

Kemp Accuses the President of Abandoning the Inner Cities

By JERRY GRAY

MEMPHIS, Sept. 19 — Trying to undercut one of the Democrats' political pillars, Jack Kemp today attacked President Clinton's urban policies.

At the same time Mr. Kemp, the Republican Vice-Presidential candidate, released a confidential Clinton Administration memorandum in which the Housing Secretary pleaded with the White House for action on inner-city problems and warned of potentially dire political consequences if they were not addressed.

A Republican call for a 'bleeding-heart war against poverty and unemployment.'

"Everywhere I go, I hear the same thing: Bill Clinton has abandoned the inner cities," Mr. Kemp told a sparsely attended rally at a public housing complex near downtown Memphis. "He has no urban strategy."

Memphis was the first stop on Mr. Kemp's two-day swing through Tennessee, one of the make-or-break Southern states for the Republican Presidential ticket and the home of Vice President Al Gore. Mr. Kemp appeared to have both factors on his mind in his appearance here.

"Bill Clinton's plan for the urban poor is to continue to promote dependence on a failed welfare system," Mr. Kemp said. "He does not have faith in their potential to do better than welfare; therefore, he has not worked to provide opportunities for the poor to rise from poverty."

The Republican Party forced him to sign a welfare bill he did not believe in, and he has already pledged to dismantle the reforms if he is re-elected."

After Mr. Kemp spoke, his aides gave reporters copies of a year-old confidential Administration memorandum from Henry G. Cisneros, the Secretary of the Department of Housing and Urban Development.

In the memorandum to Mr. Clinton, dated Aug. 9, 1995, Mr. Cisneros asked the President to develop immediately a cohesive "Presidential strategy" to deal with urban problems.

"The cities are hurting badly," Mr. Cisneros wrote, "and as a nation we'll pay the consequences for many years; we are running out of time; there is always room in the budget for Presidential priorities of reasonable size, and we do not have enough to stand on in the cities."

In his direct advice, the Secretary wrote, "We can be caught flat-footed by the violent outbreaks which will stem from the anger in the cities."

Mr. Cisneros noted that in the summer of 1995 there had already been "contained outbreaks of civil unrest" in Indianapolis, in the Coconut Grove area of Miami and in Los Angeles.

Mr. Cisneros recommended a number of strategies, including public and private investment in cities, community development banks and a network of "empowerment" schools.

In a telephone conference call with reporters, Mr. Cisneros dismissed Mr. Kemp's release of the memo as politically motivated. But more to the point, he added, virtually all of the ideas he proposed to the President have since been pursued by the Administration, from Mr. Clinton's proposal for new tax credits for employers who hire former welfare recipients, to a cleanup of polluted sites

in urban areas to the expansion of community development banks.

"Most of the pieces have been addressed in one form or another," Mr. Cisneros said. "His implication is that we've not done enough. The story of the last several years has been our effort to address problems in communities across America." Mr. Kemp's campaign aides would not say how they obtained the memorandum, only that they had had it for "some time" and had waited for an opportune moment to use it.

They saw that chance today as Mr. Kemp visited the public housing development. Not many development residents attended the rally, but the site served the Republican campaign's purpose of throwing down a new challenge to the Democrats on their own turf.

"The timing was to come to Al Gore's home state and talk about the status quo two days after he did," said Wayne Rerman, the political director for Mr. Kemp.

In his speech, Mr. Kemp pledged that Bob Dole as President would drop all capital gains taxes on invest-

ments in inner cities and promote private ownership of public housing units.

"We need a radical, audacious, positive, constructive, bleeding-heart war against poverty and unemployment," Mr. Kemp said.

He did not mention the 15 percent across-the-board tax cut that is at the center of the Republican ticket's economic program, nor did he dwell long on crime and drugs, the issue the ticket began emphasizing this week.

Mr. Cisneros accused Mr. Kemp of "running from his own record and the Bush Administration's record in the four years that they had a chance to do these jobs," and failed to deliver on Mr. Kemp's ideas for creating so-called "enterprise zones" in which Federal tax incentives would be used to spur urban investment. He noted that it was left for Mr. Clinton to successfully press in 1993 for passage of a program to create "empowerment zones" along the same lines in cities and rural areas, and the President has now proposed expanding that program.

A New Role for the First Lady, Perhaps

By The New York Times

WASHINGTON, Sept. 19 — One of the biggest potential riddles in Washington — Hillary Rodham Clinton's role in a second Clinton Administration — has been solved, sort of. Her husband says she might serve as an unofficial advocate for following through on an overhaul of the welfare system.

In an interview with Barbara Walters to be broadcast tomorrow night on the ABC News program "20/20," President Clinton said that when he signed the recent welfare bill, "I said it was the beginning, not the end, and

I think the real advocates of children, including the First Lady, have to weigh in."

"I think the business people will listen to her. I think child advocates will listen to her. I think that people at the state level will," Mr. Clinton added, according to a transcript of the interview.

Mrs. Clinton laughed and told Ms. Walters: "You heard it first. That's the first I've heard of it. Sounds like an exciting —"

At that, the President jumped in to insist: "It's not a formal role; it's not a formal role."

THE NEW YORK TIMES
FRIDAY, SEPTEMBER 20, 1996

THE HOUSE
Middle of Road
In Drive to O

By ROBIN TONER
With the battle for the House now considered to be extremely competitive, the Democrats have a sensitive task over the next seven weeks, preparing for the possibility that they would be a different

REBUILDING AMERICA'S DISTRESSED COMMUNITIES IN THE NEW ECONOMY

President Clinton's New Proposals for Strengthening Urban America

September 1996

Under President Clinton, urban America is leading the economic recovery and cities are coming back. All across America, city after city is returning as an engine of growth for their local regions and for the country. President Clinton is committed to building on this success to empower distressed inner-city neighborhoods and their families to seize the new sources of prosperity and opportunity in the new economy. President Clinton is pursuing the following proposals to help America and its families move forward into the 21st century.

President Clinton Is Committed to Building on the Successes of the Empowerment Zones and Enterprise Communities

- A second round of empowerment zones and enterprise communities with \$2 billion for tax incentives and \$1 billion for direct grants and loans
- Targeted welfare to work credit for businesses who hire EZ residents who are on welfare
- EZ tax benefits to employers outside of the Empowerment Zone who hire Zone residents

President Clinton Is Committed to Ensuring that Private Capital Is Available for Businesses and Homeownership

- A total of \$1.7 billion in Federal co-investment in Community Development Financial Institutions (CDFIs) over the next six years
- A 25% tax credit for investments in for-profit CDFIs to spur private sector investment in community development banks and venture capital funds
- Elimination of capital gains taxation for virtually all primary residences

President Clinton Is Committed to Cleaning Up and Redeveloping America's Urban Waste Sites

- Doubling of the pace of Superfund clean-ups over the next four years -- to 500 sites.
- Challenge to clean-up and redevelop 5,000 brownfields sites by 2000, producing thousands of new jobs and generating substantial new sources of sustainable growth
- \$2 billion tax incentive -- immediate expensing -- to all firms that clean up brownfields located in distressed communities
- \$250 million in EPA grants and loans for remediation
- \$100 million in Economic Development Initiative to link cleanup with redevelopment and re-use

President Clinton Is Committed to Transforming Public Housing

- Challenge to demolish 100,000 dilapidated public housing units by the year 2000
- Enactment of comprehensive reform of public housing laws to accelerate demolition and replacement of deteriorated public housing, reduce crime and reward working families
- \$340 million for anti-crime grants in public housing
- Crack down on mismanagement in troubled public housing agencies

President Clinton Is Committed to Making Welfare Reform Work

- Welfare-to-Work Jobs Challenge to create job opportunities for the hardest-to-employ welfare recipients. This challenge includes a targeted \$10,000 Welfare-to-Work Tax Credit for employers and a \$3 billion Welfare-to-Work Jobs Initiative to encourage states and localities to work in cooperation with the private sector and other employers

- Partnership with states to ensure that absent parents meet their responsibilities to support their children

President Clinton Is Committed to Helping Homeless Families and Individuals Move Off the Streets and Into Transitional Housing and Greater Self-Sufficiency

- \$1.1 billion in homeless funding, a \$300 million increase
- Consolidation and simplification of all homeless programs into one Homeless Assistance Fund
- Greater emphasis on addressing the unique needs of homeless persons with mental illness

President Clinton Is Committed to Keeping America's Streets Safe

- Protection of funds that put 100,000 cops on the street
- Extension of Brady Bill to keep guns out of the hands of domestic abusers
- Broader and tougher implementation of "One Strike and You're Out" policies to keep gang members, drug dealers, and violent criminals out of public housing
- Ban on the manufacture of "cop-killer" bullets
- Keeping drugs off our streets

President Clinton Is Committed to Enabling All Americans to Learn the Skills They Need to Thrive in the New Economy

- \$2.75 billion "America Reads" Challenge to ensure that every child can read a book by age 8
- \$2 billion Technology Literacy Challenge to leverage state, local and private sector support to connect every classroom and library to the Information Superhighway by the year 2000
- \$5 billion School Construction Initiative
- Hope Scholarship Tax Cut to make two years of college as universal as four years of high school is today
- After-School Challenge to call on localities to keep schools, community centers, and churches open late and in the summer for young people
- Challenge to states and schools, businesses and colleges, principals and teachers, and students and parents to accept greater responsibility for achieving higher standards
- Lifelong learning available to every single American who wants to invest their time in learning new skills for a more rewarding future

REBUILDING AMERICA'S DISTRESSED COMMUNITIES IN THE NEW ECONOMY
Highlights of President Clinton's Urban Record
September 1996

President's Economic Strategy Is Working for Urban America

Unemployment in the nation is down to 5.1%, from 7.5% four years ago. In the 50 largest cities, the unemployment rate has dropped 2.5 percentage points

10.5 million new jobs have been created since January 1993. In America's 76 cities with populations over 200,000, 1.67 million more city residents are now working than in January 1993.

Violent crime is down, the first three-year decline for the entire nation since 1960. In the nation's 50 largest cities, violent crime fell over 13% from 1992 to 1995.

Homeownership is up to 65.4% of all households in the second quarter of 1996, the highest rate in 15 years. In a survey of just 40 of America's 50 largest metropolitan areas, there are now 2,828,000 more homeowners than in the end of 1992. Since 1993, home mortgage lending in low- and moderate-income neighborhoods increased by over 25%.

The Federal deficit is down by 60%, the lowest level as a share of the economy since 1974. In cities, local school districts and states nationwide, this federal fiscal responsibility has helped to save over \$3 billion and helped to repair local and state fiscal capacity.

Competitiveness is up to first in the world for three straight years, after falling to fifth in 1992. Urban America's exporters generated \$447.5 billion in export sales in 1994 alone, as much as the entire country generated in 1992.

President Clinton Is Making Empowerment Zones and Enterprise Communities Work for America's Distressed Communities

- Created 105 urban and rural empowerment zones and enterprise communities.
- The Zones and Communities are already improving America's cities. Every \$1 in obligated EZ funds leverages \$18 in private sector investment. In Detroit, thousands of new jobs have been created and \$2 billion in private sector commitments have been made.

President Clinton Is Working to Provide Private Capital to Expand Businesses and Buy Homes in Urban America

President Clinton helped spur private investment in urban areas by:

- enacting legislation for Federal co-investment in Community Development Financial Institutions (CDFIs);
- reforming the regulations under the Community Reinvestment Act (CRA) to encourage banks and thrifts to make more investment capital available in distressed communities
- making the low-income housing tax credit permanent, preserving the incentive for the private sector to invest in the construction and renovation of affordable, private housing;
- implementing a homeownership strategy with 58 major housing and finance industry groups to expand affordable mortgage lending to low- and moderate-income neighborhoods; and
- implemented the Economic Development Initiative (EDI) to attract private investment and stimulate job creation in distressed communities.

Today, there is more capital available in distressed areas.

- 31 CDFIs will receive a capital infusion of \$175 million.
- During the last three years alone, banks and thrifts under CRA pledged over \$96 billion to community development lending and investment.
- Since 1993, home mortgage lending in low- and moderate-income neighborhoods increased over 25%.
- \$370 million in EDI has leveraged \$2 billion in private investment, creating 70,000 jobs in 112 cities.

President Clinton Is Committed to Cleaning Up and Redeveloping America's Urban Waste Sites

- Streamlined Superfund. In three years, more toxic waste dumps were cleaned up than in the previous twelve years, and 27,000 sites were removed from the Superfund list.
- Launched the Brownfields Pilot Project, enabling 60 selected cities to clean up brownfields and convert them to job-generating sites.

President Clinton Has Launched a Bold Transformation of Public Housing

The President is implementing the most far-reaching changes in public housing in decades.

- Demolishing the nation's worst public housing projects -- like Chicago's Henry Homes and Cabrini Green -- and replacing them with lower-density, townhouse-style apartments
- Cracking down on bad management, changing rules to reward working residents, and reducing crime

The President's transformation of public housing is already turning around distressed neighborhoods.

- The Administration will tear down an unprecedented 30,000 dilapidated units in four years; far surpassing the 22,000 units demolished in the previous 12 years. Over 21,000 units have been demolished to date.
- Launched Campus of Learners program to convert public housing communities into learning centers that will link residents to jobs, education, and the Information Superhighway
- Implemented tougher screening and eviction procedures, community policing and tougher law enforcement to crack down on gangs, drugs and violent crime in public housing

President Clinton's Welfare Reforms Are Providing Opportunities for Urban America.

- Helped 43 states end welfare as they knew it, enabling them to move forward with 78 of their own experiments to help move more people from welfare to work
- Expanded the Earned Income Tax Credit for 15 million working families
- Signed into law an increase in the minimum wage
- Already, 15 million low- and moderate-income working families earn more after taxes; welfare roles have declined by 1.8 million persons; child support collections are up 40% to \$11 billion
- Signed the welfare reform bill

President Clinton Is Committed to Reducing the Number of Homeless People on the Streets

- Increased funding from \$571 million in FY 1993 to \$1.1 billion in FY 1995; as a result, assisted 823 housing providers in 345 communities, up from 215 providers in 129 cities in the previous four years
- Implemented a "continuum of care" strategy which moves beyond providing emergency shelters to helping homeless persons move out of the streets and into transitional and permanent housing and self-sufficiency
- Are serving 14 times the number of homeless individuals than in 1993

President Clinton Is Committed to Keeping America's Streets Safe

In 1994, the President fought for and won passage of a tough, smart crime bill that includes:

- funding to put 100,000 community police officers on the streets
- a Three Strikes and You're Out provision to put career violent criminals behind bars for life
- an expanded death penalty
- funding for 100,000 more prison cells
- increased penalties for sex offenders

President Clinton stood up to the gun lobby.

- Passed the Brady Bill which provides for a 5-day waiting period and background check for gun purchases
- Passed the Assault Weapons ban, barring the manufacture and importation of 19 of the deadliest assault weapons

President Clinton is ending the scourge of domestic violence and the violence in our schools and communities.

- Tripled funding for battered women's shelters
- Bolstered local law enforcement, prosecution, and victims services to better address violence against women
- Enforcing a zero-tolerance gun policy in schools
- Protected funding for Safe and Drug-Free Schools
- Instituted a One Strike and You're Out policy to screen out and evict gang members, drug dealers and violent criminals from public housing

The President's fight against crime is paying off.

- Brady Law has stopped more than 60,000 felons, fugitives and others from buying guns.
- Violent crime has gone down in each and every year of the Clinton Administration.
- The epidemic of cocaine use is finally abating, with cocaine use dropping by 30% since 1992.
- Juvenile crime is finally beginning to come down. Since 1993, the juvenile murder rate has dropped by nearly 23%.

President Clinton Is Working to Enable All Americans to Learn the Skills They Need to Thrive in the New Economy

President Clinton has expanded educational opportunity for all Americans.

- Increased funding for Head Start
- Signed the Goals 2000 Act and the Improving America's Schools Act to strengthen academic standards
- Launched initiative to link every child in every classroom to the Information Superhighway
- Signed the School-to-Work legislation to expand work-based learning opportunities for high school students
- Increased Pell Grants to help low- and moderate-income families pay for college
- Transformed the student loan program
- Signed into law the AmeriCorps program to enable young people to earn money for school while serving their communities

American Education Is Beginning to Answer the Challenge under President Clinton.

- The proportion of high school students taking the tough core of academic subjects has increased to 52% in 1994, up from 40% in 1990.
- A higher proportion of students are graduating from high school; achievement on college entrance exams is rising with drop out rates for African-Americans and Whites dropping.
- More high school graduates are going to college, reaching an all-time high in 1994.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

August 9, 1995

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MEMORANDUM FOR: President Bill Clinton

FROM: Henry G. Cisneros / *Henry Cisneros*

SUBJECT: President's Urban Strategy

At our first Cabinet meeting, you said that if Cabinet Officers ever had an urgent message which we felt you should see that we should put it in a memo and you would review it. Knowing of the immense demands on your attentions I have tried not to abuse that privilege, but I want now to convey to you in the strongest terms that the time is now or never for a Presidential urban strategy.

I am not making a self-serving plea for budget or programs; this is not a call for a HUD urban strategy. I believe it is time for a Presidential strategy which either takes the form of a definable White House effort or which combines the urban initiatives of several Departments in a cohesive way. I am acutely aware of budget and Congressional barriers, but there are overarching reasons why a Presidential initiative is urgent:

1. The cities are hurting badly and the nation will pay the consequences for many years:

The effects of the Congressional budget cuts further erode urban conditions that were already dangerously deteriorated. Economic vitality and jobs have been sapped from city after city. Daily we lose more of our inner city children to drugs, gangs, and guns. We must draw deeply on our experiences and determine the two or three most important things that can make a difference. I have outlined some suggestions herein.

2. We are about to be flanked by the Speaker:

As hard as it may be to believe in light of the unconscionable House cuts, Speaker Gingrich, on the sheer strength of rhetorical flourish, publicity gymnastics, and the energy to start a dialogue with unlikely activists, is working to end run our agenda. What he has done in the District of Columbia is a foretaste of what he can do nationally and is in fact preparing to do.

His think tank, the Progress and Freedom Foundation, is now meeting with Democratic Mayors concerning a Contract with America's Cities. It will have attractive ideas and could capture the high ground of the public's imagination even as his Congressional allies decimate urban programs.

3. We are running out of time:

The 1997 budget you will prepare this Fall is the last one this term in which you can offer a credible urban package.

4. There is always room in the budget for Presidential priorities of reasonable size:

If you decide early in the budget process that an urban program is needed, it will be a factor throughout the entire budget process instead of an afterthought that cannot be accommodated because it would push out other spending late in the game.

5. We do not have enough to stand on in the cities:

Empowerment Zones in 12 cities are simply not a broad enough program to stand on. We have to have something cooking that is more broadly based and hopeful to more cities.

6. We can be caught flat-footed by the violent outbreaks which will stem from the anger in the cities:

There have been three contained outbreaks of civil unrest in recent weeks - Indianapolis, Coconut Grove outside Miami, and Los Angeles (see attached descriptions and a column from the Boston Globe.) Many local leaders are worried that it won't take much to set off wider disturbances. We do not want to be caught flat-footed if civil unrest occurs, which increasing numbers of local leaders feel is inevitable.

Mr. President, for all of these reasons I recommend that you consider one or a combination of the following kinds of urban initiatives as a centerpiece of the 1997 budget, with an announcement as soon as possible that you intend to do it. The central theme of these suggestions is that they expand economic opportunities for residents of distressed communities and put people to work:

A. Building Competitive Cities: Connecting People to Work

1. Draw private investment to the cities by lowering the business tax burden:

The challenge is to get the capital markets to respond to the cities. A commercial revitalization tax credit for distressed communities would replicate the success of the low-income housing tax credits. Tax credits could spur private investment to generate jobs as well as provide needed community amenities, such as neighborhood shopping districts.

One approach would be to pursue a second round of empowerment zones matched to tax strategies, such as:

- capital gains relief to businesses that reinvest gains in an EZ business asset;
- a portable tax credit, allowing businesses outside the zones credit for hiring residents who live in these communities; and
- a welfare-to-work credit for businesses who hire EZ residents who currently receive AFDC benefits.

The Vice President's involved leadership on the first round of zones has spurred an unprecedented level of community organization and strategic planning. The zones are proving their ability to leverage substantial private capital. (Lead Agency: Treasury)

OR

2. Prime the pump with smart public investment:

The most flexible and successful tools available to local officials for local economic development are HUD's Section 108 and Economic Development Initiative. In FY 1995 alone, the combination of these two programs has helped 70 communities create or retain over 70,000 jobs. The assistance has leveraged billions in public and private investment and has supported such key efforts as the creation of small business revolving funds and the location of inner-city supermarkets. The Mayors describe it as the most effective federal money to use for local economic development, though Commerce's EDA funds are also very effective.

The House Appropriations bill drastically curtails these programs, reducing the limitation on Section 108 loan guarantees from \$2.05 billion to \$1 billion and eliminating the \$350 million Economic Development Initiative completely. These were the kind of funds used to make possible the Los Angeles CD bank. A wide variety of local job generation strategies can be built on expansion of these programs. (Lead Agencies: HUD and Commerce)

OR

3. Spur Community Development Banks modeled on the Los Angeles Community Development Bank:

This initiative deals with a critical linkage connecting people to work -- increasing access to job-creating debt capital in the inner city through the creation of CD banks. It builds upon a successful model pioneered in Los Angeles by Mayor Riordan. Vice President Gore has called the Los Angeles community development bank "a model of innovation and creativity for the rest of the nation." If the CDFI appropriation remains mired (it was reduced to \$50 million as a result of the FY 1995 rescissions bill and receives no funding in the FY 1996 appropriations bill) it should be remembered that the Los Angeles bank was the result of HUD's Economic Development Initiative and Section 108 programs. They can be a vehicle for putting some banks in place now. (Lead Agency: Treasury and HUD)

OR

4. Reclaim environmentally unsafe central city land and provide training and jobs in clean-up and redevelopment:

One of the most challenging problems facing cities is the clean-up and clearance of old industrial sites that in their existing condition are barriers to redevelopment. Contaminated land represents more than 40 percent of Cleveland, more than 20 square miles of Philadelphia, and thousands of acres of Detroit.

Cities need land that is cleared and free of environmental hazards before they can begin to make businesses or housing strategies work. Capital grants to clean-up "brownfields" can be matched to training funds to employ central city residents in environmental clean-up activities. Available land and ready capital will form a powerful combination to help cities exploit their competitive economic advantages and attract back middle-income homeowners. The scale of this effort should be to clear sites of hundreds of acres so that large scale business developments and subdivisions of up to a

thousand homes for homeownership can be built. (Lead Agencies: EPA and Labor).

OR

5. Expand the Bridges-to-Work Demonstration to a National Scale:

"As I try to show in my own work, decades of poverty concentration and job suburbanization have isolated the poor residents of many inner cities from the areas of greatest employment opportunity in their metropolitan regions. While efforts to reduce poverty concentration and to reverse job suburbanization remain important national priorities (e.g. fair housing enforcement and empowerment zones, respectively), Bridges-to-Work would test a third and complementary approach: directly connecting inner city residents to job opportunities outside their local communities." (William Julius Wilson, in letter to Secretary Cisneros, June 15, 1995.)

The Bridges-to-Work demonstration (BtW) is an exciting initiative that directly connects inner-city residents to job opportunities outside their local communities. Five national foundations (Ford, Rockefeller, MacArthur, Casey and Pew) are supporting Public/Private Ventures (PPV) to design this 8-site national demonstration. During the course of two years of intensive development work, PPV has assembled an impressive set of eight potential sites including metropolitan Chicago, Philadelphia, St. Louis, Baltimore, Denver, Milwaukee, St. Paul and Newark. These eight partner sites have formed planning collaboratives representing interests from throughout their regions and have developed detailed Bridges-to-Work projects that are ready to be implemented.

William Julius Wilson calls Bridges-to-Work the "single most important anti-poverty R+D initiative underway in the Administration." FY 1997 is the time to expand Bridges-to-Work to a national scale by providing modest federal planning grants to metropolitan planning collaboratives across the country, enabling them to replicate the accomplishments of the demonstration sites. (Lead Agency: Labor)

B. Express Our Commitment to our Children and Youth

1. Create a Network of "Empowerment Schools" and "Fresh Start Academies"

Despite all our current efforts, we stand in jeopardy of losing a large proportion of inner-city youth to the streets. The statistics are grim and unrelenting. Drop-out rates in inner-city high schools typically approach 50 percent. One-half of all African-American male school dropouts under age 25 are now under criminal justice supervision. The employment rate of such dropouts is less than 40 percent.

If any urban strategy is to be successful, we need to address these problems head-on, building upon the lessons of the efforts to date. Two ideas have emerged which, I believe, hold great promise.

The first is to create a network of "empowerment schools" that would stimulate community-wide collaborations and comprehensive strategies for supporting parents, children and youth. As in the successful empowerment zones, communities (including private business) would be challenged to offer integrated solutions that cross agencies and disciplines. Communities would be given the latitude and flexibility to combine existing programs as well as compete for new funding. The possibilities for marrying what are now disparate and unconnected federal funding streams -- public housing, Head Start, school-to-work, summer jobs -- are endless.

The second idea, which is complementary, is to offer a fresh start to troubled youth by providing them with disciplined, structured environments. One approach is to support a network of "Fresh Start Academies" that could offer four years of quality education and vocational training in an environment of character-building discipline. Graduates could be guaranteed college scholarships. There is great potential for the use of retired military personnel in such an effort. (Lead Agency: Education)

C. Linking the Cities to the Momentum of the Information Age

1. Convert public housing complexes to campuses for learners:

Public housing complexes can be restructured as learning campuses, as universities for the residents, as homes to communities of learners. The housing units become dormitories which support the classrooms and computer rooms nearby for residents of all ages - developmental day care for children, public schools adjacent to the campus for youth, training and college curricula for adults, and self-improvement classes for seniors.

Classes are held everyday on-campus, given by faculty who commute there or live there.

Every residential apartment can be wired to offer the computer connections necessary to make self-paced learning possible at all hours. The information highway need not bypass distressed neighborhoods or poor people.

The psychological difference between public housing as it is and this concept of communities of learners is that, like at a university, residents at the "learning campus" is not viewed as permanent but for as long as the educational program takes. The ever-present expectation is self-improvement and the quest for eventual self-sufficiency. For all but seniors, residential tenure is limited to no more than four years, consistent with the duration of the curriculum. (Lead Agency: HUD)

OR

2. Seed inner cities with a network of "electronic villages":

In the same way that the interstate highway system bypassed poor and disadvantaged communities accelerating their economic and social decline, the information superhighway could bypass and further isolate distressed communities and their residents from the social and economic mainstream.

The theory behind this initiative is that by providing residents of lower income neighborhoods with the primary tools of access to today's information economy, barriers will fall and positive economic results will begin to accrue. This initiative will help fund a network of learning-oriented inner-city neighborhood centers which connect residents, businesses, service providers, and government in a community network. It would build upon and expand FHA's current initiative in the Edgewood community in NE Washington, and upon efforts to train residents in computer literacy and create resident-owned businesses based upon computer technology. Tremendous economic gains would result, for example, by amending CRA to give leaders CRA credit for subcontracting a small fraction of their back-office data processing operations to resident-owned firms.

Pushing the envelope on electronic villages and the broader concept of electronic community development would require the close coordination of HUD, Commerce, Education and Labor -- each of which is experimenting with how to bring the benefits of 21st century technology to inner cities. This initiative builds on the Vice-President's interests in the information super highway and is a win-win initiative for all concerned. (Lead Agencies: Labor, Education, Commerce, HUD)

CONCLUSION

Mr. President, it is obvious that government alone cannot solve the problem of the cities. We will change the course of inner city life only if the nation commits both private and public energies, talent and resources. Churches, family, involved adults, volunteerism, boys and girls clubs - these are the real means for reweaving the social fabric in our distressed communities.

This issue offers you an opportunity to have a sober conversation with the nation on the American future and potential. It places you in a position above party and above individual gain. You are at your best - national service, the Memphis speech, the Affirmative Action decisions - when you lift the national dialogue to a higher, even spiritual, level where you encourage and exhort individuals and communities to fulfill a higher purpose.

Again, I am not advocating for any one of these proposals individually so much as making the case that you and the nation need an urban message. I would like to back-up this case with the opportunity to speak to you and expand upon the urgency of the nation's urban condition.

Indianapolis, Indiana

A protest against alleged police brutality turned into a four square block "mini-riot" as termed by Indianapolis, Indiana Mayor Stephen Goldsmith on July 26, 1995. The incident involved approximately 90-100 protestors and more than 100 police. Twelve people were arrested on this first night of problems and eleven people were injured including one police officer and a television cameraman. At least a dozen police cars were damaged by rocks and bottles.

The incident stemmed from arrest by a white Indianapolis Police Department (IPD) Sergeant of a black individual as a part of a narcotics investigation. The Subject sustained injuries some of which were alleged to have been inflicted by the police officer during the arrest. According to the Police Sergeant, the Subject ran from police and was later located and arrested. The Subject allegedly ran again and was then knocked to the ground by the officer. The Subject was charged with resisting and fleeing arrest. After being released, the subject was joined by several neighborhood residents in an "informal protest" regarding his arrest outside the Northside District station of the Indianapolis Police Department. As a disturbance developed, IPD called in available officers to manage the disturbance. Over a three hour period, approximately 100 police officers used tear gas, K-9 units, and armored riot vehicles to disperse the crowd.

On the following day, July 28, 1995, another disturbance occurred in the same vicinity resulting in the looting of a drug store and the attempted looting of a pawn shop. This rally began as a protest of IPD's handling of the recent arrest and the previous night's confrontation with protestors. At least 100 police officers used tear gas and arrested 27 people for disorderly and other unlawful behavior. Approximately two to three dozen cars were attacked with stones, bricks, and glass bottles.

Police agencies involved include IPD, Marion County Sheriff's Department, and the Indiana State Police.

Indianapolis Police Chief James Toler has ordered an internal investigation into allegations the IPD officer beat the Subject while handcuffed. Toler also requested a separate U.S. Justice Department investigation. No problems have occurred in the following days since the two consecutive nights of disturbances noted above.

The disturbances did not involve Public Housing property or occur in close proximity to such property. The neighborhood involved is the near North side of Indianapolis, and economically poor neighborhood. Residents of this neighborhood have recently requested additional police help to combat drug trafficking problems.

Coconut Grove, Florida

On the night of July 27, 1995, in Coconut Grove, Florida, police responded at 10:15 p.m. to a large crowd gathered for a block party at Douglas Road and Day Avenue. The police told the Disc Jockey he needed a permit for the party which was broken up. Dozens of young people, as a group, began breaking windows, setting fires, attacking motorists and flipping dumpsters. One hour later white police officers arrested two black robbery suspects in the 3500 block of Day Avenue and at that time, two blocks away, the first rocks and bottles were thrown.

In Coconut Grove on July 18, 1995, a white police officer stopped Torrey Jacobs, a black male, for questioning. Jacobs was wearing a ski mask and had a replica pistol. Jacobs tried to flee and dropped the replica pistol. When Jacobs tried to pick up the replica pistol the police officer shot and killed him. The individuals in the disturbance on July 27, 1995, were wearing pillow cases and t-shirts over their faces with the eyes cut out, similar to what Jacobs was wearing.

That was the second disturbance in Coconut grove since May 1995 when white police officers arrested 17 year old Jimmy Tucker, a black male, on charges that he threw a rock through the window of a car. Witnesses claimed the police roughed up Tucker and people took to the streets to protest. That disturbance was larger than the one on July 27, 1995.

The residents have requested police sweeps of drug dealers and a police substation at the corner of Douglas and Grand. There is a history of drug activity in this area of Coconut Grove based on conversations with Metro Dade Police Department. These incidents occurred near public housing developments.

Los Angeles, CA

On Saturday, July 29, 1995, two uniformed Los Angeles Police, assigned to "gang" investigations, responded to a call in the Lincoln Heights area, and spotted Antonio Gutierrez, 14, crossing the street with a pistol. When officers confronted the youth, at Eastlake Avenue and George Street in the Lincoln Heights area of Los Angeles, he allegedly turned his weapon upon the officers. Before the youth had an opportunity to fire, the officers fired, killing the youth. Allegedly, officers recovered a TEC-9, (9mm semiautomatic pistol) from the body. Friends of Gutierrez, who witnessed the shooting, contend that he was carrying a flashlight, or was in fact carrying the weapon but tossed it away when confronted by the officers. Within an hour of the incident, a crowd, demanding "justice", gathered and became unruly.

Approximately 100 officers were called in to control the crowd, with three men subsequently being arrested. There were no subsequent injuries.

On Sunday, July 30, friends of Gutierrez confronted police to show that they believed the shooting incident was wrong. Police and Gutierrez's friends reached an agreement in order that a "carwash" could be held in order to raise funds for his funeral. However, at about 5 p.m., police returned after local motorists complained that youths were disrupting traffic and throwing rocks at passing cars. Police responded and arrested about 10 teenagers who were sitting on curbs awaiting transport when a crowd began to grow. The crowd became unruly, throwing bottles and setting fires while shouting at police.

Approximately 100 officers were dispatched to the area and began to chase down protesters, who kept running into local stores and returning to throw bottles. A total of about 25 people were arrested on assault and disturbing the peace charges.

The area of disturbance was North Broadway Street and Eastlake Avenue. None of the locations of the violence are in or close to any public housing development.

Los Angeles Police are investigating the incidents, including the shooting of Antonio Gutierrez.

Program-gutting Congress tosses fuel on inner-city fires

DERRICK Z. JACKSON

The smoke of rage was all too visible last week. Three cities had disturbances. All started with a charge of police brutality.

In Indianapolis, 39 people were arrested in two nights of unrest. At one point, police fired gas into a crowd to stop some minor looting. The trouble began, witnesses said, after a handcuffed Danny Sales, 21, an African-American, was knocked to the ground and had a racial epithet shouted at him by a white narcotics officer as he was being dragged into custody. Sales was charged with resisting and fleeing arrest.

In the Coconut Grove section of Miami, a lot of about 30 youths wearing pillowcases over their heads threw rocks and bottles at cars. There were no arrests or major injuries. The incident came a week and a half after Torrey Dovan Jacobs, 17, was shot and killed by police. Police said Jacobs ran when he was approached by an officer, who said Jacobs was acting suspiciously. Jacobs

dropped a chrome-plated object.

When Jacobs tried to pick it up, Officer Chris Griffin opened fire. Jacobs was fatally wounded in the chest. The object was a cigarette lighter shaped like a gun. Police said Jacobs wore a ski mask and carried marijuana. Neighbors described him as a church-going junior deacon. At a candlelight vigil for Jacobs, Rev. Willie Sims, assistant director of the Metro-Dade office of black affairs, said he saw young men crying and fainting.

"They're hurt," Rev. Sims said. "I've never seen young men act like that before. I perceive a sense of hopelessness that's starting to build."

In Los Angeles, youths and young adults threw bottles for two nights in Lincoln Heights. The disturbance was triggered by the fatal police shooting of 14-year-old Antonio Gutierrez. The police said they fired six shots at Gutierrez when the boy pointed a gun at them. Police said they recovered a Tec-9 semiautomatic pistol at the scene.

Gutierrez, according to an 18-year-old friend, had earlier agreed to carry the Tec-9 to another teen-ager. "He didn't even know how to use it," the teen said. "Yet."

But the friend said Gutierrez threw away the gun when he saw police. At the moment of the shooting, friends and relatives said Gutierrez was only carrying a flashlight.

"The police should be around to protect us, not to shoot us," said resident Mario Sanchez, 21. "They're always pointing guns at

With this gasoline, the only question is which city will be lit up next.

us. They want this kind of thing to happen."

Julie Noriega, 23, said, "It takes one shot in the leg, maybe two shots, to get a little boy down. It doesn't take nine shots.... They didn't even say 'Freeze.'"

It is hard to say "Freeze" when the streets are hot. These are the streets created by two decades of noninvestment and being squashed even further by an education-cutting, social-program-gutting Republican majority and a go-along White House. While

the white youth unemployment rate is 17.1 percent, African-American youth unemployment is the same as it was when Martin Luther King was marching: about 40 percent. The Latino youth unemployment rate is 27.5 percent.

Then add the illegal drug trade, which the United States has never seriously tried to stop. Then add guns, which, thanks to our gun-loving popular culture, flood our streets. With this gasoline, the only question to ponder is which city will be lit up next.

Since most education and job proposals in peaceful political channels have been rejected as too costly, the discouraged appear to be desperate enough to once again risk their lives in costly, attention-seeking behavior. Anyone will tell you that the daily riot of black folks killing black folks claims far more lives than the cops do. But rebellions against police brutality remain important to the restless because they are the only time the white world asks why they are so restless.

No one wants to see a rebellion. They do not do much to beautify the neighborhood. But neither does the inner city deserve the assault on its aspirations by our politics and

economy. For young people to be so thoughtless as to provoke police fire by reaching for objects of any kind indicates the ultimate hopelessness of having nothing to

In Miami, Police Chief Donald Warshaw tried to downplay the connection of the bottle-throwing to the Jacobs shooting. "They probably did it because they had nothing better to do," he said. That is precisely the problem. Miami social worker Sylvia Jordan, who may face cuts for her federally funded crime prevention program, said, "Kids here feel pretty shafted."

The smoke is rising up the shaft. The kids of the inner city cry for water. They get only gasoline. The only time the nation pays attention to them is when there is a fire. Three separate disturbances, all within a week, ought to tell you that they are tired of being ignored. Think about it. They were nice this time. They threw only bottles and rocks. They did not spray passing motorists with a Tec-9. Yet.

Derrick Z. Jackson is a Globe columnist.

THE WHITE HOUSE
Office of the Press Secretary

CC: PAUL
MOLLY
(FYI)
- 2 PAGES

For Immediate Release

August 3, 1995

TO THE CONGRESS OF THE UNITED STATES:

I transmit herewith my Administration's National Urban Policy Report, "Empowerment: A New Covenant With America's Communities," as required by 42 U.S.C. 4503(a). The Report provides a framework for empowering America's disadvantaged citizens and poor communities to build a brighter future for themselves, for their families and neighbors, and for America. The Report is organized around four principles:

First, it links families to work. It brings tax, education and training, housing, welfare, public safety, transportation, and capital access policies together to help families make the transition to self-sufficiency and independence. This linkage is critical to the transformation of our communities.

Second, it leverages private investment in our urban communities. It works with the market and the private sector to build upon the natural assets and competitive advantages of urban communities.

Third, it is locally driven. The days of made in Washington solutions, dictated by a distant Government, are gone. Instead, solutions must be locally crafted, and implemented by entrepreneurial public entities, private actors, and a growing network of community-based firms and organizations.

Fourth, it relies on traditional values -- hard work, family, responsibility. The problems of so many inner-city neighborhoods -- family break-up, teen pregnancy, abandonment, crime, drug use -- will be solved only if individuals, families, and communities determine to help themselves.

These principles reflect an emerging consensus in the decades-long debate over urban policy. These principles are neither Democratic nor Republican: they are American. They will enable local communities, individuals and families, businesses, churches, community-based organizations, and civic groups to join together to seize the opportunities and to solve the problems in their own lives. They will put the private sector back to work for all families in all communities. I therefore invite the Congress to work with us on a bipartisan basis to implement an empowerment agenda for America's communities and families.

In a sense, poor communities represent an untapped economic opportunity for our whole country. While we work together to open foreign markets abroad to American-made goods and services, we also need to work together to open the economic frontiers of poor communities here at home. By enabling people and communities in genuine need to take greater responsibility for working harder and smarter together, we can unleash the greatest underused source of growth and renewal in each of the local regions that make up our national economy and civic life. This will be good for cities and suburbs, towns and villages, and rural and urban America. This will be good for families. This will be good for the country.

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We have undertaken initiatives that seek to achieve these goals. Some seek to empower local communities to help themselves, including Empowerment Zones, Community Development banks, the Community Opportunity Fund, community policing, and enabling local schools and communities to best meet world-class standards. And some seek to empower individuals and families to help themselves, including our expansion of the earned-income tax cut for low- and moderate-income working families, and our proposals for injecting choice and competition into public and assisted housing and for a new G.I. Bill for America's Workers.

I am determined to end Federal budget deficits, and my balanced budget proposal shows that we can balance the budget without abandoning the investments that are vital to the security and prosperity of the country, now and in the future. I am confident that, working together, we can build common ground on an empowerment agenda while putting our fiscal house in order. I will do everything in my power to make sure this happens.

WILLIAM J. CLINTON

THE WHITE HOUSE,
August 3, 1995.

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