AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Weekly Compilation of

Presidential Documents

Monday, July 12, 1999
Volume 35—Number 27
Pages 1275–1332

Contents

Addresses and Remarks

Arizona, roundtable discussion on small business development in Phoenix—1303
California
National Academy Foundation conference in Anaheim—1322
Patients' Bill of Rights in Torrance—1327
Youth opportunities, discussion in Los Angeles—1318
Illinois, community in East St. Louis—1289
Kentucky, community in Hazard—1278
Mississippi
Delta region investment, roundtable discussion in Clarksdale—1285
Departure from Clarksdale—1289
New markets initiative—1289
Radio address—1276
South Dakota
Ellsworth AFB community in Rapid City—1302
Pine Ridge Indian Reservation
Community—1298
Discussion—1296

Communications to Congress

Emigration policies and trade status of certain former Eastern bloc states, letter transmitting report—1281
Lamb meat imports, letter—1311
Taliban, U.S. national emergency, letter—1283

Communications to Federal Agencies

Federal Worker 2000 Presidential Initiative, memorandum—1275
Imported foods, memorandum on safety—1277
Lamb meat imports, memorandum—1310

Executive Orders

Blocking Property and Prohibiting Transactions With the Taliban—1281

Interviews With the News Media

Exchange with reporters at Pine Ridge Indian Reservation, SD—1298
Interviews
Ron Brownstein of the Los Angeles Times—1311
Ron Insana of CNBC's "Business Center"—1293

Joint Statement

Joint Statement With Prime Minister Nawaz Sharif of Pakistan—1278

Meetings With Foreign Leaders

Pakistan, Prime Minister Sharif—1278

Proclamations

To Facilitate Positive Adjustment to Competition From Imports of Lamb Meat—1308

Statements by the President

Death of Karekin I—1275
Sierra Leone peace agreement—1308
Taliban, U.S. national emergency—1285

Supplementary Materials

Acts approved by the President—1332
Checklist of White House press releases—1332
Digest of other White House announcements—1331
Nominations submitted to the Senate—1332

Editor's Note: The President was in Los Angeles, CA, on July 9, the closing date of this issue. Releases and announcements issued by the Office of the Press Secretary but not received in time for inclusion in this issue will be printed next week.

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

Published every Monday by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, the *Weekly Compilation of Presidential Documents* contains statements, messages, and other Presidential materials released by the White House during the preceding week.

The *Weekly Compilation of Presidential Documents* is published pursuant to the authority contained in the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C. Ch. 15), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (37 FR 23607; 1 CFR Part 10).

Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The *Weekly Compilation of Presidential Documents* will be furnished by mail to domestic subscribers for $80.00 per year ($137.00 for mailing first class) and to foreign subscribers for $93.75 per year, payable to the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The charge for a single copy is $3.00 ($3.75 for foreign mailing).

There are no restrictions on the republication of material appearing in the *Weekly Compilation of Presidential Documents.*

Statement on the Death of Karekin I

July 2, 1999

Hillary and I were saddened to learn of the death of His Holiness Karekin I, Catholicos of the Armenian Apostolic Church. I have sent my condolences to the Vicar General at the Holy See of Echmiadzin.

His Holiness was widely respected for his deep scholarship, his deep sense of principle, and his sincere devotion to the broadest possible ecumenical dialog. To all who followed his inspired leadership in Armenia, the United States, and around the world, I offer heartfelt sympathy and condolences on behalf of myself and the American people. All the members of the Armenian Apostolic Church are in our thoughts and our prayers.

NOTE: This item was not received in time for publication in the appropriate issue.

Memorandum on the Federal Worker 2000 Presidential Initiative

July 2, 1999

Memorandum for the Heads of Executive Departments and Agencies

Subject: Federal Worker 2000 Presidential Initiative

Each year, Federal employees suffer over 160,000 injuries or illnesses in the course of their employment. The Federal Government's bill for medical treatment and wage loss compensation costs exceeds $1.9 billion each year. Even more disturbing is the pain and suffering of employees and their families that is caused by these injuries and illnesses and the fact that many of such injuries and illnesses are preventable.

The Federal workforce is a valuable asset to our healthy economy. We need to do more to protect our dedicated public servants from preventable injuries and illnesses. From this point forward, I want to make the safety and health of every Federal worker a central value in each operation performed in Federal workplaces. I ask all Federal agencies to help make Federal Government workplaces safe and productive. Furthermore, we need to ensure that, when injuries do occur, Federal employees are given the best possible care and are returned to work as quickly as possible.

To this end I direct the Secretary of Labor to lead an initiative focusing on the Federal workplace. This initiative will have a duration of 5 years, and will establish 3 measurable goals:

- reducing the overall occurrence of injuries by 3 percent per year, while improving the timeliness of reporting of injuries and illnesses by agencies to the Department of Labor by 5 percent per year;
- for those work sites with the highest rates of serious injuries, reducing the occurrence of such injuries by 10 percent per year; and
- reducing the rate of lost production days (i.e. the number of days employees spend away from work) by 2 percent per year.

I also direct the Secretary to report to me each year on the progress made to reduce work-related injuries and illnesses, to provide timely services, and to reduce the number of days injured workers are away from their jobs.

I am convinced that this new focus on safety and health in the Federal Government will result in fewer injured workers, significant cost reductions, and an enhanced ability to serve the American public.

William J. Clinton

NOTE: An original was not available for verification of the content of this memorandum. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

July 3, 1999

Good morning. This Independence Day at backyard barbecues and picnics in local parks, Americans celebrate the spirit of patriotism that has strengthened our Nation for 223 years now. Today I want to talk about what we must do to ensure that the food we serve at those gatherings is as safe as we can possibly make it, to keep our Nation growing healthy, as well as strong.

Our food supply is the most bountiful in the world. And for 6½ years, our administration has been committed to making it the safest in the world, from establishing a nationwide early warning system for foodborne illness to expanding food safety research and public education programs to increasing inspections of food at every point in the chain of production.

Last year I established the Joint Institute for Food Safety Research and appointed the first-ever President's Council on Food Safety to coordinate and expand food safety efforts at every level of the Federal Government. I'm proud of the progress we're making, but when it comes to keeping our families safe, we can always do more—and we must.

Today, Americans eat more imported food than ever before, and they have more choices than ever. Think of it: Thirty years ago, just a dozen kinds of fruits and vegetables were available year-round. Today, you could buy a different kind of fruit or vegetable every day of the year, and many were grown on the other side of the world. There's no evidence that these fruits and vegetables are less safe than those grown here in the United States. But some recent outbreaks of foodborne illness have been traced to imported foods.

Our import laws are very clear. We will not allow unsafe food to enter the United States. But a recent GAO report showed that some importers are sidestepping our laws and getting contaminated food across our borders and onto our kitchen tables. While most importers comply with our regulations, it only takes one bad apple to spoil the whole bunch, only one shipment of contaminated food to threaten hundreds, even thousands, of Americans.

That is why today, consistent with our international obligations, I'm directing the Treasury Department and the Health and Human Services Department to take immediate action to keep unsafe food from crossing our borders. First, we will take new steps to stop port shopping, preventing importers whose unsafe food has been turned away at one U.S. port from slipping their goods in at another. To make sure this unsafe food can be easily spotted, we will stamp all rejected food with the clear label, "Refused U.S."

Second, Customs and the FDA will rigorously enforce and expand our policy of destroying imported food that poses a serious health threat rather than risk letting it reach our grocery stores or the global market.

Third, we'll do more to deter dishonest importers by increasing the bond they must post while food is being inspected for safety. Too many importers forfeit their bonds as a simple cost of doing business. That's wrong, and we should stop it. These steps will help us to close the gaps in our food safety system.

But Congress must also act. I'm grateful for the presence here today of Congressman Dingell and Congressman Brown. Congress should start by passing comprehensive food safety legislation that would increase the FDA's authority to turn away imported food that does not meet our high safety standards. And Congress should grant USDA the authority to impose civil penalties and to order mandatory recalls of unsafe meat and poultry.

Finally, Congress should fully fund my $72 million food safety initiative to increase the number of agents and inspections of high-risk food products right here at home and increase the number of inspections of foreign food processors around the world.

Americans have a right to know that the food they serve their families is safe, whether it comes from the far corners of the world or the corner produce stand. I'm pleased that so many Members of Congress are committed to giving them that security. I appreciate the initiatives, especially of Senator Durbin and Representatives Dingell and Brown, along with Senators Mikulski, Kennedy, Harkin, Collins, and Representatives

Eshoo and Waxman. I look forward to working with all Members of Congress of both parties to build a stronger nation with a healthier food supply for the 21st century.

Have a happy and healthy Fourth of July, and thanks for listening.

NOTE: The address was recorded at 12:37 p.m. on July 2 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on July 3. The transcript was made available by the Office of the Press Secretary on July 2 but was embargoed for release until the broadcast.

Memorandum on the Safety of Imported Foods

July 3, 1999

Memorandum for the Secretary of Health and Human Services, the Secretary of the Treasury

Subject: Safety of Imported Foods

While the United States has one of the safest food supplies in the world, outbreaks of foodborne illness are still all too prevalent. Millions of Americans are stricken by illness each year from foods they consume, and thousands, mostly the very young and the elderly, die as a result. The threats come from a variety of sources, including both imported and domestically produced foods.

Foodborne illness is difficult to control in a changing world. Consumers enjoy a greater variety of foods than they did 50 years ago, including a greater emphasis on food from all around the world. Americans also eat more foods prepared outside their homes, such as foods prepared in grocery stores, restaurants, hospitals, nursing homes, schools, and day care centers. We also are seeing the emergence of new foodborne pathogens such as the highly virulent E. Coli O157:H7.

For these reasons, my Administration has made food safety a high priority. I have requested substantial annual increases to fund food safety initiatives such as a nationwide early warning system for foodborne illness, increased inspections, and the expansion of food safety research, risk assessment, and education. In January of 1997, I directed the Secretary of Agriculture, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency to identify specific steps to improve the safety of the food supply. In October of 1997, I expanded my initiative to provide special emphasis on the safety of domestic and imported fruits and vegetables. Last year at this time, I announced the creation of a Joint Institute for Food Safety Research (JIFSR) to develop a strategic plan for conducting food safety research and efficiently coordinating all Federal food safety research. In August of 1998, I issued an Executive order to create the President's Council on Food Safety, which is charged with (1) developing a comprehensive plan for all Federal food safety activities, (2) advising agencies of food safety priorities and developing coordinated food safety budgets, and (3) overseeing the JIFSR. We have made significant steps domestically to help ensure the safety of our food supply.

Today, I am expanding my Administration's food safety efforts even further to focus on the safety of imported foods. While the majority of imported food is safe, problems do exist. These problems are the result of two major changes. At the turn of the century, relatively few foods were imported, but today, we are seeing a dramatic increase in the importation of foods. Imports have doubled over the past 7 years and, based on recent trends, we expect at least an additional 30 percent increase by 2002. Finished and fully packaged food products account for an increasing proportion of all imported foods and there has been a huge increase in fresh produce from all over the world.

While there is no evidence that imported foods pose more of a risk than domestic foods and most importers comply with the applicable requirements, there are a few "bad actor" importers who violate the rules and work to subvert the system. We must give the agencies responsible for food safety the tools necessary to deal with the importers who try to break the rules. While the Food and Drug Administration (FDA) inspects domestic facilities, it has, in conjunction with the United States Customs Service (Customs), relied primarily on border inspection to ensure the safety of imported foods.

I recognize that there are limitations on our resources and statutory authority to take

measures to protect consumers against unsafe imported foods. Indeed, there are currently bills before the Congress that would grant explicit authority to improve the safety of imported foods. I applaud these legislative efforts and will continue to work with the Congress to improve our authority and resources.

Nevertheless, consistent with our international obligations, we must take whatever scientifically based steps we can to protect the public health in this area and provide the necessary tools to ensure the safety of imported food. Specifically, I direct you to take all actions available to:

(1) Prevent distribution of imported unsafe food by means such as requiring food to be held until reviewed by FDA;

(2) Destroy imported food that poses a serious public health threat;

(3) Prohibit the reimportation of food that has been previously refused admission and has not been brought into compliance with United States laws and regulations (so called "port shopping"), and require the marking of shipping containers and/or papers of imported food that is refused admission for safety reasons;

(4) Set standards for private laboratories for the collection and analysis of samples of imported food for the purpose of gaining entry into the United States;

(5) Increase the amount of the bond posted for imported foods when necessary to deter premature and illegal entry into the United States; and

(6) Enhance enforcement against violations of United States laws related to the importation of foods, including through the imposition of civil monetary penalties.

Accordingly, I direct you, in consultation with my Food Safety Council and relevant Federal agencies, particularly the Department of Agriculture and the United States Trade Representative, to report back to me within 90 days on the steps you will take in these areas to protect consumers from unsafe imported foods. We must do all that we can to protect Americans from unsafe food.

William J. Clinton

NOTE: This memorandum was made available by the Office of the Press Secretary on July 2 but was embargoed for release until 10:06 a.m. on July 3. An original was not available for verification of the content of this memorandum.

Joint Statement With Prime Minister Nawaz Sharif of Pakistan

July 4, 1999

President Clinton and Prime Minister Sharif share the view that the current fighting in the Kargil region of Kashmir is dangerous and contains the seeds of a wider conflict. They also agreed that it was vital for the peace of South Asia that the Line of Control in Kashmir be respected by both parties, in accordance with their 1972 Simla Accord. It was agreed between the President and the Prime Minister that concrete steps will be taken for the restoration of the line of control in accordance with the Simla Agreement. The President urged an immediate cessation of the hostilities once these steps are taken. The Prime Minister and President agreed that the bilateral dialogue begun in Lahore in February provides the best forum for resolving all issues dividing India and Pakistan, including Kashmir. The President said he would take a personal interest in encouraging an expeditious resumption and intensification of those bilateral efforts, once the sanctity of the Line of Control has been fully restored. The President reaffirmed his intent to pay an early visit to South Asia.

NOTE: An original was not available for verification of the content of this joint statement.

Remarks to the Community in Hazard, Kentucky

July 5, 1999

Thank you very much. Well, the Governor always told me if I would only come to Appalachia, I would get a very warm welcome. I want to thank the good people of Hazard and Perry County for giving me that warm welcome. I want to thank all the people of eastern Kentucky who have made me and my party feel so welcome today—Paul and Judy Patton. I thank Mayor Gorman and Judge Noble. I thank those who have come with me today—our Agriculture Secretary—

you heard from Secretary Glickman—our HUD Secretary, Secretary Cuomo; SBA Administrator Alvarez. We have two Congressmen here—Jim Clyburn from South Carolina and Paul Kanjorski, who came all the way from Pennsylvania, because they have places like Appalachia there, and they wanted to come down here to be with you.

I want to thank Duane Ackerman and the other CEO's who are here, including Dick Huber of Aetna; the One Central Bank Kentucky CEO, Kit Stolen; Sara Gould from the Ms. Foundation; John Sykes from Sykes Enterprises—I'll mention him in a moment.

I want to thank the Reverend Jesse Jackson, who keeps hope alive; and the others in our group, including Al From, the leader of the Democratic Leadership Council; and David Wilhelm, who is from nearby in Ohio and was my first Democratic National Committee chairman. I'd like to thank the young people here in AmeriCorps, and I would like to say a special word of thanks to Cawood Ledford. Boy, he is—I was thinking that if old Cawood had been a political announcer instead of a basketball announcer and I could have kept him with me these last 25 years, I'd have never lost an election.

You know, Kentucky has been good to me and Hillary and to the Vice President. It has been brought to my attention that, in addition to the economy, we've been pretty good for Kentucky. Since I've been in office, UK basketball has had the most successful 6 years since Adolph Rupp was the coach. And Tim Couch hasn't done badly, either.

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

I'll bet you some of you here are actually the descendants of those people Governor Patton talked about, the Revolutionary War heroes who helped to settle this State. But you know, whether our parents and their parents came here on the *Mayflower* or slave ships, whether they landed on Ellis Island in the 1890's or came to Los Angeles Airport in the 1990's, around the Fourth of July we're supposed to celebrate what we have in common as Americans, to reaffirm that what unites us is more important than what divides us. Well, if we believe that, we have a shared stake in one another's success.

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

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

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

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

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

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

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

You know, these economists in Washington and New York used to tell me that if the unemployment rate ever dropped below 6 percent in America we'd have inflation out of control. Well, it's been under 5 percent for 2 years now, and inflation is still low. And I'm telling you, it can go lower. We can hire more people; we can have more jobs, but we've got to go to the places where there have not been enough new jobs and there has not been enough new investment and we have to provide incentives for people to go there.

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

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

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

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

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

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

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

and let the American people show what they can do.

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

Thank you, and God bless you.

NOTE: The President spoke at 4:10 p.m. on Main Street. In his remarks he referred to Gov. Paul E. Patton of Kentucky and his wife, Judy; Mayor William D. Gorman of Hazard; Perry County Judge-Executive Denny Ray Noble; F. Duane Ackerman, chairman and chief executive officer, Bell South; Richard Huber, chairman and chief executive officer, Aetna, Inc.; Alvin T. (Kit) Stolen III, president and chief executive officer, Bank One Kentucky/Lexington Market; Sara Gould, executive vice president, Ms. Foundation for Women; John H. Sykes, chairman and chief executive officer, Sykes Enterprises, Inc.; civil rights leader Jesse Jackson; retired University of Kentucky basketball broadcaster Cawood Ledford; former University of Kentucky quarterback and top 1999 NFL draft pick Tim Couch, Cleveland Browns; and Jesse L. White, Jr., Federal Cochairman, Appalachian Regional Commission.

Letter to Congressional Leaders Transmitting a Report on Emigration Policies and Trade Status of Certain Former Eastern Bloc States

July 2, 1999

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

On September 21, 1994, I determined and reported to the Congress that the Russian Federation was not in violation of the freedom of emigration criteria of sections 402 and 409 of the Trade Act of 1974. On June 3, 1997, I determined and reported to the Congress that Armenia, Azerbaijan, Georgia, Moldova, and Ukraine were not in violation of the same provisions, and I made an identical determination on December 5, 1997, with respect to Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. These actions allowed for the continuation of normal trade relations for these countries and certain other activities without the requirement of an annual waiver.

As required by law, I am submitting an updated report to the Congress concerning the emigration laws and policies of Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. The report indicates continued compliance by these countries with international standards concerning freedom of emigration.

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. This letter was released by the Office of the Press Secretary on July 6.

Executive Order 13129—Blocking Property and Prohibiting Transactions With the Taliban

July 4, 1999

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) ("IEEPA"), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3, United States Code,

I, William J. Clinton, President of the United States of America, find that the actions and policies of the Taliban in Afghanistan, in allowing territory under its control in Afghanistan to be used as a safe haven and base of operations for Usama bin Ladin and the Al-Qaida organization who have committed and threaten to continue to commit acts of violence against the United States and its nationals, constitute an unusual and extraordinary threat to the national security and foreign policy of the United States, and hereby declare a national emergency to deal with that threat.

I hereby order:

Section 1. Except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702(b)) and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date:

(a) all property and interests in property of the Taliban; and

(b) all property and interests in property of persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General:

(i) to be owned or controlled by, or to act for or on behalf of, the Taliban; or

(ii) to provide financial, material, or technological support for, or services in support of, any of the foregoing,

that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, are blocked.

Sec. 2. Except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702(b)) and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date:

(a) any transaction or dealing by United States persons or within the United States in property or interests in property blocked pursuant to this order is prohibited, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of the Taliban or persons designated pursuant to this order;

(b) the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, software, technology (including technical data), or services to the territory of Afghanistan controlled by the Taliban or to the Taliban or persons designated pursuant to this order is prohibited;

(c) the importation into the United States of any goods, software, technology, or services owned or controlled by the Taliban or persons designated pursuant to this order or from the territory of Afghanistan controlled by the Taliban is prohibited;

(d) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited; and

(e) any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

Sec. 3. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby directed to authorize commercial sales of agricultural commodities and products, medicine, and medical equipment for civilian end use in the territory of Afghanistan controlled by the Taliban under appropriate safeguards to prevent diversion to military, paramilitary, or terrorist end users or end use or to political end use.

Sec. 4. For the purposes of this order:

(a) the term ''person'' means an individual or entity;

(b) the term ''entity'' means a partnership, association, corporation, or other organization, group, or subgroup;

(c) the term ''the Taliban'' means the political/military entity headquartered in Kandahar, Afghanistan that as of the date of this order exercises de facto control over the territory of Afghanistan described in paragraph (d) of this section, its agencies and instrumentalities, and the Taliban leaders listed in the Annex to this order or designated by the Secretary of State in consultation with the Secretary of the Treasury and the Attorney General. The Taliban is also known as the ''Taleban,'' ''Islamic Movement of Taliban,'' ''the Taliban Islamic Movement,'' ''Talibano Islami Tahrik,'' and ''Tahrike Islami'a Taliban'';

(d) the term ''territory of Afghanistan controlled by the Taliban'' means the territory referred to as the ''Islamic Emirate of Afghanistan,'' known in Pashtun as ''de Afghanistan Islami Emarat'' or in Dari as ''Emarat Islami-e Afghanistan,'' including the following provinces of the country of Afghanistan: Kandahar, Farah, Helmund, Nimruz, Herat, Badghis, Ghowr, Oruzghon, Zabol, Paktiha, Ghazni, Nangarhar, Lowgar, Vardan, Faryab, Jowlan, Balkh, and Paktika. The Secretary of State, in consultation with the Secretary of the Treasury, is hereby authorized to modify the description of the term ''territory of Afghanistan controlled by the Taliban'';

(e) the term ''United States person'' means any United States citizen, permanent resident alien, entity organized under the laws

of the United States (including foreign branches), or any person in the United States.

Sec. 5. The Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, is hereby authorized to take such actions, including promulgation of rules and regulations, and to employ all powers granted to me by IEEPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

Sec. 6. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

Sec. 7. (a) This order is effective at 12:01 a.m. Eastern Daylight Time on July 6, 1999.

(b) This order shall be transmitted to the Congress and published in the *Federal Register*.

William J. Clinton

The White House,
July 4, 1999.

[Filed with the Office of the Federal Register, 12:38 p.m., July 6, 1999]

NOTE: This Executive order was released by the Office of the Press Secretary on July 6, and it was published in the *Federal Register* on July 7.

Letter to Congressional Leaders Reporting on the National Emergency With Respect to the Taliban

July 4, 1999

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

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b) and section 301 of the National Emergencies Act, 50 U.S.C. 1631, I hereby report that I have exercised my statutory authority to declare a National emergency with respect to the threat to the United States posed by the actions and policies of the Afghan Taliban and have issued an executive order to deal with this threat.

The actions and policies of the Afghan Taliban pose an unusual and extraordinary threat to the national security and foreign policy of the United States. The Taliban continues to provide safe haven to Usama bin Ladin allowing him and the Al-Quida organization to operate from Taliban-controlled territory a network of terrorist training camps and to use Afghanistan as a base from which to sponsor terrorist operations against the United States.

Usama bin Ladin and the Al-Qaida organization have been involved in at least two separate attacks against the United States. On August 7, 1998, the U.S. embassies in Nairobi, Kenya, and in Dar es Salaam, Tanzania, were attacked using powerful explosive truck bombs. The following people have been indicted for criminal activity against the United States in connection with Usama bin Ladin and/or the Al-Qaida organization: Usama bin Ladin, his military commander Muhammed Atef, Wadih El Hage, Fazul Abdullah Mohammed, Mohammed Sadeek Odeh, Mohamed Rashed Daoud Al-Owhali, Mustafa Mohammed Fadhil, Khalfan Khamis Mohamed, Ahmed Khalfan Ghailani, Fahid Mohommed Ally Msalam, Sheikh Ahmed Salim Swedan, Mamdouh Mahmud Salim, Ali Mohammed, Ayman Al-Zawahiri, and Khaled Al Fawwaz. In addition, bin Ladin and his network are currently planning additional attacks against U.S. interests and nationals.

Since at least 1998 and up to the date of the Executive order, the Taliban has continued to provide bin Ladin with safe haven and security, allowing him the necessary freedom to operate. Repeated efforts by the United States to persuade the Taliban to expel bin Ladin to a third county where he can be brought to justice for his crimes have failed. The United States has also attempted to apply pressure on the Taliban both directly and through frontline states in a position to influence Taliban behavior. Despite these efforts, the Taliban has not only continued, but

has also deepened its support for, and its relationship with, Usama bin Ladin and associated terrorist networks.

Accordingly, I have concluded that the actions and policies of the Taliban pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I have, therefore, exercised my statutory authority and issued an Executive order which, except to the extent provided for in section 203(b) of IEEPA (50 U.S.C. 1072(b)) and regulations, orders, directives or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date:

—blocks all property and interests in property of the Taliban, including the Taliban leaders listed in the annex to the order that are in the United States or that are or hereafter come within the possession or control of United States persons;

—prohibits any transaction or dealing by United States persons or within the United States in property or interests in property blocked pursuant to the order, including the making or receiving of any contribution of funds, goods, or services to or for the benefit of the Taliban;

—prohibits the exportation, re-exportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, software, technology (including technical data), or services to the territory of Afghanistan under the control of the Taliban or to the Taliban; and

—prohibits the importation into the United States of any goods, software, technology, or services owned or controlled by the Taliban or from the territory of Afghanistan under the control of the Taliban.

The Secretary of the Treasury, in consultation with the Secretary of State, is directed to authorize commercial sales of agricultural commodities and products, medicine and medical equipment, for civilian end use in the territory of Afghanistan controlled by the Taliban under appropriate safeguards to prevent diversion to military, paramilitary, or terrorist end-users or end-use or to political end-use. This order and subsequent licenses will likewise allow humanitarian, diplomatic, and journalistic activities to continue.

I have designated in the Executive order, Mullah Mohhamad Omar, the leader of the Taliban, and I have authorized the Secretary of State to designate additional persons as Taliban leaders in consultation with the Secretary of the Treasury and the Attorney General.

The Secretary of the Treasury is further authorized to designate persons or entities, in consultation with the Secretary of State and the Attorney General, that are owned or controlled, or are acting for or on behalf of the Taliban or that provide financial, material, or technical support to the Taliban. The Secretary of the Treasury is also authorized to issue regulations in the exercise of my authorities under the International Emergency Economic Powers Act to implement these measures in consultation with the Secretary of State and the Attorney General. All Federal agencies are directed to take actions within their authority to carry out the provisions of the Executive order.

The measures taken in this order will immediately demonstrate to the Taliban the seriousness of our concern over its support for terrorists and terrorist networks, and increase the international isolation of the Taliban. The blocking of the Taliban's property and the other prohibitions imposed under this executive order will further limit the Taliban's ability to facilitate and support terrorists and terrorist networks. It is particularly important for the United States to demonstrate to the Taliban the necessity of conforming to accepted norms of international behavior.

I am enclosing a copy of the Executive order I have issued. This order is effective at 12:01 a.m. Eastern Daylight Time on July 6, 1999.

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. This letter was released by the Office of the Press Secretary on July 6.

Statement on the National Emergency With Respect to the Taliban

July 6, 1999

I have signed an Executive order imposing financial and other commercial sanctions on the Afghan Taliban for its support of Usama bin Ladin and his terrorist network. The Taliban has allowed the territory under its control to be used as a safe haven and base of operations for Usama bin Ladin and the al-Qaida organization, who were responsible for the bombings of our embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania, last year, murdering 12 Americans, nearly 300 Kenyans and Tanzanians, and wounding another 5,000. To this day, bin Ladin and his network continue to plan new attacks against Americans, without regard for the innocence of their intended victims or for those non-Americans who might get in the way of his attack. The United States has tried repeatedly, directly and working with other governments, to persuade the Taliban to expel bin Ladin to the United States for trial or, if that is not possible, to a third country where he will face justice for his crimes, and to end the safe haven it gives to bin Ladin's network, which lives and trains in Taliban-controlled Afghanistan. These efforts have failed. The Executive order I have signed will deepen the international isolation of the Taliban, limit its ability to support terrorist networks and demonstrate the need to conform to accepted norms of international behavior. The order does not affect humanitarian aid, food, and medical supplies for civilian use. It is not aimed at the people of Afghanistan, but at the Taliban. Those who nurture terrorism must understand that we will not stand by while those whom they protect target Americans.

Remarks in a Roundtable Discussion on Investment in the Mississippi Delta Region in Clarksdale, Mississippi

July 6, 1999

The President. Thank you. Please be seated. Well, it's hot as a firecracker in here. [*Laughter*] So I feel right at home. [*Laughter*] I don't know whether Bob Koerber and the people at Waterfield are insured against heatstroke by strangers happening in along the way, but let me say that I am delighted to be here today. I've had a good day already.

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

I'd like to thank David Bronczek from FedEx; Jack Haugsland from Greyhound. We'll introduce our panelists later. I'd also like to say a special word of thanks to Lieutenant Governor Ronnie Musgrove and his family. They're here, and we thank him for his interest in the development of the Delta.

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

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

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

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

Hello, Governor Mabus. It's nice to see you. Welcome. Thank you very much for being here. And I think my friend William Winter is here. Governor Winter, are you here somewhere? He met me at the airport.

So anyway, I talked for about 5 minutes, and I'd like to do that.

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

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

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

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

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

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

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

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

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

And I want to make the same point I made yesterday: Everybody in America has a selfish interest now in developing the Delta. Why? Because most economists believe that if we're going to keep our economic recovery

going without inflation, the only way we can possibly do it is to find more customers for our products and then add more workers at home. If you come here, you get both in the same place. You get more workers and more consumers. So it's good for the rest of America as well.

So again, I say I am delighted to be here. I had a wonderful time in Memphis last night, but I ate too much. I'm sorry it's so hot, but I hope nobody passes out. And I want to give Secretary Slater now a chance to talk to our panelists, and then I want all of you to think about, when we leave here, what we can do to show people the opportunity that's here now, and what you could do to help me pass, on a bipartisan basis, the necessary tax incentives and loan guarantees to say to any investor, anywhere in America, if you come to the Mississippi Delta, you can get at least a good a deal as you could investing anywhere else in the world. And we're right here at home, and we need you.

Thank you very much.

[*At this point, the discussion proceeded.*]

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

Hillary and I, when we were in Arkansas, helped to set up the Southern Development Bank in Arkansas, as you know, so we believe in this. In addition to that, I want to emphasize one other thing. In the empowerment zone program that the Vice President has run for us over the last 6 years, people who invest there can get substantial tax benefits for investing, and then they get tax benefits for hiring people. But they don't get them if they're outside of these zones.

One of the reasons that I'm trying so hard to pass this legislation is not every place in America can be in an empowerment zone, even if we keep increasing them every year. So what I want to do is to make every area in America that needs an investor equally eligible to get the investors' attention by being able to get these kinds of tax benefits, so we can get more money into these development corporations and then have equal tax incentives for investors to go into high unemployment areas—those two things, if we have enough people like you who are as good as it as you have been, I think will make a huge difference. I think it will really, in the next 5 or 6 years, would make a breathtaking difference, because people are out here looking at these markets now. And I want to thank you.

[*The discussion continued.*]

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

[*The discussion continued.*]

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

Hillary and I had some contact with him; that's what led to the establishment of the bank in Arkadelphia and to my belief that

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

[*The discussion continued.*]

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

Our host was telling us there's another place across the river in Arkansas that he's been looking at now. If we had a core of people who had this skill to go with what our local venture capitalist and banker here is doing for us, we could really do some good. But I think we ought to recognize that what these people have done here and the jobs that they've given folks the opportunity to hold is quite important and could be a good model for others in the Delta. So I thank you for what you've done.

[*The discussion continued.*]

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

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

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

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

I do want to point out that except for the occasional reverend of the cloth and the odd politician, the head of the electric utility is the only guy still wearing his coat because he wants you to use more juice. [*Laughter*] And I think that is very impressive. I want to thank our friend from Greyhound because we may always need some people to be able to get to and from jobs that aren't in the small towns of rural America but who want to live in rural America. That's been one of the big challenges Secretary Slater has tried to face with welfare reform, even; trying to make sure people who live in the inner cities can at least get to the suburbs, or who live in small towns and get to a big city so they can take a job without having to undermine their ability to be good parents.

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

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

Thank you very much, and God bless you.

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. Haugsland, 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-Kersee 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 unemployment 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-Kersee, 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 Byrdsong, 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——

The President. Well, I want to have a chance to evaluate it. It would seem to me, though, that we would have—this is something that Democrats and Republicans all agree on. I mean, our approach is a completely private-sector approach. We do have, in addition to the big tax cuts I talked about, we have a venture capital approach where we want to try to do a little more to get real venture capital out there. You heard the lady testify today that she went from being an employer to a business owner, and she had no equity so she had to have venture capital to start. So we do that. And we have a little bit of technical assistance to help communities and businesses that don't have any way of getting the information they need.

But apart from that, I think we ought to be able to find common ground. I can't imagine that Republicans wouldn't want to do this. This has got to be good for Republican businesspeople, to have a better chance to invest in areas where you can have more growth without inflation.

Interest Rates

Mr. Insana. Now, last week, some congressional Democrats led by Barney Frank came out and suggested that if the Fed raised interest rates, something you mentioned a minute ago, that it would hurt the poor, people you've been visiting here over the last couple of days. Is that what the Fed's doing, or is the Fed extending a noninflationary economic environment by tapping on the brakes a little bit?

The President. Well, I think that plainly that's what the Fed is trying to do. And I've made a real practice of trying not to comment on interest rate changes and trying to let Chairman Greenspan and the Fed do their work, and I would do mine.

But again I say, look—look at what we've done here. I think if you just look at Chairman Greenspan's own testimony, we've all been somewhat surprised that we could grow as much as we have, have unemployment as low as we've had, and have virtually no inflation. And it's a tribute to the productivity of the American businesspeople and the explosion of technology, and it's rifling through every sector of the economy and giving us more high productivity-driven growth without inflation than anyone dreamed.

The trick is if—to go back to what Barney Frank said—what he wants is to keep the economy going, to keep the growth going until middle and lower middle income working people can get their wages up to overcome the stagnation of 20 previous years and until we can get more people caught up in the areas where the recovery hasn't occurred. That's why, it seems to me, the most important thing to do is to have initiatives like this which give you concrete examples of how you can have growth without inflation.

Tax Cuts

Mr. Insana. Now, Republicans would argue that one other way to extend the recovery here would be to cut taxes even further. And you hinted last week in USA Today that if you got what you wanted on Medicare reform and prescription drug benefit subsidies, that you might go along with an expanded list of tax breaks. Can you elaborate on that? What would you accept in exchange for a Medicare deal?

The President. Let me make it clear. What I said was that, obviously, we would be working together on all the appropriations issues and expenditure of money, if we did first things first. But I think that it's quite important that the Republicans say how they're going to pay for all these things. You know, they say they want even larger increases for defense than I do, and I've proposed substantial increases. Then they want huge increases in tax cuts. Do they propose to keep us in debt? Do they propose to basically eviscerate the education and health and environment budgets of the country? What is their proposal?

Of course, we will negotiate, but we ought to think about first things first. Let me just say this: I think we proved in '93, when we didn't have a single Republican vote and the Vice President had to break the tie in the Senate, that we were right and they were not right about what would be the best economics for their constituents. That is, when we passed that '93 economic plan, there is no question that it sparked a huge drop in interest rates, a huge increase in investment, and an explosion in economic activity. And it had

a lot more positive impact on the markets and on business investment and on job creation than a tax cut which perpetuated a deficit would have had.

Now, in 1997, we reached agreement on a bipartisan balanced budget deal which kept that philosophy going. We continued to invest in education and technology and research. We provided tax cuts to families and for college education. We did it in a balanced way, and what's happened? Now we've got this surplus.

I will say this: The most important thing we can do for the long-term health of the economy is to say to the whole world, we're going to make America debt-free in 15 years. If we did that, what does that mean? Much lower interest rates, higher business investment, lower credit card, lower consumer, low homeownership rates, higher wages.

So will we negotiate? Will there be a negotiation? Of course there will be. But let's do the first things first. Let's keep America economically strong. We've got 6½ years of evidence now about what works. Why in the world would we take a U-turn and run this deficit back up or just pull out of the education business?

Mr. Insana. Let me ask the question more simply than the way maybe an individual might, which is, if I overpay my taxes every year, I get a refund; if I overpay for 15 years, why can't I get a really big refund and get that money back in the way of a tax cut?

The President. Well, how do you define "overpay"?

Mr. Insana. Well, if you're running a surplus, I mean, Government has more money than it can use.

The President. That's right. But Government has more money than they can use for 15 years after quadrupling the debt in the 12 years of the Reagan-Bush years. I mean, we tried it their way. We tried it their way. We tried all the supply-side economics. Every year—every year—they came in and said, "Oh, we're going to get rid of the deficit this year." And every year, it got bigger and bigger and bigger. You go back and look at what they said, my predecessors said, was going to happen to the budget and what, in fact, had.

You know, sooner or later, results should account for something. Sooner or later, we should stop having this debate as if there is no history, no evidence, no facts, no results. Now, we've produced an economy with 19 million new jobs, the longest peacetime expansion in history, and if we get out of debt, the average person will get much more than they would from an extra tax cut.

Second, I am for a sizable tax cut. I have proposed a sizable tax cut. I also supported the previous tax cuts, the $500 child credit, the college credit which is $1,500 a year. I supported all these tax cuts. But first things first. If we take this country out of debt for the first time since 1835, then average people are going to have more money in their pockets than if we keep the country in debt and give them a tax cut now because we've got an election in a year and a half.

Stock Market and the National Economy

Mr. Insana. Can I stick in one final question? As we speak right now, the stock market again is at a new all-time high—the Dow, the Nasdaq—everything's going very well on Wall Street. Do you worry at all about a bubble in the stock market or the economy today?

The President. Well, I think every person who's thoughtful, who knows that nothing lasts forever, wonders how this will all play out. I think every thoughtful person does. But I think what we should do is to make the most of this and to make no move which would turn it into a bubble prematurely.

But it seems to me again, we can have a tax cut, but if I announced—just suppose, think about this—suppose you had an announcement—you don't expect this to occur—where Speaker Hastert and Senator Lott joined Mr. Gephardt and Senator Daschle and me, and we said, "Look, here's our program. Here's what we're going to do to save Medicare; here's what we're going to do to save Social Security. We're going to make the country debt-free in 15 years; we've got some more money for education, and we've got to take care of defense, and here's a sizable tax cut. This is our program." I believe that would lengthen the period of this recovery. I think it would minimize the chances of a bubble.

If, by contrast, we went out and said, ''Hot dog! Right here before the next election, we're going to give you a $1 trillion tax cut. Unfortunately, our deficit will be bigger, and we won't get ourselves out of debt. And unfortunately, we'll have to cut education spending and research. But we just think this is more important, and I know it didn't work the last time, but somehow we think it will work this time—even though it didn't work. We tried it for 12 years, and it never worked. Somehow, we think, poof, magically it will work this time''—I believe that my course of action is better for the American economy than that latter course of action.

Mr. Insana. Mr. President, we appreciate your time. Thanks for joining us.

The President. Thank you.

NOTE: The interview began at 12:16 p.m. on July 6 at the loading area of the Waterfield Cabinet Co., and it was videotaped for broadcast later that evening. The transcript was released by the Office of the Press Secretary on July 7. A tape was not available for verification of the content of this interview.

Remarks in a Discussion at Pine Ridge Indian Reservation, South Dakota

July 7, 1999

[*The discussion is joined in progress.*]

President Harold D. Salway. ——but we're durable people, have a lot of pride, have a lot of dignity.

President Clinton. How do you stay warm in the winter?

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

President Clinton. Would you say the biggest immediate need you have is for better housing?

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

President Clinton. If there were jobs in the near vicinity, some sort of small manufacturing or something like that, do you think all the people who could work would do so?

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

President Clinton. Where's your tribal college?

President Salway. Probably about 40 miles northeast of here, toward the center part of our reservation. Our reservation is about 135 by 84, 85, thereabouts. A pretty large reservation.

President Clinton. How close do the jobs have to be in order not to be too burdensome to go to and from work?

President Salway. We don't have a transportation system, so most people have to car pool into Pine Ridge. Pine Ridge is kind of like the capital of the reservation, if you will. Most people transporting in and out transit to come to work from IGS and BIA and tribal government. That's the greatest portion of employment. Not too much microenterprises for development.

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

President Clinton. Andrew, why don't you just say what we've been talking about, say what you were saying about the housing.

Secretary Andrew M. Cuomo. As the President was saying one of the greatest needs is housing, just provide the basic living conditions where people can improve themselves. And then homeownership—very little homeownership on the reservation—and homeownership, given the conversation we've had this past week is really the first access to capital strategy, when you think about it. Because when you own and you have equity in your home, then you can start to get loans, you can start to get financing and start to get credit to open a business or pay a tuition, whatever you'd like to do.

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

first time so the tribe can do business as a tribe and also as a not-for-profit organization.

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

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

President Clinton. Frank?

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

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

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

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

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

President Salway. Probably single-family homes because all the families crunched into one house causes a lot of other——

President Clinton. Problems.

President Salway. —— problems. Yes. Social situations.

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

President Clinton. How many people live in here with you?

Ms. Blue Bird. In this house, there are 11. And in this house—between the two houses, there's 28. You met part of them here.

President Clinton. So you have 11 living in here and 17 in the other place.

Ms. Blue Bird. About like that. Yes. Because I've got them sleeping in here in the living room. I've got bunks in there. Between these two areas here, I have five bedrooms.

President Clinton. And 28 people sleep?

Ms. Blue Bird. And I have five bedrooms. So this is what I'm talking about. What you said, with that many people in a small area, that does cause problems, like here. My own personal opinion is I'd like to see us get jobs,

because really to have—to get one of the homes that are coming up, you need to have an income. But right now we're living on—well, here on this street, I can safely say about 85 percent of us, here on this street alone, are living on Social Security, SSI, and welfare. That's one income once a month. And that's what we use.

My boys, as you have seen, have applied for jobs. They have applications all over. I've even got one boy that went to the Service. We've been using his veteran's benefits. It's hard to get a job here because there isn't one. When you get a job here, you hang onto it, because you get an income. Money every 2 weeks is better than money once a month.

President Salway. And that causes problems. Everybody struggles for those very, very minimum jobs you have. So it causes a lot of conflicts.

President Clinton. Over the jobs?

President Salway. Over the jobs. So few.

NOTE: The discussion began at approximately 10 a.m. outside the home of Geraldine Blue Bird during a walking tour of the Igloo Housing neighborhood. The discussion participants included President Harold D. Salway of the Oglala Sioux Tribe; and Franklin D. Raines, chairman and chief executive officer, Fannie Mae. The Office of the Press Secretary also released a partial transcript of this discussion. A tape was not available for verification of the content of this discussion.

Exchange With Reporters at Pine Ridge Indian Reservation

July 7, 1999

Q. Mr. President, what did you learn from the Igloo neighborhood this morning?

The President. Well, the woman who was speaking with me, Geraldine—some of you had to leave before she talked—there are 11 people living in her house and 17 members of her family living in the trailer next door connected to her house, 28 people there with five bedrooms between them.

And she talked about how hard it was with no jobs to make ends meet, and how she had to buy all the children's school clothes on installment, on layaway. And what she did was she had to find money for the children who were on the cross-country team—just to be able to do the most basic things in life.

And she said, yes, they did need new housing, but the most important thing they needed was a way to make a living. Keep in mind—this is unbelievable—this country has had an unemployment rate of under 5 percent for 2 years; the unemployment rate here is almost 75 percent. We have to find a way not only to fix this, the very difficult housing circumstances, but to get them jobs.

We'll talk more about it.

NOTE: The exchange began at approximately 10:30 a.m. at a new reservation housing complex. In his remarks, the President referred to Geraldine Blue Bird, resident, Pine Ridge Indian Reservation. A tape was not available for verification of the content of this exchange.

Remarks to the Community at Pine Ridge Indian Reservation

July 7, 1999

Thank you very much. Thank you. Thank you, Mr. President, and thank you to all of you here from Pine Ridge and all the other tribal leaders who are here for HUD's Shared Vision Conference. I am profoundly honored to be in Pine Ridge and in the Lakota Nation. In fact, to try to demonstrate my appreciation and respect, I would like to try—to try to say something in Lakota. *Mitakuye oyasin.* My neighbors, my friends, we are all related.

Consider those who have come here today to join hands with you, along with Secretary Cuomo, Secretary Glickman, your great congressional delegation, our Democratic leader Tom Daschle in the United States Senate and Senator Johnson, Congressman Thune. You don't know this, but we have Members of Congress from all over America who have some here to express their support and their commitment to join you in building a better tomorrow: Congressman Ed Pastor from Arizona; Congressman Dale Kildee from the State of Michigan; Congressman Jim Clyburn from South Carolina; and Congressman Paul Kanjorski from Pennsylvania, he has come all the way from Pennsylvania to be here.

I want to thank the other people from the administration, especially Assistant Secretary of the Interior Kevin Gover and Lynn Cutler in the White House, who work with all of

our Native American leaders around America, for what they do. I want to thank the CEO of Fannie Mae, Frank Raines; the CEO of Norwest, Mark Oman; the PMI President, Roger Haughton; Mortgage Bankers Association President, Don Lange; Champion Homes CEO, Walter Young—for all the work that they are prepared to do in building a better future, and they're here today.

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

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

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

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

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

But I ask you today, even as we remember the past, to think more about the future. We know well what the failings of the present and the past are. We know well the imperfect relationship that the United States and its Government has enjoyed with the tribal nations.

But I have seen today not only poverty, but promise. And I have seen enormous courage. I came here today for three reasons. First of all, to celebrate the empowerment zone and the housing projects that are going on here now. Second, to talk about my new markets initiative and what else we can do. But, third, with the business leaders who are here—and I've already introduced them, but I'd like to ask the business leaders I just mentioned to stand up. We want to send a message to America that this is a good place to invest. Good people live here. Good people live in Indian country, they deserve a chance to go to work. [*Applause*] Thank you. Thank you.

You've already heard President Salway and Secretary Cuomo recite the statistics. It's a hot day out here, and I know you're suffering in the Sun. But I want to send a message to America. So I just want to say a few things, and I want you to think about this. Think about the irony of this. We are in the longest period of economic growth in peacetime in our history. We have in America almost 19 million new jobs. We have the lowest unemployment rate ever recorded for African-Americans and Hispanics. For over 2 years our country has had an unemployment rate below 5 percent. But here on this reservation, the unemployment rate is nearly 75 percent. That is wrong, and we have to do something to change it, and do it now.

When we are on the verge of a new century and a new millennium where people are celebrating the miracles of technology, and the world growing closer and closer together, and our ability to learn from and with each

other and make business partnerships with each other all across our globe, and there are still reservations with few phones and no banks, when still three or four families are forced to share two simple rooms, where communities where Native Americans live have deadly disease and infant mortality rates at many times the national rate, when these things still persist, we cannot rest until we do better. And trying is not enough; we have to have results. We can do better.

Our Nation will never have a better chance. When will we ever have this kind of opportunity where unemployment is low, inflation is low, there's a lot of money in our country, the value of the stock market has tripled and then some? Business people are looking for new places to invest, and people who have done well feel a moral obligation to try to help those who are less fortunate, who have not fully participated.

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

We will do our part. You have suffered from neglect, and you know that doesn't work. You have also suffered from the tyranny of patronizing, inadequately funded Government programs, and you know that doesn't work. We have tried to have a more respectful, more proper relationship with the tribal governments of this country to promote more genuine independence, but also to give more genuine support. And the empowerment zone program, as the Vice President and I designed it 6 years ago, is designed to treat all communities that way. We're not coming from Washington to tell you exactly what to do and how to do it, we're coming from Washington to ask you what you want to do, and tell you we will give you the tools and the support to get done what you want to do for your children and their future.

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

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

So what are we going to do? Private lenders, like Bank of America, Norwest, Bank One, Washington Mutual, are going to work with the Mortgage Bankers Association and HUD, to more than double the number of government-insured or guaranteed home mortgages in Indian country in each of the next 3 years.

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

But, as I heard over and over today, even if we went in and tried to repair or rebuild or build new homes for every family here, and in every Indian community throughout the United States, we must have jobs if we want these communities to work. Adults need to have something to look forward to every morning when they get up. And if they want their kids to stay in school, and stay out of trouble, and look to tomorrow, their lives have to be evidence that looking to tomorrow pays off. It is appalling that we have

the highest growth rate in peacetime in our history, that we have an unemployment rate below 5 percent for 2 years, and the unemployment rate on this hallowed reservation is almost 75 percent. That is appalling, and we can do better.

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

As you can see, in this Big Sky country, it is rather warm and it gets windy from time to time, as the natives will attest. The Department of Energy will help you harness the power and profits of wind and solar energy, to save money and make money. Owens Corning and North American Steel Framing Alliance will provide skills training and the promise of quality jobs. And Citibank and Gateway Computer Company will work with Oglala Lakota College and other schools to help Native American students get the computer skills that will allow them to get 21st century jobs. And our Federal Communications Commission will work with you to improve telephone service throughout Indian country, an absolute prerequisite for getting any new business in here.

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

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

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

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

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

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

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

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

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

Thank you, and God bless you.

NOTE: The President spoke at 12 noon on the field at the Oglala Community School. In his remarks, he referred to President Harold D. Salway, Oglala Sioux Tribe; civil rights leader Jesse Jackson; Bart Harvey, chairman and chief executive officer, The Enterprise Foundation; Al From, president, Democratic Leadership Council; and Geraldine Blue Bird, resident, Pine Ridge Indian Reservation.

Remarks to the Community at Ellsworth Air Force Base in Rapid City, South Dakota

July 7, 1999

Thank you very much. Senator Daschle, Senator Johnson, Congressman Thune—can I pronounce the colonel's name right? Przybyslawski. How's that? [*Applause*]

Let me say that I am also very grateful that we have been joined on this tour by several Members of Congress who are with me: Representatives Clyburn from South Carolina, Kanjorski from Pennsylvania, Kildee from Michigan, and Pastor from Arizona. And I bet there are people in this audience serving in our Armed Forces from all those States and more, and I thank them for coming as well. I thank Secretary Glickman, our Secretary of Agriculture, and Reverend Jesse Jackson, for being here.

I came here today to say that we are profoundly grateful to the people of Ellsworth and the people of western South Dakota for making all of us feel so welcome in your beautiful home State. Last night I was fortunate enough to have a chance to tour two of the proudest monuments in all of America, Mount Rushmore and the Crazy Horse Monument. And earlier today, as has already been said, all of us went out to the Pine Ridge reservation. We saw what you know are the profound needs of Indian country, but we saw a great deal of promise, as well.

I'd also like to say that I am well aware, as a man who lived his life in a farming State before I became President, that the farmers and ranchers of South Dakota have not had an easy time lately. Wheat and livestock prices are low. They've been low. We have shown a commitment to see our farmers through these tough times, and we will continue to keep that commitment. And I thank them for what they do.

Most important, I want to thank the men and women of the 28th Bomb Wing. Now, I understand you're celebrating a Warrior Pride picnic today, honoring all those who have been deployed in the past year in Europe and around the world. And I've been told that this picnic will really get into high gear when I get off the ground. So I won't talk long.

I do want to say, again, to each and every one of you individually, how profoundly I and your fellow countrymen and women are for your service in Kosovo—more than 30,000 sorties over 79 days, not a single pilot lost in combat; 19 NATO Allies working as a team through the longest and most difficult military engagement in the history of our Alliance. The men and women of Ellsworth were a major force behind Allied Force. Many of you are part of the 2d Air Expeditionary Group. The War Eagles of the 77th Bomb Squadron deployed out of Fairford, sending pairs of B–1's over targets in Kosovo twice a night.

I want you to know that not very long ago, my wife and daughter and I visited a refugee camp in Kosovo full of children. The camp was in Macedonia, but it was full of Kosovar children who had literally seen the worst things that human beings can do to one another. I shudder to think how we would feel if our little children, those who are here today, had to witness those kinds of atrocities.

But they never gave up hope, in large measure because they knew the United States was on their side. I wish every one of you in uniform could have heard those children in the camps, chanting, ''U.S.A., U.S.A., U.S.A.!'' Thanks to you, they're rebuilding their lives. Already they have braved landmines and other dangers so that 600,000-plus of the refugees have already gone home. They said it couldn't be done; it is being done because of you. And I thank you. The world is in your debt.

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 Pennsylvania, Congressman Clyburn from South Carolina, our Small Business Administrator, Aida Alvarez, and my Deputy Chief of Staff, Maria Echaveste; they are all here and others. I thank them.

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 Mareno 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 microenterprise 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 proceeded.*]

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

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 gone 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. Thirty percent of our growth coming out of high tech.

Intel and America Online—huge companies worth billions upon billions of dollars—started with SBA loans. And so, I think, you know, that's enough to rest our case. The second thing I would 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 LA, you will see a much higher level of commitment and interest in corporate America than we had before. Thank you, Mr. Corella. You're great.

[*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 pickup comes, everybody will benefit instead of just a few.

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

[*The discussion continued.*]

The President. I'd like to ask a question—thank you.

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 micro loans, because they plainly work.

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

Mr. Gordon. It's a sole proprietor, sir.

The President. Sole proprietor?

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

The President. That's why they repay the money back, isn't it?

Mr. Gordon. Yes.

The President. Thank you.

[*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.; Marianna 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.; 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.

Proclamation 7208—To Facilitate Positive Adjustment to Competition From Imports of Lamb Meat

July 7, 1999

By the President of the United States of America

A Proclamation

1. On April 5, 1999, the United States International Trade Commission (USITC) transmitted to the President a unanimous affirmative determination in its investigation under section 202 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2252), with respect to imports of fresh, chilled, or frozen lamb meat, provided for in heading 0204 of the Harmonized Tariff Schedule of the United States (HTS). Under section 202 of the Trade Act, the USITC determined that such lamb meat is being imported into the United States in such increased quantities as to be a substantial cause of the threat of serious injury to the domestic industry producing a like or directly competitive article. Further, the USITC, pursuant to section 311(a) of the North American Free Trade Agreement Implementation Act (the

''NAFTA Implementation Act'') (19 U.S.C. 3371(a)), made negative findings with respect to imports of lamb meat from Canada and Mexico. The USITC also transmitted to the President its recommendation made pursuant to section 202(e) of the Trade Act with respect to the action that would address the threat of serious injury to the domestic industry and be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition.

2. Pursuant to section 203 of the Trade Act (19 U.S.C. 2253), and after taking into account the considerations specified in section 203(a)(2) of the Trade Act, I have determined to implement action of a type described in section 203(a)(3). However, pursuant to section 312(a) of the NAFTA Implementation Act (19 U.S.C. 3372(a)), I have determined that imports from Canada and Mexico, considered individually, do not account for a substantial share of total imports and do not contribute importantly to the threat of serious injury found by the USITC. Accordingly, pursuant to section 312(b) of the NAFTA Implementation Act (19 U.S.C. 3372(b)), I have excluded lamb meat the product of Canada or Mexico from the action I am taking under section 203 of the Trade Act.

3. Such action shall take the form of a tariff-rate quota on imports of fresh, chilled, or frozen lamb meat, provided for in HTS subheadings 0204.10.00, 0204.22.20, 0204.23.20, 0204.30.00, 0204.42.20, and 0204.43.20, imposed for a period of 3 years plus 1 day, with annual increases in the within-quota quantities in the second and third years, as provided for in the annex to this proclamation.

4. Except for products of Canada, Mexico, Israel, beneficiary countries under the Caribbean Basin Economic Recovery Act (CBERA) and the Andean Trade Preference Act (ATPA), and other developing countries that have accounted for a minor share of lamb meat imports, which shall all be excluded from this restriction, such tariff-rate quota shall apply to imports of lamb meat from all other countries and the in-quota quantity in each year shall be allocated among such countries. Pursuant to section 203(a)(1)(A) of the Trade Act (19 U.S.C. 2253(a)(1)(A)), I have further determined that these actions will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs.

5. Section 604 of the Trade Act, as amended (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

Now, Therefore, I, William J. Clinton, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to sections 203 and 604 of the Trade Act, and section 301 of title 3, United States Code, do proclaim that:

(1) In order to establish a tariff-rate quota on imports of fresh, chilled, or frozen lamb meat classified in HTS subheadings 0204.10.00, 0204.22.20, 0204.23.20, 0204.30.00, 0204.42.20, and 0204.43.20, subchapter III of chapter 99 of the HTS is modified as provided in the annex to this proclamation.

(2) Such imported lamb meat that is the product of Canada, Mexico, Israel, and of beneficiary countries under the CBERA and the ATPA, and of developing countries listed in general note 4(a) to the HTS, shall be excluded from the tariff-rate quota established by this proclamation, and such imports shall not be counted toward the tariff-rate quota limits that trigger the over-quota rates of duty.

(3) In the event that a quota quantity established by this proclamation and allocated to a country or to ''other countries'' is significantly underutilized, the United States Trade Representative is authorized to reallocate all or part of the unfilled portion of such quota quantity to any other country or countries and, upon publication of notice in the *Federal Register*, to modify the HTS provisions created by the annex to this proclamation to reflect any such reallocation.

(4) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(5) The modifications to the HTS made by this proclamation, including the annex hereto, shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after 12:01 a.m. e.d.t. on July 22, 1999, and shall continue in effect as provided in the annex to this proclamation, unless such actions are earlier expressly modified or terminated.

In Witness Whereof, I have hereunto set my hand this seventh day of July, in the year of our Lord nineteen hundred and ninety-nine, and of the Independence of the United States of America the two hundred and twenty-fourth.

William J. Clinton

[Filed with the Office of the Federal Register, 11:48 a.m., July 8, 1999]

NOTE: This proclamation was published in the *Federal Register* on July 9.

Memorandum on Imports of Lamb Meat

July 7, 1999

Memorandum for the Secretary of the Treasury, the Secretary of Agriculture, the United States Trade Representative, the Director of the Office of Management and Budget, the Director of the National Economic Council

Subject: Action Under Section 203 of the Trade Act of 1974 Concerning Lamb Meat

On April 5, 1999, the United States International Trade Commission (USITC) submitted a report to me that contained: (1) a determination pursuant to section 202 of the Trade Act of 1974, as amended (the ''Trade Act''), that imports of lamb meat are being imported into the United States in such increased quantities as to be a substantial cause of threat of serious injury to the domestic lamb meat industry; and (2) negative findings made pursuant to section 311(a) of the North American Free Trade Agreement Implementation Act (the ''NAFTA Implementation Act'') with respect to imports of lamb meat from Canada and Mexico.

After considering all relevant aspects of the investigation, including the factors set forth in section 203(a)(2) of the Trade Act, I have implemented actions of a type described in section 203(a)(3). I have determined that the most appropriate action is a tariff-rate quota on imports of lamb meat with an increase in currently scheduled rates of duties for imports within and above the tariff-rate quota level. I have proclaimed such action for a period of 3 years and 1 day in order to facilitate efforts by the domestic industry to make a positive adjustment to import competition.

Specifically, I have established a tariff-rate quota for lamb meat in an amount equal to 31,851,151 kg. in the first year (July 22, 1999, through July 21, 2000), an amount that is equal to imports of lamb meat during calendar year 1998. The tariff-rate quota amount will increase by 875,342 kg. annually in the second and third years of relief. I have also established individual country allocations for product imported from Australia, New Zealand, and an ''other country'' category within the tariff-rate quota, which reflect the actual shares of each country in calendar year 1998. I have established increased rates of duty for imports within the tariff-rate quota amount: namely 9 percent ad valorem for imports in the first year of relief; 6 percent ad valorem for imports in the second year; and 3 percent ad valorem for imports in the third year. I have established increased rates of duty for imports above the tariff-rate quota levels: namely, 40 percent ad valorem in the first year of relief, 32 percent ad valorem in the second year, and 24 percent ad valorem in the third year.

I have also determined that implementation of adjustment assistance measures based on authorized programs of the Department of Agriculture will facilitate efforts by the domestic lamb meat industry to make a positive adjustment to import competition. In this regard, I instruct the United States Trade Representative (the USTR), the Secretary of Agriculture (the Secretary), the Director of the Office of Management and Budget, and the Director of the National Economic Council,

in consultation with the U.S. industry, to transmit to me a set of substantial adjustment assistance measures that would improve the competitiveness of the U.S. industry and facilitate efforts by the industry to adjust to import competition.

I further determine, pursuant to section 312(a) of the NAFTA Implementation Act, that imports of lamb meat produced in Canada and Mexico do not account for a substantial share of total imports of lamb meat and are not contributing importantly to the threat of serious injury. Therefore, pursuant to section 312(b) of the NAFTA Implementation Act, the safeguard measure will not apply to imports of lamb meat, whether fresh/chilled or frozen, that are the product of Canada or Mexico.

Similarly, the safeguard measure will not apply to imports of lamb meat that are the product of Israel, beneficiary countries under the Caribbean Basin Economic Recovery Act or the Andean Trade Preference Act, or other developing countries that have accounted for a minor share of lamb meat imports.

I have determined that the actions described above will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs. These actions will provide the domestic industry with necessary temporary relief from increasing import competition as well as assistance from existing U.S. Government programs, while also assuring our trading partners continued access to the United States market. The over-quota tariff rates I have established will provide substantial certainty to the domestic lamb industry regarding import levels.

Pursuant to section 204 of the Trade Act, the USITC will monitor developments with respect to the domestic industry, including the progress and specific efforts made by workers and firms to make a positive adjustment to import competition. The USITC will provide to me and to the Congress a report on the results of its monitoring no later than the date that is mid-point of the period during which the action I have taken under section 203 of the Trade Act is in effect. In this regard, I instruct the USTR, in consultation with the Secretary, and the Director of the Office of Management and Budget to transmit to the USITC no later than 30 days from today a list of benchmarks that the USTR recommends that the USITC use in connection with its monitoring and in preparing its report. These benchmarks are to be focused on industry efforts to adjust to import competition and on price trends for domestic and imported lamb meat.

The United States Trade Representative is authorized and directed to publish this memorandum in the *Federal Register*.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., July 9, 1999]

NOTE: This proclamation was published in the *Federal Register* on July 12.

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.

Interview With Ron Brownstein of the Los Angeles Times

July 6, 1999

2000 Election

Mr. Brownstein. I enjoyed being out there today after spending so much time in the last few weeks with the Vice President and the Governor. And we have so much 2000 going on already, it seems a little odd, you know, in some ways. I mean, you've got—you and the Congress both have 16, 17, 18 months left, and you know, it's almost like we're in a fall—it just seems somehow premature to me, I don't know.

The President. It is, but I think part of it is the—that's—I think we're doing what we should do, which is to keep plugging at the policy stuff, because in fairness to all the candidates, the States, in their rush to maintain maximum influence, have continued to move these dates up. So I don't really see that they had any choice. And when they're out there doing it, you've got to cover them. But I think——

Mr. Brownstein. Is it harder to get things done in Washington?

The President. I wouldn't—that depends on how—the attitude of Congress—I think that—in both parties. Not necessarily. I think in some ways, it may play to the desire of every person in public life, including the Members of the House and the Senate in both parties, always to be relevant and to say, hey, I'm here, too. So in a funny way, it could increase our ability to act, both this year and next year. And as I tell the Republicans all the time—and the Democrats—if we solve everything, if we reached an agreement on Social Security, Medicare, if we committed to pay the debt off in 15 years, which is something that I think is a huge, still, sleeper opportunity for the American economy—think of all the things that would still be there for them to disagree about.

Working With Congress

Mr. Brownstein. Do you think you can reach an agreement? What do the prospects feel like to you now—agreement on entitlement and taxes?

The President. Prospects feel, to me, better than conventional wisdom would hold they are. What I have to be able to do is to convince both parties that doing the right thing is usually the best politics. The people have hired us to work, and they expect us to work, and that there will still be this huge array of things over which they have genuine disagreements, you know? We have big disagreements that are important on education, so that no matter what we do on education, a lot of the disagreements will remain. And a lot of the opportunities will remain, you know, for fertile debate.

We have these massive disagreements, on guns, that are huge, where there seems to be no reasonable prospect that the divide can be bridged. But to go back to what I'm doing now, it would seem to me that this is, from my point of view, with the whole New Democrat philosophy I try to articulate, the embodiment of everything I believe. But it also is consistent with what entrepreneurial Republicans believe, because this is not a Government program in any conventional sense, and it is designed to spawn private sector growth.

New Markets Initiative

Mr. Brownstein. What is the principal thing you're hoping to accomplish on this tour? Is it to push forward the legislation, or is it something else?

The President. I think the principal thing I'm hoping to accomplish, which I think will help to push forward the legislation, is to convince the critical mass of the economic and political decisionmakers in this country that there is both an opportunity and an obligation in the underdeveloped parts of this.

You'd be amazed. When I talk to businesspeople, I say, look, forget about the moral obligation and the people that deserve a chance in life, although surprisingly, a lot of these business executives feel that. They feel that they've benefited in their own personal holdings, their businesses have. The stock market more than triples; the economy's got the most peacetime expansion in history. If we get fortunate, it'll be the longest expansion in history, including wartime expansions, if we keep it going, you know, if we're lucky and prudent. So I've been very touched that a lot of them feel the moral pull of this.

But what I say to them is that when I started thinking about this economy, seriously, probably 12 years ago now, and thinking about what it would take to make America work again. And then I tried to put the ideas together a decade ago, in 1989 and '90 and then in '91, I gave those speeches at Georgetown. Most conventional economists believe, even my own economists—Laura Tyson, who did a fabulous job for me—I remember sitting around the table at Little Rock in December of '92 and having her say, ''Mr. President, most economists, including most Democrats, believe that if you get the unemployment rate much below 6 percent for very

long"—do you remember that, Gene? We were at the Governor's mansion——

National Economic Council Director Gene Sperling. I remember Bob and I brought in Laura and Larry so that we could all tell you at once, and this was when we were in the——

The President. If you create more than 8 million jobs in your first term, and we get this unemployment rate much below 6 percent, we'll have inflation. The Fed will have to really raise interest rates; it'll break the back of the recovery. And I argued to the contrary because of two things. I thought if we had open markets and maximized the impact of technology, that it would tend to dramatically increase productivity and hold down prices, and, of course, you know, that's what's happened.

And all over the country today, if you look at the most sophisticated labor unions, you don't see a bunch of strikes here because we're having good times, people are saying we remember the bad times, we know we're in the global economy, we want wage increases, but we want them to be consistent with the profitability and the productivity of the firm we're in. It's very interesting.

There's a whole—and I think part of this is reinforced by the fact that all the worker pension funds are in the market and, you know, there are a lot of reasons for all this. But I think that what's happened is we're now down to unemployment below 4.5 percent, with no substantial inflation. We've had some oil spikes and other spikes, but basically things are rocking along here.

But now we've reached a point where people are saying, "Well, at this level of labor force participation, is there a way to continue to grow the economy without sending inflation up so much that the Fed will have to raise interest rates and we'll break it?" So as a pure economic perspective—and I have argued repeatedly that there are only three options here—you either have to find new markets abroad, which I strongly favor, and I'm still working on trying to get our party together on a trade position—that's option one.

Option two is to take discrete but dispersed populations that are out of the labor force and bring them in. That's still people on welfare, but the welfare rolls have been cut in half, so the ones left are the hardest to place—and the disabled. And we're going to do that—presumably, we are going to have a big bipartisan agreement on that, to let them keep their Medicaid health insurance when they come in.

I don't think you went to New Hampshire with me when I did the forum on this, but there's this former Olympic skier in New Hampshire who is now confined to a wheelchair, and I think he's quadriplegic. Anyway—but he's seriously injured. He's got $40,000 in Medicaid bills. But he's got a job and makes $30,000 a year. You and I as taxpayers, we're going to pay the Medicaid bills regardless, so we're better off with him making $30,000, and it's a better society with people like that working. So you can do that.

Mr. Brownstein. That's the second way?

The President. Yes, that's the second way. But the third way is, by far, the biggest way, and that is to go into these areas where the whole economic base eroded sometime over the last 30 years; principally, the inner-city areas and the rural areas and the Native American reservations where we're going now, where, arguably, there never was any really indigenous independent economic base. And try to actually do what is necessary to put in place a private sector. It cannot be done with Government spending alone, because there are a lot of things that governments can do—you know, the Head Start, the health care, the education, all that stuff, the infrastructure. But you have to get some free enterprise in there. There are not enough Government jobs to do that.

On the other hand, with Government neglect, it'll never happen. So we started this back in '93 with the economic plan, with the empowerment zones, doubling the earned income tax credit, doing those things within the enterprise communities, both giving people tax incentives to go into those areas and then tax credits to hire people. And then we had the community development banks, which have had, like all such things, mixed records of success, but on balance have done well.

Then we began to vigorously push the Community Reinvestment Act, which has probably had the biggest aggregate impact

but that tends to be more widely dispersed. So how we got to this new markets proposal and——

Mr. Brownstein. Can I ask right there, how does this—I mean, I was going to ask you about, building on that record, the things that you have already done, what do you see this adding to what you have already done? What is the specific increment you're trying to bring here?

The President. I think it does two things. Number one, it is available nationwide and not just where the empowerment zones or the community development banks are, or where there has to be a particularly committed community banker who loves the Community Investment Act. It's nationwide available. That's the first thing. That's a big deal. If you look at the one in New York we've got, it goes into Harlem, in the Bronx—there are probably a million people in New York City alone living in neighborhoods with unemployment rates above 10 percent, untouched by the empowerment zone. I don't know, maybe there's more. But at least a million.

Mr. Brownstein. It broadens your reach.

The President. Nationwide. And we don't have to keep going back to Congress over and over and over again saying, ''Give us 10 more empowerment zones and then everybody's got different spending priorities.'' Or Republicans say, ''We like tax cuts; we don't like the spending you do, and you don't have to do any of that.'' You put it out there and you say, ''Here it is, nationwide.''

Secondly, what it is, is, particularly a heavy emphasis on venture capital, because you get up to a 25 percent tax cut for investing in vehicles that make direct investments to put up the venture capital. And then you also lower the relative risk of bank loans by saying that for every dollar you put up in venture capital, you're eligible for $2 in borrowing, Government guaranteed, which cuts the interest rate way down.

And keep in mind, all this stuff would be available within the empowerment zones, too, so everywhere, you're lowering the relative risk of investment enough to make it more appealing. But the reason I said that the most important thing was to impact the economic and political links to the opportunity here is. I mean, that's why we've taken a lot of these businesspeople, and we're having all these announcements about what we're doing with the—you know, right now—is that it is very important that people see these opportunities as they are and also see the problems. But at least see that there really is opportunity.

Now, if you believe, as I do, that there are a lot of people in business and in politics who think as well as we're doing now, we have a moral obligation to try to finally get some sustaining free enterprise into these areas, and you show that it's good business, and then you lower the relative risks, you've really done something. But the first thing you have to do is to make sure that there is enough accurate knowledge and communication out there to make the market work.

Any economist will tell you that all markets work based on—still work through human beings based on adequate knowledge. And I would argue that there is far less than perfect knowledge within the American investor community about the opportunities in these developing areas.

Mr. Brownstein. It sounds like what you're trying to do this week is almost a trade mission within your own country.

The President. I'm taking a trade mission to America this week. Which is why, you see, my one sure-fire applause line in all these speeches is, we're going to give American business investors the same incentive to invest here they have in developing economies overseas. It's like a trade mission.

Community Investment Act

Mr. Brownstein. You mentioned Community Investment Act having the broadest impact—financial services bill going to conference. You have threatened to veto over the CRA provisions.

The President. Don't we have good CRA provisions now——

Mr. Brownstein. In the House.

The President. ——in the House?

Mr. Brownstein. The Senate provisions you said you would veto?

The President. We're going to work hard for those House provisions. I don't see how—look, I know sort of ideologically where Phil Gramm is, but you cannot look at the fact

that we have the strongest economy in a generation, maybe ever. During the same period of time, when—this was a 22-year-old law, and over 95 percent of all the money loaned under it has been loaned in the time that we've been here with this administration.

You cannot make a factual argument that the CRA is so burdensome to bankers that it's somehow bad for America, it's been good for America, and it's been good for banks. So I feel very strongly about it.

Mr. Brownstein. I feel ground approaching, so I'm going to try to talk about a couple of other issues with you.

The President. So we're trying to get three things done. Number one, we want to highlight what we've been doing the last 6½ years and what the positive impacts are. Number two, we want to promote the new markets initiative because it's nationwide, and it's a heavier emphasis on venture capital and on direct investment, equity investment. And number three, we want to increase the awareness of the opportunities there in these areas because I think we have to build a different economic infrastructure in these areas. If we do that, the next time there is a recession, they won't be totally wiped out; they'll go down like the rest of the country. And then when we get out of the recession the next time, they'll come up like the rest of the country. But if they have no resources, they get hurt terribly in the recessions, because they have a lot of marginal employees. And then when we come out, they don't come out.

Basically, I think people have not thought through here that the economic infrastructure in most of these places literally disappeared somewhere over the last 30 years and hasn't been replaced for anything.

Now, it turns out to be in the self-interest of the investor in the corporate community to replace it. And these people are out there dying to work. Yes, there are all kinds of obstacles, special obstacles in every one of these places: transportation in Appalachia, the level of education, the skills, you've got to do more on-the-job training—there are all kinds of problems. But the opportunity there is significant, and if we have sufficient tax incentives and if the Government does our part in spending for education and training, too, we will, I think, at least make the relative risk of investment equal to what it would be in most other places.

Budget Negotiations

Mr. Brownstein. Let me not jump around, but I would like to try to touch on a couple of other things and then come back to one other thing on the investment side. You mentioned before you were a little more optimistic than conventional wisdom about the prospect, and there does seem to be a little change in the wind as the surplus numbers have gotten better.

Let me ask you first, do you think a broad-based deal would have to include a broad-based tax reduction beyond what you've proposed, and are there some that are more acceptable to you than others?

The President. I think what's most important to me, because I think this will clarify the choices to the Republicans as well as to our people, what's most important to me is to try to do the first things first. That is, I would like to lock in a commitment which would assure that even if we couldn't reach agreement on the next steps, we'd run Social Security out to 2053 and pay the debt off, the publicly held debt off in 15 years.

Then I would like to move to Medicare, where I really do believe we can make an agreement now. We know that. They will have to admit—those that don't agree with my prescription drug proposal, that I've done it in a fiscally responsible way that will not explode in the out-years—then we can look at what we've got. I don't think they—if you look at what they say they are going to do, they say they're willing to go to basically a kind of a lockbox like I have, a real savings on Social Security, not something you can go back and raid.

If you do that and if you take the tax proposal they've got on the books now and they just fund my defense numbers, not theirs, my defense increases, we're already in the hole again running a deficit with a 30 percent cut in discretionary spending. That is, I don't think that all these numbers have been added up, and I think that if we really sit down and don't get—you know, I haven't attacked the money. I haven't gone out on a budget tirade or anything like that.

What I want to do is to really show them what I think the choices are and then discuss it with them and debate with them. But I think there can be an omnibus agreement, and I've already said I think there ought to be a tax cut. We can afford to give some of this money back to the American people. My own view is, the most responsible way to give it back is in the USA accounts, because it gives hundreds of dollars a year from now on to working families in ways that will enable them to save for their own retirement.

Tax Cuts

Mr. Brownstein. Do you like the idea of raising the 15 percent bracket as a possible tax cut?

The President. You mean lowering the 15 percent?

Mr. Brownstein. Lowering the 15 percent—raising the income level that is taxed at 15 percent.

The President. We've got to look at all—the important thing to me is, if you do that, then you have to give up the retirement savings. And so I'll say again, let's do first things first. Let's figure it out. The way to do this is, before you decide what kind of tax cuts you want, is to figure out how much money have you really got for it, and then you can talk about what the best way to do it is.

Budget Caps

Mr. Brownstein. And how much have you really got—Bob Greenstein's group put out a study last week, which the Post immediately picked up an editorial, arguing that this big surplus number is premised on maintaining the caps on discretionary spending, which——

The President. Which are too tight.

Mr. Brownstein. ——which are too tight. Do you think the caps should be lifted, and are we assuming, or are we spending the surplus that is exaggerated?

The President. If you look at what I did, if you look at my proposal, coming after the midsession review, we propose lifting the cap—I don't like the term ''lifting the caps,'' because that implies that we would again—that's like a tax investment. To me, lifting the caps is like doing a tax increase. That's like taking something that's doing a good thing that may have a bad result unless it is part of an overall plan.

Mr. Brownstein. As part of an overall plan, it might make sense.

The President. And in fact, what I propose—look what I propose in the midsession review. I said, ''Okay, let's have a hard Social Security lockbox, take Social Security off budget, get rid of that, do it in a way that pays the debt off in 2015, and takes all the interest savings from the declining debt and puts it into Social Security.

'Two, here's my Medicare fix, and it will pay for taking Medicare out to 2027, plus almost all the prescription drug benefits, and you need a little bit of a surplus to pay for 2027 prescription drug benefits, plus reform. Here's my defense number; here's what my tax cut cost; and here's what you have left to pay for education and children, because you don't want the budget to get too far out of balance between the old and the young for education, for children, for medical research, for the environment, and other essential Government services.''

So I've proposed, in effect—and things that the Republicans like—transportation, all that kind of stuff. I've proposed some increased spending over a decade, a substantial tax cut, and a fix for Social Security and Medicare. If they want a larger tax cut within that, and they are still committed, then they're committed to a legitimate Social Security fix, that is not something where you can wind up, raid it again to pay for your tax cut.

Then I think that we ought to be able to sit down and say let's put all these pieces out here and move them—but you can move the pieces around, but the final puzzle has to look more or less the same. In other words, I don't think a lot of them—this is ironic, you know; it's almost like the parties have switched places on this—I'm not sure a lot of them believe it's as important as I do to try to make the country debt-free by 2015.

See, I think, to me, that's a bigger tax cut than we could ever give—it's a bigger tax cut, if you're talking about disposable income in the hands of the taxpayers, it would be worth more then even their tax cut. See, if we adopt their tax—let's just say we adopted their tax cut. I am convinced as a practical matter you

would wind up with substantial deficits, higher interest rates, less savings, and higher out-of-pocket costs for everything from business loans to home mortgages to college loans to consumer loans to car payments.

And if that's true—and I think that experience, by the way—I think, you know, I've got some experience on our side, on my side of the argument now. I mean, look how much the average middle class person has saved since 1993. What tax debts do we get? Well, if you're under $30,000 a year and you've got a family, you've got some benefit from the earned income tax credit. If you have someone in college or you're going to college, you've got a big tax cut there. If you have a child, you've got the $500 tax cut there

But 100 percent of the people that have any indebtedness—and keep in mind, we've got two-thirds of the folks now who own homes now, and almost all of them have mortgages——

Mr. Brownstein. The interest——

The President. A hundred percent of them have got—they've got mortgage savings, credit card savings, car payment savings. And anybody that's got any kind of debt has saved money because we have chosen to get down to balancing the budget and then moving into the surpluses. Now, if our country were debt free, consider the potential advantages for the average citizen or even the low income worker.

Assuming we still had sufficient funds to pay our obligations to the poor and to fulfill the basic Government functions, you would have higher business investment, less inflation, more money for real wage increases, and lower credit costs for all consumer items. Furthermore, if there were another global financial crisis and we tried to change the rules to minimize this happening again, and what would happen in Asia, but no one can be absolutely sure because there's still a lot of leveraged money out there in the global economy.

The next time that happened, the United States would not be competing for money in a very difficult environment. That would mean that our trading partners could get funds more readily at lower interest rates and it would cushion the shock of any downturn. That would also be good for our export-dependent industries. We've had—gosh, our agricultural sector and our airplane, our commercial airplane sector have really been hit hard by this financial crisis in Asia. So it would be better for us in that way, and it would be better for our trading partners.

I believe that in a global economy, an economy that's as globalized as this one, the richest countries—the richest countries are better off almost imagining themselves as States do now in the American system. And the more they can be debt free, the better off they're going to be.

Nation's Direction and Gore Candidacy

Mr. Brownstein. Can I ask—I'll be thrown out of the ''Society of Political Reporters'' if I don't ask your sense of—great economy, Dow up, crime down, welfare down; yet, right track, sense of satisfaction with the direction the country is following. The Vice President, even though it's the year before, is trailing substantially. What do you think's going on? Is there a desire for change at the end of your two terms. Tail end?

The President. I think there's a constant desire for change. But I think what you'll see by next year is that the Vice President will be the candidate of change. People will have to decide whether they want the change going on. The rhetoric of compassionate conservatism, half those speeches sound like I gave them in '92.

So I think we have to—when we get down to the specifics and people get to focus on the nature of the change, I think that the Vice President will do fine. So I feel good about that. And by the way, I think the right track numbers are coming back up.

I think—I don't want to get into polling and political commentary, but the combination of the conflict in Kosovo and the extraordinary shock to the country's psyche that Littleton proposed were the main things that changed the right track/wrong track——

Mr. Brownstein. Are you comfortable with the position the Vice President is in at this point?

The President. Yes. I think—and in historical terms, if you look at parallel elections, you go back and check—where was Nixon,

where was Bush, where were these people?—I think as long as he's out there articulating the vision and saying what he'll do if he gets elected, and as long as he feels good about it, I think he's doing fine. I think it's good.

"Compassionate Conservatism"

Mr. Brownstein. I don't suppose I can talk with you in the limo? Can I ask you one last question? The other thing that's been going on, in addition to—I'm interested in your thought about what "compassionate conservatism" means to you. As you say, some of those speeches sound like—they talked about opportunity, community, responsibility at various points. Is it an homage to what you're doing, or do you see it as something that is fundamentally different than the New Democrat agenda?

The President. Both. Yes, that is, I think that based on what I've seen, it captures the rhetoric, and it's very flattering in a way, you know? Because it replicates the rhetoric. But I think—and it, on some issues, seems to have discarded some of the harsher aspects of the Republican revolution of the last 5 years—immigration, for example.

But on other issues, it's either blurring, like, where are they, really, on affirmative action and choice?—not really clear—and on some places, you know, downright hostile to the position that I believe is sort of the Third Way position, including on civil liberties, like the hate crimes legislation or on consumer protections like the Patients' Bill of Rights or, most profoundly, on these gun issues.

So the question is, are the architects of the revolution in 1995, the contract on America, the heirs of Newt Gingrich who are still basically in control of the Congress, all of whom were early—almost all of whom, almost 100 percent—early endorsers of Mr. Bush, is this an umbrella under which they can be protected from the rainstorm of public opinion until they get to where they can do what they want, or is it something different? I think the record is decidedly mixed on that.

Childhood Poverty

Mr. Brownstein. I was going to ask you about Bradley criticizing you on child poverty, not doing enough to reduce childhood poverty. That was the——

The President. I don't think anybody's done enough to reduce childhood poverty; you have to keep going. But if you look at the minimum wage, doubling the earned income tax credit, and what we've done—we've immunized 90 percent of the kids for the first time in history, and we've got the lowest minority unemployment rate ever recorded and the lowest Hispanic unemployment rate ever recorded—I think we've made more headway than anyone imagined we could when we started.

But it's a very difficult problem.

NOTE: The interview began at approximately 8 p.m. aboard Air Force One en route from East St. Louis, IL, to Rapid City, SD. In his remarks, the President referred to Gov. George W. Bush of Texas. The transcript was released by the Office of the Press Secretary on July 8. A tape was not available for verification of the content of this interview.

Remarks in a Discussion on Youth Opportunities in Los Angeles, California

July 8, 1999

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

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

yesterday; and it was over 100 in south Phoenix. So I came to Los Angeles to cool off, and I thank you very much for that.

I want to thank Secretary Daley and Secretary Slater who are here. And Reverend Jackson, thank you for making this tour with us, and all the business leaders who have been with us. I want to thank Congresswoman Millender-McDonald. We were just over at the transportation academy in her district, and I enjoyed that very much. Congresswoman Loretta Sanchez, thank you for being here. Congressman Xavier Becerra; and Congressman Paul Kanjorski, who came all the way from Pennsylvania, has been on every step of this tour, and I thank him.

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

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

In Watts, for example, the unemployment rate has dropped by almost 50 percent, but is still three times above the national average, just for example. And so it seemed to me several months ago—and I talked about this in my State of the Union Address way back in January—that there was a way to tap the enormous feeling that a lot of our business leaders have that they've done very, very well in a stock market that's more than tripled in 6 years and a strong economy, and that they ought to give something back with the idea that it would actually be good economics to give something back.

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

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

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

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

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

Now, the first 3½ days, what we spent focusing on is how to get money into isolated places. That's basically what we've been focusing on. And we talked a lot about the things we've been doing since 1993. We've had wonderful business leaders from all over

America, by the way, of both parties—this is not a partisan issue anyplace but Washington, DC, and I hope it won't be there—saying, ''Hey, this is good business; this is a good deal; we want to be a part of it.'' And we talked about this new markets legislation I have proposed which would give tax credits and Government guaranteed loans to people who would invest to give equity to people to start businesses in the inner city and in rural America.

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

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

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

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

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

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

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

[*At this point, the discussion proceeded.*]

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

And for people who have modest incomes, you know, he has adapted this sort of car leasing proposal—you remember, this started a few years ago when people stopped buying cars and started leasing them and leased them 3 years. Mel will lease people cars, give you leases for as short a period as 2 months. But if you don't pay, you can't make off with the car; he's got a device that will turn the car off. [*Laughter*] So he soon will be responsible for the widest distribution of car ownership in America with the largest number of cars that won't run. [*Laughter*]

This is actually a brilliant thing, because he's giving people a chance to have cars they never could afford otherwise. He's recognizing that people who don't have a lot of cash income have to live from month to month. And he's doing it in a way that is

giving people a chance to run dealerships who never could have run them before; and they will all train people and hire the kind of people that Toyota Center is training.

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

[*The discussion continued.*]

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

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

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

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

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

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

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

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

NOTE: The President spoke at 12 noon in the Founders' Library at Southwest College. In his remarks, he referred to civil rights leader Jesse Jackson; Gov. Gray Davis of California; Yvonne Brathwaite Burke, Los Angeles County supervisor, 2d District; and Walgreens manager Angela Tennon.

Remarks to the National Academy Foundation Conference in Anaheim, California

July 8, 1999

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

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

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

And I want to say a special word of thanks to Reverend Jesse Jackson, who worked with Sandy Weill on the Wall Street Project, went to Appalachia before it was fashionable, who always believed that poor people were smart, wanted to work, and had a right—a moral right—to be part of America's future. Thank you, Jesse Jackson.

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

This is really quite can appropriate place for me and those who have traveled with me this last week on our new markets trip to end our journey, reaffirming your commitment and ours to prepare all our children for the new century. Over the past 4 days, as I have traveled across America, we have sought to shine the spotlight on places still unlit by the sunshine of our present prosperity. A number of you have been along for what has truly been a remarkable ride.

We've seen the power of people in public and private life to work together in the Appalachians and in the Mississippi Delta. We've seen the spark that retail investment can bring in the first shopping center built in decades in East St. Louis, Illinois. We've seen the impact in the most basic infrastructure and housing opportunities, even in the remote regions of Indian country in South Dakota, still the most left-behind part of America.

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

I took this trip for three reasons. First, I wanted every American businessperson, every American investor, to see that there are enormous opportunities out there today in the areas that have been left behind by our economic recovery. Second, because I wanted to highlight the tools that have already been put in place, to encourage more people to invest in those communities: the empowerment zones and the enterprise communities which Vice President Gore has so ably led for 6 years now; the community development financial institutions that we have supported; the Community Reinvestment Act, which has led to billions of dollars of reinvestment in our developing neighborhoods; the education and training initiatives designed to give all of our people a chance not only to have good, basic skills, but to keep on learning for a lifetime.

And third, I wanted to highlight our new markets initiative, a piece of legislation simply designed to give American investors who

are willing to take a chance on new and expanded businesses in distressed urban and rural communities access to the same kind of tax credits and loan guarantees—to lower the relative risk of their investment—in America that they can get to invest in poor communities from Africa to Asia to Latin America to the Caribbean. I'm for those investments, but I think America's communities should have access to the same capital with the same incentives.

The idea behind this, obviously, is that the Government cannot do this alone, but business cannot be expected to go it alone. When Government provides the conditions and tools, acts as a catalyst to bring the power of the private sector to benefit all of our citizens, and provides the investment and the education and training of our young people, this is not only good economics, it is the right thing to do. We can build one America where nobody is left behind when we cross that bridge into a new century. And if we do, we'll all be better off.

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

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

Because there was a community investor willing to take a chance on her, she got investment capital; she bought the business. Two years later she went from 5 to 11 employees, and she has just about paid her loan off. There are thousands of stories like that waiting to be written in America in every community that is still depressed.

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

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

We also saw American Indians, that have been waiting for 9 years, moving into their first homes. A little 5-year-old boy, 6-year-old boy took me by the hand and led me all through his new home and showed me his sister's room and explained why it was okay that she had a bigger room than he did. [*Laughter*] She was a teenager, and teenagers needed things like that. [*Laughter*] The pride that they felt, these people, this mother who had worked all her life and finally getting a decent home for her children to live in.

So a lot of this is a money problem. I used to joke with a lot of my friends—I still say this—that I had about 9 or 10 rules of politics that I kept in my mind all during my career running for office, and rule number 2 was, when anybody stands up and tells you it's not a money problem, they're talking about somebody else's problem, not theirs. [*Laughter*]

So money is a big issue here. But there's another kind of capital that in some ways is even more fundamental, human capital—people. When Hazel stood up here and you

clapped for her, you were clapping for the astonishing development of human capital, of what she has done with her life and the chance that her mother took in going to Hawaii, the risks and the heartache and the difficulties her family went through. It made you feel good.

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

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

But you should know that one of the things that we seriously debate back in Washington, DC, a long way from Anaheim, is how can we keep this going. We already have the longest economic expansion in peacetime in our history. We have the lowest African-American and Hispanic unemployment rates ever recorded. We have almost 19 million new jobs, and we have very low inflation, and we've had unemployment rate below five percent for 2 years. So a big question is, how much longer can this go on, and how can we keep it going without having inflation buildup, then having interest rates go up and having the recovery stop?

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

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

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

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

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

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

Let me tell you some of the things that we saw on the human capital front. We walked down the dusty streets on an Indian reservation. We saw the boarded-up storefronts in a town in the Mississippi Delta, famous for its role in the civil rights struggle. We saw desperate living conditions in a little hollow in Appalachia where everybody had

a job and they still couldn't afford a decent house to live in.

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

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

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

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

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

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

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

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

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

A child in South Central LA, in the most remote part of Indian country, can have access to the same world of knowledge in an instant as a child in the wealthiest suburban school in this country. Now, just imagine if not simply a fraction, but all of our young

people entered the work force, had access to the Internet always, and had mastered the skills of the new information economy.

So if we want to unlock the potential of our workers, we have to close that gap. We've done what we could. We have provided the HOPE scholarship and other tax credits so that we've literally opened the doors of college to all Americans. We have emphasized higher standards, smaller classes, more teachers. We're connecting every American classroom to the Internet, and I think we'll make our goal that the Vice President and I established here in California in 1994 of having all the classrooms connected by the year 2000.

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

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

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

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

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

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

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

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

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

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

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

lines to create genuine economic opportunity for all Americans.

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

Well, my fellow Americans, today those vaults of opportunity are more full than they have ever been in the entire history of this country. And we have more evidence than we have ever had that when children like those that we talked about today, and when young people like those we celebrate today—Hazel, and her peers behind me—do well, we are all strengthened; that there is a fundamental sense in which our futures are bound up together, from Appalachia to the Mississippi Delta to the Native American reservations to the inner cities to the wealthiest corners of our land.

All our kids need a chance to live their dreams. And the American Dream needs for all Americans to be blessed by the opportunity that has given so much to us.

Thank you for what you do to achieve that goal, and God bless you.

NOTE: The President spoke at 3 p.m. in the Pacific Ballroom at the Anaheim Hilton and Towers Hotel. In his remarks, he referred to award winner Hazel del Rosario; civil rights leader Jesse Jackson; Sanford I. Weill, cochair and co-chief executive officer, Citigroup, and founder and chairman of the board, National Academy Foundation; Marianne Spraggins, senior managing director, Smith Whiley and Co.; and George Vradenburg III, senior vice president for global and strategic policy, America Online, Inc. (AOL). A portion of these remarks could not be verified because the tape was incomplete.

Remarks on the Patients' Bill of Rights in Torrance, California

July 9, 1999

Thank you very much. Well, good morning, and I want to thank Tecla Mickoseff for welcoming us here to Harbor-UCLA. Thank you, Ethel, for your powerful statement out of your personal experience. I want to thank my old friend Jack Lewin for, as usual, making the case. We're used to being in fights where the evidence is overcome by political power. [*Laughter*] But we're determined to reverse it in this case.

I want to thank Congresswoman Juanita Millender-McDonald; my friends Zev Yaroslavsky and Yvonne Burke and the mayors and other local officials who are here. I thank the leaders of the health care groups that are here, both consumers and providers. Thank you, Reverend Jackson, for coming. We're glad to see you this morning.

I have a couple of things I want to say about health care and about how this Patients' Bill of Rights issue fits into our larger responsibilities to deal with the health of the American people. I have just finished a trip across our country, from Appalachia to the Mississippi Delta to the Pine Ridge Indian Reservation to inner-city neighborhoods in East St. Louis, Illinois, south Phoenix, and Los Angeles. The purpose of this was to shine a spotlight on the opportunity which exists in areas that our prosperity has completely passed by.

It was a remarkable 4 days, and I came in contact with all the health issues that you would be concerned about in the process of pushing an economic agenda. For one thing, when we left Washington and arrived in Appalachia, and arrived in the Mississippi Delta, and arrived in East St. Louis, and arrived in Phoenix, in all those places it was 100 degrees. [*Laughter*] It was cool in Dakota when we got there at night, but the next day it was a mere 94.

And I'm very worried, I must say—I want to say this today—I've been very concerned because a lot of poor people depend upon the LIHEAP program—the Low Income Health Assistance Program, to pay for air-conditioning or get fans in the summertime. And I have, today, directed the appropriate people in our Federal Government to expedite the analysis we're required to do about the effects of the recent heat wave on the need for emergency assistance under this program. We could lose a lot of people who won't even get to the emergency room if we don't do it. So I do want you to know that I hope the message will go across the country to the places I visited and the other places that we know this is going to be a problem.

When we went on this tour, we saw an awful lot of problems, and we saw a lot of promise—enough promise to convince us all that we actually can succeed in building a bridge to the 21st century that all Americans can walk across. When we give economic opportunity to all, we're helping to build that bridge. When we give all of our kids a world-class education, we're helping to build that bridge. When we're dealing with health care challenges, we're helping to build that bridge.

Jack mentioned the Medicare proposal that I have made to stabilize the Medicare Trust Fund until 2027, provide a prescription drug benefit that we can afford, and provide much more preventive services, which I think are very, very important. There's a fundamental difference.

Now, how does the Patients' Bill of Rights fit into all of this? I feel in a way that I have a special right, if you will, to advocate for this bill because I have defended the role of managed care in our health care system for years. When I became President, health costs had been going up at three times the rate of inflation for many years. And all of us knew it was totally unsustainable, that eventually, if it kept going up at three times the rate of inflation, we'd be spending all our money on health care.

We all knew that was completely unsustainable, and that there was nothing wrong with managing a system properly so that you could, at the lowest possible cost, achieve the objective, which was the highest possible quality of health care. And, yes, at the margins there will always be tough decisions, but fundamentally, no one who both believes in the American health care system and the professionals who provide that health care, and who believes in proper management, believes you should sacrifice basic quality of care to the decision made by an accountant to make the bottom line of an HMO bigger.

The purpose of managed care is to enhance quality of care by making it as affordable as possible, not to undermine quality of care by making the people who provide managed care as profitable as possible. And it's very important. There's a fundamental difference.

So, as has already been pointed out, I asked the Congress a year and a half ago to pass a strong, enforceable Patients' Bill of Rights, with all the things you've heard about—the right to see a specialist, the right to emergency room care at the nearest emergency room, the right not to have to change health care providers in the middle of treatment, the right to enforce accountability for harmful decisions. And I have used my authority as President, as you said, not only to cover by Executive order those people on Medicare with the protections of the Patients' Bill of Rights, but also those people on Medicaid, those people served by the Veterans' Administration, and the people in the Federal health insurance plan, the Federal employees and their families.

And I want to just tell you that we actually now have some experience with the Patients' Bill of Rights. You know, the HMO's say, well, this all sounds very good, but we can't afford it, and if you—and they always try to make you think only of yourself, your healthy self—if you, your healthy self—[*laughter*]—who never gets sick, but has to pay health insurance, give these Patients' Bill of Rights to them, all those sick people, you, your healthy self, will have to pay more for health insurance, and oh, how terrible it will be. That's their argument, right?

Well, we actually have done this now, and we have evidence—and sometimes evidence overcomes interest groups in Washington, so let's talk about the evidence. Our evidence is that when we put the Patients' Bill of Rights into the Federal employees' health plan, it raised the cost of health insurance—by less than a dollar a month.

Now, I'm going to go over this one more time. You've already heard—I'm going to go over it one more time, and I'm going to ask every American if he or she wouldn't be willing to pay something in that range on the off-chance that their healthy self might not always be that way, and out of a genuine concern for our fellow citizens and an understanding that the wealth and power and strength and quality of life of our country depends in no small measure on the continued advances in the health of all Americans.

And, yes, some States have done some things in this area. But until Congress acts,

there will be more than 100 million Americans who won't have these full protections. I can only give it to 85 million by Executive order. So next week, at long last, the Senate is going to take this up. I'll say more about that in a moment, but thank goodness, the Senate finally is going to take this up.

Last year—all year the leaders of the Senate kept us from bringing the bill up. And there's a good reason why they did—they're not for it, but they know they can't afford to be caught being against it. We have 200—200-plus medical and consumer groups are for the Patients' Bill of Rights. The American Medical Association has allies it has never had before. [*Laughter*] This is a very big tent.

And there is only one group on the other side, the health insurers. It's 200 to one, but the one is a big one, and so far has had enough support in the majority party in the House and the Senate to keep this from coming up.

But if you go out in the country, I have said this over and over and over again, if you go out in the country, this is not a partisan issue, because Republicans get sick just like Democrats. Even stubborn independents sometimes get sick. [*Laughter*] And when you walk into the emergency room—I would really like to know whether she's got a form she fills out in the emergency room that has a check for political party. [*Laughter*]

Now, before I give you this medicine, are you a conservative or a liberal? [*Laughter*] You know, we're laughing about this, but it makes a very important point. This is not a partisan issue, this is not even a philosophical issue, not anywhere in the wide world but Washington, DC.

If you explained all the options to all the people in all the communities of this country, I promise you over 70 percent of Republicans, Democrats, and independents—you know, when you got above those stratospheric numbers, maybe there would be some partisan difference—but you'd have over 70 percent of all groups for this. How can it be—how can it be that for over a year the American people have been deprived of even a full debate on this in the United States Senate?

Well, as I learned and Jack learned back in 1993 and '94, these folks have a lot of clout. But let's forget about the politics and look at the facts. I want to run through this—look at this chart over here. I wish every American could just have this chart at home. If I had the ability through the Internet to send this to every American, I would do it.

Our plan says, if you need to see a specialist, you can't be denied the right to see a specialist. Their plan doesn't give you that right. Our plan says, if you get hit driving out of this event today, on a hot Saturday morning in Los Angeles, you ought to be able to go to the nearest emergency room, not show up there and be told you've got to drive 25 miles to one that your plans covers. This is a real issue, as you know.

Our plans says—and I was so glad to hear you mention this—that if you're being treated with chemotherapy or if you're six months pregnant and your employer changes providers, you should be able to stay with the physicians that are treating you until the treatment is completed. Hugely important issue that most Americans are not aware of.

Our plan assures HMO accountants don't make arbitrary medical decisions. Now, let me just say, I've listened to a lot of stories about this. I've done a lot of research on this. A lot of times the HMO decision-making tree—you finally get high enough to get a doctor who makes the right decision, and it's too late.

And I've said this over and over again—I'm actually sympathetic with a lot of people at the first line of decision-making in the HMO. Why? They're not doctors, and they're never going to get in trouble with the company for saying no. Right? They know—I'm sympathetic with them. A lot of them, they're making a modest income, they're looking forward to their Christmas bonus, they want to please their employer like we all do. You're my employer—I want to please you. [*Laughter*] We're all like that. And these young people who are working in these companies, they know they are not going to get in trouble for saying no, because they know if they say no, the decision can always be kicked upstairs—and maybe it's three levels upstairs, but eventually, somebody who actually understands this is going to make a decision. And if they say yes, then they won't get in trouble for having said no; but, ah,

if they say yes, and somebody above them says, ''You should have said no,'' they can get in a world of trouble.

So we try to fix that here and change the incentive so that there is no institutional bias to deny quality care. Should the health plans be held accountable? I think so. The Framers of the Constitution understand that a right without a remedy is not a right at all. And should they cover all health plans? Absolutely. The other bill leaves out 100 million folks.

So that's what this is about. The ''yeses'' and the ''noes.'' It simple evidence. It's about how people live. And, yes, the health insurance association may have some of its profit margin squeezed. And, yes, they may have to have modest increases, like we did—the Federal employees health plan—I'll tell you it's less than a buck a month policy. That's what our experience is. But isn't it worth it to allow the system to work? To keep the benefits of managed care without having to shoulder these enormous burdens, these heartbreaking burdens.

I don't know how many people I have seen—I've seen nurses who work for doctors in their offices who have to make the calls to the HMO's to get told no, break down and cry, telling me stories of people that they couldn't take care of. You know, these are not just isolated anecdotes. This is a systematic problem in American health care. And once we fix it, all the people will be happy—the HMO's will do just fine and they'll be happy we did. And people will wonder what in the wide world we were doing all those years not providing these basic protections.

Think of how you'd feel if you were a doctor. You'd spend all those years going to medical school, all those years in residency, you go all those years without any sleep, and you're finally out there giving health care, and all of a sudden you're told, here's a straitjacket we'd like you to wear to work every day and still figure out how to make these people well. I mean, this is a big, big, big issue. And it should not be played out in a partisan, political, or special interest atmosphere.

Shouldn't we err on the side of health? What are we afraid of? [*Applause*]

I saw today an amusing article in the paper which said that the leaders of the majority party had decided that instead of bringing up their bill and having to deal with 20 of our amendments, which would put people—force them to put their Members on record being against these things, they would bring up our bill and just beat it, in the hope that then there would be no specific record of accountability.

I thought to myself, what kind of a weird world am I living in? If this was just about something we had an emotional opinion about and we were on different sides, I would think that would be a clever thing to do and that's just politics. This is not whether you've got an emotional thing, this is about whether some people live and some people die. This is about whether people get well, or they don't. This is about whether people feel at least comfort when they're dealing with the challenges of life, or they're just knotted in anxiety all the time.

This is about whether all these doctors, these nurses, these health care professionals wake up every day happy to go to work because they think they're going to be able to do their job, or they're waiting for the other shoe to fall every single day because somebody is trying to strangle their ability to make decent decisions. This is, in other words, not a typical political decision. This is about life and the quality of life and the fundamental decency of our society.

We should err on the side of humanity. We should err on the side of quality health care. We have evidence now from our own experience that we can well afford to do this. And this is an idea whose time has long since come.

So—and there are Members of Congress in the Republican Party, as well as the Democratic Party, who support this, who just want a chance to vote for it and bring the benefits of it to the American people.

You know, it's like anything else—you can argue against anything on the grounds that it's not perfect. Well, if we never did anything because it wasn't perfect, we'd never do anything. And America wouldn't be here celebrating the 21st century. We wouldn't be around after 223 years. The Constitution wasn't perfect; it had to be amended.

So it is not an argument to vote against this bill that it might not be perfect, that there might be some unforeseen consequences that we might have to fix—we take our cars to mechanics to fix things that aren't perfect, but we don't stop buying cars and go back to walking around. [*Laughter*] I mean, none of these arguments make any sense at all.

We have to put people and principle and evidence ahead of raw political influence. Democracy has to work.

So, I thank you for being here. Remember, we're all preaching to the saved in this room today. Reach out to other Members of Congress. Send a note or an E-mail today or Monday morning to every House Member that represents anywhere around here, and both your Senators are for this bill—that's great. Send it to Senators from other States. Give people a chance to do the right thing. Tell them what's at stake.

If people will listen to their hearts and their heads, we'll prevail next week.

Thank you, and God bless you.

NOTE: The President spoke at 10:54 a.m. in the Parlow Auditorium at the Harbor-UCLA Medical Center. In his remarks, he referred to Tecla Mickoseff, administrator, Harbor-UCLA Medical Center; Ethel Edmond, registered nurse, King Drew Medical Center; Jack Lewin, executive vice president and chief executive officer, California Medical Association; Los Angeles County supervisors Yvonne Brathwaite Burke, 2d District, and Zev Yaroslavsky, 3d District; and civil rights leader Jesse Jackson.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

July 3

The President had separate telephone conversations with Prime Minister Nawaz Sharif of Pakistan and Prime Minister Atal Behari Vajpayee of India concerning the situation in Kashmir.

July 4

In the evening, the President had a telephone conversation with Prime Minister Atal Behari Vajpayee of India concerning the situation in Kashmir.

Later, the President made brief remarks on the South Lawn before the fireworks presentation.

July 5

In the morning, the President traveled to Hazard, KY. While en route aboard Air Force One, he had a telephone conversation with Northern Ireland Ulster Unionist Party leader David Trimble concerning the Northern Ireland peace process.

In the afternoon, the President toured the Whispering Pines neighborhood, where he talked with residents. Later, the President toured the Mid-South Electric Co.

In the evening, the President traveled to Memphis, TN.

July 6

In the morning, the President traveled to Clarksdale, MS, where he toured local businesses.

In the afternoon, the President traveled to East St. Louis, IL, where he visited a Walgreens drugstore.

In the evening, the President traveled to Rapid City, SD. Later, he toured Mount Rushmore and the Crazy Horse Memorial.

The President announced the nomination of Q. Todd Dickinson to be Assistant Secretary and Commissioner of Patents and Trademarks at the Department of Commerce.

The President announced his intention to appoint George Becker and to reappoint Marc S. Tucker as members of the National Skill Standards Board.

The President announced his intention to appoint Amy W. Meyer as a member of the Board of Directors of the Presidio Trust.

July 7

In the morning, the President traveled to Pine Ridge, SD, where he toured the new housing complex at the Pine Ridge Indian Reservation.

In the afternoon, the President traveled to Phoenix, AZ, where he toured Chicanos Por La Causa, Inc., a successful local business, and the La Canasta Mexican Food Products factory.

In the evening, the President traveled to Los Angeles, CA.

The White House announced that the President will meet with Prime Minister Ehud Barak of Israel on July 15.

The White House announced that the President will travel to Des Moines, IA, on July 16.

July 8

In the morning, the President toured the Transportation Academy Youth Training Facility at Alain Leroy Locke High School.

In the afternoon, the President traveled to Anaheim, CA.

July 9

In the morning, the President traveled to Torrance, CA, and in the afternoon, he returned to Los Angeles.

The President announced his intention to nominate Tibor P. Nagy, Jr., to be Ambassador to Ethiopia.

The President announced his intention to appoint William K. Reilly as a member of the Board of Directors of the Presidio Trust.

Nominations Submitted to the Senate

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released July 3

Statement by the Press Secretary on the President's telephone conversations with Prime Minister Nawaz Sharif of Pakistan and Prime Minister Atal Behari Vajpayee of India concerning the situation in Kashmir

Released July 7

Statement by the Press Secretary: Job Training Program for Ireland

Statement by the Press Secretary: President Clinton Provides Import Relief and Adjustment Assistance for U.S. Lamb Industry

Statement by the Press Secretary on the President's upcoming travel to Des Moines, IA

Statement by the Press Secretary on the President's upcoming meeting with Prime Minister Ehud Barak of Israel

Acts Approved by the President

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.