

us. We have to mobilize the private sector to bring new jobs and opportunities. We know that, since the Government, the Federal Government is the smallest it has been since 1962, what we can do is to do what we have been doing. We can find a new way to create the conditions and give the private sector the tools to bring investment to these areas to put people to work.

Now, how can we do that? More empowerment zones, more community development banks, but also our new markets initiative. Many of the people here with me today said, "What we need, if we want more investments in the inner cities, more investments in the medium-sized cities and small towns, more investments in rural areas, you've got to have more equity investment." So in the State of the Union, I proposed this new markets initiative to leverage billions of dollars in that kind of investment by providing tax credits of up to 25 percent of the equity placed in untapped markets.

I also proposed to create American private investment companies and new market venture capital firms to bring more equity capital to investors who develop or expand in these areas with loan guarantees that would cover up to two-thirds of the investment. If you have 25 percent tax credit for what's at risk and a loan guarantee of two-thirds of the rest and a plain

market there and we can actually get this out in simple terms that people can understand, I think we have a chance to spark an enormous amount of economic development in America before this administration's work is done.

We should not be thinking of our success without an equal determination to give every one of our fellow citizens a chance to be a part of it as we go into a new century. We don't have to leave anyone behind. And if we can't do this now, when in the wide world will we ever get around to it?

So, July we'll make the tour. In a few days we'll go down to south Texas, to the Vice President's annual empowerment conference. And we will continue to work with the business leaders that are here to do things that make sense. But the bottom line is we need the Congress to work with us in a bipartisan way. Of all the things in the world, this should not be a partisan political issue. We want to provide the economic incentives necessary to create jobs, keep growth going in America, keep inflation low, and go into that new century with everyone—everyone—walking hand-in-hand together.

Thank you very, very much.

NOTE: The President spoke at 11:25 a.m. in the Rose Garden at the White House.

## Remarks in a Roundtable Discussion on New Markets in Atlanta, Georgia May 11, 1999

*The President.* Thank you. Well, first, Mayor Campbell, Mayor Jackson, Mayor Young, my friends, it's wonderful to be back in Atlanta. I will be very brief because I want to spend most of my time listening to our panelists, but I'd like to try to put what the mayor has said into the perspective of what we're trying to do with our administration. And I have with me our Housing and Urban Development Secretary Andrew Cuomo; our Small Business Administrator Aida Alvarez; my Deputy Chief of Staff Maria Echaveste. We had other members of the Cabinet with us earlier today, along with my National Economic Adviser, Gene Sperling, who helped to put this whole event today together.

But let me try to tell you why I'm here. When I became President in 1993 I had traveled around America and I had seen with my own eyes for many years, as a Governor and then as a candidate for President, people able to start businesses in places that had high unemployment or low income or other economic problems, if they just had access to capital and they had the right technical support, marketing support, loan guarantees, or whatever.

So when we started our administration we put into our first economic plan this whole idea of empowerment zones which would give tax credits, loan guarantees, technical assistance, and direct investment, and community development financial institutions which would make direct

loans to people who otherwise might not have access to them.

We've also been greatly aided in this national endeavor by some of our own financial institutions, and I think the leading one plainly has been NationsBank in terms of what you have done to try to loan money to people who couldn't get it otherwise.

Now, after 6 years, watching these empowerment zones work, we can see examples like this. But what I want to say to you now is, I think it's important that we try to take this example to the whole Nation. Our economy now is in the best shape it's been in at least a generation; some people think it's the best economy America has ever had. We have the lowest recorded rates of unemployment since we've been keeping separate statistics for African-Americans and Hispanic-Americans. We have record numbers of new small businesses starting in each of the last 6 years. We've got the lowest peacetime unemployment since 1957.

Now, that's all good, but we also know that we have neighborhoods in big cities, we have small- and medium-sized cities, we have rural areas and Native American reservations where there has been almost no new investment, almost no new businesses, almost no new jobs. So I am trying to highlight, first of all, for the American people, you and people like you all over the country, so people will know this can be done.

Secondly, I'm trying to build support for an initiative I have before the Congress now, which is called the new markets initiative, designed to give tax credits to people who put equity money, investment money, into low per capita income areas, high unemployment areas in our country, and to provide loan guarantees, up to two-thirds of the total investment for people who will do that, and to increase our community development loaning all over the country, not just in the empowerment zones, because I believe we ought not to leave anybody behind when we go into the 21st century. I think that every American who is willing to work ought to have a chance to do it.

And so, that's why I'm here. I want people to see you and believe it can be done in their neighborhoods, in their communities, rural or urban. I want to listen to you, and I want to try to build support.

The last point I want to make is, in July I am going to take 2 or 3 days and go to

places in America that need this help and try to highlight for the American people, in the midst of all our prosperity, both the obligation and the opportunity we have to do better. And I'm going to ask the American business leaders to help me. And a lot of these folks came with me today from all over the country. I just want to mention who is here. They're all the leaders of their various organizations.

Duane Ackerman from Bell South and Dan Amos from AFLAC, both of Georgia; Don Carty of American Airlines; Emma Chappell of the United Bank of Philadelphia; Jon Corzine of Goldman Sachs; Ted Gifford of Bank of Boston; Martin Grass of Rite Aid; Dan Hesse, AT&T Wireless; Richard Huber, Aetna; Debra Lee of BET; Leo Mullin of Delta Airlines, another home base here; Frank Newman of Bankers Trust; Maceo Sloan of Sloan Financial Group; Sy Sternberg of New York Life; and Sandy Weill, head of Citigroup. I'd like to ask all them to stand. They are giving a day of their lives to try to help replicate this elsewhere, and we thank them. *[Applause]*

Now, that's enough of our talk. We want to hear from you. Who would like to go first? I also want to say, I've got some of this good coffee from the Cameroon, and I gave myself a refill on the way out here; I hope you'll forgive me. And I had a little of that sweet potato cheesecake, and I have lifted things from almost every entrepreneur here. This is a beautiful market, and I want to thank all of those who had anything to do with it. This is something the entire city can be proud of, and especially because of its roots to the rich history of 20th century Atlanta. So I'm very pleased.

But I would like to hear from all of you now. Who would like to go first and talk about what your experience was, how you got your business started, or what progress has been made here? Would you like to start?

*[Jason Slaughter, president and chief executive officer, S&W International Food Specialties, thanked the President and stated that if people were given opportunities, they would do well. He explained how his business had been helped by the empowerment zones, the welfare to work program, and the Small Business Administration, saying it had grown from a \$150,000 company with 12 employees to a \$13 million company with over 60 employees in 3½ years.]*

*The President.* Give him another hand. That was great. [Applause] You were great. Jason, you might be interested to know that earlier today when we were meeting in the White House, a lot of these business leaders—and many of them have thousands and thousands of employees—but they repeatedly said to us, “Look, what we’ve got to do is to get capital out there to folks. They need that more than anything else. If they can get that first investment money—because you can’t borrow it all unless you’re able to put something up—that will make a big difference.”

And you’re living proof of it. The way I figure it, if you can keep growing at this rate, by the time I’m ready to draw Social Security you will be a billionaire, and you can hire me to sort of work in my off hours. [Laughter] I accept right now in advance. I’ll be here. You get ready. That’s great.

Would you like to talk a little bit about the role of your bank here and what you’re trying to do?

[NationsBank representative Sally Adams Daniels stated that the bank had opened its community development operation in 1993 and had redeveloped over 4,200 units of affordable housing in Atlanta through partnerships with local community development corporations.]

*The President.* Let me say, many years ago, before I ever became President, my wife and I had a long talk one night with Hugh McColl about investment in low income areas in America. And we told him—we talked about the Grameen Bank in Bangladesh, which basically was the pioneering bank in the Third World, starting very poor people out in businesses and actually making good money doing that.

And both Hillary and I at various times in the last, probably 10 years, have had other conversations with him about it and then with others involved with NationsBank. But I was particularly pleased that not long after you announced your merger plans, that the bank’s 10-year plan for reinvestment in communities, including direct loans to provide initial capital to people who otherwise wouldn’t have it, was announced.

And I want to tell you I very much appreciate that. I think it will make a huge difference. These people prove that they need a hand up, and they do right well if they get it.

Vivian, would you like to talk about your experience?

[Vivian Reid, owner of the Kaffee Shop, described how she and family members had started the business, which thrived, in part, because new market initiatives had provided others in the area with the means to support each other.]

*The President.* Thank you. Let me say, I think you hit on an important point, because I can just say, I was really looking forward to coming down here because I’ve always loved Atlanta and I love the history of the place. But when I got here, I saw a lot of things I didn’t know were here, so I think you do need a marketing plan that tells people what it’s like now and where you’re going with it.

You know, you had so many different kinds of just food establishments, just different kinds. And the other thing that impressed me—you talked about the family businesses—the other thing that impressed me was the diversity of people working here. You have a lot of Asian-American families here. You have—there is a lady back there who is in a food store who told me she is from Ghana, and she said “Akwaaba”—when I saw the Ghana word for welcome, which I first heard about a half a million people in Accra—and I think this is something that ought to be highlighted, that there are people here from all over the world, so that you get the best of Atlanta’s past and a picture of Atlanta’s future here. And I think there is a way for you to market it that would even increase the rate of growth that the merchants are enjoying.

That’s what I’m going to do when I get out of the White House, go around and give people advice like this.

Go ahead. Ken.

[Kenneth Bleakley, executive director, North Yards Business Park, stated that his organization wanted to try to create more jobs in the inner city as one of the legacies of the Olympic Games. He described how they had been successful with the help of the empowerment zone program and environmental funding from the Department of Housing and Urban Development.]

*The President.* Give him a hand. That was great. [Applause] I would like to emphasize just one of the points that Ken made. And that is the funds the Federal Government put into environmental cleanup. Most people don’t ever

think about this as an economic development issue. But one of the things that has retarded the comeback of many areas in our cities are so-called brownfields, areas that have been subject to some measure of environmental pollution and areas, therefore, that can't get new investment and new support and can't even very often get permits to do what people want to do unless the cleanup is done.

But if the people who want to put the plan in or the business in have to bear the cleanup costs, then the financing doesn't work out. There's no reasonable way they can make the economics of their business work in the early years. So this is something the Vice President pointed out to me fairly early on in our work together, because he was heading this empowerment task force that we had. And we've spent a lot of time and effort trying to give communities funds to clean up the brownfields, because—and it's just breathtaking what we've found happens, the way it sort of cascades on itself—the money. And I appreciate what you're doing.

Mr. Bleakley. Thank you.

The President. And congratulations to you, too. That's great.

Now, this is my cheesecake lady who destroyed my diet today, and I loved every bite of it. Do you want to tell us a little about your experience here and how you got started and what you're doing?

[Sonya Jones, owner of the Sweet Auburn Bread Co., stated that the empowerment zone agencies were very aggressive in helping clients get projects off the ground. She described her problems getting qualified employees, citing the need to offer benefits to attract them.]

The President. Let me ask you this: Are the principal needs you have, to attract and keep good employees, child care and health care?

Ms. Jones. Definitely.

The President. Those are the principal ones?

Ms. Jones. Yes.

The President. One more than the other?

Ms. Jones. They're right together, actually, I would say.

The President. I do believe this year, at the end of the year when Congress has to pass the budget, I still think we have quite a good chance to pass our health care initiative—I mean our child care initiative, which would provide more tax credits and more direct subsidies for people

with modest incomes to afford quality child care. And one of the things—there must be a child care center very close to this market with all these people down here. If there's not, that's something that ought to be looked at. But when you get a certain number of employees in the market and then people near here, you may be able to quite economically establish something for the neighborhood if there's not.

But if we pass this program, people like the people who would get a job working for you will have access to a lot more financial help to pay for that child care.

On the health care side, I really believe the only places that I know that have been really, really successful at this are people that have offered pool coverage to small businesses so, in effect, both the employers and the employees can buy health care at the same cost, more or less, per person that some of these large employers can. I don't think there is presently available another alternative to that, and so I think it's—except for when some States allow people who make relatively low incomes to buy into the Medicare/Medicaid program for—you know, they pay something but not the full range.

Those are the only two options that I'm aware of. But if there's not such a pooled arrangement here in this area, that's the next thing you ought to try to get the empowerment zone to organize. They can't do it until they have a certain number of employees, because it doesn't work economically. But once you cross a certain threshold with a certain profile for the employees, and a lot of them are young restaurant workers and healthy—you know, for example, you can do this and make the economics work. So that's something I think the empowerment zone can do.

Mr. Aderhold, do you want to say something there?

[Mr. John E. Aderhold, chairman, Aderhold Properties, Inc., pointed out that the community did have a day care center, but that it operated on a small scale and needed to be expanded.]

The President. You know, it's very interesting. One of the things that—I saw a study of Georgia about—oh, this was 6–8 months ago, we were looking at the impact of the welfare reform law. And at the time, one of the big problems was that Georgia was growing jobs like crazy, but most of them were growing in the suburbs. And

most of the people who were losing their welfare benefits lived in the cities, and there wasn't an adequate transportation link.

Here's something that's been done here that has the potential to grow where are all of you are working folks in the urban areas. And there may be some way that the State's welfare reform program—and I think the person who ran it at least for Governor Miller is here—I don't know if the commissioner is here or not, but he was out at the airport. But there may be some way that they can use some of the money that they still have from welfare reform to subsidize child care centers in the city of Atlanta around here.

Because when we—when I signed the welfare reform bill, one of the things we did was we gave every State the amount of money they were receiving in February of 1994, when welfare caseloads were at an all-time high. Now, they have dropped more than at any period in history. They're almost 50 percent lower than they were in February of '94. The State still has that dollar amount. So they've got the same amount of money they had then, minus inflation, which hasn't been very much. So it may be that you could go there and try to get them to help the empowerment zone locate child care here for you.

Mr. Aderhold?

[Mr. Aderhold described how the Fulton Cotton Mill project had progressed, renovating 12 acres of dilapidated territory and converting it into an area which was helping to draw people back into the city.]

*The President.* Well, thank you for taking a chance on it. And I think that, if someone like you is willing to take a chance of that magnitude, at least the modest amounts of money that the Government put up is the least we can do to share the early risk.

[Mr. Aderhold then added that the way the city cooperated in dispensing the funds was key to the project's success, and he thanked Mayor Bill Campbell of Atlanta for his assistance.]

*The President.* Thank you. [Applause] Yes, give them a hand. That's great.

I didn't mention this earlier, but we are having, 2 weeks from today—maybe, and maybe it starts 2 weeks from yesterday; but either 2 weeks from yesterday or today, we're having our annual empowerment zone and enterprise com-

munity national convention that the Vice President hosts, and we're doing it in south Texas this year, in a small town, rural empowerment zone area we had down there. I think it's in McAllen. And it's a great place to go if you've never been there.

And we're going to all gather down there, and, Mayor, if either you're going, or whoever is going from Atlanta representing you—I'm sure you'll be represented there—I think the point that John just made is one that ought to be made there. Because we have now had enough experience with these empowerment zones that we can see differences in the rate of effectiveness. And I think this is a point that ought to be hammered home.

So if either you go, or if you will instruct whoever is going on behalf of Atlanta to make that point, I'd appreciate it.

Tricia?

*Tricia Donegan.* Hi, welcome. Thanks for coming to Atlanta. You're the first guy to get me off a day of work so—[laughter]—since we've opened.

*The President.* Glad to do it.

[Tricia Donegan, owner of the Eureka Restaurant, described how she had started her restaurant business in 1995, with assistance from Federal funds to help get it off the ground, and how it was expanding into other empowerment zones in the city.]

*The President.* Thank you, that was great. I said this morning when I was meeting with all the CEO's, I don't think any of us ever conceived this as a charitable operation. We thought that if we could build a community where everybody had a chance to make a living, that it would help all the rest of us, that we would all be stronger if people who were willing to work and had skills and had gifts to give to the community had a chance to do it and be paid an appropriate amount for it.

I think that this is a—it is really—America is very good at creating jobs. And compared to almost every other country in the world with an advanced economy, we've got a very low unemployment rate. But we still have a problem when places have been down for a long time, going back and getting that economic opportunity there and bringing people into the circle of success.

And if we can't do it now when the economy is good, we'll never get around to doing it. So

that's why I wanted people to see and hear all of your stories and your philosophy and see how this can work, because this is what we would like to do in every community in America where it is not now being done.

Mr. Mayor?

*[Mayor Campbell thanked the President for bringing the business leaders to see how the inner city was flourishing. He stated that the President's urban policy, whether the COPS program or the empowerment zones, had effectively contributed to the city's growth and well-being.]*

*The President.* Let's give all our participants a hand here. They're great. Thank you. Great job.

NOTE: The discussion began at 2:55 p.m. at the Sweet Auburn Market. In his remarks, the President referred to Maynard Jackson and Andrew Young, former mayors of Atlanta; F. Duane Ackerman, chairman and chief executive officer, Bell South; Daniel P. Amos, president and chief executive officer, AFLAC, Inc.; Donald J. Carty, chairman, president, and chief executive officer, American Airlines; Emma Chappell, chairman, presi-

dent, and chief executive officer, United Bank of Philadelphia; Jon Stevens Corzine, chairman, Goldman Sachs; Charles K. Gifford, chairman and chief executive officer, Bank of Boston; Martin Grass, chairman and chief executive officer, Rite Aid Corp.; Dan Hesse, president and chief executive officer, AT&T Wireless; Richard L. Huber, chairman, president, and chief executive officer, Aetna, Inc.; Debra Lee, president and chief operating officer, BET Holdings; Leo Mullin, president, chairman, and chief executive officer, Delta Airlines; Frank Newman, chairman and chief executive officer, Bankers Trust; Maceo Sloan, chairman, president, and chief executive officer, Sloan Financial Group; Sy Sternberg, chairman, president, and chief executive officer, New York Life; Sanford I. Weill, chairman and co-chief executive officer, Citigroup, Inc.; Hugh L. McColl, Jr., chairman and chief executive officer, Bank of America Corp.; and Georgia Commissioner of Labor Michael L. Thurmond, who had been director, Division of Family and Children Services, Georgia Department of Human Resources, under former Gov. Zell Miller. The transcript released by the Office of the Press Secretary also included the remarks of the roundtable participants.

## Remarks at the Hubert H. Humphrey Civil Rights Award Dinner May 11, 1999

Thank you so very much. Ladies and gentlemen, thank you for the warm welcome. Thank you, Dorothy, for your wonderful words. She has been involved in this work for many years, but every time I hear her speak I always marvel at how young and vigorous and alive and energetic she always sounds.

I'm honored to be here with Wade Henderson; Julian Bond; Rabbi Saperstein; Monsignor East; my good friend Justin Dart; Frances Humphrey Howard, it's nice to see you tonight, ma'am. I also want to—I have been told that Judy Shepard is here, the mother of Matthew Shepard, and she testified for the hate crimes legislation today. I don't know where she is, but I'd like to ask her to stand up—and I thank you. Where is she? Thank you very much, and God bless you. Thank you. *[Applause]*

I would like to thank the members of the administration who are here: Secretary Herman;

our EEOC Chair, Ida Castro; our Civil Rights Assistant Attorney General, Bill Lann Lee; Ben Johnson, who is continuing the work of our initiative on race at the White House; and Mary Beth Cahill and others on the White House staff. I thank them.

I would also like to say a special word of appreciation to the many Members of the Congress who are here, well over a dozen House Members, and Senator Wellstone, Senator Sarbanes, and Senator Robb. I thank all of them for being here and for what they do. If it weren't for them, many of the things we have tried to do in the area of civil rights and human rights would not have been sustained in these last few years.

When I saw Senator Robb's name here, it reminded me before I give out this Hubert Humphrey Award—or acknowledge the award winners, you're going to give it out—I admired