Peter A. Weissman

07/09/99 04:32:28 PM

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Subject: remarks to Nat Academy Foundation CA

--------------------- Forwarded by Peter A. Weissman/OPD/EOP on 07/09/99 04:29 PM ---------------------------

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Subject: remarks to Nat Academy Foundation CA

THE WHITE HOUSE

Office of the Press Secretary
(Anaheim, California)

For Immediate Release July 8, 1999

REMARKS BY THE PRESIDENT
TO NATIONAL ACADEMY FOUNDATION ANNUAL CONFERENCE

Anaheim Hilton and Towers
Anaheim, California

3:00 P.M. PDT

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

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

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

And I want to say a special word of thanks to Reverend Jesse Jackson, who worked with Sandy Weil on the Wall Street Project, went to Appalachia before it was fashionable, who always believed that poor people were smart, wanted to work, and had a

right -- a moral right -- to be part of America's future. Thank you, Jesse Jackson. (Applause.)

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

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

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

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

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

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

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

The idea behind this, obviously, is that the government cannot do this alone, but business cannot be expected to go it alone. When government provides the conditions and tools, acts as a catalyst to bring the power of the private sector to benefit all of our citizens, and provides the investment and the education and training of our young people, this is not only good economics, it is the right thing to do. We can build one America

where nobody is left behind when we cross that bridge into a new century. And if we do, we'll all be better off.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

hope to the places that have been left behind.

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

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

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

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

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

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

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

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

Well, my fellow Americans, today those vaults of

opportunity are more full than they have ever been in the entire history of this country. And we have more evidence than we have ever had that when children like those that we talked about today, and when young people like those we celebrate today --

Hazel, and her peers behind me -- do well, we are all strengthened; that there is a fundamental sense in which our futures are bound up together, from Appalachia to the Mississippi Delta to the Native American reservations to the inner cities to the wealthiest corners of our land.

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

END 3:32 P.M. PDT

Message Sent To:________________________________

July 12, 1999

Dear

As the *Wall Street Journal* wrote last Thursday, there was indeed "a bit of magic" in the President's New Markets trip last week, as he toured the country highlighting the need for investment in poor communities that have not fully participated in the nation's current economic prosperity. The President was accompanied by many corporate and community leaders on this historic trip, which has generated tremendous enthusiasm for the New Markets Initiative and focussed attention on our proposal to improve conditions in economically distressed areas through government loan guarantees and tax incentives.

Many thanks are owed to those corporate leaders who participated in President Clinton's New Markets trip last week and helped to make it such a success. The trip would not have been nearly as effective without the participation and commitment of the corporate community to our overall effort. As the President repeatedly noted during the trip, there will never be a better time to work to improve conditions in economically distressed communities and underserved markets, than right now. Following the trip, one of our next steps will be to move the New Markets legislation forward. We look forward to working with you as we attempt to gain bi-partisan support for our proposal.

We also look forward to your involvement as we build upon the momentum created by this trip and continue with our efforts to attract private sector investment to impoverished, untapped markets throughout the nation. I welcome and encourage your participation in upcoming events that will continue to shine the spotlight on the need for investment in New Markets. These events will include the announcement of a national BusinessLINC partnership, which will encourage mentoring by large businesses to small businesses through the existing and highly successful BusinessLINC (Learning, Information, Networking, and Collaboration) program created under the Clinton-Gore administration. The President also plans to visit Newark, NJ this fall, bringing attention to innovative investment partnerships that benefit poor communities, such as that developed by the New Jersey Nets and the Community Youth Organization, a group dedicated to improving the quality of life for disadvantaged youth.

The excitement generated by the President's New Markets Trip is just a beginning to our long term plans. We need your continued support to build upon the success of this trip and ensure that measurable and lasting changes take place in those communities that deserve to be a part of this country's current economic expansion. I look forward to hearing from you soon to discuss and explore ways in which your company can help insure that no one is left behind!

Sincerely yours,

Gene Sperling
Assistant to the President for Economic Policy
and Economic Advisor to the President

July 10, 1999

Dear Sandy,

As we discussed yesterday, attached is some information for you about the American Renewal Act in preparation for your meeting with Rep. Hastert this upcoming week. This proposal -- sponsored by Representatives Talent and Watts -- was introduced several years ago and has since been revised many times, but has never gained significant momentum or support. We are seeking bipartisan support for our proposal – the New Markets Initiative -- to improve conditions in economically distressed areas by providing loan guarantees and tax credit incentives, targeted to low and moderate income communities.

There are several provisions of the Talent-Watts bill that we believe could be incorporated into the New Markets Initiative and would be acceptable elements of a compromise proposal. However, there are some areas, including the zero capital gains tax and what we consider a duplication of the Empowerment Zone and Enterprise Community program, that would be unacceptable. I hope you find the attached summary of the major differences that we object to and areas where we are willing to compromise helpful.

Finally, thank you so much for your contribution to and involvement with the President's New Markets trip. Your involvement was critical to validating the entire trip. Furthermore, you should be very proud of what you have done for both the Wall Street Project and the National Academy Foundation. It was very moving to see not only the kids, but also all of the dedicated teachers you have helped inspired

It has been great working with you. We have a chance to do something very meaningful. Let's stay at it.

Thanks for everything,

Peter A. Weissman

07/08/99 07:04:23 PM

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To: See the distribution list at the bottom of this message

cc:

Subject: remarks at home of Geraldine Blue Bird

--------------------- Forwarded by Peter A. Weissman/OPD/EOP on 07/08/99 07:04 PM ---------------------------

SUNTUM_M@A1

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To: See the distribution list at the bottom of this message

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Subject: remarks at home of Geraldine Blue Bird

THE WHITE HOUSE

Office of the Press Secretary
(Pine Ridge Indian Reservation, South Dakota)

For Immediate Release July 7, 1999

REMARKS BY THE PRESIDENT
IN DISCUSSION IN FRONT OF GERALDINE BLUE BIRD'S HOUSE

Igloo Housing Neighborhood
Pine Ridge Indian Reservation, South Dakota

MR. HAROLD SAULWAY: -- (in progress) -- but we're durable people, have a lot of pride, have a lot of dignity.

THE PRESIDENT: How do you stay warm in the winter?

MR. SAULWAY: Well, we're conditioned. We're conditioned. A lot of buffalo robes. A lot of good, hard work, too. This is how a lot of people live, thouugh. This is about the average conditions of most homes throughout the reservation. And some are really bad yet.

THE PRESIDENT: Would you say the biggest immediate need you have is for better housing?

MR. SAULWAY: Housing, and what new markets is going to do, create jobs. Not enough people working here on Pine Ridge, so that causes a lot of potential impacts.

THE PRESIDENT: If there were jobs in the near vacinity, some sort of small manufacturing or something like that, do you think all the people who could work would do so?

MR. SAULWAY: Yes. We have one of the highest unemployment rates for -- a lot of people going to work, being more responsible with their time would uplift the lives of the entire family in a lot of ways.

THE PRESIDENT: Where is your tribal college?

MR. SAULWAY: Probably about 40 miles northeast of here.

Toward the center part of our reservation. Our reservation is about 135 by 84-85, there abouts. A pretty large reservation.

THE PRESIDENT: How close do the jobs have to be in order not to be too burdensome to go to and from work?

MR. SAULWAY: We don't have a transportation system, so most people have to carpool into Pine Ridge. Pine Ridge is kind of like the capital of the reservation, if you will. Most people transporting in and out transit to come to work from IGS and BIA and Tribal Government. That's the greatest portion of employment -- not too much microenterprises for development.

Housing is one of the largest employers on the reservation, but the need is so high that it naturally is one of the higher employment areas.

THE PRESIDENT: Andrew, why don't you just say what we've been talking about, say what you were saying about the housing --

SECRETARY CUOMO: As the President was saying, one of the greatest needs is housing, just provide the basic living

conditions where people can improve themselves, and then home ownership. Very little home ownership on the reservation. And home ownership, given the conversation we've had this past week, is really the first access to capital strategy when you think about it, because when you own and you have equity in your home, then you can start to get loans, you can start to get financing and start to get credit to open a business or pay a tuition, whatever you'd like to do.

So our efforts are, first, try to improve as much housing as we can -- we're doing that through the Housing Authority. We've set up a not-for-profit with the reservation for the first time so the tribe can do business as a tribe and also as a not-for-profit organization.

And then home ownership, home ownership, home ownership. The people who are at the conference today, I was telling the President the numbers are up to about 800 people from across the country who come to this housing conference -- 100 tribal presidents. And we have the mainstream home ownership, housing, bankers, who come to the conference. And we're going to start for the first time ever in a big way home ownership on the reservation -- linked to economic development, because it's also an empowerment zone. We're going to sign officially the papers at the next event.

So we have the empowerment zone doing the economic development piece, and housing and the home ownership with the private mortgage market coming forward.

THE PRESIDENT: Frank?

MR. RAINES: Well, we're trying very hard to bring private capital into the reservation. It's been a -- working with this reservation, now signing an agreement with one of our major lenders and with the tribe to cut through a lot of the legal problems that lending -- when you've got trust lands involved. And we think we can make progress there.

We think it's important that in addition to the HUD programs that are so important, that we also get mainstream lenders in the conventional lending here. We've done a fair amount. We've bought about 70 percent of the HUD loans that were made -- Fannie May has financed on this reservation. But we're going to be committing not only to purchase new housing, but $3 million of venture capital funds to encourage production of housing on this reservation. All this is part of a $500 million initiative that Senator Daschle and Senator Johnson and I announced yesterday. That's covering the whole state, but there is a portion that is going to be just here. And we're intentionally keeping it without us saying exactly where it's going to go.

We're going to work with the tribal government to ensure that we can either put it in a multi-family, or single-family, or combinations of housing and retail that will make it possible to bring more and more private capital on to the reservation.

Housing is the one part of the private capital system that is really working in full speed and is available to come into the toughest areas. It's harder to get funding for businesses and things, but we could do for housing.

THE PRESIDENT: Let me ask you something. A lot of the people here you said have more than one family in the home. Now, if they had the choice, would you prefer a single-family home for every family that was more modern, or more modern but larger where you could have -- more than one family could live together, but they'd have enough room to have their own rooms -- which would be preferable?

MR. SAULWAY: Probably single-family homes. Because all the families crunched into one house causes a lot of other --

THE PRESIDENT: -- problems.

MR. SAULWAY: Problems, yes -- social situations.

MS. GERALDINE BLUE BIRD: Mr. President, with regards to that -- my house, the square footage of this is really short for the amount of people that I have here. So with all my kids and my grandkids, when it comes to the living room area here, they're just stepping on them and bumping into them. And my -- Philip is in a wheelchair and he wants to have room. And then I have a stool sitting in the center -- short footage area. And places like this are small.

THE PRESIDENT: How many people live in here with you?

MS. BLUE BIRD: In this house there are 11. And in this house -- between the two houses, there's 28. You met part of them here.

THE PRESIDENT: So you have 11 living in here, and 17 in the other place.

MS. BLUE BIRD: About like that, yes. Because I've got them sleeping in here in the living room. I've got bunks in there. Between these two areas here I have five bedrooms.

THE PRESIDENT: And 28 people sleep?

MS. BLUE BIRD: And I have five bedrooms. So this is what I'm talking about. What you said, with that many people in a small area, that does cause problems. Like here, my own personal opinion is I'd like to see us get jobs, because really to have -- to get one of the homes that are coming up you need to have an income. But right now, we're living on -- well, here on this street I can safely say about 85 percent of us here on this street alone are living on Social Security, SSI, and welfare. That's one income once a month and that's what we use.

My boys, as you have seen, have applied for jobs. They have applications all over. I've even got one boy that went to the service. We've been using his veterans benefits -- it's hard to get a job here because there isn't one. When you get a job here,

you hang on to it because you get an income. Money every two weeks is better than money once a month.

MR. SAULWAY: And that causes problems, everybody struggles for those very, very minimum jobs you have. So it causes a lot of conflicts.

THE PRESIDENT: Over the jobs.

MR. SAULWAY: Over the jobs. So few.

END

Message Sent To:

Peter A. Weissman

07/08/99 07:04:29 PM

Record Type: Record

To: See the distribution list at the bottom of this message

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Subject: remarks in discussion on youth/LA, CA

---------------------- Forwarded by Peter A. Weissman/OPD/EOP on 07/08/99 07:04 PM ---------------------------

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07/08/99 06:00:00 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: remarks in discussion on youth/LA, CA

THE WHITE HOUSE

Office of the Press Secretary
(Anaheim, California)

For Immediate Release July 8, 1999

REMARKS BY THE PRESIDENT
IN DISCUSSION ON YOUTH OPPORTUNITIES

Southwest College
Los Angeles, California

12:00 P.M. PDT

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

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

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

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

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

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

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

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

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

It allows America's economic expansion to continue, so there's a real sense in which every time we hire a young person off the street in Watts and give him or her a better future, we are helping people who live in the ritziest suburb in America to continue to enjoy a rising stock market. And it proves beyond any doubt that we are all in this together, that we're all better off when the least of us do well.

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

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

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

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

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

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

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

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

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

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

* * * * *

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

And for people who have modest incomes, you know, he has adapted this sort of car leasing proposal -- you remember, this started a few years ago when people stopped buying cars and started leasing them and leased them three years. Mel will lease people cars, give you leases for as short a period as two months. But if you don't pay, you can't make off with the car, he's got a device that will turn the car off. (Laughter.) So he soon will be responsible for the widest distribution of car ownership in America with the largest number of cars that won't run. (Laughter and applause.)

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

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

* * * * *

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

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

But things happen to people and things happen to communities. In our inner-cities and a lot of our rural areas, the economic bases that once made them organized, thriving and successful, evaporated -- and we did a lousy job as a country of replacing that. We were slow off the up-take. And in other places, like our Indian reservations, arguably, there never was an economic basis that would be self-sustaining.

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

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

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

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

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

END 12:53 P.M PDT

Message Sent To:____

Peter A. Weissman

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cc:
Subject: remarks at home of Geraldine Blue Bird

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Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: remarks at home of Geraldine Blue Bird

THE WHITE HOUSE

Office of the Press Secretary
(Pine Ridge Indian Reservation, South Dakota)

For Immediate Release July 7, 1999

REMARKS BY THE PRESIDENT
IN DISCUSSION IN FRONT OF GERALDINE BLUE BIRD'S HOUSE

Igloo Housing Neighborhood
Pine Ridge Indian Reservation, South Dakota

MR. HAROLD SAULWAY: -- (in progress) -- but we're durable people, have a lot of pride, have a lot of dignity.

THE PRESIDENT: How do you stay warm in the winter?

MR. SAULWAY: Well, we're conditioned. We're conditioned. A lot of buffalo robes. A lot of good, hard work, too. This is how a lot of people live, thouugh. This is about the average conditions of most homes throughout the reservation. And some are really bad yet.

THE PRESIDENT: Would you say the biggest immediate need you have is for better housing?

MR. SAULWAY: Housing, and what new markets is going to do, create jobs. Not enough people working here on Pine Ridge, so that causes a lot of potential impacts.

THE PRESIDENT: If there were jobs in the near vacinity, some sort of small manufacturing or something like that, do you think all the people who could work would do so?

MR. SAULWAY: Yes. We have one of the highest unemployment rates for -- a lot of people going to work, being more responsible with their time would uplift the lives of the entire family in a lot of ways.

THE PRESIDENT: Where is your tribal college?

MR. SAULWAY: Probably about 40 miles northeast of here.

Toward the center part of our reservation. Our reservation is about 135 by 84-85, there abouts. A pretty large reservation.

THE PRESIDENT: How close do the jobs have to be in order not to be too burdensome to go to and from work?

MR. SAULWAY: We don't have a transportation system, so most people have to carpool into Pine Ridge. Pine Ridge is kind of like the capital of the reservation, if you will. Most people transporting in and out transit to come to work from IGS and BIA and Tribal Government. That's the greatest portion of employment -- not too much microenterprises for development.

Housing is one of the largest employers on the reservation, but the need is so high that it naturally is one of the higher employment areas.

THE PRESIDENT: Andrew, why don't you just say what we've been talking about, say what you were saying about the housing --

SECRETARY CUOMO: As the President was saying, one of the greatest needs is housing, just provide the basic living

conditions where people can improve themselves, and then home ownership. Very little home ownership on the reservation. And home ownership, given the conversation we've had this past week, is really the first access to capital strategy when you think about it, because when you own and you have equity in your home, then you can start to get loans, you can start to get financing and start to get credit to open a business or pay a tuition, whatever you'd like to do.

So our efforts are, first, try to improve as much housing as we can -- we're doing that through the Housing Authority. We've set up a not-for-profit with the reservation for the first time so the tribe can do business as a tribe and also as a not-for-profit organization.

And then home ownership, home ownership, home ownership. The people who are at the conference today, I was telling the President the numbers are up to about 800 people from across the country who come to this housing conference -- 100 tribal presidents. And we have the mainstream home ownership, housing, bankers, who come to the conference. And we're going to start for the first time ever in a big way home ownership on the reservation -- linked to economic development, because it's also an empowerment zone. We're going to sign officially the papers at the next event.

So we have the empowerment zone doing the economic development piece, and housing and the home ownership with the private mortgage market coming forward.

THE PRESIDENT: Frank?

MR. RAINES: Well, we're trying very hard to bring private capital into the reservation. It's been a -- working with this reservation, now signing an agreement with one of our major lenders and with the tribe to cut through a lot of the legal problems that lending -- when you've got trust lands involved. And we think we can make progress there.

We think it's important that in addition to the HUD programs that are so important, that we also get mainstream lenders in the conventional lending here. We've done a fair amount. We've bought about 70 percent of the HUD loans that were made -- Fannie May has financed on this reservation. But we're going to be committing not only to purchase new housing, but $3 million of venture capital funds to encourage production of housing on this reservation. All this is part of a $500 million initiative that Senator Daschle and Senator Johnson and I announced yesterday. That's covering the whole state, but there is a portion that is going to be just here. And we're intentionally keeping it without us saying exactly where it's going to go.

We're going to work with the tribal government to ensure that we can either put it in a multi-family, or single-family, or combinations of housing and retail that will make it possible to bring more and more private capital on to the reservation.

Housing is the one part of the private capital system that is really working in full speed and is available to come into the toughest areas. It's harder to get funding for businesses and things, but we could do for housing.

THE PRESIDENT: Let me ask you something. A lot of the people here you said have more than one family in the home. Now, if they had the choice, would you prefer a single-family home for every family that was more modern, or more modern but larger

where you could have -- more than one family could live together, but they'd have enough room to have their own rooms -- which would be preferable?

MR. SAULWAY: Probably single-family homes. Because all the families crunched into one house causes a lot of other --

THE PRESIDENT: -- problems.

MR. SAULWAY: Problems, yes -- social situations.

MS. GERALDINE BLUE BIRD: Mr. President, with regards to that -- my house, the square footage of this is really short for the amount of people that I have here. So with all my kids and my grandkids, when it comes to the living room area here, they're just stepping on them and bumping into them. And my -- Philip is in a wheelchair and he wants to have room. And then I have a stool sitting in the center -- short footage area. And places like this are small.

THE PRESIDENT: How many people live in here with you?

MS. BLUE BIRD: In this house there are 11. And in this house -- between the two houses, there's 28. You met part of them here.

THE PRESIDENT: So you have 11 living in here, and 17 in the other place.

MS. BLUE BIRD: About like that, yes. Because I've got them sleeping in here in the living room. I've got bunks in there. Between these two areas here I have five bedrooms.

THE PRESIDENT: And 28 people sleep?

MS. BLUE BIRD: And I have five bedrooms. So this is what I'm talking about. What you said, with that many people in a small area, that does cause problems. Like here, my own personal opinion is I'd like to see us get jobs, because really to have -- to get one of the homes that are coming up you need to have an income. But right now, we're living on -- well, here on this street I can safely say about 85 percent of us here on this street alone are living on Social Security, SSI, and welfare. That's one income once a month and that's what we use.

My boys, as you have seen, have applied for jobs. They have applications all over. I've even got one boy that went to the service. We've been using his veterans benefits -- it's hard to get a job here because there isn't one. When you get a job here,

you hang on to it because you get an income. Money every two weeks is better than money once a month.

MR. SAULWAY: And that causes problems, everybody struggles for those very, very minimum jobs you have. So it causes a lot of conflicts.

THE PRESIDENT: Over the jobs.

MR. SAULWAY: Over the jobs. So few.

END

Message Sent To:____

Peter A. Weissman

07/08/99 07:04:14 PM

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cc:
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---------------------- Forwarded by Peter A. Weissman/OPD/EOP on 07/08/99 07:04 PM ---------------------------

SUNTUM_M@A1
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Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: remarks at Pine Ridge Reservation, SD

THE WHITE HOUSE

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

For
Immediate Release July 7, 1999

REMARKS BY THE PRESIDENT
TO THE PINE RIDGE INDIAN RESERVATION COMMUNITY

Pine Ridge, South Dakota

12:00 P.M. MDT

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

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

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

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

Young -- for all the work that they are prepared to do in building a better future and they're here today. (Applause.)

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

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

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

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

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

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

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

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

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

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

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

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

less fortunate, who have not fully participated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

END 12:22 P.M. MDT

Message Sent To:____________________________________

Peter A. Weissman

07/08/99 07:04:08 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: remarks in discussion on small business in Phoenix, AZ

---------------------- Forwarded by Peter A. Weissman/OPD/EOP on 07/08/99 07:04 PM ---------------------------

SUNTUM_M@A1
07/08/99 05:42:00 PM

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To: See the distribution list at the bottom of this message

cc:
Subject: remarks in discussion on small business in Phoenix, AZ

THE WHITE HOUSE

Office of the Press Secretary
(Phoenix, Arizona)

For
Immediate Release July 7, 1999

REMARKS BY THE PRESIDENT
IN ROUNDTABLE DISCUSSION ON SMALL BUSINESS DEVELOPMENT

La Canasta Food Products Factory
Phoenix, Arizona

5:55 P.M. PDT

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

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

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

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

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

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

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

And not only that, it's good economics. A long way from

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

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

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

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

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

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

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

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

I want to thank Arizona Multibank* for launching Magnet

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

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

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

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

* * * * *

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

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

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

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

* * * * *

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

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

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

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

* * * * *

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

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

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

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

* * * * *

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

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

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

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

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

Thank you. (Applause.)

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

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

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

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

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

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

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

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

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

THE PRESIDENT: Sole proprietor.

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

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

MR. GORDON: Yes.

THE PRESIDENT: Thank you.

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

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

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

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

END 6:37 P.M. PDT

Message Sent To:________________________________

Peter A. Weissman

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Subject: remarks to East St. Louis community

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SUNTUM_M@A1
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Record Type: Record

To: See the distribution list at the bottom of this message

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Subject: remarks to East St. Louis community

THE WHITE HOUSE

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

For Immediate Release July 6, 1999

REMARKS BY THE PRESIDENT
TO THE EAST ST. LOUIS COMMUNITY

Walgreen's Plaza
East St. Louis, Illinois

5:27 P.M. CDT

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

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

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

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

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

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

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

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

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

You have been very good to me, to the First Lady, to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

But, you know, all of these young, technological geniuses are figuring out all this new computer technology, and it's rifling through what we all do, and it's making us more productive. And we're doing a good job.

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

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

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

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

END 5:45 P.M. CDT

Message Sent To:____

Peter A. Weissman

07/06/99 10:33:36 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: remarks upon departure from Mississippi

---------------------- Forwarded by Peter A. Weissman/OPD/EOP on 07/06/99 10:31 PM ---------------------------

SUNTUM_M@A1
07/06/99 07:53:00 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: remarks upon departure from Mississippi

THE WHITE HOUSE

Office of the Press Secretary
(Clarksdale, Mississippi)

For Immediate Release July 6,
1999

REMARKS BY THE PRESIDENT
UPON DEPARTURE

Clarksdale Airport
Clarksdale, Mississippi

2:09 P.M. CDT

THE PRESIDENT: I will be very brief --it's hot, you've waited for me a long time and I appreciate it. I'm glad to be back here. I'm glad to be in the Delta. I'm glad to have brought business leaders from all over the country here today.

We are trying to send a message to America that good people live here; they have not fully participated in this economic recovery that has swept our country and lifted up America's economy as strong as it's ever been. And we can't rest until every American who wants to work has a chance to get a good education, a good job and raise a family in a strong community.

And what we're proposing to do is simply to say to the investors of the country, take a look at the Delta; take a look at these other places in America that haven't grown as they should have -- and we will give you the same tax and other incentives to invest in American new markets that we give you today to invest around the world. I think we ought to give people the same incentive to go to the Delta. That's the message -- you help us get the message out. (Applause.)

Good luck. God bless you and thank you for making me feel welcome. Thank you. (Applause.)

END 2:10 P.M. CDT

Message Sent To:____

Peter A. Weissman

07/06/99 12:47:39 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: remarks of President during roundtable on Delta

--------------------- Forwarded by Peter A. Weissman/OPD/EOP on 07/06/99 12:47 PM ---------------------------

SUNTUM_M@A1
07/06/99 12:41:00 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: remarks of President during roundtable on Delta

THE WHITE HOUSE

Office of the Press Secretary
(Clarksdale, Mississippi)

For Immediate Release July 6, 1999

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

Waterfield Cabinet Company
Clarksdale, Mississippi

10:25 A.M. CDT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Thank you very much. (Applause.)

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

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

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

* * * * *

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

* * * * *

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

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

* * * * *

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

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

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

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

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

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

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

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

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

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

The story needs to go out across America: This is a

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

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

END 11:10 A.M. CDT

Message Sent To:____

Peter A. Weissman

07/06/99 10:04:21 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: POTUS remarks to people of Appalachia

--------------------- Forwarded by Peter A. Weissman/OPD/EOP on 07/06/99 09:09 AM ---------------------------

SUNTUM_M@A1

07/05/99 05:23:00 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: remarks to people of Appalachia

THE WHITE HOUSE

Office of the Press Secretary
(Hazard, Kentucky)

For Immediate Release July 5, 1999

REMARKS BY THE PRESIDENT
TO THE PEOPLE OF APPALACHIA

Main Street
Hazard, Kentucky

4:10 P.M. EDT

THE PRESIDENT: Thank you very much. Well, the Governor always told me if I would only come to Appalachia I would get a very warm welcome. (Applause.) I want to thank the good people of Hazard and Perry County for giving me that warm welcome. I want to thank all the people of Eastern

Kentucky who have made me and my party feel so welcome today -- Paul and Judy Patton. I thank Mayor Gorman and Judge Noble. I thank those who have come with me today -- our Agriculture Secretary -- you heard from Secretary Glickman -- our HUD Secretary, Secretary Cuomo; SBA Administrator Alvarez. We have two Congressmen here -- Jim Clyburn from South Carolina and Paul Kanjorski, who came all the way from Pennsylvania, because they have places like Appalachia there, and they wanted to come down here to be with you. (Applause.)

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

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

young people here in AmeriCorps -- (applause) -- and I would like to say a special word of thanks to Cawood Ledford. Boy, he is -- (applause) -- I was thinking that if old Cawood had been a political announcer instead of a basketball announcer and I could

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

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

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

I'll bet you some of you here are actually the descendants of those people Governor Patton talked about, the Revolutionary War heroes who helped to settle this state. But, you know, whether our parents and their parents came here on the Mayflower or slave ships, whether they landed on Ellis Island in the 1890s or came to Los Angeles Airport in the 1990s, around the 4th of July we're supposed to celebrate what we have in common as

Americans, to reaffirm that what unites us is more important than what divides us. Well, if we believe that, we have a shared stake in one another's success.

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

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

And yet, even though this is a blessed time for America, not all Americans have been blessed by it. And you know that as well as I do. (Applause.)

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

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

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

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

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

I asked these business and political leaders to join me because we wanted to send a signal to America that we know that government can't solve these problems alone. But we know that we'll never get anywhere by leaving people alone, either -- you've tried it that way here in the hills and hollows of Kentucky and West Virginia and Ohio and Virginia and Appalachia, for years; that didn't work out very well -- that what works is when we go forward together.

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

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

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

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

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

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

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

Thank you and God bless you. (Applause.)

END 4:21 P.M. EDT

Message Sent To:

PRESIDENT CLINTON AND VICE PRESIDENT GORE:
STRONG ECONOMIC GROWTH AND CONTINUED EXPANSION
May 27, 1999

"For six and a half years now, I have worked hard to build an economy that gives all of our people a chance to prosper and to live out their dreams. The results are plain -- over 18 million new jobs, the lowest unemployment and inflation in three decades, the strongest economy in a generation, perhaps ever, ushered in by new technologies, the productive energies of the American people, and sensible policies."

President Bill Clinton
May 12, 1999

Today, the Commerce Department announced that the revised GDP growth in the first quarter was a strong 4.1 percent (at an annual rate). With the continuing economic expansion, the lowest unemployment rate in 29 years, the lowest core inflation rate in over 30 years, and the highest homeownership rate in history, it is clear that President Clinton's three-part economic strategy of fiscal discipline, investments in people, and opening markets abroad is working for America.

America's Economy Continues to Grow Steady and Strong. Commerce Department statistics released today show continuing economic growth:

- **Strong 4.1% Economic Growth In First Quarter.** GDP growth in the first quarter remains a strong 4.1% (at an annual rate). Since President Clinton took office, growth has averaged 3.4% per year -- relative to 1.3% per year under President Bush and 2.4% per year during the Reagan-Bush years.

- **4% Private-Sector Growth Under President Clinton.** In the first quarter, private-sector GDP growth was up 4%. Since President Clinton took office, the private sector of the economy has grown an average of 4% per year -- compared to 3% under President Reagan and 1.3% under President Bush.

- **First Investment-Led Expansion In Three Decades.** In the first quarter, productive business investment grew a healthy 9.7%. Last year, productive business investment grew at a double-digit pace (16.6%) -- that's 6 consecutive years of double-digit business investment growth for the first time on record. And since President Clinton has taken office, business investment has been faster -- 12.3% per year -- than under any other president since Kennedy.

- **Inflation -- Lowest Since 1959.** In the first quarter, the GDP price index rose 1.5% at an annual rate. Last year, inflation rose just 1% -- the smallest increase in 40 years.

President Clinton's Three-part Economic Strategy Is Working. The combination of strong growth, high investment, low inflation, and low unemployment provide more evidence that we should stick with the economic strategy that has helped usher in a new era of prosperity for Americans. The President's three-part economic strategy includes:

1. **Maintaining Fiscal Discipline.** In 1992, the budget deficit was $290 billion -- the largest dollar deficit on record. Last year, the budget surplus was nearly $70 billion -- the largest dollar surplus on record.

2. **Investing in the American People.** For six years, the President has worked to expand education and job training, vital to a strong economy. The President recently signed legislation allowing states to enhance accountability, reform schools, and improve student achievement. He also called on Congress to finish the job of hiring 100,000 well-prepared teachers to reduce class size, and provide funding to build or modernize 6,000 public schools.

3. **Opening Markets Abroad and Leading The Global Economy.** Today's economic report shows that the health of the world economies affects the health of America's economy. The President has worked with Congress for tough reforms to make the IMF more accountable, more focused on growth, and better equipped to address the challenges of the 21st century. The President remains committed to expanding foreign markets for American goods and services and enforcing trade laws to ensure that all countries play by the rules.

Sarah Rosen Wartell
05/11/99 05:34:15 PM

Record Type: Record

To: Sonyia Matthews/OPD/EOP@EOP

cc: Lisa Green/OPD/EOP@EOP
Subject: 1999-5/11 POTUS remarks on new markets initiative

can you please fax this, plus paper for event (get copies of final from Lisa) to Jesse White at ARC.
---------------------- Forwarded by Sarah Rosen Wartell/OPD/EOP on 05/11/99 05:33 PM ---------------------------

Peter A. Weissman
05/11/99 02:08:00 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: 1999-5/11 POTUS remarks on new markets initiative

---------------------- Forwarded by Peter A. Weissman/OPD/EOP on 05/11/99 02:07 PM ---------------------------

OLCOTT_E@A1
05/11/99 12:10:00 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: 1999-5/11 POTUS remarks on new markets initiative

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 11, 1999

REMARKS BY THE PRESIDENT
ON NEW MARKETS INITIATIVE

The Rose Garden

11:25 A.M. EDT

THE PRESIDENT: Thank you very much. I'd like to begin by thanking all the business leaders who have come here to be with us today, members of the administration who are here and especially the Vice President, for the work that the has done to spearhead our community empowerment effort over the last six years and a few months.

I'd like to just say just a word or two by way of introduction to try to highlight why I asked these business leaders here today. You heard the Vice President talk about what we have tried to do since we came here, since we passed the first economic plan to give genuine economic opportunity to all of our citizens -- the empowerment zones, the community development banks, the kinds of incentives we were trying to give to create jobs and opportunity for people who hadn't had them.

And we are very grateful for the record declines in unemployment among African Americans and Hispanic Americans, and for the fact that the unemployment rate has dropped dramatically, not only overall, but in many of our toughest, toughest neighborhoods throughout the country.

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

So what this whole effort has been about from the beginning for me -- and especially what we are working on now -- is the idea that we should go into the 21st century leaving no one behind. We should genuinely create opportunity for every responsible citizen. And we are being given a chance to do it.

I told the folks we met with today, it's very -- I've spent a lot of time over the last six or seven years studying how the American economy works as compared with other advanced economies in the world. And, on balance, we've done a better job of creating jobs, while others have worked harder to maintain a sense of community and a greater degree of equality among working people. The price that they have paid is that they have higher unemployment rates than we do.

We have been given an opportunity now, because we've got the strongest economy in at least a generation, to prove that we can bring the benefits of free enterprise to every neighborhood in America. We can prove that you can have low unemployment and increasing opportunity. The Vice President pointed out today that the wealth that minority families, for example, and families that live in poor rural areas have is still dramatically less than the wealth that average Americans have. They don't ever have a chance to accumulate anything.

This initiative that we are taking we believe can change all that. We believe it builds on what we've done with the empowerment zones, with the enterprise communities, with the community development banks. We do want the Congress to give us another round of empowerment zones, and we want more.

In July, I am going to visit communities for two or three days in our most stubborn pockets of poverty. I'm going places not just to remind America of the plight of the Americans who live there, but to highlight their enormous economic potential, and the visionary businesses who are helping to develop it.

Let me say, again, the people who are here behind me, I was astonished when we listened in the meeting this morning about some of the things that they're already doing to bring opportunity to people in the areas they serve. But we have to do more.

You know, for years our government has worked to give Americans incentives to invest in emerging markets around the world. But we now know, as we look forward to how we can continue to create jobs and have economic growth without inflation, that our greatest untapped markets are here at home -- at the least $85 billion in untapped markets.

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

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

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

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

So, July, we'll make the tour. In a few days we'll go down to South Texas, to the Vice President's annual Empowerment Conference. And we will continue to work with the business leaders that are here to do things that make sense. But the bottom line is we need the Congress to work with us in a bipartisan way. Of all the things in the world, this should not be a partisan political issue. We want to provide the economic incentives necessary to create jobs, keep growth going in America, keep inflation low and go into that new century with everyone -- everyone -- walking hand-in-hand together.

Thank you very, very much. (Applause.)

END 11:35 A.M. EDT

Message Sent To:

investment money -- because you can't borrow it all unless you're able to put something up -- that will make a big difference.

And you're living proof of it. The way I figure it, if you can keep growing at this rate, by the time I'm ready to draw Social Security you will be a billionaire and you can hire me to sort of work in my off hours. (Laughter.) I accept right now in advance. I'll be here, you get ready. That's great.

Would you like to talk a little bit about the role of your bank here and what you're trying to do?

Q Yes, I would. I'm very proud, Mr. President, of the commitment that Nation's Bank has made to the inner city and communities all over the country. We were the first bank chartered community development corporation, charted back in 1977. And since that time we have developed and redeveloped over 15,000 units of affordable housing. And that represents a commitment of over $300 million.

Now, in Atlanta, we opened our public community development corporation shop in 1993. And what we choose to do in Atlanta in the empowerment zone, we try to partner with a local community development corporation -- one of our first partners is in the audience, in Tamanika Youngblood. Stand up wherever you are -- back there -- from the Historic District Development Corporation. (Applause.) And Tamanika and her husband are really pioneers. They started the Historic District Development Corporation, and they have built a number of new homes and redeveloped homes here.

We also have partnered with another empowerment zone, Summer Hill Neighborhood Development Corporation -- a CDC. And in Atlanta, since 1993, we have developed or redeveloped over 4,200 units of affordable housing, and that represents a commitment of $125 million. So were proud of that commitment. And we feel that it's important to stabilize the housing in a community, and that will also bring in new business, just as John Aderhold has done with the Fulton Cotton Bag Mill. And then Tricia wanted to come in with a new business after that. So we think that's an important role that we can play.

And we challenge some of the other banks here -- Mr. Weil -- to match our investment in the community.

THE PRESIDENT: Let me say, many years ago, before I ever became President, my wife and I had a long talk one night with Hugh McCall about investment in low income areas in America. And we told him -- we talked about the Grameen Bank in Bangladesh which basically was the pioneering bank in the Third World, starting very poor people out in businesses and actually making good money doing that.

And both Hillary and I at various times in the last, probably 10 years, have had other conversations with him about it and with others involved with Nation's Bank. But I was particularly pleased that not long after you announced your merger plans that the bank's ten-year plan for reinvestment in communities, including direct loans to provide initial capital to people who otherwise wouldn't have it, was announced.

And I want to tell you I very much appreciate that. I think it will make a huge difference. These people prove that they need a hand up and they do right well if they get it.

Vivian, would you like to talk about your experience?

Q Yes. Thank you, Mr. President. On behalf of the Sweet Auburn Market, I'd like to say welcome. I'm operations manager for the Cafe Shop. My sister and I and husband started the business about a year and a half ago, but we started on our trek about two and a half years ago, going around Atlanta to see which area we'd like to put the business in. My -- working a full-time job, and she wanted to create something that we can pass on to our nieces and nephews and the grandchildren, and for us to work and do what we do best.

We looked on the Auburn Avenue side, we looked in this area. Fortunately, we had a sister that had a business here in the Curb Market -- he told us to come over here to find out if we'd like to open up a business here. It so happened there was a coffee shop, and we would always tease my sister saying that if she opens up a bookstore, we'd do the coffee and the bagels, because that's what we really love to do; we're really coffee drinkers.

So it just came about that way, and -- coffee to the manager and coffee to the vendors and -- here in the market, we had -- and one thing that really impressed us as a part of our family, is being -- generations here. On a weekly basis, we get to see someone else's children and grandchildren running around through the market, so that automatically set off a -- good feeling that -- family business that are working hard, and we want to be a part of it.

So we started the business about 18 months ago. It's been going well, we have our base from -- Spalding House we open up at 7:30 p.m. for them to come in to get their coffee and their espressos and cappucino. And now, what's growing as a part of our business is the lunch, the lunch crowd. So we're doing well, we will always need more assistance and ideas of how to grow.

Hopefully, the market will put together a marketing campaign, a major marketing campaign for the market and for the individual businesses. I think that's what we're lacking right now is really the customer bases coming in thinking the Sweet Auburn Market is the place to come every day and every week, not just for holidays.

We can't last for each holiday; we have to have a continual walk-in traffic. But we're doing well and it's been a success and not even with the outside customers, but the vendors and businesses here in the market; we all support each other, so that's what makes it work. We're happy to be here.

THE PRESIDENT: Thank you. Let me say, I think you hit on an important point, because I can just say, I was really looking forward to coming down here because I've always loved Atlanta and I love the history of the place. But when I got here, I saw a lot of things I didn't know were here, so I think you do need a marketing plan that tells people what it's like now and where you're going with it.

You know, you had so many different kinds of just food establishments, just different kinds, and the other thing that impressed me, you talked about the family businesses. The other thing that impressed me was the diversity of people working here. You have a lot of Asian American families here. You have -- there is a lady back there who is in a food store who told me she is from Ghana, and she said "Aquava" -- when I saw the Ghana word for welcome, which I first heard about a half a million people in Accra -- and I think this is something that ought to be highlighted, that there are people here from all over the world, so that you get the best of Atlanta's past and a picture of Atlanta's future here. And I think there is a way for you to market it that would even increase the rate of growth that the merchants are enjoying.

That's what I'm going to do when I get out of the White House, go around and give people advice like this.

Go ahead. Ken.

Q Thank you, Mr. President. We wanted to thank you and your administration for really playing a critical role in helping us bring jobs into the inner city. Under the leadership of Duane Ackerman who was our first chairman and Mayor Campbell, we as an initiative, following the Olympics, wanted to try to create more jobs in the inner city as one of the legacies of the Olympic Games. And our goal was to put in a business park that would operate as a modern business park, but be right in the center of the city near the neighborhoods where people could literally walk to work. And we struggled in how to put that deal together until we were able to get empowerment zone funding to be our initial seed funding of $5 million, and the Department of Housing and Urban Development awarded us an additional grant of $2 million for environmental cleanup, and the combination of those two grants and we hope EDA will be funding a third grant here shortly, will trigger, we believe, $100 million of private investment in the park. We have already purchased the property, we have two major tenants interested. The first of those tenants will bring 500 jobs, at least half of which will go to residents in the area.

We're hopeful that at the end of three years, this business park will generate about a $20-million payroll in some of the neediest inner-city neighborhoods in the city of Atlanta. And it really wouldn't have happened without your leadership and the leadership that HUD has exhibited to make this happen.

THE PRESIDENT: Give him a hand; that was great. (Applause.) I would like to emphasize just one of the points that Ken made. And that is the funds the federal government put into environmental cleanup. Most people don't ever think about this as an economic development issue. But one of the things that has retarded the comeback of many areas in our cities are so-called brownfields, areas that have been subject to some measure of environmental pollution and areas, therefore, that can't get new investment and new support and can't even very often get permits to do what people want to do unless the cleanup is done.

But if the people who want to put the plan in or the business in have to bear the cleanup costs, then the financing doesn't work out. There's no reasonable way they can make the economics of their business work in the early years. So this is something the Vice President pointed out to me fairly early on in our work together, because he was heading this empowerment task force that we had. And we've spent a lot of time and effort trying to give communities funds to clean up the Brownfields, because -- and it's just breathtaking what we've found happens, the way it sort of cascades on itself -- the money. And I appreciate what you're doing.

Thank you, and congratulations. You too. That's great.

Now, this is my cheesecake lady who destroyed my diet today, and I loved every bite of it. Do you want to tell us a little about your experience here and how you got started and what you're doing?

Q Yes, I would love to. And again, I'm really happy to have you here today. I guess a little bit about my background. I'm professionally trained as a chef. I was a chef instructor here in Atlanta, and I've always had the dream of owning my own business. And that dream was fulfilled through the Empowerment Zones Initiative.

One thing I will say about it, initially, they're very aggressive about helping you fund your business. There are a lot of locations within these inner cities that are viable for great businesses. This location is really good because of the revitalization of the downtown area, which would have a big effect on the growth of my business. I want my business to grow and actually help support this community.

I've been in business about a year and a half now, and at this point, I'm thinking one problem that I am having is being able to get -- being able to attract qualified people to my business.

It's like, what do I have to offer them. I mean, I had a dream that was fulfilled through you all, but I need to be able to offer benefits and certain things to be able to get a qualified person to keep my business.

So as far as what you're doing as having the other executives here and the things that they could look into is maybe do some joint venture with some of the companies here, make sure that they are aware of us in these areas. I think some people may think that we are here, but they may have a question as to whether or not we are actually qualified or could we really fulfill some of their needs. And I would like to say that I know that we can, and we need to be able to reach these people and they need to be able to reach us.

Also, as far as being able to offer benefits and things for our companies within the inner city -- yes, for employees, to attract employees, which is a problem that I'm having, a really big problem that I am having for my business. I've heard it from other people also. It seems like we should be able to pool together within the area, get some company from these big companies to have us get the type of benefits for the employees, and really for yourself as the business owner.

But I think what you're doing, you're headed in the right direction and you're really getting the right people together. Being here today -- I was very happy to meet Mr. Slaughter and we're already talking business. And I've told -- I don't know any other way I would have gotten to meet him. But he's going to take the sweet potato cheesecake. (Laughter.) He trusts your taste. (Laughter.)

But I really want to thank you, and really, to keep doing what you're doing. And you're going in the right direction. I think, like I said, there was aggressiveness in the beginning, but it needs to be maintained and monitored. Because what we need and how things are going -- you need to get the feedback from us. And in turn, we should be able to help other people, because this is definitely something that is needed and can be successful. I feel that I am successful at this point, but you looking to grow for your business and ways to expand your business.

THE PRESIDENT: Let me ask you this -- are the principal needs you have to attract and keep good employees child care and health care?

Q Definitely.

THE PRESIDENT: Those are the principal ones?

Q Yes.

THE PRESIDENT: One more than the other?

Q They're right together, actually, I would say.

THE PRESIDENT: I do believe this year, at the end of the year when Congress has to pass the budget, I still think we have quite a good chance to pass our health care initiative -- I mean our child care initiative, which would provide more tax credits and more direct subsidies for people with modest incomes to afford quality child care. And one of the things -- there must be a child care center very close to this market with all these people down here; if there's not, that's something that ought to be looked at. But when you get a certain number of employees in the market and then people near here, you may be able to quite economically establish something for the neighborhood if there's not.

But if we pass this program, people like the people who would get a job working for you will have access to a lot more financial help to pay for that child care.

On the health care side, the only places that I know that have been really, really successful at this are people that have offered pool coverage to small businesses so, in effect, both the employers and the employees can buy health care at the same cost, more or less, per person that some of these large employers can. I don't think there is presently available another alternative to that, and so I think it's -- except for when some states allow people who make relatively low incomes to buy into the Medicare/Medicaid program for -- you know, they pay something, but not the full range.

Those are the only two options that I'm aware of. But if there's not such a pooled arrangement here in this area, that's the next thing you ought to try to get the empowerment zone to organize. They can't do it until they have a certain number of employees, because it doesn't work economically. But once you cross a certain threshold with a certain profile for the employees, and a lot of them are young restaurant workers and healthy -- you know, for example, you can do this and make the economics work. So that's something I think the empowerment zone can do.

Q What I was going to tell you is, as you know, this is a large convention and tourist city. We have helped to fund a day care center that does just what you've spoken about. In fact, they have 24-hour day care for many of the employees of our hospitality industry, and that helps them to be able to not only work effectively, but also have the day care, which assists in the most pressing need. It's hard to be a good employee if you're worried about your child care or if you don't have adequate child care.

And we think that's the kind of initiative, working with -- in the context of your new policy administrations that will help us to fund not only Welfare to Work, but also when you're making that transition where your children are going to be located in an effective day care program. So we're trying to do that, but it's on a very small scale; we need to expand it a great deal.

THE PRESIDENT: You know, it's very interesting. One of the things that -- I saw a study of Georgia about -- oh, this was six-eight months ago, we were looking at the impact of the welfare reform law. And at the time, one of the big problems was that Georgia was growing jobs like crazy, but most of them were growing were in the suburbs and most of the people who were losing their welfare benefits lived in the cities, and there wasn't an adequate transportation link.

Here's something that's been done here that has the potential to grow where are all of you are working folks in the urban areas, and there may be some way that the state's welfare reform program -- and I think the person who ran it at least for Governor Miller is here -- I don't know if the Commissioner is here or not, but he was out at the airport -- but there may be some way that they can use some of the money that they still have from welfare reform to subsidize child care centers in the city of Atlanta around here.

Because when we -- when I signed the Welfare Reform Bill, one of the things we did was we gave every state the amount of money they were receiving in February of 1994 when welfare caseloads were at an all-time high. Now, they have dropped more than at any period in history, they're almost 50 percent lower than they were in February of '94; the state still has that dollar amount. So they've got the same amount of money they had then, minus inflation, which hasn't been very much. So it may be that you could go there and try to get them to help the empowerment zone locate child care here for you.

Q Mr. President, thank you very much for getting this group together. Our situation is a little bit different than some of the others, as you would imagine. As far as advocating the empowerment zone, you've got one sitting right here, and all of our group feel very strongly about the important part that it has played in what we're trying to do.

A little background. Thank you. Our mill, the Fulton Cotton Mill, which is the one we've talked about most at the moment, is about a half a mile from here, as the crow flies. It's on 12 acres of land and it's got 888,000 square feet, at one point in time most of which was completely dilapidated, square footage. Now, Secretary Cuomo came down about three years or a little bit earlier than that and helped us dedicate what we were going to try to do with this 888,000 dilapidated square foot group of buildings.

The Mayor obviously was with us, and so that's what we've been working on since that time. Now, the big thing that helped us get started when we didn't have any real big preconceived plans as to what we were going to be and how we were going to be able to do it, was the empowerment zone money that became available -- not a gift, it was a loan, $1 million, but that got us started and got our banks started thinking about us in a manner of speaking. So we've taken that, with HUD financing additionally to that. We will wind up with the biggest rehab project in the United States one half a mile from downtown where we are right here -- and we're proud of that.

Now, we'll have 504 apartments there. We'll have over 800 people living on 12 acres -- downtown Atlanta. Now, Atlanta, as you know, like a lot of urban cities, have had a lot of sprawl out into the hinterlands, and Atlanta was losing citizens.

We found, when the Olympics came, that citizens probably would move back in if there was a place for citizens to move to. Well, we're going to furnish 504 units -- over 200 of which are already ready right now, and 100 percent leased. And there's none that comes on line that doesn't get leased up; people are moving back into the city of Atlanta, largely because of the help that the empowerment zone gave us to begin with.

Now, I don't recommend that a lot of people do what we did, because it was a mess, and the Secretary can tell you it was a mess when he was here, raining and everything else you could think about it being bad.

But it seems to be working. I grew up in Atlanta. I didn't like to see an old mill go down, down, down. I didn't like to see people leaving Atlanta; I stayed in Atlanta myself. And so we're trying to help that come about.

It's not a risk-free business, however.

THE PRESIDENT: Well, thank you for taking a chance on it. And I think that, if someone like you is willing to take a chance of that magnitude, at least the modest amounts of money that the government put up is the least we can do to share the early risk.

Q One other thing I want to mention -- and this you might keep in mind as you go around to other places with empowerment zone money. The way that the city cooperates with the dispensing of the funds, the empowerment funds, and the way they encourage the right kind of funds to be dispensed, has an awful lot to do with the power that those funds have, to add or multiply the value of those funds.

Mayor Campbell did an excellent job with that, and he let it be known that what we were doing was what the city wanted to be done, and he wasn't very subtle about the whole project. And he's been a very tremendous big help to us, and we appreciate that very much.

THE PRESIDENT: Thank you. (Applause.) Yes, give them a hand, that's great. (Applause.)

I didn't mention this earlier, but we are having, two weeks from today -- maybe, and maybe it starts two weeks from yesterday; but either two weeks from yesterday or today -- we're having our annual Empowerment Zone and Enterprise Community national convention that the Vice President hosts, and we're doing it in South Texas this year, in a small town, rural empowerment zone area we had down there. I think it's in McCallum. And it's a great place to go if you've never been there.

And we're going to all gather down there, and, Mayor, if either you're going, or whoever is going from Atlanta representing you -- I'm sure you'll be represented there -- I think the point that John just made is one that ought to be made there. Because we have now had enough experience with these empowerment zones that we can see differences in the rate of effectiveness. And I think this is a point that ought to be hammered home.

So if either you go, or if you will instruct whoever is going on behalf of Atlanta, to make that point, I'd appreciate it.

Tricia?

Q Hi, welcome. Thanks for coming to Atlanta. You're the first guy to get me off a day of work, so -- (laughter) -- since we've opened.

THE PRESIDENT: Glad to do it.

Q Definitely, like, the soul and mission in our restaurants has always been about community. And that is what we did when we first started, in East Atlanta, in '95, when we were pioneers, and could not get anyone interested in us to go in an up-and-coming neighborhood.

And we got some money from -- we got federal money from HUD Housing. And that was what really sparked the initiative for other people to start getting interested in us. And we could not have started without that.

And that was four years ago, where it's now called East Atlanta Village. I put my house there, I bought a house there, and my business there. And that enabled us to start going into Cabbagetown -- and 800 apartments also made us think it was a good move to go. We're right next to the Fulton Cotton Mill -- the new restaurant, Eureka. And that's been open since November, and where I actively go out and find employees in the neighborhood, which is about more where personally we come from, where we want to get the community involved in, and actively go out and find employees, and where we get a great tax wage cut benefit for having employees working there in their neighborhood. You know, that makes the most sense to me.

And we're going into Oakhurst Village, which is another up and coming neighborhood, at the end of this year. And we did that

--we're now independently financed because of, I believe, the help we got initially from the one-stop capital shop and the federal money.

I think also a good point is that all of us are saying how we -- we're looking inside the circle and I'm going to get some help from Sonya, I'm going to get some help from Mr. Slaughter, and this meeting, just putting us in all the empowerment zones really shows the strength what empowerment zones can do outside of if we just all look within. And that's it. (Applause.)

THE PRESIDENT: Thank you, that was great. I said this morning when I was meeting with all the CEOs, I don't think any of us ever conceived this as a charitable operation. We thought that if we could build a community where everybody had a chance to make a living, that it would help all the rest of us, that we would all be stronger if people who were willing to work and had skills and had gifts to give to the community had a chance to do it and be paid an appropriate amount for it.

I think that this is a -- it is really -- America is very good at creating jobs. And compared to almost every other country in the world with an advanced economy, we've got a very low unemployment rate. But we still have a problem when places have been down for a long time, going back and getting that economic opportunity there and bringing people into the circle of success.

And if we can't do it now when the economy is good, we'll never get around to doing it. So that's why I wanted people to see and hear all of your stories and your philosophy, and see how this can work, because this is what we would like to do in every community in America where it is not now being done.

Mr. Mayor?

MAYOR CAMPBELL: Well, first of all, again we want to thank you for bringing this group of business leaders, because I think it's important for them to see how the inner city is flourishing, but the opportunities that continue to exist. And always it's the absence of capital that's been a main impediment. That's why the empowerment zone has been so effective. That's why the SBA has helped us so much and of course, HUD -- we could not have done it without that.

But mostly, it's been because your administration has had a cogent urban policy -- whether it is in putting cops on the street, which has allowed our crime rate to go down -- just to give you some sense of that, 10 years ago, in 1989, we had 249 homicides; last year 148. And this year we're down again. Our crime rate is going down, as it is in other major cities, because of your COPS program.

Your economic policies to spur job growth and job creation; your empowerment zone initiatives have helped us to rebuild the empowerment zone. So we couldn't do it without you, without the

Vice President, without your administration. So you come to a city that I think is revitalized, it's reborn. Much

like our sign, the phoenix bird rising, we're on the move. And we appreciate all that you've done. And the best is yet to come. And we wish you well and we thank you for your assistance.

And we thank all of you who have participated. (Applause.)

THE PRESIDENT: Let's give all our participants a hand here. They're great. Thank you. (Applause.) Great job.

END 3:35 P.M. EDT

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Harris Seth <harris-seth@dol.gov>
05/12/99 04:39:18 PM

Record Type: Record

To: Peluso Michelle <peluso-michelle@dol.gov>

cc: Lisa Green/OPD/EOP
Subject: Youth Opportunities/New Markets

The Secretary tells me that the CEOs that attended the President's new markets discussion were quite focused on skills and skills shortages. So, it seems even more important than ever to include Youth Opportunities in the President's new markets message.

Michelle, I told Lisa Green that you would contact her about a possible presidential visit to a Youth Opportunities site. You can reach her at (202) 456-2803 or Lisa_Green@OPD.EOP.GOV. Lisa and I briefly discussed Kentucky as a possibility, since it seems to be a likely site for the President's 2-day/5-city tour beginning July 5. But you and Lisa should work out the best opportunity for the President.

Thanks.

Peter A. Weissman

05/12/99 04:29:07 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: President's remarks in discussion on new markets

---------------------- Forwarded by Peter A. Weissman/OPD/EOP on 05/12/99 04:27 PM ---------------------------

SUNTUM_M@A1

05/12/99 03:33:00 PM

Record Type: Record

To: See the distribution list at the bottom of this message

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Subject: remarks in discussion on new markets

THE WHITE HOUSE

Office of the Press Secretary
(Atlanta, Georgia)

For Immediate Release May 11, 1999

REMARKS BY THE PRESIDENT
IN DISCUSSION ON NEW MARKETS

Sweet Auburn Market
Atlanta, Georgia

2:55 P.M. EDT

THE PRESIDENT: Well, first, Mayor Campbell, Mayor Jackson, Mayor Young, my friends, it's wonderful to be back in Atlanta. I will be very brief because I want to spend most of my time listening to our panelists, but I'd like to try to put what the Mayor has said into the perspective of what we're trying to do with our administration. And I have with me our Housing and Urban Development Secretary Andrew Cuomo; our Small Business Administrator Aida Alvarez; my Deputy Chief of Staff Maria Echaveste. We had other members of the Cabinet with us earlier today, along with my National Economic Advisor Gene Sperling, who helped to put this whole event today together.

But let me try to tell you why I'm here. When I became President in 1993 I had traveled around America and I had seen with my own eyes for many years, as governor and then as a candidate for President, people able to start businesses in places that had high unemployment or low income or other economic problems, if they just had access to capital and they had the right technical support, marketing support, loan guarantees or whatever.

So when we started our administration we put into our first economic plan this whole idea of empowerment zones which would give tax credits, loan guarantees, technical assistance and direct investment, and community development financial institutions which would make direct loans to people who otherwise might not have access to it.

We've also been greatly aided in this national endeavor by some of our own financial institutions, and I think the leading one plainly has been Nations Bank in terms of what you have done to try to loan money to people who couldn't get it otherwise.

Now, after six years, watching these empowerment zones work, we can see examples like this. But what I want to say to you now is, I think it's important that we try to take this example to the whole nation. Our economy now is in the best shape it's been in at least a generation; some people think it's the best economy America has ever had. We have the lowest recorded rates of unemployment since we've been keeping separate statistics for African Americans and Hispanic Americans. We have record numbers of new small businesses starting in each of the last six years. We've got the lowest peacetime unemployment since 1957.

Now, that's all good, but we also know that we have neighborhoods in big cities, we have small- and medium-sized cities, we have rural areas and Native American reservations where there has been almost no new investment, almost no new

businesses, almost no new jobs. So I am trying to highlight, first of all, for the American people -- you, and people like you all over the country -- so people will know this can be done.

Secondly, I'm trying to build support for an initiative I have before the Congress, which is called the New Markets Initiative, designed to give tax credits for people who put equity money, investment money, into low per capita income areas, high unemployment areas in our country, and to provide loan guarantees, up to two-thirds per total investment for people who will do that, and to increase our community development loaning all over the country, not just in the empowerment zones.

Because I believe we ought not to leave anybody behind when we go into the 21st century. I think that every American who is willing to work ought to have a chance to do it. (Applause.)

And so, that's why I'm here. I want people to see you and believe it can be done in their neighborhoods, in their communities, rural or urban. I want to listen to you and I want to try to build support.

The last point I want to make is, in July I am going to take two or three days and go to places in America that need this help, and try to highlight for the American people in the midst of all our prosperity both the obligation and the opportunity we have to do better. And I'm going to ask the American business leaders to help me. And a lot of these folks came with me today from all over the country. I just want to mention who is here. They're all the leaders of their various organizations.

Duane Ackerman from Bell South and Dan Amos from AFLAC, both of Georgia; Don Carty of American Airlines, Emma Chappell of the United Bank of Philadelphia, Jon Corzine of Goldman Sachs, Ted Gifford of Bank of Boston; Martin Grass of Rite Aid, Dan Hesse, AT&T Wireless, Richard Huber, Aetna; Debra Lee of BET; Leo Mullin of Delta Airlines, another home base here; Frank Newman of Bankers Trust; Maceo Sloan of Sloan Financial Group; Sy Sternberg of New York Life; and Sandy Weil, head of City Group. I'd like to ask all them to stand. They are giving a day of their lives to try to help replicate this elsewhere, and we thank them. (Applause.)

Now, that's enough of our talk. We want to hear from you. Who would like to go first? I also want to say, I've got some of this good coffee from the Cameroon, and I gave myself a refill on the way out here; I hope you'll forgive me. And I had a little of that sweet potato cheesecake, and I have lifted things from almost every entrepreneur here. This is a beautiful market, and I want to thank all of those who had anything to do with it. This is something the entire city can be proud of, and

especially because of its roots to the rich history of 20th century Atlanta. So I'm very pleased.

But I would like to hear from all of you now. Who would like to go first and talk about what your experience was, how you got your business started, or what progress has been made here? Would you like to start?

Q Sure. Thank you, Mr. President. It's a pleasure being here. I tell you, it was rather fascinating, exciting for my company, myself to be invited here. We couldn't believe it when it first happened. The group with me -- I have my partnership here with me, which is Danny Gartner and Chanel Wickerson Slaughter, who is also my wife. And it's just a pleasure and honor to meet you and to really tell you that we really support your programs, and it's because of your programs that we're successful today.

And we just wanted to give you all the credit for that, because, I'll tell you, you've really put a lot of work and effort into making these things happen. And we have been great benefits of those programs. And in fact, we're right now benefitting highly with the empowerment zone and also the welfare to work program. And the biggest benefit we have there is not necessarily the tax credits and other benefits, but we've got good people working with us. And to me, just everybody needs an opportunity to perform, and we've given them that opportunity. They're doing a very good job for us.

So I think that's the biggest thing we've learned, is that give anybody and opportunity and they'll do well. And the tax credits are good. But I think the most important thing for us is we're making a positive difference in the community.

So our benefit has been the gain from the empowerment zone, even though we currently are not in the empowerment zone from a manufacturing perspective. We have, I'll tell you, truly been blessed. When working with the SBA, I'd say that program really helped us considerably, and along with Heller Financial -- we invested our own money years ago -- when I say years ago, it seems like years ago -- it's been about three years ago. All our equity that we had went into the company and we ran short. And we're manufacturers of -- made in the USA, that's us.

We ran out of money and SBA came in and Heller Financial came in to rescue us. And I think it was a true partnership of a preferred lender and also the SBA stepped up. And because of that, we've taken a little, small $150,000 company to over -- this year over $13 million in about three and a half years. (Applause.)

And one of the things from an employment perspective, we went from 12 to over 60 employees now. And we're still growing, we haven't stopped. In fact, we're sort of graduating to that conventional loan level now. And a lot of good things happened for us and again a lot of that is because of the programs that you put in place. It's truly making a difference in America. And I think we've been given an opportunity to make that difference and we're proud to have that. (Applause.)

THE PRESIDENT: Give him another hand. That was great. You were great. Jason, you might be interested to know that earlier today when we were meeting in the White House a lot of these business leaders -- and many of them have thousands and thousands of employees, but they repeatedly said to us, look, what we've got to do is to get capital out there to folks. They need that more than anything else. If they can get that first