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and all. But I think that just getting the business community to focus on the fact—because they're all interested in this question. What I want to say to them is, look, you don't just have to debate what Alan Greenspan is going to do—you can change the underlying reality on the ground if you change the economics.

And the third thing that I want to do is to push the specific new markets legislation. Why? Because all these other things we've done—even though the CRA, the Community Investment Act, is a nationwide law, it depends still in part on the vigors of the bankers in specific places. And all the other things have discreet impacts. In other words, we don't have a community development bank everywhere; we don't have an enterprise zone or empowerment community everywhere—I mean, an empowerment zone or an enterprise community everywhere.

This new markets initiative basically is designed to put in place for the whole Nation, all distressed areas, the same incentives that we give America to invest in developing economies overseas. I think they ought to have those incentives, developing economies, at home.

So, for example, the way this would work is let's suppose someone wanted to build $150 million shopping center in East St. Louis and open 20 stores—I'm just making this up—and they started with $50 million of investments; they've got a $50 million investment fund. On that $50 million they could get tax credits of 25 percent for their investment. They would also be able to go to the bank and borrow $100 million and have that $100 million subject to the Government guarantee, which would dramatically lower the interest rate that they would be charged to borrow the money, because if they defaulted on the loan, the Government would guarantee it. And those are the kinds of mechanisms we have in place now for people who invest in developing markets overseas.

The reason that's important is, number one, unlike the empowerment zones, it would be nationwide. And number two, even if you had perfect knowledge on the part of investors, that you don't have now, there would be in many of these places somewhat greater risk to the investment than in a traditional investment. So by providing these two big incentives you lower the relative risk of this investment compared to others and make it even more attractive to do.

But if you think about it, this is sort of my classic Third Way kind of approach. In the 1980's, we found out for sure that free enterprise alone would not develop these areas into the 1990's. In the 1960's, with the whole Great Society approach, it isn't true that it didn't accomplish anything. It accomplished a great deal. It fed people; it educated people; it started Head Start; it provided health care in rural areas; it provided some Government funding jobs. But there was no internal structural change that would allow a lot of these places to become more self-sufficient on a long-term basis.

If we could do this and really make a big difference over the next few years, then when the next recession comes along in America it won't hit these areas as hard, because they will have, just like other places, some underlying economic supports, some self-sufficiency. And that means fewer people on the streets. It means the crime rate won't go up as much. It means you won't lose as many kids. It means a lot of things when times are tough.

But it seems to me that there is an enormous interest in this now, in the business community. You can see it in the Wall Street Project that Jesse Jackson and Dick Grasso and others have done for the last few years. And you can see it in the massive commitment that—and NationsBank made to setting up community banks and microenterprise lending over the next 10 years. They made a huge commitment on their own.

So there is a lot of this stuff just sort of germinating out there. A lot of great things have happened in our empowerment zones. A lot of these development banks are beginning to really show some results. But there is no either nationwide awareness or nationwide framework which could be applied to every place. And that's what the new markets initiative is all about.

It's about just increasing the awareness and the attractiveness of these areas to the investment community and then putting in place a framework that would make it even

more attractive to invest now. And if we could get a lot of this done while the economy is growing, I think the benefits to America could be permanent. I think, in that sense, it's the perfect public/private partnership example that I've been trying to develop all along. I'm really excited about it. I'm just—it's a real dream of mine to prove this can be done.

Ms. Page. You'll apparently be the first sitting President to ever go to an Indian reservation.

The President. Is that right?

Ms. Page. I think so.

The President. It's high time. I'm sorry it has taken me so long, because I spent a lot of time with Native American leaders. I went to reservations back in '92, and I spent enormous time with the leaders of the tribes over the last 6½ years. So I'm very excited about going.

Ms. Page. Some people would say you've done a lot—you've focused on empowerment zones; you've focused on some of these problems of poverty, people who haven't participated in the economic good times—but that we haven't heard so much about it lately, '95, '96. Why now? Why is now the time to put this kind of spotlight on the places that remind people that the economic prosperity hasn't been good for everybody?

The President. Two reasons. One is, I think that there is a feeling that the prosperity of the country is broadly shared, and that's right. We've got the lowest minority unemployment rates we've recorded. In the last couple of years, we've finally started to close the inequality gap. We've had substantial increases in wages for people in the lower 40 percent of our earnings. And there's a level of security about the direction of our economy that I think frees people in a way to think about those things that are still not done, because I think most Americans genuinely want to see everybody who is willing to work have a chance to participate in this.

Secondly, I believe that it's an essential component of my effort to keep this economy growing without inflation, as I said. In other words, I think moving people from welfare to work is a moral imperative; but I also think it's very good for the economy. I think giving disabled people a chance to take their Medicaid and get in the work force is morally right—I also think it's very good for the economy. And I think this could be even better for the economy, and it's certainly morally right.

We tried to do this in the past, and we've gotten kind of sporadic publicity for it. But we worked consistently at it. It's one of the many things that I asked the Vice President to lead. But he has done a superb job of this, and he's been systematic and disciplined. And just slowly, slowly, slowly over the last 6 years, I think we have completely satisfied that a lot of these communities, if they can get enough investment, can really take off and do well.

So I think that the timing is really right now for America to think about this as sort of the next economic agenda.

Campaign Financing

Ms. Page. I know we have to leave, but speaking of economic good times, George Bush has raised $36 million so far in the first half of this year. What do you think about that? Do you think this has gotten out of—spiraled out of control? Or is this not—what do you think? It just seems like a stunning number today.

The President. It's a big number, but you've got to remember, Republicans have more money than Democrats and they always promise upper income people bigger tax cuts. And he's the Governor of Texas; his brother is the Governor of Florida; and they've been out for 8 years, and they want in. So all those reasons mean big numbers.

But what did he raise in Texas? Eleven million?

Ms. Page. I don't know.

The President. When I ran in '92—8 years ago—in a State of 2.5 million people, with a lower per capita income and not nearly as many millionaires, we raised $4 million. That would be the equivalent of $20 million or more in Texas.

So he's got a lot going for him. He's a Governor of a State; his brother is a Governor of a State; his father was President. They want to win; they've got more money than we do anyway. So I think that it's a credit to—he's got good people raising that money,