

July 7 / Administration of William J. Clinton, 1999

I just want to say one more time that our allies in Europe, on which so much of our security depends, told me over and over and over again how grateful they were that America was there to stop the slaughter of people because of their religion or their ethnic groups. The killing of people has no place in the 21st century if it means innocent civilians are going to be slaughtered because of their race or religion. It is against everything America stands for, and we've stopped it. You should be very, very proud.

Now, let me just say one other thing. A lot of times the spouses, the children, and the extended families of our bases don't get the credit they deserve. But I am well aware that nothing could be done without your support, and I want to thank you.

The last point I'd like to make is that this whole trip we're taking—to the hills and hollows of Appalachia, to the Mississippi Delta, to the Pine Ridge reservation; we're now going to Phoenix and on to East Los Angeles—is designed to remind Americans that even though our country is now blessed by the longest economic expansion in peacetime in our history, not all Americans have been blessed by it, and

we have to have a commitment to treat each other fairly and give everyone a chance.

I also want to say that was a big part of why the United States Congress, with an overwhelming bipartisan vote, recently voted to raise the pay of our men and women in uniform and improve the retirement, and I appreciate that as well.

I look around here and—all of you in uniform—I see men and women. I see people of all different faiths, races, and ethnic groups. You represent the kind of world we're trying to build for tomorrow, for these children to grow up in, and because you do what you do, we have a very good chance to build it.

Thank you. God bless you. God bless America. Thank you very much. And I want to thank the band for the music. Will you play me a little more? One more piece. I loved it. Thank you very much.

NOTE: The President spoke at 2:52 p.m. on the tarmac. In his remarks, he referred to Col. Anthony F. Przybyslawski, USAF, commander, 28th Bomb Wing; and civil rights leader Jesse Jackson. A tape was not available for verification of the content of these remarks.

Remarks in a Roundtable Discussion on Small Business Development in Phoenix, Arizona

July 7, 1999

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, DC. 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 Pennsyl-

vania, 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.

I'd like to thank the Reverend Jesse Jackson for coming on this tour with me, along with the business leaders; thank you. 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.

I'd like to thank the business leaders here with me: Leo Guzman, Marianne Spraggins, Gene Humphrey of Enron, Steven Burd of Safeway, John Corella of Corella Electric, Myrna Sonora of KTVW 33—some of you probably watch that—[laughter]—Mike Welborn of Bank

One, Andy Gordon of Arizona Multibank, Frank Ballasteros of MICRO, Leonard Moreno of Moreno Welding, Yolanda Kaizer 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 group.

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 or 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 6½ 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.

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 Univision, because they are about to build a new multimillion-dollar broadcast facility for its local station, KTVW 33, and they're going to build it right here in south Phoenix, and that will help your economy to grow. Thank you. Thank you, Myrna Sonora.

I want to thank the community development institutions like Arizona Multibank, the micro-enterprise organizations like MICRO. That's a fancy way to 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.

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.

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.

[At this point, the discussion began.]

The President. Thank you very much. Let's give him a hand. [Applause] I thought that was good.

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 6½ 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 substations, 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 discussion continued.]

The President. I want to thank you for the work that you have done. You know we were just together over at Chicanos Por La Causa 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 6 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 going into bankruptcy. And we met a young man that thought he could turn it around, and he had opened the place back up in 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 5 employees to 11 employees—instead of 5 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 in America. 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.

[*The discussion continued.*]

The President. 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 6 years. It's more than tripled, 30 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 tell you 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 L.A., 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.

[*The discussion continued.*]

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 pick-up comes, everybody will benefit instead of just a few.

So I can't thank you enough. But I do want to emphasize what—Gene Humphrey 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.

[*The discussion continued.*]

The President. I'd like to ask a question. I'd like to ask Frank or Andrew a question. What is the average size of a microenterprise loan that you give?

Andrew 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 microloans, 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.

[*The discussion continued.*]

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 6 years are the present HUD Secretary, Andrew Cuomo, and his predecessor, Henry Cisneros. So this is, indeed, something to celebrate.

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.

NOTE: The President spoke at 5:55 p.m. in the La Canasta Mexican Food Products factory. In his remarks, he referred to civil rights leader Jesse Jackson; Arizona State Attorney General Janet Napolitano; Oregon State Treasurer Jim Hill, president, National Association of State Treasurers; Leo Guzman, president, Guzman & Co.; Marianne Spraggins, senior managing director, Smith Whiley & Co.; Gene Humphrey, president and chief executive officer, Enron Economic Development Corp.; Steven Burd, chairman, president, and chief executive officer, Safeway Inc.; John C. Corella, president, Corella Companies; Myrna Sonora, vice president and general manager, Univision 33/KTVW; Michael Welborn, chairman and chief executive officer, Bank One Arizona; Andrew Gordon, president, Arizona Multibank Community Development Corp.; Frank Ballasteros, chief administrative officer, MICRO; Leonard Moreno, president, Moreno Welding, Inc.; Yolanda Kaizer, president, Builder's Book Depot; Josie Ippolito, president, La Canasta Mexican Food Products, Inc.; Muhammad

Yunus, founder and chief executive officer, Grameen Bank, Bangladesh; and former Secretary of Housing and Urban Development Henry G. Cisneros, president and chief operating officer, Univision Communications, Inc.

Statement on the Sierra Leone Peace Agreement

July 7, 1999

On behalf of all Americans, I congratulate President Ahmed Tejan Kabbah and Revolutionary United Front leader Foday Sankoh on the signing of a peace agreement today in Lome, Togo. The agreement offers the hope of ending nearly 8 years of terrible conflict in Sierra Leone and bringing peace and a brighter future for its people.

I thank President Eyadema and the Government of Togo for hosting the peace talks, and the Economic Community of West African States (ECOWAS), the Organization of African Unity (OAU), the U.N., and my Special Envoy, Reverend Jesse Jackson, for providing critical support to the peace process. Neighboring countries also provided refuge to hundreds of thousands of Sierra Leoneans who fled the conflict

and atrocities in their country. Their willingness to open their arms to those in need is an example that inspires us all.

We are committed to working with ECOWAS, the U.N., and the OAU to ensure appropriate support for implementing the agreement and beginning reconciliation efforts. We will work with the people of Sierra Leone and the international community to support the safe return of more than one million refugees and internally displaced people and the reconstruction of the country.

NOTE: The statement referred to President Gnassingbe Eyadema of Togo and civil rights leader Jesse Jackson.

Letter to Congressional Leaders on Imports of Lamb Meat

July 7, 1999

Dear Mr. Speaker: (Dear Mr. President:)

I am pleased to provide to the Congress documents called for by section 203(b) of the Trade Act of 1974, as amended, pertaining to the safeguard action that I proclaimed today of imports of lamb meat.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. The proclamation and memorandum of July 7 are listed in Appendix D at the end of this volume.