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Interview With Jesse Jackson of Cable News Network's "Both Sides" in Torrance, California

July 9, 1999

New Markets Initiative Tour

Mr. Jackson. Welcome to "Both Sides." Last week there was a phenomenal mission across our Nation led by President Clinton—a kind of journey from Wall Street to Appalachia to the Delta to Indian reservations to Watts to south Phoenix, across the country, building that bridge to share the wealth, the growth, the prosperity—called a new markets initiative.

This week we have as our very special guest, our esteemed Mr. President, President Bill Clinton. Welcome.

The President. Thank you.

Mr. Jackson. In this trip last week—Hazard, Kentucky, Appalachia; the Delta; East St. Louis; Pine Ridge Indian Reservation; south Phoenix; Watts; Anaheim—what stuck out in your mind the most?

The President. That in all those places where our prosperity has not reached, there are good people, smart people, people with dreams, and good opportunities for American business. This is a moment when we can do what is morally right, to give everybody a chance to walk into the 21st century together, and do it in a way that will actually be good for the American economy and good for the people who invest there.

Mr. Jackson. They've missed this booming prosperity. Is something wrong with the people?

The President. I wouldn't say something's wrong with the people. A lot of them don't have as much education as they need, and that's part of our strategy to do better, and they're going to have to have specific job training skills. But what happened is that all these places either never had a self-supporting economy, or the basis of economic life which once was there moved away, and nothing was ever brought in to replace it. And now, we've got a chance just to keep our own economy going—just to keep our own economy going with no inflation—we have a chance to bring investment to these areas, put these people to work, give them better lives, and in the process, help everyone else in America.

Mr. Jackson. But last week there were Republican and Democratic Congresspeople on the trip; there were corporate business leaders, Democratic and Republican.

The President. Yes.

Mr. Jackson. They seem to have found a common accord on this idea of new markets. The War on Poverty seemed to—would have been divisive—poverty, reaction; affirmative action—division, reaction. But new markets seem to have bound Appalachia and Delta—black, white, red. What's kind of magic about this notion of new markets initiative?

The President. Well, first of all, it's not charity; it's a hand up, not a handout. Secondly, the people who are being asked to invest in these new markets should do so with the expectation that they will actually make a profit out of it, that by helping people in areas which haven't participated in this prosperity—by starting businesses, giving people jobs, having these job training programs—they'll actually make money.

Mr. Jackson. So it's a kind of war for profits, not just a war on poverty?

The President. That's right.

Mr. Jackson. And therefore, you incentivize broadening the base of investment.

The President. We're not asking anybody to do anything that isn't a good business decision. It's a good business decision. And that's one of the things—you know, we saw that everywhere. Every place we went—do you remember that little—that first place we visited in Appalachia, a guy starts out with 40 employees; a few years later, he's got 850.

And yes, you know, Appalachia's fairly isolated, but he makes those parts and—those various component electronic parts—and he's got 850 people. He's fixing to expand again because of the incentives that he has in our empowerment zone program that the Vice President's run for us for the last 6 years. That's the kind of thing we want to go nationwide with.

We believe if we give, in the new markets initiative, if we give the same tax credits and loan guarantees to Americans to invest in America's new markets we give them to invest in new markets in Africa, Latin America, Asia, or the Caribbean, that our people will do very well.

Mr. Jackson. You take, for example, the black and brown market alone is maybe $800 billion in consumer power. How has corporate America—what has been missing? How have they missed these markets—markets, money, talent—right under their noses?

The President. I think there are two reasons. I think, first of all, they've been doing very well by doing what they're used to doing and expanding in ways they're used to expanding, so our economy's grown quite a lot in the last 6 years.

Mr. Jackson. Even though they've missed markets?

The President. Yes, by taking the nearest thing at hand, the thing they're used to doing. Secondly, I think that there is something that the economists would call, in purely economic terms, imperfect knowledge; that is, I think that a lot of people really don't know how well they could do if they gave people in inner-city America, in rural America a chance. I think they just don't know, which is one reason that it was so important that these business leaders went on the trip. You know, remember, when we started out, the chief CEO of Aetna life insurance company said, ''You know, I may not be happy about this, because I had this deal figured out, and now all my competitors are going to know there's money to be made out here.''

Mr. Jackson. So something about imperfect knowledge and our cultural blindness, we just don't even look toward those unexplored markets.

The President. Well, when you see a place so depressed for so long, or you see the figures and the education levels low, or you look at the maps in and out of a place and you realize it's physically isolated, and you think, ''I've got all these other ways to make money that are near at hand,'' you don't get around to it. But now, the unemployment rate in America has been under 5 percent for 2 years. Everybody is wringing their hands, you know, from Wall Street out here to California, about how can we keep this economic growth going without inflation. The answer is, invest in these places.

Mr. Jackson. It's interesting, in politics there's a zero-sum game. You have 435 Congress seats; you might change faces, but the seats don't change, and so it's forever tight and competitive. But in economic, inclusion leads to growth.

The President. That's right.

Mr. Jackson. And it seems that they have missed growth. In baseball, for example, we thought we had a great Major Leagues before we let Jackie Robinson and Campanella and Hank Aaron and Willie Mays in. But once they opened up the market, they now will go to Cuba; they'll go to the Dominican Republic and find Sammy Sosa; they'll go to Japan. The basketball team, now we'll go to Yugoslavia, go to Croatia—that the baseball owners seem to have gotten it; the basketball owners seem to have gotten it; now the rest of corporate America must get that inclusion leads to economic growth.

The President. And the important thing in your sports analogy is that as we have broadened the pool of talent, we've had more teams. There are now more baseball teams than there used to be. There are more basketball teams than there used to be. More people get interested as you broaden the pool of talent, and you get more people in. That's what is happening here.

So that if somebody invests in these new markets, they don't have to quit investing where they were. This is not a zero-sum game. You're right; we'll just widen the circle of opportunity.

Mr. Jackson. But why are they so much more likely, say, to invest in Indonesia, Taiwan, South Korea, Eastern Europe, than in Appalachia or East L.A., in south Phoenix? What is the incentive factor there?

The President. I think that we look at Indonesia—let's just take Indonesia. We look at Indonesia and we say, "Gosh, there's a market of 200 million people; it's the biggest Muslim country in the world, fairly moderate country historically, although they've had some problems lately. And we'll invest there and we'll sell to that market."

What we miss in America is that if you put people who are unemployed to work in distressed areas, you create a new market, first. Second, as you just pointed out, even in places with very high unemployment—if you go into an inner-city neighborhood with 15 percent unemployment, that's high; that's 3 times the national average plus. That still means 85 percent of the people are working there; they've got money to spend. In almost every city in America in the inner-city areas, the people have more money to spend than they can spend in their neighborhoods.

Mr. Jackson. That means breaking down stereotypes. For example, if you look at Hazard, Kentucky, you look at Watts, most poor people are not on welfare.

The President. They're working.

Mr. Jackson. They work every day, and most are not black or brown; they're white——

The President. That's right.

Mr. Jackson. ——female, young, invisible. So perhaps when you speak of markets, you kind of transcend the color, cultural barriers that divide and make people terribly anxious.

The President. Yes, I think that's really important. One of the things that we've felt, I think, all of us in this week, is that—like there in the Mississippi Delta, we were walking down the street in Clarksdale—you've got an African-American Congressman and a white mayor, and they're working together. I met in a store with an African-American woman and a Chinese grocer who had been in that community for 40-plus years. This is a way of bringing people together. It's about much more than money. It's about cementing a quality and fabric of life that is absolutely essential.

Mr. Jackson. What is it about this period that allowed this mission to go from Hazard, Kentucky, Appalachia, to Clarksdale, Mississippi, to the reservation, and yet there was no evidence of racial rancor or division? What was it about this period that allowed at least that body of people to look toward another agenda, another formation of problem solving?

The President. First of all, I think the American people, it's a great tribute to the people in those areas that they've kind of gotten beyond that. And they understand that if they can build a common economic framework, they can build a home together in their communities.

Secondly, I think the business leaders who went, the political leaders who went were genuinely intelligent, savvy, and human people who saw that they could do the right thing and do very well.

Mr. Jackson. You know, when you were speaking to the Native Americans in Pine Ridge and one of the corporate business leaders looked out and he saw the 7,000 people, and he said, "I've always just seen Indian reservations," which meant something; but he said, "Now, I see two supermarkets. I see a car dealership. I see 7,000 people wearing clothes. I see a market." He had never seen them as a market; he'd just seen them as Indians.

The President. Yes, and a lot of these people, if we put more stores, for example, in these Native American areas and hired the people there to work in the stores, then even in—and they're the poorest parts of America, they have the highest unemployment rate—but if you get their unemployment rate just down to 20 percent, then you have 80 percent of the people working and you make a whole market. So by creating the jobs, you create the market to buy the products that the jobs provide.

Mr. Jackson. What I thought was kind of mystical to me, frankly, was when we left Appalachia and got to Memphis, and after we had eaten at the Blues Cafe and had big fun eating much too much——

The President. We did that.

Mr. Jackson. ——and you, on one of your sleepless nights, decided we were going to go to the Lorraine Motel. We went through this whole museum, Lorraine Motel in Memphis, Tennessee; we ended up in the spot that Martin Luther King was killed. And

there you stood, and we prayed, and there was a somber spirit.

But what struck me about it was that what you did this past week was to fulfill Dr. King's last great mission. He knew that slavery was the race gap; denial of public accommodations, the race gap. We won that—public accommodations bill—the lack of the right to vote, the race gap.

We now argue that that was a resource gap, it was a North-South resource gap, not just a race gap. So his last great movement was to pull together people from Appalachia, Al Lowenstein, Jewish allies from New York, Hispanics from the farm workers, from Chavez—he pulled all these groups together—and that was his last great mission, was to tour these areas to focus on a shared resource gap. So in some sense, this week, you've fulfilled that last leg of his journey.

The President. If we can make that so, I would be very proud, because he was right about that. You know, it's funny how much time we lost as a country after he and Senator Kennedy were killed, because both of them were trying to—I remember when Bobby Kennedy went to Appalachia, went to the Indian reservation in Pine Ridge in '68. They understood that the last shreds of our racial problems would be mired forever in our economic insecurities until everybody has a chance to make it. And now, our country has this phenomenal prosperity for which we are very grateful, but interestingly enough, it is becoming the enlightened self-interest of the investor community to keep this thing going, to finally——

Mr. Jackson. Sow profits, not fear.

The President. That's right. Finally, to give all these folks a chance to play again.

Mr. Jackson. Now that you have put the light on it, I mean, a Presidential entourage creates that—you put focus on America's underserved markets, its underutilized talent, untapped capital. We saw in Clarksdale, Mississippi, a man and his wife, both of whom are Stanford graduates, MIT engineers, graduates——

The President. Yes.

Mr. Jackson. ——selling McDonald's.

The President. McDonald's, yes.

Mr. Jackson. Very talented people, and that was—they found a niche there. But now you put light. What must the Congress do to make this real? And then what must the business sectors—we have focus; we need legislation, and we need business. What's the next two pieces?

The President. Congress should do two things. First of all, they should fund the second round of these empowerment zones, because in the empowerment zones, we give special tax incentives for people to put business there and to hire people from there, and we give the communities extra money to educate and train people—first thing. And the Vice President's done a great job of managing that program. In addition to that, we have some more money for these community development banks. They give capital to first-time business people who couldn't get it other places. That's the first thing.

The second thing that Congress should do is to pass the new markets legislation which, as I said, basically gives American businesses the same incentives to invest in poor areas, urban and rural, in America that we today give them to invest overseas.

Mr. Jackson. What do we give them overseas?

The President. Well, we give them tax credits; we give them loan guarantees; we give them other things to try to lower the cost of capital.

Mr. Jackson. OPIC and the like?

The President. Right. Overseas Private Investment Corporation, the Export-Import Bank.

Mr. Jackson. So you propose APIC—American Private Investment——

The President. American Private Investment Companies, and here's how it would work.

Mr. Jackson. Do you think it would pass, likely to pass?

The President. I think so. I mean, the Republicans ought to love it because it's a tax incentive thing, you know, it's not a big Government program. But here's how it would work. Suppose you and I were trying to build a shopping center development in East St. Louis, where we visited, and suppose the costs of that were—I'm making this up—about $300 million, and suppose we could raise $100 million in capital. Well, if we could do that, we could get a 25 percent tax credit

with that $100 million investment, which takes our risk down to $75 million right off the bat. We've only got $75 million at risk, not $100 million. We could then go borrow the other $200 million from the bank with a Government guarantee on the borrowing, which would dramatically cut the interest rates and save us another several million dollars over the life of the project.

Mr. Jackson. So you've got tax incentive, investment incentive, and loan guarantees and markets.

The President. That's right. So, first of all, you've got a profit opportunity. We're not asking anybody for charity here. If there's no opportunity there, don't do it. But if there is an opportunity but you're worried a little about the risk, we will cut the relative risk of this investment, as compared with others, with the tax incentives and loan guarantees. It's a real good deal.

Gun Control

Mr. Jackson. We've found in each of these markets invariably two new buildings, a new ball park and a new jail. In all of these schools where we visited, the schools were unwired. Those in the jails, 90 percent are high school dropouts; 92 percent are functionally illiterate. The question of lack of education can breed the crime thing.

Senator Bradley put an article in the Post this week about proposals to reduce guns. Just briefly, he says that we should ban the distribution and sale of ''Saturday Night Specials,'' registration for all 65 million handguns, a licensing and safety course for everyone who owns guns, ban gun dealers from selling guns in residential neighborhoods, insist on mandatory gun locks. Are these commonsense measures from your point of view?

The President. Sure. You know, we've got the gun locks provision in the Congress and that still might pass. But I have said, we ought to have registration. We register our cars. If your car gets stolen while you're doing this interview with me, and somebody drives it halfway across the country and leaves it in a parking lot—let's say in Lincoln, Nebraska—and the police find it, as soon as you report your car stolen, it will go into an international computer system. As soon as he, the person who finds your car in Lincoln, Nebraska, says, ''Here, I've found this stolen car, and here is the license plate and the registration,'' within 30 seconds, the local police in Chicago will be able to call you and say, ''Reverend Jackson, we found your car.'' And so, of course we should do these things.

Mr. Jackson. So the drive to reduce easy access to guns and gun registration and gun education become factors in reducing the——

The President. Yes. And I think it's interesting—I think the NRA ought to support this. I don't think it's in their interest what they're doing, because nobody's trying to say we shouldn't have hunting and sport shooting. And if I were, they never listen to me, obviously, but I used to work with them sometimes in Arkansas. One of the best things they ever did were their hunter education programs, and they really try to teach young people to safely use firearms. Why shouldn't we say, if you're going to have a gun and you're a young person, you ought to be licensed and you ought to be taught how to use it; they would teach it.

Mr. Jackson. But you don't hunt rabbit with AK–47's.

The President. No, you don't. Well, we ought to ban those. You know, I'm in favor of getting rid of all that and all those big clips and all that kind of stuff. But if they have those guns, they ought to be able to use them, and NRA ought to be out there certifying teachers to teach them. If somebody steals your gun, you ought to be able to find it, just like your car. Then the other thing I disagreed with them about, we ought to close the loophole on selling these guns at gun shows and flea markets in big cities so that the same background checks are done. These background checks work; we keep those guns out of the wrong hands by doing that.

Mrs. Clinton's Possible Senate Bid

Mr. Jackson. In this dialog, we've talked about all of the easy stuff—I mean, how to wipe out poverty without wiping out the poor, how to begin to close the resource gap and the skills gap. Now, the ultimate question: Is Hillary going to run for the Senate? [*Laughter*]

The President. I honestly don't know. She's having the time of her life in New York this week, and the people have been very good to her. And if she decides to do it, I will strongly support her in every way I can. She would be a fabulous Senator if she decides to do it. I honestly don't know what she's going to do, but she's obviously interested in it. If the people of New York were to vote for her and elect her, she would be magnificent.

Mr. Jackson. So you don't think the Presidential issue will last in the heat of the campaign?

The President. No, I didn't say that. I think that she believes that it's a legitimate issue; at least, she believes that if she presents herself as a candidate, she would have to demonstrate to the voters of New York that she understands the State, that she is capable of learning about all the local issues, that she cares about them as well as the big national things on which she and I spent our lives. And so that's why she's up there on her listening tour. And she's going to go back every week this summer.

Mr. Jackson. How do you think she has done this week on her listening tour? Because she's had to do some talking while listening.

The President. I come back at night from our tour—I'd come back at night and flip on the TV and see what she had done, and I think she's done really well. I'm really proud of her. If this is what she wants to do, I'm 100 percent for it.

Mr. Jackson. When do you think she will decide?

The President. I think she wants to complete this—I think she at least wants to complete her summer schedule and listen to these folks and assess where she thinks it is. But I'm happy for her; it's a very exciting thing.

New Markets Initiative Tour

Mr. Jackson. Let me say to you, I thank you for this interview. This trek around America was most historic this week because we measure our strength politically by following opinion polls about how well Wall Street is doing, but you made the point over and over again that in the end you measure character by how you treat the least of these. And your dissatisfaction with 15 million children in poverty and 40 million without health insurance, your discomfort level with the poverty-stricken is a great moral statement and challenge for all of us.

I hope that in this season that we can, in some bipartisan basis, move from the bickering racial battleground to economic common ground, a kind of—I lived in Mississippi and saw whites and blacks on a shared economic security agenda, you know, Patients' Bill of Rights and increased teacher pay and cut the infant mortality rates. I mean, it seemed that is—this is a certain pregnant moment with possibility that all of us should seize.

The President. You know, the thing that was so touching to me—and we got out there in the country—you know, there were a lot of Republicans with us as well as Democrats, and in these areas we went, we met a lot of Republicans as well as Democrats.

These issues, these sort of common ground economic issues, I don't think there are partisan issues out there in America. And if we can keep them from becoming a partisan issue in Washington, then I'm going to reach out to the leadership of the Republican Party in Congress next week to talk to them about this trip and ask them to help me pass something that will really make a difference out there.

Mr. Jackson. So beyond the historic economic petitions and political petitions and racial petitions, you see this bridge building as ultimately your legacy—building bridges to the underserved, the unutilized, and the untapped.

The President. Yes. I think that this country ought to go whole into the new century, and we can't do it if not everybody has a chance to make a living, get an education.

Mr. Jackson. Well, thank you, Mr. President.

The President. Thank you. Thank you for going with me. You were fabulous.

NOTE: The interview began at 11:35 a.m. on July 9 in Room 213 at the Harbor-UCLA Medical Center, and it was videotaped for later broadcast on the Cable News Network. The transcript was embargoed for release by the Office of the Press Secretary until 8 a.m. on July 10. In his remarks,

the President referred to Richard L. Huber, chairman and chief executive officer, Aetna, Inc.; Representative Bennie G. Thompson; and Mayor Richard M. Webster, Jr., of Clarksdale, MS. A tape was not available for verification of the content of this interview.

The President's Radio Address

July 10, 1999

Good morning. Today I want to talk to you about our Nation's duty to ensure that all America's seniors can enjoy their golden years as healthy as modern medicine will allow. I want to talk about my plan to strengthen and modernize Medicare and the important steps we can take to encourage older Americans to undergo health screenings that can save their lives and improve the quality of their lives.

For 34 years now, Medicare has been the cornerstone of our efforts to protect the health of the disabled and our seniors. Last month at the White House, I unveiled a fiscally responsible plan to secure and modernize this vital program for the 21st century. The plan will strengthen Medicare by controlling cost, promoting competition, and dedicating a significant portion of the budget surplus to keeping the Trust Fund solvent until the year 2027. And my plan will modernize Medicare by matching its benefits to the latest advances of modern medicine.

Since Medicare's founding in 1965, a medical revolution has transformed health care in America. Once the cure for many illnesses was a scalpel; now, just as likely, it's a pharmaceutical. That's why I made helping seniors afford the prescription drugs essential to modern medical care a key part of the Medicare plan.

But even as we modernize Medicare with the prescription drug benefit, we also must modernize Medicare's preventive care benefits. Today, doctors have new tools to detect and prevent diseases earlier and more effectively than ever. And for millions, early detection can mean the difference between a full recovery and a bleak prognosis. For instance, if prostate cancer is caught early, the survival rate is 99 percent; but if it isn't, the rate can be a discouraging 31 percent.

In 1997 we worked across party lines to expand Medicare coverage for preventive services. But too few seniors still are using this benefit. Last year just one in seven older women received a mammogram covered by Medicare. For many seniors on fixed incomes, who every day must struggle to pay for food, rent, and other necessities, the cost of even a modest copayment can be prohibitive. And that can cost lives.

It makes no sense for Medicare to put up roadblocks to screenings and then turn around and pick up the hospital bills its screenings might have avoided. No one should have to undergo a dangerous surgical procedure that could have been prevented by a simple test. No senior should have to hesitate to get the preventive care they need. That's why my plan will eliminate the deductible in all copayments for all preventive services—for cancer, diabetes, osteoporosis, and other diseases.

And because 70 percent of beneficiaries still do not even know about all of Medicare's preventive services, we'll launch a nationwide campaign to inform and encourage seniors to take these tests. We'll keep looking into ways to improve preventive care for seniors, including strategies to help them stop smoking.

In the meantime, I call on older Americans to take advantage of the preventive benefits that already are available to you. They could save your life.

We must seize America's moment of prosperity to strengthen and modernize Medicare for the 21st century. There are some who propose spending our new budget surpluses on tax cuts. Well, I support tax cuts for retirement savings, for child care, for education, but it would be wrong to spend our hard-earned surplus on tax cuts before we first have honored our obligations to our seniors and to all our families in the 21st century. First things first.

I've invited leaders of both parties to meet with me at the White House on Monday to discuss the urgency of acting on Medicare now. We have an unprecedented opportunity to prepare Medicare and Social Security for the retirement of the baby boomers and to pay down our debt—to make America debt-free over the next 15 years. We can't let this