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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 15, 1998

REMARKS BY THE PRESIDENT  
AT EMPOWERMENT ZONE RECEPTION

The South Lawn

7:27 P.M. EDT

THE PRESIDENT: Thank you so much. Welcome to the White House. Thank you for the good work you've been doing. I want to thank all the people who are responsible for this reception. I thank my Cabinet members and the members of Congress for coming. I welcome all of you here, including the many, many elected officials, and especially Mayor Corradini -- we wish her well as she assumes the helm of the U.S. Conference of Mayors.

I'd like to thank the Marine Band for playing for you. They just celebrated their 200th birthday last weekend. As far as I know, there are no members of the original band still playing but they have a magnificent sense of tradition.

I am so happy to have you here, to look out and see all of you, because you are the living embodiment of the political philosophy I have sought to bring alive in this country. You are the living embodiment of how I believe Washington, D.C. should work -- putting progress and people over partisanship, community over division, tomorrow's hopes over yesterday's fears.

I cannot thank the Vice President enough for shepherding this community empowerment process these last several years from what was just a gleam in our eyes over one of our weekly lunches to this vast array of Americans. And if you look around this crowd, if this isn't one America for the 21st century I don't know what is. I thank you.

I want you to take away from here, in addition to all the practical things you've learned and the sense of enthusiasm and positive outlook you have, a couple of very brief points. So I want to repeat briefly some of the things the Vice President said, because we still need your help.

You know, when we came here we had a philosophy of government that we thought was appropriate to the 1990s and beyond. We wanted to get beyond what I thought was a completely sterile debate in Washington about whether government could solve all the problems or government was the source of all the problems. We thought our job was to empower people, to be a catalyst, to be a partner, to give people the tools to solve their own problems and make the most of their own lives and build strong personal lives, strong families, strong neighborhoods,

strong communities. You have been the instrument of that, and many of you were just doing that anyway. We have tried to be good partners to you and you have certainly been all we could ever have asked for.

If anybody had told me in 1993 when I took the oath of office as President and began to implement the ideas that we ran on, that in less than six years we'd have over 16 million jobs, the lowest unemployment rate in 28 years, the lowest crime rate in 25 years, the lowest percentage of our people on welfare in 29 years, the first balanced budget and surplus in 29 years, the lowest inflation rate in 32 years, the highest homeownership in history, millions of people taking advantage of the Family Leave Law, getting pensions they couldn't get before, 5 million more kids getting health insurance, the highest immunization rates of children in our history, opening the doors of college to all Americans through the Hope Scholarship -- and we do all that with the smallest federal government in 35 years -- I would say, I'll take that, and be grateful for America.

I have been urging the American people and urging this Congress to use these good times, not simply to enjoy them but to see them as the solemn responsibility to our children and grandchildren; to take on the larger challenges that we face moving into the 21st century. And you know what they are as well as I do. You know we still have a lot of work to do to make the world a place of peace and freedom and prosperity. That's why I went to China to do my best to make a constructive partnership with the people of the world's most populous nation.

You know we still have work to do to give this country the world's best system of elementary and secondary education. We've got the best college system in the world, but everybody knows we can't stop until our children, from the first day of school, know that their schools are the best in the world.

You know we've still got work to do to prove that we can deal with these enormous environmental challenges we have -- from brownfields in the cities to still work we need to do with clean water to saving our oceans to dealing with the challenge of climate change. And I take it, after having the five hottest years in the last 600 years in the 1990s, no one seriously quarrels with the idea that the Vice President was right years ago when he told us that global warming was real and we have to find a way to grow the economy and preserve our environment.

And in spite of this great, wonderful crowd, we still have work to do to prove that we can all live together across the lines of race and religion and other differences that divide us because what we share in common is more important. That's what you live. You live that philosophy every day in your communities and we need our political leaders to be as good as you are. And if America is going to lead the world to a better place, America has to always be striving to be better, to really, truly be one America where everybody has a chance and everybody has a role to play.

We have to save Social Security and Medicare for the 21st century so that when the baby boomers like me retire we've got a decent retirement, but we don't bankrupt our children and our grandchildren. No person in the baby boom generation I have ever talked to -- without regard to their income, their race or what they did for a living -- did not want desperately to make the

changes now that have to be made so that when we retire we do not impose an unconscionable burden on the future generations. We have to work on that. And we can do it if we do it together in a fair and decent and honorable way.

And I would say the last big challenge we face is the one that you're here working on. Yes, we have the best economy in a generation, maybe the best economy we have ever had. But there's still a lot of farming communities that don't know it. I got a letter from a farmer in North Dakota today who said that Arkansas is not the only town with a place called Hope -- but there's not much of it left in Hope, North Dakota because of the problems they face. And I saw the pictures of his little town and it looked like so many towns in my home state back in the '80s.

There are lot of Native American tribes represented here and a lot of them still don't have the jobs they need, the education they need, the support they need. There are a lot of urban neighborhoods represented here, where the unemployment rate is still too high, the crime rate is still too high and the children still don't have enough hope for the future.

And so I say to you, we want to be good partners. But to do it you have to help us convince the Congress to put progress and people over partisanship. We need another round of empowerment zones in this 1999 budget.

Secretary Cuomo has got a budget that would provide for another 180,000 units of affordable housing, 50,000 housing vouchers for people moving from welfare to work, hundreds of millions of dollars for economic development in our most distressed communities. We have an education empowerment zones initiative that deserves to pass so that we'll have more places like Chicago, which now has the sixth biggest school district in the country in summer school, which now is feeding tens of thousands of kids three square meals a day. We need to pass our initiative to help more communities provide after-school programs for kids to keep them out of trouble and to keep them learning. We have a lot to do.

We still have brownfields to clean up. We still have toxic waste dumps to clean up. We still have work to do. We want to expand the Community Development Financial Institution so we can make more of those microcredit loans. We made 2 million of those microcredit loans with American tax dollars in Africa and Latin America and Asia last year. If they work there, 2 million loans like that could revolutionize inner-city America, it could revolutionize the Native American communities, it could revolutionize a lot of small, rural communities in this country. We can do it and we need your help to do it.

So I say to you we need these things. And, finally, all of you deserve a full and fair count of the American people in the 2000 Census so you're not shortchanged just because you don't have the political power that money brings. You represent people in this country and you're entitled to your fair share of our future. When you think about how far we've come and you know how far you could take your communities, when you think about how desperately America needs every child, every mind, every able-bodied adult at work, every person with a new idea with a chance to start a business -- if you really believe in the American community it must mean that every American should be part of a strong and growing and thriving and united community.

So I say to you, I'm happy you're here. I'm proud of your success. I am so grateful that I had a chance to be President during these last six years. But we need to bear down and do more so that when we are all done we can look back and say, we built our bridge, we prepared our country, we went into the 21st century with everybody making the trip.

Thank you and God bless you.

**President William J. Clinton**  
**Prepared Remarks**  
**Empowerment Zones Conference**  
**February 22, 1996**

[Acknowledgements: Members of Congress from empowered zones; Mayors from Empowerment and Enterprise Cities; current and future partners in our empowerment strategy who have come here today; in particular, Robert Lowes, CEO of Burger King and La-Van Hawkins, CEO of Urban City Foods . Thank you for coming.]

I want to thank the Vice President for the job he has done as chair of the Community Empowerment Board. Because of the work he has helped to direct, success stories like those of Vinnie Johnson's and Hannah Oakman's are being repeated all across our nation.

I also want to thank all 17 members of our Community Empowerment Board, with special thanks to Henry Cisneros, who has been tireless not only in bringing reform to HUD but also in searching for ways to give new hope and new life to our inner cities.

We have learned a great deal since we launched our initiative for Empowerment Zones and Enterprise Communities. We now know: We can begin to heal our cities. We can begin to help our poor rural areas. We have started the process, but there is much more work to do. When we look at these communities, we should see not a lost cause, but undiscovered and untapped potential. And now, because we have focused on these areas, we have a clearer picture of what must be done to realize this potential.

As I said in the State of the Union, we live in an Age of Possibility. Our economy is growing. The deficit is down for the third year in a row. Private business investment is up. We have the lowest combined rates of unemployment and inflation in 27 years; almost 8 million new jobs; homeownership at a 15-year high. Our people are beginning to come back to basic values: Crime is down, teen pregnancy is down, the divorce rate is down.

I also said that the era of big government is over. And it is. The United States government is 205,000 employees smaller today than it was the day I took office. It's the smallest it's been in 30 years. But just because we don't need a big government doesn't mean we can afford a weak one. And it doesn't mean we can go back to a time when Americans were left to fend for themselves. We have to face our biggest challenges, especially the challenges in our communities, together.

Our new, smaller government must work in an old-fashioned American way, together with all our citizens through state and local government, in the workplace, in religious, charitable and civic associations and in our schools. Our common goal must be to enable all our people to make the most of their own lives.

But anyone who has spent time in the inner city or in a poor rural area knows that we

have to do more to see that more of our people can be part of our Age of Possibility.

Cities came into being because people knew they could do things together in community which they could not do in isolation. They began as centers of commerce, trade and industry, and grew into places where culture, arts and learning flourished. They were places where families put down roots, forming neighborhoods and lifetime bonds. But the flight of jobs and workers has taken a toll. And in our rural areas, the lack of employment and business opportunities has left communities less than whole. As neighborhoods became less stable, crime and gang activity became more common, in the streets and in the schools.

These problems defy fixes from outside. The best solutions must come from within. It takes a partnership of forces, it takes knowing the priorities and how best to address them. The strategy cannot be a one-size-fits-all from Washington. It can come only from the grass roots, from the bottom-up.

That's how we can face our 7 biggest challenges: strengthening our families; providing better education for all Americans; enhancing the security of working families through access to health care, lifetime education and training and secure pensions; fighting crime, gangs and drugs; protecting our environment; maintaining our world leadership for peace and freedom; and continuing to reform and reinvent our government so it does a better job at less cost in helping people to make the most of their own lives.

In our distressed cities and urban areas, we find a cross-section of our biggest challenges. But we also find the best resource for solutions: and that is, the power of community. That's the first principle in revitalizing communities: Solutions must be community-driven. Second, the private sector, as the driver of economic opportunity in distressed areas, must be an integral part; and third, government at all levels must be flexible so solutions can be found and applied.

Empowerment zones and enterprise communities set the framework of a challenge and provide a helping hand for communities to help themselves. For 13 years, legislation for the first enterprise zone went nowhere in the Congress. When I came into office, we passed our initiative with high hopes that communities would rise to our challenge.

They did that, and more. More than 500 communities responded, competing for a part of our tax incentives and grants. Before a single dime was given out, communities had already become richer -- because they had come together, identified their problems and developed a plan. The first round was so successful, it generated more than \$8 billion in additional commitments from the private and public sectors.

We chose 105 communities in the first round. You heard Vinnie Johnson's story in Detroit. That's part of a larger story. Detroit's Empowerment Zone has attracted \$2 billion in local private sector investments, and it's created hundreds of jobs.

In Los Angeles, federal funds helped to set up a public-private partnership to form the largest community development bank in the nation. It will direct new investment into neighborhoods that need help, creating thousands of new jobs. In one of the smallest and poorest communities in the Mississippi Delta, two new manufacturing plants are coming to Itta Bena, a town that had never before had a manufacturing plant.

We are charting the progress of these communities and the early results show great promise. And all it took was a challenge and a push and common effort by everyday people coming together. Now we must build on these efforts.

This should not be a partisan issue. As Mayor LaGuardia once said, there is no Republican or Democratic way to clean the streets. The same could be said about healing our communities. Members of both parties support our initiative. Some Republicans want to add new tax incentives for businesses who build in distressed areas. This is all heading in the right direction. Finally, we have some common ground on this issue. But the first step should be to continue to build on success. Round one was a phenomenal success. But many other urban, rural and Indian nation communities also deserve a chance to succeed. And so today I urge the Congress: Give us Round Two for our empowerment and enterprise zones. America needs it.

We want to pose the challenge again to our communities: Come together and devise your own rebirth.

Communities are eager to work with us. If the Baltimore Empowerment Zone can develop a plan to transform 600 acres of abandoned industrial land into an eco-industrial park, imagine how many other acres can be reclaimed. If the Kentucky Highlands Empowerment Zone can create a cooperative to get credit to farmers, imagine how other farmers and businesses could be helped if credit were only available.

Our communities have done a lot to help themselves. But we need to do more on our part. We can go a long way toward solving city and rural problems with another round of this initiative. We need it. Our communities need it.

The strategies of Empowerment Zones and Enterprise Communities are comprehensive. They include taking on tough jobs, like reclaiming abandoned industrial sites, improving access to capital, and making homeownership easier.

Working with these communities, we are beginning to clean the environment in our cities by taking a common sense approach. There are literally hundreds of thousands of old, neglected industrial sites, called "brownfields," that can be redeveloped, as Baltimore is doing. Protecting our environment can go hand in hand with development.

Working with these communities, we are helping business to flourish in distressed areas, because they will bring jobs and make individuals and whole communities self-



sufficient. We established the Community Development Financial Institutions Fund, which is helping to create a national network of financial institutions dedicated to community development by ensuring greater access to capital and credit. Some of the greatest opportunity for American business is in the distressed neighborhoods of our urban and rural areas.

Finally, and very importantly, we want to help create housing that will encourage vibrant neighborhoods in our inner cities and rural areas. Cities used to be places where teachers and firefighters and police officers lived by choice. They can be again, if we help communities develop good, affordable housing. The middle class that left our cities can come back -- as home owners. We are committed to help all working Americans achieve this large part of the American dream: homeownership.

We propose to reclaim tracts of vacant or blighted land and to renovate whole neighborhoods, to bring back to the city hard-working middle-income families, and stimulate business and private investment. Working with private-sector and other investment, we can create scores of livable, inviting inner-city neighborhoods. Homeownership initiatives are working in Detroit, in Buffalo, San Antonio, New York and Baltimore. Again, I say, let's build on success.

Homeownership is one of the best ways to empower local residents. It provides them a stake in the community and increases the bonds among residents. Ownership means commitment. If we are to have a hope of success in bringing back our inner cities, we had better have people there who care. Now, through homeownership, we can.

Together, we are finding long-term solutions to problems a long time in the making, and a long time ignored. Our distressed communities can be places where businesses flourish, where jobs are created, where stable families make their homes. They can be the models of our greatest progress. Today, I challenge all of you in the position to make a difference. Join us to reclaim more of our distressed communities. Join us to help them heal and grow. Join us, and together, we can bring the Age of Possibility to more of our people. Together, we can make all that happen. That is our challenge. Thank you and God bless.

THE WHITE HOUSE

Office of the Press Secretary

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For Immediate Release

February 22, 1996

REMARKS BY THE PRESIDENT  
TO THE  
WHITE HOUSE CONFERENCE ON EMPOWERMENT ZONES

Grand Ballroom  
The Mayflower Hotel

11:46 A.M. EST

THE PRESIDENT: Thank you very much. Mr. Vice President, Hannah and Vinnie and the congressmen, the mayors, county officials and others here. Can you believe the Vice President -- (laughter) -- asked me in front of all of you about this trade deal? (Laughter.) I figured that the -- you know, in this league there's only two teams. (Laughter and applause.) Nobody on their team I want to trade him for. (Laughter and applause.) I'm a lot more worried about the other team treating him like a free agent, making him an offer he can't refuse. (Laughter.)

I want to say to Vinnie Johnson -- all of us saw him play on television with Detroit, but I was in my very first term as Governor of Arkansas when he was a star at Baylor. So I want to say here in front of all of you, I forgive him for all the points he scored against my team -- (laughter) -- when I was trying to succeed at everything, in every endeavor.

I thank him; I thank Hannah for their stunning examples. I want to thank the Vice President and Secretary Cisneros and Assistant Secretary Cuomo and Secretary Glickman and all the people in our other departments who have worked to make this community empowerment effort a success.

I had believed in this concept long before I became President, long before I ran for President. But to make it work in the way that it has worked required an incredible amount of planning and discipline and follow-up and effort. And I must say, I have been pleased beyond my wildest dreams not only with what you have done, but with the role that our administration has played and the role

that they have done. The idea and the passing of the law in Congress was only the first step, and had they not done such a superb job in the follow-up -- all the people on the Community Empowerment Board, but beginning with those I mentioned and starting first and foremost with the Vice President, this would not have happened. So I want to thank them for what they did.

I also want to say, just before I get into my remarks about you, the Congress is coming back next Monday, and in the weeks since they've been gone you can see that sometimes partisan activities lead to inattentions of the public's business. Now, we've got a real opportunity for action between now and Easter when the Congress goes out for its next recess, and I think it's time that we here got down to doing our work the way that you are doing your work in your communities. It's time to deal with the unfinished business of this country to continue to create opportunity, to continue to give people like you the opportunity to take responsibility for your own lives, and to build our American community -- to grow this economy in a way that will help you to succeed.

That means we should act now -- not later, but now -- to pass a seven-year balanced budget plan that is consistent with our values and our interests: that protect Medicare and Medicaid, our investments in education and the environment, that gives a modest tax cut to those who really need it, and that grows our economy. It means we ought to act now to pass real welfare reform that elevates work and family and protects children, and gives people a chance to make the most of their own lives.

You want to know what kind of welfare reform I want? You just heard her speak up here. That's what this country needs. (Applause.)

We ought to pass the health care reform bill now before the Senate, unanimously voted out of the committee, Republicans and Democrats alike for it. The labor unions are for it. the National Association of Manufacturers are for it. the Chamber of Commerce is for it. Why has it not been voted on? The health insurance lobby is against it. Everybody else is for it. It's a simple little bill. It says if we can't find a way to give everybody health insurance, at least everybody ought to be able to afford health insurance, and people shouldn't lose their insurance just because someone in their family gets sick or because they have to change jobs. That bill, the Kassebaum-Kennedy bill, should be passed immediately to help the American people. (Applause.)

I heard Vinnie say he was going to give his employees a 401-K plan. There are a lot of small businesses that simply cannot afford pension plans for their employees now because of the laws that exist. One of the things in our balanced budget plan is a top priority the White House Conference on Small Business would make it much easier for the small businesses in your community empowerment zones to take out retirement programs for themselves and their employees. We ought to pass that right away. (Applause.)

And I'll tell you something else we ought to do when they come back. We ought to raise the minimum wage. (Applause.) You know, I believe if we raise the minimum wage you'd have people coming out of welfare looking for work even more intensely than they are now. If we don't raise the minimum wage, it will fall to a 40-year low this year in terms of what it will buy. You know, it's hard to raise a family with children on \$4.25 an hour. And yet, that's what a lot of people are trying

to do. Now, if we want to value our families and value work, we ought to do it. We ought to do it now.

We ought to pass antiterrorism legislation that has been languishing for a year almost. And we ought to enact real campaign finance reform. There is a lot for Congress to do. And this can be an era of genuine bipartisan achievement for our country. It's the only way we can achieve anything since the Congress is in the hand of the Republicans, but we need Republicans and Democrats to vote for things, and the White House is in the hands of the other party. We can do that.

What we really need to do here is to behave the way you are back home. What we really need to do is to adopt a model that you have had to adopt back home -- get all kinds of people together, different people, different walks of life, different parties, different attitudes, different outlooks -- and bring everybody's strengths to the table and prove that we can create an era of possibility for everyone.

You know, sometimes people say to me when I give these speeches, well, what exactly is it that you believe? What is your philosophy of how people ought to work together and how this country ought to work? And you're it. I mean, basically this is how I think we ought to approach all of our major challenges. If you want to know how I think we should work and what government should do, look at what we have done to work with you to basically empower you to work together to take control of your own destinies; to help individuals and families and neighborhoods and communities make the most of their own present and their own future.

I said in the State of the Union address that these enormous economic changes -- our movement to an information and technology age, into a global economy -- have created an age of possibility for untold numbers of Americans. But as all of us know, it is a strange and different time.

None of us have ever lived through a time of this much economic change before. The last time this happened was a hundred years ago when we moved from an agricultural to an industrial society. So none of us have the experience of knowing what this is like. But what is going on is we are exploding opportunities at a record rate, and half our people feel like their stuck in idle. And there's a reason for that.

I mean, if I had told you three years ago -- suppose I'd had given the following inaugural address, how would you have responded: My fellow Americans, in three years we'll cut the deficit in half; have 8 million new jobs; have three years in a row of record new formations of small businesses; record new self-made millionaires, not people who were given it; will have the lowest combined rates of unemployment and inflation in 27 years; homeownership will be at a 15-year high; we will have record exports -- for the first time in 10 years our exports to other countries will be growing faster than their imports to us; and after three years, half the American people will be making the same thing they were making three years ago.

You would have said, that guy is on another planet, right? (Laughter.) Those things don't follow, but that's exactly what happened. And that's why you see these different stories coming out

about the economy, and people taking a different tack on it and the rhetoric of the election season -- because the good news is true, and so is the bad news.

And what is causing that is this great uprooting, this time of change we're going through where more and more work is more mind and less muscle; where this fine lady and her son do computer programs and work out the software to help the empowerment zone work in their community. And more and more work is being created by people like Vinnie, small-business people in highly flexible interpersonal relationships with fewer layers of bureaucracy. And more and more people who used to be in big structural bureaucracies are finding themselves downsized, which is a cruel way of saying you're middle-aged and out of work.

And so it is the best of times for America, except for the people who don't quite fit into all the changes when the gears don't quite mesh. And, obviously, if you look across America, economically, you will see that there are essentially three big problems. There are places where the recovery hasn't hit, where the unemployment rate is still too high and people want jobs and don't have them. There are the people who are working harder and harder just to keep up because they haven't gotten a raise. And then there are people who happen to be in certain sectors of the economy where they're being downsized and it's taking them a much longer time to find another job making what they were making before with the same level of benefits.

So the challenge, the economic challenge for America is not how do we put up a wall and walk away from the world, but how do we capture the dynamism of the good sectors of the economy, all these great things that are happening, and spread it to the rest of the economy so that everybody has opportunity again; so that when you talk about how the country's doing, you're talking about how everybody can do and not just how some can do.

The same thing is true on the social front. If you look at it, three years ago I would not have believed that in three years we could have the crime rate, the poverty rate, the welfare rolls, the food stamp rolls, the teen pregnancy rolls all dropping. But that is good. That's the good news. They're all going down. The bad news is, in most places they're still too high.

And the really troubling thing is that if I had told you this three years ago -- what if I had given you this speech: my fellow Americans, in three years the rate of drug use in our country among people between the ages of 18 and 34 will be going down, and the crime rate in America will be going down, but the rate of casual drug use among people under 18 will be going up and random violence among people under 18 will be going up -- you would say, wow, how did that happen?

It's the same story on the social crime. We have not -- we have not succeeded in revitalizing our institutions, our neighborhoods, in strengthening our families and reaching others. There are still too many of those kids out there raising themselves, with nothing to say yes to and people not touching them and working on them. That's what you're trying to do.

Now, there is no way a government program alone can either deal with the issue of opening up opportunity for all who will assume responsibility for it, or solving all the social problems. And not only that, no big bureaucracy is particularly effective anymore. This government is much smaller than it was when I took office -- 205,000 smaller. It's the smallest government we've had

in 30 years. But that does not mean, as the Vice President said, it does not mean that the answer to America's issues and America's challenges is going back to a time when people were left to fend for themselves, or that we need a weak government. What we need is a kind of partnership embodied by this endeavor -- community based efforts where everybody does their part. That's what we have tried to do and that is what you are doing.

And I just want to tell you that I am grateful to you for the progress you have made. And I want you to continue and I want this model to sweep the country.

The solutions to America's real challenges -- economic and social challenges -- have got to be community driven. The private sector has got to be an integral part. The government -- it's not like the Depression -- the government is broke. We have some money to invest in education and training, to invest in environmental protection, to invest in new technologies, to invest in infrastructure -- but we got to get rid of this deficit. So we can't just go out and hire everybody that doesn't have a job. The private sector has got to do that. And we have to have the right kind of partnership to get them involved so that we have 10,000 stories like the one Vinnie told today -- or 100,000, or a million, or how ever many it takes to bring opportunity back to everybody in this country.

The third thing we've got to do is to have government at every level doing its part. The most important thing, I will say again, about this whole empowerment zone process, I think, is not that we broke 13 years of gridlock to finally pass it into law in 1993 in the budget, it is that after we did that, over 500 communities applied to participate. And even the ones that were not selected wound up being richer and better off because they had to get together and ask themselves, what is our vision for this community and what is my responsibility and what is your responsibility to achieve that vision, and how are we going to do it together?

We cannot afford to be divided anymore. We can't afford to sit home passively and read the papers every day and watch the news every night and be upset about what's not happening and blame somebody else. Instead, we're going to go out and meet together and work together and change it together. If everybody in America would do that, we would be on the way toward the American Dream for all of our people in the 21st century -- just what you've done. (Applause.)

The first round of the empowerment zone's Enterprise Community Initiative was so successful that more than \$8 billion in additional commitments of investment in these areas have been made from the public and private sector in addition to the money that was committed by the federal government. That is amazing. One hundred and five communities were chosen in the first round. You heard Vinnie Johnson's story -- Detroit alone has attracted \$2 billion in local private sector investment commitments, creating hundreds and hundreds of jobs. We can do that everywhere.

In Los Angeles, federal funds helped to set up a public-private partnership to form the largest community development bank in the nation. We know -- this country, your country has funded banks in developing nations to make loans to people with far fewer assets, skills and capacities than we have in the American inner cities. And we have put those people back to work and given them

a stake in the future and strengthened the economy of other countries. It is unconscionable that we don't do it in this country. Every community should have one of those -- (applause.)

In one of the smallest and poorest communities in the Mississippi Delta, two new manufacturing plants are coming to Itta Bena, a town that had never had one before. We can do that everywhere. One of the things that we ought to do in this budget debate is to make sure that we leave in the commitment of a modest amount of money to establish these community development financial institutions everywhere. If it works in Third World countries, it will work in the rural and urban areas of America that have been left out. Stay with it. We have to do it. (Applause.)

And let me say that most of what we are talking about here -- all of what we are talking about here -- need not be a partisan issue. Every American, Republican and Democrat alike, independent, Green Party, whatever, there's nobody in America that says, I've got a real vested interest in keeping that crime rate up, except people we want out of the way. There's no one in America that says, I've got a vested interest in keeping more mothers on welfare; I've got vested interest in keeping our schools substandard. Nobody's giving these speeches.

Fiorello LaGuardia once said, there is no Republican or Democratic way to clean the streets. (Laughter.) No one in America says, I've got a vested interest in making sure that that playground a block down from my apartment house never has a net on the basketball goal.

This is basic human values. When we fail to give every person a shot at the American Dream, when we fail to grow the economy, when we fail to build up the potential of the American people, and when we fail to work together, we all lose. And when we do it, we all win.

This is not a question of class warfare. Americans don't resent successful people. They admire successful people. Americans want people who are successful to be rewarded. We do expect successful people to do what Vinnie's done, that sometime in their lives to give a little something back to help other people succeed. But nobody resents success. (Applause.)

The only time resentment comes into our society is not when people who are successful have more, it's when people who don't have more never have a chance to do better. That is the problem here. People want their own chance to do better. And we have an obligation to give it to them, and that's what this whole empowerment zone enterprise community endeavor is all about.

Now, let me say that I believe that you have made round one a phenomenal success. There are many other rural and urban and Indian Nation communities that I believe deserve a chance. And so let me say, when the Congress comes back I'm going to urge them to do one more thing; I'm going to ask them in this budget negotiations to give us a round two so that others have a chance to do what you have done. (Applause.)

If we are going to have tax relief we will never give so little tax relief and have spent so little money to have such a big impact, to generate so much private sector and other public sector investment in any other way as we will with this. There is more bang for the buck here than anything else we could do. And I believe we should do it.

I also want to say that I want to challenge, again, every community to come together and devise your own rebirth. There are other ways for communities to work with us. For example, if the Baltimore empowerment zone can develop a plan to transform 600 acres of abandoned industrial land into an eco-industrial park, imagine how many other acres can be reclaimed. If the Kentucky Highlands empowerment zone can create a cooperative to get credit to farmers, imagine how other farmers and businesses could be helped if only credit were available. If other communities have done this kind of thing to help themselves, why can't every community do the same thing?

We want to do everything we can to help everybody in America be a part of the kind of comprehensive strategy for the future embodied in the empowerment zones in the enterprise communities, taking on tough jobs like reclaiming abandoned industrial sites, improving access to capital and making homeownership easier; working with the communities with which we are working and those with whom we are prepared to work. We are beginning to clean the environment in our cities by taking a common sense approach.

And I wish I had a chance to talk about 10 of these examples, because they're all so thrilling to me. But there are literally hundreds of thousands of old, neglected industrial sites now popularly called "brownfields," that can be redeveloped, as Baltimore is doing. Protecting our environment in the urban area can go hand-in-hand with redevelopment. It can create jobs and at the same time make more people want to live in the cities of America again. (Applause.)

Finally, let me say we have to do more to create housing that will encourage vibrant neighborhoods in our inner cities and rural areas. You know, cities used to be places where teachers and firefighters and police officers wanted to live, and they can be again if we can help communities to develop good, affordable housing.

If we really want all of our communities to be revitalized again, we not only have to create opportunities for poor people, we have to make the environment so that middle class people will want to live in them again, and that the poor and the middle class will live side by side, as they did in the neighborhoods when I grew up. We have to do that. We have to be committed to helping all Americans achieve this large part of the American Dream known as homeownership.

I'm very proud of what Secretary Cisneros has done with dwindling resources at HUD, working with the private sector to see home ownership reach a 15-year high this year, and we have to do more. We proposed to reclaim tracts of vacant or blighted land and to renovate whole neighborhoods; to bring back to the city hard-working middle-income families, to stimulate business and private investment. We want to work with private sector and other investment to create scores of livable, inviting, inner-city neighborhoods.

Homeownership initiatives now are working in Detroit, Buffalo, in San Antonio and New York and Baltimore. I say again: let us build on our success. Homeownership is one of the best ways to empower local residents, to give them a stake in the community and to increase the bonds that tie people together. It means commitment. If we have any hope of bringing success back to these inner cities, we have to have people there who care and who are committed. Homeownership



can help us achieve that goal as well.

Together, I believe we can find the kind of long-term solutions we need. But I will say again, if we really have a vision of all-American communities -- where there are good jobs, where there are businesses that are flourishing, where the streets are safe and the environment is clean and the families are stable and the schools work to educate and prepare all children -- it begins, not so much with any specific initiative as with you, with people like you who are committed to working together, to working in an honest, forthright way. And it ends with having the kind of partnership that you have achieved with each other and with every level of government and with the private sector. The difference is the way you are doing this and your understanding that you cannot succeed unless you work together.

So I ask you when you leave here to continue to prove that we can do this. And I ask you to join us in reclaiming more of our distressed communities, and spreading the message throughout America that there is no challenge facing this country we cannot meet if we will get rid of our cynicism, get rid of every excuse for inaction, get rid of the notion that we have the luxury of blaming other people for our problems instead of working together to solve them together. That's what you have done; that's what you can give to all America.

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

END

12:14 P.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 26, 1995

REMARKS BY THE PRESIDENT  
TO COMMUNITY EMPOWERMENT CONFERENCE

Room 450  
Old Executive Office Building

12:23 P.M. EDT

THE PRESIDENT: Thank you very much, Mr. Vice President. To all the mayors and other distinguished visitors who are here; to the members of Congress and all those who have worked on the empowerment zone program here in our administration; and I'd like to say a special word of thanks to the Vice President and all of his staff, and to Secretary Cisneros and Andrew Cuomo. They have literally worked themselves to exhaustion to make sure that this program is a success.

We told you when we started this that this would not be some one-shot deal and there would be no follow-up, and I think it's fair to say we have kept our word. And from the looks of this crowd, you have kept your word. And I thank you for that.

I also want to say a special word of thanks to Congressman Rangel and to the other members of Congress here who were very active in passing the empowerment zone legislation as a part of the budget plan in 1993.

I can't say how much I appreciate the work the Vice President's done on this community empowerment board, because it's one thing to talk about all this and quite another to do it. And your presence here proves that you also are committed to doing it.

As I have said many times in many places, I think this country has two great challenges. The first is to restore the American dream of opportunity for all Americans, and the American value of responsibility from all Americans. And the second is to rebuild our sense of community, our sense that we are working together, not at odds with one another, towards the same goals. The more I work at this job the more I become convinced that we can't achieve solutions to our economic or our social problems unless we do a better job of working together and reaching across the divides. That is, by definition, what you all had to do to be selected to be part of the empowerment zone program in the first place.

In the past few weeks, I have tried to talk to the American people more about how we can find common ground even in very controversial issues. I gave a speech at Georgetown laying it out, and then I went to the Vice President and Mrs. Gore's Family Conference and talked about how we could find common ground on the controversial issue of the role of the media in our family lives and community lives. And if that weren't controversial enough, I then went out to James Madison University -- James Madison High School here, and talked about where I thought our common ground was on the issue of religion in public education in America. And then, of course, I had the opportunity just a few days ago to talk at the National Archives on the important subject of affirmative action.

Today, I want to say to you that I think that the empowerment zone concept embodies everything we have to do as Americans -- everything. To make it work, we have to create economic opportunity, solve social problems and pull people together who have been apart. It is the embodiment of what we want to do.

The second point I want to make at the very beginning is, I think it is good for the rest of America and is a good model for the rest of America because, if you look at it, one of the things that troubles me about the debate we are having now on balancing the budget is that the congressional majority wants to balance the budget, but admits that if their plan is implemented, our economy will have anemic growth for seven years in a row.

I want to balance the budget because I think it will explode economic growth. I think it will lower interest rates and free up money and cause more people to borrow money and invest in our communities.

And why do we have slow growth? Why is the cover of Business Week magazine, the current issue, about how wages aren't going up? Why does survey after survey after survey reveal when we tell the American people that we have lowered the deficit and provided seven million new jobs to this economy, voters say, I don't believe you? Don't bother me with the facts, I don't believe you. Why is that? Because people think, well, if that had happened, I would somehow feel more secure in my own life.

So we have to increase the rate of economic activity in America. And how can we do that? Well, we can do it by expanding trade, and I've tried to do that. But we also can do it by finding under-utilized assets in America. That's what the empowerment zones are all about. The greatest residual economic asset left in the United States, the new economic frontier in America, are old-fashioned Americans who have been left behind in the rush to the 21st century. And if we can tap into that, then all Americans will benefit. All Americans will see increases in their incomes as the economy grows more rapidly.

So this is not just a program for Baltimore or Philadelphia, Cleveland, Detroit, Chicago, New York, the Kentucky Highlands, South Texas, the Mississippi Delta, you name it -- Los Angeles, wherever else I left out that's here. I'm sorry. (Laughter.) You will help -- you will help everybody. If economic activity rises in the Philadelphia-East Camden, New Jersey area, it will be felt in Western Pennsylvania. It will also be felt in the western part of the United States. This is a very

important issue. And if you prove that this strategy works, then other people will do it and it will spread like wild fire throughout the country.

When I talked the other day about affirmative action, I said that I thought we ought to mend it, not end it. I thought that it was important, but that everybody should realize something. The people who didn't feel like they were for it should understand that if we got rid of it, it wouldn't solve the economic problems of America. And the people who were for it should realize that if we keep it, it won't solve their economic problems either, unless we find ways to grow this economy and bring the American people together and deal frankly and forthrightly with our challenges. That's what this is all about. It's about bringing opportunity back.

Government has got to become a real meaningful partner again for people in urban American and rural America who are trapped in cycles of poverty. I know it can be done from my own experience. I was thinking today as I was walking over with the Vice President, when I was reelected Governor of Arkansas in 1982, we had an unemployment rate that was 10 percent or higher in the state. In the Mississippi Delta portion of our state, we had several counties with over 20 percent unemployment -- several, not just one or two.

The first thing I did as a Governor-elect was go to a town that had had a Singer sewing machine plant there since the 1920s and shake hands with over 600 people as they walked off the job for the last time. It was a very sobering experience. And we tried everything we could to restructure our economy and to get it going.

At length, I noticed something -- after working for about two years, I noticed that in isolated pockets in the poorest part of America, the Mississippi Delta, there would be a town here and a town there that for reasons no one could explain by economic, social or racial make-up, had lower unemployment rates and higher growth rates; had schools where the races went to school together and there was no white flight, no big movement toward private schools, had functioning public institutions. No one could explain it. So I decided I'd figure out why on my own.

And the answer wasn't complicated. People found a way to work together in those counties. In those communities, people found a way to take advantage of the opportunities they had instead of just belly-aching about the problems they had.

One of these little towns was in the middle of a county with an astronomical unemployment rate and they had about a five-percent unemployment rate, because every time a plant closed they sent a team of 50 people to the state and they used our Watts lines all night long, day in and day out, until they called hundreds and hundreds and hundreds of people to come look at their little town and put their people back to work.

That simple experience was the beginning for me of this whole empowerment zone idea. And so we set up a process in the 11 poorest counties in our state to try to do what we've attempted to do here. Today, our state's unemployment rate is just a little above four percent. It took a long time to turn around, but it happened. And if you have the patience and the roots deep enough to make the commitment necessary to turn your communities around, you can turn America around by

setting an example and proving this works. You can do it. (Applause.)

This sort of locally driven positive approach was not invented by me or anybody else. It came out of the grass roots of America. It was endorsed when I was a young man by Robert Kennedy when he went into the poorest areas of our country, and when he supported what became known as the Bedford-Stuyvesant Corporation. Republicans have embraced it who have had experience with it. I applaud Jack Kemp for his remarks in the last several days, saying that instead of using issues like affirmative action to divide us, we should be searching for ways like empowerment zones to fight poverty and create opportunity for all Americans. We need more of that kind of talk from people without regard to their political parties. And I applaud him for doing it.

I was interested the other day in a comment that Speaker Gingrich made about affirmative action, which was encouraging to me. As you know, there are those who say that we should get rid of affirmative action because they think there's no need for it or it's inevitably biased. I don't agree with that. I think that we have to continue with these efforts, even though we have to improve them until there is no more need for them. But I also was encouraged, even though I didn't agree with what the Speaker said about affirmative action -- because he said he didn't like it -- he also admitted that just getting rid of it was no answer. And I thought that was hopeful. He said that he didn't want to end affirmative action until they found something to replace it.

Well, I don't think we should end it until we don't need it anymore. But I do think we should do some more things. Discrimination is, as I said before, only one of the things that traps people. The general conditions of the economy, the terrible social problems we face -- they take away more American dreams every day. And that is something Americans share in common.

When Mr. Gingrich said that he thought we ought to design a program to lend a helping hand, I say that's exactly what we're trying to do with the empowerment zones, with the Community Development Act, with the improvements for the Community Reinvestment Program, with the Community Development Financial Institutions, with all the other empowerment initiatives of this administration. So I say, based on what Jack Kemp said, and based on what the Speaker said, I want to invite the leaders of the Republican Party to join me in a comprehensive approach to solving these problems, because every Republican in America will be better off if we can revitalize our inner cities and our forgotten rural areas. And so will every Democrat; and so will every independent.

This should not be a partisan issue. If you look at the problems that have plagued us, whatever our race or gender or background -- urban or rural, north, south, east or west -- if we could address them, this country would have about half the problems we've got today. You know it and I know it. So I hope that this conference, this gathering, and these hopeful comments that have been made by two different Republicans in the last couple of weeks means that we may have a chance to come together here and work together at the national level the way I see Republicans and Democrats working together at the city level and in the urban areas where these empowerment zones have prevailed because of the partnerships we've created. I wish we could follow your example here in Washington, and I'm going to do my best to get that done.

Now, let me say that when you look at where we are to go beyond affirmative action and beyond what we're doing with the empowerment zones, as a part of our affirmative action review it occurred to me that while we shouldn't replace affirmative action, we should reform it and we should also supplement it, because it was clear that no amount of affirmative action could create economic opportunity where there was none. We give everybody an opportunity at a shrinking pie, that's not a nice prospect. What we want is for everybody to have an opportunity at an expanding pie.

And that is why I have proposed to set aside government contracts for businesses that lay down roots in poor communities, to locate there and hire people there. (Applause.) I think we ought to have contracts that can bring money and opportunities to poor neighborhoods every day. Businesses make profits; employees get paychecks; workers take their paychecks home to their families and lift their children out of poverty, buy groceries from local merchants, support their local community organizations; and stronger community police forces to make the streets safer, to make the schools better. Opportunities that can go to people without regard to their race or gender if they meet a simple condition -- they live in a place with genuine need. I believe this can make a real difference to America. Not to get rid of affirmative action, but to create real opportunity for all Americans.

And I hope you will support this. I have asked the Vice President to examine this challenge and to take it on, as he has so many others, and to come up with what I have to do to get this done, whether I have to send a bill to Congress or fashion an executive order or do a combination of both.

But I think this can make a real difference. And it is utterly consistent with the empowerment zone strategy. It emphasizes the three things that make the empowerment zone work -- the values of family and work and responsibility, a sense of investment in our people and our opportunities, and a partnership across all the lines that too often divide us.

I am very, very hopeful about that, and I believe it can reinforce some of the other things we are doing. If you look at this values issue, I think we need some values incentives that are tough. That's why we think that people on welfare who can work ought to be required to work. That's why we're trying to get the toughest possible child support enforcement. That's why the Crime Bill had tougher penalties.

But I also think if you want to promote values, empowerment works there. People ought to have the incentives. That's what the Family and Medical Leave Act was all about. That's what child care and a welfare reform program was all about. That's what the crime prevention aspects of the Crime Bill were all about. And I think it's interesting to point out, as they are under assault today, that it was the law enforcement communities of America, the people in uniform and the prosecutors and the former prosecutors, like Mayor Rendell, who told us that we had to have crime prevention programs and something for our children to say yes to as well as to say no to. I have walked the streets of Baltimore with Mayor Schmoke, who was a former prosecutor, and seen examples of that.

So if we're going to promote values, let's think of empowerment as well as restraint. We

need to do both. When we think of investment, we ought to think of empowerment.

Head Start is an empowerment program. The college loan program is an empowerment program. The national service program is an empowerment program. The Goals 2000 program, no matter what the attacks on it, is the biggest piece of local incentive -- local reform legislation for public schools passed by the federal Congress in the 30 years we've been acting in the education area.

We need to think of these things as empowerment, not federal prescriptions. If you think about our community investments, the Crime Bill was about community empowerment. That's what 100,000 police officers does. That's what the whole community policing program is about.

So I hope that you can help us to develop a language and an attitude and a frame of mind for discussing our common problems as a country so that Americans, even Americans who don't live within your jurisdiction and have the particular benefits of the empowerment zone, will see this as a way of not only solving our economic problems, dealing with our social problems, but empowering people and bringing them together. That is the issue for America at this point in our history. That is the issue.

We cannot maintain the American Dream if we go another 20 years when we are very successful by some measures. I mean, consider the last two and a half years. I came to this job committed to restoring the middle class, and I did everything I knew to do. We lowered the deficit. We increased investment in education, in technology, in research and development. We expanded trade frontiers. We have seven million more jobs. We have a record number of millionaires. We have an all-time high stock market. We have more new businesses than ever before in the history of the country in each of the last two years and most people are still working harder for lower pay than they were making the day I was sworn in as President.

We have to change that. And the only way we can change it is if we realize that we have to get beyond these big ideological debates and roll up our sleeves and reach out to each other and create opportunity for everybody just like you're trying to do. And we should talk about all of these initiatives in terms of what it does to enable people and families and communities to solve their own problems and make the most of their own lives.

That could be the enduring legacy of this administration and very much worth all the efforts that the Vice President and Secretary Cisneros and others have put into this, and very much worth the very heated fight that these members of Congress here present waged for this program over two years ago.

So I ask you to think about all that. I want this to work in your community. I know you do, too. I know you will evaluate these empowerment zones based on whether they do bring people together and create jobs and opportunity for your people. But I want you never to forget that you may be creating the way that we do business as Americans in the 21st century. And if you can do it, if you can bring people together across all the lines that divide them around the concept of commitment to opportunity for everybody, we'll be a long way down the road toward ensuring the

viability of the American Dream in the 21st century.

So I ask you to think about that. And when we have these debates us here in Washington about what to fund and what to cut, about how to balance the budget, not whether to balance the budget, you ask yourself: Are they funding the empowerment programs where there's very little bureaucracy in Washington and a whole lot of things happening out in the country? Don't we need some more of the community development banks like we established in Los Angeles? Don't we need to protect a sensible community reinvestment act when we know that credit still does not go evenhandedly to all who are qualified? Don't we need to keep the Small Business Administration functioning when they proved they could double the loan output and lower their budget and increase dramatically loans to women and minorities without lowering their quality standards? Don't we need, in short, to continue on the empowerment agenda when we make our decisions about what to cut and what to fund?

We need to be in a position to help you not just now, but next year and the year after that and the year after that, long into the future. So I ask you to think about that as well.

And, again, I say this need not be a partisan issue. You have to ask yourself -- we've been pretty successful as a country in identifying the things on which our security hinged and building a consensus for them. I mean, for 50 years we maintained a remarkable -- almost 50 years -- a remarkable bipartisan consensus that we would spend more than any other country in the world on maintaining a strong national defense not only for ourselves, but for others, so that communism would not prevail and there would never be an incentive to launch a nuclear war. And we fought like crazy about other things, but we created this umbrella that permitted us to grow and go forward as a country.

We had a general national consensus created almost 50 years ago that we would be an engine of expanding opportunity throughout the world because that would help us to grow here at home and it would stabilize people throughout the world, to give them hope and help them promote democracy.

So what is it that threatens our security as Americans today? The kids that are being lost every day on our street, the schools that aren't functioning, the number of the people who work hard and are never rewarded, rising levels of anxiety among our families. We ought to be able to find ways to have the kind of consensus on that reflected by the process that brought you here.

So I tell you, you want to do something for your country? Make your empowerment zone work. And make sure everybody in America knows it, and knows that's the way we ought to do America's business not just where you live, but here where the American people all have a stake in the future.

Thank you very much. (Applause.)

END

12:46 P.M. EDT



THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

December 21, 1994

REMARKS BY THE PRESIDENT  
IN COMMUNITY EMPOWERMENT ANNOUNCEMENT

Old Executive Office Building  
Room 450

2:17 P.M. EST

THE PRESIDENT: Thank you very much. I want to thank the Vice President for his strong leadership in the Community Enterprise Board, Secretary Espy, Secretary Cisneros, Secretary Shalala, Attorney General Reno, the other members of the Cabinet and the administration who are here. And I congratulate all the communities who have won here today.

This is an especially happy day for me because this announcement completes a commitment that was rooted in the campaign I waged for President; but far more in my personal history as a public servant. There are many people here in this room to whom I owe a great deal of gratitude. But I want to say a special word of thanks to all those who worked with me for years and years and years, before I ever thought of even running for President, on the complex job of developing poor and distressed areas.

Secretary Espy and I were partners a long time before we ever thought he'd ever be the Agriculture Secretary or I would be the President. I thank my friend, Bob Nash, from Arkansas for the work he's done in rural development. Henry Cisneros and I were having the conversations that we celebrate today for years before we were ever in the positions that we now hold. And there are others here, too numerous to mention, who were an inspiration to me because of what they did at the community level. But I'd like to mention in particular the outstanding work done by Andrew Cuomo, before he came to work at HUD, in New York and dealing with the problems of housing and homelessness.

I say this because I came to this job with the absolute conviction that most problems in America had been solved by somebody somewhere, and that we would never solve any of our most fundamental problems unless we did it at the

community level. And if you look at the work that we have done in this administration, the work that Attorney General has done in law enforcement; getting people together at the community level; what is embodied in the crime bill --community strength, taking money by reducing the size of the federal government and giving it back to the community; if you look at the work that we have done in human services with giving 21 states permission to pursue welfare reform and get through federal rules and regulations, nine states permission to pursue the work of health care reform; if you look at the work we have done in education and training and the way the federal laws have been rewritten to push more decision-making, more power down to the grass-roots level, it is clear that to me, we have got to rely on the energy and the capacity of people to work at the community level where, frankly, they work in a far less partisan atmosphere than we have worked in Washington, where people deal with human problems in a human way and reach across the divisions of party and income and race and background to try to get something done. That is what I came to Washington to do.

If you look at any number of other areas, you will see that. If you look at the fact that we've been able to solve some of the longstanding environmental problems; if you look at some of the things that are being done by Director Brown in the drug control area; just over and over and over again, what we want to do is to empower people at the community level to make the most of their own lives by solving their problems, and have the federal government be a support to them for a change and not a burden.

That is what this is all about. And if I could construct a model of how it would all work in the end, it would be what national service does today, what the Americorps program does. It is a totally nonbureaucratic, nonpolitical, grass-roots, creative, entrepreneurial way of solving human problems. That is what we ought to be about. And for all of you that worked on this program, for all of you that had anything to do with my personal history before I came to this job, I thank you for the contribution that you have made because this is a very important departure from the way the national government has operated for years and years and years. And it is critical to the work that we must do here to restore a sense of opportunity and a sense of responsibility to this country and to rebuild the middle class.

If you look at the announcement that I made last week advocating a Middle Class Bill of Rights, looking forward to the next session of Congress, it furthers the goal of personal empowerment; recommending first of all, that people ought to be able to deduct the cost of posthigh school education for themselves and their kids and have a tax break for raising their children. It advocates that we should let everybody save more money in an IRA, but also take it out for something other than retirement if they need to take care of themselves for education or first-time homebuying or health care or the care of a

parent -- building on the capacity of people to solve their own problems. But the most important thing we can do is to do it in a way that helps communities to grow, that helps families to grow, that helps individuals to prosper.

You know, we spent a lot of time in the last two years trying to clean up some of the problems we found here and fix things so that we could do things like what we celebrate today. We had to bring the deficit down in order to do that. We made a downpayment on middle-class tax fairness by giving an income tax cut to working families with incomes under \$25,000 of an average of \$1,000 a year this year. That's something I'm very proud of because it shows that we're going in the right direction.

But because we've got the deficit down, we can move on to have these empowerment zones. We can move on now to do the kinds that are in the Middle Class Bill of Rights. And we should continue to work on it, always with the idea that at the end of the day the actions of government should empower people and communities to take more responsibility for their own lives and their own successes. That's what the family leave law was all about. That's what expanding Head Start was all about. That's what changing the whole student loan law was all about, so more people could borrow money at lower interest rates to finance their college education. And that's what, as I said earlier, national service was all about, and it is certainly what the Middle Class Bill of Rights is all about.

I want to say, also, that we have to do this in a way that is responsible not only for today, but for tomorrow as well. Too many times, because of the heat of this election or this election or the one just ahead, politicians have told people the easy answers without telling them the hard ones as well. And I want to say, I am especially proud of the fact that we have paid for these empowerment initiatives through reducing the size of the federal government, through getting rid of a lot of yesterday's government so we would have more of tomorrow's opportunity.

This week, as you know, the Vice President and I announced another round of Reinventing Government, of reductions that some of the Cabinet members here present took in their own operations to generate another \$24 billion to pay for the Middle Class Bill of Rights. We will continue to do more of that.

Because we have been responsible and disciplined, the overall health of the economy is sound. We have produced more than 5.2 million new jobs in this country in the last two years, and we will continue to do that if we can keep overall economic conditions favorable. What we now have to do is to bring the benefits of those overall things to ordinary Americans. The Middle Class Bill of Rights will do it by having more tax fairness, focusing on education, focusing on growth.

All the community initiatives will do it, whether it's in the crime bill or the education bill, or in the initiatives at HUD, or in national service. And this empowerment zone program will do it by saying to the American people, the government's going to be a help to you, not a burden.

Just imagine this -- Chicago got 200 separate organizations to roll up their sleeves and work and agree on a project. You're lucky in Washington if you can get two people to agree to do that. (Laughter.)

But out there where people live, where they're not worried about what's in today's headlines, but what their children's lives are going to be like tomorrow, they can do it if we help them. Just imagine in Detroit, a city that was given up for dead 10 years ago, the private sector committed \$2 billion to this endeavor. All we had to do was to put up the \$100 million and the prospect of the tax benefits. How did it happen? Because of the energy generated at the local level just because the federal government said we want to help you decide your own future for a change. And I tell you, as you probably heard on the telephone call, I've been in the hills and hollows of Kentucky. I have walked up and down the poorest communities in America in the Mississippi Delta. I have been all over South Texas. I know those places. And they have good, smart people, too. And their children deserve a future, too. And all we did was to give them a chance to figure out how they can make a better future for themselves.

Now, that's what this administration is all about. That's what public life is all about out there on the main streets of America. And what we ought to do at this Christmas season is make a new year's resolution that next year with the Middle Class Bill of Rights, with more responsibility, with more empowerment, with more opportunity, that's what we're going to make public life like in Washington for a change.

Thank you, and God bless you all.

(Applause.)

END2:30 P.M. EST

The President of the United States  
Empowerment Zones and Enterprise Communities  
State Dining Room  
January 17, 1994

Thank you Mr. Smith. Your story is a wonderful example of why this Administration created Empowerment Zones and Enterprise Communities: to build new opportunities where they did not exist before. Thank you for helping us launch the application process for this initiative today.

On this Martin Luther King Day, we honor America's most challenging and eloquent voice for human rights, a man who gave his life in the cause to improve the lives of people in the neighborhoods and towns, villages and valleys that lie in the shadows of America's abundance.

When Dr. King's life was ended in April of 1968, I found myself here in the nation's capital, a college student trying to deliver assistance for the Red Cross among the ashes of a riot torn city.

It was a troubling time for America, and for people overseas, too, because that same year in Europe, the full force of the communist army would roll through Prague, smothering freedom in its path and sending a chill throughout the western world.

The streets of Prague today are a very different place, and I wish you could have felt the joy I experienced there last week: to be among the Czech people, free at last; to visit with their President, Vaclav Havel, a former prisoner of the old communist state who has

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lived his life the way Dr. King challenged us to live ours.

But here in America, after 25 years, some of our streets have not gotten any better. Surely, many have gotten worse.

After a generation of top-down, bureaucratic, government initiatives to improve the quality of life in these communities, we all know that government cannot do it alone. At the same time, after 12 years of trickle down economics, we also know that people can't do it alone, either.

We invited you business leaders here on this day, because just as the United States must help determine the ultimate success of political and economic reforms in Eastern Europe, American business must show leadership where it is needed here at home.

Look at the history of America's communities and see how they decay when work and jobs disappear, when infrastructure crumbles, when safety erodes to the point that its nearly impossible to protect people and property. Look at communities where work has been absent for too long and you will see how easy it is for families to break apart, for housing to fall apart, and how easy it is for gangs and drugs and misery to fill the vacuum.

We used to try to fill the vacuum in these communities by expanding the welfare system, but I say let's fill the vacuum by expanding work. And that's where America needs

your help.

As Arland Smith just told us, work brings structure and purpose to people's lives. Dr. King said this himself. In his last book, *"Where Do We Go From Here?"* Dr. King said that community-based businesses -- no matter how small -- are vital, because, "They are a strength among the weak, though they are weak among the mighty."

If we want people to live by the work ethic, we have to make sure there is work to begin with. Make no mistake about it. Nothing that government can do will ever work if people don't take responsibility, but we cannot expect people to take responsibility where there is no opportunity.

Since day one, this administration has advanced a new community investment strategy to use limited federal resources wisely. We're coordinating efforts to encourage economic activity and self-sufficiency to grow from the grass roots up, with:

- Empowerment Zones and Enterprise Communities
- strengthening the Community Reinvestment Act
- building Community Development Banks
- asking for 100,000 more police on the streets

This strategy is not just about economic development. It's about physical and human

development, too: safe streets, good schools, and a workforce that's ready to work. That's why we've strengthened Head Start and the Earned Income Tax Credit. That's why we want the crime bill and health care reform. All of this is part of a larger foundation of stability.

This Empowerment Zone initiative is an important part of that. With businesspeople like you in mind, this plan seeks to make these places more attractive for business to locate there, to hire people there and to be partners in their future.

For instance, we've built about \$2.5 billion dollars tax incentives into this plan, which says, 'If you hire a new worker in this zone, you get a tax break; if you train a new worker in this zone, you get a tax break.' In other words, this plan rewards you for the number of people you have reached in the communities that need it most. It's a whole lot better than welfare.

We're trying to jump start billions of dollars in new investments: for small business centers that will provide the full range of start up assistance; for a nationwide network of community development banks; and to get capital and credit flowing to those who deserve it.

No one in this strategy gets something for nothing. The rules for businesses that participate are the same for communities that participate. This plan tells everybody that if you take on the responsibility, we'll invest in new opportunities with you.



The President: Empowerment Zones and Enterprise Communities  
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Business can help determine the ultimate success of these efforts. These communities need you, and America needs you, too. Be a partner in this. Thank you.

Last September, I asked Vice President Gore to head a new Community Enterprise Board, to change the federal relationship with America's communities. I'm proud of the work they've done so far, and I think I'll let him describe this initiative in more detail.

## TALKING POINTS

### FOR EMPOWERMENT ZONES CONFERENCE CALL

PRESIDENT: (go down list of places to be sure everyone is there)

PRESIDENT:

I would like to congratulate all of you for being selected as Empowerment Zones, Supplemental Zones, and Enhanced Enterprise Communities. You were the 15 best among the 500 applications we received, and you should all be very proud.

Communities across the country responded to our challenge with everything that makes America great... creativity... hard work... and cooperation.

[VICE PRESIDENT: Today, we celebrate the selection of the 104 communities who met this challenge and will be rewarded with federal investment and tax incentives. The quality of every single application was just terrific. And yours represent the very best.]

[THERE WILL NOT BE ENOUGH TIME TO INTERACT WITH ALL 15 WINNERS; BELOW IS INFORMATION ABOUT A FEW WINNERS THAT YOU AND THE VICE PRESIDENT CAN USE FOR SELECTED INTERACTIONS]

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Chicago -- showed very strong grassroots involvement. The literally thousands of people and over two hundred organizations who came together on this application demonstrates the grass roots support that is so crucial to empowering our communities.

✓ Atlanta -- This application highlighted the importance of a comprehensive approach -- one that integrates social services, public safety and physical development, in what they refer to as "Urban Villages." They're also integrating their program with the 1996 Olympic Games. It's going to be a huge success.

Philadelphia and Camden -- Showed the potential for regional cooperation that crosses state lines. They filed an innovative joint application which gives a new approach at solving regional problems.

New York -- The New York application is a perfect example of different levels of government working together in a single cooperative way. Both the City and State governments have separately agreed to match the \$100 million federal grant.

Unfortunately I do not have enough time to talk to everyone of you but the Vice President and I would like to take a few minutes to highlight some impressive aspects of your applications.

✓ Mid-Delta Mississippi -- represents the coming together of communities that have been separated for too long. The spirit of cooperation between the black and white communities that went into this application is an example for the rest of the country.

⊗ ✓ Detroit -- epitomizes private sector involvement. More than two billion dollars in private sector commitments have been pledged to revitalize the community. That includes a commitment by the major automobile companies to train and hire Empowerment Zone residents, as well as local banks investing over \$1 billion in homeownership and small businesses in the zone.

✓ Baltimore -- understands how important job creation is to a sustainable future. Baltimore's plan will train and connect EZ residents with the city's largest job generators -- the health care, life science and tourist industries.

**PRESIDENT:**

Of course, these are only a few of today's winners. And, this is only the first step. I'm confident that with your leadership -- and with the cooperation and spirit that characterized the application process -- that we're on the right track.

Again, congratulations to all of you, and to your communities for their innovative plans on how to build a brighter future.