

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.

NOTE: The President spoke at 10:25 a.m. at the Waterfield Cabinet Co. In his remarks, he referred to Robert C. Koerber, president and chief executive officer, and Cora Porter, assistant plant manager, Waterfield Cabinet Co.; civil rights leader Jesse Jackson; David J. Bronczek, executive vice president and chief operating officer, Federal Express; Jack W. Haugslund, executive vice president and chief operating officer, Greyhound Lines, Inc.; Lt. Gov. Ronnie Musgrove, State Attorney General Mike Moore, and former Governors Ray Mabus and William Winter of Mississippi; former Gov. Charles (Buddy) Roemer of Louisiana; William J. Bynum, president, Enterprise Corporation of the Delta; Muhammad Yunus, founder and chief executive officer, Grameen Bank, Bangladesh; Catherine P. Bessant, president, Community Development Banking Group, Bank of America; J. Wayne Leonard, chief executive officer, Entergy Corp.; and Robert D. Cabe, executive vice president for legal, governmental relations, and community services, Arkansas Blue Cross & Blue Shield. Former Governors Mabus and Roemer were vice chairs of the now-defunct Lower Mississippi Delta Development Commission. A tape was not available for verification of the content of these remarks.

Remarks on Departure From Clarksdale

July 6, 1999

New Markets Initiative

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.

Good luck, God bless you, and thank you for making me feel welcome. Thank you.

NOTE: The President spoke at 2:09 p.m. at Clarksdale Airport prior to departure for East St. Louis, IL. A tape was not available for verification of the content of these remarks.

Remarks to the Community in East St. Louis, Illinois

July 6, 1999

Thank you. Well, 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. [*Laughter*]

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.

Thank you, Dave Bernauer, for this wonderful Walgreens 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 2 months' installments, to every community in this country. [*Laughter*] Thank you. 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.

I want to thank some others who are with us here today—Joe Stroud of Jovon 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.

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.

And I want to thank your neighboring mayor, Clarence Harmon, for coming over from St. Louis, and your former mayor, Gordon Bush, for being here with me. 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 2 days, going across America. We are going to finish this day, first by shopping at Walgreens, and then we're going to get on 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—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. 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 Fourth of July? That action was a rebuke to the very ideals that got us started. They're 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.

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.

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 but 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 happened since, we see in this community both poverty and great promise—retail returning, new jobs, new residents, new hope, Walgreens 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. 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 Walgreens and a lot more besides, and we want to see them coming here.

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-Kersey Center near here.

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.

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.

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.

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 like that. That was good. [Laughter] The first point we want to make is, when the Walgreens' 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.

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.

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.

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, room 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.

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.

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 unem-

ployment rates under 4½ 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. 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.

NOTE: The President spoke at 5:27 p.m. outside Walgreens at the State Street Shopping Center. In his remarks, he referred to Mayor Debra Powell and former Mayor Gordon Bush of East St. Louis; Catherine P. Bessant, president, Community Development Banking Group, Bank of America; civil rights leader Jesse Jackson; athlete Jackie Joyner-Kersey, president, Elite International Sports Marketing; David Bernauer, president and chief operating officer, Walgreen Co.; Mel Farr, Sr., president, Mel Farr Automotive Group; Joseph Stroud, president, Jovon Broadcasting, Inc., Mayor Clarence Harmon of St. Louis, MO; and murder victim Ricky Byrdson, former head basketball coach, Northern University, and his alleged killer, Benjamin Nathaniel Smith. A portion of these remarks could not be verified because the tape was incomplete.

**Interview With Ron Insana of
CNBC's "Business Center" in
Clarksdale, Mississippi**

July 6, 1999

New Markets Initiative

Mr. Insana. Mr. President, this trip and your new markets initiative in some ways have already been compared to Lyndon Johnson's War on Poverty, Bobby Kennedy's swing through Appalachia. How will this program work where some of the other Government programs on poverty have failed in the past?

The President. Well, first of all, I think it's important to recognize that this is different because we don't say the Government can solve all these problems, but we do say the Government can no longer ignore them. And, in fact, we've been working on them for 6½ years, ever since I took office.

This is a classic example, this approach to new markets, of the New Democratic or Third Way philosophy that I articulated back in 1991 and 1992. That is, Government's role is to create the conditions for success, give people the tools they need to succeed, and then, in effect, empower people to make the most of it.

But we recognize if you look at—go back to the War on Poverty, it did a lot of good in terms of giving children preschool and feeding hungry children and giving them access to health care. But in the end, if you want these communities to be self-sustaining, they have to get private-sector capital with private-sector jobs, and they have to prove that they can compete for it, they can win it, and that people can actually make a profit investing in these places and that it will be profitable to put people to work.

And because I believe that very passionately, especially now—you know, there was all this big discussion in business circles and the people that watch your program, there was all this big discussion over the last few weeks about would the Fed raise interest rates or not. And it was like the fifth reincarnation of how much can we grow and how low can unemployment get before we have this big explosion of inflation which then we'll have to clamp down, which will then

kill the recovery, so everybody's been trying to avoid it.

Well, I think about that all the time. And it seems to me that the way to keep America's economy growing without inflation is to sell more products overseas and find more consumers and workers at the same time here at home. And there are only—there are a couple of options. You can bring more people from welfare or from the ranks of the disabled into the work force, or you can go to these areas where you invest in them and you get more consumers and more workers at the same time. And I think this is terribly important.

Mr. Insana. What specific items will be included in the legislation to advance those goals? What kind of tax credits?

The President. Well, the big ideas in the legislation are a tax credit of up to 25 percent for people who invest in vehicles that will be creating businesses or expanding businesses in high-unemployment, underdeveloped areas. In addition to that, once you get into those vehicles, then you would be eligible to borrow \$2 for every \$1 invested and have the money borrowed be subject to a Government loan guarantee, which would mean the interest rates would be much, much lower. So by those two things, you lower the relative risk of investing in these new markets.

But we've seen—you heard the person from Bank of America say today, we heard the gentleman from a local bank in Kentucky yesterday, or the people from Aetna or these other companies say, "These are good investments; we can make money here." So if you lower the relative risk of getting in in the first place and, in effect, try to provide for the whole Nation what now you can find in the empowerment zones that the Vice President's worked so hard to manage over the last 6 years, I think we can get a lot more growth here.

Republican Proposal

Mr. Insana. Now, House Speaker Dennis Hastert sent you a letter over the weekend attacking poverty from a slightly different approach with respect to more tax-cut-type incentives. Do you have common ground with him where you can fashion some—