

resources the very best possible education and health systems. We have an interest in learning from nations all over the world that have done a better job than we have in managing their natural resources and developing sound environmental policies while growing their economy.

We have an interest in seeing how the European nations are trying to adapt their social welfare systems that were created after World War II to the demands of the information age, so that they can lower unemployment, increase job growth, and still maintain the integrity of a genuine social safety net—big issue for developed countries. We have lower unemployment and greater inequality; they have more equality and higher unemployment. How can we bridge the gap? And we're interested in the experiments in Great Britain and the experiments in the Netherlands and in other countries. We have an interest. And if those countries succeed, we are not threatened; our lives are enhanced. And I think we should all have that attitude.

Finally, let me say that this is about more than economics. It's even about more than having our customers happy, although I must say one of the biggest kicks I've gotten as President is when a major national business magazine said that the Social Security agency was the best large organization in America, public or private, at providing telephone service to its customers. I like that.

This is about, in my judgment, the preservation of the vitality of democracy. In some countries that are new democracies, it may be about the preservation of democracy itself. But in the end, every one of us serves because people believe in the possibility of self-government through representatives. To the extent that people do not believe their representatives will handle their money for public purposes the way they themselves would, democracy itself is diminished; human potential is diminished; the capacity for worldwide cooperation is diminished.

So I say again, you may not get the headlines back home for this. You may have to tell your own jokes because you won't be able to make anybody else laugh. But never underestimate the profound and enduring importance of what it is you have come here to discuss. We are honored to have you here, and we thank you for your contribution and your dedication.

Thank you very much.

NOTE: The President spoke at 9:50 a.m. in the Dean Acheson Auditorium at the State Department. In his remarks, he referred to Joseph Nye, president, Harvard University Kennedy School of Government; Prime Minister Jennifer Shipley of New Zealand; Vice President Gustavo Bell of Colombia; and Bradford Smith, vice president, Ford Foundation.

## Remarks to the Wall Street Project Conference in New York City January 15, 1999

*The President.* Thank you. I'm not sure I know what to say. [*Laughter*] First I was thinking, here I have to go follow Jesse again. [*Laughter*] You know the story about the guy that went to heaven, and St. Peter said, "Well, we've got a lot of new entrants today, and we want everybody to stand up and tell them what the best thing they ever did in their life was. How would you like to participate?" The guy said, "I'd like to do that. I did a great thing once." He said, "Well, what did you do?" He said, "I saved a bunch of people in a flood." He said, "Fine, you go on right after Noah." [*Laughter*]

I will say one thing, Reverend. This marriage of Jesse Jackson and Wall Street, so full of promise, has already produced one incredibly vivid, concrete result: It has done wonders for your wardrobe. [*Laughter*] I see your sons out there thinking, "No, we did that." [*Laughter*]

I want to say, first of all, to all of you who are here, I'm grateful for the wonderful reception. To the previous speakers—I had actually no idea that they were going to say what they did, and I was very moved, and I thank you for that. That's the sort of thing you normally hear—or you normally don't hear because it's said—[*laughter*—that's the sort of thing people

say for your funeral—[laughter]—and I don't think we're there yet. [Laughter]

What you're here to do and what you said about what I tried to do is what I'd like to ask you to think about just for a few minutes. Just about everybody in our administration who's here has been introduced; they do come from all over, from all walks of life and all backgrounds. I'm proud of them. I'm proud of the work that Congressman Rangel and Congressman Bishop and Congressman Meeks and Congressman Jackson and others have done to help us. I'm proud that you have people like Jack Kemp and some Republican business leaders who are here. I'm proud of the fact that you have John Sweeney and Percy Sutton and my friend Ron Burkle and others here. I'm proud of the fact that you have tried to reach across all the lines that divide.

I'm very, very proud especially, Reverend, that you have made this initiative to Appalachia. You know, 20 years ago this year, I became the youngest Governor in America. And when I became Governor of my home State, 5 of the 25 poorest counties in America were in Arkansas: 2 were in the Mississippi Delta; 3 were in the Arkansas Ozarks, our Appalachia. Twenty years ago, that was a very sobering thing to me. It's all the more sobering that it hasn't changed all that much in a lot of rural America.

Fifteen years ago this year, I worked with other Governors to establish the Lower Mississippi Delta Development Commission. It went from the mouth of the Mississippi up through the Mississippi Delta, all the way up into all-white areas of east Tennessee and southern Illinois, who had—by the time I ran for President in 1992, in southern Illinois there were still counties with 20 percent unemployment.

Twenty-five years ago, when I came home wet behind the ears from law school, among my first clients were old coalminers whose lungs were rotted out with black lung disease and whose families barely had enough to live on. I have never understood, from the time I was a child in my grandfather's store—he had a sixth grade education and an African-American clientele—why in the wide world people with common needs, common dreams, and common capacities would spend their time fighting over a shrinking pie instead of building a bigger one. And this is a good thing for America.

Previous speakers have talked about the economy. I am proud of this visionary effort to build a bridge between Wall Street and our greatest untapped markets. And because the economy is so good, now is the time to build that bridge. If we can't do it now, when in the wide world will we ever get around to it? If there was ever a time when none of us have an excuse, this is that time. But the world changes very fast, and we have to seize the moment.

You know, Tuesday night when I give the State of the Union Address, I want to talk about the great long-term, still-unmet challenges of the 21st century: the aging America, the fact that we have the largest and most diverse population of children in our schools in history. But a big part of it is the need to build strong, economically successful communities in the places where prosperity has not reached, in the inner cities, in rural America, and don't forget, on our Native-American reservations, as well.

Jesse Jackson came to Wall Street—the same reason Willie Sutton robbed banks: That's where the money is. [Laughter] And I don't mean that in a pejorative way. How could any American of any station in life not be proud of the financial markets we have built and, as Mr. Grasso said, of the fact that now 200 million of our 260 million people actually benefit from it? We are beginning to share the wealth. We need to do more of that, and I'll have some more to say about that later. But that's why Jack Kemp is here and why I always liked him. [Laughter]

Mr. Kemp. I like you, too, Mr. President. [Laughter]

The President. Although, when Reverend Jackson said he was the ultimate Republican, I thought, would that it were so. [Laughter] I probably just destroyed his future prospects. [Laughter] I'll be glad to renounce that anytime you want. [Laughter]

But I ask you to think about this. Wall Street has done a great thing in spreading the wealth across America because now 200 million people directly or indirectly benefit from the stock market, because a lot of the stock market are pension funds, retirement funds, now mutual funds, things that get all kinds of people into the stock market. It is only natural that not only is this where the money is, but they have found ways to involve large numbers of people. And yet we know there are still pockets that are relatively untouched.

Now, some of them are just down the street. Treasurer McCall over there, he manages New York's money. He'd have more to manage if the unemployment rate in New York weren't twice the national average. He'd have more money to rebuild these old schools, more money to give all these kids in troubled neighborhoods after-school programs and summer school programs and opportunities they need to develop their full abilities.

You know, I always say, one of Clinton's 10 rules of politics is, whenever somebody tells you, looks you straight in the eye and says, "This is not a money problem," you can bet everything you've got they're talking about somebody else's problem, not theirs. [*Laughter*] It is partly a money problem.

Now, before we—so we have to find ways for you to do this. I think the Government has a role to play here. I think we have to do our part. And I thank the Members of Congress who are here. The first thing we have to do is to stay with the strategy that's gotten us this far. You know, this year—there are a lot of things that I wish I could be announcing more investment in, in the State of the Union. But we've got to keep the budget balanced to keep the interest rates low and the confidence high. We've got to keep investing in our people and target the money we do have to education, to training, to technology, to things that will develop their abilities. And we've got to show leadership and continue to expand trade and deal with this financial crisis around the world, because the global economy is either going to work for us or against us. Thirty percent of our growth has come from our relationships with other countries.

The second thing we have to do is to keep working to do what we can to revitalize communities, not by ignoring them or by trying to impose kind of one-size-fits-all programs, but by doing what we've been trying to do: being a partner with people who live in each community and being a catalyst to bring the spark of private enterprise. These partnerships work in interesting ways.

We put 100,000 police out there in the crime bill, and we've got the lowest crime rate in 25 years, the lowest murder rate in 30 years. And we don't tell people who they must hire or how to train them or where to deploy them. But it makes a difference. In 1993, when I took office, the crime rate—the violent crime

rate had tripled in 30 years, and the number of police had only gone up 10 percent. It wasn't rocket science; people needed help. Local governments—the economy was down—they didn't have the money to hire the police and train them and deploy them properly.

When we offered tax cuts to clean up brownfields, all kinds of inner-city neighborhoods were able to be revitalized. We've got cities now that hadn't had a new factory in a month of Sundays getting actually new manufacturing facilities in their backyard and providing good jobs. That's what we try to do with the empowerment zones and the community development banks—just to give people tools to do what they want to do.

And I appreciated what Weldon said about affirmative action. I hope we can end it some day. But if you see what's happened in the examples where people have cut it out altogether, it seems to me the rest of us are disadvantaged. My daughter is in college. I want her to go to college with a bunch of students that look like Americans, because that's the America she's going to live in. So I ask you to think about that.

I want to thank Secretary Slater, who's here. The Department of Transportation will issue its new rules on disadvantaged business enterprises in the next few days and extend more opportunity to more people.

In the past 5 years—I'd like to say one thing about the banking community that I think is important—we've worked very hard to both streamline and strengthen the Community Reinvestment Act. It was also under fire, has been under fire, still is under fire by some. That Community Reinvestment Act has been on the books for more than 20 years, but 95 percent of all the financial commitments made under the law in the last 20 years have been made in the last 5 years. That's more than \$1 trillion in long-term commitments to invest in people.

And I might say, our banks are more profitable than they were 10 years ago. This is not bad for business; this is good for business. I guess the presence of the business leaders and the Wall Street people here among the previous speakers ought to make that general point. This is not a welfare program; it is not a charity program. We are not asking anybody to do anything we do not think they will make money out of. And if they can't make money out of it, we can't ask them to do it. What we're trying

to do is to create an environment and create the conditions in which it is more likely that more people will take a chance. We believe they will be rewarded by the chances they take.

Now, again I say, we know that we've got this booming economy, but we also know the overwhelming majority of the capital is bypassing our underserved areas. We know that in boardrooms all across America today, people are laying plans for new investments in emerging markets, and not all of them are in trouble today. We know that venture capitalists are planning new ventures, from Silicon Valley to the suburbs of Washington, DC. But especially with—especially with the problems in Asia and the uncertainties abroad, we need to ask ourselves, how are we going to keep growing the economy, keep the unemployment rate low, with inflation down? How are we going to do that? The answer is, we've got to find more places to invest and more customers. And the largest pool of untapped investment opportunities and new customers are not beyond our shores; they're in our backyard.

They're up the street in Harlem or the Bronx or across the river in Brooklyn or in any other countless number of cities around the country where, every morning, huge numbers of working mothers and fathers have to get up and find some way to get transportation—sometimes in cities that don't have public transportation—get all the way out to the suburbs to get a job, and then come home at night dead tired, leave their kids an hour, sometimes an hour and a half earlier, and lower their income dramatically by the cost of transportation. Why? Because no one is investing.

And there's a lot of other people that are still looking for work. I told you—you think about the fact that we have a 4.3 percent unemployment rate. It's the lowest peacetime rate in 41 years, and still within this city there are several neighborhoods where the unemployment rate is in double digits. Now, anybody who has ever spent time on the streets, who has ever had to struggle to get by, knows that most people there are not stupid. It takes some amount of skill to survive in the environment a lot of Americans have to survive in today. So to me, this is a self-evident case. The question is, how are we going to do it?

Recently—let's listen to this—recently, a Harvard business school professor found that families living in our most distressed communities

still control more than \$85 billion a year in purchasing power, more than the entire retail market in Mexico—just the people in the most distressed communities. Still, more than 25 percent of that market is going unmet. In Harlem, the number is more like 60 percent. How many places are there in America where a kid has to walk for blocks and blocks past abandoned storefronts just to buy a book for school or milk for the family? Now, that is what we're talking about.

And businesses that have recognized this potential have been rewarded. Two of Pathmark's most productive grocery stores are in Bed-Stuy and Newark Central Ward. These two stores do double the business of a typical grocery store. Of Rite-Aid's 148 stores in New York City, the Harlem branch ranks second in the number of prescriptions filled. People appreciate it if you make it easy for them to spend their money when they need it.

In a meeting with the Vice President this summer—by the way, both these companies announced that they would expand their investment in these areas. And that is good. But we've got a lot more to do. And we need help from the people that are here, from Congressman Rangel and the other Members of Congress here, from Maxine Waters and others who are trying to bring together stakeholders for capital formation for new growth in their areas. For all the people from the rural communities, from the Congressional Black Caucus and the Congressional Hispanic Caucus, we need help from everybody. We need help from Republicans and Democrats. This ought to be an American issue. We all have an interest in this.

I want to thank again Reverend Jackson and Sandy Weill, who couldn't be here this afternoon, and all of you who have been part of the Wall Street Project. And what I'd like to do today—and I worked hard on this so I'm not going to do what Jim Harmon said I did before—I'm actually going to read some of this talk. Because I have been working with development experts, with business people, with the Members of Congress I mentioned, and others, to try to say, okay, if our role is to be a catalyst, if our role is to be a partner, what else can the Federal Government do to help get this jump-started, to provide a vehicle through which we can channel and attract more money? And here are the things that I want to announce:

First, in the balanced budget this year, we'll support a new market venture capital program to bring capital and technical assistance to small businesses in distressed areas. Thousands of entrepreneurs who only need a little capital and expert guidance to expand their businesses and create new jobs—these funds will give it to them.

Second, we'll expand our investment in the community development banks that provide inner-city and rural residents small amounts of credit to transform good business ideas into reality. And Emma has been great on this, and I thank you for your support of this.

When I was Governor, I heard about this guy named Muhammad Yunus in Bangladesh—Bangladesh, one of the poorest countries in the world—who had set up these banks to make very small loans to rural village women to start small businesses. At the time I met him in the mid-eighties, they'd made 400,000 loans at market interest rates to groups of people. You had to get a group together; everybody got a loan, but the second person couldn't get the loan until the first person started to pay back and so forth. They had a higher repayment rate than the commercial banks did at commercial interest rates. Now the Grameen Bank has made about 2 million loans, and the same thing is true.

Last year your United States Government, under our administration, funded 2 million of those loans in poor countries, from Africa to Asia to Latin America. Our community development banks are designed to do the same thing at an American scale, with American financial costs, for people who need it. And I thank the Members of Congress who are supporting it. We are now establishing them all over America; we have to expand them.

Next, our SBA—Aida's SBA—[laughter]—has helped to transform companies such as America Online from small startups to household names. That's right, AOL started with an SBA loan. Last summer the Vice President challenged the SBA to do the same for businesses in underserved areas. In response, the SBA will strengthen its outreach efforts; offer new financing terms, such as delayed payment of interest on loans; and waive regulatory requirements to promote investments in targeted communities.

We're also going to expand the tax incentives for the SBA-licensed specialized small business investment companies. Their job is to channel capital to small businesses owned by economi-

cally disadvantaged citizens. So we're going to give people more tax incentives to invest in them. I want to say a special word of thanks to Congressman Bill Jefferson from Louisiana, who first brought this to my attention. This wouldn't have happened without him because I wouldn't have known about it, and I thank him.

Fourth, in the next balanced budget I will ask Congress to support the creation of new—this is when you can get some of these big guys to give you some money, so listen to this—[laughter]—American private investment companies to encourage even bigger businesses to enter these underserved markets. For years we've supported in America the Overseas Private Investment Corporation, OPIC. What it does is provide financing to promote growth abroad. We ought to have an "APIC", an "American Private Investment Company," to support private investment at home.

Now, here's how it will work: "APIC" will be administered jointly by HUD and the Small Business Administration. It will offer loan guarantees to investors who help businesses expand or relocate in inner cities and rural areas. If one group of private investors puts up at least \$100 million, then the Government will guarantee another \$200 million in loans. Now, if five groups of investors do the same thing, that's \$1.5 billion in equity for investment in underserved America.

Finally, to encourage as many individuals and companies to put together more funds to invest in underserved areas, we will propose new tax credits worth 25 percent of the amount of equity placed in investment funds, community development banks, and a host of other investment vehicles targeted for these untapped markets.

Now, this is a good beginning. This will provide incentives and a vehicle. But we can't do this alone. And Congressman Rangel and the other Members of Congress here, the CBC, the HBC, the groups in Congress who will care about this, they need your help. We cannot pass this without bipartisan support and people who see that this is bringing free enterprise to places that haven't felt it in ways that will help the whole American economy.

Now, you think about it. If our exports drop this year because of continuing low growth in Latin America, in Asia, in other places, how are we going to keep the American economy growing? How's everybody else going to get a

pay raise? How are we going to do this? We should do this not just for those folks but because they can help us build a better America and better lives for everybody.

And so I say to you, we've got to pass these laws. And we have to make it an American issue. It can't be a Democratic issue or a Republican issue. It shouldn't be the Black Caucus, the Hispanic Caucus, or Bill Clinton's idea. I don't care—I would gladly put any label on this you want if I thought it would pass it. I would be glad to call it the "Herbert Hoover-Warren Harding-Calvin Coolidge Economic Development Act." I will do anything to pass it. *[Laughter]* There is plenty of credit to go around. And I ask you to do everything you can to try to make this an American issue.

And I ask all my friends in the business community to go down to Washington, call your Members in Congress, without regard to party, and say, "Hey, you know, the President made a pretty good point there. If our markets are going to keep dropping next year, we've got problems. We need some new markets. We need someplace to put the money that has been made so it can make some more money." So I implore you to do that.

Let me just say one final thing. I don't want to make another point and make a whole other speech, but don't ever forget that we're not going to be able to get business to go into or to stay in areas where people don't have the education and skills to do the jobs that are needed. And we need the business community to keep supporting our schools, to help people who need help with adult literacy or to go back and finish high school, to mentor those kids in middle school so they'll go on to college. We can't forget that, because if we do, there will be a limit to how successful we can be.

Now, a lot of things have been said about Dr. King today. And nearly everybody has committed some portion of his "I Have A Dream" speech to memory. But I found a sentence in there that applies uniquely to us here, that I don't ever hear anybody quote, but it's very important. He said in 1963, on the steps of the Lincoln Memorial, that he challenged America, quote, "to refuse to believe that there are insufficient funds in the great vaults of opportunity in this Nation." Now today, those vaults of opportunity are richer and fuller than they ever have been. Wall Street has helped to make that so. Now what we need to do is to open those vaults up so they'll fill up even more for all of you.

Thank you, and God bless you.

NOTE: The President spoke at 2:15 p.m. at Windows on the World Restaurant in the World Trade Center. In his remarks, he referred to Jesse Jackson, founder and president, Rainbow/PUSH Coalition; former HUD Secretary and 1996 Vice Presidential candidate Jack Kemp; John J. Sweeney, president, AFL-CIO; Percy Sutton, founder, Inner City Broadcasting; Ron Burkle, owner, Yucaipa Cos., Los Angeles, CA; Richard Grasso, chairman and chief executive officer, New York Stock Exchange; H. Carl McCall, State comptroller; Weldon Latham, Jr., partner, Pittman, Potts, and Trobridge; Sanford I. Weill, chairman and co-chief executive officer, Citigroup; Emma Chappell, founder and chief executive officer, United Bank of Philadelphia; and development economist Muhammad Yunus, managing director, Grameen Bank, Bangladesh. A portion of these remarks could not be verified because the tape was incomplete.

## Remarks at a Democratic National Committee Dinner *January 15, 1999*

Thank you very much. Robert left his cards up here, so I'm going to take them home and put them in my keepsake album. *[Laughter]* If he ever gets mad at me, I'll call him on the phone and read this speech back to him. *[Laughter]*

I want to thank all of you for being here and for being there for Hillary, for me, for Al and Tipper, for our administration over all these last years and especially during the last year. I'm going to miss Steve Grossman and his team at the DNC. I thank Len Barrack. I thank Carol