money may go to the state, it may then go to the city, it may then go to a local community group, and each one of those levels has an administrative cost to running that program. We would be reducing that.

Q Would you also be reducing the administrative costs inside the federal government in Washington? Now, in HHS one time we

found there were 12 different agencies working on homelessness -- 12 different ones in the same department. You often have that.

SENIOR ADMINISTRATION OFFICIAL: Well, I think that a lot of that is being taken care of a lot just through the way that we are conducting this process. Right now we have a joint process in which the Domestic Policy Council, which includes the agencies like HHS and the Justice Department are working with all the councils on the National Economic Council. So, for example, this proposal was put together over the last couple of months with Treasury and HUD and Agriculture and Commerce and the White House working together. And we are starting to note duplications in programs, and that's one of the things we want to improve. That's one of the things the Vice President will be working on; and very specifically, that's one of the things that Secretary Reich is working on in the training proposal where there's been a tremendous fragmentation of training proposals for each specific problem where they are trying to get back and have a more coordinated approach. That's a little outside our subject matter today, though.

Q Will the legislation designate -- which cities or communities are the empowerment zones or the enterprise communities? And if not, will you let Congress designate that or would it be an application process, first come, first served?

SENIOR ADMINISTRATION OFFICIAL: No, it's not -- it would be a challenge grant process, and we would respond to those who met various criteria. There would be some -- obviously some criteria that you would have to be an economically depressed area. But it would also be based on the performance of your grant application. Did it involve significant coordination? Did it involve a strong private sector commitment? So it would be a challenge grant process. So nobody would be designated, you would have to be chosen through a challenge grant process.

Q To follow on that, does that include Indian reservations as well -- the six that are --

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q They'd have to do it the same way.

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q Who chooses the --

SENIOR ADMINISTRATION OFFICIAL: There would be an enterprise board that would consist of all of the relevant secretaries. And the reason why bringing -- this is where the coordination helps in several ways. One, you'd bring them together to review the applications, but also so you -- you could have a situation where you had everybody reviewed and chosen and then they had to go to each single department and seek a waiver from each single program. This way, when they would get approval and be selected, you would have all the parties at the table who would be necessary to give that locality the waiver authority they needed to put together their plan. Once they are designated, they would be run by -- the urban ones would be run by HUD, and the rural ones by the Department of Agriculture.

Q Just to follow up on that, first of all, how fast -- assuming this is passed in the budget -- when would the first 10 empowerment zones be named? How fast do you see this thing getting --

SENIOR ADMINISTRATION OFFICIAL: I think it's as soon as we could fairly give those communities a chance to come forth with a strategy. I don't think we would want to rush so quickly that people couldn't get together. Part of the goal of something like this -- when we were putting this together, a comment that came frequently is that anybody who had been through a challenge grant process like this found -- and I know Bob Rubin felt this way when he had helped the City of New York do that when he was in the private sector -- was that simply the act of going through this process tended to do considerable good. I've been through it before from the state level myself. If you're in a state, you are -- when we had to do it with community service, the state had put in one application, we did have to talk to people doing things on indian reservations and in the cities and in the rural areas that brings people together. It can take a little while, but the benefits of you -- you realize what everybody's doing and are able to put a coordinated process that avoids duplication.

Q One more follow-up, in terms of the hot houses, the specialty -- the 10 special zones? Who applies? Is it a state, a county, a city? Who applies on their behalf?

SENIOR ADMINISTRATION OFFICIAL: It would be a local government body that would have to put forth a plan involving the other relevant parties.

Q Could a fraction of a city --

Q A neighborhood?

Q Yes, could a neighborhood be a zone?

SENIOR ADMINISTRATION OFFICIAL: Could it be a zone, yes. You would need the local governmental subdivision to apply.

Q So D.C. could apply to make the eastern part of the District --

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q one of its empowerment zones.

SENIOR ADMINISTRATION OFFICIAL: Yes.

Q How about the 100 communities? It's the same --

SENIOR ADMINISTRATION OFFICIAL: It's the same.

Q Where would the \$500 million for the enterprise grants come from -- half billion for the community leasing -- those are already in the budget?

SENIOR ADMINISTRATION OFFICIAL: That's right. They're currently budget, but the 1993 money has been appropriated, but never authorized. The \$500 million has been neither authorized nor appropriated. So that, in a sense, is new money that is not being used, but it is within the baseline, it is within the current baseline. And \$250 million a year or \$500 million of that would be going to the enterprise block grants. That would apply -- and the enterprise block grants would give the most flexibility, because that would be money that would be specifically used for these localities to put together a plan. The \$500 million goes to community policing. Much of that would be channeled back into the 110 zones. In other words, even though it's going to community policing, Attorney General Reno is very much involved in this process. And the notion is that

these 110 areas would be priority areas for the community policing money.

Q We're talking about \$500 million from the Justice Department budget for the community policing program and \$500 million from HUD's budget for the -- for that first half billion?

SENIOR ADMINISTRATION OFFICIAL: They are both currently within the HUD baseline.

Q '93 already? How much?

SENIOR ADMINISTRATION OFFICIAL: There's \$500 million of which \$250 million would be for community policing. But that would be money that would be for Fiscal Year '94. The money was initially appropriated for '93, but never authorized.

Q Do I understand, you're going to have a billion dollars to divide amongst 100 projects and \$4.1 billion to divide amongst 10?

SENIOR ADMINISTRATION OFFICIAL: No, I'm sorry.

Q Maybe it would help to just go through the numbers here so what we understand it, because then you have another \$3 billion that I'm wondering where that's coming from.

SENIOR ADMINISTRATION OFFICIAL: Sure. We'll go through it, and my colleagues, feel free to jump in. In our budget that we submitted on February 17th and then resubmitted in April, there is \$4.1 billion that is on the tax -- the pay-go side, the tax expenditure side, not discretionary spending. That \$4.1 billion, that has to be used for tax expenditures. The majority -- the 75 percent or 80 percent of those tax expenditures are for wage tax credits that are within -- for the 10 empowerment zones. The other 25 percent, about \$1 billion, is for a host of other tax incentives that would largely be available for all 110. There is one or two that are also just for the 10. There is an expensing provision that would allow small businesses to expense up to their first \$75,000, as opposed to \$10,000, which is a very, very substantial benefit, when you consider that they've usually been asking to go from \$10,000 to \$25,000. So this would be \$75,000 within those 10 zones.

And then, there are empowerment resident savings accounts, which is a step in the direction of the individual development accounts that the President talked about during the campaign. And that would allow an employer to take 2 percent of the first \$35,000 of workers' salary, up to \$700, and put it into a tax-free account that the employee in the zone could save and then withdraw for certain selected investments, such as education or a first-time home. So that's the type of proposal of allowing people, even of modest means, to save, that the President spoke of and which Secretary Espy has championed for quite sometime as a member of Congress, and certainly as part of our process.

Q And that just goes to the empowerment zone? That's the empowerment zone --

SENIOR ADMINISTRATION OFFICIAL: No, that would be available for all 110.

Q Could you very briefly --

SENIOR ADMINISTRATION OFFICIAL: Just to finish -- so, basically you've got \$4.1 billion on the tax expenditure side. Then

there is a clear identifiable billion that would be on the investment side just for the following two years -- for the first two years of the program, of which \$500 million would be going to community policing with most, but not all of that targeted back to the 110 areas, and another \$500 million that would be exclusively for the recipients in the 110 areas.

Then, in addition to that -- let me just finish -- in addition to that, the President has asked his secretaries in the departments to come forth with various existing proposals where they would target existing funding or a portion of their new investments into the 110 areas. Now, what we have found already is -- and we're not making too big a deal of this just because not all the details have been worked out -- but we feel at least a couple billion dollars have already been committed by different secretaries from existing programs over the next five years into these areas.

And what we have found is that the secretaries and the people in the department have been excited about doing this. And you can understand why. When they have a new program or they have a demonstration project or even existing program, they understand that even a specific program is less likely to be successful unless it's in a community that has put together a comprehensive strategy for itself.

So we listed two examples on the third page of the summary sheet, which is that the Department of Education is going to select of these 110, 30 enterprise school initiatives, which is the very popular initiative of allowing schools to serve as community centers 24 hours a day, 365 days a year. So that's an example of a new initiative in which they are tying that new initiative into the empowerment zone and enterprise community proposal.

Another example is the Community Partnership Against Crime funds where HUD is saying that they will target \$200 million there towards preventing -- against crime in public **housing** areas within the zones. And there are various other -- HUD and Agriculture particularly, but various other departments are also selecting items. And we listed some of them -- one of them would be the community development bank proposal, which we will be announcing shortly; the small business association, the school-to-work apprenticeship youth bill, youth fair chance job corps. Secretary Reich and his chief economist, Larry Katz, have been very enthusiastic about using the zones as a laboratory for some of their new -- for their new programs.

So our hope, our aim, is that at the end of this process there would be as much money targeted in existing funds to match the \$4 billion that is specifically in the budget for -- as additional tax expenditures over the next five years.

Q So the total pricetag for the whole enterprise that you're outlining today, if we add up these three numbers -- \$4.1 billion, \$1 billion and \$3 billion -- is \$8.1 billion.

Q Over five years.

SENIOR ADMINISTRATION OFFICIAL: That is -- yes, that is what we would aspire to in the total funding targeted to this area. But I just want to make clear, because we had confusion about this, is that I'm not -- we're not saying that the \$8 billion incremental above. It's \$4.1 billion above. There's \$1 billion that's in the baseline that's never been spent. So I guess you could say there is \$5 billion of completely new spending that would be going towards these areas. And then the hope of another \$3 billion that would be

rechanneled from existing program and new initiatives that the President is proposing.

Q But -- the two-year period, right? The \$4.1 billion is over five years, so that's less than -- I mean, that's \$4.1 billion in the five years.

SENIOR ADMINISTRATION OFFICIAL: I understand what you're saying. And that \$1 billion is just for those two years. But all of the other programs that we are talking about are all for the next five years.

Q What do you need from Congress to shuttle the money around --

SENIOR ADMINISTRATION OFFICIAL: We will have to work very closely with the authorizing committees, particularly to get the waiver authority. The President's preference is to provide communities the maximum amount of flexibility once they have come forward with a responsible, coordinated plan. But we will obviously have to work with Congress to -- different committees. Some of the programs contain within them significant discretion and significant waiver authority. There will be others that we will have to seek additional waiver authority on, and that we will be working hard with relevant chairs in Congress.

Q Have the departments already identified what programs they might be able to target money from into these communities?

SENIOR ADMINISTRATION OFFICIAL: If you look at the bottom of page two, it's called Zone Priority Investments. And the reason we said Zone Priority Investments is not all of them would be necessarily available for all 110, but these would be programs where they are saying they would make a certain amount of money -- they would give the 110 communities a priority for that, or that they would be targeting a certain amount of money. So, yes, that is an example of some of the programs that have already been targeted. There are even additional programs where people are still trying to work out exactly how they'd like to contribute.

As I said, there has been a tremendous amount of enthusiasm within the Department. Most people doing new proposals want to be a part of this because, as I said, they see this as an opportunity to put some of their funds in communities that have their act together.

Q So what's the difference basically -- what's the difference between this and what Jack Kemp was proposing during the Bush administration?

SENIOR ADMINISTRATION OFFICIAL: Jack Kemp's proposal was largely based on purely tax incentives. -- incentives directed towards capital. This program focuses on labor incentives. It focuses on providing people with a job. For example, the largest tax expenditure here is a wage credit for hiring zone residents. It's a maximum credit of about \$5,000 per zone resident. And the employer is allowed to get the credit for both wages and training and educational expenses. So the target here is the zone residents. It's not really the business. We're not providing zero percent capital gains rate or stock expensing, things that were included in the Kemp proposal last year.

SENIOR ADMINISTRATION OFFICIAL: Let me just --

Q The business gets a tax credit for the employee no matter where the business is located, right?

SENIOR ADMINISTRATION OFFICIAL: No. Well, whether there --

Q Whether it's inside or outside of the zone?

SENIOR ADMINISTRATION OFFICIAL: There are two wage credits. There's a maximum \$5,000 wage credit for businesses that are located in the zone. And then we also expand the targeted jobs tax credit.

Q Let me stop you there. Do you have to hire a zone employee to get the tax credit?

SENIOR ADMINISTRATION OFFICIAL: You have to hire a zone resident in order to qualify for that credit.

Q max credit?

SENIOR ADMINISTRATION OFFICIAL: That's right. It's 25 percent on the first \$20,000 of wages.

Q Is it only new employees, or what about my existing employees if I'm running a business in the zone?

SENIOR ADMINISTRATION OFFICIAL: It applies to both new and existing employees.

Q And what's the second portion?

SENIOR ADMINISTRATION OFFICIAL: The second labor incentive is an expansion of the targeted jobs tax credit. So we essentially provide incentive for businesses that are located outside the zone to hire enterprise zone residents. And the maximum credit for hiring -- the maximum credit under that program is \$2,400. It's 40 percent of the --

Q How much?

SENIOR ADMINISTRATION OFFICIAL: Twenty-four hundred dollars -- 40 percent of the first \$6,000 of wages. And the goal is to ensure that enterprise zone residents are employed, and there are a number of ways you can do that -- by incentives for businesses inside the zone and outside the zone.

SENIOR ADMINISTRATION OFFICIAL: Well, let me just make two points. One is a lot of what we did on the tax side was responsive to the lessons and the criticisms that people had of past programs. And one of them had been that these tax incentives did not tend to benefit the people within the zones that they were intended to help.

So we tried very hard to target all of our funds so that they would -- we'd be ensured that they would be helping not only the businesses within the zones, but the actual people who live there.

The second issue was that some people felt that if you only give incentives to businesses within the zone to hire people who live there, that you're not empowering those residents with the ability to seek opportunity anywhere, including outside their zone. So these two zones try to both make sure that we are doing something that -- that they both focus on helping people that live within the zone, but one focuses on ensuring that that money is flowing to those

depressed areas, while also ensuring that the people who live there have the maximum flexibility.

I just want to go back to Wolf's question real quickly. I would say there's three major differences between ours and the Kemp proposal. One is that the centerpiece of our proposal is about changing the way government works. It is about the coordination at the local level and the federal government allowing those local governments with the flexibility to implement a specific and comprehensive plan. That is the centerpiece of our proposal, while I do not believe that has really been very central to any previous enterprise zone proposal and I don't believe the ones that Secretary Kemp proposed.

Secondly, ours takes a very comprehensive proposal to other human investments in terms of training and all the various kind of investments in people that you need to have a comprehensive economic growth strategy anywhere.

And the third is that when we did rely on tax incentives, which we do, ours are focused more on wage credits so that we're ensuring that it is helping the employees who live within the zone.

So I think those are three fairly fundamental proposals. And today, if you heard the President's conference call, I thought most of the positive remarks we got were because of the improvement in those three areas, but most particularly, the first one, in allowing for the greater flexibility.

Q When will this be introduced?

SENIOR ADMINISTRATION OFFICIAL: The tax portion has to be sent to the House Ways and Means Committee today for reconciliation.

SENIOR ADMINISTRATION OFFICIAL: It's been sent to Ways and Means. It may have already been introduced.

SENIOR ADMINISTRATION OFFICIAL: It's already there.

Q By the time you're done you're going to have 10 neighborhoods or communities that basically have stuffed into them every single Clinton administration urban policy idea, or at least most of them it sounds like.

SENIOR ADMINISTRATION OFFICIAL: Let me give you a slightly different perspective on that. Let me --

Q Let me tell you what I'm getting at and then you can do that. What I'm wondering is, are these 10 super-duper zones like a test model for your urban policy? Is that what they are? And this thing is going to end in 10 years. Is it going to take 10 years to find out whether this thing was a success or not?

SENIOR ADMINISTRATION OFFICIAL: Let me go to the first part. I think there's actually three questions there. One is, is every program going to be within these -- in terms of the programs, what it's more like is that we want, when the 110 each apply for their programs, we'd like for there to be as many different options, in a sense, for them to help put together their programs. So, for example, one community might feel that the fundamental problem in their community has to deal with dealing with people who are 17 to 19 years old. If the Secretary of Labor has helped to designate some of the money for apprenticeship school or training, that could be a

major -- he could come -- that community could come forth a proposal that includes that and they could get that. But that doesn't mean that everybody -- I would think of it more as a larger menu that would help communities put together their distinctive proposals than necessarily one where everything would be in.

And I think those are most -- all 110 would be eligible for those. Where we are concentrating efforts, though, is the tax expenditures in the 10 zones. And there, to an extent, yes, we are looking to see -- the feeling overwhelming was that when these are diluted too much, we never learn whether these things work or not. And that in order for us to see whether this can work together with coordinated strategy and other investments, we felt it was important to keep it concentrated. And the President noted in some of our internal discussions on this that he was surprised at how many mayors have come up to him during the campaign and recommended this. In other words, they would rather see some of the money concentrated and see some success stories and learn some lessons that could be applied elsewhere than having each of them get a very, very small piece and nobody ever getting a chance to really empower themselves and build some hope that there's something that we could do to revitalize economic communities.

You had another question.

Q I was just wondering -- this seems like, because of this approach, that this is a test of your urban policy, you're going to have these little, kind of demonstration projects, around the country to see if this stuff works. At what point are you planning on deciding whether it worked or not? I mean, this all ends after 10 years, I'm just wondering do you have to wait for 10 years to --

SENIOR ADMINISTRATION OFFICIAL: Well, I don't know that you have to wait for 10 years. I believe in the actual bill there will be an evaluation mechanism, that there will be an independent body that reviews the progress that the communities are making. But by the nature of what we're talking about, you don't see an immediate turnaround. You're not going to go into a depressed community that has seen 12 years of neglect, that have populations that have literally been suffering for generations now, and you're going to go in and come up with some programs and two years later are going to go back and everything is going to be miraculous -- substance abuse down, prison population down, violent crime down -- it's not going to happen that way. That's not the essence of what this is about. So when you say it's a test, I don't see it that way.

My own take is -- and if you heard the conference call -- this policy was put together by listening. There are not a lot of new, exciting theories out there; there are a lot of old lessons that if you listen to the community groups and you listen to the mayors and you listen to the governors who have been doing it, they have a lot of guidance.

So the difference between the 10 zones and the 100 zones are primarily on the tax incentive side. And the spending -- but you are focusing on the tax incentives because you hear "zone," and it reminds of you of enterprise zones. I don't think that's what this proposal is really about. What really moves it, as my colleague said, is, you're doing business in a fundamentally different way between the federal government and the state and locals. What you're saying is where the real money is, the tax incentives are used to help bring -- attract business.

As we said, you're only going to get a business in if the neighborhood's on its way back. How do you get the neighborhood

in its way back? You need a comprehensive plan. Where do you get the money? You don't have the money from massive infusions into these areas, and the local officials know that. They say, make the money I now have more valuable to me. Get your regulations and your restrictions out of the way. In the campaign, they talk about reinventing government. To me, that is the clearest demonstration of reinventing government -- coming up with a program and an approach that meets the need. For all 110 zones, that is the most salient point here.

When the President was on with the local mayors this morning, they didn't focus on the 10 versus 100. They didn't hear your question. Because all 110 have this restructuring and that's what they want. The big zones, the super zones, whatever you call them, have about \$30 million per year on the cash side, on the spending side -- \$30 million a year in South Central L.A. is not a heck of a lot of money. Or in Bedford Stuyvesant or the South Bronx is not a heck of a lot of money. Better use of the CDBG funds, which are \$150 million, to New York. That's money. So the reinvent portion, the streamline, the regulations which all 110 get, that's the main plank of the proposal.

Q How much do the 100 zones get a year?

SENIOR ADMINISTRATION OFFICIAL: Let me respond, if I might, to the evaluation question. There are two ways this is going to be evaluated, and it starts right from the beginning. The community, as part of a strategic plan, states its own clear goal of what it's trying to accomplish. And, secondly, provides benchmarks and methods for evaluation.

There will be an annual review by the enterprise board, and again this follows the whole theme of this proposal, it'll be a review of results -- progress toward reaching the agreed benchmarks, not a review of kind of compliance with a bunch of rules and regulations.

Thirdly, there will be in 1997 an independent evaluation under the auspices of the National Academy of Sciences, and they will have the baseline debt of going in and through this process of reviewing annually the benchmarks, and then by the end of 1997, we hope to have a good picture of what works and what doesn't.

Q Do you have any job estimates, any estimates of jobs that would be created under this? There's usually such an estimate with a tax credit.

SENIOR ADMINISTRATION OFFICIAL: I don't know if we have a specific amount; partially, also, because the goal of this is not -- when you're talking about economically depressed areas, your goal is rebuilding the base. And a lot of what depressed communities face is flight. And so you are trying not just to create new jobs, but to strengthen the existing businesses and strengthen the jobs within there. But our feeling is that the job creation is going to come, as my colleague said, from bringing the community back with a strategic plan, and not from looking at the tax incentive alone and asking, does a tax incentive alone create so many new jobs.

We are trying something new, and we are trying something new. But as my colleague says, we are listening to the people who are closest to the government, listening to what their needs are. So this is something new from the federal government level and we think it's a step in the right direction.

What we've heard over and over again from people is that

they are excited that the federal government has some energy and some hope for these areas. And, certainly, we're going to have to learn as we go. But it will be an -- process.

Q small detail, perhaps, but you talked about \$500 million, I believe you said, for policing?

SENIOR ADMINISTRATION OFFICIAL: Community policing in the next two years.

Q That means that you would police plants or homes or --

SENIOR ADMINISTRATION OFFICIAL: Community policing is a --

Q Does it take the place of local police on the community's budget, or what?

SENIOR ADMINISTRATION OFFICIAL: Community policing is an idea of which our new Drug Czar, Lee Brown, is probably one of the most successful people in the country in demonstrating. And I'm not an expert on community policing. But the general idea is that rather than police, simply just walking the beat or responding to crimes, that they involve themselves in the community, they talk to people in the community, find out what their problems are, find out that this is the dangerous area, and that this is where things are happening or that this is how they could help that community more. So it is police become more involved and listening to people in the community and helping that community itself figure out what is the best way of providing security in that area. And it's been an enormously popular idea, I think, from both Democrats and Republicans.

Q Does that eliminate the need for a lot of local policemen, or what?

SENIOR ADMINISTRATION OFFICIAL: No, I don't think it eliminates the need. Our goal is to try to put 100,000 more police on the street over the next four years. So it's not about eliminating the need; it's really another example of changing the way government does business by being more responsive to people and listening to them and being responsive to their needs.

Q enterprise grants, what can that be used for? Some examples?

SENIOR ADMINISTRATION OFFICIAL: The enterprise grant would be the part that would really allow the communities almost total flexibility. In other words --

Q Just some examples of what a community might use that money for. Day care? Job training?

SENIOR ADMINISTRATION OFFICIAL: A community might use that, for example, for some of the things mentioned. Like, for example, certainly in poorer places it's difficult -- people work, they have children -- between not just zero and five for day care, but between five and 12, the community school idea is not just good for those kids, it allows parents to be able to work until 6:00 p.m. or 7:00 p.m. without not being able to supervise their kids. It could be used for -- to strengthen a community development bank proposal, to do more on the capital access side. I mean, I could give you various examples like that. It could be for strengthening job training in that area. It could be for -- I mean, an example is

community development banking, it could be for funds in for technical assistance to help people in the community run a community development bank. But I think the point is -- is that that money would allow the most maximum flexibility.

Q Can you explain how -- two questions -- how the communities will win these grants? What the criteria is that they have to meet to get the grant? And number two, wouldn't communities that are less depressed that are well off, that have a good planning infrastructure that know their ins and outs of the federal bureaucracy be given an unfair advantage under this program? In other words, they know how to fashion a grants application. They know how to put it -- you know, maybe know how to put it all together so it looks good, whereas a community that has less of that kind of institutional knowledge would not qualify and those are the communities you're trying to help, obviously, ones you want to coordinate better.

SENIOR ADMINISTRATION OFFICIAL: I think that's a good question and that's obviously going to be a -- and I'll let my colleague speak to that since he'll be the person working on the ground on that. But I think, in general, you want to give communities -- you want to give cities some flexibility to be able to choose their areas. At the same time, you want to assure that it's basically going to a depressed area. There is -- I mean, one response, of course, is democracy -- governments that don't do a good enough job of delivering and serving their people are hopefully kicked out and replaced by people who do serve better. But I'll let my colleague speak to your specific question.

SENIOR ADMINISTRATION OFFICIAL: First of all, as my colleague said, this proposal is geared towards areas that are depressed. It is not a proposal that is supposed to provide tax incentives to a well-off or affluent community. So there would be criteria that target the eligible recipients by rate of poverty, et cetera. Two, as far as your question on putting together a plan are concerned this is not -- this is a plan and a competitive grant process unlike no others. So there's no knowledge of a routine that could be of assistance.

These will also be areas that all -- now do many plans. They do a **housing** plan for you, otherwise they don't get **housing** money -- it's called the CHAS. They do a community development plan for you or they don't get the money -- the CDBG, the community development money. They do an economic development plan for EDA. They do a manpower plan to qualify for JTPA. So they're doing five or six or seven different federal plans.

What this would say to them is -- and they have a cost, by the way, for doing each one of those plans, with its own consultants and its own bureaucracy -- this would say forget the seven plans you now do to qualify for funds; we're going to do one plan. And the expert you really need aren't the expert consultants, they're the people who live in the community, because we want a plan that is truly bottom-up, where the community is vested in the plan, and they are part of it, which will go a long way towards guaranteeing its success. You look at any of the programs that have worked in depressed areas -- they're all plans that came from the community up rather than vice versa. So that's what they're doing, they're taking the seven plans and the resources that went with the seven plans and concentrating on one plan.

Q So is there a criteria now in writing somewhere in stone that -- by which you'll judge these challenge grant applications?

SENIOR ADMINISTRATION OFFICIAL: There is specific poverty criteria of the rate of poverty by each census tracked in the area that they seek to designate as a zone with some discretion, however limited, to the enterprise board when they're reviewing those applications. So if you have an application that doesn't exactly fit the poverty criteria but meets everything else and the spirit and the intent of the act, the enterprise board would have the authority to pick that area.

SENIOR ADMINISTRATION OFFICIAL: There will be criteria that they will know about, and certainly private sector commitment will be a major one. And we wanted to leave the enterprise board some flexibility, though, in designating that criteria; though, as I said, certainly the degree of coordination and private sector commitment will be a major one. I mean, we definitely -- we want the private sectors in each community to be competing to show that they're involved enough to bring in more funds and tax incentives and to get this flexibility, which should be very good for them and their costs as well, especially to the degree that it reduces regulation, increases flexibility.

Q Isn't the -- the fact that you have only limited funds for this mean that you'll have to designate rather small portions of big cities to be empowerment zones? I mean, South Central L.A. -- that could eat up all your funds right there. So we're talking about maybe a couple of square miles.

SENIOR ADMINISTRATION OFFICIAL: It could be up to 200,000 -- the six major urban --

Q miles?

SENIOR ADMINISTRATION OFFICIAL: 200,000 people, I'm sorry. It could be up to 200,000 people per zone. But if your question is are we -- would it -- for a major city, would this be targeted to a portion of the city, yes. And we are dealing in a world of limited resources, and this is very much a proposal about trying to maximize the degree of investment possible.

Q So that would mean for a city like L.A., one zone basically? Or is it -- might they qualify for more than one?

SENIOR ADMINISTRATION OFFICIAL: They would not -- the would only be eligible in one zone. I suppose it is conceivable that an area could also be an enterprise community. I don't know if we really crossed that bridge. But I have to say, this is not a cure-all program. This is not a magic wand that will take care of all of our communities. However, it is -- it would be very, very significant escalation of hope and economic revitalization to have 110 depressed economic areas right now across the country coming forth with a comprehensive economic strategy. I think it's a major step in the right direction.

And it is also, I want to point out, one piece of a community development agenda. We also have a very strong lifelong learning agenda. It includes Chapter I schools and Head Start, apprenticeship, worker training. We have a community development bank and a community policing proposal. So this is one piece. And this is a piece I think will move us in the right direction and hopefully help us learn some lessons. But, yes, it will apply to portions of cities. And it will not be able to hit every single area.

Q How large can an enterprise community be? Does

that 200,000 --

SENIOR ADMINISTRATION OFFICIAL: Same size.

Q a question about your program and your conference call this morning. You selected, what, five, six cities to participate in that. Why those cities, and does it say anything about the favorite cities here?

SENIOR ADMINISTRATION OFFICIAL: No. No. Everybody has to go through the grant --

Q Can I just for a minute ask why those cities, why those mayors were involved? Why not, say, the Mayor of Detroit, for an example? (Laughter.) Just to pick one at random.

SENIOR ADMINISTRATION OFFICIAL: Well, if we had picked the Mayor of Detroit, then you might have had to say why not one of the others. I think that there were --

Q Well, was there a reason or just --

SENIOR ADMINISTRATION OFFICIAL: There was no reason.

SENIOR ADMINISTRATION OFFICIAL: No. I think the only city that probably seemed natural was Los Angeles, where there has been considerable attention there and considerable communications with us, and where people like Maxine Waters have just talked a lot with this administration about the problems in their area and possible solutions. But it was just under the wisdom of the people setting up -- sending the -- I'm getting the hook.

Q If I could follow on that -- it just sounds in concept very much like what James Rouse's Enterprise Foundation organized in a section of Baltimore called Sandtown. Did you consult with the Enterprise Foundation in setting this up? Is it modeled on that?

SENIOR ADMINISTRATION OFFICIAL: I personally -- I'll let him ask for the consultation. I have over the years admired their work and have had a close friend. So I guess what he has done is part of my just knowledge. And I don't know how much we explicitly spoke with them in that. But clearly, Mr. Rouse has been -- I mean, in a time when everybody else was stepping back, he was somebody who stepped up to the plate and did a lot. It's very exciting to think of somebody like him being able to contribute in an environment where the federal government would be as supportive as we want to be.

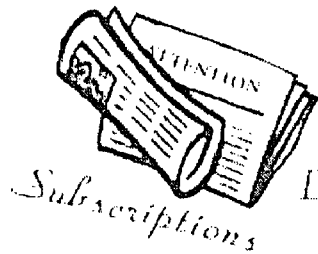
Q Were there consultations with the Enterprise --

SENIOR ADMINISTRATION OFFICIAL: And I think there are projects like that with the same principles that the Enterprise Foundation brings. The Carter Project, the Atlanta Project as they call it -- basically holistic, comprehensive development, community-based. Those principles have been proven by a number of programs.

Also, one point, to follow up on what my colleague said, on the selection. This is not to be the federal government running to the rescue to do for a local area that which they're not doing for themselves. We are looking for partnerships. We are looking for resources -- a plan, A; and B, a partnership with the private sector and with the local government where, jointly, together we can make a difference, but not where the only oar in the water is the federal oar.

END2:24 P.M. EDT

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)



Publications

Saturday
radio
addresses

Search
Documents

releases

Speeches

5/11/93

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 4, 1993

REMARKS BY THE PRESIDENT
IN TELEPHONE CALL CONCERNING
ENTERPRISE ZONES ✓

The Oval Office

10:30 A.M. EDT

THE PRESIDENT: We've got L.A., Kentucky, Chicago, Baltimore, York, and New York.

Q Sounds like a good line-up.

THE PRESIDENT: Sounds like a good line-up to me. I want to thank you all for joining me today. As you know, I have a new proposal we're going to be discussing this morning that I believe is a fundamental departure from traditional programs offered by Democratic administrations and fundamentally different from the previous enterprise zone proposals offered by recent Republican administrations.

All of you represent areas of the country that, while unique, are each joined together by a common need. The economic potential of your areas, like other urban and rural communities, is still stifled because you lack the investment capital you need and a comprehensive strategy for jobs and growth. What we want to do is to help you to revive your communities economically. And our proposals for empowerment zones and enterprise neighborhoods we believe is the right way to begin.

Federal aid to these areas is certainly not new, but in the past it hasn't always worked. There has often been no coordinated strategy for using the federal money. Your growth has been restrained by a maze of federal regulations and the need to appeal to an array of federal agencies. And these factors have contributed to an unwillingness on the part of too many companies to

invest in your areas.

We're trying to change all of that. We begin with a challenge: Under our program not a single dollar will go out without a coordinated strategy developed at the grass-roots level. Yet your communities enjoy immense and committed talent at that level. Our plan proposes a partnership between local organizations so that they can coordinate the use of federal, state, and local resources.

I know that your areas need investment capital, both public and private. Our proposal provides targeted investment incentives to draw investment dollars into distressed urban and rural communities. Your areas deal with a confusing maze of agencies and regulations. This proposal features a single point of contact so that the federal government contributes to rather than stifles the rebirth of your communities. We're going to streamline regulations, rules, and paperwork so that we reward initiative at the local level.

These are innovations and new approaches. They're going to result in new economic growth, opportunity and hope in areas long denied their piece of the American Dream. And just as your local communities will have a chance to participate in the planning of their economic revival, we also want to offer you a chance now to discuss the economic challenges you face -- to discuss this new effort to participate in the revival of your communities.

I just want to emphasize two or three things here. First of all, we do propose to do something that I discussed with the mayors a few months ago, or several weeks ago, and that is to focus the limited money we have to spend here in terms of tax incentives and investments on, first of all, ten empowerment zones that will get an enormous amount of concentrated effort to see if it works -- a wage credit, credits for equipment, credits for rehabilitating existing **housing** -- with a bottom-up community-based strategy, and with a lot of waiver authority. We're going to set up an enterprise board that will provide communities the opportunity to come and get waivers from all these federal rules and regulations. I think that's very important.

In addition to that, we're going to have 100 more enterprise communities that will be targets for our other community investments, like the federal funds we're going to spend on setting up community policing to make the streets safer, the initiative we're going to have in community development banks, and any number of other initiatives we're going to have coming out of this government. Those 100 communities will be target areas for getting first crack at them.

So I think that this is the sort of thing that will really support what a lot of you have been doing for a long time -- cutting out a lot of the federal rules and regulations, letting you consolidate the funds that you're getting from these different government agencies and getting you the chance to develop a plan to develop your communities.

I know it's consistent with what I always thought ought to be done when I was a Governor, and I think it will meet with a lot of support out in the country among Republicans and Democrats, and I hope we'll get that kind of bipartisan support here in the Congress. I think there's a good chance that we will.

Well, I've already said a little more than I meant to. I'd like to now go to our cities and hear from them one at a time, and of course, the state of Kentucky, too. But let's begin with Los Angeles.

Mayor Bradley?

MAYOR BRADLEY: Mr. President, I'm pleased to join my colleagues in this communication with you. I congratulate you on an innovative plan that deals with the depressed cities and towns of America. I'm pleased that you've recognized that a comprehensive, yet innovative approach must be taken. It takes not only tax incentives grants, but it also takes the kind of neighborhood involvement that will make this plan truly a product of the communities that are going to be served.

I believe that it offers a great opportunity for us to show that America can work, and the cities and the towns are the heart of what happens in this country.

We have two organizations in our city that are represented here at this table with me, and I'm going to ask representatives from each of them to speak to you now. Brenda Shockley represents Community Build; and Tony Salazar represents R-LA, a product of the Rebuild LA program. Let me call on Brenda Shockley first.

MS. SHOCKLEY: Good morning, Mr. President.

THE PRESIDENT: Good morning, Brenda.

MS. SHOCKLEY: On behalf of Community Build, I'd like to commend the administration on continuing its promise to put people first. Community Build believes that the empowerment zones legislation will -- particularly the aspect of it that recognizes that community-based, community-initiated, bottom-up involvement is critical to the success of efforts particularly in the urban areas.

We'd also like to state that your appreciation, that of the administration, and the recognition of the importance of support such as child care and job training to programs that are going to allow people to have the first step of employability will be very successful and that they will foster self-help, hard work and social responsibility.

Finally, the need for federal streamlining formalized in the form of the enterprise board will, I believe, allow for coordinated efforts and the more flexible use of existing federal funds is also critical to our efforts. Thank you.

MAYOR BRADLEY: Thank you. Tony Salazar.

MR. SALAZAR: Good morning, Mr. President. And thank you very much for your leadership in bringing this initiative to the forefront. It is very much needed. The needs of the people in our cities need to be addressed. We at Rebuild L.A. look forward to your partnership and working with you and other federal agencies in coordinating our efforts and getting agencies and federal funds back to the neighborhoods and to small businesses in our city. And we very much want to thank you for being a player and we look forward to seeing you here in Los Angeles. Thank you.

MAYOR BRADLEY: Mr. President, although he's not going to speak, he will talk to the press when we finish. Parker Anderson, who is our staff person, the head of our Community Development Department, also joins us here at the table. All of us thank you. I believe that you have heard the representative voices of Los Angeles. We're eager to work with you to see that this plan not only passes through the Congress, but is implemented.

Thank you very much, Mr. President.

THE PRESIDENT: Thank you, Tom. And I want to thank Brenda and Tony for what they said. And I want to just emphasize that I think we've got the proper division of labor here. At the community level, you've got to provide for people who are chronically unemployed job training, child care, and other supports. But those needs and the opportunity to meet them are going to be so different from community to community. And that's why I think it's so important that what we do here in terms not only of new investment, but in letting you spend the money that is presently appropriated in the most flexible way will guarantee that that can be done.

And then the other thing that I want to say, particularly in response to what Tony said with the Rebuild L.A. effort, we can't expect, it seems to me, a lot of new investment in a lot of our difficult areas until we do a couple of things that send the right signals to the private sector, which this plan does.

First of all, that we appreciate the people who are there now and we recognize that they have a potential to expand employment in distressed communities. And we ought to take care of the people that are there now.

And secondly, that the government needs to take the lead in offering some significant tax incentives to people who will take an additional risk to try to give people a chance who haven't had a chance in a long time.

And so those are the things that are part of this program. I'm very excited about it, and I'm glad you're so well organized to try to take advantage of it.

Let's go on now to Governor Jones in Kentucky. We asked the Governor to join us, because we wanted to emphasize that rural areas will be eligible to participate in both the empowerment zones and in the enterprise areas. And I know that Kentucky, like my home state, has a lot of very poor rural communities, and I wanted Governor Jones to have a chance to comment on this.

Governor, can you hear us?

GOVERNOR JONES: Good morning, again, Mr. President. I would like to, once again, thank you for having the courage to address another very, very significant problem. One thing you've shown so far is that you have no lack of courage when it comes to tackling the tough issues. And as everybody knows, when you're out on the front line attacking these issues, you take some shots. But, boy, are we proud of the way you're standing up for these tough, difficult issues.

I know the other Presidents in the past have promised federal participation in what used to be called enterprise zone legislation, and now the empowerment zone approach to dealing with our problems in depressed areas, both in the cities and in the rural areas. And we in Kentucky, of course, have had a lot of opportunity to deal with this. We passed legislation in 1982 when we became the third state in America to deal with the enterprise zone legislation. And we have had a great deal of success in dealing with it since that period of time. So we know absolutely without question that it does work.

I very much am excited about the focus that you have placed, which I think is very, very appropriate, as you've talked about change in the way government operates. And, heaven knows, we

need to change the way government operates, both at the federal level and at the state and local level. I think your focus on human capital development is right on target. Streamlining the regulations, the rules, and the paperwork that have been strangling all of us for far too long is right on target. Stressing self-help and hard work and social responsibility, so that our people are willing to work in Kentucky. Our people are willing to stand up and be counted and to do what needs to be done in order to get a job and to get an education. And your willingness to let the federal government now play a meaningful role in this regard is extremely helpful to all of us.

I would also say that as we put the focus on sustainable growth, that we in Kentucky are having a national conference May the 25th to the 28th that we call From Rio To The Capitals -- the state strategies for sustainable development, a follow-up from what happened in Rio, which I think fits exactly in what you're talking about here -- in how the federal government, the state government and local governments can work together to provide the jobs and to provide the sustainable development that we need.

But because of the activity that we've had in the past working with enterprise zones or empowerment zones, we know it works and we're ready to stand with you and to participate in every way possible.

THE PRESIDENT: Well, thank you very much. I'd just like to make a couple of comments about what you said. First of all, most of our listeners may know, but some may not, that you had a very distinguished career in business before you became the Governor of Kentucky -- or got into Kentucky politics.

One of the things that I think all of us have noticed who have been governors or mayors is that an enormous amount of the money that's appropriated for special programs is often peeled off before it finally gets to its ultimate purpose by all the various administrative layers and regulatory requirements -- they're on the money. And one of the things that we're trying to do here by setting up this enterprise board and giving people the chance to come up with plans that would put a lot of these funds together is to make the money go a lot further. And it dovetails very well with what the Vice President is trying to do and to look -- in looking at the whole structure of the federal government and how we can overhaul it.

And we're up here now trying to cut spending dramatically and find some money to increase targeted investments in areas where we need it to create jobs and improve education and explore new technologies. And I am convinced that one of the ways we're going to be able to both cut the spending programs that ought to be cut and increase investment is to get rid of a lot of the layers of regulation and management that we've had.

The second point I want to make is about your conference coming up in May on sustainable development. One of our great challenges is to try to figure out how to improve the environment and improve the economy at the same time. And one of the clear areas of opportunity there that no one disagrees with is in the area of environmental cleanup in some of our most distressed urban and rural communities. And so I would hope that all the people on this telephone call today, as well as all the people who will hear about this program and will file applications will look very closely at some of the environmental problems in their communities and at how many people can be put to work in cleaning those up and how that can be a part of the enterprise proposal, because that's clearly something that we need to do.

Let's go on to Chicago now. Mayor Daley is in Washington today, isn't he?

MS. JARRETT: Yes, he's on an airplane right now coming to Washington. I'm Valerie Jarrett, Mr. President, the Commissioner of Planning and Development for the City of Chicago. And your new initiative is exactly what we need here in Chicago.

Our city is a city of diverse neighborhoods, each with a unique set of needs. Solutions to our complicated problems do not fit neatly into the often hundreds of disconnected federal, state and local regulations. Instead of forcing communities to take on the impossible task of tailoring real needs to the requirements of these inflexible federal regulations, you are offering communities the opportunity to use these dollars creatively and holistically, to maximize the chances of sustained community revitalization.

Last year in Chicago we adopted a holistic community-driven approach to planning and development, and already we have seen great success. In our new initiative it allows community groups to submit applications for the use of funds from four different city departments. Once we target an area, all of the other city departments work together in a coordinated delivery of services within the area.

One of our neighborhoods on Chicago's west side we've already begun to see new affordable **housing**, the revitalization of a commercial strip, a new library, a new park, street resurfacing and the demolition of abandoned buildings.

Unfortunately, however, Mr. President, our source of funds for this project frequently come from the federal government. If we could streamline these dollars with greater flexibility, we could speed up the revitalization of this area dramatically. We have strong community-based plans here in Chicago that will create jobs and stabilize our communities. These plans often collapse under the weight of government regulation and red tape. Your new initiative is exactly what we want to see.

I'd like to introduce to you, Mr. President, now Ted Wysocki. He is the executive director of CANDO here in Chicago, the Chicago Association of Neighborhood Development Organizations.

MR. WYSOCKI: Good morning, Mr. President.

THE PRESIDENT: Good morning, Ted.

MR. WYSOCKI: We welcome empowerment zones as a dramatic new direction by the federal government to encourage local collaboration. It's a perfect fit here with our efforts. Yesterday, Mr. President, over 600 of Chicago's most committed nonprofit groups, foundations and government officials assembled as the Chicago initiative to discuss not only youth programming for this summer, but also year-round gang intervention and job initiatives as well as multiyear processes for engaging communities in planning their own future.

I would respectfully offer three ideas that could assist the implementation of these ten empowerment zones and the 100 enterprise neighborhoods you're discussing. First, for industrial development, an issue of prime concern here in Chicago, funding as proposed by Senator Riegle in the Abandoned Land Reuse Act, on which I'm actually testifying tomorrow before the Senate Banking Committee -- this would create a new HUD program to address the high cost of

cleaning up these sites that you were just mentioning.

Second, on the tax credit side, I think the real issue will be to attract equity financing for economic development real estate in these communities. I think that kind of a tax credit could encourage corporations to partner with communities, as well as, most importantly, small business to build in these zones and neighborhoods that you're talking about.

Finally, I think the role of community development corporations can be enhanced through the National Community Economic Partnership Act, which would provide grants for these local groups and their projects in these communities.

Mr. President, on behalf of Chicago's communities, I would like to thank you for your vision and your leadership. You are bringing hope to our neighborhoods.

THE PRESIDENT: Thank you, Ted, and thank you, Valerie. Let me just respond to one or two of the things that you said. First of all, the comment Valerie made about diverse neighborhoods is clearly true. I have walked the streets in every community represented on this phone call today. And I remember being so impressed in Chicago more than a year ago at seeing some new **housing** construction in one of the Hispanic neighborhoods from a community group that was the lowest-cost, highest-efficiency **housing** I had ever seen in an urban area. And there are a lot of these things going on in our country today which need to be supported not by uniform federal programs.

Secondly, I want to say that Mayor Daley was the first big-city mayor to tell me, again more than a year ago, that an enormous amount of money being appropriated by the Congress was not being well spent because of all the rules and regulations, and that we needed to focus first on getting more buying for the present dollar we're getting. And he cited me, chapter and verse, some of the things that you've mentioned today.

Secondly, I want to say to Ted, I think we have got in our economic program and in this proposal significant incentives from our equity financing for economic development. But I will look at the Community Economic Partnership Act, and I do agree that we need to be actively involved in the cleanup of some of these sites that we can restore to industrial development in a lot of our urban areas if we can solve the environmental problems.

I see this as a really big job-generator for America over the next few years, and it's a big problem just trying to find work for all of the people who want to go to work now in our country; it's a big problem worldwide. And the environmental cleanup and rehabilitation of a lot of these abandoned areas in our urban cities and in some of our small towns and rural areas, too, I think is very, very important. I thank you for that.

Let's go on to Baltimore now. Mayor?

MAYOR SCHMOKE: Yes, sir. Good morning.

THE PRESIDENT: Are you really at the Park Sausage Company?

MAYOR SCHMOKE: Absolutely. And Ray Haysbert, the Chairman of Park Sausage, is sitting right here next to me.

THE PRESIDENT: I want you to send me some. (Laughter.)

I admit that I am hereby asking for my own pork. (Laughter.) I plead guilty.

MAYOR SCHMOKE: Absolutely. Well, I'll put Mr. Haysbert on in just a second. I want to thank you very much for this tremendous proposal that you have made. You continue to operate in a fashion that's consistent with your view that cities should be viewed as centers for expanding opportunity, whereas, many of the national leaders and certainly some on the other party simply view cities as massive shelters for the poor.

But I'm also here with a gentleman named John Clinton, who is the head of the merchants association in the Park Heights community, a community that you didn't get to walk through, but one that has been plagued by a lot of the disadvantages that I know you would like to correct. But Mr. Clinton is a barber, the head of the merchant's association, a strong community activist. And he's joined by Jim Marsalak, the Executive Director of the Northwest Baltimore Community Corporation.

I want to thank you, particularly, for your focus on -- of these waiver authorities and giving us flexibility at the local level. Because, as you've seen in walking through Sandtown, Winchester neighborhoods in Baltimore, we have a lot of people who are ready and willing with great ideas at the local level. They simply need some assistance from friends at the federal government. And the Sandtown area, in particular, we have new **housing**, health programs, social services and things of that nature, but a missing element has been a comprehensive job development program supported by a partner at the federal level. And, certainly, the empowerment zone and the enterprise neighborhoods would help neighborhoods like that.

I want to mention one other point. As you probably know, a number of mayors, a few of us are meeting this afternoon with the Attorney General, Ms. Reno. That, I think, is important, and we hope that the Justice Department is included in this comprehensive strategy. Because we are fighting on two fronts: we're fighting the problem of crime, and we're also fighting the perception by some that our cities are just completely crime-ridden. So we need the Justice Department involved, because we know that community development and community policing go hand-in-hand, and can produce some great results. And we look forward to talking to the Attorney General about that.

Let me just turn this over to Mr. Haysbert. I think he's agreed to the sausage, and he has some other points, because his company now sits in an area that I think is a real model for what you have talked about, and it's been very successful.

Mr. Haysbert?

MR. HAYSBERT: Good morning, Mr. President.

THE PRESIDENT: Good morning.

MR. HAYSBERT: The samples are on their way.

(Laughter.)

THE PRESIDENT: Thank you.

MR. HAYSBERT: We came from what was the parking lot of the Orioles Park to this state-operated Park Circle enterprise zone. And, of course, some of the criticism has been that, as a stand-alone program, it doesn't provide the total solution for the problems of the inner city. So I am delighted to see that you are delivering a

hope, a constant message, by your particular program.

I've always said that when you want to do something, that you've got to hit the minds and the hearts of the people in the community, so your bottom-up strategy, I feel, will be effective. I know that when we moved into this particular zone, the community had a celebration because of what it meant to them. Obviously, we couldn't hire over 120 people, but for the community, it meant that they were not abandoned, that they were not slated for the human scrap heap, that their potential as human capital was being recognized.

I know, it's a very important part of this entire strategy and your ability to restructure government, do away with some of the handicaps that beset us businessmen, is certainly appreciated. Thank you.

THE PRESIDENT: Thank you, Raymond. I've been very impressed with the work that the Baltimore Economic Development Corporation has done there. And I know you've had a lot of attention to the work that's been done there over the last few years. It's evidence that you can take a -- if you've got some committed people and some land and some physical structures that you can really do things to put people to work back in cities and in areas where others have given up.

I think that all anybody has to do is go out there and see -- I think you've got, my staff has said, about 1,400 people working in the industrial park now, and all the different businesses generating taxes, attracting private investment. That's the sort of thing we're going to have to do. The government doesn't have enough money to solve this problem. We've got to leverage what resources we have to get private sector people like you to come in and put folks to work. And I really thank you on that.

And, Mayor Schmoke, I should have depended on you as an old prosecutor to mention the Justice Department, but I want to assure you that the Justice Department is an integral part of this project. These cities, both the empowerment zones and the enterprise cities, will be considered for priorities for community policing, for alternative punishments, for institutions like the drug court which Janet Reno helped to set up in Miami -- all things which really help communities become safer and handle their crime and drug problems better, as well as for community development banks and some of the initiatives that we're going to have to try to bring capital into these areas.

But the Justice Department will be a big part of that. And she's very excited about it. You'll be able to talk to her about it today. But we think there are a lot of things the Justice Department can do to make both the perception and the reality of safer streets and safer communities a big asset in developing the economy and putting people to work.

MAYOR SCHMOKE: Thanks, Mr. President.

THE PRESIDENT: York? Mayor Althaus, are you on the phone?

MAYOR ALTHAUS: I sure am, Mr. President.

THE PRESIDENT: My first -- the first night I spent on my bus trip was York, Pennsylvania.

MAYOR ALTHAUS: Oh, we remember that very well. It

seems to me, Mr. President, that in this city which gave you such a warm welcome and a boost, that if anybody doubted it before, I hope they would not feel very vindicated in that welcome they gave you. Because I've been around this issue my whole 12 years in office, and I have to say that this is the best, most thoughtful, comprehensive enterprise or empowerment plan that's come out in all those years.

And I think it is that because it recognizes that the needs are more than just a few federal tax incentives, which was the proposal in years past. A new job is of no value if you have no day care. A job alone is of no value if you feel so unsafe you cannot leave your home, or if you don't have the transportation to get to it. It is the comprehensive nature that I think really makes this the very best program.

During the transition some of the members of the U.S. Conference of Mayors met with your people and what we urged was that there be a permeating sense of urban needs throughout the administration. And this is truly exactly that. It is the overarching interdepartmental nature of it that I think is so stunning.

Of course, any Cabinet that has got two mayors in it I think is a real plus. And I'm delighted today to deliver to you the endorsement and the very strong support of the United States Conference of Mayors for this. It is just a superb program.

With me are two individuals -- one of whom I'll ask to make a comment. But first there is a business leader named Robert Lucas, who owns Classic Caramel Company. Now, I have to tell you, Mr. President, he makes a candy -- I think he named it kind of as a joke -- it's called dork candy, but Henry Cisneros, I'm told, loves it. So after your pork we're going to send you some dork candy. (Laughter.)

THE PRESIDENT: Dork in Washington -- that's another word for -- they'll think I need that. (Laughter.)

MAYOR ALTHAUS: Well, maybe I'll send some up to the other end of Pennsylvania Avenue then. But Bob has stayed in the inner city. In the last three years his company has increased its hiring 65 percent. In partnership with the city, he has been rebuilding the **housing** around his factories simply because it is believed that it is neighborhood, too, and as the neighborhood goes, so goes his business.

The other gentleman is Bobby Simpson, is executive director of the Christmas Addicts Neighborhood Association. And his **housing** CDC has been rebuilding **housing** throughout our community through the neighborhood where I grew up, I have to say. But they've also been building lives, rebuilding lives through a sense of neighborhood responsibility. And he has been laboring in this neighborhood, our neighborhood, for over a decade, and he's been looking for a partner. The city's been there with him, but he's been looking for another partner, and I think he's found it now. And I want to ask Bob Simpson to comment.

MR. SIMPSON: Good morning, Mr. President.

THE PRESIDENT: Good morning, Bob.

MR. SIMPSON: I think like millions of other Americans, I want to, first of all, thank you for keeping your campaign promise to help the inner city. I think this program that you have is a very, very workable program. But I must tell you that we in York

have somewhat of a jump-start on you.

We started a program similar to this about 10 years ago, and that was to get the local business and the local people involved with settling and resolving their own problems. And to a large degree, we've been very successful at that. We took a drug-ridden area over 10 years ago and turned 125 houses into decent, affordable houses. We took 785 unemployed and unemployable people and put them in jobs.

The crucial point that I'd like to make is on the day care. We have a day care center that we're very, very proud of where 90 percent of our day care kids are on honor rolls of their schools. The other point that I'd like to make that you had spoken to under your proposal is cutting the red tape. I think that is a key to any proposal that comes down, and that's a key to the success in the city of York. We got rid of the red tape, implemented the program from the grass-roots level. We've done a lot with little. And with think with your help, we can do much, much more. And I just again want to thank you, and I appreciate your effort and your commitment to the inner cities.

THE PRESIDENT: Thank you, Robert. You know, I think you might be able to be a model for what we're trying to do in some other cities. But I'm sure that this works.

A few years ago as Governor, I set up a program quite similar to this in our poorest counties. And I required all of them to come up with community-based development plans and then we worked hard to try to make sure all the resources of the state were put at their disposal. And we even got the federal agencies involved. But I always had the feeling that we could have done so much more if the federal government had been able to fully join our efforts. But I'm very impressed by what you've done there.

And I want to say a special word of thanks to you, Mayor Althaus. You know, we find, I think, that partisan differences tend to evaporate the further you get away from Washington. And when more people get down to the grass roots and have to face each other across the table and deal with real problems, it's obvious that there are certain things that work and certain things that don't, and people tend to work on what works.

And I can't tell you how much respect I have for the leadership you've given the U.S. Conference of Mayors and the willingness that you have expressed to work with us in trying to find American solutions to these problems. I am convinced that at the very basic human level we need to make a departure from the approaches of the past. And you've been willing to do that and I just -- I take my hat off to you. And I hope that we can do that more and more and more on all these problems, because a lot of these problems are America's problems and they don't have a partisan label after them. And I think if we'll just take -- all of us take our blinders off and roll our sleeves up, we'll get a lot further. And I really appreciate you.

Thank you.

MAYOR ALTHAUS: Mr. President, thank you. I have to say, the partisanship in Washington is not at your end of Pennsylvania Avenue right now. It's really not. It's been a joy working with you.

THE PRESIDENT: Thank you, Mayor.

New York?

MAYOR DINKINS: Yes, sir.

THE PRESIDENT: Hello, Mayor.

MAYOR DINKINS: Mr. President, I have several people with me, one of whom I'll ask to say a comment in a minute. I have Ron Shelp, who is the President and Chief Executive Officer of the New York City Partnership and the New York City Chamber of Commerce in Industry. The Partnership was founded back in '79 by David Rockefeller and other business leaders to tap the energy of the business community on a range of public policy issues, including economic development and affordable **housing** and education and jobs. And we worked very closely together. They've been with us on international trips as well as demonstrating a lot of concern for local problems.

There's David Jones, who is the President and Chief Executive Officer of the Community Service Society, one of the oldest community development agencies in our city. Comprehensive in its programmatic thrust, CSS, as we call it, provides direct services to underserved communities and is a formidable advocate for progressive social policies at both state, city, and federal levels, and provides technical assistance to grass-roots neighborhood organizations. I'll ask David to say a word in a minute.

I would want you to know that in the room also are a couple of my deputy mayors, Barry Sullivan, a lifelong banker who, upon his retirement, we induced to come and work for us as a deputy mayor for finance and economic development. And our newest deputy mayor, Dr. Joyce Brown, who is an educator of some 25 years' experience who is now deputy mayor for policy and community affairs. So I'm pleased that they're here.

Mr. President, I want to commend you, as my colleagues before me have done, for what I think is very creative leadership, so sorely lacking in Washington over the last dozen years. And we in New York City really know. We have suffered greatly because of the abandonment of the urban centers by Washington heretofore.

I want to say that not only are you providing greater leadership, but you've put together a great team. Bob Rubin has been enormously responsive and receptive to our efforts, and Henry Cisneros -- you've got a mayor, so you know that you're doing real well there. And you've got a good New Yorker in Andrew Cuomo. And, of course, Donna Shalala. And so I am confident that you've got the kinds of people to put this together.

And much has been said of community policing. And as perhaps -- I know you know that the foremost proponent of community policing, perhaps the expert in the nation, is Dr. Lee Patrick Brown that you've now tapped to head up your drug effort. And he is somebody who understands full well that it's not just law enforcement, but treatment and education that have to go along with it. So I'm delighted with this new important initiative. As you know, my colleague, who is the dean and delegate of the New York state congressional delegation is very interested in this area and I know is working closely with you. I make reference to Congressman Charles Rangel.

We've got in our city some initiatives that we think fit very well with the kinds of things you're talking about. One is what we call Communicare. We take health clinics and make primary care centers of them. It provides not only better care, but at a lesser

cost. We've got what we call beacon schools, where we take the school buildings that are there anyhow, and now we keep them open until 11:00 p.m. or 12:00 p.m. at night, six and seven days a week, with programs for young people and adults, funded by the city but run by not-for-profit community organizations.

We're very proud of our community policing. As your new Attorney General will tell you, the FBI reports that crime is down in the seven major FBI index categories in New York for the first time in 36 years. And we attribute that to community policing that Lee Brown did for us.

We have what we call business improvement districts, where business people sort of tack themselves to the areas. We know that these kinds of things can assist what you're talking about, and I believe that your empowerment initiative is really what one might call the vanguard of an urban policy. And I think that if we make certain the specific menu of business incentives and social service programs are meaningful enough to do some good, we will be making giant steps.

I know you've permitted me to talk overly long, so I won't say more, except to say that we in the city of New York can provide a laboratory for any and all of these kinds of things that are at the forefront of this effort. I want to commend all of my colleagues that have participated in this effort and to thank you, Mr. President.

May I present now, David Jones of Community Service Society.

MR. JONES: Mr. President, nice talking to you once again. I just want to say a couple of things from the perspective of not-for-profits and community-based organizations. I think your bottom-up approach is brilliant, and I think it's what's going to be needed to bring this change about in these inner-city neighborhoods. I think you should also be aware, however, that community-based organizations have suffered along with the communities they have served. And they're going to need technical support and support from your government agencies to provide the kind of strategic planning that you envision in your plan, as well as the kind of oversight that you're talking about. But I think it will be seen as a great movement for community-based organizations and the poor people they're trying to serve.

I think, obviously, time is up with the national apprenticeship program and primary health care reform, patient reform and a new structure for voluntarism and a new approach to narcotics control are all going to be light-years ahead of anything that's come down in nearly a decade. And I hope because it's so new, that you, yourself, attempt to go into some of these communities to try to get your message across. Because I think I agree with Dr. Wilson, Julius Wilson, that we're losing working- and middle-class people from these communities, and they need a ray of hope in order to stay on and continue the fight, so these communities can revitalize themselves.

Thank you for the opportunity to make our comments here.

MAYOR DINKINS: Mr. President, thank you very much.

THE PRESIDENT: Thank you, Mayor, and thank you, David Jones.

Let me just comment first on what Mr. Jones said. I think we do have to provide some assistance to build up these

community-based, nonprofit organizations. And I do think the national government has to take the lead in health care, in trying to put together the kind of system that will work on job training and apprenticeship programs, as well as trying to take a little different direction, as you know I feel we should, on the drug front. And that's one reason I asked Lee Brown to be the drug czar.

But I'm also convinced that if we do this, that building these things at the grass-roots level and having everything driven by that is the only way to ever get anything done, in my opinion. I think -- you know, we've got to help people to help themselves, and that's what this whole thing is about.

The other point I wanted to make in response to what you said, Mayor Dinkins, is, first of all, thank you for the compliments on the people in my administration. Andrew Cuomo had a lot to do with putting this initiative together, and he's sitting here in the Oval Office with me -- actually, he's standing in the back, so he grew about four inches when you were bragging on him in front of America.

MAYOR DINKINS: Very good.

THE PRESIDENT: And I thank you for that. And let me again once again emphasize that I am convinced that the experience of New York and community policing demonstrates beyond anything I could say that if we can put these programs in place in all the major neighborhoods of this country that have crime problems we would immediately make them, not only more liveable and more attractive, we would make them far more apt to get private investment.

This is a huge economic issue as well as a personal security issue. And that's why we've just got to wrap the Justice Department and crime control initiatives into this whole effort. If we don't do it we can't be successful in some areas and if we do, of course, the flip side is that we can.

I want to thank all of you so much for giving me a little of your time today and for your support of this initiative. I hope you'll talk to your colleagues across the country, to the members of Congress, and again reach out across party and other lines and say this is something that will be good for America. I need your help now to pass it and I'm ready to go to work to do that. Thank you very, very much.

MAYOR DINKINS: Thank you, Mr. President.

THE PRESIDENT: Good-bye.

Q Mr. President, now that you've had your -- what changes do you plan in the White House staff to make your administration more effective?

THE PRESIDENT: Keep in mind that, before you ask that question, this administration is the only one in 17 years to pass a budget resolution within the legal time limit. We have put -- nearly as I can tell, we have put more major initiatives out there in 100 days than any of my recent predecessors, and we're working on some very major problems. So I think, on balance, the staff has done a good job.

We've lost one initiative in the Congress that took way too long, dealing with a relatively small program to put some people to work. And I think we to -- what I think we need to do, frankly, is to get the focus back on the things that I have been working on from the beginning -- passing the major economic program, making sure

the Congress will adopt the spending cuts, reaffirming that I have no interest in raising taxes until spending is cut, no tax increases without the spending cuts -- getting the budget program so that we can keep interest rates down.

I talked to more people today, just people around here -- I asked how many people have refinanced any **housing** loans or other loans that save money on that. That's going to be the biggest stimulus we can ever provide if we can keep the interest rates down with deficit reduction. And then going on to health care and passing these empowerment initiatives, that the one we're here talking about today.

So will we make any changes in the way our process works to try and improve it? I hope we can make some. We've got that under review. We've been discussing it for, oh, about five weeks now, what we can do to be more effective. After all, I just got here. I've never operated here before, and there are some things that are very different about the way Washington works -- some good and some not so good.

But I think we're on the right track, and I just want to focus now on the work before us, which is passing this budget. If we don't pass the final budget with the spending cuts and the revenue increases and keep them focused on the people who got all the benefits out of the '80s, having the upper-income people pay the vast bulk of the load, and not -- but not taxing them until the spending cuts were in place, that's what I think we have to do now. And that's what I'm focusing on.

Q Specifically, sir, will Mack McLarty be hiring a deputy to tighten things up in the operation?

THE PRESIDENT: One of the things that we've looked at -- keep in mind one of my first spending cuts was committing by the end of the next fiscal year to have a White House staff that was 25 percent smaller than my predecessor's. But when I got to looking at it, ever other chief of staff has always had basically three major -- the recent ones, at least have had three major aides, and Mack's been functioning with one. So I'm trying to figure out how to give him at least one more. He still wouldn't have as many -- if he had two instead of three, he wouldn't have as many as most of his predecessors have.

But we think that there needs to be a little tighter coordination here to make sure that we've got our priorities straight and that those priorities are communicated all the way down to the staff. And a little better focus.

One of the things that you risk when you try to get a lot of things going in a hurry -- and we tried to get a lot of things going in a hurry because four years passes in a hurry -- is that you wind up having people work very, very hard, but maybe getting a little out of focus. And I think we can tighten the focus a little, and I think that's what we ought to do.

Q Leading economic indicators are pretty grim. Do you think anything beyond what you've done -- the empowerment zones, the economic stimulus package -- has it got you thinking about either delaying the tax cuts further, or any other kind of emergency push at this point?

THE PRESIDENT: I'll answer the specific question first. The best thing we can do for the economy this year -- this year -- is to clearly pass a multiyear deficit reduction plan because of what it

will do to interest rates. As Americans borrow money at lower rates or refinance their existing debt, that will put -- the economists estimate that over the next year and a half, that will put \$110 billion back into this economy, if we can get the interest rates down. That's a huge stimulant to the economy, totally in private sector investment to refinancing debt.

So my present feeling is that we have got to pass the multiyear deficit reduction package, which requires the spending cuts first and the tax increases, focused on people who have basically benefited from the last 12 years of lower taxes. Now, I think we're going to have to -- we need to pass that, keep the interest rates down and see what happens.

What I tried to do was make a down payment on the jobs plan. And I still would say what I've been saying since -- well, all last year and even after the election, I tried to say that we were part of a global economy, where there was a lot of economic slowdown in Europe and elsewhere, and that people could not expect immediate results, and we were going to have to really focus on what it took to create jobs.

I will say that again: My major focus -- if I can pass the budget, then we will move on to health care and job creation. And I think that we may try a lot of things over the next four years because we're in a period of new and different economic forces, which are all working to make it more challenging for us to create large numbers of new jobs.

But I'm not at all surprised. I started saying back in November that there's too much recession in the rest of the economy, and we have cut defense spending in America without offsetting investments in our people and new jobs on the civilian front. And we were being burdened by enormous debt. But I can't tell you that I think we ought to come off the deficit reduction. I think bringing that deficit down and keeping interest rates down is the best investment program we've got right now.

But we are going to have to keep our ears and eyes open, because this is a new and difficult and unprecedented time, and we've got to put the work of the American people first. So I wouldn't rule out anything down the road, but I'm confident we need to pass the budget first.

Q Are there special forces in Bosnia on the ground?

THE PRESIDENT: There aren't any. I saw the report, Ron. I don't know what the basis of it is. I have not authorized that at all.

THE PRESS: Thank you.

END11:30 A.M. EDT

The White House
President and First Lady | Vice President and Mrs. Gore
Record of Progress | The Briefing Room
Gateway to Government | Contacting the White House

[White House for Kids](#) | [White House History](#)

[White House Tours](#) | [Help](#)

[Privacy Statement](#)

such as the microelectronics and computer technology consortium and the Electric Power Research Institute.

Address to the National Jewish Community Relations Advisory Council annual conference.

4 / 25 / 93

29 FEBRUARY 17, 1993

The Vice President joins the President in meeting with bipartisan Congressional Leaders.

31 FEBRUARY 19, 1993

Address To North Carolina State Legislature

The Vice President carries The President's economic message of investment, opportunity and hope to North Carolina in an address to a joint session of the North Carolina State Legislature.

"President Clinton is right. We can do better. We must do better. And President Clinton is offering America a new direction, a plan, first of all, to jump start our economic growth now and keep it running strong into the future -- investing in our people, their jobs and their incomes."

"President Clinton is right. Instead of asking 'What's in it for me?' we must ask each other, 'What's in it for us, for our children, for our future, for North Carolina, for the United States of America?'"

Remarks to a Joint Session of the North Carolina General Assembly

FEBRUARY 19, 1993

Tours GTE in Atlanta, Georgia

The Vice President tours the GTE mobile communications facility in Atlanta, GA and meets with workers there at a town meeting on the President's economic plan.

Mrs. Gore meets with mental health experts to gather information and talk about ideas for health care reform.

Mrs. Gore is the featured speaker in Washington, D.C. at the celebration of the African Methodist Episcopal Church's 206th Founder's Day. "Your Church's mission to help the helpless, house the homeless and minister to the needs of the disadvantaged is a beacon of hope for many in this country."

32 FEBRUARY 20, 1993

Visit to Alabama Head Start Program

The Vice President visits with children and their parents at a Head Start classroom in Birmingham, Alabama.

Visit to Tampa **Housing** Project in Florida

The Vice President tours and works at a Tampa **housing** construction site, part of an innovative **housing** development and restoration program that would benefit from the President's economic package and continue to provide affordable **housing** to Tampa residents. The Vice President also meets with community leaders to discuss the President's economic package. ✓

33 FEBRUARY 21, 1993

Dinner with High Tech Business Executives in California

Joins the President in California on the eve of the announcement of the President's technology initiative to discuss the initiative with the leaders of high technology

4/25/93

businesses.³⁴ FEBRUARY 22, 1993

Technology Initiative Announcement

The President and the Vice President unveil a comprehensive, and ground-breaking technology policy: "Technology for America's Economic Growth--A New Direction to Build Economic Strength." In a meeting with employees of Silicon Graphics in Mountain View, California. The Technology Initiative provides a new framework for Federal technology programs built around three goals: (1) Long term economic growth that creates jobs and protects the environment, (2) A government that is more productive and more responsive to the needs of its citizens, and (3) World leadership in basic science, mathematics, and engineering. The Vice President plays a critical role in this effort, working with Dr. Jack Gibbons, the President's Science and Technology Advisor.

"We face new challenges, from our competitors around the world and from the people we serve here at home, that demand new solutions and creative thinking. Technology offers new opportunities for jobs, for a cleaner environment, for better schools, for high-quality health care and for scores of other advances. We must move to seize these opportunities."

Town Hall Meeting in Kansas City, Missouri

The Vice President meets with students and local residents for a town meeting at Penn Valley Community College in Kansas City, Missouri to discuss the President's economic package.

Mrs. Gore accompanies First Lady Hillary Rodham Clinton on a visit to Boston-area small businesses and in a discussion with Massachusetts health care professionals.

35 FEBRUARY 23, 1993

Meeting with Environmental Ministers

The Vice President meets with Environmental Ministers from Eastern Europe and the former Soviet Union to discuss the environmental crisis in Eastern Europe.

36 FEBRUARY 24, 1993

Mrs. Gore meets with child mental health experts to gather information and talk about ideas for health care reform.⁴¹ Address to Veterans of Foreign Wars Annual Conference, Washington, D.C.

MARCH 1, 1993

National Service Day -- Summer of Service

In Madison, Wisconsin, the Vice President tours the University of Wisconsin's Arboretum, built with the help of a youth conservation corps working in much the same way as those who will take part in the President's new National Service Initiative, praising the Wisconsin Conservation Corps as a model for the nation. He also conducts a Town Hall Meeting at the University of Wisconsin to discuss National Service.

Mrs. Gore travels to Richmond, Virginia to tour a transitional **housing** facility and talk to area youth about the Summer of Service and the President's National Service Program.

42 MARCH 2, 1993

Joins the President in meeting with Democratic Leadership

Joins the President in meeting with Republican House

Leadership

Joins the President in lunch meeting With Senate Republicans

Joins the President in meeting with NATO Secretary General Woerner

Meets with British Secretary of State for the Environment

43 MARCH 3, 1993

Reinventing Government: National Performance Review
The President asks the Vice President to head a new initiative on government reform, demonstrating his commitment to streamlining the government to improve efficiency and productivity.

"Mark this date: President Clinton is starting a revolution in government. It won't happen overnight, and it won't be easy, but it will fundamentally change the way our government works -- for the people it serves and the people it employs."

"Today, we are starting what will be a continuous and vigilant process to make government work better -- to use every tax dollar wisely, to weed out dead ideas and encourage new, creative ways, and -- to borrow a phrase I've heard once or twice before -- to put people first."

Statement on "A Revolution in Government"

44 MARCH 4, 1993

Criticizes Iran's Mistreatment of Bahais
Reaffirming his support of the oppressed Iranian Bahais, the Vice President expresses concern over Tehran's human rights violations outlined in a recently released United Nations Report, and praises the work of the United Nations Human Rights Commission.

Joins the President in meeting with former President Jimmy Carter

48 MARCH 8, 1993

Joins the President in meeting with Members of the House Budget Committee

Joins the President in meeting with the Congressional Black Caucus

Mrs. Gore delivers the keynote speech before the American Psychological Association in Washington, D.C. "It has been truly inspirational to witness so many different interest groups contributing to the creation of a plan to ensure Americans have access to quality, affordable health care."

49 MARCH 9, 1993

Joins the President in meeting with Senate Budget Committee

Meeting with Inspectors General

The Vice President meets with the Inspectors General who are required to promote efficiency in the administration and prevent fraud and abuse throughout the different agencies and departments.⁵⁰ MARCH 10, 1993

Omaha, Nebraska Town Hall Meeting on Economic Recovery.

The Vice President meets with University of Nebraska students and local residents at a Town Hall Meeting in Omaha to discuss The President's economic initiative and the National Performance Review the Vice President is directing



Publications

Search Documents

Saturday
radio
addresses

releases

Speeches

BRIEFINGS

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 13, 1993

INTERVIEW OF THE PRESIDENT BY SOUTHERN FLORIDA PRESS

The Roosevelt Room

11:00 A.M. EST

*emergency relief -
not included*

THE PRESIDENT: Good morning. Last August, Hurricane Andrew devastated South Florida. Essential services were wiped out, and although six months later basic services have been restored, the progress toward redevelopment has been minimal.

Two weeks ago I asked Secretary Cisneros to go to South Florida and assess the situation, to try to evaluate what was holding up federal efforts, and report back to me. As a result of the initial work done by the Secretary, I have released a seven-point plan to ensure that the remainder of the federal funds dedicated to hurricane relief can be used for long-term building efforts now needed for South Florida. That seven-point plan includes the following:

First, the Federal Emergency Management Agency will stay on the job in South Florida for as long as it takes to help the residents of South Dade. They will expedite removal of debris that litters the streets, keep the trailers in place as long as people need **housing**, and continue to promptly reimburse owners and assist renters.

Second, the physical and mental health of South Dade residents is critically important. The people of this community need help to cope with the problems that have loomed large in the last six months and that still lie ahead. Therefore, the Department of Health and Human Services will accelerate its efforts to inoculate residents against disease, and additionally will fund crisis and counseling centers for the many children and adults now experiencing severe emotional problems as a result of the traumatic experiences they have undergone.

Third, **housing** continues to be the single largest need in South Dade. Thousands are homeless. Many more are living in tents, trailers, with friends and relatives, and other temporary quarters. As you know, they are under particular distress today because of the storm that is sweeping up our coast.

The Department of **Housing** and Urban Development will put \$100 million in reprogrammed funds in the most flexible programs available -- such as home and community development block grants --to rebuild **housing** in South Dade. Additionally, HUD will open an office in South Dade with community development, public **housing** and fair **housing** capabilities to ease the rebuilding efforts.

Fourth, I have requested the Department of Defense to release the \$76 million Congress appropriated to help facilitate the rebuilding of those facilities at Homestead Air Force Base that are critical to the future use of the base to explore the possibility of joint uses -- joint military and civilian uses of the base, and to make sure we do everything we can in the transition period to serve the people who are in South Dade County.

Fifth, agriculture is a vital economic resource in South Florida. The Department of Agriculture will transfer several hundred million dollars to programs to assist with emergency conservation, debris removal on farmlands, and **housing** for migrant farm workers.

Sixth, recognizing the need to provide assistance to property owners who must comply with the government's rebuilding efforts in flooded areas, we have made this one of our highest priorities, and we are looking for ways to address this issue.

And, finally, in order to effectively coordinate our efforts, I believe we need local leadership; and the Secretary does, too. As a result, Secretary Cisneros and I have asked Otis Pitts, Jr., a highly respected, nonprofit developer of affordable **housing** in the Miami area to coordinate our efforts in South Dade.

I met Otis last year on one of my many trips to the Miami area. I was very impressed with what he had done. I think I want to emphasize to all of you that these actions, in my view, only constitute the beginning of our long-term commitment to South Florida.

Through the leadership of Secretary Cisneros and Mr. Pitts, and the coordinated efforts of the community, I believe we can find the resources, develop the solutions and maintain the spirits and the commitment necessary to ensure the economic, political, social and physical vitality of South Dade County.

I'd like now to ask the Secretary to make a few remarks, and then introduce Mr. Pitts for whatever he would like to say.

SECRETARY CISNEROS: Thank you very much, Mr President. It is clear that this is a long-term commitment. The area remains devastated, the work ahead of us is great. Therefore, it is very important that local coordination occur. From the outset, we felt it was important to have a local coordination, and the President feels very strongly that it ought to be a person whose credentials are well-established in the South Florida area.

Mr. Pitts is a fine example of a person who could understand the federal system, bring the resources together and has the highest levels of respect in the local community. He has a dedicated career of community service, having served as a Miami



Publications

Search
Documents

Saturday
radio
addresses

releases

Speeches

BRIEFINGS

White House Publications

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 5, 1993

REMARKS BY THE PRESIDENT
AT MEETING WITH MAYORS

State Dining Room ✓

3:26 P.M. EST

THE PRESIDENT: Let me say, first of all, welcome to the White House. Mayor Jackson, I saw your brother earlier today at the signing of the Family and Medical Leave Act and he was bragging on you; said you're now as thin as he is. (Laughter.) I assured him I would still be able to recognize you when I saw you. (Laughter.)

This has been a wonderful day here at the White House. Congress adjourned -- (laughter) -- but only after passing the Family and Medical Leave Act; we had a great signing this morning. (Applause.) It was a great bipartisan effort, about a third of the Republicans in the Senate voted for it. And it was a really good way to start the day.

I'm glad you're here. I know you've been meeting with Secretary Cisneros, who's one of your own. There are times when we meet when I can't tell whether he's changed positions or not -- (laughter and applause) -- which I suppose from your point of view is a good thing.

Most of you in this room I know well. I've spent a lot of time in your communities, and you have played a major role in my political education. I assure you that I think every day about many of the places we've been and the things we've seen and the things I have learned from you. I think that the time I spent in our country's cities in this last election that was in many ways the most instructive time that I spent. And one of the things that impressed me so much is that so many things against all the odds are being done that work. And I want you to help me now figure out how to make those things that work the rule rather than the exception in American life.

I told the governors when they came in here and spent some time with me earlier this week on the subject of health care impressed me so much is that so many things against all the odds are being done that work. And I want you to help me now figure out how to make those things that work the rule rather than the exception in American life.

I told the governors when they came in here and spent some time with me earlier this week on the subject of health care that if somebody asked me to name my greatest failing as a governor after 12 years, it was that I never could quite figure out a way to make the exception the rule; to take those things that worked and make them work everywhere.

In that connection, I have been working with Secretary Cisneros and have sent, after working it out with him, a directive to him today to deal with a number of specific things that I know are important to all of you: First, to establish a weekly mechanism for communication with the state and local leaders of our country on issues of **housing** and urban development. And I hope we'll have a

chance to talk about both of them because they are related; but they aren't the same.

Second, to try to expedite the programs that are already there now, to unclog some \$6 billion that have been in inexplicably tied up in the pipeline of the federal government that have already been appropriated; to speed up by three to four months the processing of the over \$3 billion in public **housing** funds that are available and to try to accelerate the real implementation of the home program where there's \$2.5 billion in largely unmoved funds because of the administrative system of this department has been largely paralyzed.

I told Henry when I asked him to take this position that there was some risk because of the pall which had been cast over HUD and the problems of past years and because there had been a lot of rhetoric but not enough action out of the department in recent years. We're going to do what we can to marry rhetoric and action. We don't promise to shut up, but we promise to try to do some things.

I also want to tell you that I'm going to do the best I can in this upcoming stimulus and economic package to do what I said I would do -- to bring down the deficit but to increase investment at the same time in ways that will make available more funds for the cities.

I remember Mayor White, when we were in Cleveland with Congressman Stokes, you said you thought we ought to increase the community development block grant funds because you could move those more quickly to create jobs. And there will be a fairly sizable increase in that in the proposed stimulus package to try to help you create jobs.

Let me just make a couple of general remarks about where we are on this whole economic approach, and then I'd like to hear from you and I'd like to just be as informal in conversation as possible.

The economic news is good but mixed and incomplete. That is, starting in the last quarter we have begun to have two pieces of good economic news: one is that productivity is increasing, and that's good. Companies are making more money, they're figuring out how to compete in a tough international environment. Two is that there's a lot more economic activity around **housing** as low interest rates finally are letting millions of Americans refinance their home mortgages, others get into buying homes; and that's all been good.

Then since the election, there have been two good pieces of economic news that I think the election can fairly claim some credit for.

One is that consumer confidence started going up in November and exploded in December, and it's going to be strong in January. The second is that the financial markets generally are upbeat about the direction that our administration has outlined, which means they take us seriously, that we're going to try to do what many say is impossible, which is to increase investment and reduce the debt at the same time.

So, that's the good news. The bad news is that in this economy, the downsizing of big firms is continuing apace. It started in the 1980s, when every year of the 1980s, the Fortune 500 together reduced employment in the United States by about 400,000 people per year -- big, big reductions in employment.

In most years, that was offset by job increases in small and medium-sized companies. Now, that is not happening, even though this recovery is in place. So you have this strange thing where the economic indicators are going up in the last quarter like crazy, but

the unemployment rate is higher than it was at the depth of the recession. And for 14 months we've had a national unemployment rate over 7 percent. Why is that?

I think there are several reasons, but let me just say there are plainly three. One is that small business cannot afford to hire new workers and make up the slack from big business cuts because of the exploding costs of health care. Two is that small businesses that want to hire workers can't get credit because of the credit crunch, which is more heavily concentrated in some places than others, and particularly in California and southern Florida -- in Texas, but generally across the country. The third is that the defense cutbacks have accelerated the loss of high-wage manufacturing jobs without any offsetting industrial strategy or conversion strategy in America, which has been particularly devastating for Southern California, for Connecticut and for one of two other places, but has been generally felt across the country.

So the first thing I've got to try to figure out how to do is how to keep this economic recovery with all these big numbers going, but to actually help real people out of it. How are we going to generate some more jobs? One way is to put some more money into basic construction, which would affect you. We're going to try to accelerate the funding of ISTEA, which would help you. We're going to try to put some money into this stimulus package. It will be modest, because we don't want to be accused of ignoring the economic indicators, but it will be substantial to several areas.

And the other is to outline a five-year investment plan which will increase our investment in infrastructure, which will have a defense conversion plan and which will attempt to address these very serious problems that are killing small business -- namely controlling health costs and providing basic health care to all Americans and trying to break open the credit crunch.

If you think about it, two best things I could do for you are both indirect. If we could bring health costs in line with inflation and get banks to lending again, economic activity would pick up among people who would then pay taxes to your local government, and you could take that money and do what you need to do.

The best thing I could do for the private sector, if we could bring health costs in line with inflation between now and the year 2000, we would save the private sector two-and-a-half times as much as the public purse creating -- freeing hundreds of billions of dollars a year to be reinvested in the economies of this country.

So, what I'm going to try to do is just that. It's never been

done before in this country; having to bring down the deficit and increase investment at the same time. It's going to require some very tough choices. I spent two hours yesterday trying to cut the budget in areas that I thought were inessential in order to free up monies that would be invested; and obviously most of our investment money goes to directly back to state and local government.

I'm sure that a lot of you will wish we were spending more, but let me say that it is critical, I'm convinced, that we show some discipline in bringing down this deficit because at every point we drop long-term interest rates, freeze up \$50 billion for new investment in this economy.

So I'm going to try to spend more in terms of investment and reduce the deficit, which means I'm going to have to cut consumption even more. And we're working on it. And I hope we can work together closely and we can do a very good job together.

One of the things that I've been impressed with --Secretary Cisneros's work over at the Department -- is he came back

saying what a lot of our secretaries have been saying; he said, this thing's not working very well. We got all this money out there that's not even being spent. We've got \$6 billion in the pipeline. We got \$3.1 billion that's been approved that's going to take four months too long to get out there. We've got this home program --nobody can access the money because of the administrative problems. So, we can keep you busy for a year or so if we just run the department right.

And we're going to do our best to do that. I think the floor is now yours. Thank you. (Applause.)

END3:37 P.M. EST

[The White House](#)
[President and First Lady](#) | [Vice President and Mrs. Gore](#)
[Record of Progress](#) | [The Briefing Room](#)
[Gateway to Government](#) | [Contacting the White House](#)
[White House for Kids](#) | [White House History](#)
[White House Tours](#) | [Help](#)
[Privacy Statement](#)