New Markets Parcel
Dropped

NEW MARKETS TOUR: REAL PEOPLE ANECDOTES

APPALACHIA:

- 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.

- 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.

CLARKSDALE

- 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 Mohamad 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. (Yunus was also mentioned in the South Phoenix remarks.

- 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.

- 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.

EAST ST. LOUIS

- Thank you, Mel Farr, for bringing jobs and opportunities and cars, even in two months' installments, to every community in this country. (Farr was also mentioned in the Los Angeles remarks).

PINE RIDGE

- 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 house trailer adjoining.

- 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.

- Comments made by Geraldine Blue Bird at roundtable: 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...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 on to it because you get an income. Money every two weeks is better than money once a month.

SOUTH PHOENIX

- 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 -- 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 five employees to 11 employees -- instead of five 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

- 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. (Mohamad Yunus was also mentioned in the Clarksdale remarks)

LOS ANGELES

- 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

- 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.

- 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.

- 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 three years. Mel will lease people cars, give you leases for as short a period as two 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. 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.

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. (Farr was also mentioned in the East St. Louis remarks)

- 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.

- We were in East St. Louis yesterday, visited a Walgreen's Store in one of the most distressed inner city areas -- I mean, Walgreen's store, this beautiful Walgreen's store -- 30 employees. The manager of the Walgreen's 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

AGENDA FOR NEW MARKETS MEETING

Roosevelt Room; 2:00-3:00pm

July 14, 1999

I. IMMEDIATE ACTION ITEMS

- Coordination of correspondence, including Thank You's (from NEC, OPL, etc.)
- Mailing Lists and Coordination of Inquiries
- IGA Activities (i.e., involvement of governors -- NGA conference, and mayors)
- OPL Activities (i.e., requests from chambers of commerce, outreach/coordination with non-profit community)
- Legislative Strategy
- Communications Strategy (distribution of clippings, use of Web Page, video clips, etc.)

II. UPCOMING NEW MARKETS EVENTS

- Legislative Event (TBD)
- BusinessLINC/The Business Roundtable -- National Announcement (August 10)
- Arkansas Visit to the Delta (August 5^{th} – 6^{th}?)
- Newark, NJ/New Jersey Nets Event (TBD in the Fall)
- 2^{nd} New Markets Tour (to follow New Jersey event?)

III. DELIVERABLES

- Plains Indians Meeting Follow-Up (Lynn Cutler)
- Unannounced public sector deliverables (i.e., Executive Order for New Markets Data collection)
- Unannounced corporate deliverables (i.e., Dreamworks program for disadvantaged youth training)
- Other deliverables from agencies that were not closed prior to the tour

The President's New Markets Tour

July 5-8, 1999

Overview and Press Summary

❶ Articles Previewing the Tour

NEW YORK TIMES
JULY 5, 1999
A7

Nation's Economic Boom A Faint Echo in Appalachia

Clinton to Start Poverty Tour in Kentucky

By FRANCIS X. CLINES

MANCHESTER, Ky., June 29 — "The economic boom?" asked Donna McDonald at her roadside flea market rack of used clothes — humbly frayed offerings that she has been buying more than selling lately as local customers survive until their welfare checks next week.

Ms. McDonald stared wide-eyed at the question of the boom, as if directions were being sought to some Nirvana far beyond the green highlands and idle coal mines in this hard-core heart of Appalachia. "Not here," she noted of the whirring economy.

"Right now a lot of people need extra money and sell me their clothes instead of buying," Ms. McDonald said, explaining the economic cycle as she lives it. "It's tough here; we need jobs and the economy ain't helped," she gently summarized, speaking as the daughter of a coal miner, forced to become one of Appalachia's marginal entrepreneurs.

When President Clinton begins his tour of some of the nation's most entrenched poverty regions on Monday, the entrepreneurial impulse in the eastern hollows of Kentucky will be on his agenda as he makes his first stop in London, Ky., 20 miles to the west down the Daniel Boone Parkway. There he will focus on the bona fide success of Kentucky Highlands, a 31-year-old anti-poverty program whose unusual specialty is the gathering of venture capital via Government loans and charitable foundations to create businesses and jobs in poverty-steeped areas. More than 50 companies and 6,000 jobs have been fostered in nine counties by Kentucky Highlands since Appalachia was first dramatically designated in 1965 as a 13-state swath of intense poverty deserving special regional aid and remedies.

"There's a mystique about Appalachian people: They just don't want to leave this land," L. Ray Moncrief, executive vice president of Kentucky Highlands, said of the poor's tenacity in the tattered coal fields.

As Mr. Clinton arrives, the first President to visit here since Lyndon B. Johnson, the statistical progress measured in the past 34 years by the Appalachian Regional Commission is significant: The poverty rate, once 31 percent, has been halved to 15 percent, just two points higher than the national average. The difference used to be nine points.

"The idea that the Great Society economic development programs didn't work, I think, is just wrong," Jesse L. White Jr., co-chairman of the Appalachian Regional Commission, said of the war on poverty that was begun in the 1960's. President Ronald Reagan crimped the commission's programs, but the regional approach survived and was formally reauthorized by Congress last year after 16 years of uncertain budgeting. Mr. White describes Appalachia's situation as "half-way home and a long way to go."

In the more troubled hamlets, emerald hills resonate as before with the hardscrabble life of residents like Ms. McDonald and her scrawled sign proclaiming "Donna's New and Used Clothes." Appalachia's most resistant areas — much of West Virginia, southern Ohio and eastern Kentucky — still have unemployment and poverty rates at least 50 percent higher than the rest of the nation. A checkerboard pattern of diehard neediness in 108 of the region's 406 counties leaves some denizens reacting with a polite shrug to the Clinton visit.

"I guess anybody can go anywhere they want," said Boyd Asher, a whatnot dealer sharing roadside space with Ms. McDonald. "But it seems like his big boom skipped this place," added Mr. Asher, yearning for the steady paycheck of his old coal mining job, lost when the industry moved on.

"That left us down in the dumps," said Mr. Asher, who drives the school bus part-time and hustles used household goods on roads from London to Harlan. "Now the welfare cutbacks in food stamps and all is hurting us bad. The only money around here is during the two weeks after the welfare checks come."

At his side, Matt Collins, retired coal miner and dealer in assorted dishes and novelties, conceded total puzzlement about the economy raging in so many other places. "I just can't never figure it out. Why can't they never get a factory in here?" he said of Clay County, where the unemployment rate is 80 percent worse than the national average. Mr. Clinton, he said, trimmed back traditional welfare on the promise of greater job opportunities.

The President intends to highlight his new venture capital program for impoverished areas. Dubbed New Markets Initiative, it was announced in January as an attempt to use deferred-interest loans and other incentives to draw the private sector more deeply into the Small Business Administration's effort to spawn new business and jobs in distressed areas. Local residents amiably speculate on why this proposal has come more in the twilight than the heyday of the Clinton Administration. But others stand ready to gratefully exploit the occasion.

"It's never too late," said J.C. Egnew, an engineer who quit the space program 27 years ago to settle here and become a businessman, sensing a trainable and loyal pool of factory workers clinging to the land.

With venture capital help from Kentucky Highlands, Mr. Egnew has created five factory businesses and more than 1,000 jobs, producing hunting equipment, military tents and automobile air bags.

"The President is the most powerful man on earth and whatever he decides is important carries a lot of weight," said Mr. Egnew, a community leader in Stearns, Ky., who recently sponsored a new computerized community college center to track the economy globally so the next generation of Highlanders might be better prepared for change.

Still plenty of hard times, despite some improvements.

Asked why one coal-mine hollow inches toward recovery while another does not, Mr. Egnew responded that the dominant factor beyond all the aid programs seemed to be whether a community was willing to dedicate itself to education as the engine of rescue. Otherwise, he said, expectations remain low, political leaders rarely emerge, and innovative ventures are never conceived. Such a community, he said, "leans on those crutches" that date from the worst of Appalachian times in the Depression.

Patty Kidd, a 36-year-old worker in Mr. Egnew's Outdoor Venture business, is a coal miner's daughter who seized a job opportunity as the rarest of Appalachia's resources. "I'm home-grown in this country, and I kind of progressed with the times," she said, describing how she landed a start-up job as a sewing machine operator and worked her way up to supervisor and now plant production manager overseeing all three work shifts. Ever more galvanized, she also obtained a business degree in night school.

"It would be great for the President to get a good picture of our region," said Ms. Kidd, mindful of the luck of the draw in life. "If Mr. Egnew hadn't believed in the people here, what would I be today?"

Ms. Kidd confessed to sadness lately with the high school graduations depositing a fresh crop of teenagers to hang around with scant promise of a career. "Mr. Clinton's visit couldn't hurt anything around here," she said.

WASHINGTON POST
JULY 5, 1999
A3

A3

Business A11

Clinton seeks new chances for poor

President to tour areas of poverty

By Charles Babington
WASHINGTON POST

WASHINGTON – President Clinton begins a four-day, six-state tour to some of the nation's most impoverished areas today, arguing that the government and private sector should do more to bring the benefits of a booming economy to regions that continue to struggle.

The president – who regularly touts the economy's bright spots from Silicon Valley to Wall Street – will focus on places known for poverty and unemployment: Appalachia, the Mississippi Delta, the Watts area in Los Angeles, and an Indian reservation. With several corporate executives and members of Congress in tow, Clinton will promote government incentives to lure investors and companies to such places. He says these "new markets" hold greater economic potential than many people realize.

Some of his proposals are expansions of familiar themes, such as tax credits and loan guarantees for investments. Clinton hopes to trigger enthusiasm for such programs by modeling his four-day mission after foreign trade trips, which are popular with many legislators and executives.

"Our thought was, 'Why not do an economic mission to the United States?'" said Gene Sperling, director of the National Economic Council. "We're going to challenge corporate business America" [and] "community leaders to look in these places for new potential, for new profits, for new opportunity . . ."

He said the administration is "trying to encourage people to take a little more risk in some areas where we think there is potential to be developed."

Clinton's proposals, some of which would require congressional approval, would expand the Small Business Investment Companies program. His legislative package would allow up to $1.5 million in technical assistance, in addition to existing federal loan guarantees, for venture capitalists willing to invest in targeted regions. His "new markets tax credit" would allow a 25 percent tax credit for those who invest in community development banks or similar institutions designed to help firms get started or expand in low-employment communities.

Administration officials said this mission also will acquaint potential investors with community leaders and aspiring entrepreneurs in areas that could provide more employees and consumers than many people in corporate America realize.

"Often it's simply just a lack of relationships," Sperling said of low investment rates in struggling regions. "People simply do not have the relationships with the people in under-served communities that they may in other parts of the country and of the world."

Some skeptics question why Clinton has waited until the seventh year of his administration to place such an emphasis on impoverished regions.

Senator Paul D. Wellstone, a Democrat of Minnesota, who made his own tour of impoverished regions while decrying welfare cuts two years ago, said Clinton lacks the "bold agenda" needed to cut poverty significantly, especially among children. "We have to be careful that we're not doing symbolic politics or photo-op politics," he told reporters last week.

Andrew M. Cuomo, secretary of housing and urban development, said Clinton's first priority was to bolster the overall economy, and he is focusing on impoverished areas "because he can do it now."

Those traveling with Clinton include Cuomo and Jesse L. Jackson. Scheduled stops and key topics are: Hazard, Ky., regarding investment incentives in a coal-mining region; Clarksdale, Miss., for a roundtable talk on reviving commercial enterprises; East St. Louis, Ill., regarding investment incentives in an "empowerment zone;" Pine Ridge (S.D.) Indian reservation, regarding increased government aide for basic needs; Phoenix, focusing on small business investments in a largely Hispanic neighborhood; and Los Angeles, targeting job training.

The Census Bureau's annual report on poverty found that in 1997, the latest year for which statistics are available, the overall US poverty rate fell from 13.7 percent to 13.3 percent. But 35.6 million Americans remain in the "poor" category. The poverty rate for Indians living on reservations was 31 percent, for Hispanics 27.1 percent, and for African-Americans 26.5 percent.

Area reflects plan's ups, downs

Success mixes with suspicion in rural Ky., one stop on the president's anti-poverty tour

By Larry Copeland
USA TODAY

McKEE, Ky. — Dwight Bishop, mayor of this town in the mountains of eastern Kentucky, wants President Clinton to stop in next week when he visits on a six-state tour pushing business investment in distressed communities.

"I'd like to talk with him about how to get federal funding for (U.S. Highway) 421," says Bishop, who thinks improving the narrow, winding road through town would certainly help attract business.

He figures his town, where more than 60% of the 1,100 residents live in poverty, qualifies for a visit from the president, who begins a national tour Monday of areas where the grip of poverty has resisted the booming U.S. economy. But Bishop worries that the president is unlikely to visit his one-stoplight town, county seat of Jackson County, because it's too far from a major highway. That's how the folks in the hollows of these mountains have long felt: The federal government's help is often tantalizingly close but just out of reach.

Big-scale programs

This is a region where the breathtaking beauty of the natural vistas always has been

live here. It was to Appalachia, to Martin County east of here, that President Lyndon B. Johnson came 35 years ago to launch his War on Poverty.

Thirty years later, in December 1994, President Clinton told Kentuckians in three counties — Jackson, Clinton and Wayne — that they had been chosen as part of another sweeping anti-poverty initiative.

Now, instead of coming to talk with Bishop about fixing his road, the president is expected to bring Jesse Jackson and a delegation of corporate leaders to more accessible areas of Jackson County. Clinton hopes to show the business leaders how they could thrive in depressed areas using the kind of tax credits he's urging.

Jackson County and the two other counties are sharing $40 million in money and tax breaks over 10 years because they are part of a federal empowerment zone.

Clinton is coming here, and to Perry County east of here, to promote his proposed New Markets Initiative. It would offer tax credits to businesses that invest in what he calls "untapped markets," the nation's poorest rural and urban communities. He will go on to Clarksdale, Miss.; East St. Louis, Ill.; the Pine Ridge Indian Reservation in South Dakota; South Phoenix, Ariz., and the Watts section of Los Angeles.

What he'll find here is a program that has been accused of creating too many minimum-wage jobs, of serving as a patronage tool for distrusted local officials and of failing to create a self-sustaining economy.

But what they'll also find is a program that has provided hundreds of jobs and has earmarked millions of dollars for infrastructure improvements. It has also begun to create a new class of entrepreneurs. "In terms of how many jobs have been created ... you find a pretty successful effort, although there has been controversy over the kind of jobs that were created," says Ron Eller, director of the University of Kentucky's Appalachian Center. "They have been less successful at ... building the civic capacity within those communities to sustain their own development over time."

A study by professors Cornelia Flora and Stephen Aigner of Iowa State University, who examined the 33 rural empowerment zones and enterprise communities, found that the Kentucky program had less citizen representation on its board than most of the others.

Traditionally wary

This area has been in desperate need of economic help for years. It suffered sharp declines in textiles, mining and tobacco farming jobs in the 1990s, and unemployment soared to almost 10%. So news of the empowerment zone generated high hopes.

It's also a region where people are fiercely proud and have a deep-seated distrust of government. Many were discouraged when they felt politicians were running the programs without their input.

Cathy Howell, who boasts that she knows "every hollow, nook and cranny" in Jackson

She headed an in-depth review of the program for the University of Kentucky's Appalachian Center. It found power in the zone concentrated in the hands of a few, planning meetings held at inconvenient times for most people and, at some meetings, board members sitting with backs to the audience.

"I was angry," Howell says.

Now, Howell, a food and nutrition counselor with the Jackson County extension office, says things have improved. "Everything has kind of smoothed itself out," she says.

Jerry Rickett, head of Kentucky Highlands Investment Corp., the lead agency for the empowerment zone, says he is proud of the program, which has spent $21.4 million. His company was founded in 1968 to administer some of the War on Poverty programs, so he brought expertise to the task of putting people to work.

Jobs and roads

The empowerment zone, officials say, has created more than 1,900 jobs for the 27,000 residents in the three counties, helping cut unemployment from 9.6% to 5.5%. It also has attracted an additional $67 million from outside investors, provided $2.1 million for job training and committed millions for improvements in roads, bridges and other public works, such as a Jackson County reservoir and expanded water service in Clinton and Wayne counties. Industrial parks are planned for both counties. The downtowns of Albany, McKee and Annville are scheduled for overhauls.

Rickett says he is especially proud of a $650,000 initiative, JCR Industries, that provides employment training to the disabled and to those on welfare. It employs more than 100 people in a self-sustaining program. Newly trained workers are busy in tool and die shops, electronics manufacturing and machine maintenance.

One of the most important changes is in the minds of residents. With an extensive business training program, the empowerment zone is creating a new entrepreneurial culture. About 60 people, some native Appalachians and some who have moved to the region, have completed the training since December 1995 and have started 25 businesses, program director Phil Danhauer says.

One such entrepreneur is Donna Gibson, who retired as a hairdresser in Michigan and moved here with her husband. She is now owner of Gibson Perennial Gardens.

Last year, she completed the 12-week entrepreneur class and took out a $2,500 empowerment zone loan to open her business. Now, she and her husband, Bass, grow flowers in a shady hollow in south Jackson County and ship them all across the country. She has 1,100 varieties of day lilies, 170 kinds of hostas and 500 other perennials. "We couldn't have done it without their help," she says.

Meanwhile, up in the mountains, Mayor Bishop, who can be found most days at his insurance office two blocks from City Hall, waits and hopes for an audience with the president. "I'll tell you what," he says. "If he'll come, I'll buy him lunch."

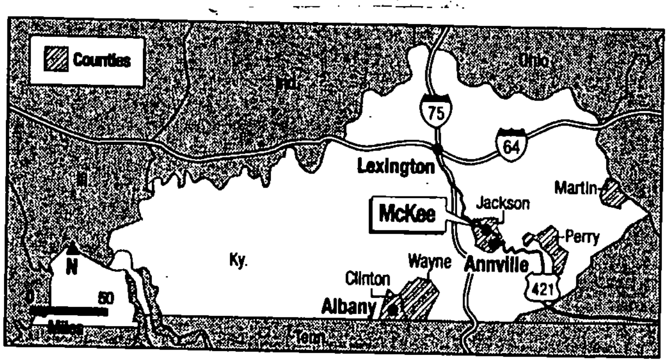
USA TODAY
JULY 2, 1999
3A

Photos by Drew Fritz for USA TODAY

In Jackson County: Elroy Day has a constant yard sale inside and outside his house to make ends meet. He refuses to go on welfare but might reconsider if daughter Tiffany Lola Nicole, 7, goes hungry.

Blooming business: Donna Gibson took an entrepreneur class and an empowerment loan. She now owns Gibson Perennial Gardens.

Bishop: McKee mayor would like funding to expand highway.



USA TODAY

WALL STREET JOURNAL
JULY 2, 1999
A14

Clinton Will Tow Executives to Poorest U.S. Areas To Spur Investment Under New Markets Initiative

By JEANNE CUMMINGS
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Richard Huber, chairman of Aetna Corp., will join President Clinton on Air Force One next week to participate in his first-ever trade mission.

His destination: Mississippi.

Unlike foreign-trade missions that are famous for their lavishness, Mr. Huber will be among a handful of executives participating in the first domestic-trade mission, intended to highlight the administration's "New Markets Initiative." In addition to the Mississippi Delta, the four-day trip will include stops in Appalachia, an Indian reservation and several struggling inner-city communities, including Watts in Los Angeles, all in an effort to spur investment in the nation's poorest communities.

'Tight Labor Market' Could Help

Some experts on poverty and business don't believe the Clinton administration can succeed where so many others have failed. But they acknowledge that Mr. Clinton has an edge: unemployment figures so low that businesses already are being forced to become much more creative about finding labor.

"There is no substitute for a very tight labor market in terms of fighting urban and rural poverty," observes former Labor Secretary Robert Reich. "That's why the Federal Reserve Board, by default, is the most important social-policy agency in the entire federal government."

The advantage gained from a roaring economy is one of the reasons Mr. Clinton cites for his renewed attention to the nation's poorest communities. "If we can't do this now, when in the wide world will we ever get around to it?" he says.

But Mr. Clinton is hardly the first president to take a stab at the chronic problem. The Tennessee Valley Authority was among the New Deal projects specifically aimed at easing Appalachian poverty during the administration of President Franklin D. Roosevelt. President Lyndon Johnson's War on Poverty in the 1960s was aimed at the rural South and inner-city neighborhoods. In 1967, Sen. Robert Kennedy was among a group of senators who toured the Mississippi Delta to study and suggest changes to the Johnson administration's programs. Even President Nixon tinkered with the nation's poverty programs.

But billions of dollars and decades later, many of the targeted communities in urban America, the Delta and Appalachia are suffering still. Between 1980 and 1996, one in seven residents abandoned Coahoma County, Miss., where the poverty rate in 1995 was estimated at more than 37%. In Appalachia's Magoffin County in Kentucky, the unemployment rate is three times the national average, and in 1995 the poverty rate was more than 41%.

'Criminal for Us Not to Try'

Still, with incomes rising and unemployment falling in almost all other parts of the country, "it would be criminal for us not to try this," says Roger Wilkins, a George Mason University professor and former Johnson administration official.

The key distinction between Mr. Clinton's New Markets Initiative and previous antipoverty programs is that it relies largely on the private sector to generate economic growth and jobs—rather than on taxpayers. The initiative, which has attracted bipartisan praise, is expected to be sent to Congress later this month, according to Gene Sperling, head of the White House National Economic Council.

Poverty Tour

President Clinton's tour will call attention to areas the economic boom has passed by. Each stop has an unemployment rate that is at least 50% higher than the national rate, and one-third to two-thirds of the population live in poverty.

1 **Monday:** Annville, Ky.
2 **Tuesday:** Clarksdale, Miss.
3 **Tuesday:** East St. Louis, Ill.
4 **Wednesday:** Pine Ridge Indian Reservation, SD
5 **Wednesday:** South Phoenix, Ariz.
6 **Thursday:** Los Angeles (Watts), Anaheim, Calif.

Its major provisions would:

- Help to generate about $6 billion in equity capital. The program would offer a tax credit of 25% for investments in community-development banks, venture funds and other institutions.
- Encourage large and midsize businesses to move into depressed areas. The government would guarantee loans of as much as $200 million for every $100 million in private equity.
- Boost small businesses by setting up New Markets Venture Capital Firms that would match private investors' equity with government debt guarantees and deferred interest.

"It isn't a charitable initiative," Mr. Sperling says. "The philosophy of the New Markets Initiative is to encourage corporations to look for profits in untapped markets in their own backyards."

Tax Breaks Can't Do the Job Alone

Some aren't so optimistic.

According to Mr. Reich, tax breaks don't hurt, but other issues are more important to businesses considering a new investment. Infrastructure, the labor market and the availability of utilities also play into those decisions. "There just is no magic bullet," he says.

John Morgridge, chairman of Cisco Systems Inc., agrees. He will link up with the president's tour in California next week to highlight Cisco's training program on designing, installing and maintaining computer networks. The program, offered mostly in urban areas around the country, was started after the company discovered there was shortage of workers who were qualified to maintain its systems. Mr. Morgridge says that when considering an expansion or investment, the labor pool in a community "is the No. 1 factor, and then things like tax breaks."

J. Gregory Dees, a professor of social entrepreneurship at Stanford University's Graduate School of Business, says venture capital isn't the problem in poor areas. "Bootstrap capital," the money small businesspeople lend to themselves, borrow from family members or obtain through credit-card companies, is what is really missing, he says.

Mr. Dees also questions whether many businesses will take advantage of the incentives if opportunities for returns will be relatively small. "If there is not a financial motivation for doing this, the interest will be limited and short-lived," Mr. Dees says. "If we want it to be an ongoing sustainable market, it has to be worth their while financially. There has to be enough between the profit and tax breaks for an attractive return."

'They Want to Do Business'

Housing and Urban Development Secretary Andrew Cuomo won't argue with that. While helping to develop the New Markets program, Mr. Cuomo met earlier this year with a group of executives to discuss the idea of basing the program on a series of tax breaks. The first question from the group was: "How much?" Says Mr. Cuomo: "That means they want to do business."

During next week's trip, some businessmen will be looking for new opportunities while others will highlight their own programs to reduce poverty and, in some cases, survive in a tight labor market.

Fannie Mae Chairman Franklin Raines plans to announce a plan to help families buy homes on Pine Ridge Indian Reservation in South Dakota. And in California, Mr. Clinton will highlight Citigroup Inc.'s National Academy Foundation, which trains young people in the fields of finance and tourism. The vast majority go on to college, says Citigroup's co-chairman, Sanford I. Weill, a proponent of the New Market Initiative.

While his colleagues are promoting programs, Mr. Huber plans to scout out business opportunities. Aetna has service centers across the country, he says, and "we're always looking for locations where we can site a new center."

He also is looking for communities in need of insurance services. Four years ago, Aetna launched a pilot program focusing on "internal, emerging domestic markets," and discovered that minority communities are teeming with potential customers. Mr. Huber even teased Mr. Clinton during a White House meeting that the administration's New Market Initiative was "going to blow our cover. I thought we had this market to ourselves."

Next week, he will be looking for another edge. "I've never been to the Mississippi Delta," Mr. Huber says. "I've never been to an Indian reservation in South Dakota. Maybe it will be an eye opener."

LOS ANGELES TIMES
JULY 5, 1999
A3

Clinton Tour Seeks Aid for Impoverished Areas in U.S.

■ **Economy:** Four-day trip begins in Kentucky, ends in Watts. President's plan offers businesses loan guarantees and tax credits for investing in poor localities.

By EDWIN CHEN
TIMES STAFF WRITER

WASHINGTON—Buoyed by a booming economy, President Clinton today embarks on a four-day mission to promote economic development in some of America's most impoverished areas, from Appalachia to Watts.

Accompanied by a delegation of lawmakers and business leaders, the president hopes to help those left behind by an expanding economy that few could have predicted 6½ years ago when he took office.

"I'm going places not just to remind America of the plight of the Americans who live there but to highlight their enormous economic potential and the visionary businesses who are helping to develop it," Clinton said recently as he described the trip. "Our greatest untapped markets are not overseas; they are right here at home."

The president will be touring his "new markets" initiative, which would offer businesses an array of tax credits and loan guarantees for investing in economically distressed areas, including East St. Louis, Ill.; the Pine Ridge Indian Reservation in South Dakota, and the Mississippi Delta—all places Clinton will visit before his last stop in Watts, to be followed by a conference with business leaders in Anaheim.

"There are real opportunities to make money in these markets," said Jesse L. White Jr., federal co-chairman of the Appalachian Regional Commission.

The "new markets" approach, White said, is an effort to "move communities to a more home-grown base, rather than relying on the old model of recruiting branch plants."

Presidents and others long have tried to help the nation's impoverished areas but with mixed results, as Clinton's trip will point out.

Since its creation in 1965, for instance, the Appalachian Regional Commission has spent $7.4 billion in more than 400 counties across 13 states, much of it building roads.

By 1990, the region's poverty rate of one person in three living below the poverty line was cut in half. Yet in eastern Kentucky, Clinton's first stop,

Please see TOUR, A13

TOUR: Clinton Plans Trip

Continued from A3
per capita income today remains well below the national average.

For his part, the president contrasted his strategy to that of the War on Poverty launched by President Lyndon B. Johnson in the 1960s and the free enterprise approach adopted by Presidents Reagan and Bush in the 1980s.

"In the 1980s, we found out for sure that free enterprise alone would not develop these areas into the 1990s," Clinton said in an interview with USA Today.

On the other hand, the War on Poverty provided "no internal structural change that would allow a lot of these places to become more self-sufficient on a long-term basis," he added.

The White House said Clinton's initiatives, if approved by Congress, could generate as much as $15 billion in new investments in needy regions.

The tax code has long been Republicans' preferred vehicle for economic development policy. House Speaker J. Dennis Hastert (R-Ill.) said Sunday in a letter to colleagues that the tax cut bill being prepared by House Republicans would include tax breaks for businesses and families that move into any of 100 distressed communities identified by the bill.

Skeptics, however, said that Washington and the private sector can do only so much, arguing that communities must help themselves—by, for example, cutting crime and improving schools—if they are to thrive.

"People in Washington make a mistake when they go to these areas and say we're going to solve your problems for you," said Stephen Moore, director of fiscal policy studies at the libertarian-minded Cato Institute here.

"For the last 30 years, Washington programs to help inner cities have been mostly counterproductive," he declared. "No matter how much cajoling Clinton does, people are not going to invest in those areas unless the underlying problems go away."

In Watts, activists agreed. "It's going to take the community and the city to make a difference once he leaves," said Linda Broadus Miles, executive director of the Al Wooten Jr. Heritage Center.

Other critics found Clinton's efforts wanting for other reasons.

"Figuring out how to get venture capital to small businesses in low-income communities is really important. But that's only one small piece," said Sen. Paul Wellstone (D-Minn.), a liberal who conducted his own poverty tour two years ago.

"This is not a bold agenda,' pecially amid the nation's p perity, he said, arguing that president's budget has not vided sufficient funds to exp access to child care, health in ance and Head Start.

"I'm glad he's going to be there. But where's the com ment?" Wellstone asked.

He also expressed the hope Clinton's trip will not raise f expectations. "What you hav be careful of is symbolic poli These trips can have an 'Alic Wonderland' quality."

But a senior White House said skeptics need not worry.

"We're not going to places f photo op," the aide said. "Th has to be something real wher leave that can cause impr ment."

Thus, in East St. Louis, a b is expected to announce its c mitment to invest in the he land. In Phoenix, officials pla unveil a Small Business Admi tration program built around p nerships between small, st gling companies in community and larger, succes companies. In Clarksdale, M Clinton plans to announce a T sury Department program would put private capital small financial institutions in community for local investmen

In South-Central Los Ange the president intends to showc a program that teaches inner youths job skills and pairs th with mentors.

"By actually bringing the tion's attention to these areas and bringing businesspeople see the significant opportuni there, that will have signific impact," said Andrew Cuomo, retary of Housing and Urban velopment and a "new mark enthusiast.

For all the president's good tentions, some advocates for communities that he will be v ing remain wary.

"We want to see what's in goody bag," said Rep. Bennie Thompson (D-Miss.), whose Congressional District incl many homes without running ter.

Milo Yellow Hair, who adm ters the vast Pine Ridge rese tion, echoed that sentiment.

"If he brings nuclear wastes or an incinerator for burning up East Coast trash, that's not economic development," Yellow Hair said. "Ninety percent of federal programs have had a detrimental effect for us. So we're very cautious."

But such doubts have not dampened Clinton's enthusiasm.

"I'm very, very excited about this," he said the other day. "If we can't do this now, when in the wide world will we ever get around to it?"

Times staff writers James Gerstenzang in Washington and Nancy Trejos in Los Angeles contributed to this story.

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Appalachia

July 5, 1999

② Broadcast Coverage

SHOW: CBS EVENING NEWS (6:30 PM ET)

July 05, 1999, Monday

TYPE: Newscast

LENGTH: 345 words

HEADLINE: PRESIDENT CLINTON ON ECONOMIC MISSION ACROSS THE US

ANCHORS: JOHN ROBERTS

REPORTERS: SHARYL ATTKISSON

BODY:

JOHN ROBERTS, anchor:

The United States is in the midst of one of the longest economic expansions in our history, but as long as it is, it has not reached all of America. Looking to change that, President Clinton set out today on a cross-country tour of poverty areas from Appalachia to Anaheim. Sharyl Attkisson has our report.

SHARYL ATTKISSON reporting:

Today in sweltering eastern Kentucky, where some see only desperate poverty, President Clinton sees valuable untapped markets. The president visited struggling families and used Appalachia as the setting to announce his so-called New Market Initiative to inject capital and opportunity into places largely untouched by the current economic boom.

President BILL CLINTON: I want us to pass a law in Congress to create new markets in America, to say we're gonna give a businessperson the same incentives to invest in new markets in America we give them today to invest in new markets overseas.

ATTKISSON: The president's four-day tour is patterned after international trade missions to developing nations. Government and business leaders are invited along. But this mission begins and ends in the US. The group visited one major local employer, an electronics factory in Jackson County, to make the case that there are success stories in these distressed areas.

Pres. CLINTON: At this time of prosperity, if we can't find a way to give every single hardworking 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.

ATTKISSON: The president wants $ 125 million to encourage investment in poor rural America. Republicans are pushing their version of an anti-poverty plan. Each party would like to get credit for addressing the persistent problem of poverty in the midst of America's longest peacetime economic expansion.

FOCUS - 149 OF 151 STORIES

SHOW: NBC NIGHTLY NEWS (6:30 PM ET)

July 5, 1999, Monday

LENGTH: 415 words

HEADLINE: PRESIDENT CLINTON TOURS POVERTY-STRICKEN AREAS IN ATTEMPT TO BRING ATTENTION TO THEIR ECONOMIC CONDITIONS

ANCHORS: TOM BROKAW

REPORTERS: CLAIRE SHIPMAN

BODY:

TOM BROKAW, anchor:

For many Americans, of course with the booming economy, these are the best of times. But President Clinton hit the road today traveling across the country, to drum up support for areas where the boom is not even a blip. The President's first stop took him to the eastern Appalacia town of Hazard, Kentucky, and NBC's Claire Shipman is there tonight.

CLAIRE SHIPMAN reporting:

It might be a scene from the hills of Kentucky 30 years ago. Silas, unemployed, sells odds and ends to get by, raising three sons in a house with no running water. He says he's skeptical today's high profile visitor will make any improvements in his life. But the President, kicking off his four-day tour of impoverished America, says Washington, with the help of big business, can and will make a difference.

President BILL CLINTON: This is a time to bring more jobs and investment and hope to the areas of our country that did not fully participate in this economic recovery. We have an obligation to do it.

SHIPMAN: President Clinton's trip is meant to echo Lyndon Johnson's war on poverty, but with a twist. Clinton, who was trailed by a group of cabinet secretaries and corporate CEO's, says the region would benefit more from corporate investments than from government subsidies. He toured a successful, local manufacturing firm to make his point. In fact, most experts say the war on poverty achieved it's goal. In 1960, 50 percent of Appalachia's more than 400 counties were considered economically distressed. Today that number has been cut in half.

Mr. EWELL BALLTRIP (Kentucky Appalachia Committee): The reality is also that there are two Appalachias. One is that Appalachia that has made significant economic progress and significant diversification. And then we have the other Appalachia.

SHIPMAN: That Appalachia still has deep pockets of extreme poverty, unemployment 50 percent higher than the rest of the country. The reason? Much of it is still too hard to reach.

While massive investment in a highway system brought much of Appalachia into the 20th century, the roads have bypassed many regions. Experts say investment in those pockets will still be a long time coming. Albert Smith is hopeful, even though he had to leave his family here to find work in North Carolina. He comes back for frequent visits.

Mr. ALBERT SMITH: Jobs, jobs are the big thing.

SHIPMAN: But long time resident and businessman, Dr. Vern Cooper, has more faith. He says industry and Appalachia will be a good match.

Mr. VERN COOPER: People there are hard workers. They're educated, they're trained, they'll give you a day's work for a day's money.

SHIPMAN: As for Silas, he's heard promises from Washington before. And like so many here, he says he's not counting on anything. Claire Shipman, NBC News, Hazard, Kentucky.

LANGUAGE: English

LOAD-DATE: July 6, 1999

ABC NEWS

SHOW: WORLD NEWS TONIGHT WITH PETER JENNINGS (6:30 pm ET)

JULY 5, 1999

Transcript # 99070505-j04

TYPE: PACKAGE

SECTION: NEWS

LENGTH: 586 words

HEADLINE: LOOKING FOR A CHANCE IN APPALACHIA

BYLINE: JOHN COCHRAN, CHARLES GIBSON

HIGHLIGHT:
GOVERNMENT PROGRAMS BRING TRAINING, MORE JOBS

BODY:

THIS IS A RUSH TRANSCRIPT. THIS COPY MAY NOT BE IN ITS FINAL FORM AND MAY BE UPDATED.

CHARLES GIBSON: As Sam said, most Appalachian counties in Kentucky have poverty rates more than twice the national average. The unemployment rate there is also much, much higher. For years, in the face of this bleak reality, many people have been looking for some kind of chance. Here's ABC's John Cochran.

JOHN COCHRAN, ABC News: (voice-over) Every morning, as the mist rises over the hills and hollows of Appalachia, federal money provides vans to carry adults to school -- adults like 23-year-old Amy Miller (ph). Under welfare reform, her monthly checks will soon stop. Amy, a single mother of three, now has only one goal.

AMY MILLER: Getting me a job and supporting my kids.

JOHN COCHRAN: (voice-over) She knows that with her ninth- grade education, she doesn't stand much of a chance. So one of the few programs left from the war on poverty takes Amy to a technical school where, with government help, she works toward a high school diploma.

FEMALE INSTRUCTOR: We're trying to find out the way that you would learn best.

JOHN COCHRAN: (voice-over) Education has been the big problem here. Only half the people have high school diplomas. That has discouraged big companies from moving here, companies needed to offset the decline of the coal industry.

Many mines have shut down. Others have replaced workers with new technology. Now, programs to educate workers are beginning to make the difference. In the old mining towns, poverty programs are revered, not reviled.

With her husband out of work, Mary Ann Combs (ph) got federal help to become a registered nurse.

MARY ANN COMBS: We need more businesses here, you know. The hospital's the main place to work, if you can get a job there.

MALE INSTRUCTOR: The objective is to acquaint you with job search procedures.

JOHN COCHRAN: (voice-over) Federal money is also helping laid-off miners in job training programs. Sam Bradley (ph) hopes to work on air conditioners and heating. Scott Denniston (ph) wants any kind of electrical work.

(on camera) Do you think you can get a job?

SCOTT DENNISTON: Well, the prospects don't look good in this area.

JOHN COCHRAN: (voice-over) Not good, but not hopeless either. Companies which have taken a chance found the hillbilly image does not fit, that people here make good workers. And unlike prosperous areas, where it is hard to find workers, Appalachia is a bottomless supply of labor.

WAYNE SWEASY, DJ Inc./NYPRO Plant Manager: The unemployment level was at double digits when we came here. And we had 892 applicants for the first nine jobs.

JOHN COCHRAN: (voice-over) People here say they want government programs like the one proposed by President Clinton today. That could bring more jobs, not more welfare checks. That's what Amy Miller wants for her kids when they grow up. And it is what might keep those kids here, instead of having to look elsewhere, beyond the mountains. John Cochran, ABC News, Hazard, Kentucky.

CHARLES GIBSON: The President's trip along the poverty trail of America lasts three more days, and it includes stops in the Mississippi delta, an Indian reservation in South Dakota and an inner-city neighborhood in California. And we'll have reports along the way.

In a moment, leaving home and history behind.

(Commercial Break)

LANGUAGE: ENGLISH

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Print National Coverage

NEW YORK TIMES
JULY 6, 1999
A10

A Pledge of Federal Help For the Economic Byways

Clinton Seeks an Investment in Appalachia

The New York Times
TUESDAY, JULY 6, 1999

By JOHN M. BRODER

HAZARD, Ky., July 5 — The Clinton Years have been lush for lawyers, investment bankers and Internet explorers. But some pockets of America remain largely untouched by the prosperity of the 1990's, and President Clinton is devoting much of this week to bringing them compassion and the hope of new jobs.

Here in eastern Kentucky, where poverty and unemployment run two to three times higher than the national averages, the President today presented a package of proposals intended to spur investment among the idle coal fields.

Mr. Clinton hopes to use Federal tax credits and loan guarantees to inspire private companies to build plants and stores in Appalachia to serve a population that the economic boom has largely passed by.

It is a familiar strategy for this Administration, except that the proposed "new markets" are in economically distressed regions of the United States, not in Zimbabwe or Ukraine. The Administration has aggressively used Government tax breaks and loan subsidies to encourage investment by American corporations in developing countries, but it has never focused similar efforts in a systematic way on struggling communities in the United States.

"Even though this is a blessed time for America, not all Americans have been blessed by it," Mr. Clinton said before a heat-wilted crowd in this mountain town. "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."

He picked the right place to make his point. David Deal, 58, a laid-off medical supply worker from the depressed coal-mining town of Cumberland, about 40 miles away, said that Government officials always talked about bringing jobs and investment to this region, but that the waiting continued.

"Lyndon Johnson was here in '64 but all the things he was talking about haven't reached down to the people here," Mr. Deal said. "Clinton keeps talking about wanting us off welfare, but he hasn't brought us any jobs."

One of his neighbors, Darlene Hall, 41, said that she was organizing a prayer rally in Cumberland next week to try to enlist God in the search for employment. And Ms. Hall said she had a message for industrialists looking for a stable work force.

"We are not pick-and-shovel uneducated people in the mountains," she said. "We are hard-working people, used to working in the mines. We are educated and we want to work."

With an entourage of corporate executives, members of Congress, Cabinet officers and the Rev. Jesse L. Jackson, Mr. Clinton is embarked on a four-day, six-state tour of islands of poverty among the general prosperity. He plans to visit Clarksdale, Miss., a poor town in the Mississippi Delta; East St. Louis, Ill.; the Pine Ridge Indian Reservation in South Dakota; a barrio in Phoenix and the Watts neighborhood of Los Angeles.

He takes a briefcase full of what he hopes are tools to create jobs, including community development financial institutions, empowerment zones and enterprise communities, America's private investment companies, small-business investment companies, new-markets venture capital firms and new-markets lending companies.

Taken together, the new and existing programs are intended to prompt as much as $15 billion in private-sector investment in poor urban and rural areas over the next five years. Most of $1 billion in Federal subsidies to underwrite the programs would require Congressional action, but Mr. Clinton has not sent all the specific legislation to Capitol Hill.

Critics have questioned the timing of the initiative, coming in the seventh year of Mr. Clinton's Presidency, when he longer has need for the votes of suburban soccer moms or the financial support of wealthy donors. He has spent countless days canvassing the prosperous precincts of the nation over the last six and a half years, bringing comfort to the comfortable and shoveling up campaign contributions from equity-rich Democrats in Beverly Hills, Silicon Valley, Manhattan and Palm Beach.

Presidential aides said that Mr. Clinton spent his early years in office insuring the general welfare through fiscal discipline and targeted tax cuts that had cemented the fortunes of the middle class. Now he can turn to the 35 million Americans who remain mired in poverty as the tide of prosperity lifts the boats of others around them, they said.

"The fact that the country is doing so well right now may, indeed, provide a better atmosphere for the President to put this challenge to the private sector," said Gene Sperling, the White House's chief economic adviser. "In a period of prosperity like this, a Presidential message of bringing everybody along may be more well received, and you may be able to do more good now than if you were trying to do that at a time when the country, when everyone around the country, was hurting."

A tour offering the hope of jobs for islands of poverty.

Today Mr. Clinton announced $1.5 million in housing and economic development grants to five eastern Kentucky groups from the Department of Housing and Urban Development. The money is intended to provide improved housing for migrant workers, job training and subsidized mortgage loans, the department said.

Before he spoke here in Hazard, Mr. Clinton stopped in Tyner, an eastern Kentucky hamlet of mobile homes and 100 souls in Jackson County.

Mr. Clinton sought refuge from the wicked heat under a spreading walnut tree and spoke with Jean Collett, 48, who recently left her job as a cook at a Dairy Queen to care for her father, Ray Pennington, who suffers from emphysema and breathes with the aid of a portable oxygen tank.

Mr. Clinton sipped from a can of Mountain Dew and held Mr. Pennington's hand as Mrs. Collett explained the hardships of life in their pocket of Appalachia. Bank loans are hard to come by, she said, because lenders demand collateral, of which she has none.

"We don't even apply for them," she told the President.

Washington Post
July 6, 1999
A2

Clinton Urges Corporate Investment to Fight Pockets of Poverty

By Charles Babington
Washington Post Staff Writer

HAZARD, Ky., July 5—President Clinton came to the hollows of Kentucky today to launch his four-day tour of impoverished regions, urging corporate America to invest in communities that the recent economic boom has bypassed.

First sipping a Mountain Dew in the shade with a hard-pressed family, and later addressing a sun-baked crowd in this coal-country town, the president said the government must do more to entice businesses to locate jobs and seek consumers in such regions.

"I came here in the hope that . . . we can 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,' " Clinton said in a mid-afternoon speech on Main Street, where temperatures neared 100. The government should provide the same incentives for investing in poor America that it does for overseas investments, he said.

Meanwhile, the administration prepared a report stating that inner cities have much greater retail purchasing power than many businesses realize. The report, to be released Tuesday, concludes that "retailers can find major profit-making opportunities in low- and moderate-income inner city neighborhoods," which it calls "undiscovered territories for many businesses."

Clinton is expected to cite the study, prepared by the Department of Housing and Urban Development, when he speaks Tuesday night in East St. Louis, Ill., one of the nation's poorest cities. Earlier Tuesday he will visit the Mississippi Delta town of Clarksdale.

Politicians' tours of economically distressed areas—such as Robert F. Kennedy's well-chronicled 1967 visit to Mississippi—historically have helped focus national attention on poverty, at least temporarily. They also have helped the politicians highlight their concern for the poor, an emphasis that some critics say Clinton has given a low priority until now, his seventh year in office.

Clinton is using the four-day tour to build support for the portion of his "New Markets Initiative" that will require congressional approval. It calls for a 25 percent tax credit for investments in community banks and similar institutions that target poor communities—at a cost of $980 million over five years. It also would establish a new investment program for targeted regions, in which private loans would be coupled with larger federal loans. The program would cost the government about $36 million in credit subsidies, White House aides said.

The president began his day in Tyner, Ky., sharing a soft drink and his sympathies with a family living in a dilapidated rental home, similar to those around it. Jean Collett, 48, was a cook at the Dairy Queen until she quit to care for her father, Ray Pennington, 69, who has emphysema.

"My first electricity was in 1961 [and] I didn't have running water in a bathroom until five years ago," Collett said. Her son-in-law, Anthony Brewster, has the best job in the family, making $6.30 an hour at the Mid-South Electric Co.

Clinton toured Mid-South's plant, which makes plastic safety glasses, and cited the company as the type he wants to highlight during his six-state tour. It receives equity financing and capital from the Kentucky Highlands Investment Corp., a nonprofit organization created in 1968 to invest in businesses in nine southeastern Kentucky counties. Clinton said the federal contribution to such agencies must increase.

BY J. SCOTT APPLEWHITE—ASSOCIATED PRESS

In Tyner, Ky., President Clinton heard stories of hardscrabble rural life from the family of Ray Pennington, 69, an emphysema patient who uses oxygen.

L. Ray Moncrief, executive vice president of KHIC, told reporters: "Wall Street venture capital is not coming to central Kentucky. . . . They're looking for high-tech sorts of things with 50 to 75 percent internal rates of return." KHIC gets a 10 percent return on its portfolio, he said, which is reasonable in this region, and enough to create badly needed jobs.

Among those with Clinton were Jesse L. Jackson; Aetna chief executive Richard Huber; BellSouth chief executive Duane Ackerman; Al From, head of the Democratic Leadership Council; and Agriculture Secretary Dan Glickman.

Perry County, which includes Hazard, has fared better economically than many nearby Kentucky counties. Russell County, for example, has a 26 percent unemployment rate, and 37 percent of Clay County's residents live below the poverty level.

More than one-fourth of the 406 counties in Appalachia—which includes portions of 13 states—are considered "distressed" because their unemployment and poverty rates are at least 1½ times the national average.

Coal mining remains vital to Appalachia, but employment in coal has declined from 250,000 in 1979 to 100,000 today.

Several corporations today announced new investments in the types of programs Clinton is promoting.

First Union National Bank pledged at least $5 million for small business equity loans and economic development programs in Appalachia. BellSouth pledged to hire 100 students of Kentucky's community colleges.

The Washington Post
Tuesday, July 6, 1999

USA TODAY
JULY 6, 1999
4A

Clinton touts investment incentives in Appalachia

Says 'this time of prosperity' is when to aid poor

By Susan Page
USA TODAY

TYNER, Ky. — President Clinton sat in the shade of a walnut tree Monday, sipping a can of Mountain Dew and chatting with Ray Pennington in front of his tarpaper-roofed shack about why the nation's good economy hasn't touched Whispering Pines.

No one in this hilly, isolated neighborhood in Appalachia seems to be tracking his or her stock market investments. Pennington's 48-year-old daughter, Jean Collett, says it's as difficult as ever to find a job, get a bank loan or aspire to a college education.

Clinton arrived here during a 99-degree day to start a four-day tour of inner cities and impoverished rural areas with corporate CEOs and civil rights leader Jesse Jackson in tow.

His message: Business investment, sometimes prompted by government incentives, can bring economic growth to forgotten communities and profits to corporations.

"At this time of prosperity, if we can't find a way to give every single hard-working American family a chance to participate in the future we're trying to build for our country, we'll never get around to do it," he told hundreds of people gathered on Main Street in Hazard, Ky.

Clinton likened his journey to the trade missions U.S. officials routinely lead to encourage U.S. investment in developing countries. He urged Congress to "give people the same incentives to invest in Appalachia or the Native American reservations or the Mississippi Delta or the inner cities (that) we give them today to invest in poor countries overseas."

Congressional Republicans have proposed their own anti-poverty program that emphasizes tax breaks and other economic incentives. House Speaker Dennis Hastert, R-Ill., sent a letter Sunday to Clinton to promote the GOP plan.

During the trip, Clinton is unveiling the details of a "new markets" initiative, much of which needs congressional approval. In it, he would:

▶ Help spur $6 billion in equity capital over five years by offering a tax credit of up to 25% for investments in development banks and venture funds that serve disadvantaged communities.

▶ Leverage up to $1.5 billion in investment in new developments and big businesses that expand or relocate to inner-city or rural areas.

▶ Establish new venture capital firms that would match private investors' equity with government debt guarantees and deferred interest.

In this part of Kentucky, nearly 60% of people over 25 don't have a high school diploma. The national poverty rate is 13.3%, but 32 counties in Appalachia have poverty rates higher than 30%. The Mississippi Delta region, where Clinton visits today, has a poverty rate of nearly 21%. The poverty rate in the inner parts of 170 U.S. cities stands at 20% or more, and the unemployment rate for American Indians stands at 50%.

John Moore, who raises tobacco and beef on his small farm, said this part of Kentucky wasn't ever likely to be a mecca of capitalism.

But investments for smaller enterprises could make a difference, he said as he waited for Clinton to speak.

Clinton announced $1.6 million in housing grants for eastern Kentucky, and some of the CEOs announced private investments: First Union National Bank will finance $5 million in small business equity loans in Appalachia; BellSouth will place 100 graduates of a local community college in technical and customer service jobs.

Ray Pennington, who farmed tobacco before emphysema made him dependent on portable oxygen, seemed more impressed by the fact that the president was on his front porch, bussing his 4-month-old great-granddaughter, LaKeisha Brewster.

"I'm glad to see you; you've got a good handshake," Clinton said.

"Old-timer," Pennington, 69, said of himself. He said Clinton was the first president he's seen.

"Well, everybody's entitled to meet one president, don't you think?" Clinton replied. "People expect you to vote every election; you ought to meet one now and then."

July 6, 1999, Tuesday, Home Edition

SECTION: Part A; Page 1; National Desk

LENGTH: 865 words

HEADLINE: CLINTON VISITS APPALACHIA, HOPE IN HAND

BYLINE: JAMES GERSTENZANG, TIMES STAFF WRITER

DATELINE: HAZARD, Ky.

BODY:

During eight years in the White House, Ronald Reagan never tired of offering his version of the most feared words in the English language: "I'm from the government, and I'm here to help."

Bill Clinton set out Monday to prove him wrong.

With a can of Mountain Dew in his hand and captains of capitalism at his side, the president tracked through the coal towns of Hazard and Tyner in the 97-degree heat of the eastern Kentucky highlands. Poverty rates in these parts are greater than 30%, and unemployment in at least one county is as high as 26%, five times the national average.

"We know government can't solve these problems alone," the president declared on the first stop of his four-day, six-stop tour of poverty-stricken areas that will end in the Watts area of Los Angeles. "But we know that we'll never get anywhere by leaving people alone either."

Three other Democratic politicians--Sen. John F. Kennedy of Massachusetts, Sen. Robert F. Kennedy of New York and President Lyndon B. Johnson--found the same distress when they visited Appalachia more than a generation ago. They sought to use a flow of government dollars to push the stagnant eddies of the area into the mainstream of the American economy.

Clinton has staked out a position somewhere between traditional Democrats' big government and Reagan's no government.

To underscore his conviction that government can act as a catalyst for private investment in such places as these, Clinton already had obtained promises from banking, insurance and communications companies to invest more than $ 9 million in Appalachia.

Beyond personal cajoling, Clinton's New Markets Initiative, pending before Congress, promises tax credits, subsidies and debt financing to corporations that invest in poverty-stricken areas such as this. The legislation's goal is $ 15 billion in private investment over five years.

"Look here, America," Clinton declared Monday. "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."

That was good enough for Herman Stamper, 63 years old and retired seven years as an instructor in a county vocational school. Fanning himself with a slab of cardboard, he responded when asked what a president could offer the community: "I don't know, but some good will come out of it, him just being here, you know."

Hazard is smack in the geographic and emotional center of Appalachia, a storied land of good natural resources and bad luck, of green mountain hollows and black lung disease, of bubbling creeks and falling hopes.

Coal remains the centerpiece of the local economy, but throughout Appalachia, coal-related jobs have fallen from 250,000 in 1979 to 100,000 in 1999, largely as a result of technological innovations, the federal government says. In Perry County, where Hazard is the county seat, 30% of the people live below the poverty level.

To turn these communities around, Clinton regards federal dollars as necessary but not sufficient. With a team of business executives and civil rights leader Jesse Jackson at his side, Clinton is trying to demonstrate that nothing will work unless the private sector realizes that it stands to gain by investing in blighted communities and turning them into new markets.

"A lot of good things came out of the Great Society, but government programs that come in with largess aren't a success long-term," a senior White House aide said.

The president hopes that he can use the tour to put the squeeze on Congress to approve his initiative.

From here, Clinton's itinerary will take him today to the epitomes of urban and rural poverty: East St. Louis, Ill., and the Mississippi Delta. Then it's on to the Pine Ridge Indian Reservation in South Dakota, an impoverished corner of Phoenix and, on Thursday, Watts.

In Tyner on Monday, the president visited a neighborhood of about 100 people called Whispering Pines. To picture the place, think neither pines nor gentle breezes. Think of trailer homes and ramshackle structures with tar-paper roofs.

The president sat down on a lawn chair, the can of soda in his hand, a walnut tree offering the only shade.

His hosts were the extended members of the Pennington family: Ray Pennington, who has emphysema and needs a portable oxygen tank to help him breathe; his daughter, Jean Collett, 48, who quit her job at a Dairy Queen to care for him; and a passel of children, grandchildren and great-grandchildren.

Yes, Collett said, there have been improvements since electricity was hooked up in 1961: Five years ago, water began flowing in the bathroom for the first time.

The best job in the family is held by her son-in-law, who makes $ 6.30 an hour at Mid-South Electrics Inc., which manufactures ice makers, telephone switching equipment and battery chargers.

"Old timer," Pennington said to the president, the first he has met, "I've lived 69 year and you're the first 'un I ever see'd."

"Well," replied Clinton, "everybody's entitled to meet one president, don't you think? People expect you to vote every election. You ought to meet one now and then."

GRAPHIC: PHOTO: President Clinton visits with the Pennington family in the Whispering Pines neighborhood of Tyner, Ky. PHOTOGRAPHER: Agence France-Presse

LANGUAGE: English

LOAD-DATE: July 6, 1999

BOSTON GLOBE
JULY 6, 1999
A1

Clinton in Appalachia for antipoverty push

By Ann Scales
GLOBE STAFF

HAZARD, Ky. – Against the mountainous backdrop of Appalachia, one of America's most enduring symbols of poverty, President Clinton yesterday opened a campaign to widen the circle of the nation's prosperity, saying if it doesn't happen now, "we'll never get around to do it."

"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," he said. "We have an obligation to do it," he told a cheering crowd of thousands gathered along Main Street on a muggy 90-plus-degree day.

Clinton came here to kick off what he has described as an unprecedented presidential tour across America to promote public and private programs to help the nation's estimated 36 million poor people.

He plans to present Congress with a proposal for tax incentives and loan guarantees that his administration estimates would generate $15 billion in new investment in urban and rural areas over five years.

Clinton said the initiative is one way to continue to expand the economy and drive the nation's 4.3 percent unemployment rate even lower.

Accompanied by the Rev. Jesse Jackson, corporate CEOs, and members of Congress, the president will cover six states in four days. Besides

CLINTON, Page A4

Page 1

Clinton touts plan to broaden prosperity

■ CLINTON
Continued from Page A1

Appalachia, he will visit the Pine Ridge Indian Reservation in South Dakota, Clarksdale in the Mississippi Delta, and low-income sections of East St. Louis, Ill.; Phoenix; Los Angeles; and Anaheim, Calif.

"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," he said. "It's good for business, good for America's growth, and it's the right thing to do.

"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," Clinton said.

In this coal and lumber town where President Lyndon B. Johnson launched his War on Poverty in 1964, Clinton announced $1.5 million in Department of Housing and Urban Development grants to benefit the poor in Eastern Kentucky by improving housing and opportunities for home ownership.

"Even though this is a blessed time for America, not all Americans have been blessed by it," Clinton said. A banner behind him read: "Tapping America's potential, bring investment, hope, and opportunity to Appalachia."

In Appalachia, 32 counties have poverty rates higher than 30 percent; the per capita income of the entire region is just 71 percent of the national average; and in some areas, 57.3 percent of those over the age of 25 do not have a high school diploma.

Clinton started his visit to Kentucky with a stop at Whispering Pines, an isolated, impoverished neighborhood of trailers and run-down houses in Tyner, population about 100.

AP PHOTO

AP PHOTO

President Clinton greeted 69-year-old Ray Pennington (seated) and family in Tyner, Ky., yesterday. At left, Clinton walked with Pennington's daughter, Jean Collett, as Shane Harrison, 4, entertained them.

Sitting in a lawn chair in the shade of a walnut tree and sipping a Mountain Dew, he visited with Jean Collett and her father, Ray Pennington, in the front of her dilapidated rented home.

Collett, 48, was a cook at Dairy Queen until recently, when she quit to take care of her father, who uses a portable oxygen tank because he has emphysema. Collett had no electricity until 1961, and no running water in a bathroom until five years ago.

Pennington, a widower, told Clinton: "I've lived 69 years, and this is the first time I've ever seen a president. It's a pleasure to meet you."

Clinton replied, "Well, everybody's entitled to meet one president, don't you think? People expect you to vote every election, you ought to meet one now and then."

The president then made several unscheduled stops in town, shaking hands and posing for pictures. At the Annville Stop-and-Go, Cleda Stapleton Merritt, 59, told Clinton: "Thank you, Mr. President. I'm willing to go to bat for you and we'll hit a home run. ... Thank you for the economy, amen."

Clinton has proposed a tax credit for up to 25 percent of the money a firm invests. His administration estimates the credit would generate $6 billion in new equity capital at a cost to the government of about $960 million over five years.

The loan guarantee program would be styled after the Overseas Private Investment Corp., which makes loans to promote US sales abroad. The same principle would be followed domestically under America's Private Investment Companies.

Clinton proposed providing up to $1 billion in government guarantees for the domestic program.

"For the same reason industries are looking at Mexico, they need to look at us. We can provide it here," he said Benny Coleman, who runs a family home supply business in nearby Evarts, drove to Hazard to see Clinton.

Jennings Krahenbuhl, a retired school principal from London, Ky., said, "We are not asking for a hand-out, we are asking for a hand. We just want to play in the game. We just need somebody to blow a whistle to let us in."

As Clinton tries to do just that, analysts said his record on behalf of America's poor is mixed.

His former labor secretary, Robert Reich, an economist at Brandeis University, said that other than expanding the earned-income tax credit in 1993 and helping keep unemployment low because of the surging economy, "the administration hasn't made much headway on the problem."

While he applauded Clinton for focusing on those Americans left behind as the economy has flourished, he said the administration's early decision to make cutting the deficit a priority has tied its hands and limited government investment in poor communities.

"Congress is in no mood to entertain any major new initiatives," he said. "The president's budget plans don't incorporate major spending for tax breaks for the poor or for those areas. This is probably for the future."

But Harvard sociologist William Julius Wilson, who has written extensively about poverty and given advice to Clinton, said the president's initiative was a "realistic program" to help distressed areas, given the limits of what he can accomplish with a Republican-controlled Congress.

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Print Local Coverage

Clinton to visit southeastern Kentucky Monday

Presidential tour will target areas needing investment

By AL CROSS
and JOSEPH GERTH
The Courier-Journal

President Clinton will visit southeastern Kentucky on Monday to start a four-day tour designed to bring more attention — and new investment — to the nation's depressed areas.

Some details of Clinton's trip to promote his "New Markets Initiative" remained uncertain last night, so the White House had no comment on the president's schedule. But officials in Washington and Kentucky said the plan is for Clinton to visit a factory in Jackson County — probably in Annville — and then speak on Main Street in Hazard.

Jackson County is part of a federal empowerment zone, where the government focuses grants and provides special tax benefits to encourage development. Hazard is a regional center for southeastern Kentucky, a coal-mining region long beset by poverty and other problems characteristic of Appalachia.

Clinton plans to visit three other depressed areas — Clarksdale, Miss., in the Mississippi River Delta, on Tuesday; the Pine Ridge Indian Reservation in South Dakota on Wednesday; and a poor area near Los Angeles on Thursday. The initiative is an effort to show how "government and the business community can work together to inject new capital and investment opportunities into some of these untapped markets," White House spokeswoman Julie Goldberg said. Executives of companies that have invested in the areas or are planning to will join Clinton for parts of the trip, she said.

Members of the White House advance staff spent the last two days in Jackson County scouting locations.

The preliminary plan was for Clinton to visit McKee, the county seat, but Mayor Dwight Bishop said he got the impression after an advance team's visit on Tuesday that Clinton would go to Annville, which has more companies that have been helped by the empowerment zone.

"I'm not real satisfied that they're not coming here ... because I feel like this is where the heart of the problem is at," Bishop said. "If they want a big show, I'm sure they'll get one, but the economic statistics of McKee had a big role in getting the empowerment zone."

The zone also includes Clinton County and part of Wayne County, both on the Tennessee border. Jackson County is just southeast of Berea and is more accessible to whatever airport the White House chooses to use for Air Force One and the helicopters needed to ferry Clinton and his party to the remote sites.

Courier Journal
July 1, 1999

LEXINGTON HERALD-LEADER
JULY 1, 1999

Hazard prepares or Clinton's visit o talk economy

By Bill Estep
HERALD-LEADER STAFF WRITER

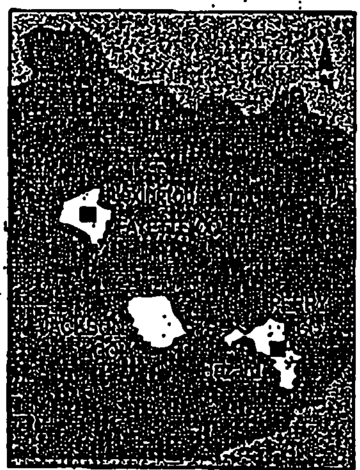
HAZARD — When President Clinton visits Kentucky next week to promote investment in areas lagging behind the booming national economy, he'll stop in an Appalachian town that's doing better than many in the region.

Hazard Mayor Bill Gorman confirmed yesterday that Clinton will speak Monday afternoon near the Perry County Courthouse in downtown Hazard.

"It's got the whole town buzzing. It's got the whole area buzzing," an excited Gorman said.

Air Force One is expected to land at Blue Grass Airport in Lexington. Clinton will then travel by helicopter, stopping in Jackson County before coming to Hazard, Gorman said.

The White House, however, continued to say yesterday that Clinton's itinerary in Kentucky had not been set.



STAFF

Gorman said he is anticipating that 20,000 to 30,000 people will pack downtown Hazard for the event.

See CLINTON, A10

CLINTON: Visit will address area economy

From Page One

Local officials were working with the president's advance team yesterday to prepare for the visit.

City workers were getting ready to clean the streets, trim the grass and prepare the area around the courthouse for the speech, said Charlie Hammonds, a special assistant to Gorman.

"This is the greatest thing that has ever happened to us," said Hammonds.

Hammonds said part of downtown will be blocked off Monday afternoon and that buses will shuttle people from nearby parking lots to the site.

Meanwhile, Hazard Police Chief Ron Maggard was in Richmond yesterday to help line up more police officers for security during the visit.

Fred Stidham, superintendent of Hazard Independent schools, said the district will provide the buses and that the high school band was getting ready to play.

"It was a surprise, but everyone is really excited about it," Stidham said.

"Hazard is a regional center for business, communications and medicine, but high unemployment exists in the area.

The estimated unemployment rate in Perry County in April was 7.3 percent — nearly double the state average — and the figure was even higher in a number of other Eastern Kentucky counties.

Local officials in Jackson County said they had not received confirmation Clinton would visit.

But that would be a logical stop for the president because it is part of the federal empowerment zone program, one of Clinton's key anti-poverty initiatives.

That program brought $40 million for the zone — Jackson, Clinton and part of Wayne County — for development aimed at rebuilding the economy and improving the quality of life.

The empowerment-zone program has been credited with creating hundreds of jobs in the area, but it's not clear what role the good national economy also played in the growth.

Jackson County is also home to Mid-South Electronics. The Annville company, which employs about 850 people, makes electronic parts for several large companies and could serve as an example of the kinds of investment Clinton would like to see.

Hazard Mayor Bill Gorman anticipates that the president's visit will draw 20,000 to 30,000 people.

Clinton is coming to Kentucky as part of a four-day tour to promote his "new markets" initiative.

He wants business to invest in areas such as Appalachia and the Mississippi Delta where poverty persists. He has proposed tax credits and expanded small-business loan programs to spur that investment.

Congress would have to approve much of the plan. A new anti-poverty proposal could be a tough sell before the Republican-controlled Congress with a presidential election looming.

Clinton's visit comes on the heels of a stop in Hazard last spring by Andrew Cuomo, secretary of the U.S. Department of Housing and Urban Development. Cuomo was on a tour of the places he says "the economy forgot."

Clinton's trip to Appalachian Kentucky will be the first presidential visit to focus on the region's economic troubles since President Lyndon Johnson kicked off the War on Poverty in Martin County in 1964.

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Herald-Leader staff writers Peter Baniak, Gail Gibson and Lance Williams contributed to this report.

Issue: Kentucky
Paper: The Commercial Appeal (Memphis, TN)
Date: July 6, 1999, FINAL EDITION
SECTION: NEWS, Pg. A1
LENGTH: 951 words
HEADLINE: CLINTON TOUTS INVESTMENT IN POVERTY-STRICKEN AREAS;
PRESIDENT STOPS OVER IN MEMPHIS, EATS ON BEALE
BYLINE: From Staff and Wire Reports
DATELINE: HAZARD, Ky.

President Clinton came to the hollows of Kentucky on Monday to launch his four-day tour of impoverished regions, urging corporate America to invest in communities that the recent economic boom has bypassed.

He then flew to Memphis on Monday evening, where he ate dinner at Blues City Cafe on Beale Street and spent the night at The Peabody. He was to travel today to Clarksdale, Miss., the second stop on his six-state poverty tour.

Monday night, Clinton, along with Rev. Jesse Jackson and Rev. Benjamin Hooks and Mayor Willie Herenton, toured the National Civil Rights Museum. Though Clinton did greet some citizens on Beale, including Blues City patrons who were allowed to stay in the restaurant while he ate in a separate area, he made no public statements.

Jackson applauded Clinton for the economic tour to the Mississippi Delta.

"This is one of the great moments in his presidency because of his willingness to help poor Americans," Jackson said.

Clinton was to return to Memphis before traveling to East St. Louis, Ill., tonight.

Clinton chose Appalachia for the first stop in his tour this week of poor areas which have not benefited from the healthy economy.

In Hazard, Ky., first sipping a Mountain Dew in the shade with a hard- pressed family, and later addressing a sun-baked crowd in the coal-country town, the President said the government must do more to entice businesses to these regions.

"I came here in the hope that ... we can 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,' " Clinton said in a mid-afternoon speech on Main Street, where temperatures neared 100. The government should provide the same incentives for investing in poor America that it does for overseas investments, he said.

Politicians' tours of economically distressed areas - such as Robert Kennedy's 1967 visit to Mississippi - historically have helped focus national attention on poverty, at least temporarily. They also have helped the politicians highlight their concern for the poor, an emphasis that some critics say Clinton has given a low priority until now, his seventh year in office.

Clinton is using the four-day tour to build support for the portion of his "New Markets" initiative that will require congressional approval. It calls for a 25 percent tax credit for investments in community banks and similar institutions that target poor communities - at a cost of $980 million over five years. It also would establish a new investment program for targeted regions, in which private loans would be coupled with larger federal loans. The program would cost the government about $36 million in credit subsidies, White House aides said.

The President began his day in Tyner, Ky., sharing a soft drink and his sympathies with a family living in a dilapidated rental home, similar to those around it. Jean Collett, 48, was a cook at the Dairy Queen until she quit to care for her father, Ray Pennington, 69, who has emphysema.

"My first electricity was in 1961 (and) I didn't have running water in a bathroom until five years ago," Collett said. Her son-in-law, Anthony Brewster, has the best job in the family, making $6.30 an hour at the Mid-South Electric Co.

Clinton toured Mid-South's plant, which makes plastic safety glasses, and cited the company as the type he wants to highlight during his tour of poor areas. It receives equity financing and capital from the Kentucky Highlands Investment Corp. (KHIC), a nonprofit organization created in 1968 to invest in businesses in nine southeastern Kentucky counties. Clinton said the federal contribution to such agencies must increase.

L. Ray Moncrief, executive vice president of KHIC, told reporters: "Wall Street venture capital is not coming to central Kentucky. They're looking for high-tech sorts of things with 50 to 75 percent internal rates of return." KHIC gets a 10 percent return on its portfolio, he said, which is reasonable in this region, and enough to create badly needed jobs.

Clinton has a host of political figures and business executives traveling with him. In addition to Jackson, some of them are: Aetna chief executive Richard Huber; BellSouth chief executive Duane Ackerman; Al From, head of the Democratic Leadership Council; and Agriculture Secretary Dan Glickman.

Later, addressing a sweating crowd in Hazard, Clinton said: "Even though this is a blessed time for America, not all Americans have been blessed by it. 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."

He picked the right place to make his point.

David Deal, 58, a laid-off medical supply worker from the depressed coal-mining town of Cumberland, Ky., about 40 miles away, said that government officials always talked about bringing jobs and investment to this region, but nothing happened.

"Lyndon Johnson was here in '64 but all the things he was talking about haven't reached down to the people here," Deal said. "Clinton keeps talking about wanting us off welfare, but he hasn't brought us any jobs."

One of his neighbors, Darlene Hall, 41, said that she was organizing a prayer rally in Cumberland next week to try to enlist God in the search for jobs. And if He's not listening, Hall said she had a message for industrialists looking for a stable work force.

"We are not pick-and-shovel uneducated people in the mountains," she said. "We are hard-working people, used to working in the mines. We are educated and we want to work."

Published Tuesday, July 6, 1999, in the Herald-Leader

Looking forward instead of backward

Every presidential speech has a defining TV moment, and the one in President Bill Clinton's speech in Hazard yesterday was when he said:

``I came here to show America who you are."

Unfortunately, America already thinks it knows -- from a million bad Hollywood movies and TV shows depicting ``violent hillbillies," ``ignorant hillbillies" and ``comical hillbillies."

Stereotypes, stereotypes, stereotypes -- can they be changed by sound bites?

And on a Monday tail-end of a holiday weekend in summer? In the last 15 minutes of the network news?

This was a big deal in Kentucky. Clinton pushed all the right buttons.

He told Cawood Ledford that ``if you had been a political announcer for me instead of a basketball announcer, I wouldn't have lost an election in the last 25 years."

And he mentioned Adolph Rupp and Tim Couch (but pronounced ``Adolph" as ``Add-olph" instead of ``A-dolph.").

But in the other 49 states, how many Americans saw more than a minute (if that much) of Clinton in Kentucky?

And yet, what a contrast yesterday's show was to the TV images of the 1960s, when President Lyndon B. Johnson declared the ``War on Poverty" and fired the opening salvo in Eastern Kentucky.

There were people in the '60s images who looked like they had been frozen in time from the threadbare Depression years of the 1930s.

There were people standing on the hot streets of Hazard yesterday who were drinking bottled water and wearing Old Navy.

In the '60s, LBJ talked about a ``Great Society" and government solving the problems.

Yesterday, Clinton talked about good jobs and government incentives to help corporate business solve the problems.

In the '60s, poverty images were all you saw.

Yesterday, there were some positive images of Eastern Kentucky -- people working, people getting an education and people being retrained.

On the NBC national news, some of yesterday's images were described as ``looking like 30 years ago."

The worst ones did. But overall, they didn't. Overall, they looked much better than the pictures from 30 years ago.

Looking at the worst ones, though, was high-impact TV.

You had to wonder why this country has spent more than $4 billion on the war in Kosovo when there are so many ragged, hungry children in the mountains of Kentucky.

When LBJ was there in the '60s, a lot of people were wondering the same thing about a war in a place called Vietnam.

One thing hasn't changed. Eastern Kentucky is the Kentucky that makes TV viewers uncomfortable, including other Kentuckians.

There's no Derby and no horses. No green pastures of manicured countryside behind plank fences.

The old Kentucky home there is often a mobile home, and the people speak with a regional accent. Many have been left behind by the national prosperity, just like in the '60s.

The question is: What's ahead? If it means more jobs, Clinton's trip was not in vain. Let's hope it's not another 30 years before the president shows up there.

Issue: Kentucky
Paper: Courier-Journal (Louisville)
Date: July 6, 1999
Title: Clinton's stop makes farmer almost happy enough to cry
Factory workers also get a chance to have their say
Byline: JOSEPH GERTH, The Courier-Journal

TYNER, Ky.—President Clinton brought hope to the mountains yesterday as he announced initiatives to spur private investment in the struggling region. But to one Eastern Kentucky family he brought magic.

He sat under a shade tree at the home of Ray Pennington and he sipped a Mountain Dew.

"I think he enjoyed himself," said Pennington, 69, a retired farmer who breathed with the help of an oxygen tank that sat on the ground several feet behind him. Years of farming and emphysema made him look older than his years.

"He almost cried he was so happy," Pennington's daughter, Jean Collett, said of her father. She had quit her job as a manager at a local Dairy Queen a couple of years ago to care for him. "I think he had a little tear in his eye," she added.

Pennington, looking as proud as could be, sat on a deck chair flanked by Clinton and Gov. Paul Patton. He sometimes grasped their hands. When Clinton posed for photos, Pennington pulled the thin oxygen tube from around his head to look his best.

Jackson County was chosen for the first stop on Clinton's tour of depressed areas because it is part of Kentucky's federal empowerment zone—a designation that provides $40 million in federal money and other incentives to bring businesses and jobs to areas of high unemployment.

Clinton County and parts of Wayne County are also in the zone, which officials say has created more than 1,900 jobs since it began in 1995.

Hundreds of people lined the curling mountain roads to watch the president's motorcade after his entourage arrived at Tyner Elementary School in four Marine helicopters. Some sat in their cars on the side of the road, some congregated in parking lots, and two men on a farm tractor paused to watch from a field.

After visiting Pennington and making two impromptu stops where crowds had gathered, Clinton toured Mid-South Electronics in nearby Annville, which has used empowerment-zone money to enlarge its 12-year-old factory. It now employs about 850 people making components for companies such as Frigidaire, Lexmark and General Electric.

Outside the plant, Joy Johnson, a Republican from Laurel County who voted for Clinton, stood in the heat for two hours with her 84-year-old mother. She nearly hyperventilated after getting to meet the president. "I cannot believe this," she said. "It's a dream come true."

She thinks the fact that Clinton has focused on Appalachia will get others to turn their eyes that way. "I think it's already helped," she said.

Clinton and his entourage, which included the Rev. Jesse Jackson, Gov. Paul Patton, U.S. Agriculture Secretary Dan Glickman and business executives, walked through the plant, shaking hands with workers, who had been called in to work yesterday, their scheduled Fourth of July holiday, and given last Friday off after the company learned of the president's impending visit.

Kyle Lakes, who assembles icemakers, said he hopes the president's visit will bring more and higher-paying jobs. "I've been here six years and I make $7.30 an hour. . . . You can live on it, but I'd like to get a little more," he said.

Mid-South Chairman Jerry Weaver said his company would benefit from Clinton's "New Markets" initiative if other plants located in the area. "We're a contract manufacturer. . . . That would mean more work for us."

The trip was intended to show what the region has to offer businesses, so it was without the executives that Clinton went to visit Pennington and his family in the Whispering Pines section of southern Jackson County.

His motorcade passed several nicer brick houses before winding its way to the more stereotypical Appalachian homes of Pennington and his kin. He lives in a weather-worn wood-frame home on a ridge. His daughter and one of his granddaughters and their families live in old mobile homes within sight of his house.

Collett said the White House told her that her family was chosen because four generations lived close together. "We're just happy he picked us," she said.

She said that they talked about her family and how long they had been in Jackson County, and when she showed him her grandchildren, Clinton told her that Vice President Al Gore had just become a grandfather.

Clinton spent about 45 minutes talking with the family, holding babies and shaking hands with neighbors who had come to meet him.

One 9-year-old girl, Latasha Danielle Allen, was overcome by heat and maybe emotion and had to be treated by medical personnel. She recovered in time to have her photo taken with Clinton and the emergency medical technicians, said her grandfather, Freddie Madden.

"She never has been too stout," he said.

Clinton "seemed real normal," said Tammy Harrison, Pennington's granddaughter. She told him that the government needed to do more for the disabled. Her husband, a former Jackson County school-bus driver, hurt his back four years ago and hasn't worked since, yet he can't get disability payments.

"If it wasn't for my father-in-law, we would have lost our house," she said.

Whether or not he can help her, Clinton won at least one convert.

"If I knowed he'd come over, I guess I'd have voted for the little fella," said Pennington, who cast ballots against Clinton in 1992 and 1996. "I'll vote for him if he runs again."

Issue: Kentucky
Paper: Herald-Leader
Date: July 6, 1999
Title: More jobs and hope
Byline: Bill Estep, HERALD-LEADER STAFF WRITER

HAZARD—Appalachia and other poor places in America need more help from government and more investment from private industry if they are to share the prosperity of the rest of the nation, President Clinton told an Eastern Kentucky audience yesterday.

And if that doesn't happen during the current economic good times, it may never happen, the president told a cheering crowd of several thousand people in downtown Hazard.

"This is the time to bring more jobs and investment and hope to the areas of our country that have not fully participated in this economic recovery," Clinton said.

Clinton is the first president in 35 years to come to Eastern Kentucky to talk about poverty and development. The last was Lyndon Johnson, who kicked off the War on Poverty with a visit to Martin County in 1964.

Clinton chose Jackson and Perry counties as the first stop on a four-day, six-state tour of poor areas to kick off his "New Markets Initiative."

The proposal, which requires congressional approval, calls for new venture-capital firms to provide financial help to entrepreneurs in underserved areas, more government financing to boost large economic-development projects in poor areas, and federal tax credits for investment firms that help pay for development in impoverished areas.

The trip also is designed to boost private investment in poor areas.

Clinton said millions of new jobs have been created during the economic boom of the 1990s, and that unemployment and the welfare rolls are at their lowest in more than a generation. But "not all Americans have been blessed" by the good times, he said.

It's clear the boom has bypassed some parts of Eastern Kentucky. Poverty rates in the area are down from the 1960s, but still top 30 percent in many counties. Unemployment is rising in some places.

Now is the time to fix that, Clinton said in a 13-minute speech that was delivered in temperatures that hit the mid-90s.

"If we, with the most prosperous economy of our lifetimes, cannot make a commitment" to improve the economy of poor areas, "we will have failed to meet a moral obligation and we also will have failed to make the most of America's promise," Clinton said.

But he said government can't do it alone. Government has an obligation to lay a good foundation for economic progress, to train workers and to provide incentives for companies, but business has to pitch in, too, he said.

"And then the job of the private sector is to give you a chance to make the most of your God-given abilities," he said.

"It's good for business, it's good for America's growth and it's the right thing to do," he said.

Clinton touted the economic record of his administration, got in a plug for Vice President Al Gore, and praised the work ethic of Appalachia.

"Any work that can be done by anybody can be done right here in Appalachia," he said as the crowd cheered.

Getting business on board

Clinton's new-markets proposal would build on themes of one of the signature anti-poverty programs of his first term: empowerment zones.

That program, begun in 1994, also was designed to help America's poorest corners through a mix of federal aid and tax credits for private businesses.

In Kentucky, the counties of Jackson and Clinton and part of Wayne County make up one of only three rural zones in the country. That designation brought $40 million in direct aid to the three counties, and is credited with creating 1,900 jobs and generating $150 million in public and private spending in the counties.

But the program has not been without controversy. Some have complained that the jobs the program helped attract pay too little to help pull people out of poverty.

And there have been fights over who is steering the zone, land sales involving zone money, and environmental issues surrounding a large-scale poultry processing factory in Clinton County.

Earlier yesterday, Clinton toured Mid-South Electronics in Jackson County, which will soon complete a $6 million expansion financed in part by a loan through the empowerment-zone program, said Jerry Weaver, the founder and chairman of the company's board.

Weaver said the loan played a key role in giving him the confidence to expand capacity and jobs at the plant, which now employs 850.

Clinton made a point of having Weaver come to reporters at the factory to talk about his good experience with the empowerment zone.

Weaver said he also thinks Clinton's new markets initiative could help the region.

"I think it'll take the whole Appalachian area and assist it, if businesspeople participate," he said.

That's a big if, said Jean Anne Wooten, tax assessor in Leslie County, who heard Clinton speak in Hazard.

"I think it may be a tough sell" to get business to make large investments in Eastern Kentucky, in part because of a lack of available flat land, she said. "They'll have to be lured here."

Tough sell in Congress?

Clinton's advisers, however, said that's exactly what his new plan could accomplish.

The venture-capital and government financing included in the proposal would give businesses the "risk insurance" to help them invest in poor areas and get through the first slim years, said Gene Sperling, the president's top economic adviser. Sperling and other key advisers accompanied the president yesterday, along with some corporate representatives.

Jerry Rickett, head of the London-based Kentucky Highlands Investment Corp., which has been helping businesses with venture capital for 30 years and administers money for the Kentucky empowerment zone, said Clinton's program would help the area.

"It'll provide additional access to capital," he said.

As he shook hands after his speech yesterday, Clinton was asked why he waited until the last 18 months of his term to start pushing the plan.

"Now's a good time," he said.

The new initiative could prove a tough sell to the Republican-controlled Congress, particularly as a presidential election approaches. But it also might turn out to be a key bargaining chip with GOP lawmakers who want to see tax cuts this year.

Sperling said Clinton's 2000 budget requests $1 billion to get the proposed programs under way.

The others who spoke before Clinton yesterday were Hazard Mayor Bill Gorman, who got in a plug to build Interstate 66 through the region; Dwayne Ackerman, head of BellSouth, who said the company supports Clinton's plan;

Agriculture Secretary Dan Glickman; Gov. Paul Patton, who called on companies to invest in Appalachia; and the Rev. Jesse Jackson, who gave a rousing call to "Save the workers! Save the families!"

"You deserve the best America has to offer," said Jackson, who also visited the area last fall.

If Clinton heard much in the way of protest on the trip, it was out of earshot of reporters. People at every stop praised him for the strong economy.

Some reporters, though, said they heard a woman at Annville raise a sore subject: the Monica Lewinsky scandal. The woman reportedly told him no one is perfect, that she had prayed for him, and to have Hillary Clinton call her.

Herald-Leader staff writer Gail Gibson contributed to this report.

WALL STREET JOURNAL
JULY 6, 1999
A 28

Bank of America Fund for Poor Areas Is Expected to Be Unveiled by Clinton

By JEANNE CUMMINGS
Staff Reporter of THE WALL STREET JOURNAL

HAZARD, Ky.—President Clinton is expected to announce today in East St. Louis, Ill., that Bank of America Corp. is creating a $500 million equity-investment fund dedicated to encouraging development in distressed urban areas.

The Bank of America "Catalyst Fund" is the largest private-industry equity project that Mr. Clinton is scheduled to unveil during his four-day poverty tour of the nation. The president's trip will take him and several corporate executives to Missouri, the Mississippi Delta, a South Dakota Indian reservation and several urban areas.

Yesterday, Mr. Clinton toured the Appalachian region in Kentucky and saw both sides of the economy. First, he spent time in an impoverished community filled with run-down trailers and homes with tar-paper roofs. He later visited Mid-South Electronics, a contract manufacturing business that is completing a $5 million expansion that will bring its total employee roster to more than 900.

The purpose of the trip is to call attention to the president's "New Markets Initiative," a mix of tax breaks and loan guarantees aimed at spurring development in areas that haven't benefited from the economic boom of the 1990s.

The trip also is intended to convince corporate leaders that there are profits to be made or labor pools to be tapped in those markets. To that end, Gene Sperling, head of the National Economic Council, said the White House hopes that today's announcement will "show others that if Bank of America believes they can succeed then that will be a model for others."

The equity fund will be unveiled at the site of a new Walgreen store in East St. Louis that received construction financing from Bank of America, said Cathy Bessant, president of the bank's Community Development Banking Group.

The fund, which will be active in 21 states where Bank of America operates, will be dedicated to "pushing the edge of the envelope on investments that will spur others," she said. For example, the fund may be used to invest in minority-owned real-estate development businesses or community development banks.

Ms. Bessant acknowledged that the company's commitment to stabilizing communities and building new markets "is good for our shareholders." But she also said that in a time of economic prosperity in so many other communities, it is also "good for the corporate soul."

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Photos

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Associated Press

Associated Press Photo Monday 5 July 1999

President Clinton clasps the hands of Eva Groves outside the Annville, Ky., Stop-n-Go store where local well-wishers had gathered before his tour of Mid-South Electronics, Inc., a major employer in the economically distressed area of Annville, Ky., Monday, July 5, 1999. Kentucky is the first stop on a four-day tour of some of the nation's poorest areas where the president wants to bring a message of hope for the needy and of opportunity for corporate America. The trip targets distressed inner citiesand rural areas _ from Appalachia to Watts _ which the administration is selling as an $80 billion untapped market to interested business executives and investors. (AP Photo/J. Scott Applewhite)

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Associated Press

Associated Press Photo Monday 5 July 1999

President Clinton addresses the town of Hazard, Ky., as part of a four day tour of poverty stricken areas Monday, July 5, 1999. Clinton wants to extend the country's good economic times to its inner cities and rural areas _ from Appalachia to Watts _ which the administration is selling as an $80 billion untapped market to interested business executives and investors. (AP Photo/Greg Gibson)

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Associated Press Photo Monday 5 July 1999

President Clinton grasps the hand of 69-year-old Ray Pennington as he visits with him in the Whispering Pines neighborhood of Tyner, Ky., Monday, July 5, 1999. Standing in the background is Pennington's son Danny, and his wife Faye (dark blue), and Ray Pennington's grandchildren Kayla Pennington and Tammy Harrison, far right. Clinton kicked off a four-day tour of economically distressed communities with the stop in Kentucky. (AP Photo/J. Scott Applewhite)

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Clarksdale

July 6, 1999

③

Broadcast Coverage

CBS News Transcripts

SHOW: CBS EVENING NEWS (6:30 PM ET)

July 06, 1999, Tuesday

TYPE: Newscast

LENGTH: 52 words

HEADLINE: PRESIDENT CLINTON VISITS MISSISSIPPI IN FOUR-DAY TOUR

ANCHORS: DAN RATHER

BODY:
DAN RATHER, anchor:

The president was in Mississippi today, trying to encourage more private investment in poor communities like Clarksdale. It's the second day of the president's four-day tour across America, highlighting what Mr. Clinton calls, quote, "untapped markets in inner cities and rural areas."

LANGUAGE: English

LOAD-DATE: July 7, 1999

③

Print National Coverage

WASHINGTON POST
JULY 7, 1999
A2

Desperation Despite a Presidential Visit

Clinton Vows to Invest in Mississippi and Appalachia

By CHARLES BABINGTON
Washington Post Staff Writer

CLARKSDALE, Miss., July 6—President Clinton is walking door to door among the nation's poor this week, offering sympathetic hugs and announcing millions of dollars in new government incentives to attract private investments in distressed communities.

But when his mile-long motorcade pulls away from each stop in this four-day, six-state tour, those who had basked briefly in his presence are left with the realization that poverty is one of the nation's most intractable problems, outliving presidents who highlighted it, deplored it, even declared all-out war on it.

Thus there's a touch of resignation, even desperation, in the voices of the local officials and ordinary citizens who have greeted the president this week under blistering suns in Kentucky and Mississippi. Today, in this hard-pressed delta town, Clarksdale Mayor Richard Webster made one last plea after giving Clinton a short tour of the downtown that features more closed shops than open ones.

"I hope in your remaining days that we can count on you to remember us," said Webster, a Democrat.

Clinton, making his first visit to Mississippi as president, merely nodded. He already had announced nearly $15 million in new private investments in the Enterprise Corporation of the Delta, a nonprofit agency that uses federal grants to leverage private investments in businesses in this region. He soon would announce that Bank of America would pledge $500 million in equity for business enterprises in low-income areas. Of that, $100 million will go into a Community Development Financial Institution, or CDFI. Many other firms are pledging millions of dollars as well.

But these public-private ventures with strange-sounding acronyms can go only so far in reassuring people who have witnessed a long, painful exodus of jobs, young adults and hope in places such as Appalachia, the Mississippi Delta, Indian reservations and Watts—all of which Clinton is visiting this week to promote his "New Markets Initiative."

"Twenty-five years ago, on Friday and Saturday, this place was crawling with people, it was shoulder to shoulder," Webster told the president as they met with a handful of business owners inside the "Ooo So Pretty" floral shop. Outside along Issaquena Avenue, the long-shuttered Roxy Theater looked like a prop for "The Last Picture Show." With some federal help, Webster suggested, the Roxy might be turned into a museum or a "working arts" center.

Clinton, wearing a teal, short-sleeved shirt and brown slacks, said he had overseen some successful renovation projects as Arkansas governor. "I think you can do it," he said.

Johnny Newson, owner of a nearby auto parts store, joined in the appeal to Clinton. Here in Coahoma County, where 37 percent of the residents live in poverty, officials need money and expertise to attract new businesses, he said. "With a little help from Washington, I think you'd be proud of Clarksdale."

Clinton, leaning against a counter and sipping a bottle of Ozarka water, nodded and said "thank you."

An hour later, before several hundred sweltering people in a cabinet-making plant here, he specified some of his ideas to battle poverty. "Ever since I became president," he said, "I have done what I could do to increase investment in undeveloped areas through the empowerment zones, which give tax credits and put tax money into distressed areas . . . through getting banks to more vigorously approach the Community Reinvestment Act and setting up Community Development Financial Institutions."

"We are going to do everything we can in the government to give the financial incentives necessary for people to invest here," Clinton said. "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."

Many in Clarksdale agree. Retired teacher Myra Turner braved the heat to wave to Clinton but said it will take more than a presidential visit to turn things around. Asked whether the national rise in jobs, wages and construction had touched her home town, she replied: "That doesn't fit Clarksdale, none of the above. We need more job opportunities, more transportation."

Beatrice Spencer Burton, 50, was more hopeful. "I came down because I had been praying to the Lord to have a president to have mercy on Clarksdale," she said. "This is a blessing from God. This is a turning point for Clarksdale."

Clinton ended his day with a speech in East St. Louis, Ill., where he called for increased private-sector investments in hard-pressed urban areas. He then flew to South Dakota to visit the Pine Ridge Indian Reservation on Wednesday.

BY KEVIN LAMARQUE—REUTERS

President Clinton shakes hands along Issaquena Avenue in Clarksdale, Miss. He is on a four-day, six-state tour of some of the nation's most intractably impoverished areas.

The Washington Post
WEDNESDAY, JULY 7, 1999

The Associated Press State & Local Wire

July 7, 1999, Wednesday, PM cycle

SECTION: State and Regional

LENGTH: 890 words

HEADLINE: Clinton returns to state with more economic promises

BYLINE: By JACK ELLIOTT JR., Associated Press Writer

DATELINE: CLARKSDALE, Miss.

BODY:

About 10 years ago, then-Arkansas Gov. Bill Clinton and the chief executives of Mississippi and Louisiana signed a pact to bring economic revitalization to the river deltas of the three states.

Clinton returned Tuesday with a pledge of $ 15 million to the Mississippi Delta, part of a $ 46.5 million in community development grants to bolster private investments. He also came with his "New Markets" strategy.

Criticisms of both the Delta Commission and the Delta Empowerment Zone are that both ideas focused on governmental involvement. The governing board of the Delta Empowerment Zone itself has been subject of controversy - infighting among those named to oversee the $ 40 million in funds and complaints that the money is not making its way into impoverished areas.

But Clinton told more than 600 people gathered under Waterfield Cabinets' hot, tin-roofed building in Clarksdale that private, corporate investors should turn to the Delta for workers and economic opportunity.

"Everybody in America now has a selfish interest in economic development in the Delta because most economists believe if we are going to keep our economic recovery going without inflation...(you must) find new 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," Clinton said.

Clinton said economic development is "good for the rest of America" as well the river deltas of Mississippi, Arkansas, and Louisiana.

Sen. Willie Simmons, D-Cleveland, acknowledged that previous efforts at economic development in the Delta have not fared as well as many hoped. But he said a partnership with the private sector did not materialize as many had expected.

"I think it is somewhat of a different program, but it has some of the same concepts built into it," Simmons said. "But bringing in ... the business community from outside the Delta as well as those already here and saying 'we are going to invest in you so you can invest in some small business,' I think brings a different twist to it."

Simmons, who has campaigned for the state to make a bigger investment in business development in the Delta, said in the past that Clinton's program would open the Delta to a wide range of business interests.

"One of the things we have been slow in doing is diversifying. We must invest in growing technology as we have in planting crops. While WorldCom is in Jackson, there's nothing wrong with WorldCom farming out some of its operations to the Delta, allowing workers here to benefit from technology," he said.

The president, accompanied by Rep. Bennie Thompson, D-Miss., and Mayor Richard Webster, walked past the abandoned New Roxy Theater and the Pac Man game room to the corner of Issaquena Avenue and Dr. Martin Luther King Drive. A crowd cheered and chanted, "Welcome, Bill," and, "Don't mess with Bill." A large nightclub across the street, Club Champagne, sat shuttered and closed.

Civil rights activist Jesse Jackson, accompanying the president along with some corporate leaders and Cabinet secretaries, said: "When you look at the market, it's not just race. These areas have been denied access to capital. Now it's the resources gap."

Clinton said his administration has created, in some areas, community financial institutions or was supporting those already in place, such as the Enterprise Corporation of the Delta, which provides seed money for business.

Shirley Fair, owner of the Oh So Pretty shop, said Clinton "mostly listened" as the business owners presented him with their problems. She said before Clinton departed, members of the group urged Clinton: "Don't forget us."

Former Gov. William Winter, who joined Clinton on the downtown tour, said Clinton's visit would help boost the general economy by calling attention to what the Delta area has to offer. He also said it could benefit education.

"Education and jobs go together," the Jackson attorney said.

Nita Brooks said she had worked at what is now her computer business since 1989 and when her former boss was ready to sell she was interested.

"But just being regular folks, I didn't have any personal assets. I didn't have anything extra to put into it but toil and sweat," Brooks said.

She said banks and various federal help programs would not qualify her for loans. But when a friend at Coahoma Community College introduced her to Enterprise Coprporation of the Delta, it took about 90 days to secure financing.

ECD provides loans and lines of credit and seed money for businesses unable to secure funding from conventional sources. Its programs are funded through grants, loans and investments from foundations and corporations.

"They took a chance on somebody who just didn't have the financing. We have survived three years. We have gone from five employees to 11 employees," she said.

Clinton said he was cheered by stories such as those of Brooks.

"To a great extent this is a money problem. We have all these talented people and these good ideas. There is a pretty even distribution of human resources and ability in this old world (but) there is not an even distribution of access to capital," Clinton said.

"I think we ought to recognize that what these people have done here ... ought to be a good model for other people in the Delta," he said.

LANGUAGE: ENGLISH

LOAD-DATE: July 7, 1999

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Print Local Coverage

SUN HERALD ONLINE

SUN HERALD
JULY 7, 1999
NEWSPAPER FROM:
BILOXI, GULFPORT, GULF COAST

Clarksdale looks for ways to change its course

TERRY R. CASSREINO
THE SUN HERALD

CLARKSDALE - Shirlaurence Fair may call this Mississippi Delta town her home, but the 16-year-old can hardly wait until she graduates from college, when she hopes to move her mom's floral shop to Texas.

Fair just can't stand watching Clarksdale slowly fade away. The "New World" district where she and her mother work once was home to music clubs, shops and theaters that catered mainly to blacks.

"I knew I was leaving since I was 9," Fair said this week as she stood in the middle of her mom's shop on the corner of Dr. Martin Luther King and Issaquena Avenue near downtown. "Every place has all closed down.

"We used to have a Hardee's," said the Clarksdale High junior. "We used to have a Piggly Wiggly. We used to have a Captain D's. We used to have a Shoney's. They're all gone."

And that's typical of life in the flatlands of the Mississippi Delta, an area in the northwestern corner of the state that has long relied on agriculture and has found it tough to lure other businesses and industry.

Things here are so grim that President Clinton, midway through his seventh year in office, came to town Tuesday on a four-day tour of economically blighted areas. The president hopes the publicity will build national support for his "New Markets" initiative aimed at stimulating growth in communities unreached by the sustained growth most of the nation is experiencing.

What they saw in this city of 19,600 on the banks of the Sunflower River was typical of many small Mississippi Delta towns.

Fair's floral shop is one of the few businesses in the four-block area of the New World that still open daily and cater primarily to a black clientele brave enough to dodge roaming pan-handlers seeking money for a cold beer.

The New Roxy movie theater sits boarded up and abandoned on the east side of Issaquena Avenue, its decaying marquee hanging over the sidewalk. Across the street, the Pac-Man game room and lounge sits empty and deserted.

About a block north, just past the tracks of the Mississippi Delta Railroad, lies downtown Clarksdale - a business district that

SUN HERALD ONLINE

SUN HERALD
JULY 7, 1999
NEWSPAPER FROM:
BILOXI, GULFPORT, GULFCOAST

President offers praise, urges change

TERRY R. CASSREINO
THE SUN HERALD

CLARKSDALE - President Clinton stopped in this impoverished region of the state Tuesday morning to urge corporate leaders to invest here and in similar communities unreached by the sustained growth most of the nation is experiencing.

In his first visit to the state as president, Clinton praised leaders in the Mississippi Delta for helping the region's economy. However, he said, more must be done to keep improving conditions.

"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," Clinton said during a 45-minute panel discussion on the economy.

The president's visit and his panel discussion came on the second stop of a four-day tour of economically distressed communities. He hopes to build national support for his "New Markets" initiative.

Clinton's program requires congressional approval. Among other things, it would create $980 million in tax credits and $36 million in investment programs that target development in poor communities.

Clinton began the day touring downtown Clarksdale. Then he headed to the industrial district, where he toured the Waterfield Cabinet Co. and led a panel discussion on the economy before a crowd of 600 people.

One of his chief points: The only way to continue the economy recovery without inflation is to find more customers to buy products and more workers to produce them. Both can be found in areas such as the Mississippi Delta, he said.

"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," he said. "We are going to do everything we can in government to get the financial incentives necessary for people to invest here.

clings to life with government offices, small shops, investment services and banks.

City and county leaders just spent about $3.5 million to renovate the old freight and passenger train depots. They hope to turn the complex into a tourist destination housing a blues museum, restaurants and shops.

Civic, business and government leaders, black and white, hope their efforts to revive downtown Clarksdale and capitalize on its rich blues heritage will spread to other parts of the town - including the New World area.

Others say downtown revitalization won't solve all of Clarksdale's problems. They said the answer lies in improving public education, luring new industry and, thereby, reducing one of the highest poverty rates in the state.

The most recent statistics from the U.S. Census Bureau estimate that about 37 percent of the people in Coahoma County, home to Clarksdale, were living in poverty in 1995. Holmes County had the highest rate at 45 percent.

Region needs more investment

George Walker, a retired businessman who founded the Delta Wire Corp. in Clarksdale in 1978, said he believes the Delta could use government help in securing money to create or lure new business to the region.

Plus, Walker said, extra funds could help boost public education by improving schools and retraining unemployed farm workers to take jobs in higher-paying high-tech industries.

"We are in a post-agricultural society," he said. "We still have agriculture, but it's not hiring any people. That's why we have poverty. . .people are being paid for their knowledge instead of their muscle."

Josephine Rhymes, executive director of the Tri-County Work Force Alliance, agreed. Rhymes works with unemployed residents in and around Clarksdale, helping them improve their education level so they can find work.

But because the area has been unable to attract many high-paying jobs, she said, Clarksdale has been left with a growing poverty rate and has seen its brightest students leave town as soon as they graduate.

"Our hope is for any citizen in our town to take care of their family, live a comfortable and decent life," Rhymes said. "The area itself has what it takes to progress, but it just doesn't have the capital."

Leaders must work together

The Rev. Lindsey Robinson, pastor at Haven United Methodist

Church in the New World area of town, said any improvements will require a concerted effort among all Clarksdale residents and leaders.

Robinson said he was impressed with how well everyone worked together to prepare for the president's visit. He said he hopes that community spirit and desire to work together wasn't just a one-time effort.

"We need to have more things to bring the community together," Robinson said. "We have to have a strong level of trust in the community and in the leadership."

Some of the church's youths agreed.

Leonette Henderson, a senior at Clarksdale High, said she plans to return home after going to college, teach high school history, serve as a role model for other kids and try to do her part to help revitalize her home.

D'Onior Felton, another high school senior, plans to return home after college as a social worker - at least for a while. She said she'll have to think hard about whether she'll stay in Clarksdale the rest of her life.

Shirlaurence Fair, on the other hand, isn't impressed by anything. She said she and some of her teen-age friends have a more pessimistic outlook, fueled by the city's inability to attract jobs and industry.

Contact Capitol Bureau Chief Terry R. Cassreino at (800) 303-4397 or tcassreino@sunherald.com

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Publication=Clarion-Ledger; Date=07.07.1999; Section=Main; Page=1;

A day of heat, handshakes, hope

Chance to see history visiting town attraction in itself

INSIDE

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Mississippi, South Dakota share historic divisions, 9A

By Mario Rossilli/Clarion-Ledger Staff Writer

CLARKSDALE — More than 200 people gathered in a vacant downtown lot in this impoverished Delta town Tuesday, waiting to hear promises of economic relief from President Clinton.

Banners welcoming the president and small American flags mixed with empty storefronts and overgrown lots, making for an odd image in this town steeped in blues history.

Clinton's stop here was the second on his nationwide tour geared toward encouraging businesses to locate in historically blighted areas that have not fully benefitted from the country's economic boon.

"We need some kind of industry here that would draw people back. People are going to look at us more after this," said Oguetta Bridgeforth, a local school teacher.

More than 37 percent of Coahoma countians live below the poverty line. Nearly half the county's children live in poverty.

For hours, Bridgeforth and others stood pressed against one another in a roped-off lot that at one time was a Piggly Wiggly grocery store. The store was razed sometime in the late 1970s.

Men wore straw hats and women held umbrellas as they braved blistering temperatures reaching 110 degrees on the heat index, hoping to see the president and, perhaps, shake his hand.

"Don't mess with Bill. No. No. No," the crowd chanted as Clinton exited his limousine and walked up Issaquena Avenue for a private meeting with four local small business owners who stayed long after others left downtown.

Charles Goon, a downtown grocer who met with the president, said the area needs industries that will keep the Delta's brightest young people from leaving.

"If you finish college, there's no jobs here. Where are you going to go?" Goon asked after talking to Clinton. "You're going to have to leave town."

Goon, who has lived in Clarksdale since the mid-1940s, remembers bygone days when downtown featured the New Roxy cinema, a Walgreen drug store, an ice c ream parlor and other businesses.

"We'd like to see this section stay alive," Goon said.

Most people in this city of about 19,300 were well aware of the serious reason for the president's visit. However, there was no overlooking a sense of giddiness of having Clinton in town, visiting residents, touring a manufacturing plant and dining at a local barbecue joint.

Along U.S. 61, the famous Delta highway that connects legendary blues sites, people waved flags and tried to get a look at Clinton sitting in the back of a limousine as he was shuttled along in a 15-vehicle motorcade.

For most, some of whom came from as far away as Laurel, the once-in-a-lifetime opportunity of seeing a sitting president drew them out into the mid-90 degree temperatures.

"This town has never had anything like this ever. I can never remember anything like this," said Rickey Smith, a transportation supervisor for Coahoma School District. "I think it will give our city a boost economically. I believe his presence will help tremendously."

Mississippi was the last remaining state for Clinton to visit as president. He last visited Mississippi during the 1992 campaign.

Clinton signed 14-year-old Loushelle Fair's prom picture Tuesday. "He was so down-to-earth. He was like any other man, except he wasn't. He was the president," Fair said.

Clinton's entourage included Cabinet members, 2nd District U.S. Rep. Bennie Thompson, former Govs. William Winter and Ray Mabus, high-ranking state officials and civil rights leader the Rev. Jesse Jackson.

"Keep Hope Alive," the crowd chanted as Jackson walked down Issaquena Avenue.

Jackson, then, grabbed the hand of gubernatorial candidate Lt. Gov. Ronnie Musgrove and began leading the chant, punctuating each new line by repeatedly raising Musgrove's hand to the air. Musgrove smiled and pumped his arm.

Well-wishers, however, were cautiously optimistic about hope for the Delta.

They've heard promises before, promises from national, state and local officials. The area was designed as a National Empowerment Zone in 1994, making it eligible to receive federal funds.

"I don't see him being here for few hours and then all of a sudden we have factories moving to the town," said Joanna Alekos, a local resident. "I wish it was that simple."

Alekos said she hoped Clinton's visit would lead to improvement. However, she doubted it.

Others, like Diane Masters, were disappointed Clinton didn't speak about helping farmers who toil in the Delta's fertile grounds. "They can't get a fair market price for their commodities right now," said Masters, a local Farm Services Agency employee.

She and Alekos came to see Clinton off at Fletcher Field Airport.

"This is history in the making for Clarksdale and I wanted to be here to see it," said Alekos.

For others, it was the second time during the day they saw the president. "He hugged me when he saw my sign," said Velma Gates.

Early in the morning, Gates, a local retired school teacher, showed up at the downtown part of the tour and staked out a place near the cordoned-off area for her and her sign.

Her sign showed a geographical outline of Mississippi and Arkansas, the president's home state. "Love thy neighbor," it read.

More than 500 people gathered at the airport, some holding up signs to catch the president's attention.

"I hope this visit will do a little to help empower the area," said Roberta McCaskill, a Clarksdale school

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'Bar-B-Q Doctors' hit the spot for political heavyweights

By Emily Wagster/Clarion-Ledger Staff Writer

CLARKSDALE — The staff at Hicks Superette spent 48 straight hours basting ribs, chopping cole slaw and rolling tamales.

But proprietor Eugene Hicks didn't miss the sleep. After all, it's not every day the president of the United States drops by for lunch.

"I enjoyed having him here," Hicks said Tuesday after President Clinton and an entourage of Cabinet members, former governors and business leaders ate at his establishment near downtown.

A mural on the outside of the store advertises Hicks employees as the "Bar-B-Q Doctors." And, they fixed quite a spread for their celebrity guests: Two kinds of barbecue ribs — baby back pork and beef short ribs; Southern-fried catfish; potato salad; cole slaw; spinach casserole; baked beans; Italian sausage and hot tamales, both made in the store; iced tea for most people; Diet Coke for the president; and, for dessert, sweet potato pie.

Hicks said Clinton sampled most of the dishes. "He might've only had one kind of ribs."

The Rev. Jesse Jackson had a big smile on his face as he left the small, corner grocery store/rib joint a few minutes before Clinton. The civil rights leader, who was last in Mississippi in April, said he always enjoys Southern home cooking.

"Don't ever assume French bread is better than corn bread," he said with a laugh.

Robert Fells and Eddie Stovall, two cooks at Hicks, said it was an honor to prepare lunch for Clinton and company. "It was an experience we couldn't imagine," Stovall said.

Fells nodded. "This is as close as we've ever gotten to a live president."

This was not the first time Hicks Superette has hosted a well-known politician. In 1989, then-Gov. Ray Mabus ate there. His picture is still on the wall.

The stop at Hicks was not on the official schedule given to reporters. Hicks said Secret Service officials notified him last Thursday to expect the president. "Of course, they didn't want me to tell anybody."

Security was tight. Most of the neighborhood was cordoned off with yellow police tape. Sharpshooters stood watch on the superette roof.

About 75 people — grandparents to babies — gathered a half a block from Hicks, waiting for Clinton to emerge. When he came out, wearing a Hicks Superette baseball cap, a cheer went up. People reached eagerly over each other to make some contact — any contact.

Clinton spent about five minutes shaking hands.

Year=1999; Month=7; Month=Jul; Day=7; Day=We; Book=A; Source=Staff; Byline=Wagster_Emily;

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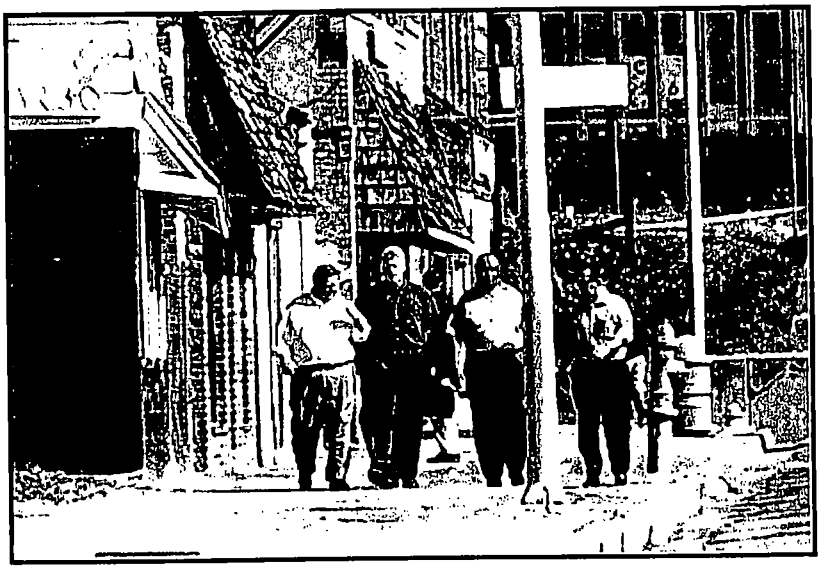
Photos

PRESIDENT CLINTON'S NEW MARKETS TOUR

Tapping America's Potential

Photo Gallery



President Clinton, Congressman Bennie Thompson, Mayor Richard Webster, and Entergy Corporation CEO Wayne Leonard discuss ways to revitalize the local economy as they walk past vacant buildings in downtown Clarksdale.

July 6, 1999

Photo by David Scull

Home

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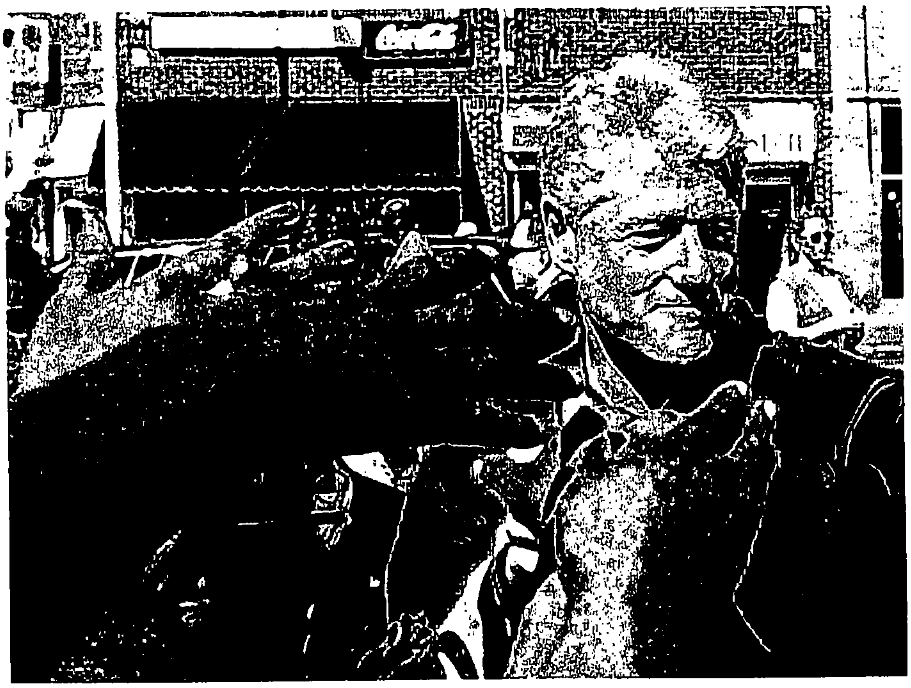
Reuters Photo Tuesday 6 July 1999



CLARKSDALE, Mississippi (Reuters) - President Clinton shakes hands along a ropeline in downtown Clarksdale Tuesday on day two of his four day, six state tour across the economically depressed areas of the US. Clinton is trying to get business to invest in impoverished areas before taking jobs and products out of the country. Photo by Jeff Mitchell

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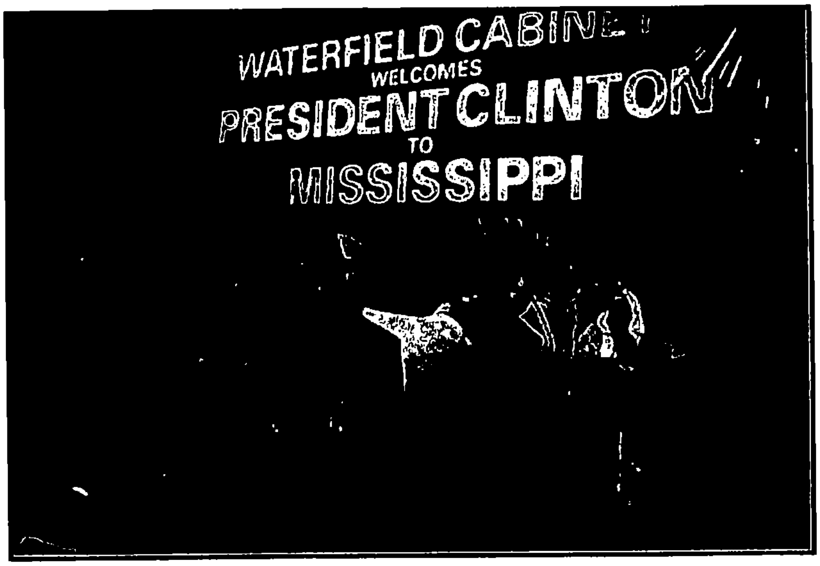
PRESIDENT CLINTON'S NEW MARKETS TOUR

Tapping America's Potential

Photo Gallery



Wellwishers gather to meet the President on his stop at the Waterfield Cabinet Company in Clarksdale. Waterfield was able to start its business with help from the Enterprise Corporation of the Delta, a private, not-for-profit fund which provides financial assistance to area small businesses.

July 6, 1999

Photo by David Scull

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East St. Louis

July 6, 1999

④

Print National Coverage

NEW YORK TIMES
JULY 7, 1999
A14

Clinton, in Poverty Tour, Focuses on Profits

By JOHN M. BRODER

EAST ST. LOUIS, Ill., July 6 — Nothing motivates business like the prospect of profits.

That is the fundamental message underlying President Clinton's tour of the nation's impoverished precincts this week. Government tax credits and loan guarantees are fine as far as they go, Mr. Clinton says at each stop, but corporations are not going to invest in the Kentucky highlands, the Mississippi Delta or poor East St. Louis without hope of a decent return.

Mr. Clinton drew attention to the opening of a new Walgreens drug store here in East St. Louis — one of the first new retail businesses to open in this struggling Mississippi River town across from downtown St. Louis in 40 years — as an example of a corporation taking advantage of the new markets available in the United States' poorest regions.

"Hey," Mr. Clinton told a crowd of several hundred in the parking lot of the Walgreens store as a thunderstorm threatened behind him, "there are business opportunities out here. If you have 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."

"Government's not going to do it," Mr. Clinton continued. "Nobody's going to put money here if they think they're going to lose it."

That calculation animated Bank of America, which today announced the formation of a $500 million "catalyst fund" to make equity investments in businesses in poverty-ridden areas. The fund will buy stakes in inner-city and rural real estate projects, urban shopping malls, job-training facilities and other ventures that the bank hopes will have a cascading effect on the areas they serve, a bank official said.

"There's real money to be made in these markets," Cathy Béssant, Bank of America's president of community development, said in an interview today. "All businesses go where profits are easier, and we believe there are booming markets here, regardless of geography."

Ms. Bessant, who is traveling with Mr. Clinton, said that traditional lenders were reluctant to lend in distressed areas because of false perceptions of risk and the lack of established lending relationships with inner-city entrepreneurs.

The Bank of America fund is intended not only to make money for the bank's shareholders, but also to inspire other lenders and venture capital firms to help in the revitalization of areas starved for investment capital, she said.

The President's "new markets" proposal, if passed by Congress, would help protect Bank of America's investments against losses by providing tax credits for new businesses and Federal guarantees for matching loans to such enterprises.

"The goal is not to ask people to make charitable contributions," said Gene Sperling, the White House chief economic adviser, "but to make companies take a second look in our own backyard where there could be profitable business opportunities while also helping rebuild communities that have been left behind."

The President sees opportunities in impoverished areas.

Mr. Clinton stopped in Clarksdale, Miss., in the Mississippi Delta before flying to East St. Louis late this afternoon. He walked through Clarksdale's desolate downtown and visited a small manufacturing plant recently rescued from bankruptcy.

"This is a good business opportunity here," Mr. Clinton said at a policy discussion at the factory, owned by the Waterfield Cabinet Company. "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?"

Andrew M. Cuomo, the Secretary of Housing and Urban Development, who is traveling with the President, released a report today on the untapped retail market of the nation's inner cities.

The report concludes that cities like East St. Louis, which have seen their retail bases evaporate over the last several decades, have more than $300 billion in pent-up retail demand, presenting an enormous opportunity for retailers like Walgreens.

With neighborhood stores shuttered, inner-city residents are driving to the suburbs to shop, buying by mail, or, in some cases, shopping over the Internet.

East St. Louis has seen a slight revival in the six years since a riverboat casino arrived here, docking along the grimy riverfront. The riverboat is second to the local hospital as the largest employer in East St. Louis and has brought 1,200 jobs and some spark to this predominately black city of 42,000 people, though the city is still one of the poorest in the nation.

"Now is the time to use Government to tap those markets," Mr. Cuomo said in an interview. He said that Mr. Clinton waited this long to make a major push for inner-city and rural economic development because only now does he have the economic and political clout to pull it off. Also, the electronic revolution has changed the nature of business, making it possible to conduct all manner of commerce from virtually anywhere on the globe.

"He couldn't have done this six or seven years ago," Mr. Cuomo said of the President. "He has the economy at his back, he has credibility in his Government and business is more mobile. These high-tech guys can go anywhere. They don't need water. They don't need ports. They can move to Appalachia, they can move to East St. Louis, they can move to the Bronx."

Clinton to Take In Soccer

EAST ST. LOUIS, Ill., July 6 (AP) — President Clinton decided today to extend his seven-state trip across the country through the weekend so he can attend the women's World Cup soccer championship in California.

The undefeated American team faces China in the championship at the Rose Bowl in Pasadena.

Mr. Clinton attended a semifinal game last week outside Washington as the United States defeated Germany to advance to the finals.

The White House press secretary, Joe Lockhart, said the women's team had invited the President.

"I think, like all Americans, he's been caught up in their success and wants to be there personally to cheer them on," Mr. Lockhart said.

The New York Times

WEDNESDAY, JULY 7, 1999

USA TODAY
JULY 7, 1999
A1

Inner-city residents' spending outpaces number of stores

A1

By Susan Page
USA TODAY

EAST ST. LOUIS, Ill. — Inner city residents have more money to spend than stores in which to spend it, a government study said Tuesday.

The Housing and Urban Development survey of inner cities shows residents had retail purchasing power of $331 billion last year, one-third the $1.1 trillion for the overall cities.

But in 48 of the inner cities studied, retail sales in the communities were $8.7 billion less than residents' buying power. The HUD study was released here by HUD Secretary Andrew Cuomo, who is traveling to some of the nation's poorest places with President Clinton to spotlight opportunities for corporate America.

"America needs to wake up and recognize that the best new market for American products and for American investment is right here in the US of A," Clinton said at Clarksdale, Miss., in the Mississippi Delta.

Though inner cities often have lower per-capita income than other communities, the density of the population offers concentrated spending power, the study shows.

For instance, in New York, Harlem's annual retail demand for food and apparel of $116 million per square mile is more than twice the metropolitan area's rate of $53 million.

"This is incredibly valuable research that has documented both a problem and an opportunity," says Michael Schill, director of NYU's Center for Real Estate and Urban Policy. Businesses sometimes have hesitated to open stores in inner cities because of concern about crime and nervousness about acceptance.

"As the suburbs become saturated (with stores), the place to look now is inner cities," Schill says. The new stores not only could create profit for the companies but also could offer inner-city residents jobs and the chance to buy better goods at better prices.

Inner cities are neighborhoods with high rates of poverty or lower incomes than the cities that surround them.

Clinton urged Congress to approve tax breaks and other incentives to encourage investment in places where high rates of unemployment and poverty have defied the nation's strong economy.

In East St. Louis, Clinton toured a Walgreen's Drugstore that opened last month, the first store of its size to open in the distressed city in 40 years. The HUD study says people in East St. Louis had $227 million in purchasing power last year but spent just $177 million of it within the city.

Today Clinton goes to the Pine Ridge Indian reservation in South Dakota and a food factory in Phoenix. Thursday the tour ends with visits to Watts in Los Angeles and Anaheim.

▶ Gap in selected cities, 7A

Inner city 'retail gap'

A Housing and Urban Development study of 48 "inner cities" found a significant gap between the "purchasing power" of residents and the amount of business done by retailers in those neighborhoods. The study calls the communities "undiscovered territories for many businesses" because it appears that residents would spend more money in their own neighborhoods if more businesses were located there. HUD subtracted each community's estimated retail sales from its estimated purchasing power, producing a "retail gap" — the percentage of unused spending power. The findings for 10 specific inner cities: (All numbers are in millions of dollars except the percentage category.) Story, 1A

Inner-city area	Estimated 1998 retail sales	Estimated purchasing power	Retail gap	Percentage
Jacksonville, Ark.	$15	$57	$42	74%
Watts (Los Angeles)	$779	$1,225	$446	36%
New Haven, Conn.	$708	$1,017	$309	30%
Newark, N.J.	$1,675	$2,333	$658	28%
Bethlehem, Pa.	$114	$144	$30	21%
Chicago	$13,257	$15,523	$2,266	15%
Stockton, Calif.	$990	$1,120	$130	12%
Washington	$3,894	$4,273	$379	9%
Detroit	$4,970	$5,411	$441	8%
Utica, N.Y.	$314	$340	$26	8%

Source: Department of Housing and Urban Development

USA TODAY · WEDNESDAY, JULY 7, 1999

Los Angeles Times

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?? DAILY / 1,385,373 SUNDAY

WEDNESDAY, JULY 7, 1999

Agence France-Presse

President Clinton speaks at Walgreen's store in East St. Louis.

Clinton Renews His Challenge to Spread Wealth

By JAMES GERSTENZANG
TIMES STAFF WRITER

EAST ST. LOUIS, Ill.—President Clinton visited a cabinet warehouse hard by the cotton and soybean fields of the Mississippi Delta on Tuesday. And he toured the Walgreen's drugstore in this blighted city across the Mississippi River from the beckoning arch of St. Louis—but a world away economically.

On the second day of a four-day tour of the nation's pockets of poverty, the president repeated his mantra of the week, that the economic boom of the 1990s has yet to reach the most depressed areas.

"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," he said.

To be sure, even in some of the communities Clinton is visiting this week as he travels from one downtrodden community to the next, there have been signs of improvement.

Here in East St. Louis, for example, a local supermarket was opened several years ago, and a bond fund is financing a new public library, the first public con-

Please see CLINTON, A6

CLINTON: Touting Investment

Continued from A1
struction in a quarter-century.

And then there's the Walgreen's.

But the last time a national chain opened a store here, there were no computer cash register scanners. Indeed, there were no electronic cash registers. That was 40 years ago.

Clinton and the Bank of America used the recent opening of the drugstore to tout a $500-million fund that the bank said it would invest in these kinds of inner-city—and comparable rural—projects.

"That's real money," Clinton said.

The Bank of America plan, announced by Cathy Bessant, the bank's president of community development, is seen by the Clinton administration as symbolic seed money for the investment community: It tells potential investors that a major financial institution is willing to put large sums into previously ignored communities.

Behind the investment is a conviction that money can be made even in some of the nation's poorest communities, Bessant said.

"There's real money to be made in these markets," Bessant said. "Booming markets are what it's about, regardless of geography."

Bessant, along with other executives, joined Clinton on Tuesday in the northwest Mississippi town of Clarksdale and flew with him aboard Air Force One to East St. Louis.

Reuters

President Clinton shakes hands in Mississippi on Tuesday.

Clinton is touring the nation's most blighted communities to promote legislation that would provide tax-reducing incentives to companies doing business in impoverished areas. It is intended to provide as much as $15 billion in incentives for domestic investment.

But even some of the most devoted adherents to Clinton's approach—Bessant among them—readily acknowledge the uphill road the plan faces.

"It's costly business, it's tough to generate," Bessant said of the start-up work involved in building business in distressed cities and rural towns.

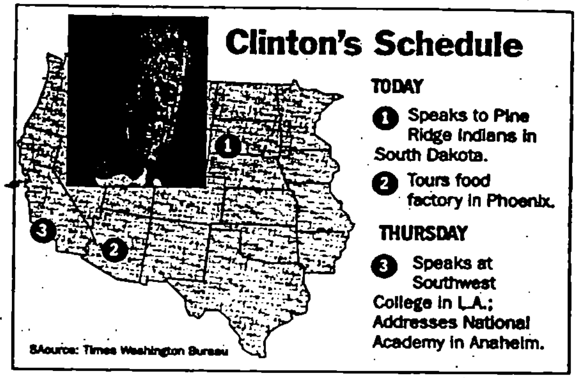
And Richard Huber, chief executive officer of Aetna, the insurance giant, who joined Clinton in Mississippi, said that business will not go where it cannot make a profit.

"If there isn't economic reality, it's not going to happen," he said.

The Bank of America likens its investment to venture capital funds, rather than loans. It would pump money into such projects as real estate development and into community development ventures and and perhaps assisted-living residences for the elderly in rural areas, Bessant said.

How Clinton's so-called "new markets" tax credit would work is not yet clear. But organizations struggling to raise capital to invest in poverty-stricken areas say that the tax break would give them a much-needed boost.

"I have to go to [my] investors today and say there is no tax relief for you," said Shari Berenbach, executive director of the Calvert Foundation, based in Bethesda, Md. "What this tax credit would do is . . . really help to broaden what is now only a trickle of capital."



Los Angeles Times

The nonprofit foundation acts as a bridge between capital markets and disadvantaged communities, and has raised nearly $10 million in private capital.

"If this tax package comes through, [investors] would get the benefit of a 6% return," saving the Calvert fund money it now pays out in interest, Berenbach said. "It would completely translate into cheaper funds." East St. Louis and Clarksdale, the urban and rural sides of the same coin depicting seemingly intractable pockets of poverty, provide a tough test.

Consider this city: In the last 25 years, the population—38,595 in 1996—has declined 45%. In the 1990 census, the population was 98% African American. In 1998, the unemployment rate was 9.6%, more than twice the national average, while the rate in the nearby suburbs was 3.5%.

In the city, 44.3% of the population was living below the poverty line, 16% of the residences were vacant in 1990, and housing stock had decreased 39% in the previous 20 years.

Clarksdale's statistics are similarly bleak: The poverty rate, although declining, was 37.4% in 1995, the most recent year for which U.S. Census Bureau data is available, and the unemployment rate was 10.4% in 1998.

The challenges posed by such conditions notwithstanding, the federal Department of Housing and Urban Development issued an economic report Tuesday that found that many retailers were "missing major profit-making opportunities" by failing to invest in the poorest communities that are, like East St. Louis, dramatically underserved by supermarkets, department stores and drugstores.

It argued, for example, that in Watts in Los Angeles, retail sales fall $445.5 million short of the residents' estimated purchasing power. In more prosperous Long Beach, Calif., it found, this gap—measuring the difference between its estimate of potential and actual sales—was $112.1 million.

Times staff writer Lee Romney in Los Angeles contributed to this story.

BOSTON GLOBE
JULY 7, 1999
A3

Clinton, in Illinois, sees 'great promise' in impoverished city's new Walgreens

By Ann Scales
GLOBE STAFF

EAST ST. LOUIS, Ill. – Midway through his four-day antipoverty tour across America, President Clinton came to this small, struggling city of 38,000 people along the Mississippi River yesterday to hail the opening of a Walgreens drugstore, an event that usually does not prompt a presidential visit.

But the store is part of a new shopping center, the largest to be built here since the 1950s, and to Clinton it is a shining example of the profit-making opportunities in low- and moderate-income inner-city neighborhoods for businesses willing to locate there.

Standing atop a makeshift stage in the parking lot of the glittering new store, Clinton said, "We see in this community both poverty and great promise."

He added, "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."

Clinton came armed with a new federal

> '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 US of A.'
>
> PRESIDENT CLINTON
> *On antipoverty tour*

study by the Department of Housing and Urban Development that shows such communities are "under-retailed," meaning sales fall significantly short of the residents' retail purchasing power.

The HUD report, titled "New Markets: The Untapped Retail Buying Power in America's Inner Cities," said the retail purchasing power of low- and moderate-income neighborhoods was estimated at $331 billion last year, or one-third of the $1.1 trillion total for the central cities that include those neighborhoods.

Among 48 inner-city areas where HUD found a retail gap and where 20 percent or more of the population lives in poverty, the total shortfall last year was $8.7 billion, which equals the purchasing power minus sales.

Of those areas, six were in Massachusetts – Gloucester, Lowell, New Bedford, Waltham, Westfield, and Yarmouth. The study showed Westfield with the biggest gap between the purchasing power of its residents and retail sales, 22.7 percent, while Gloucester had the smallest, at 0.2 percent.

Despite the huge buying power among inner-city residents, the study said they often must make purchases in such places as suburban malls because there are too few retail stores in their neighborhoods.

In this city where the unemployment rate last year was 9.6 percent, more than twice the national average, and the poverty rate is 44.3 percent, even a Walgreens store that employs about two dozen people is considered good news.

It was the latest stop on Clinton's six-state tour of impoverished areas to promote greater public and private investment in urban and rural areas.

Traveling with a small band of corporate CEOs and members of Congress and his Cabinet, Clinton is touting these areas as a way to keep the economy strong through job creation and lowering of unemployment.

"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 US of A," he told a group of entrepreneurs from the Mississippi Delta in a roundtable discussion earlier yesterday in Clarksdale.

Some companies apparently are listening. Yesterday, the Bank of America announced it will commit $500 million of equity to support community development in poor areas.

And Greyhound Bus Co. and Federal Express annnounced a new partnership that will provide transportation connecting workers in Clarksdale to jobs in Memphis, about 100 miles away, for a round-trip fare of $4.

The White House pledged tens of millions of dollars in grants to community development organizations across the country.

During his visit to Mississippi, Clinton's first since he became president, the president got an earful from Clarksdale Mayor Richard Webster and other business owners who seemed to be looking for the federal government to do more.

Standing inside the Ooo So Pretty flower shop, Webster made a pitch for federal aid to the distressed business area. During a walking tour through downtown, the president passed a two-block stretch where nearly all of the shops, restaurants, bars, and the movie theaters were shuttered or abandoned.

During the round-table discussion, Clinton said he would present Congress with details of a $15 billion plan to invest in economically depressed rural and urban areas over the next five years as part of his "new markets initiative."

④
Print Local Coverage

St. Louis Post-Dispatch

July 7, 1999, Wednesday, THREE STAR EDITION

SECTION: NEWS, Pg. A1

LENGTH: 1141 words

HEADLINE: CLINTON URGES INVESTMENT IN EAST ST. LOUIS;
PRESIDENT DECRIES PREJUDICE, LAUDS AUDIENCE'S DIVERSITY;
HE VISITS CITY'S NEW WALGREENS

BYLINE: Jo; Mannies And Mark Schlinkmann; Of The Post-Dispatch

BODY:

President Bill Clinton said Tuesday the key to tapping the potential of all Americans, in East St. Louis and across the country, was reflected in the faces of those gathered outside the Walgreens to hear him speak.

"We have people from all different backgrounds, all different colors, all different religions," he said, "everybody, all different ages, working for something good."

The crowd's camaraderie was a contrast, he continued, to the shootings by a white supremacist over the holiday weekend in Illinois and Indiana. The assailant, he said, harbored "some blind racial hatred against anybody who didn't happen to be white. That act was a rebuke to the very ideas that got us started" as a country.

The shootings were a morbid reminder, the president said, that Americans still must learn to live and work together.

"We should rid our heart of hatred immediately."

East St. Louis resident Dorothy Diggs understood it exactly. "Working together as a community will build us up," she said.

Clinton's three-hour stop in Illinois focused a national spotlight on East St. Louis, a struggling city where boarded-up buildings dominate some streets and the 9.2 percent unemployment rate is far above the 3.6 percent rate on the Missouri side of the river.

After his speech, Clinton greeted people standing behind the security rope before he went inside the brand new Walgreens, which opened June 7.

He paused by a rack of Hostess fruit pies and reminisced about his freshman year at Georgetown University. Clinton said he was "flat broke" often and would buy a Hostess pie for 15 cents, and wash it down with a 16-ounce RC Cola at the same price.

As Clinton roamed the aisles greeting employees, he also answered an occasional question. When he heard, "Should Hillary run?" - a reference to Hillary Rodham Clinton's decision on whether to run for the Senate in New York - he responded, "I want her to do whatever she wants to do. And I'm going to strongly support whatever she wants to do."

Mrs. Clinton formed a campaign exploratory committee on Tuesday.

The president spoke briefly with Horatio Custard, a 73-year-old retired postal worker who started working at the store's photo counter a few weeks ago.

Afterward, Custard said: "It's great ... I never thought in my lifetime I would meet the president."

As Clinton headed toward the exit after more than 10 minutes inside the store, he spotted a display of miniature television sets at the front of the store.

"You can actually buy a black and white TV with AM/FM radio for 50 bucks?" he asked store manager Angela Tennon.

"Actually, 40 bucks," she responded.

The gadgets cost $ 39.99. The president bought nothing.

"They said I had to get out of here because of the weather," Clinton told reporters later as he was about to fly out of MidAmerica Airport in Mascoutah. Thunderstorms rolled through the St. Louis area late Tuesday afternoon.

The developer of the Walgreens project sees East St. Louis as "a diamond in the rough," with lots of potential building sites and potential workers.

"The opportunity exists for it to turn around right away," said Jim Koman, president of Koman Properties Inc. "The Walgreens has been packed since it opened."

Koman said the vision of the community as an unsafe, crime-ridden place is unfair and mainly untrue. "We didn't have one problem during that project," he said. "As a region, we've built that (bad) image up."

The second phase of the development, next to Walgreens, is a shopping center that will include a Blockbuster video store and an Ashley Stewart clothing store. "We're already 100 percent pre-leased," Koman said.

All told, Koman's firm plans to develop about eight acres in downtown East St. Louis. For the Walgreens project, minority members held about 40 percent of the construction jobs. And East St. Louis residents hold about 70 percent of the store's retail jobs.

Koman acknowledges that his firm and his family have a keen interest in improving East St. Louis. The Koman family are among the owners of the Casino Queen gambling riverboat. In the speeches, East St. Louis Mayor Debra Powell cited the Walgreens success as a symbol of the city's strongest attribute: "location, location, location."

She said East St. Louis rests in the center of the country, in the center of the Midwest and in the center of the St. Louis metropolitan area.

"Corporate America, the city of East St. Louis has location, location, location," she said.

Sen. Richard Durbin, D-Ill., recalled East St. Louis' heyday when he was a youngster growing up just a few blocks from where the Walgreens now stands.

"Welcome to my hometown, East St. Louis, Illinois," Durbin said. "This administration is dedicated to leaving no person behind. East St. Louis is coming back."

Clinton's appeal was part of his pitch for the economic rejuvenation of East St. Louis and other troubled parts of the country that have not felt the economic boom that has boosted the fortunes of most Americans.

Residents of East St. Louis earn 40 percent more than is spent in the community of 38,000. That gap, Clinton said, means there are not enough local places where people can buy goods and services.

That's a strong message to developers that there is money to be had by building new businesses in East St. Louis. The federal government can provide grants to help, but most of the rebuilding task rests on private industry and lending institutions.

"I have been looking for East St. Louis to come back. His visit is the first move in getting something done. People are ready to work," said Lummie Williams, an East St. Louis resident who took off work to see Clinton. Williams was one of the lucky ones who brought an umbrella to protect herself from the rain that drenched people before and after the president spoke.

Clinton was accompanied by three Cabinet members, two members of Congress and several corporate executives. But the crowd's biggest cheers were for the Rev. Jesse Jackson and two other symbols of hope: Olympic gold medalist Jackie Joyner-Kersee and former Detroit Lion Mel Farr.

The president appeared visibly touched when Jackson praised him for undertaking the four-day tour to focus on the nation's poorer areas.

"He's not running for office," Jackson said, but was doing the tour "just because it's right."

Clinton was demonstrating that he cares for everyone in East St. Louis and wants to make sure that "no one is left behind," Jackson said. In a reference to accusations that Clinton's personal troubles have shown a lack of character, Jackson asked "How do we define character? The way Jesus defines it: How you care for the least of these."

As the crowd cheered, Jackson nodded toward the president and said, "Don't take this giant for granted."

GRAPHIC: PHOTO (1) Color PHOTO by RICH GLICKSTEIN / POST-DISPATCH - President Bill Clinton greets Olympic medal-winner Jackie Joyner-Kersee on Tuesday outside East St. Louis' Walgreens, one of the city's newest businesses. With Clinton are Sen. Dick Durbin, D-Ill. (left), and former Detroit Lions football player Mel Farr.
(2) Photo by RICH GLICKSTEIN / POST-DISPATCH - President Bill Clinton works

the crowd in East St. Louis Tuesday after his speech at the city's new Walgreens. Clinton is touring economically challenged municipalities.
(3) Photo by ANDY CUTRARO / POST-DISPATCH - President Bill Clinton addresses residents of East St. Louis on Tuesday. Clinton is urging more economic development in poorer communities throughout the country.

LANGUAGE: English

LOAD-DATE: July 7, 1999

St. Louis Post-Dispatch

July 8, 1999, Thursday, FIVE STAR LIFT EDITION

SECTION: NEWS, Pg. A1

LENGTH: 806 words

HEADLINE: REBUILDING EAST ST. LOUIS;
PRESIDENT CLINTON'S VISIT OFFERS HOPE TO SOME IN A COMMUNITY THAT SORELY NEEDS;
IT

BYLINE: Kim Bell; Of The Post-Dispatch

BODY:
* "When the president came, the whole city stopped for a minute," says resident Kevin Harris.

Ethel Brewer walked onto her front porch Wednesday to the normalcy of her East St. Louis neighborhood.

No security detail on rooftops. No presidential motorcades. No armed men asking to see ID.

Just good old 25th street, where Brewer took in a gentle breeze and watched a neighbor boy race up and down on his bicycle.

Brewer is a 73-year-old grandmother who lives near the shiny Walgreens store that made national news Tuesday as President Bill Clinton's backdrop.

Brewer had missed the big speech. She knew none of the politicos or civic leaders handing out complimentary tickets for prime seating, and Brewer didn't want to fight the crowds.

But she sat at home -- a few hundred feet from the action -- and beamed. Finally, she thought.

"Finally, somebody cares," she said. "People will think somebody cares about East St. Louis. It's going to give us hope, talk about bringing in more business."

A day after Clinton came to the poverty-stricken city of 38,000, Brewer and some of her neighbors were hopeful that the good feelings after his two-hour visit will linger.

"Attitude," said Kevin Harris, 37. "East St. Louis is overlooked, but that's the White House. You can't get any bigger than the president."

East St. Louis was the third stop on Clinton's cross-country tour to focus on some of the nation's poorest areas and promote his New Markets Initiative. Included are tax incentives and government-backed loans for businesses willing to invest or expand into distressed communities.

The president's trip also includes stops in Appalachia, the Mississippi Delta, an Indian reservation in South Dakota and the Watts neighborhood of Los Angeles.

As long as Harris can remember, East St. Louis has been associated in the news media with too many bad things - crime, poverty, scandal.

East St. Louis' jobless rate of 9.2 percent is more than twice the 3.6 percent unemployment rate on the region's Missouri side. About 40 percent of the city's population are at the federal poverty line or lower.

This city has had problems with financial management and corruption for many years. Within the last decade, the city, the schools and the community college have all been forced under state financial oversight because of allegations of mismanagement.

"When the president came, the whole city stopped for a minute," Harris said. "I saw people on the parking lot (at Walgreens) I never would have expected to see there. Guys who stopped what they were doing - drinking a half pint on the corner - and listened to what the president had to say."

One of the president's comments that invigorated the crowd was: "We see in this community both poverty and great promise, retail returning, new jobs, new residents, new hope."

The Walgreens at State and 25th streets is the first retail store to be built in the city in more than two decades.

James Pirtle, owner of an ice cream store two blocks away, said his business has thrived in East St. Louis for 36 years and that he's planning another store. He said that he and some other business owners felt slighted.

"We weren't really notified (of Clinton's visit) or invited, so it's a little disturbing," Pirtle said.

Aside from that, Pirtle had good things to say about the president's visit. "I'm really excited," he said. "East St. Louis is coming back. Not as fast as we should, but we're coming back."

The Walgreens on State Street marks a rebirth of business. The street, once a traditional commercial thoroughfare, has largely withered in recent decades.

At least one boarded-up building was clearly visible from the stage where Clinton and other speakers stood on Tuesday. More boarded-up structures are within two blocks of the site; so are some that are burned out. Many are crumbling, with iron bars on the windows.

One of the best messages in Clinton's speech, Pirtle said, was that people should be spending their money in East St. Louis to boost the economy.

"We really don't understand economics, the impact ... if you spend your money here," he said. "It's hard to predict what the impact of his visit will be. The most important thing is letting corporate America know what's here."

More than 1,500 people crowded into a cordoned-off area on the Walgreens lot where Clinton and other speakers held forth. Many others watched and listened from nearby vantage points, although a line of Bi-State buses on State blocked the view for some. A Bi-State Development Agency spokesman said the Secret Service had requested that positioning as a security measure.

Leroy Jones, 88, said the ceremony brought out friends he hadn't seen in years. "People who used to run home all the time, they came out to see him," Jones said.

GRAPHIC: PHOTO Color Photo by ROBERT COHEN / POST-DISPATCH - This house in East St. Louis is being demolished for a shopping center on State Street. The first new store in the project, a Walgreens, was visited Tuesday by President Bill Clinton. On Wednesday, Clinton visited an impoverished Indian reservation in

Source=Missourian; Date=07.07.1999; Section=News; Page=1;

CLINTON PROMOTES 'NEW MARKETS' IDEA

CORRECTION: Due to an editing error, a story in Wednesday's Missourian about President Bill Clinton's visit to East St. Louis incorrectly attributed a comment made by a bystander to the East St. Louis mayor.

EAST ST. LOUIS, ILL. - President Bill Clinton's East St. Louis visit brought hope Tuesday to the troubled river city.

The stopover was part of a four-day tour of economically depressed areas to publicize his "new markets" initiative. The program seeks to identify and tap the business potential of poverty-ridden rural and urban communities.

Clinton addressed about 1,000 residents in the parking lot of a recently opened Walgreen's drugstore, the city's first new retail construction in more than 40 years.

"We have the workers and the consumers here," resident Helen Mitchom said. "We have not had anyone to have faith in us, to invest in us."

In 1960, Look magazine called East St. Louis an all-American city - a label earned by the success of the city's stockyards and shipping yards. But white flight and suburban sprawl, accompanied by capital flight and a lack of investment, has changed the face of the city dramatically during the past 40 years.

A lack of retail outlets in East St. Louis has stunted economic growth because of the gap between earned income and purchasing power, Clinton said. Residents earn 40 percent more than the amount spent in the community; a lack of local retail outlets forces residents to spend their money elsewhere. The result is less tax revenue for local schools and public works projects.

Resident Michael Jackson said he normally had to go to the well-heeled neighboring Fairview Heights or to St. Louis whenever he wanted to shop.

"I'm glad we got a Walgreen's here in the city. I see this as a beginning," he said.

With the "new markets" initiative, Clinton hopes to attract private businesses to invest in economically underdeveloped communities through tax incentives and federally guaranteed loans. The program aims to invest as much as $15 billion in targeted communities.

"I hope it works," said Julia Gilliam, a former East St. Louis resident who moved to neighboring Belleville, Ill., to escape declining property values. "It's good to see the Walgreen's go up and that they're talking to companies to try to bring economic boom to that area."

Before Clinton's speech, Walgreen's president David Bernauer announced the company will construct more than 400 new outlets across the nation in the next year. Several of the stores will be opened in "new markets" initiative target areas.

In addition, Cathy Bessant, President of Bank of America's community development division, announced a $500 million capital investment fund targeted at economically challenged communities.

"Since the city lacked shopping malls and big chains like Dillard's, we've had to be consumers in other communities," East St. Louis mayor Debra Powell said. She emphasized the market potential of the city's location at the heart of the Midwest and the entire country. "We are a city ready for any kind of development that really wants to do well in this country," she said.

Clinton agreed. "You can handle this Walgreen's and a whole lot more," he said. "It is not a handout, but it is darned sure a hand up."

Clinton said he wants all of the nation's communities to enjoy America's current economic prosperity, citing former welfare recipients, disabled workers and Native Americans on reservations as examples of those who have been left out of that success. The key to continuing economic prosperity is to expand the country's workforce with these new laborers, Clinton said.

"The government can help, but private enterprise will make East St. Louis that all-American city again, if we go forward together," he said.

Year=1999; Month=7; Month=Jul; Day=7; Day=Tu; Book=A; From=Staff; Byline=Autumn_A._Brewington_and_Shannon_Lester; Freekey=Bill_Clinton;

Aspect=Missourian; Aspect=07.07.1999; Aspect=News; Aspect=1; Aspect=1999; Aspect=7; Aspect=Jul; Aspect=7; Aspect=Tu; Aspect=A; Aspect=Staff; Aspect=Autumn_A._Brewington_and_Shannon_Lester; Aspect=Bill_Clinton;

④ Photos

Associated Press Photo Tuesday 6 July 1999

Escorted by store manager Angela Tennon, right, President Clinton waves to well-wishers outside a new Walgreens Drugstore in East St. Louis, Ill., Tuesday, July 6, 1999. The presdent's trip targets distressed inner cities and rural areas _ from Appalachia to Watts _ which the administration is selling as an $80 billion untapped market to interested business executives and investors. Walgreens was applauded for opening a new store in the economically stagnant East St. Louis. (AP Photo/J. Scott Applewhite)

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PRESIDENT CLINTON'S NEW MARKETS TOUR

Tapping America's Potential

Photo Gallery

President Clinton addresses the community of East St. Louis, Illinois.
July 6, 1999
Photo by David Scull

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Pine Ridge

July 7, 1999

⑤

Broadcast Coverage

SHOW: CBS EVENING NEWS (6:30 PM ET)

July 7, 1999, Wednesday

TYPE: Newscast

LENGTH: 354 words

HEADLINE: PRESIDENT CLINTON VISITS PINE RIDGE INDIAN RESERVATION

ANCHORS: DAN RATHER

REPORTERS: BILL PLANTE

BODY:

DAN RATHER, anchor:

It's being called 'President Clinton's poverty tour,' his effort to call attention to the nation's poor and nowhere a--is the poor deeper in trouble than at South Dakota's Pine Ridge Indian Reservation. The president today went to that place where so many live in unimaginable squalor. CBS' Bill Plante is traveling with the president.

BILL PLANTE reporting:

It isn't the first time the white man has come to Indian country with programs and promises, but this time it was the president. Mr. Clinton's welcome comes after what leaders here say are decades of neglect.

Mr. HAROLD SALWAY (President, Oglala Sioux Nation): Never in the history of the United States has a sitting president come to Indian country to conduct a government-to-government visit. President Clinton...

PLANTE: This is the ground zero of poverty. The Pine Ridge Reservation is the poorest place in the entire nation, a place where it will take far more than what the president is proposing to even begin to make a difference, a place where 30 years after the government declared war on poverty, there is no hope of victory.

Mr. RICHARD HERNANDEZ (Resident): We got programs here that said they're going to help us. Somehow, you know, it doesn't work out that way.

PLANTE: The picture could hardly be more bleak. Even with the lowest unemployment rate in years, nationally, almost three-quarters of the people here have no jobs. Lives are cut short by alcohol, drugs and disease. The president brought his proposal to create new markets, the promise of more private investment, and the belief that there will never be a better chance for change.

President BILL CLINTON: If we can't do this now, we will never get around to doing it.

FOCUS

PLANTE: But no one, not even in the White House, believes that it's possible to change generations of neglect and bad choices, poor education, lack of infrastructure any time soon. To some of the president's critics, this trip is as much about the politics of poverty as it is about poverty itself. Bill Plante, CBS News, with the president in Pine Ridge.

LANGUAGE: English

LOAD-DATE: July 8, 1999

NBC News Transcripts

SHOW: NBC NIGHTLY NEWS (6:30 PM ET)

July 7, 1999, Wednesday

LENGTH: 339 words

HEADLINE: PRESIDENT PROMISES AID TO PINE RIDGE SIOUX RESERVATION

REPORTERS: CLAIRE SHIPMAN

BODY:

TOM BROKAW, anchor (Los Angeles):

President Clinton is spending this week visiting communities left behind despite the country's great prosperity these days. Today it was one of the poorest places in America, in South Dakota near the Nebraska border, the Pine Ridge reservation, home of the Oglala Sioux living in terrible poverty. NBC's Claire Shipman is traveling with the president.

CLAIRE SHIPMAN reporting:

He's the first sitting president to come to an Indian reservation since FDR in 1936, and for the Oglala Sioux residents of Pine Ridge, the visit is long overdue. It's perhaps the bleakest stop on his poverty tour: 75 percent unemployment, death from alcoholism is nine times the national average, life expectancy here 15 years less than most Americans.

President BILL CLINTON: We're coming to Washing--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.

SHIPMAN: Mary Tobacco grew up here, left for college, and then returned. She waited for hours to see the president.

Ms. MARY TOBACCO: And some people come in thinking that they're going to change an entire reservation by starting large, but we have to start small.

SHIPMAN: The White House says it's doing just that, by highlighting one glaring problem, housing. Forty percent of residents here live in substandard quarters.

Pres. CLINTON: How many people live in here with you?

Unidentified Woman: About--between...(unintelligible).

SHIPMAN: As the physical fitness director at the reservation's hospital, Mary Tobacco sees the effects of the housing shortage firsthand.

Ms. TOBACCO: It's depressing. People want to--people are depressed, and they'll turn to alcohol or drugs to escape that, and that's a huge problem.

SHIPMAN: The situation is so bad here that encouraging private investment, the theme of the president's trip, is virtually impossible without government help. HUD, the Department of Housing and Urban Development, has formed a partnership with private lenders to make mortgages easier to get. And HUD is actually helping to build homes. Fifty more like this one are expected this year. But the fact is 4,000 more homes are needed, and former tribal leader Milo Yellowhair believes now is the time to solve problems.

Mr. MILO YELLOWHAIR: I believe that America is big enough, it's powerful enough, it's rich enough, and it's safe enough, it's secure at home, you know, to really deal with America Indian in the way it should be done.

SHIPMAN: But the president also cautioned that no amount of help from Washington will make a difference unless the Oglala themselves are committed to making a better life here. Claire Shipman, NBC News, Pine Ridge, South Dakota.

LANGUAGE: English

LOAD-DATE: July 9, 1999

ABC NEWS

SHOW: WORLD NEWS TONIGHT WITH PETER JENNINGS (6:30 pm ET)

JULY 7, 1999

Transcript # 99070703-j04

TYPE: PACKAGE

SECTION: NEWS

LENGTH: 902 words

HEADLINE: ENCOURAGING INVESTMENT IN NATIVE AMERICANS

BYLINE: JOHN COCHRAN, PETER JENNINGS

HIGHLIGHT:
PRESIDENT VISITS PINE RIDGE RESERVATION

BODY:

THIS IS A RUSH TRANSCRIPT. THIS COPY MAY NOT BE IN ITS FINAL FORM AND MAY BE UPDATED.

PETER JENNINGS: On the President's poverty trail today, Mr. Clinton went to the Pine.

(voice-over) .Ridge Indian Reservation in South Dakota to meet the Oglala Lakota Nation -- to call the American nation's attention to their deep poverty and very high unemployment -- 75 percent unemployment.

This is the first presidential visit to an Indian reservation in 60 years. Mr. Clinton said today time to put away what he calls the "pretty words" and encourage private investment for Native Americans. ABC's John Cochran is there as well.

JOHN COCHRAN, ABC News: (voice-over) Two of the five poorest counties in America are located in the vast Pine Ridge reservation. People here do enjoy some of the last frontier land in America. But that was not enough for Emily Bull Bear.

Emily became first member of her family ever to own a business. She finally got her start-up loan from a charitable foundation after banks turned her down.

EMILY BULL BEAR, Caf? Owner: Do you know what you want to order?

JOHN COCHRAN: (voice-over) She believes banks rejected her because she is a Native American.

EMILY BULL BEAR: It made me sick to my stomach. I can't hide. I can't say I'm Spanish or you know? I'm Native American. I look it. My last name. I'm Native American, and that has a lot to do with it.

JOHN COCHRAN: (on camera) While the people of Pine Ridge certainly want companies, large or small, to locate here, they would much rather have the opportunity to start their own businesses, so that the profits would stay here.

(voice-over) So today, they hoped the President meant it when he said...

Pres. BILL CLINTON: We will give you the tools and the support to get done what you want to do for your children and their future.

JOHN COCHRAN: (voice-over) They told him the government is not doing enough to help Native Americans get loans and not enough to help them overcome a special problem -- alcoholism.

PATTY POURIER: Without addressing alcoholism, the economics won't work.

JOHN COCHRAN: (voice-over) Patty Pourier and her husband, Bat, are recovering alcoholics who now own a gas station and convenience store. They say it is a scandal that the government has not provided a treatment center in a place with an 80 percent alcoholism rate. Bat says it is difficult for him to find workers who can overcome their drinking.

(on camera) That's going to discourage people from coming in and investing in this area.

BAT POURIER: Well, they might as well know up front that's the very thing that will destroy them.

JOHN COCHRAN: (voice-over) Still, there are plenty of people eager to show outsiders they can be good workers.

EMILY BULL BEAR: It made me more determined - it made me more determined to show them, "I can do this, and I'm going to do this, with or without you."

JOHN COCHRAN: (voice-over) The people of Pine Ridge say outsiders who do invest here must be patient, that the Indian culture is still adapting to the world of commerce but is making progress. Emily Bull Bear says, "My great- grandparents lived in a teepee. And look at me now." John Cochran, ABC News, Pine Ridge, South Dakota.

PETER JENNINGS: We'll get to Mrs. Clinton a little later in the broadcast.

"On The Money" tonight -- a sizzling economy notwithstanding.

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Print National Coverage

NEW YORK TIMES
JULY 8, 1999
A16

Clinton, Amid the Despair on a Reservation, Again Pledges Help

By PETER T. KILBORN

PINE RIDGE, S.D., July 7 — Offering tax credits, loan guarantees and other incentives to encourage private businesses to create jobs and housing, President Clinton swept into the destitute Oglala Lakota Sioux reservation today, by many measures the sickest, most hopeless, most squalid corner of America.

To revive Pine Ridge and other impoverished communities of the kind that the President is visiting on his four-day tour of the nation, White House aides said that over five years the President wants to allow $980 million in tax credits to stimulate $6 billion in private investment for businesses. He is also seeking Federal appropriations of $81 million a year to subsidize and guarantee loans.

Like other Federal subsidies Mr. Clinton has proposed on his trip to underwrite programs, these would require Congressional action, though Mr. Clinton has not sent all the specific legislation to Capitol Hill.

The President is on a four-day tour of the nation's poorest communities, first in Kentucky and Mississippi, then here on the Great Plains and the nation's second-largest Indian reservation. This evening he visited a family-owned tortilla factory in Phoenix that was started with a loan from the Small Business Administration, and on Thursday he will travel to Los Angeles. Each time, he was sounding alarms about how the prosperity of nearly seven years in office has passed these areas by and the potential for help from what he called his "new markets initiatives."

"Our nation will never have a better chance" to help these communities, he said.

The Pine Ridge reservation with a population of about 25,000 spread over more than 3,100 square miles, is the United States' own third world country. It has been left far behind by the current economic boom and all of those that came before it. The second-largest reservation after that of the Navajo in Arizona and New Mexico, Pine Ridge has institutionalized squalor, with rampant alcoholism, diabetes, suicide and a male life expectancy rate of 56.5 years. Only 62 miles of road are paved.

Unemployment is rampant and unmeasurable. Mr. Clinton used a figure of "nearly 75 percent." Tribe leaders say it is 85 percent. Most of the few jobs are with the tribal bureaucracy, the Federal Government or the modest new casino, which has 150 Oglala Sioux workers.

Mr. Clinton toured hovels that people live in here, including that of a teary Geraldine Blue Bird, whose shack and trailer house 28 people in five bedrooms.

"See those houses on the street?" Ms. Blue Bird said to him. "You notice they don't have windows. That's because it has to come from the pocket, and we don't have that pocket."

Afterward, the President spoke in the sweltering heat outside the kindergarten-to-12th-grade Pine Ridge School, where many students board because their own homes on the two-million-acre reservation are too far away or too decrepit.

Mr. Clinton and [illegible] businessmen were warmly received.

But a sign in back of the crowd, painted on a sheet, said, "Stop Lakota ethnic cleansing," a reference to the tribe's loss of the Black Hills northwest of the reservation and the gold those hills held.

The Oglalas are the band of Crazy Horse, the victor over George Armstrong Custer at the battle of Little Big Horn in 1876, though that triumph soon gave way to the tribe's being relegated to this rolling grassland with no marketable resources.

The Oglalas continue to complain of a Government in Washington with misguided policies. They see themselves as a sovereign nation, and Mr. Clinton today accorded them such respect, calling his a "nation to nation" visit.

It was the first time a President visited an Indian reservation since Franklin D. Roosevelt stopped at a Cherokee reservation in North Carolina in 1936 while on vacation.

"We hope the President can open a new chapter of Indian-Federal policy," said Dave Archambault, a councilman of the Standing Rock Reservation, which straddles North and South Dakota, "so we can sit down as equals and enhance the government-to-government relationship."

The tribes need a Marshall Plan, like the one that rebuilt Europe, Mr. Archambault said.

Mr. Clinton made no gestures of that magnitude. But his economic message also represents a big change in Federal policy. Departing from the largely discredited conventions of welfare and charity, formed a generation ago by President Lyndon B. Johnson's War on Poverty, Mr. Clinton told the Oglalas and leaders of more than 100 other tribes attending his speech, "We will do our part."

By enlisting the private sector, the President is trying alternative approaches to aiding the poor.

"We're coming from Washington to ask you what you want to do and tell you we will give you the tools and support to get done what you want to do for your children and their future," he said.

Mr. Clinton has been given credit for holding a tribal summit several years back at the White House. Indian leaders also praise the President for protecting tribal sovereignty in siding with Indians and helping to block efforts in Congress to curb the power of Indian nations to govern themselves.

But the tribes also say he has deserted them on other issues. In 1995, Congress took aim at the Bureau of Indian Affairs, passing a spending bill that cut all Bureau operations by 25 percent. The cuts were later rescinded by about half, and that measure was signed by Mr. Clinton — much to the chagrin of Indians who depend on the annual budget, of just over $1.2 billion, for many of their operations and jobs.

Also, Indians fault him for not doing a better job of cleaning up the mess over trust funds, owned by perhaps as many 500,000 individual Indians and held in trust by the Government. The documents showing how much money is managed in these funds are missing, lost or stolen, and the Indians have filed the biggest class-action suit ever by tribes to try and clean it up. A trial is now under way. In the course of the trial, two Clinton Cabinet members have been held in civil contempt for not producing records in a timely way for the court case.

"The Administration has been very good on sovereignty and gaming issues for the tribes," said John Dossett, general counsel for the National Congress of American Indians, the largest group representing Indians in Washington. "If you step back and look at the record from afar, I would think you have to give them a good grade."

But others are sharply critical, noting that thousands of Pine Ridge Sioux are part of the lawsuit to sort out their trust funds.

"Thousands of members of that tribe are being actively defrauded by the Clinton Administration," said Jim McCarthy, a consultant to tribes in the trust fund case. "For him to go out there and throw some crumbs off the Federal plate is really appalling, because here you have some of the poorest people in the country being denied what is theirs."

The New York Times
THURSDAY, JULY 8, 1999

Clinton Tells Poorest Tribe: 'We Can Do Better'

1st President to Visit Reservation Since FDR Finds 72 Pct. Jobless

By Charles Babington
Washington Post Staff Writer

PINE RIDGE, S.D., July 7—President Clinton came to the poorest spot in the nation today, vowing to improve housing and create jobs for Native Americans, many of whom treasure their past but face deeply uncertain futures.

In contrast to the first three stops on his four-day, six-state tour of impoverished areas, Clinton could not talk about bringing significant retail and manufacturing jobs. First, the Oglala Sioux Indian Reservation here must remedy far more basic problems: repairing or replacing the dilapidated shacks and trailers that house several thousand residents and bringing running water and telephones to the many who lack it on this expanse of 2 million acres, 38,000 people and not a single bank.

Clinton is the first president since Franklin D. Roosevelt to visit an Indian reservation, and in Pine Ridge, he selected the hardest-hit of all. Even as national unemployment is about 4.2 percent, it stands at 72 percent here. Life expectancy—45 years—is the nation's lowest.

After comforting a woman who oversees a 28-member extended family in a small house and mobile home, Clinton addressed several thousand reservation residents, some of them wearing traditional feather headdresses under a brilliant sun. The president, who wore a dark suit and cowboy boots, told them it was "wrong" that no president since FDR had made a such trip, and he pledged to draw greater attention to the Indians' plight.

Unemployment nationally is below 5 percent, but "the unemployment rate on this hallowed reservation is nearly 75 percent. That is appalling, and we can do better," he said.

Aides portrayed today's stop as the highlight of Clinton's "new markets initiative" tour, which trumpets new government tax credits, loan guarantees and other subsidies to entice companies to invest in economically distressed regions. As in earlier stops, the president announced public and private steps designed to bring some of the nation's good economic fortune to places such as Appalachia, the Mississippi Delta and Indian reservations.

BY KEVIN LAMARQUE—REUTERS

President Clinton toured Pine Ridge Indian Reservation in South Dakota with Oglala Nation President Harold Salway.

They include a new government partnership with private lenders to issue enough mortgages to create "1,000 additional homeowners on reservations around the nation," according to the Department of Housing and Urban Development. Also, municipal securities underwriters have agreed to back $1.5 billion in bonds that also will help Native Americans buy homes.

Today featured the most pageantry and pathos yet on the tour, which ends Thursday in Los Angeles. Clinton was met by tribal chiefs, some of them wearing traditional costumes and singing chants in the Lakota language.

The president responded by greeting the crowd in Lakota: "Mita oyasni"—"We are all related."

Stressing the need to improve conditions on the reservations, Clinton said, "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."

Clinton encouraged cultivation of the Internet on the reservation as a way to bring in jobs. "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," the president said.

Earlier, he toured some of the most run-down homes in Pine Ridge, including that of Geraldine Blue Bird, 44. In her small clapboard house and an adjacent trailer, she and 27 relatives live, heavily reliant on public assistance. The woman fought back tears as she told the president that she struggles to buy shoes for her children and that 80 percent of the people on her block live on government welfare programs.

"If you brought jobs here, that's the first step to helping us out," Blue Bird told Clinton.

Clinton took her hand and told her, "What you have said in the past five minutes has been the most helpful to me of anything. I sit around in Washington and try to imagine how in the world they make ends meet when nobody has a job. How in the world do you actually pay these bills?"

In a nearby house, Oglala Nation Chief Harold Salway escorted Clinton through two bedrooms and a living room that featured cardboard boxes for garbage cans and holes in the walls as big as cantaloupes. "This is commonplace on the reservation," Salway said. "A lot of people live like this."

Clinton folded his arms and nodded grimly.

The Washington Post
Thursday, July 8, 1999

WASHINGTON POST
JULY 8, 1999
A2

LOS ANGELES TIMES
JULY 8, 1999
A12

Clinton Visit Shows Depth of Poverty on Sioux Reservation

■ **Economy:** He is the first president in 60 years to visit tribal lands, but many Lakota doubt that his attention will make a difference in their lives.

By JAMES GERSTENZANG
TIMES STAFF WRITER

PINE RIDGE, S.D.—In the heart of the Badlands Wednesday, President Clinton encountered some of the worst of American poverty.

Clinton was the first incumbent president to visit Indian tribal lands since Franklin D. Roosevelt made a quick stop at a Cherokee reservation in North Carolina in 1936, the White House said. Clinton spent 3½ hours at the Pine Ridge Indian Reservation, site of what Housing Secretary Andrew Cuomo called "probably the most extreme case of poverty" in the country.

What he encountered were grim statistics and anger about unkept promises.

The White House presented the day as a "nation-to-nation" visit, in which the president of the United States met the president of the Oglala Lakota nation. Sensitive to Native American feelings, Clinton spoke a word or two in the Sioux language during a speech, his attempt so appreciated that members of the audience cheered even when he announced he was about to try.

But some of his hosts remained skeptical—and angry that Native Americans, so long in the background of American life, were again being used as a backdrop, this time for a president's poverty tour.

"There have been generations of broken promises," said Butch Denny, president of the Santee Sioux Tribe in neighboring Nebraska. "It's hard to get me hook, line and sinker."

Clinton was greeted by Harold Salway, president of the Oglala Lakota nation. The tribal leader wore a brilliant bonnet of red, black, white and yellow feathers, and a business suit as he introduced Clinton.

During the visit, the president sat with a tearful Geraldine Blue Bird on her front porch and heard how she lives. She buys school shoes for her children on a layaway plan. She shares a home and the trailer next to it—with a total of five bedrooms—with 27 members of her extended family. She keeps the heat turned off in the bitter winter of the Great Plains because it costs $50 to bring a propane truck to her neighborhood. She occasionally sells tacos and takes the meager profits to a neighborhood store to put more money down on the basics she needs but can never quite afford.

Clinton responded by telling Blue Bird: "I sit around in Washington and try to imagine how in the world they make ends meet when nobody has a job."

"It would really mean a lot to everybody," the 44-year-old Blue Bird said, "if we could get jobs."

Pine Ridge was the fourth stop on a presidential cross-country tour of impoverished communities left behind during the economic expansion that began nearly seven years ago.

The Shannon County, S.D. reservation, home to 38,000 people, is a portrait of poverty. The median income of about $17,000 annually is about $20,000 below the national average, and 46.7% of the county's population lives in poverty. According to a Harvard University study, life expectancy here is 45, lower than that of any group in the United States. Nationwide, the unemployment rate has been below 5% for two years. Here, it is 73%, a figure Clinton declared "appalling."

There are no banks within the borders of the 2.3 million-acre reservation, and no public transportation. Only one industry, which makes uniforms, employs more than a few people in Pine Ridge Village, the White House said.

For Clinton, the visit offered a carefully crafted opportunity to spotlight government programs intended to begin to tackle the poverty that has grown since Native Americans were offered refuge on reservations more than 100 years ago.

"I have seen today not only poverty but promise," the president said in his speech to several thousand residents on the campus of Pine Ridge High School, 20 years on a construction list but completed only three years ago.

Clinton also came with some assistance: a $1.5-billion expansion of government housing loans in Native American communities, a $650-million investment plan to finance housing for 7,500 families in South Dakota, an "empowerment zone," granting tax incentives to investors in Pine Ridge, and a pledge of $3 million from the Federal National Mortgage Assn., the quasi-government housing loan agency. In detailing these plans, he pointedly noted: "You have all heard years of pretty words."

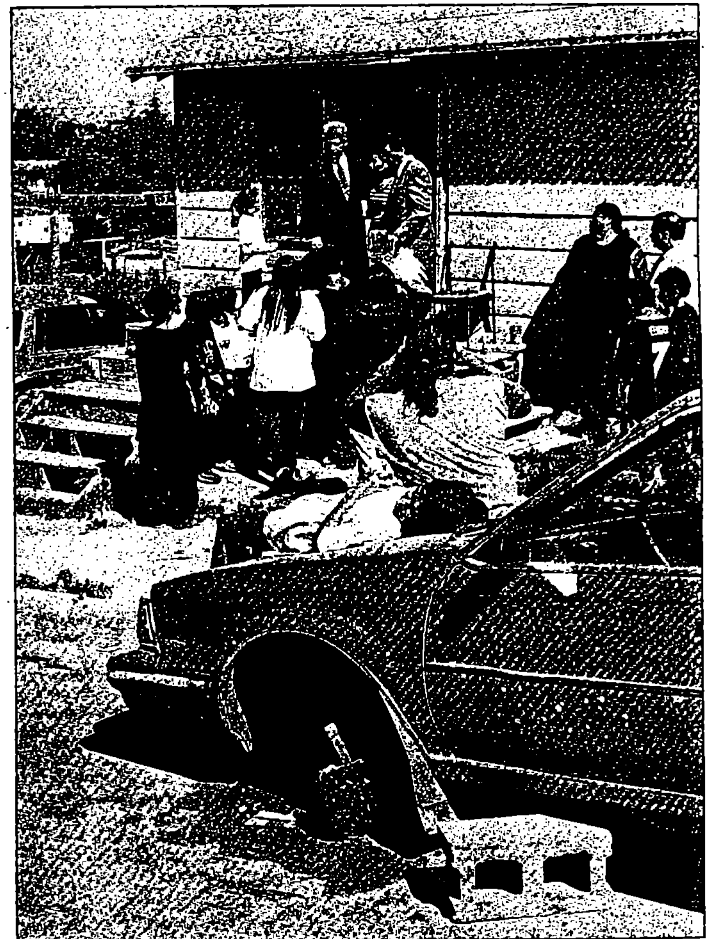
But Milo Yellow Hair, the tribe's land director and former tribal vice president, told a reporter he is dubious. "We hope it's more than promises. We've had plenty of those. We want something to take home to our children and say, 'There is hope in America.'"

Clinton's proposal "makes sense for middle-class America," Yellow Hair said. But, he added, it may not work to encourage long-range outside investment in communities where there is no established system to distribute products, where the nearest interstate highway is 100 miles to the south (Clinton arrived by Marine Corps helicopter) and where the federal government owns nearly all the surrounding land as far as the eye can see and beyond.

Yellow Hair was also disappointed that Clinton had stayed less than four hours.

"We wanted the opportunity to showcase the cultural depth of our nation," he said. "It's cramming 2,000 years of history into 10 minutes. We are a culturally viable people, with our language and government. That should have been respected, rather than White House protocol."

What is needed, he said, is nothing less than "a fundamental reassessment of how the federal government deals with Indian tribes in America."



Agence France-Presse

Clinton tours housing and greets residents at South Dakota's Pine Ridge Indian Reservation, one of the most poverty-stricken areas in the U.S.

USA TODAY
JULY 8, 1999
8A

President stops at S.D. reservation that prosperity passed by

By Susan Page
USA TODAY

PINE RIDGE INDIAN RESERVATION — On his tour of communities economic expansion has left behind, President Clinton has gone from Appalachian hollows to the Mississippi Delta. But Wednesday's visit showed that none of the places was as impoverished and desperate as this rolling expanse of South Dakota, home of the Oglala Lakota Sioux.

The unemployment rate is a stunning 73%, the poverty rate nearly five times the national average. Alcoholism is rampant. The homes demolished by a tornado last month are still in shambles, untouched. Most people live in substandard housing.

"Right now, I don't have a house," said Vincentia Thunder Hawk, 63, who's staying in nearby Porcupine in a shack that lacks running water. She rose at 2:30 a.m. to get a prime spot with her sister and other family members on the school field where Clinton spoke six hours later.

She hopes her five grown children, who have moved to Rapid City and farther away, will one day be able to move back to the reservation. "But there are no jobs," she sighed.

It had been a long time since a president in office visited an Indian reservation. FDR stopped briefly at the Eastern Cherokee reservation on his way to a vacation in North Carolina in 1936. The last president to make a more official visit was Calvin Coolidge, who donned a feather headdress at Pine Ridge in 1927.

Clinton was greeted by a dozen tribal leaders in traditional headdress. He solemnly participated in a peace pipe ceremony with Millie Horn Cloud, the great-great-granddaughter of Chief Red Cloud. Red Cloud had used the same prayer pipe to formalize the signing of the tribe's 1868 treaty with the U.S. government.

Clinton began his speech with a phrase in Lakota: "*Mitakuye oyasin,*" meaning, "We are all related."

"We have in America almost 19 million new jobs," he told several thousand Indians gathered on the school field. "For over two years, our country has had an unemployment rate below 5%. But here on this reservation, the unemployment rate is nearly 75%. That is wrong, and we have to do something to change it."

There are 1.43 million Indians living on or near reservations.

Clinton made an emotional tour of the dilapidated housing that predominates here, visiting on the porch of Geraldine Blue Bird, 44. A total of 28 family members live in her small home and an attached trailer.

"If you brought jobs here, that's the first step to helping us out," Blue Bird said, fighting back tears.

But in contrast with earlier stops, Clinton talked less about the prospects for corporate investment and job creation at Pine Ridge, where some areas don't have water and sewer systems.

Instead, he unveiled government-supported spending intended to improve housing.

Clinton said Banc One Capital Markets and George K. Baum & Co. will underwrite $1.5 billion in bonds over five years to finance home purchases by Native Americans. The Department of Housing and Urban Development will lead an effort with the Mortgage Bankers Association and lenders to double the number of Indians with government-backed mortgages by helping 1,000 get them over the next three years. The Agriculture Department announced $16 million in water projects for reservations.

"You have to start with the first step," which is getting money to buy a home, HUD Secretary Andrew Cuomo told reporters. Over time, he said, an owner could use the equity in a home to get a second mortgage and start a business.

That possibility still seems distant here. At the reservation's biggest retailer, Big Bat's Texaco, the electronic sign greeting Clinton flashed a plaintive message: "Alcoholism treatment is needed for Lakotas."

Some Indians were skeptical that Clinton's three-hour visit was anything more than a picture-taking session. "Four hundred years of bondage — they're not going to change it overnight," said Richard Galeano, 60, calling Clinton's visit "a sideshow."

Lolita Attackhim, 38, was more hopeful. "Anything to help us. We're so poor out here," she said. She teaches Lakota language and culture at the American Horse School in Allen on the eastern end of the reservation. "There's no jobs. There's nothing for our youth, so a lot of time, they have nowhere to go and nothing to do."

USA TODAY · THURSDAY, JULY 8, 1999

Boston Globe
July 8, 1999
A23

Depths of despair

Clinton, in first such reservation visit since FDR, vows: 'I'll never forget you'

By Ann Scales
GLOBE STAFF

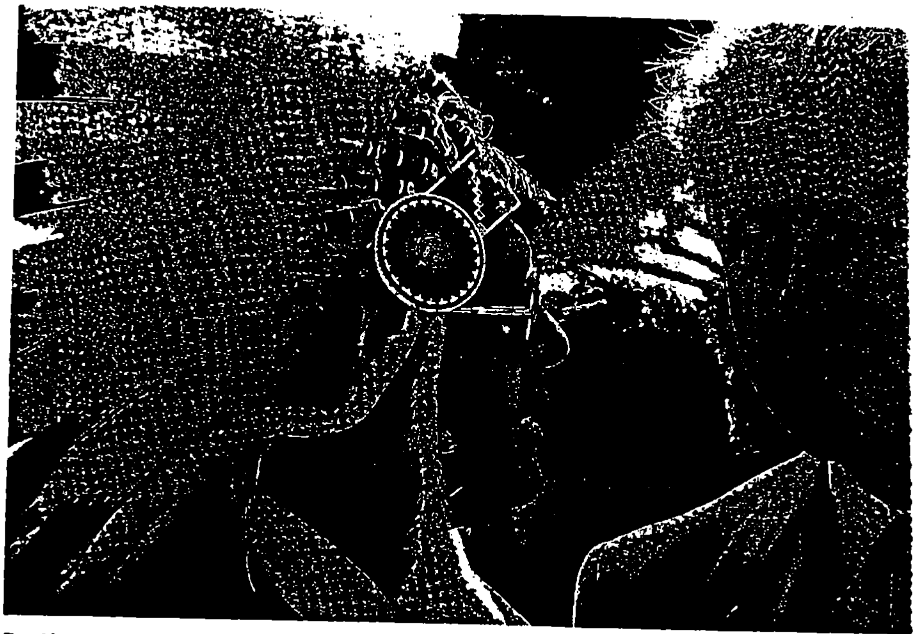
PINE RIDGE, S.D. – After touring an Indian reservation yesterday where many of the homes lack running water and unemployment is 73 percent, President Clinton said the government had neglected such communities, and "that is wrong," especially considering the nation's prosperity.

Clinton brought his four-day tour of some of America's most impoverished communities to the poverty-plagued Pine Ridge Indian Reservation in the picturesque Black Hills. What he found was much different from any of the rural and inner-city urban areas he has visited on his six-state trip.

Alcoholism is rampant, decent housing is scarce, and basic services such as water, sewer, and safe roads cannot be counted on.

Geraldine Blue Bird, 44, who lives with 27 members of her extended family in five bedrooms in a trailer connected to her house, told Clinton she lived from hand to mouth.

"You have suffered from neglect, and you know that doesn't work," the president continued. "You have also suffered from the tyranny of patronizing, inadequately funded government programs, and you know that doesn't work."



President Clinton chatted yesterday with Harold Salway, president of the Oglala Sioux, at the Pine Ridge Indian I

cannot be counted on.

After touring the Igloo housing neighborhood, a one-block area of rickety clapboard frame houses that were formerly used by the US military, Clinton told reporters: "We have to find a way not only to fix this, the very difficult housing circumstances, but to get them jobs."

Geraldine Blue Bird, 44, who lives with 27 members of her extended family in five bedrooms in a trailer connected to her house, told Clinton she lived from hand to mouth.

Sitting with the president on her front porch, Blue Bird said she sets up a small taco stand near her house, taking the profits from that to buy her children the clothes or school supplies they need. Keeping warm in winter, she said, can be difficult because she seldom has the $50 to pay for the propane gas truck to come make a delivery.

While Clinton administration officials acknowledged that the federal government may need to take on a bigger role in helping to create housing on the reservation, Blue Bird told the president, "It would really mean a lot to everybody if we could get jobs."

As Clinton prepared to leave, Blue Bird, weeping, told him, "Take a look around our town, we have problems. ... Don't forget us."

The president responded, "I'll never forget you."

Clinton's was the first visit by a sitting president to an Indian reservation since Franklin D. Roosevelt visited a Cherokee reservation in North Carolina on Sept. 9, 1936.

"We know well the imperfect relationship that the United States and its government has enjoyed with the tribal nations," Clinton said later in a speech to tribal leaders and others gathered here at a high school.

Pine Ridge was the site of the 1890 Wounded Knee massacre in which 300 Indians were slain.

Housing and Urban Development Secretary Andrew Cuomo called Pine Ridge "the metaphor" for Clinton's antipoverty trip. "It is the poorest census tract in the United States, period."

And after logging many miles traveling to poor communities nationwide, Cuomo said, "the feel on the reservation has the highest level of despair in any community that I have visited."

Clinton, in his remarks to tribal leaders, invoked the memory of former senator Robert F. Kennedy, who came to Pine Ridge 31 years ago.

Clinton said Kennedy "brought a message of hope."

"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," he said.

Clinton announced a partnership among the Treasury Department, HUD, tribal governments, and mortgage companies to help 1,000 Indians become homeowners over the next three years. This figure, though small, nonetheless would double the number of government-insured home mortgages issued on tribal lands.

Under the effort, "one-stop mortgage centers" would be opened at Pine Ridge and on the Navajo Reservation in Arizona to help streamline the mortgage lending process.

The president flew to Arizona later in the day, touring the facilities of La Canasta, a successful food producer, to highlight the needs of the Latino community in South Phoenix.

"Our country has been really blessed by these good economic times," Clinton said. "But we know, as blessed as America has been, not every American has been blessed by this recovery. All you have to do is drive down the streets of South Phoenix to see that."

WALL STREET JOURNAL
JULY 8, 1999
A20

As Clinton Poverty Tour Nears an End, A Tough Task Looms: Selling Congress

By JEANNE CUMMINGS
Staff Reporter of THE WALL STREET JOURNAL

PINE RIDGE, S.D. — Joe Paurier, an Oglala Lakota Sioux, remembers when the rivers were clean and most people had jobs working for the government building schools or roads. Now, most of his neighbors don't work and the children have to ride a bus to the nearest swimming pool.

But there was an air of anticipation and hope on this remote reservation on the Great Plains. "The great white father finally makes his appearance," said the 66-year-old former telephone-company employee as he awaited the arrival of President Clinton.

Less than an hour later and directly after a tour of dilapidated reservation housing, Mr. Clinton took the stage with several business leaders and cabinet members to commit the federal government to a partnership with this tribal nation in its fight against poverty. "I have seen today not only poverty but promise," Mr. Clinton told a crowd of several hundred. "And I have seen enormous courage."

After a steady stream of sweaty, flag-waving crowds and headline-grabbing announcements about $750 million in private business investments in distressed communities, Mr. Clinton will wrap up his four-day poverty tour with a roundtable discussion in California on training disadvantaged youth for the jobs of the next century. Then, the real work will begin for the White House and the communities that now have a stake in his New Markets Initiative, a program designed to encourage venture-capital investments in chronically poor pockets of America.

In the months ahead, the president must push his proposal for new tax breaks and government loan guarantees through a Republican-controlled Congress that is advocating its own antipoverty plan. Mr. Clinton also may face some resistance from some liberal Democrats who have all but accused him of trying to enhance his legacy on the backs of the poor.

White House aides say the president's economic program and other specific initiatives already have done much for the poor; for proof, they point to the record low unemployment rates for blacks and Hispanics. And Mr. Clinton says he will pitch the program to Republicans by arguing that it carries little risk. "If this doesn't work, nobody will be claiming any of the tax incentives," he said.

While the White House focuses on passing legislation, the targeted communities must marshal the business, civic and political leadership vital to attract investors and compete against other distressed areas for investment money.

It is a particularly difficult job in communities with long histories of neglect and disorganization. In Pine Ridge, for example, the unemployment rate is 73%, alcoholism is rampant, and such basic utilities as water and sewers aren't always available. In fact, President Clinton unveiled programs that focused on improving the water supply and expanding home ownership, because officials had concluded the community isn't ready to tackle the more complex issues of accessing business capital.

Similar challenges lie before all of the areas Mr. Clinton visited this week, from Appalachia to inner-city Los Angeles. The president was among the first to offer a note of caution: "Look, we're all going to have to work hard at this," Mr. Clinton told an audience in East St. Louis, Ill. "Nobody's got all the answers. There is no magic wand."

Even so, there was a bit of magic in Mr. Clinton's trip. It could be seen in the faces of people from humble communities who stood in broiling sun for hours to see the first president in decades to visit their community. Mr. Clinton is the first to visit Appalachia since President Lyndon B. Johnson and the first to tour an Indian reservation since President Franklin D. Roosevelt, White House aides said.

In the 1960s, John Robert Morgan was devastated when President Johnson was photographed standing before a shack in Martin County, Ky., because he felt it only reinforced the hillbilly stereotype of the region. The Knott County Circuit Court judge's family has lived amid the breathtaking beauty and the economic hardships of the Kentucky mountains since 1843. "We are not the stereotype and we have not been for a long time," he said.

As a son of the South who faced similar stereotypes when he ran for president, Mr. Clinton purposefully took a different tack. While he toured troubled areas in Appalachia, the Mississippi Delta, South Dakota and in urban areas, he also visited businesses that are succeeding.

Mr. Clinton's carefully crafted message to potential investors: This area needs help but isn't hopeless. "Good people are living in Indian country, and they deserve a chance to go to work," Mr. Clinton said.

But the president's use of the bully pulpit to convince businessmen to consider investing in these "new markets" is just the first step in the long climb out of poverty. In the end, the local community must stand on its own and private industry has to take a chance.

Locating a plant in a depressed urban or rural area is the easy part, business leaders say. Finding and training supervisors, transporting workers to the plant, and convincing outside executives to move their families to remote locations is much harder.

Aetna Inc. Chairman Richard Huber traveled with Mr. Clinton for half of his tour, and along the way he was sizing up potential work sites. During a tour of a plant in Kentucky, Mr. Huber pulled aside the supervisors and gathered intelligence on turnover rates and the general performance of local workers. "They've had some good success," he said. "There are some problems with educational levels, but we're familiar with that."

On the upside, Mr. Huber said, locating a business in an economically distressed area can make it easier to keep good employees for one simple reason: "There isn't any competition."

THE WALL ...

⑤
Print Local Coverage

ARGUS LEADER - SIOUX FALLS PAPER
JULY 8, 1999

Clinton promises job growth

By PATRICK LALLEY
Argus Leader Staff

published: 7/8/99

PINE RIDGE -- President Bill Clinton walked down a street with no name here Wednesday and met Geraldine Bluebird. The 27 members of her extended family live in a tiny blue house and adjoining trailer.

From her front porch, a tearful Bluebird told Clinton how she buys school shoes for her children on a layaway plan and shuns heat in the winter because it costs $50 to bring a propane truck to her neighborhood.

Later, Clinton announced a series of proposals intended to help Bluebird's family and the rest of the 26,000 residents of the Pine Ridge Indian Reservation lift themselves from the helplessness of chronic poverty. The president unveiled a list of incentives intended to spur job growth by turning the attention of corporate America to the eager labor pool and potential customers of depressed areas like the Pine Ridge Indian Reservation.

He also signed a proclamation making Pine Ridge an empowerment zone. The designation will release $20 million in federal money for local economic development programs and allow tax breaks for companies that invest on the reservation.

While the rest of the country has flourished with low unemployment, rising incomes and government surpluses, the reservations, other rural areas and inner cities still languish with high unemployment and sluggish economic activity, Clinton told more than 4,000 people.

"When these things still persist, we cannot rest until we do better," he said. "And trying is not enough. We have to have results."

The president came to the reservation in southwestern South Dakota on his New Markets Tour, a four-day, six-stop trip through economically depressed areas of the United States. The intent of the visit, which included an entourage of congressmen and national business leaders, was to encourage private sector investment in areas bypassed by the longest peacetime expansion in the nation's history.

Wednesday afternoon, the tour headed for Phoenix before ending today in Los Angeles. The president also visited the Appalachian highlands of Kentucky, the Delta region of Mississippi and East St. Louis, Ill., before coming to South Dakota Tuesday evening.

Tensions had been high in Pine Ridge in anticipation of Clinton's visit. On the previous two Saturdays, marchers walked the two miles to neighboring Whiteclay, Neb., to protest liquor sales in the tiny town.

Violence broke out the first week, when a small group of vandals broke the windows and looted a grocery store after the marchers had left. The following week, famed American Indian Movement activist Russell Means was arrested after crossing a police line.

The group also wants information about two unsolved murders of Pine Ridge residents whose bodies were found last month near Whiteclay.

But a peaceful protest planned for Wednesday was cancelled. Another march is scheduled for Saturday.

One of the protest organizers, Tom Poor Bear, rode in the presidential motorcade.

"I will tell the president, 'Welcome to our land,' " said Poor Bear, who has set up Camp Justice, a small tepee village near Whiteclay. "I'm happy for the good of the economy of the Lakota Nation."

Surrounded by the piles of used car tires and discarded furniture in Bluebird's neighborhood, the reservation's squalid living conditions were clear.

The unemployment rate on the Pine Ridge Reservation is 74 percent. Many homes don't have adequate plumbing, the life expectancy for residents is the shortest of any group in the nation and the high school drop-out rate is about 60 percent.

But, the president said later, he found a little hope.

"I have seen today not only poverty but promise, and I have seen enormous courage," he said during an address at the Oglala Community Schools.

It was the first time that a sitting president has visited Indian country since Franklin Delano Roosevelt. Only Calvin Coolidge had been to Pine Ridge, and that was part of a vacation to the neighboring Black Hills.

The United States has a unique opportunity to address the lingering problems of life on the reservations, said the president.

"If we can't do this now, we will never get around to doing it," he said. "So let us give ourselves a gift for the 21st century, an America where nobody gets left behind and everyone has a chance."

A receiving line of tribal elders wearing traditional headdresses decorated with eagle feathers greeted Clinton when he arrived via helicopter at the Pine Ridge airport.

The president then toured the Igloo housing development, a cluster of former military barracks converted into homes. Clinton walked the street, popping into three of the homes for quick tours.

The next stop was a new housing development that tribal and government officials hope will be a model for future efforts. The homes are manufactured off site and moved onto poured basements.

A nonprofit group formed by the tribe and funded with federal money subsidizes the homes, but families that move in take out low-interest mortgages to buy the houses.

Clinton was received warmly during the speech, which included a greeting in Lakota, the traditional language of the Sioux Tribe.

But the most enthusiastic response was reserved for the Rev. Jesse Jackson. Several times the crowd put up loud cheers for the leader of the Rainbow Coalition.

Earlier, the former presidential candidate said he supports Clinton's New Markets Initiative, which he said were an offshoot of his coalition's Wall Street Initiative.

"The real issue isn't the race gap, it's the resources gap," he said.

But some of Clinton's hosts remained skeptical -- and grumpy that American Indians, so long in the background of American life, were again being used as a backdrop, this time for a president's poverty tour.

"There have been generations of broken promises," said Butch Denny, president of the Santee Sioux Tribe in neighboring Nebraska. "It's hard to get me hook, line and sinker."

After the president left town, Bluebird basked in the few minutes she sat chatting with the leader of the free world. He was a pretty good guy who just might do something good for the people of Pine Ridge, she decided.

ARGUS LEADER - SIOUX FALLS PAPER
JULY 8, 1999

Tribal teens want more than hope

by David Krantz
Argus Leader Staff

published: 7/8/99

PINE RIDGE -- The elders here say President Clinton brought young people the hope they need.

But the town's teen-agers say it will take more than that to keep them from looking for a better world outside the reservation.

On Wednesday, Clinton brought Pine Ridge residents news of jobs and housing programs -- a federal government response to decades of poverty that have mired this reservation among the poorest areas in the nation.

"This is a good place to invest, a good place to live in Indian Country," Clinton said. He spent the morning touring housing areas, meeting residents and talking about his ideas to stimulate the reservation economy.

"I think he gave us hope for the young people. We want to keep them here. We don't want our young people leaving," said Dawn Little Sky, 70, of Pine Ridge.

"But after he leaves, it is going to take all kinds of help, support from our congressional delegation."

The president's message was not good enough for 13-year-old Don Giago.

"I don't want to stay here -- too trashy, too much violence," he said. "Sometimes I get kinda scared living here."

Like most kids here who play pickup basketball games on rundown outdoor courts, Giago wants to play professional ball someday. And if he makes it big, he will return some of his profits to the community.

"But right now, I don't want to stay. Too many gangs," he said.

Cody Morton, 19, shares some of Giago's concerns and is skeptical about Clinton's visit. He has finished high school and wants to leave.

"He has never done anything to help the Indians before. Now he thinks he can heal everything in a day," Morton said.

Morton wants to get computer science training and says he will go to Texas to do that.

Like many reservation residents, Morton knows it will be tough to leave. When he thinks about what is good here, two things come to mind.

"My family and the beautiful countryside. When I wake up in the morning, I feel good just in knowing that my mom and dad are sober, and they are still together after 25 years."

Dorothy Kocer, 84, of Pine Ridge, wants young people to give Clinton's ideas a chance.

"At least they will have a chance to live in a nice house, nicer than when I was growing up. Yet I was happy," she said.

Chick Big Crow is trying to reinforce the idea that young people can succeed here. She runs the SuAnne Big Crow Recreation Center on the east edge of town.

Her daughter, SuAnne, died as a teen-ager, and now Big Crow hopes she can make a difference as a tribute to the girl's memory.

"I am glad Clinton is visiting. I wished I could have brought him here to the center, show him what we are doing. We are trying #to encourage a healthy lifestyle. He's big on youth," she said

Holly Warrior knows the benefits of Big Crow's work. She attends the University of South Dakota and hopes to go to medical school. She works summers for Big Crow.

And this visit from Clinton won't hurt, she said.

"If he can generate more jobs, that will be good, anything but another food business," she said.

On the streets of Pine Ridge, a great deal of complacency also greeted Clinton's arrival.

"There is a festive mood and a lot of people have a lot of hope, but it will take more than a presidential visit," said Bat Pourier, owner of Muddy Creek Oil & Gas Inc. Pourier, 47, stayed on the job while Clinton spoke at the high school.

Leonard Pleasent, 38, also sees both sides of opinion on the president's visit. As supervisor of the tribal security office, he distributed tickets to the president's speech.

"It is one of the biggest things ever to happen here, but I don't see him as a miracle worker. It gives people hope, but a lot of people don't pay attention to the visit," he said.

Rita Stoldt stood along the motorcade route with her four grandchildren, waiting for Clinton to pass.

"Thank you for coming, Mr. President. We need you," she said.

"I want him to bring jobs, make that possible. Then I think they can be anything they want to be."

News of the Clinton visit saturated the cable news airwaves. Ted Good Voice Flute, 44, watched the reports with interest.

"It's time they noticed," he said.

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INDIAN COUNTRY TODAY
JULY 8, 1999

Housing needs are top priority

By Jennifer Peterka
Today staff

PINE RIDGE, S.D. — Seventeen years ago, the Belleron Blue Bird and his wife, Lucille, put their name on the Oglala Sioux Tribe Housing Commission list for Housing and Urban Development housing.

They are still waiting. While they wait, the seven-member family makes its home in a one room, 400-square-foot rented shack.

Although rent payments are only $50 a month, the home lacks plumbing and heat. There is also little room for much else after the family has crammed in two beds, a refrigerator and a gas stove the family uses for cooking and to heat the home in winter. An outhouse, recently donated by the National Association for American Indian Children and Elders, is a welcome addition.

To say the family is desperate to have a new home is an understatement.

"I have even literally had to chase down the housing commissioner to find out where we are on the list and to get some answers from him," said Belleron Blue Bird.

"We need a house. We live day by day, hoping for the best. Just some more space is all we need," said Lucille Blue Bird, 31. "Our oldest daughter is now 12 and she really needs some privacy." She and other family members urgently want to escape the home where the ceiling sags and leaks, because of cracks and water damage.

Even if the family was given the opportunity to buy a new or even used home, they aren't sure they would be able to make the monthly house payments.

Zona Fills the Pipe, 91, was also present when President Calvin Coolidge visited the reservation in 1927.

Belleron works for the Tribal Job Work Experience Program and makes $27.50 a week. Lucille makes approximately $50 a week selling Indian tacos on the street. Their income is supplemented by welfare. Belleron said he once had a good steady job working for the tribe but was replaced by a relative of one of the tribal council member's relatives. "There are very few jobs here."

An unemployment rate of nearly 75 percent leaves many families to exist on government or tribal assistance programs.

The Blue Birds are not the only Pine Ridge residents to share this sentiment. During President Clinton's visit he toured the Igloo Housing community where he met with families who had as many as 28 people living in one home. Thousands of members of the Oglala Sioux Tribe live with more fortunate family and extended family.

"Tiospaye," Lakota for families taking care of their own, is a traditional act that results in a typical household of more than 10 members, often up to 20 or 30.

Tribal housing officials estimate more than 4,000 homes are needed to address the housing problem on the reservation, made even worse by the tornado that struck the reservation's Oglala community in early June.

President Clinton seemed visibly moved by the living conditions of children he was encouraging to stay in school, go on to college and to hold on to and live out their dreams.

Parents eagerly told the president how far they had to go to make ends meet and many said they would rather have a job than live on government assistance.

"I have seen today not only poverty but promise and I have seen enormous courage," he said.

"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."

"We can not rest until we do better and trying is not enough we have to have results. We can do better … 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 and inadequately funded government programs and you know that doesn't work."

A federal-tribal housing program is helping families buy newly built three-

Please see Housing A2

The importance of President Bill Clinton's visit to an Indian reservation — the first time a sitting president has visited in more than 60 years — was emphasized by the presence of more than 100 elected tribal officials from across the nation.

A Housing and Urban Development and economic development summit in Rapid City and on the Pine Ridge reservation coincided with the president's visit.

Chairman Tex Hall of the Three Affiliated Tribes in North Dakota attended the July 7 gathering and was also present at a May 12 meeting at the White House along with other tribal officials from the Aberdeen Area and some from Montana. The White House meeting was unprecedented and brought encouragement to those who attended, according to many people who were there.

About the president's visit, Hall had this to say:

"Just a few days ago, President Clinton removed the bald eagle from the endangered species list. In the past, I've felt a little bit like the bald eagle of yesteryear — endangered. With the future of my people uncertain.

"Today, I'm more optimistic. I'm confident that with the president's visit to Indian country tomorrow and with his continued support Indian people throughout this nation will begin to prosper and like the bald eagle one day we'll be removed from the endangered species list as well.

"As we move forward toward the 21st century, it is time for tribes to work together to solve our common problems. In the past, we treaty tribes were told we had a Great White Father who sat in Washington. But these are new times. We need to close the door to the past. President Clinton, with his visit here and New Market Initiatives, is pointing us in a new direction. He's offering us a chance to improve the lives of our people."

INDIAN COUNTRY TODAY
JULY 8, 1999

Salway says Oglala vision can tap into initiatives

"As president of the great Oglala Lakota Nation, I welcome you here to this historic event.

"Never in the history of the United States has a sitting president come to Indian country to conduct a government to government visit," Oglala Lakota Nation President Harold Salway told the more than 5,000 gathered for President Bill Clinton's visit to the Pine Ridge reservation.

"President Clinton, on behalf of this nation, as well as Indian nations across this country, welcome to the Pine Ridge Indian reservation.

"Welcome also to the hundreds of people joining us from all across the United States as part of the HUD Shared Vision housing conference taking place on this reservation today. This is a monumental gathering of Indian leadership from every corner of America and another historic first."

His remarks followed the blessing by Arvol Looking Horse, 19th-generation keeper of the Sacred White Buffalo Calf Pipe.

"Spirituality is the foundation of what guides us. It guides us over our decisions as nations and our daily lives as individuals. The strength of Native people comes from spirituality. The Great Spirit sends his message to our spiritual leaders to guide us and show us the virtues of life — generosity, courage, wisdom and humility.

"But while spirituality is our foundation, our land is our identity. The Lakota has had a long history on this land, filled with trials. The land tests us, teaches us. Even today we have unresolved land issues with the federal government. The Oglala Sioux Nation will continue to try to educate others about the sacredness of this land and the strength of our treaties.

"The exchange of the 1868 treaty pipe you just witnessed with Millie Horn Cloud, who is the keeper of the treaty Pipe, reminds our people of our nation and our land.

"This land has taught our people to be a strong and persevering nation. I'm humbled by the leaders that have come before me. Crazy Horse, American Horse, Little Wound, Afraid of His Horse, Red Cloud, Sword, Bull Bear, ... Red Shirt and all the other leaders in the past that have fought for our lands.

"All of these men have set the direction for the leadership of today," the Lakota president said. "I think these men would agree that this historic meeting with the United States president, on our hallowed land, will have a lasting impact for our people.

"President Clinton is here today to share his New Markets Initiative, his vision for the economic development potential that has remained untapped here on Pine Ridge and throughout Indian country. We will be forever indebted with gratitude to you, Mr. President. You opened the doors to Indian people with the tribal leaders' summit you graciously hosted in 1994, helping the spirit of democracy to eternally shine. We hope that your legacy of dialogue with tribes continues on forever.

"All the people you have profoundly touched will never forget your kindness and generosity. For me this is a great opportunity to remind the rest of America that Indian people walk in both worlds. We hold our culture, our traditions and our lands sacred. But we continue to adapt and grow as part of the American community.

"To give some glaring realities and examples of our hardships today, Pine Ridge faces many challenges — nearly 60 percent of the young people on reservations live in poverty, life expectancy for the Oglala men is the lowest in the United States. We have more than 4,000 families waiting for homes and our current housing is in serious disrepair. Twenty percent of Oglala houses lack basic plumbing.

"Unemployment in our community is recorded as high as 73 percent, plus. We have seen this rate soar higher and higher in harder and worse times," Salway said.

"Both these challenges persist here at Pine Ridge. We have our own vision for tapping the potential which President Clinton has come to discuss with us today. We are laying the ground work for the New Markets Initiative to succeed.

"For example the federal government zone designation will pave the way for economic development. This was a monumental accomplishment. For the Oglala Lakota Nation to come together to set goals for improvement, housing, roads, infrastructure and jobs.

"This designation as an Empowerment Zone will help us provide the resources to meet these goals. The Housing and Urban Development Partnership for Housing is another example for the groundwork we are laying today, a model, a paradigm if you will, for all tribes everywhere to learn from.

Salway went on to say, "Secretar Cuomo and I have worked together t establish a partnership. This model pro ject is already succeeding on the Pin Ridge Indian Reservation. It's done b encouraging home ownership and pro viding Indian people the tools to buil financial independence through invest ments in themselves and their familie for generations.

"It is an honor to have Secretar Cuomo with us today and a privilege t introduce him. He is a powerful voic for the people and places yet to benef from the national prosperity. Last yea Secretary Cuomo visited Pine Ridge an realized what was needed to make a dif ference.

"For his commitment to Indian coun try, Secretary Cuomo has been adopte by a Native American tribe. We Oglala also consider him family.

Issue: Pine Ridge
Paper: Omaha World-Leader
Date: July 7, 1999
Title: Clinton Visit to Pine Ridge Called Historic
Byline: LESLIE REED, WORLD-HERALD BUREAU

Pine Ridge, S.D. - As a drum corps chanted a Lakota honor song, President Clinton greeted Oglala Sioux elders Wednesday shortly after his arrival on a historic visit to the Pine Ridge Indian Reservation.

Wearing eagle feather headdresses and other colorful attire, tribal President Harold Salway and 11 other elders stood in a receiving line. The president spoke to each of them briefly before the group departed in a motorcade to view public-housing areas on the reservation.

The president's Marine One helicopter touched down at 9:33 a.m. MDT, marking the first visit to a reservation by a sitting president since Franklin D. Roosevelt. Clinton was accompanied by numerous officials and dignitaries, among them the Rev. Jesse Jackson. Agriculture Secretary Dan Glickman arrived with a retinue of Washington staff.

Clinton planned to spend three hours at the reservation as part of a four-day national tour of what the White House calls "pockets of poverty."

Clinton's visit to the reservation was meant to bring attention to American Indians, who are so wracked by grinding poverty that Clinton's advisers suggested he come up with special proposals specifically for the Indians' plight.

The president announced a series of economic incentives expected to help American Indians build and own homes on the reservation.

He planned to participate Wednesday in a conference on American Indian homeownership and economic development. He also was touring a housing facility and signing a pact with Oglala leaders to establish an empowerment zone for Pine Ridge.

The dire need for housing on the reservation was one reason why many residents eagerly awaited the president's visit and the housing and industrial initiatives that came with it.

More than 4,000 people are on waiting lists for homes on the reservations, a shortage that worsened in June when a tornado destroyed more than 60 homes near the village of Oglala.

Bruce Pipe On Head, a bus driver for the Bureau of Indian Affairs, said he and his wife, Gloria Warrior Pipe On Head, have been on a waiting list for a home for 11 years.

Even though he owns 20 acres on the reservation, Pipe On Head can't get financing to build on his land. He must wait for a house to be built on tribal property. Meanwhile, he and his family live in a mobile home.

Although many people lined the streets of Pine Ridge hoping for a glimpse of the president's motorcade, the visit was receiving mixed reactions.

"Some are excited, some say bad words," said Melvin White Bull.

Said Richard Little Bear: "It's a once in a lifetime."

Pipe On Head noted that the visit comes late in Clinton's term in office and wondered why it took so long for the president to pay attention to the reservation and its needs.

There was no sign of protesters, something that had worried organizers after recent looting and rioting by Indians in the neighboring Nebraska community of Whiteclay.

At the village of Pine Ridge, a scrolling marquee at Big Bat's Texaco expressed both joy about Clinton's visit and wariness of all the official attention. "Welcome President Clinton. Remember Our Treaties," the sign read.

According to statistics from the Census Bureau and the Bureau of Indian Affairs, there are 1.43 million Indians living on or near reservations. Roughly 33 percent of them are children younger than 15, and 38 percent of Indian children aged 6 to 11 live in poverty, compared with 18 percent for U.S. children of all other races combined.

Only 63 percent of Indians are high school graduates. Twenty-nine percent are homeless, and 59 percent live in substandard housing. Twenty percent of Indian households on reservations do not have full access to plumbing, and the majority - 53.4 percent - do not have telephones.

An estimated 50 percent of American Indians are unemployed. At Pine Ridge, the problem is even more chronic - 73 percent of the people do not have jobs.

Housing Secretary Andrew Cuomo, who visited the reservation last August, said Pine Ridge is a metaphor for the poverty tour because it sits in Shannon County, the poorest census tract in the nation.

"This is generations of poverty on the Pine Ridge reservation, with very, very little progress," Cuomo said.

"We didn't get into this situation in a couple of weeks and we're not going to get out of it in a couple of weeks. It's going to take years," he said.

To begin addressing the housing problem, Clinton announced a partnership among the Treasury Department, the Department of Housing and Urban Development, tribal governments and mortgage companies to help 1,000 Indians become homeowners in the next three years - a small number that nonetheless would double the number of government-insured home mortgages issued on tribal lands.

With the effort, "one-stop mortgage centers" would be opened at Pine Ridge and on the Navajo Reservation in the Southwest to help streamline the mortgage-lending process.

Cuomo said special steps were needed to help Indians create and own houses because the nature of the land on which they live effectively shuts them out of conventional home-loan processes.

"The land is held in trust. The bank doesn't want to take it as collateral because it's in trust," Cuomo said. "So the main asset on the reservation - the land - can't even be used."

Also, two of the country's largest municipal securities underwriters, Banc One Capital Markets and George K. Baum & Co., committed to underwriting $300 million in bonds annually for five years to create a market for reservation mortgages. Those bonds would help raise $1.5 billion that could be lent to tribes, tribal housing authorities and individuals for buying houses.

Among the Clinton administration initiatives were a HUD and Oglala Sioux partnership to have 50 new homes built on the reservation and ready for home buyers by early next year.

Clinton promises included $1.6 million in new rural housing and economic development grants for all of the Indian reservations in South Dakota.

The Associated Press contributed to this report.

Issue: Pine Ridge
Paper: Omaha World-Herald
Date: July 09, 1999
Title: Clinton Brings Fresh Hope to Pine Ridge
Byline: DAVID HENDEE AND LESLIE REED, WORLD-HERALD STAFF WRITERS

Pine Ridge, S.D. - Sitting on the shady porch where President Clinton sat 24 hours earlier, Eli Bald Eagle pondered what it all meant.

Bald Eagle is 39 years old. He has a ninth-grade education. He sometimes works as a laborer.

And, he said, he was drunk not long before the president of the United States came to town to sit on the porch of the tiny World War II-era house where he and about two dozen others live. It's one of impoverished Pine Ridge's bleakest corners.

"If he was sincere about what he's saying might happen, then something might happen," Bald Eagle said Thursday. "I hope it will. What I want mostly out of all this is a good job. Any job."

Clinton's visit Wednesday to this tribal capital of the Pine Ridge Indian Reservation brought fresh hope for the future and enthusiasm to tackle employment, housing and social problems that have plagued the Oglala Sioux for generations.

Clinton is launching an initiative to link Indian tribes and outside businesses to improve housing, increase homeownership, create jobs and educational opportunities, and spark economic development on reservations across the United States.

The need is great.

The average unemployment rate for Indians is 50 percent. It's 73 percent on the Pine Ridge reservation. Per capita income for Indians is 57 percent of that of the general population. Thirty percent of employed Indians don't make enough money to rise above poverty guidelines. Twenty-eight percent of houses are overcrowded or lack kitchens or plumbing.

Poverty on the reservation has forced Oglala Sioux to make difficult choices between the community and culture the reservation offers and the hope of prosperity in urban areas.

Bruce Pipe on Head, a bus driver for the Bureau of Indian Affairs, said he prefers to live on the reservation even though it's been nearly impossible for him to obtain the home he wants for his family.

Pipe on Head joined the Army after high school and lived in Denver and in Rapid City, S.D., before returning home to the reservation.

"I tried the urban thing," he said. "Too much asphalt."

Pipe on Head is full-blooded Sioux. But he's increasingly in the minority as fellow tribal members seek better lives elsewhere.

Pipe on Head and his wife, Gloria, live with two sons and a foster daughter in a mobile home on 20 acres they own near the village of Oglala. They were lucky. Their mobile home was less than a mile from the area where a tornado destroyed more than 60 houses - many of them mobile homes - last month.

Pipe on Head hopes to build a four-bedroom house with a basement, financed through the housing authority.

He said he's been on a waiting list for housing for 11 years. He said no bank will offer a mortgage to build a home on his land. Financing the home through the tribal housing authority involves a long wait, and the home must be built on tribal property.

He has no idea how long it will be before he can get the house. He may end up buying a double-wide mobile home and putting it on a foundation on his acreage.

Some of those who listened to Clinton's presentation on Wednesday said it could offer high hope for the future of the reservation. They were cautious, however, about whether the ambitious plan will come to fruition.

"There's been a lot of broken promises over the years," said Ghost Elk Iron Cloud of Rapid City, who reared his family in the city because of lack of opportunities on the reservation.

"There's hardly any jobs here," he said. "The young people have to leave the reservation to get jobs. They have to go to the city."

His married daughter, Michelle Crazy Thunder, said she would have preferred to have grown up on the reservation.

"You miss out on learning your native language," she said. "I grew up without learning to speak Lakota, and now my kids aren't learning the language. That's two generations. It's got to stop."

Charles High Hawk, a general construction worker, said he returned to the reservation this summer after finishing a home construction job near Wheatland, Wyo.

His wife, a computer operator, didn't come with him. The couple's three children, ages 9, 7 and 3, remained behind with their mother.

"She says it's too depressing - no jobs and the economy," he said.

High Hawk said he and his wife have lived on the reservation only three of the 11 years they've been married. He hopes that if the new initiatives bring more jobs and better housing, his family may be reunited on Pine Ridge.

"We're willing to move back here, but the job market doesn't allow it," he said. "Hopefully, this will bring about changes."

Oglala Sioux Tribal President Harold Salway is confident that the reservation is on the edge of momentous changes.

He cited:

A federal program to help build dozens of new houses in Pine Ridge this year and next.

The designation of the reservation as an Empowerment Zone that will pour $20 million into the Pine Ridge reservation during the next 10 years to assist with local economic developments.

The chance to make the reservation a national model in the new initiative to link private business with economically depressed areas.

Salway dreams of new health-care facilities, substance-abuse treatment centers, roads, tourism and an invigorated agricultural industry. He wants a new airport capable of bringing in tourists and importing and exporting goods.

Foreign tourists, Salway said, come in record numbers each year to the Dakotas and Wyoming to see Yellowstone, Jackson Hole and the Black Hills.

"But they're really here to see the Wild West, primarily the history of the Plains warriors," he said. "We can give them that."

Salway admitted he was still in the glow of Clinton's visit. As he talked of riding with Clinton while the president ate a blueberry bagel, Salway opened a small package wrapped in gold paper and the presidential seal.

"Holy smokes!" Salway said as he lifted the blue lid off the box to reveal a pair of presidential cuff links. "Wow!"

"I'll have to go find some real clothes now," he joked. "I'm wearing $50 shirts. Now I have to buy $300 shirts."

A few blocks away, Bald Eagle recalled the anxiety he felt when Clinton met with his aunt, Gertrude Blue Bird.

"I wasn't scared of him," he said. "I was scared of what he represents. But it was beautiful what he did here."

Clinton learned, Bald Eagle said, how the Oglala Sioux live.

"Here you are trying to struggle to survive and it's hard," he said. "He's given us a lot of hope and a lot of confidence in ourselves in what we've got to do and what we're going to do."

Bald Eagle said it might be too late for him.

"I'm 39 years old and I figure I can't get back what I lost of my youth, but these kids have a good chance," he said.

Santee Tribal Chairman Arthur "Butch" Denny from northeast Nebraska was among more than 100 tribal leaders from across the country who came to see the president.

He said Clinton's plans have ramifications for all of the nation's reservations.

"He wasn't talking just about Pine Ridge, he was talking about all of Indian country," Denny said.

But Denny, too, expressed reservations.

"It's one thing to promise and another thing to deliver," he said. "We'll see what happens."

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Photos

PRESIDENT CLINTON'S NEW MARKETS TOUR

Tapping America's Potential

Photo Gallery

President Clinton initials the document signed by Agriculture Secretary Glickman that establishes an Empowerment Zone for Pine Ridge.
July 7, 1999
Photo by Sharon Farmer

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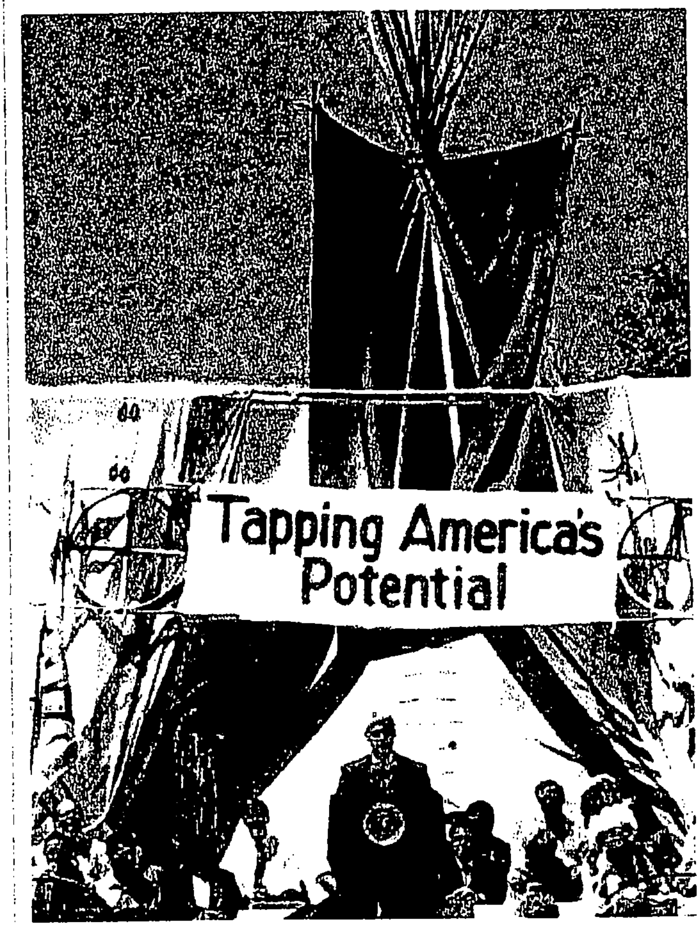
Associated Press

Associated Press Photo Wednesday 7 July 1999



President Clinton speaks Wednesday, July 7, 1999 in Pine Ridge, S.D., on the Pine Ridge Indian Reservation. The visit to Pine Ridge was one of the most dramatic of Clinton's tour, a campaign from Appalachia to inner-city Los Angeles aimed at encouraging investment in communities that haven't shared in the nation's good economic times. (AP Photo/Cliff Schiappa)

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PRESIDENT CLINTON'S NEW MARKETS TOUR

Tapping America's Potential

Photo Gallery

The President responds to cheers from the Pine Ridge Indian community. Joining the President on stage are, left to right, Oglala Sioux Nation President Harold Salway, Orval Looking Horse, and Rev. Jesse Jackson.

July 7, 1999

Photo by David Scull

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Reuters Photo Wednesday 7 July 1999

PINE RIDGE, S.D. (Reuters) - President Clinton stands with Oglala Sioux Nation President Harold Salway at an airport arrival ceremony on the Pine Ridge Sioux Indian Reservation Wednesday. Photo by Kevin Lamarque

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PRESIDENT CLINTON'S NEW MARKETS TOUR

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Photo Gallery

President Clinton comforts Geraldine Blue Bird as she cries over the living conditions in her Igloo housing neighborhood.
July 7, 1999
Photo by Sharon Farmer

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PRESIDENT CLINTON'S NEW MARKETS TOUR

Tapping America's Potential

Photo Gallery

An Oglala Sioux boy sits on a car bench outside of his home as President Clinton observes the living conditions in the boy's Igloo housing neighborhood.

July 7, 1999

Photo by David Scull

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Associated Press Photo Wednesday 7 July 1999

Cherokee chief Jerry Blythe gives President Franklin D. Roosevelt a bonnet of brown turkey feathers during the president's visit to the Cherokee Indian Reservation in N.C., in this Sept. 10, 1936, file photo. President Clinton visited The Pine Ridge Indian Reservation Wednesday July 7, 1999, in South Dakota, as part of his four-day, cross-country tour to highlight the plight of some of the nation's poorest areas and the "untapped markets" in America's inner cities and rural areas. Clinton's visitto the reservation was the first by a president since FDR passed through the Cherokee reservation. (AP Photo, File)

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South Phoenix

July 7, 1999

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Print National Coverage

NEW YORK TIMES
JULY 7, 1999
A16

A Classic Success Story Gets a Nod From Clinton

By TODD S. PURDUM

PHOENIX, July 7 — When Josie Ippolito was 7 years old, she loved to get up at 3 A.M. to help her father make tortillas in their small family shop in this struggling section of south-central Phoenix.

"There was just something about it that was very exciting," Mrs. Ippolito recalled. "And then at 7 o'clock I'd come home and be dead-beat tired and have to go to school."

More than 30 years later, Mrs. Ippolito is still getting up early to help make tortillas, but now she is co-owner of the family business, La Canasta Mexican Food Products, whose factory makes about 840,000 corn and flour tortillas and tortilla chips in each 18-hour day, for sale to the restaurant business nationwide. And as she rushed around this morning preparing for a visit by President Clinton, then ducking out to have her hair done, Mrs. Ippolito could scarcely contain her excitement — or her pride.

"We're here," she said, gesturing at the 25,000-square-foot factory, which the company built in 1994 with a $1.2 million loan from the Small Business Administration, nearly doubling its previous space. "We're making it."

Indeed, Mrs. Ippolito's business is a classic success story, chosen by the White House to hammer home the President's message about the benefits of Government and private sector investment in the pockets of urban and rural poverty that the booming national economy has passed by. Mrs. Ippolito, who owns the business with her mother and two of her sisters, is also part of a potent emerging demographic group here: businesses owned by minorities and women.

Since 1992, the Phoenix metropolitan area has ranked third among the nation's top 50 cities in the growth of businesses owned by women, going to 94,500 this year from 42,000, according to the National Foundation for Women Business Owners, and it ranked 15th in the nation in the overall number of businesses owned by women.

In 1996, the last year for which figures are available, there were 9,000 businesses in Phoenix owned by Hispanic women alone, employing 18,400 people and generating $1.6 billion in sales, according to the foundation, a nonprofit research group based in Silver Spring, Md.

When La Canasta emerged as the White House choice for Mr. Clinton's main stop today in this fast-growing city, some local Hispanic business leaders complained, said a former high-ranking local official who spoke on condition of anonymity. They thought a tortilla factory was a cliché, the official said, and wondered why the President did not visit one of the region's several Hispanic-owned companies like QuePasa.com, a booming Internet portal intended for Hispanic users.

But Mrs. Ippolito made no apologies for La Canasta's low-tech industrial processes, in which women still stretch flour tortillas by hand. "I'm very proud of the accomplishments we've made," Mrs. Ippolito said, noting that 60 percent of the company's 140 workers come from within three miles of the plant in a neighborhood that is part of a designated 19-square-mile "enterprise community" eligible for special Federal tax breaks. While the company does not disclose its annual sales, it is clearly thriving, preparing to expand into tortilla products to be sold in supermarkets.

This morning the start of a groaning buffet was already spread out for Mr. Clinton, who has long had a hard time resisting second helpings when it is Mexican day at the White House mess, and tonight, he took note of how many customers La Canasta's daily output serves.

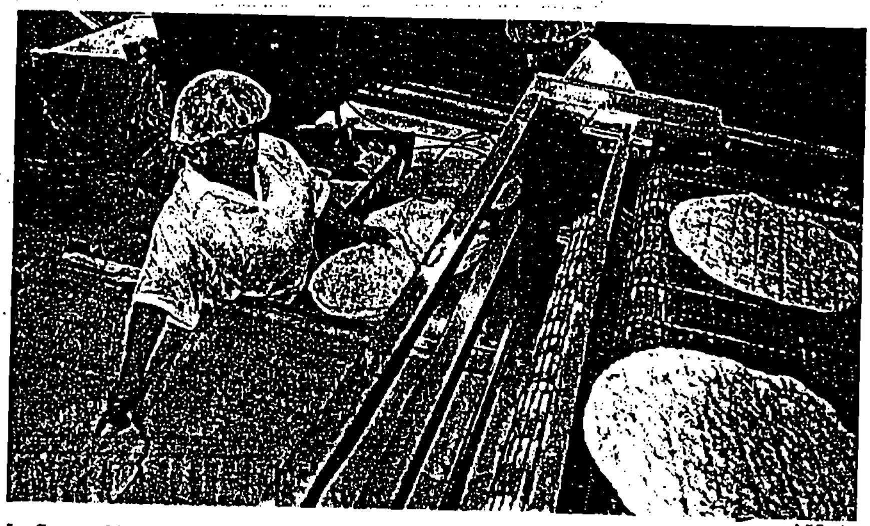
"Eight-hundred forty-thousand a day!" the President said. "That's a lot of people, you know. Of course, not everybody eats as many at one sitting as I do."

Mrs. Ippolito may have begun her tortilla-making career as a childhood lark, but she joined the business full time at the death of her father in 1974. Her mother was left with seven children, and Mrs. Ippolito went to work in the business, which had started as a neighborhood tamale stand.

"It was just a matter of survival at that point," she said. "We all had to lock arms and go on."

Now, as the White House talks up its proposals of tax incentives for new businesses in depressed areas, Mrs. Ippolito wants the President to know that even existing small businesses need special help.

"We've been here 39 years," she said. "It's nice to bring in new businesses. However, you don't forget those businesses that have a proven track record."



Jeff Topping

La Canasta Mexican Food Products in Phoenix is a family-owned factory that President Clinton visited yesterday as part of his tour of impoverished areas. Marie Arvizu worked on the tortilla production line.

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Print Local Coverage

LEVEL 1 - 1 OF 38 STORIES

THE ARIZONA REPUBLIC

July 8, 1999 Thursday, Final Chaser

SECTION: FRONT; Pg. A1

LENGTH: 745 words

HEADLINE: 'WE CAN DO BETTER';
PRESIDENT PITCHES HOPE IN SOUTH PHOENIX;
INNER CITIES TOUTED AS OPPORTUNITY

BYLINE: By Jane Larson, The Arizona Republic

BODY:

Saying huge opportunities remain in America's vibrant economy, President Clinton on Wednesday championed his administration's plans to make it easier for entrepreneurs to start or expand businesses, no matter how poor.

"American business needs to know there are good opportunities right now in inner cities and rural America," Clinton said.

"This is not about charity. This is about how to make money by helping people who are willing to work for themselves get a chance to do it."

An audience of about 200 listened to Clinton's discussion with entrepreneurs, business leaders and government officials, held inside the high-ceiling factory of La Canasta Mexican Foods.

Guests included bankers and business leaders, small-business owners and three rows of La Canasta employees clad in new white T-shirts and baseball caps.

Clinton said his New Markets initiative will make it easier for entrepreneurs to get the money they need to build and expand.

The president praised Phoenix-based Magnet Capital, a new Small Business Investment Company that will focus on lower-income areas, and he reminded the crowd that high-tech names like Intel Corp. and America Online got their start with U.S. Small Business Administration-backed financing.

He also pushed a proposal before Congress that will give tax breaks to investors who finance such ventures in the United States, "the same as we give to developing countries."

The round table was more a series of short speeches than a give-and-take discussion of small business issues. The panel included only two Phoenix entrepreneurs, though both are success stories in the Valley's Hispanic business community: Josie Ippolito of La Canasta and John Corella of the Corella Cos.

Corella, who grew his electrical contracting company with the help of set-aside programs aimed at minority-owned businesses, urged Clinton not to let the programs come under attack in Washington.

Such programs took his company to a level it could not have reached on its own, and it is now close to closing a deal that would make it the first Hispanic-owned telephone company, he said.

He also told Clinton that the New Market plans will take commitment from the heads of Fortune 500 companies, because "they can open doors."

The new SBIC will be an extension of the Arizona MultiBank's work with low- and moderate-income census tracts, said Andrew Gordon, president of the organization.

Univision's Myrna Sonora said her television company is building its new station in south Phoenix not just because the community it represents is there, but because it will have ready access to a labor pool. She urged Clinton to focus on training and education programs "so the people who live around us get to work around us."

Clinton also brought along national executives from the Safeway grocery chain and Enron, a Houston energy company.

Safeway's Steve Burd said the company built a new store at 16th Street and Southern Avenue in Phoenix because "there is plenty of business to be had" in the neighborhood. The chain has found in other cities that customers feel safe if the stores include a police substation, which will be added to the Phoenix store within months, he said.

Enron has started a investment company that has $50 million earmarked to provide equity capital to new businesses, Gene Humphrey said.

SBA Administrator Aida Alvarez drew applause when she told Clinton that the Hispanic community has a saying, "Si, se peude," or "Yes, we can." She said her agency is working on the programs that will bring venture capital to small businesses that will become future success stories.

Bob McGee of Southwest Business Financing Corp., which, along with M&I Thunderbird Bank and SBA guarantees, financed La Canasta's new factory, said there is a great need for venture-type funding here.

The main difficulty could come if entrepreneurs have to give up too much control of their companies, he said.

Clinton told the crowd that all one had to do was drive around south Phoenix to see that not every American has been blessed by the recent economic recovery.

"So what we're 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's willing to work for it a chance to walk across that bridge into the 21st century with us when we go forward together, leaving no one behind," he said.

"And not only that, it's good economics."

GRAPHIC: Color photo by Dave Cruz/The Arizona Republic
Photo by Rob Schumacher/The Arizona Republic

;. President Clinton reaches out to Phoenix residents who came to catch a glimpse of him during his hours-long blast through the Valley.

President Clinton gets a warm welcome Wednesday at a discussion with local business leaders. He stopped in Phoenix on a tour to promote his New Markets initiative to spur business growth in low-income areas.

LANGUAGE: ENGLISH

LOAD-DATE: July 10, 1999

Issue: Phoenix
Paper: Arizona Republic
Date: July 8, 1999
Title: Clinton pushes inner-city help in Valley: Clinton visit marked by talk, tortillas
Byline: Mary Jo Pitzl, Jane Larson and Jeff Barker

During a sweltering five-hour visit Wednesday, President Clinton pitched a message of economic hope to a neglected part of Phoenix.

Clinton called on a Hispanic activist group, checked out a successful tortilla factory, engaged in a lively back-and-forth with business leaders and sat out a rainstorm eating tamales and chimichangas at a south Phoenix restaurant.

By 9:15 p.m., Clinton was winging his way toward Los Angeles on the next leg of his trip, meant to showcase his efforts to reduce poverty in America.

Clinton was in town to spotlight his New Markets program, a first-of-its kind initiative aimed at channeling millions of dollars into companies that set up shop in low- and middle-income communities.

Six major Valley banks have promised $5 million to share in the Small Business Investment Company, to be named Magnet Capital, which will issue loans to deserving businesses.

We need to create more jobs so people can afford the products you produce here," Clinton said during a round-table discussion between local business leaders and community activists following a tour of the La Canasta Tortilla factory at 3101 W. Jackson St.

One of the business owners noted that the president didn't complain during the sweaty late-afternoon stroll around the factory, which is famous for its production of 840,000 tortillas a day.

But Clinton joked that the tour caused him one problem.

"I got hungry," he said.

Clinton was finally able to deal with his hunger at about 7:30 p.m., when he paid a surprise visit to Poncho's Mexican Food, 7202 S. Central Ave. The president dined on a "fiesta chiquita" platter, according to manager Sylvia Madrigal, which consists of two minitacos, two minichimichangas, two tamales, a side of beans and garnish.

Because of a rainstorm, the restaurant near Central and Baseline briefly lost power, but employees said they otherwise had no problem feeding the 35-member party, which included Jesse Jackson and other dignitaries.

Earlier, at the round-table discussion at La Canasta, Clinton lauded the Safeway grocery chain, which opened a new store in south Phoenix in March.

"Everywhere in America there are good people who need investment and jobs," he said.

Clinton said his trip through that part of Phoenix pointed up the necessity of programs aimed at low-income communities.

"All you've got to do is drive around the streets here in south Phoenix to see that," he said.

If the tortilla kitchen didn't make him sweat, there were plenty of protesters along the president's route who did their best to turn up the heat.

During his short stay, the President was met with boos from protesters disgruntled over everything from regulations on sport-utility vehicles to the U.S involvement in Kosovo.

Several people also took jabs at Clinton's personal life, accusing him of dodging the draft as a youth and engaging in serial womanizing.

Protesters' signs ranged from "1969 draft dodger, 1999 war monger" to "Today Kosovo, tomorrow our planet" to "What if the Chinese had intruded in the U.S.
Civil War?"

Others criticized Clinton for meeting only with businessmen and dignitaries, rather than average residents.

"Ghetto's this way," said Gilbert Garay, as Clinton's motorcade left La Canasta.

The President arrived at Sky Harbor International Airport at 4:11 p.m., on the north runway, forcing all other traffic to divert to the south runway.

Dressed in a gray suit, the President descended from Air Force One to greet a long line of local dignitaries, including Secretary of State Betsey Bayless, Attorney General Janet Napolitano and Phoenix Mayor Skip Rimsza.

Also on hand to shake the president's hand in the broiling heat, which reached 107 degrees Wednesday, were Maricopa County Supervisor Mary Rose Wilcox, Maricopa County Attorney Rick Romley and Gila River Indian Community Chairwoman Mary Thomas.

Accompanying Clinton on the trip were former Democratic Presidential contender Jackson, who was on board to help tout the New Markets program, and Gene Sperling, Clinton's domestic policy advisor.

At Sky Harbor, Clinton briefly mingled with the officials and other well-wishers, including one who handed him a baseball cap and a box of Girl Scout cookies.

From the airport, Clinton traveled by limousine to the headquarters of Chicanos Por La Causa, the Hispanic activist group, at 1112 E. Buckeye Road. There he met with residents and business leaders from the South Phoenix Enterprise Zone who have benefited from the Clinton administration's previous efforts at spurring economic growth.

Later, Clinton moved by motorcade to La Canasta Mexican Foods, where he was led on a 20-minute tour of the tortilla-making operation, inspecting but not consuming any of the floury disks.

After that, Clinton sat down with another group of business leaders and community activists to discuss the merits of New Markets and other programs like it.

As Clinton huddled inside La Canasta, about 300 supporters lined 31st Avenue and crowded close to the front of the restaurant, some carrying red-white-and-blue balloons.

Others watched the presidential round-table on television from the comfort of their nearby homes.

Sylvia Rodriguez, 62, who has lived in the neighborhood since 1972, said she hoped the Clinton trip would yield real results.

"I think it's nice to see him in this neighborhood," Rodriguez said. "I think this neighborhood needs some improvement, and maybe if he sees it, he'll realize that."

Clinton may be the first president to tour a Phoenix tortilla factory, but he's not the first White House resident to do so.

In June 1987, then-Vice President George Bush, on a fund-raising swing through Phoenix for his 1988 presidential bid, visited Ruben Parra Sr.'s Estrella Tortilla Factory on South Central Avenue.

"He didn't bring an entourage, he just brought his grandson," Parra recalled.

Earlier in the day, Clinton became the first sitting United States president to visit an Indian reservation since Franklin Roosevelt traveled through the Cherokee Indian Reservation while on vacation.

Visiting the Oglala Sioux Nation in Pine Ridge, S.D., Clinton unveiled a partnership between the Department of Housing and Urban Development, the Treasury Department, tribal governments and mortgage companies to encourage homeownership by Indians.

The program would establish "one-stop mortgage centers" at Pine Ridge and on the Navajo Reservation in Arizona, Clinton said.

THE ARIZONA REPUBLIC

July 8, 1999 Thursday, Final Chaser

SECTION: FRONT; Pg. A10

LENGTH: 440 words

HEADLINE: CLINTON, PONCHO'S WORKERS SURPRISED;
STORM, VISIT FROM PRESIDENT WEREN'T PART OF PLAN

BYLINE: By Jeff Barker, Alexa Haussler and L. Anne Newell, The Arizona Republic

BODY:

It turned out that President Clinton didn't quite know what he was in for in Phoenix on Wednesday evening, and neither did the reporters and White House staff trailing him in the motorcade.

How could the chief executive have predicted that his limousine would practically disappear into a dust storm, and how could those following him have known that the president would end up eating tacos and chimichangas at a small south Phoenix restaurant that's a favorite among the locals?

When Clinton left the La Canasta factory after a roundtable discussion, members of his motorcade didn't know he planned an excursion to Poncho's on Central Avenue near Baseline Road. Neither did the customers and most of the employees.

But the word spread quickly. Neighbors were stunned to learn the president stopped by their favorite restaurant.

Despite a driving rain, a group of a few people quickly grew to a crowd of more than 100.

"I was in the door greeting and he came right in and shook my hand," said Sylvia Madrigal, one of the restaurant's four managers.

The party of about 35, which included Jesse Jackson and other dignitaries, made its way inside, with Clinton shaking most of the employees' hands, Madrigal said.

She said the visit was even more special to her because she wasn't even scheduled to work Wednesday night.

"I just came down tonight to karaoke and what a surprise!" she said of the president's visit, which began about 7:30 p.m.

Clinton munched down on a fiesta chiquita - an appetizer plate that comes with two mini tacos, two mini chimichangas, two mini tamales, a side of beans and a whole lot of garnish, according to employees.

While Clinton ate, his motorcade of press, staff and Secret Service men sat with vans idling in the drenched parking lot. Poncho's, faithful to its regular customers, kept the drive-through open but closed the dining room. A small sign in the window welcomed President Clinton.

Albert Hernandez, 42, among the gathered crowd, called the president's stop a pleasant surprise.

"It shows he's interested in helping the local businesses here on the south side," he said.

"This is the neatest thing to happen down here, that he would take the time to come here, " Judy Tyler said.

As Clinton left about 90 minutes later, the rain had slowed and the crowd remained. They cheered and hooted as the entourage left for the airport.

Aides said Clinton had been expecting the Arizona heat. He took his suit jacket off soon after landing. But he couldn't have expected the monsoon.

Clinton had expected the Mexican food, but this was a slice of Arizona he could have done without.

LANGUAGE: ENGLISH

LOAD-DATE: July 10, 1999

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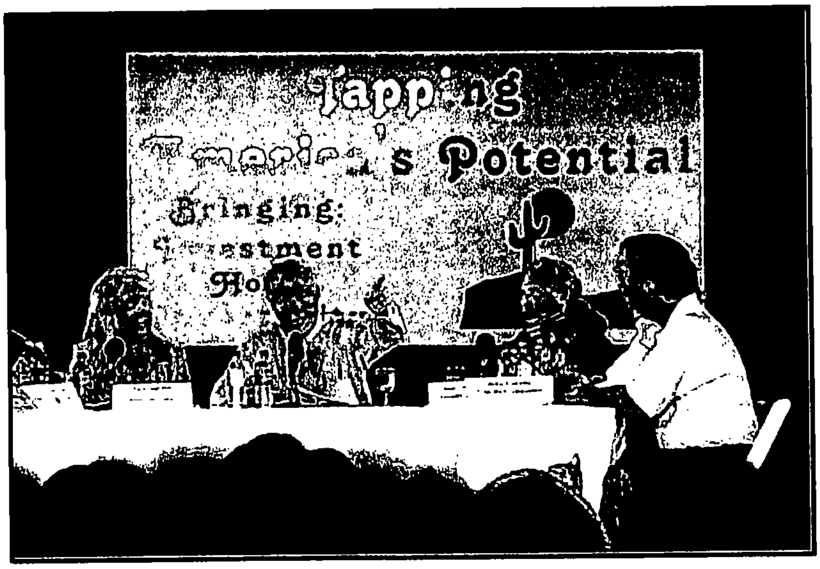
Photos

PRESIDENT CLINTON'S NEW MARKETS TOUR

Tapping America's Potential

Photo Gallery



The President participates in a roundtable discussion at Phoenix's La Canasta food factory to highlight the needs of the Latino community in the city's south side.

July 7, 1999

Photo by David Scull

Home

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Watts and Anaheim

July 8, 1999

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Broadcast Coverage

ABC NEWS

SHOW: WORLD NEWS TONIGHT WITH PETER JENNINGS (6:30 pm ET)

JULY 8, 1999

Transcript # 99070801-j04

TYPE: PACKAGE

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LENGTH: 592 words

HEADLINE: LAST STOP ON PRESIDENT'S POVERTY TOUR

BYLINE: JOHN COCHRAN, PETER JENNINGS

HIGHLIGHT:
HAS THE TRIP MADE ANY DIFFERENCE?

BODY:

THIS IS A RUSH TRANSCRIPT. THIS COPY MAY NOT BE IN ITS FINAL FORM AND MAY BE UPDATED.

PETER JENNINGS, ABC News: (voice-over) On World News Tonight this Thursday -- last stop on the presidential poverty tour. Did Mr. Clinton make a difference? Is anyone listening? There's a drum beat against Slobodan Milosevic now. Might the Yugoslav leader's days be numbered? Watching people die from AIDS when you have the drugs that might save them. We'll take "A Closer Look."

SOCCER FANS: USA! USA!

PETER JENNINGS: (voice-over) And the U.S. women's soccer team -- playing for the World Cup now and trying to build a legacy.

ANNOUNCER: From ABC News world headquarters in New York, this is World News Tonight with Peter Jennings.

PETER JENNINGS: Good evening. President Clinton is on the fourth day of his tour through some of the country's most impoverished areas. Today, he was in the Watts section of Los Angeles. No part of that city has had more difficulty or greater challenge in the last 40 years.

This is also the final day of the President's poverty tour, and it gives the occasion to many people to ask why he waited six and a half years to put such a focus on poverty, and has the trip made a difference? We begin with ABC's John Cochran.

JOHN COCHRAN, ABC News: (voice-over) Today, President Clinton got some help selling his investment package from Magic Johnson. Johnson has invested in movie theaters in the Watts area and had his own message for executives reluctant to move into troubled areas.

MAGIC JOHNSON: It's good business. You've got to remember, we've got income to spend.

JOHN COCHRAN: (voice-over) A tired president urged Congress to pass tax credits and loan guarantees and urged companies to take advantage of them.

Pres. BILL CLINTON: It is the morally right thing to do. And it is in the self-interest of every American who participates in it.

JOHN COCHRAN: (voice-over) As the President made his way across the country this week to six very different pockets of poverty, his aides have been surprised at his good luck in trying to get the nation's attention. There were no high school shootings, no foreign crises to distract Americans from Clinton's focus on poverty.

He traveled to Anaheim to make his final pitch to business executives who, in public at least, said they were impressed.

(on camera) How important are these incentives in getting businesses to invest in poverty areas?

MILTON FENSTER, Citigroup Consultant: I think they're terribly important. I think that they must rank amongst the highest priorities that we have today in our society.

ED GILLIGAN, American Express: So it is important for the President and Congress to do something now.

JOHN COCHRAN: (voice-over) The President's plan has received a mostly positive reception from Republicans, who are talking about compassionate conservatism and are eager to show their interest in helping the poor. Republicans are also quick to remind you they have visited the same areas and have their own package of incentives.

Rep. J.C. WATTS, (R) Oklahoma: We're delighted that the President is doing this tour, that he is seeing out there what we saw four years ago.

JOHN COCHRAN: (on camera) Nothing happened four years ago. This time, both Republicans and the President say the chances of doing something for America's left-out areas are pretty good. John Cochran, ABC News, Anaheim, California.

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Print National Coverage

NEW YORK TIMES
July 9, 1999

The New York Times

Clinton Ends Visit to Poor With an Appeal for Support

By TODD S. PURDUM

ANAHEIM, Calif., July 8 — Flanked by Magic Johnson, President Clinton wrapped up his four-day tour of poverty in America today with a whirlwind visit to a job-training program at a high school in the heart of the Watts section of Los Angeles, then challenged corporate executives to provide more support for preparing disadvantaged students for jobs in the booming information economy.

"Money is a big issue here," Mr. Clinton said at the annual meeting of the American Academy Foundation, a private group led by corporate chiefs that sponsors vocational training for public high school students at risk of dropping out, referring to his efforts to encourage investment in poor areas.

But education and "human capital" are equally important, Mr. Clinton said, and unless the nation is prepared to nurture them, too, "even our best efforts to bring new investments to these distressed communities will be unsuccessful."

A journey that took Mr. Clinton from the hollows of Appalachia to the Black Hills of South Dakota, from the sweltering Mississippi Delta to a sweaty tortilla factory in Phoenix, ended at a hotel ballroom here in the shadow of Disneyland — and at times, the endeavor had a surreal air. The Rev. Jesse Jackson, once Mr. Clinton's frequent antagonist and later his spiritual counselor in the travails of impeachment, accompanied the President all week, lending his support to Mr. Clinton's self-described effort to "shine the spotlight on places still unlit by the sunshine of our present prosperity," and Mr. Clinton thanked him warmly today.

Still, it was Mr. Clinton's most extensive domestic trip in many months that did not involve political fund-raising among the rich and famous, and the President seemed energized by the effort, racing from stop to stop in campaign style, taking in a Memphis barbecue and a floodlighted Mount Rushmore with his customary appetite, sounding a bit tired only this afternoon.

But he pledged to keep up the theme, announcing plans for another tour this fall, starting in Newark, where he will highlight efforts by the owners of the New Jersey Nets to reinvest in that long-suffering city.

"It can't be the end of the journey," Mr. Clinton said of his trip. "It has to be the opening salvo in a battle to build a real economy in every community."

As he has on each day of his national tour, Mr. Clinton sounded a flurry of notes today — warning of the growing gap between the rich and poor in access to technology and highlighting private sector sponsorship of job training — all in service of a single theme: that the nation's pockets of poverty offer a great untapped market that can help keep the economy growing without inflation.

"How can you keep it going?" Mr. Clinton asked a round table of students at Southwest Community College in long-struggling Watts, where the unemployment rate is three times the national average. "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."

But having spent three days emphasizing his proposals for $1 billion in new Federal tax incentives intended to encourage $5 billion in private investment in poor areas — which he said he would send to Congress next week — Mr. Clinton turned today to the other end of the equation: training a work force to fill the jobs such new businesses would create.

"We can put in place the financial networks," Mr. Clinton told the round-table group. "We can create a lot of jobs."

But at a time when 60 percent of young people in the impoverished areas he has visited this week are neither in school nor at work, Mr. Clinton said, it is clear 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."

Associated Press

President Clinton joining, to his left, Johnny Stiger, a student; Magic Johnson and Gov. Gray Davis in a round table yesterday in Los Angeles.

To that end, the President chose to highlight the work of the National Academy Foundation, which sponsors special training "academies," special schools within schools, that prepare students for careers in finance and travel and tourism through a combination of in-school teaching and on-the-job training. The program, started in Brooklyn in 1982, already serves 20,000 high school students in 37 states, and today, Mr. Clinton joined the foundation's founder, Sanford I. Weill, the chairman of Citigroup, to announce $8 million in support from private companies, including Lucent Technologies and AT&T, to create a new academy program for information technology.

The goal is to have 10 pilot sites, serving 350 to 400 students, in operation by September 2000, with 40 to 50 more sites to be added annually after that. The White House said the need for such training was clear, citing the Commerce Department's third annual study, released today, which found a growing gap in access to telephones, computers and the Internet between Americans at the highest income and education levels and those at the lowest.

"If our country is going to be the leader 50 years from today, we have to include everybody, and everybody has to participate in it," Mr. Weill said. "Education is what unlocks the key to one's future."

Mr. Clinton was introduced here today by Hazel del Rosario, 22, who just graduated from the University of Hawaii, and is preparing for a career in the airline industry. Her family emigrated from the Philippines when she was a child, and though she initially spoke no English she was placed in a bilingual education program and later, in a special academy of travel and tourism sponsored by the National Academy Foundation at her high school.

"Before I entered the program, I didn't know what I wanted to do," Ms. del Rosario said in an interview, wearing a fragrant lei of white ginger blossoms that she carried in a cooler from Hawaii on Wednesday. "We didn't only learn about classroom stuff, we also learned about real-life situations, and being able to speak to people in public."

In Watts, which was scarred by riots in 1965 and 1992, during Mr. Clinton's first campaign for the White House, the President joined Mr. Johnson, the former basketball star who now operates a chain of inner-city movie theaters, to sound the need for job training in a neighborhood that was once overwhelmingly black but has been transformed in recent years by a surge of Hispanic immigration and fitful efforts at economic recovery.

At Alain Leroy Locke High School, named for the nation's first black Rhodes scholar, Mr. Clinton, Mr. Johnson and Gov. Gray Davis toured a transportation training program and watched students use computers to demonstrate the aerodynamic effects of automotive design.

"This one does better than this one," Mr. Clinton said, holding a yellow plastic car that trailed its competitor positioned in front of a jet stream simulator by Michael Delery, 17, and Jermaine Smith, 18. "Even I know that."

When Ruben Garcia, 17, showed the President a sound-engineering machine that can change the pitch of a human voice, rendering an off-key singer on pitch, Mr. Clinton, a dedicated amateur saxophonist and hymn-singer, marveled, "So it's like a high-tech karaoke bar."

USA TODAY
July 9, 1999

Poverty tour's final stop stresses job skills

In L.A. visit, Clinton calls for investment in future workforce

By Susan Page
USA TODAY

LOS ANGELES — Bill Clinton walked the streets of Watts as a candidate seven years ago in the wake of riots after police acquittals in the beating of motorist Rodney King. The riots' death toll was 55, and the business district was devastated.

He returned as president Thursday at the end of a six-state tour promoting the possibilities of new markets and new workers in some of the nation's poorest communities, including this one. At Alain Leroy Locke High School, named for the first black Rhodes scholar, he watched as two teen-agers in a transportation training program used computers to show how aerodynamics affected the performance of two virtual cars.

"This one does better than this one," Clinton declared as one car pulled ahead of the other. "Even I know that."

The training program "really gave me an opportunity to expand my horizons," Stephen Ramirez, 18, who graduated last month, told him. "Before, I had no idea what I wanted to do, what I wanted to be." Now he plans a tour in the Army and a career in transportation technology.

Clinton was finishing a trip that began in Appalachia, included the Pine Ridge Indian Reservation and a south Phoenix barrio, and ended at a conference in the shadow of Disneyland. The focus of the final day was on training programs, often sponsored by businesses looking for skilled workers, that offer disadvantaged young people the possibility of careers in tourism or transportation, Wall Street or technology.

Government can provide incentives for private investment, and "we can create a lot of jobs," Clinton said. "But if our young people don't have the opportunity to learn, and continue to learn and continue to train for a long time, we'll never be able to do it."

He was accompanied by corporate CEOs, civil rights leader Jesse Jackson and former Los Angeles Lakers star Magic Johnson, who has invested in Los Angeles' South Central and other inner cities by building movie theaters.

Clinton announced commitments by major businesses, among them AT&T and Lucent Technologies, to hire graduates of a new $250 million federal program that trains young people from poor areas.

He also spotlighted an $8 million expansion of the National Academy Foundation, a nonprofit "school-within-a-school" program in which local businesses form partnerships with public high schools to teach students professional skills and hire them for internships.

"They have to pay attention to and care about the development of the workforce," deputy White House chief of staff Maria Echaveste said of the business world. "They can't be competitive, they can't stay profitable, if they don't have a workforce that is skilled and that is trained."

White House officials called Clinton's four-day trip a success, calculating that Clinton was able to unveil commitments for approximately $750 million in private investment in poor communities, including a $500 million "catalyst" fund for business investments being created by Bank of America. He announced federal funding for various water, housing and education projects.

Clinton predicted that his four-day trip would contribute to "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."

But he was greeted here with skepticism by some who questioned his failure to highlight these issues earlier in his presidency. "Welcome to the High-Gloss Poverty Tour," conservative commentator Arianna Huffington scoffed in the *Los Angeles Times*. "Compare the nonstop focus on the wonders of Wall Street with this 96-hour nod to poverty."

By Tim Sloan, Agence France-Presse

At Alain Leroy Locke High School: Recent graduate Michael Delery, 17, explains his project to President Clinton and basketball star/urban entrepreneur Magic Johnson.

Los Angeles Times
WWW.LATIMES.COM
?? DAILY / 1,385,373 SUNDAY
WEDNESDAY, JULY 7, 1999

A New Watts Awaits Visit by President

■ **Culture:** Once a gateway for Southern blacks, area has been transformed by an influx of Latino immigrants.

By MATEA GOLD
TIMES STAFF WRITER

When President Clinton visits Watts on Thursday as part of a national tour showcasing poor neighborhoods and efforts to fix them, he will encounter a community vastly different from the one seared by fires and rioting almost 34 years ago.

If Watts once symbolized the poverty and tension gripping South-Central Los Angeles, the community now reflects the mixed results of post-riot economic infusion, as well as a surge of Latino immigration that has radically altered the ethnic makeup of the area.

At one time a gateway for Southern blacks, the four-square-mile community at the southern edge of the city has now been transformed by an influx of Central American and Mexican immigrants, ushering in new tensions and triumphs.

Spanish-language shops and churches have sprung up to cater to new Latino residents, now more than half the local population. Bilingual banners line the boulevards.

Once the "quintessential African American ghetto," Watts is now home to just as many Spanish speakers as English speakers, said Joe Hicks, head of the city's Human Relations Commission, who lived near Watts during the 1965 riots. "It's changed the political and economic dynamics. . . . There's a new vibrancy."

At the same time, efforts to jump-start economic revitalization have come in fits and starts. A new shopping center, civic center and library have spruced up the 103rd Street corridor—the area dubbed "Charcoal Alley" in 1965.

A new campus for the high school medical magnet opened a few months ago, and a cultural center and retail market is being

Please see WATTS, A6

BOB CAREY Los Angeles Times
Johnallen Woods, 16, says he would like to see more jobs for Watts.

WATTS: Complex, Contradictory

Continued from A1
built around the famous Watts Towers, now under renovation.

But some residents complain that promises of significant economic investment made after the 1992 civil unrest have not panned out.

"There's been a lot of money supposedly dumped this way, but it's not trickling down," said Dande Sherrills, 31, a community activist who lives in the Jordan Downs housing projects. "The government made a lot of promises . . . but nothing crystallized."

Added Sweet Alice Harris, a longtime community activist: "We still have a generation of untrained young people. We have to build up their hope."

Signs of Rebirth, Signs of Stagnation

Conscious of the images of burning buildings often conjured up by the name "Watts," residents said they hope that when Clinton visits, he will have a chance to see today's Watts—a complex and often contradictory place.

On Santa Ana Street, near the Metro Blue Line tracks, a row of new two-story, stucco homes have sprung up. "Santa Ana Pines: New Homes for a New Watts," proclaims the sign at the sales office. But around the corner, children splash in water spraying from a fire hydrant in front of sagging bungalows. Nearby, empty lots are strewn with trash.

At the Martin Luther King Jr. shopping center, a neat suburban-looking complex built in the 1980s, Latino and black families mingle as they shop at a large grocery store. Across the street, teenagers surf the Web on computers in the new Alma Reaves Woods library. But about a mile to the south, groups of unemployed men hang out in front of cinder-block apartments in the Nickerson Garden housing projects, grumbling that their opportunities remain limited.

Despite the promises made after the 1992 riots, many complain that real economic transformation hasn't come to Watts, where the average per capita income in 1996 hovered around $5,000, compared with about $18,000 Los Angeles County overall. Until there are enough jobs, residents say, the shopping center and new civic facilities merely mask the poverty gripping the community.

"We're extremely underdeveloped," said Janine Watkins, a director at the Watts Labor Community Action Committee. "We've got a new library and civic center . . . but in regards to business and employment in the area, it's still really limited. This area is still neglected."

The list of needs is familiar to many urban areas: job training, well-paying employment, child care, affordable housing and loans.

But several grass-roots business efforts launched after the 1992 civil unrest fizzled out, including ventures such as Hands Across Watts and Playground, an athletic shoe store and community center Clinton visited while campaigning for president.

Government-backed programs intended to jump-start economic growth have had mixed results. A state enterprise zone created in 1986 that awarded tax breaks and other credits to local businesses created few jobs.

Some community leaders are also critical of efforts made by the Community Development Bank, saying the nonprofit institution designed to make loans and stimulate investment has not produced change locally.

Los Angeles was awarded a federal empowerment zone last year, after losing a bid for one in 1994. The program will provide tax credits and incentives to businesses in Watts and other poor areas. That designation, along with Mayor Richard Riordan's creation of a tax-free zone in the area, has helped spark interest in investing in Watts, said Dan Margolis, a spokesman for the mayor. However, the federal empowerment tax breaks won't kick in until 2000.

The slow progress has made many Watts residents skeptical of any more promises the president might make Thursday.

"It ain't going to help us that Clinton is coming down here," said resident Gregory Jones, 34, as he sat on some steps in Nickerson Gardens on a recent afternoon. "He'll just suggest some things and leave."

The lack of economic opportunity has also caused some friction between Latinos and African Americans, some who perceived the newcomers as a threat, saying that immigrants work longer hours for less money. Interracial violence has plagued the local schools and the housing projects.

"Some people were wrongly perceiving that Latinos were here to take the jobs and properties of African Americans," said Arturo Ybarra, head of the Watts/Century Latino Organization. "That sometimes caused misunderstanding, conflict and confrontation."

From its base in an old liquor store that was turned into a community center, Ybarra's group brings together Latino and African American parents to deal with issues at the local schools. The 700-member group partners with other community organizations to for gang prevention and cultural awareness programs. And it sponsors an annual Cinco de Mayo parade that draws thousands who come to see the mariachis, blues bands and traditional Aztec and African dancers.

"As Latinos and African Americans, it is important to learn about our histories," Ybarra said. "We are sharing the same social conditions, the same space."

Although the community has changed, Ybarra does not think many outsiders have an altered view of Watts. He is pessimistic that Clinton will address Latino concerns about immigration and other issues during his visit.

"I think he still has the wrong perception that Watts and South-

eas," he said. "Someone has to tell him there are new dynamics, new challenges, new needs of the community."

Now, the future of Watts may be people such as Gloria Soltero, who lives in a snug pink house in the shadow of the Watts Towers. She and her husband, who shines shoes for a living, moved from East Los Angeles 10 years ago, looking for an affordable home.

Soltero thinks the government needs to pay more attention to the community, but in general, says Watts is a great place to live. The neighborhood has become safer since a 1992 gang truce, she says, and residents take pride in their homes.

She counts her African American next-door neighbor among her good friends, and gazes with pride at the colorful spires of the Watts Towers that rise up in front of her porch.

"It's like the Statue of Liberty," she said. "We're lucky to live here."

BOB CARI

Young people can play computer games and surf the Internet on equipment at the new

BOB CAREY /

Kenneth Starling hugs Sweet Alice Harris,

LOS ANGELES TIMES
JULY 9, 1999

ngeles Times

National Edition

FRIDAY, JULY 9, 1999

DAILY 50 CENTS
AN EDITION OF THE LOS ANGELES TIMES

Clinton Vows New Aid During Watts Visit

■ **Jobs:** President unveils education, employment program for youths. Southern California trip is last stop on his tour of disadvantaged areas.

By MATEA GOLD
and JAMES GERSTENZANG
TIMES STAFF WRITERS

President Clinton on Thursday concluded his cross-country tour of communities mired in poverty with a visit to Watts, Los Angeles' symbolic heart of chronic impoverishment, and pledged new help to connect disadvantaged young people with jobs in the new economy.

At Locke High School, the president underscored the day's theme with a tour of a federally assisted high-tech academy that introduces students to transportation-related careers in architecture, engineering and urban planning.

In personal chats, he encouraged students, including Stephen Ramirez, 17, to stick to their studies and their goals. Ramirez, who recently graduated and has enlisted in the military, later told reporters the program helped prevent him from becoming lost in a community that is "neglected all the time."

During a Southern California swing that included discussions with business, political and education leaders at Los Angeles Southwest College and a conference in Anaheim, Clinton unveiled the latest in a series of programs intended to help bring the benefits of the nation's economic recovery to Watts and other pockets of the nation that have been left behind.

Despite some trickle-down effects of the robust economy, the neighborhoods around Locke High School still have estimated poverty rates of 40% or more and jobless rates two to three times the regional and national averages.

The president said he is attempting to "shine a spotlight on places still unlit by the sunshine of the nation's prosperity."

Among the newly announced efforts is an $8-million program, funded by several private companies, that will help develop school-to-career pathways for high school students unprepared for jobs in technology-driven markets—including computer programming and engineering.

Clinton also announced the launch of the Youth Opportunity Movement, a four-year, billion-dollar program that will provide grants to community programs helping youths stay in school and learn skills. The effort, headed by the Department of Labor, will also push the private sector to hire young people from needy communities and invest in youth programs.

Everyone benefits from such initiatives, Clinton told a round-table discussion at Southwest College. "Every time we hire a young person off the street in Watts and

Please see CLINTON, A7

CLINTON: Program to Link Youths, Jobs Unveiled

Continued from A1

give him or her a better future, we are helping people who live in the ritziest suburb in America to continue to enjoy a rising stock market."

Reaction to the Watts visit was decidedly mixed outside the sealed-off high school campus, where dozens of residents who came for a glimpse of Clinton were kept at a distance by a large security detail.

Some expressed a strong affection for a president they feel is concerned about the plight of the needy. Robert Stegall, who walked to the school from his home, said low interest rates and new federal lending programs have helped many people buy first homes. "He's always doing something good for working-class people," said Stegall, 78.

But Stegall and others also complained that there are few good-paying jobs in the area. Protesters from the Assn. of Community Organizations for Reform Now, an advocacy group for low- and moderate-income families, held a large sign reading: "President Clinton, It All Sounds Good. But Where Are the Living Wage Jobs?"

Students said they must travel hours on public transit—as far away as the Westside and the San Fernando Valley—for decent summer work.

Others wondered if Watts was again being used as a prop by a politician who would fail to deliver economic relief.

"I think he's trying to salvage his political career and help his wife get started on hers," said Amed Clinton, 27, noting that Hillary Clinton is simultaneously kicking off her U.S. Senate campaign.

The carefully controlled and choreographed Locke High visit, some objected, did not allow local residents to hear Clinton or offer

BRIAN WALSKI/Los Angeles Times

President Clinton, Magic Johnson and Gov. Gray Davis talk with Locke High School graduate Michael Delery.

ideas on what's needed to break the cycle of impoverishment.

"If the community's not here, it's not serving any purpose. They could have held it downtown," said Jethro Sutton, 75, who came to the school dressed in a suit and tie, but was turned away by security officers.

At Locke High, Clinton was escorted into a classroom where pre-selected students demonstrated their technology lab. Later, at Southwest College, Clinton met with about 75 lawmakers, business leaders and students who had been invited to the round-table discussion.

The president's trip to six of the most impoverished communities in the country took on the flair of a fast-moving political campaign. A closely coordinated administration attack pulled together the work of diverse federal agencies and the attention-drawing capacity of the presidency to focus on the large numbers of people and communities that have not realized the current economy's rewards.

Across the country—in the green-hued Appalachian hollows of Hazard, Ky., the baked Badlands of the Pine Ridge Indian Reservation, and the grit of East St. Louis, Ill.—the president sought to meld the need for employment among the nation's poorest residents with the demands of American business to find new markets for their products and new workers from a nearly fully employed national labor force.

"Government cannot do this alone, but business cannot be expected to go it alone," he said of the need for government and business to share the responsibility for creating the jobs and preparing potential workers to fill them.

His tour was conducted at a pace like few other domestic journeys he has undertaken since the end of the 1996 campaign. It

Under the plan, as envisaged by its sponsors, 10 pilot sites for the training academies will be chosen by a year from September, serving perhaps 400 students. Forty schools would be added a year later, and the program would grow by 40 to 50 schools in subsequent years.

The existing programs built on training for the tourism and travel and financial services industries, the White House said, serve more than 20,000 high school students in 350 institutions in 37 states; two-thirds are identified as "at risk," and 75% are from minority communities.

Thursday's final leg of the tour came as the U.S. Commerce Department issued a report that found that an increasing "digital divide" separates people by both education and income measurements, putting those without high-technology skills at a disadvantage.

Clinton used stops in Los Angeles to focus on the need to train disadvantaged young adults.

About 10 million Americans under 24 have either dropped out or not advanced beyond high school, Clinton told a group of business leaders and lawmakers at Los Angeles Southwest Community College. Without training them, he added, trying to lure new businesses to neglected areas will be difficult.

"We can provide all these opportunities," he said, "but if our young people don't have an opportunity to learn and continue to learn, it won't work."

"We can ill-afford to have a generation of young people who may never know what it is to work," said Secretary of Labor Alexis Herman, who was traveling with the president. "The only way to move America forward is to make sure we leave no one behind."

Times staff writers Rich Connell and Phil Willon contributed to this story.

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Print Local Coverage

PRESS-TELEGRAM - CA LOCAL PAPER
JULY 9, 1999

Press-Telegram.com
LOCAL STATE & WORLD NEWS

Friday, July 9, 1999

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Invest in 'human capital'

President sees hope in high-tech training, jobs

Press-Telegram wire services

ANAHEIM - President Clinton, ending a four-day tour of poverty pockets from Appalachia to Watts, on Thursday called for investment in the "human capital" living in impoverished areas.

"They deserve a chance to be whatever they're willing to work hard to be," Clinton said. "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."

Clinton made the remarks at the annual conference of the National Academy Foundation, an organization launched in 1982 by Citigroup chief Sanford Weill to help prepare disadvantaged high-school youths for careers in finance, tourism and other fields.

Weill, Lucent Technologies and other companies announced an $8 million initiative Thursday to create "Information Technology Academies" to begin training some of the same boys and girls for the high-technology industry.

An estimated 4 million people ages 16 to 24 are out of school and lack a high school diploma. Clinton argued that the best way to ensure continued economic growth was to invest in them and the areas where they live.

"Government cannot do this alone, but business cannot be expected to go it alone," he said. "We can build one America where nobody is left behind when we cross that bridge into a new century - and when we do, we'll all be better off."

A journey that took Clinton from the hollows of Appalachia to the Black Hills of South Dakota, from the sweltering Mississippi Delta to a sweaty tortilla factory in Phoenix, ended at a hotel ballroom here in the shadow of Disneyland.

Closing the gap It was Clinton's most extensive domestic trip in many months that did not involve political fund-raising among the rich and famous, and the president seemed energized by the effort, racing from stop to stop in campaign style, taking in everything from a Memphis barbecue to a floodlit Mount Rushmore with his customary appetite.

As he has on each day of his national tour, Clinton sounded a flurry of notes Thursday - warning of the growing gap between the rich and the poor in access to technology and highlighting private sector sponsorship of job training - all in service of a single theme: that the nation's pockets of poverty offer a great untapped market that can help keep the economy growing without inflation.

"Money is a big issue," he said. "But there's another kind of capital that in some ways is even more fundamental - human capital. People."

Clinton visited the community of Watts, which was scarred by riots in 1965 and 1992, to make the case for private firms helping disadvantaged young people gain the skills they need for high-tech jobs in the new millennium.

"We can put in place the financial nets. We can create a lot of jobs," he said. "But if our young people don't have the opportunity to learn, and continue to learn and continue to train for a long time, we'll never be able to do it."

Magic of training

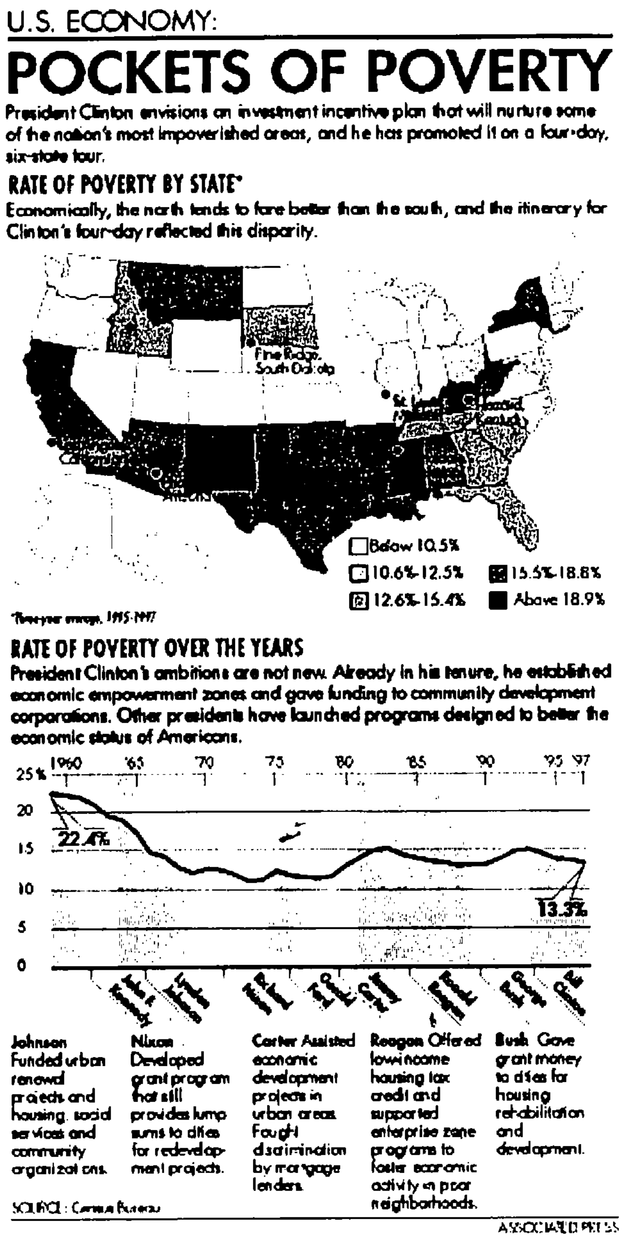
The president joined Magic Johnson, the former basketball star who now operates a chain of inner-city movie theaters, to sound the need for job training in a neighborhood that was once overwhelmingly black but has been transformed in recent years by a surge of Hispanic immigration and fitful efforts at economic recovery.

At Alain Leroy Locke High School, named for the nation's first black Rhodes scholar, Clinton, Johnson and Gov. Gray Davis of California toured a transportation training program and watched students use computers to demonstrate the aerodynamic effects of automotive design.

"This one does better than this one," Clinton said, holding a yellow plastic car that trailed its competitor positioned in front of a jet stream simulator by Michael Delery, 17, and Jermaine

Smith, 18. "Even I know that."

When Ruben Garcia, 17, showed the president a sound-engineering machine that can change the pitch of a human voice, rendering an off-key singer on pitch, the dedicated amateur saxophonist and hymn-singer marveled, "So it's like a high-tech karaoke bar."



Sacramento Bee

July 9, 1999, METRO FINAL

SECTION: MAIN NEWS; Pg. A4

LENGTH: 872 words

HEADLINE: ASSIST YOUTHS OUT OF POVERTY, CLINTON URGES

BYLINE: Laura Mecoy, Bee Los Angeles Bureau

DATELINE: ANAHEIM

BODY:

President Clinton wrapped up a four-day, cross-country tour of some of the nation's most impoverished regions Thursday by calling for more investment in the "human capital" of disadvantaged young people needing job training and financial opportunities.

"If we have the money capital and the human capital, we can bring hope to these places that have been left behind," he told the annual conference of the National Academy Foundation.

The organization, launched in 1982 by corporate leaders to provide career training for high school students at risk of dropping out, was one of several groups the president highlighted during the last day of his seven-state anti-poverty tour.

Accompanied by Gov. Gray Davis, the Rev. Jesse Jackson and various business leaders and politicians, Clinton began the day in Watts, the Los Angeles neighborhood wracked by rioting in 1965 and 1992.

They toured a training facility where high school students demonstrated auto-building computer programs and described their plans to go on to college and other training programs.

Clinton and his entourage went on to Southwest College in South Central Los Angeles where young people described various job-training programs they said helped them leave poverty and gangs behind.

There, former Lakers basketball star Earvin "Magic" Johnson, whose company has built movie multiplexes in the Baldwin Park area of Los Angeles and several other inner cities, urged other business leaders to follow his lead.

"Come in and train these young people," he said. "They want a job. They are hungry to work."

Over the past four days, Clinton said, he's taken business leaders like Johnson from the "dusty streets" of the Pine Ridge Indian Reservation in South Dakota to the "hollows" of Appalachia to "shine the spotlight on places still unlit by the sunshine of our present prosperity."

"Every place we went, nobody wanted charity," he said. "Nobody wanted a handout. What they wanted was a hand up."

In each community, he urged business to invest in the nation's poorest communities, arguing that this is the only way to sustain the current economic boom without increasing inflation.

"Go to places where there aren't enough jobs and there aren't enough consumers and create more of both," he said. "That's all growth completely without inflation."

In every speech this week, Clinton also urged Congress to pass the "new markets" legislation he will send to it next week to provide tax credits and federal loan guarantees for new businesses in poverty-stricken regions.

And in each community, he unveiled private and public programs to help spur investment, training and development.

On Thursday, Clinton announced an $8 million initiative, funded by Lucent Technologies and other corporations, to establish a program to train high school students for careers in the high-technology industry.

He illustrated the need for such training by releasing a Commerce Department report that shows the "digital divide," or the gap in ownership of computers and access to the Internet, is growing between the more educated and wealthier Americans and those with less education and less income.

Commerce Secretary William M. Daley, who was traveling with Clinton, said the "growing disparity" is "alarming."

Clinton said disadvantaged young people must develop high-tech skills if they want to rebuild the inner city.

"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," the president said.

In Watts, Clinton toured the transportation technology program at Alain Leroy Locke High School, named for the first African American Rhodes scholar. There, he heard Stephen Ramirez describe how the program will lead him into a career in transportation technology -- after a stint in the Army.

"This program really gave me an opportunity to expand my horizons," Ramirez said. "Before, I had no idea what I wanted to do, what I wanted to be."

In Los Angeles and Anaheim, the president said investing in America's poorest communities is not only "morally right" but in the "self-interest" of all Americans.

"Government cannot do this alone, but business cannot be expected to go it alone," he said. "We can build one America where nobody is left behind when we cross that bridge into a new century -- and when we do, we'll all be better off."

He said he will keep his anti-poverty campaign alive by leading another tour this fall, starting in Newark, N.J., where he will highlight efforts by the owners of the New Jersey Nets basketball team to reinvest in that long-suffering city.

"It can't be the end of the journey," Clinton said of his trip. "It has to be the opening salvo in a battle to build a real economy in every community."

He did, however, take one short detour into presidential campaign politics by questioning the rhetoric of the leading Republican contender for the White House, Texas Gov. George W. Bush.

In a transcript of an interview released Thursday, the president said half of Bush's "compassionate conservatism" speeches "sound like I gave them in '92."

"It's flattering in a way . . . because it replicates the rhetoric," he said.

GRAPHIC: Associated Press photograph
President Clinton listens to a discussion on youth opportunities and job-training programs in South Central Los Angeles as he wrapped up his anti-poverty tour Thursday.

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Title: Ending a four-day trip touting his initiative to fight poverty, the president lauds educators gathered in Anaheim.
Date: July 9, 1999
Byline: MARTIN WISCKOL and KATE BERRY, The Orange County Register

ANAHEIM — A key to sustaining the country's economic boom is bringing high-tech jobs to poor communities, President Clinton told 1,200 educators Thursday at the Anaheim Hilton. After four days of visiting poor neighborhoods throughout the nation and touting his New Markets Initiative, Clinton applauded the Anaheim gathering of the National Academy Foundation for its addition of information-technology curriculum. The academy is a privately funded effort that works with at-risk students in public high schools.

"Bringing (high-tech) skills to distressed families and distressed communities can have more to do with our ability to restructure the economy in those areas than anything else," said Clinton, who was making his first Orange County appearance since campaigning here in 1996.

Clinton said increasing exports and increasing the work force are crucial elements for continued economic growth.

"By far the biggest opportunity (for this) is to get more businesses ... into areas that have not been blessed by this economy."

Clinton's New Markets Initiative is intended to spur the effort by offering tax incentives and loan guarantees to businesses going into depressed communities.

Valley High School in Santa Ana is the sole Orange County school with a curriculum from the National Academy Foundation, which provides training and and internships at 350 high schools in 37 states.

"Our kids need to see firsthand that there's more to working than getting a job in fast food," said Valley High Principal Robert Nelson. "We have to bring the opportunities to kids because these kids have tremendous pressures financially."

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Photos

PRESIDENT CLINTON'S NEW MARKETS TOUR

Tapping America's Potential

Photo Gallery

President Clinton applauds Magic Johnson as the two participate in a discussion at Southwest College in Los Angeles on improving opportunities for disadvantaged youth.

July 8, 1999

Photo by David Scull

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PRESIDENT CLINTON'S NEW MARKETS TOUR

Tapping America's Potential

Photo Gallery

The President listens as 18-year-old Johnny Stiger tells his success story.
July 8, 1999
Photo by David Scull

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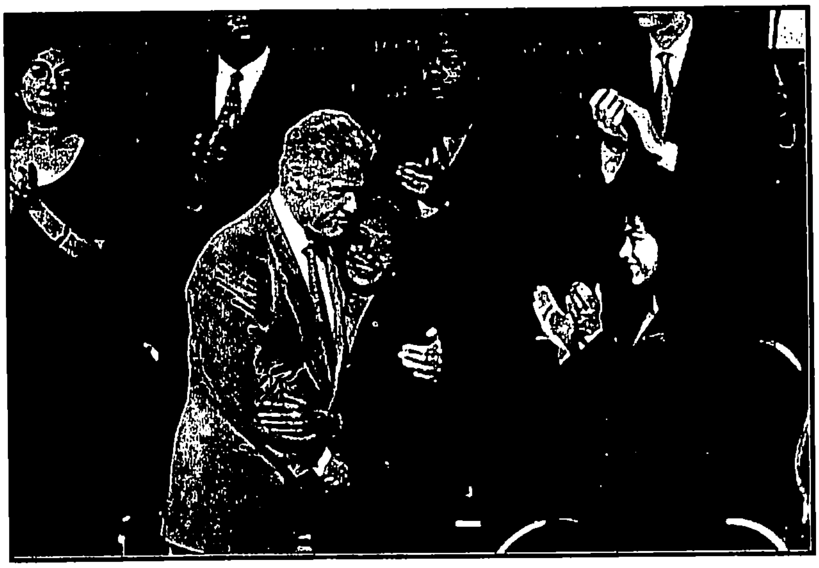
PRESIDENT CLINTON'S NEW MARKETS TOUR

Tapping America's Potential

Photo Gallery



The President hugs Hazel del Rosario of Hawaii, who introduced him at the National Academy Foundation Conference at the Anaheim Hilton and Towers Hotel.
July 8, 1999
Photo by David Scull

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Editorials and Analysis

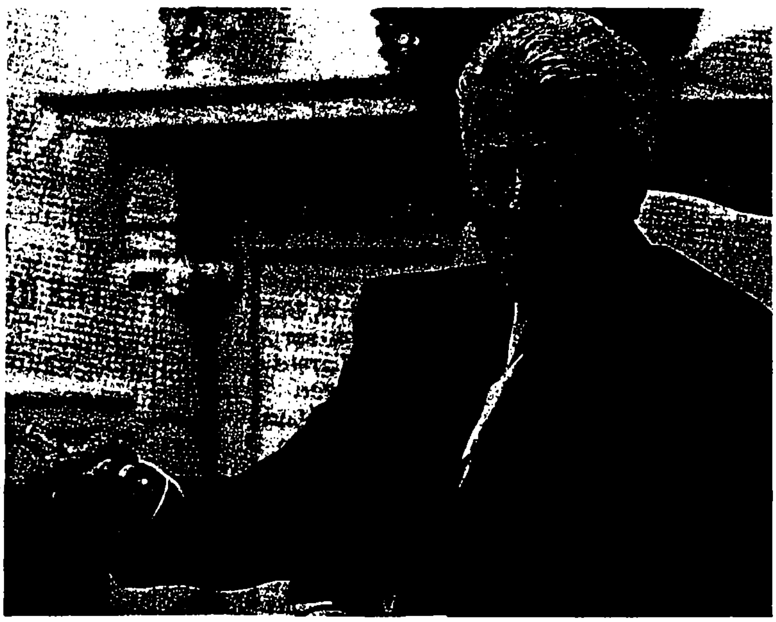
BUSINESS WEEK
JULY 12, 1999

Q & A

'I DO BELIEVE IN THE NEW ECONOMY'

President Clinton has a plan to spread the wealth

On the eve of a barnstorming tour to promote his new Medicare plan and unveil an initiative to bring the New Economy boom to inner cities and hard-hit rural areas, President Clinton sat down with White House Correspondent Richard S. Dunham on June 29. For a more complete text, see the July 12 issue at www.businessweek.com.



SETTING PRIORITIES "We don't want to ignore Medicare and Social Security liabilities or the enormous opportunity to pay off debt"

Q: *Do you think the New Economy is as big a boon as its backers claim?*
A: I do believe in the New Economy. Technology is rippling through every sector of economic activity in ways that have given us dramatic increases in productivity and potential for growth without inflation. And I think most models have not accurately measured it. Therefore, the most important thing for government policy is to be fiscally responsible, to create the conditions where people can prosper, and then to do things that will accelerate the trends that are already under way.

Q: *Can the economy sustain its current high growth rate?*
A: The opportunities are stunning. If we can adapt the world trading system on the theory of leaving no one behind and making maximum use of new technologies, I think this thing could go on indefinitely.

Q: *What is Federal Reserve Board Chairman Alan Greenspan's role in the new cycle of prosperity?*
A: Mr. Greenspan and the Fed do a perfectly good job, and we've had a good partnership by recognizing each other's appropriate roles. No one believes that we have completely repealed the traditional laws of economics, that we have completely repealed any tendency toward inflation, or that we've completely repealed the business cycles. But we've dramatically improved [our chances of growth without inflation] through this technological revolution.

Q: *What about another Fed term for Greenspan?*
A: I haven't talked to him [about that]. I don't even know if he's interested.

Q: *Let's go back to the economic boom. Why hasn't it extended to run-down inner cities and distressed rural areas?*
A: The business community is not fully aware of the opportunities it actually has to make money. And frankly, [there are] still some greater risks in these areas, which we ought to try to overcome by putting in place... much more incentive to invest.

Q: *Some corporations have invested in poor areas, but others are sitting on the sidelines. What can you do to encourage more companies to take the plunge?*
A: First, make sure that all the people who make investment decisions understand that there are very gifted, very hardworking, very creative people out there in these communities. Secondly, I hope to build bipartisan support for passage of the New Markets Initiative, which will make it more attractive for people to invest in these areas by giving them a tax credit of up to 25% and making certain investments eligible for loan guarantees of up to two-thirds of the total investment.

Q: *The Office of Management & Budget has released new estimates that show the surplus over the next decade may be even bigger—by about $1 trillion—than had been expected just a few months back. Does this increase the odds that you and Hill Republicans can cut a budget deal on entitlement reform and tax cuts?*
A: When you have more money than you thought you were going to, it should make it easier to have an omnibus agreement. I want to caution, however, that what we have this year [is real]. Everything else, we are projecting. [Still], this should make it easier to make an agreement on Social Security, Medicare, and paying down the debt—and still have funds for education, medical research, tax cuts, you name it.

Q: *So all these things are possible, now...*
A: We [still must] have our priorities in order. We don't want to go off and have a big tax cut and ignore Medicare and Social Security liabilities or the enormous opportunity to pay off the debt over the next decade. This idea should have appeal to Republicans as well as Democrats. And I still believe that a big portion of tax cuts ought to be directed toward helping more people save toward their retirement. My proposal deserves some consideration from the Republican majority because I think it's good social policy, and it's a good way to increase savings.

NEW YORK TIMES
JULY 7, 1999

Forgotten Corners of America

Few places in America are as impoverished as the Pine Ridge Indian reservation in South Dakota. On Wednesday, President Clinton sat on a dilapidated porch belonging to a woman who had 28 people living in her five bedrooms. He heard about the troubles of a place where the unemployment rate among the Oglala Sioux is 73 percent. The day before, on a sweltering afternoon, he walked through the boarded-up streets of the Mississippi Delta town of Clarksdale.

This week Mr. Clinton traveled through some of America's poorest areas, turning attention to communities left out of the prosperity enjoyed by much of the country. Such trips can raise awareness of poverty, often, most importantly, for the politicians themselves. John Kennedy began his anti-poverty programs after being haunted by what he saw while campaigning in West Virginia. Robert Kennedy's visit to the Mississippi Delta in 1967 helped set one of the themes of his Presidential campaign.

Mr. Clinton is the first President to make an official visit to an Indian reservation since Calvin Coolidge. He is also promoting an innovative, if somewhat limited, program designed to inject $15 billion in new capital into these communities, a more promising plan than some previous initiatives to help depressed areas.

America's current economic expansion, while broad, has produced inequality not seen since the Depression. From 1980 to 1995, the earnings of those at the bottom fell by more than a quarter in real terms, and many also worked less and lost benefits such as employer-paid health insurance. Their lot has improved slightly since 1995, but they are still worse off than those at the bottom 20 years ago.

The main reason is that this boom is centered on the knowledge industry, which demands well-educated, skilled workers. Many of the low-skill light manufacturing jobs that expanded in previous booms have moved overseas. Unionization has declined, and the minimum wage has dropped in real terms. The President visited six communities bypassed by economic recovery — Pine Ridge, towns in Appalachia and the Mississippi Delta, the city of East St. Louis, Ill., a Hispanic neighborhood of Phoenix and the Watts area of Los Angeles. All suffer from poor education and low skills, buying power and access to credit, as well as few contacts with the business world so necessary for attracting investment.

Mr. Clinton's New Markets Initiative would cost the Government $1.6 billion, most of that going to a 25 percent tax credit for investments such as community development banks and venture capital funds that aim to bring new capital to poor communities nationwide. Other parts of the program would provide technical assistance and loan guarantees.

The initiative is small, and may take more time than direct government spending to help these communities. But a well-run program could help create new investments rather than moving old ones around. Many poor areas are better markets and less risky investments than businesses realize.

Members of Congress should refrain from funneling the money to their own districts, as they did with enterprise zones. The political powerlessness of Indian reservations and coal mining towns leaves them vulnerable, but makes Mr. Clinton's decision to highlight their problems all the more welcome.

WASHINGTON POST
JULY 9, 1999

Clinton's 'Third Way' to Beat Poverty

President Touts Blend of Left and Right in Tour of Poor Areas

By Charles Babington
Washington Post Staff Writer

LOS ANGELES, July 8—In stumping the nation this week to bring jobs and hope to impoverished regions, President Clinton has mixed a dash of liberalism's old War on Poverty with a pinch of conservatism's laissez-faire philosophy, yielding his latest recipe for centrist solutions to society's challenges.

At all six stops on his "New Markets" tour, which ended today with visits to job-training programs in this city's Watts and South Central neighborhoods, Clinton has flanked himself with corporate titans and staunch social liberals. His message: Hard-pressed areas need private investments to recover economically, but corporations won't spend their money there without increased government incentives, such as tax credits and loan guarantees.

The president calls it a classic example of the "Third Way" approach. The touchstone of "New Democrats," it holds that neither solidly liberal nor solidly conservative strategies will work, but a politically massaged blend of the two can.

Not surprisingly, some critics from the left and right deride the Third Way as wishy-washy compromise. Clinton, however, has ridden the philosophy from the Arkansas statehouse to the White House, convincing millions of voters that the smartest path lies somewhere between Ronald Reagan's tax breaks for the wealthy and Lyndon B. Johnson's government-driven Great Society.

The president summarized his thoughts in a speech Tuesday in economically depressed East St. Louis, Ill., at the midpoint of his four-day tour. In the 1992 campaign, he began, "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. . . . 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."

He underscored his message to youth training at Southwest College in Los Angeles. Those sharing the stage included the chief executives of United Parcel Service Inc. and Toyota Motor Sales USA as well as Rep. Maxine Waters (D-Calif.), an outspoken liberal. It was typical of the entourages Clinton brought to Appalachia, the Mississippi Delta and the other stops on his tour.

Every event featured announcements of government incentives and corporate pledges meant to create jobs, improve housing, stimulate investment or boost employee training. Today's announcements included $250 million in Labor Department grants for the "Youth Opportunities" program, which targets low-income, out-of-school youths for job training. Also, Lucent Technologies and other corporations pledged $8 million to create "information technology academies" to provide computer training that could help such youths launch careers.

Many advocates for the poor have saluted Clinton's trip, even if they privately complain that it has come late in his administration. Some conservatives, meanwhile, say that pumping more money into deeply depressed areas—even if it is both public and private funds—won't overcome entrenched behavioral patterns that tie people to poverty.

"The general rule in the United States is that people move to economic success, economic success doesn't move to them," said Robert Rector of the Heritage Foundation. Pouring investments into the Mississippi Delta, he said, will not dramatically increase jobs there because "that's not a good industrial area, it's a good cotton area"—and cotton no longer requires many workers.

Even though Congress and Clinton have reduced welfare benefits, Rector said, the government continues to "reward non-work and non-marriage." Until that changes, he said, high rates of joblessness, crime and illegitimacy will prevail in the areas Clinton visited this week.

But the more liberal Joint Center for Political and Economic Study praises Clinton's approach on poverty. "I think the general idea is certainly a useful combination of public and private partner-center's vice president for economic research. She added, however, that declaring a depressed area as an "empowerment zone" can backfire if businesses need to expand and relocate to suburban areas for transportation purposes. Such firms would lose their tax benefits, she said, even though research shows they still would hire mostly minority employees.

Al From, head of the Democratic Leadership Council and a champion of Third Way thinking, joined Clinton for most of this week's tour. He said the "New Markets" program "isn't a government solution."

"It's a way to use government resources effectively to leverage capital investment in these markets that have been left behind," From said.

Clinton summed up his thinking in an interview with CNBC during Tuesday's stop in Clarksdale, Miss. "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," he said. "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."

In an interview published last Friday in the Los Angeles Times, Clinton suggested that Texas Gov. George W. Bush—the leading GOP candidate for president—is copying Clinton-Gore administration policies, especially in Third Way areas.

He said Bush's campaign is "very flattering in a way because it replicates the rhetoric" that Clinton has used in emphasizing themes such as linking opportunity and responsibility. He said Bush's "compassionate conservatism" might be a ruse to allow congressional Republicans to pursue a more conservative agenda if Bush gets elected in November 2000.

Asked whether Bush's lead in the polls over Vice President Gore indicates a public desire for change, the president said: "I think there is a constant desire for change. But I think what you will see by next year is that the vice president will be the candidate of change. People will have to decide if they want the change going on

WALL STREET JOURNAL
JULY 7, 1999

CAPITAL JOURNAL
By Gerald F. Seib

Clinton on Tour: Battling Poverty The 'Third Way'

As he talked by phone from the sweltering Mississippi Delta yesterday, it was clear that President Clinton was reveling in a return to his roots.

Not his Southern roots, but his roots as a New Democrat pushing a "third way" of using government that lies somewhere between traditional liberalism and traditional conservatism. Mr. Clinton is in the midst of a four-day New Markets Tour of the country, announcing new tax incentives and government-backed loans designed to generate venture capital for launching businesses in the nation's pockets of poverty.

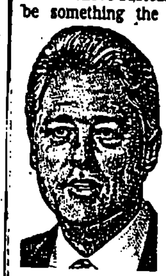
There are plenty of reasons to be skeptical, even cynical, about another federal effort to battle poverty. But whatever its ultimate effectiveness, this initiative represents a nearly pure example of the kind of New Democrat thinking Mr. Clinton promised when he entered office—and the kind he would bequeath to the Democratic Party.

"In some ways it's the perfect embodiment of the third-way philosophy," Mr. Clinton said in an interview. "What we're doing basically is using the government to facilitate a public-private partnership at the grass-roots level. It's not government alone, it's not private sector alone, but it's a partnership, and I think it will genuinely change the landscape."

That, of course, remains to be seen. For starters, the legislation implementing his initiative still has to be passed by a Republican Congress that may not be seized by anti-poverty programs at a time of economic boom and 4.3% unemployment. But if Congress goes along, the initiative would allow both small and some large venture-capital firms that invest in low-income areas to qualify for $2 in government-guaranteed loans for every $1 they raise privately. Interest payments could be deferred for five years, and entrepreneurs could get technical help. Investors would get a 25% tax credit for investments in new ventures or community development banks.

It's classic New Democrat thinking: Marshal public resources to create private-sector growth that gives an opportunity (but no guarantees) to people who help themselves. And it's designed for political advantage: It appeals to liberals by taking on a pet cause, poverty, and to conservatives by finding the answer in the marketplace.

"I believe basically that this ought to be something the Republicans would love, because it uses tax incentives to leverage private-sector investment in places where they decide whether they will make money or not," Mr. Clinton said. The initiative got a good start yesterday, when Bank of America Corp. announced that it is creating a $500 million equity-investment fund for distressed areas.



Bill Clinton

If nothing else, the president's initiative shines a light on the changing nature of poverty in America. Those longstanding stereotypes of economic depression—Harlem, Detroit, Watts, the Bronx—have to be revised. Such places still have poverty, of course, but the list of communities left behind in today's economic boom runs more toward small to midsized cities.

"I think that the restructuring of the American economy has tended to favor the renaissance of the large cities," Mr. Clinton said. "A lot of these small and midsized cities, depending on their physical location and the nature of the pre-existing economic network, haven't gotten the new jobs to replace the old."

A recent report by the Department of Housing and Urban Development on distressed cities lists a strikingly diverse array of names not normally associated with poverty and unemployment: Fresno, Calif.; Yakima, Wash.; Beaumont, Texas; Lake Charles, La. "A lot of the small and mid-sized cities were dependent on elements of the economy that are no longer thriving, and were relatively heavily dependent on a given factory, for example," Mr. Clinton said.

The promise of this week's initiative isn't to recreate those old businesses, but to provide seed money for new ones. Congress and the administration already have done some of this by creating "empowerment zones" to give tax breaks for investments in some specific areas. Yet many troubled towns "may never get an empowerment zone, even if Congress gives me 20 or 30 more," Mr. Clinton noted. The new incentives, by contrast, could apply to any troubled city.

Mr. Clinton's final appeal to the business community is a practical one. Investors have been worrying for months where the economy would find the workers and capacity to keep economic growth humming without inflation. The answer, he suggests, lies in the spots America's boom has left behind.

THE WALL STREET JOURNAL
WEDNESDAY, JULY 7, 1999

WASHINGTON POST
JULY 11, 1999

The Washington Post
AN INDEPENDENT NEWSPAPER

Four Days for the Poor

IT'S NOT EVERY week that a U.S. president visits in succession the hollows of Kentucky, a distressed Midwest urban area, a hard-pressed Mississippi Delta town, a dirt-poor Indian reservation and a once riot-scarred West Coast inner city. But as the sun starts to set on his presidency, Bill Clinton is using his bully pulpit to tell America that the blessings of economic prosperity have not reached all parts of the country, and that more must be done. It was an important undertaking, and presidential time was well spent on it.

Mr. Clinton's odyssey could have followed a different geographical course and yet made the same point about the persistence of poverty during a time of plenty. The White House motorcade could have pulled into Benton Harbor, Mich., where the 1995 poverty rate was 64 percent, or driven to the Chicago public housing where children have been known to sit in feces, or stopped by any number of community shelters where the nation's 600,000 homeless spend the night.

At a moment of historic economic gains, the president still would have had little trouble finding communities stuck at the starting line as the nation's economy rambles ahead. But the ostensible purpose of the president's trip was to do more than simply call attention to the distress of communities left behind. The president also set out to showcase islands of poverty as untapped markets with potential for fueling growth and economic recovery.

With the "new markets initiative" tour now behind him, the acid test must be applied to the promises he made along the way. Will the new government tax credits, loan guarantees and other federal subsidies announced during president Clinton's four-day mission be enough to attract and sustain the kind of private investment necessary to allow impoverished regions to share in the nation's good fortunes?

Other presidents have put the national spotlight on the problems of America's hardest-hit. The poor are still with us. Having drawn attention once again to one of the nation's most intractable and challenging problems, Bill Clinton is positioned to move beyond his pledges and sympathetic hugs. The people he was with for four days and who he has now left behind can be forgiven for wondering if the president will stay with their case or move on to something else. They are not alone.

NEWSWEEK
JULY 19, 1999

BETWEEN THE LINES

TRADE MISSION TO MISERY, USA

Clinton's trip highlights the move from a 'War on Poverty' to a 'War for Profits.' Can it work?

By JONATHAN ALTER

HILLARY'S GOT THE MOJO now, but the more important trip last week was by her seemingly irrelevant husband. Yep, Bill Clinton was a caricature—sipping a Mountain Dew with the folks up the hollow in Kentucky, eying a Hostess cherry pie in East St. Louis as he explained that, of course, *he* was once poor, too, living on a dollar a day as a college freshman. Yadda yadda. The patter was old, the record on poverty is mixed, but he's still president, and presidential visits can still carry weight.

It's hard to believe, but Clinton is the first American president since Franklin Roosevelt to visit an Indian reservation—a stunning reminder of generations of neglect. Unemployment at South Dakota's Pine Ridge Reservation, the nation's poorest census tract, is 73 percent; alcoholism is off the charts. The other stops on the seven-state "poverty tour" were less desperate but plenty grim. Even so, I came away strangely hopeful.


CHRIS USHER

'New Markets' tour: *At the Pine Ridge Reservation last week, Clinton promoted his anti-poverty program—and his legacy*

The source of my good feeling was, of all people, an upbeat Jesse Jackson. God isn't finished with him yet—he's turning the reverend into a proud capitalist. "This isn't a War on Poverty, it's a War for Profits," Jackson told me on Air Force One. In the old days, that would have been an attack line; now, it neatly summarizes the message of Clinton's "New Markets" tour. Jackson's three-word mantra was once: "I am somebody." Today it's: "Access to capital."

This is hardly a new theme in anti-poverty circles, but the response from CEOs and bankers (several of whom came along on the tour) is much stronger than in the past. The smart ones see a way to do good and do well at the same time. "I'd sort of like these markets for myself," jokes Stephen Burd, CEO of Safeway, which has recently opened several successful supermarkets in depressed inner-city neighborhoods. (The key, Burd says, is to put a police substation in the store.) Over the years, countless efforts to revitalize inner cities have failed, but that was before today's labor shortages and huge new pools of investment capital. The purchasing power in poor areas is also greater than previously understood. For Sanford Weill, chairman of Citicorp, it's a no-brainer: "It makes no sense to invest in [Third World] countries and not in these places." Spoken like a banker who has written off more bad foreign loans than domestic ones.

Rejecting any talk of "charity," Clinton cast the whole trip as a domestic trade mission aimed at keeping the economy humming by opening new markets at home. This was partly flimflam: high tech largely drives the economy, and there's not much of it in distressed areas. And why would Clinton's new tax breaks for investing in poor neighborhoods work when existing low-tax "empowerment zones" have such a mixed record? (They depend for their success on shrewd local political leadership, which has been rare.)

The best argument for the new plan the president offered last week is simple fairness. His bill would offer corporations the same incentives and loan guarantees for investing in poor neighborhoods that they now get for investing overseas. This essentially amounts to replacing traditional welfare with corporate welfare, the latter being much more popular in Congress. With the GOP trying to show that it's compassionate, the odds of passage are good.

As president, Clinton has quietly done more for the poor than some liberals admit. The rising economic tide has pushed unemployment for blacks and Latinos to historic lows; half a million former welfare recipients have been hired by the private sector. Less well known is that Clinton got banks to start using a 1977 law, the Community Reinvestment Act, to lend more in the inner city. He never properly highlighted his expansion of the Earned Income Tax Credit or gave it a jazzier name. But that $30 billion a year in direct payments to the working poor—rewarding those who just scrape by—is arguably the most successful anti-poverty program in a generation.

The problem was follow-up. The president would visit inspiring nonprofits in poor areas every so often, hear a tale of triumph over adversity, shed a tear, reminisce about the Kennedys. But something always came up to keep him from making the problem of poverty sexy again. In 1995 he had to play defense against the Republican Congress. In 1996, re-election. In 1997, balancing the budget. In 1998, Monica Lewinsky. All the while, one in four children continues to grow up poor.

So in year seven of his presidency, under prodding from HUD Secretary Andrew Cuomo and others, Clinton is finally getting in gear. It's not too late for a sustained commitment. The challenge for him and future presidents will be to get thousands of companies and nonprofits to make pledges to ramp up their good ideas, then create a structure of accountability. That's tough organizational work—and a new model of governing.

Clinton has another New Markets tour planned for the fall, starting in Newark. If he makes 10 or 12 more such trips before leaving office—cajoling, coordinating, leveraging, *leading*—then his domestic legacy will move to the higher plateau he covets. "If we can't do it now, with this economy, we'll never get around to it," the president said in Watts last week, almost as if he were talking to himself.

WASHINGTON POST
JULY 9, 1999

E. J. Dionne Jr.

Better Late Than Never

It is a chronic social ailment for the very poor to be invisible to the rest of America.

"We have to expose these conditions to the American people," said Housing Secretary Andrew Cuomo, a lead architect of President Clinton's tour this week through the nation's poverty belt. "They don't know these conditions exist. . . . That's not where they live, they don't see it on their way to work, it's not their daily experience—it is almost inconceivable."

Cuomo offered these thoughts in an April speech but is not the first to have them.

"The other America, the America of poverty, is hidden today in a way that it never was before. Its millions are socially invisible to the rest of us. . . . Poverty is often off the beaten track. It always has been."

So wrote the late Michael Harrington in his 1962 book, "The Other America," which helped spark the war on poverty in the Kennedy and Johnson administrations.

Now, 37 years later, the trumpet summons us again, or so at least Cuomo and Clinton hope. Presumably, the country feels rich again and is amenable to worrying about the poor. Perhaps this time, we'll ask why the poor go in and out of fashion as if they were a commodity or a new car design.

It's a president's job to put problems on the national agenda. By taking his tour through Hazard and Annville, Ky., Clarksdale, Miss., East St. Louis, Ill., the Pine Ridge Indian Reservation in South Dakota, and yesterday in South Phoenix and Watts, Clinton shifted the media's focus for at least a few days to the problems of the least among us.

In principle, there is nothing wrong with the president's core message: Business investment could do a world of good for the nation's poorest communities; government spending is no substitute for jobs in thriving enterprises; and tax laws and other incentives could be wielded, as the president is proposing to Congress, so capital could move into places such as Hazard and Clarksdale.

Perhaps Clinton is showing how well he understands this gilded era. Telling investors, as he did in East St. Louis, that "there are business opportunities out here" works better these days than, say, "We Shall Overcome."

"We could say to every corporate leader in America: Take a look at investing in rural and inner-city America," the president said in Hazard. "It's good for business, good for America's growth, and it's the right thing to do."

All very practical, one of those "win-win" propositions Clinton loves to talk about. It plays into a vogue in business schools (sparked by the work of Michael Porter at Harvard, among others) to look at the untapped economic profit potential of poor neighborhoods and cities. And surely it is useful to break down prejudices against investing in marginalized precincts.

Clinton discovers the poor.

Yet it is dispiriting that Clinton is making this investment of time and energy in the seventh year of his term. "Why not year one, two, three, four, five or six?" asked Sen. Paul Wellstone (D-Minn.) in a telephone interview from his home state. "It's very late for a commitment to economic justice."

Clinton, in fact, is walking in Wellstone's shoes. Two years ago, the unapologetically liberal senator retraced the trek through impoverished America that Robert F. Kennedy took in the '60s.

Wellstone, who cares about the poor even at moments when their cause is not pronounced to be cool, thinks the president's New Markets Initiative is "timid." He says it doesn't do enough about the basic problems confronting poor Americans: the inadequacy of their schools, their lack of health coverage and the problems many of the poorest face as they are forced off public assistance by welfare reforms.

"In a time of peak economic performance, we're still told we can't provide health care for every American, or a good education for every American," Wellstone says. "If not now, when?"

An excellent question for which Wellstone may now get a bit more of an audience. Clinton, with his shrewd sense of the politically possible, has decided it's an opportune time to talk about the poor. If Americans get serious about the Other America, they might go beyond Clinton's pitch to get a few more corporate dollars for Hazard or Clarksdale.

And they might go back to a question Michael Harrington asked that becomes more powerful as the decades pass: "How long shall we look the other way while our fellow human beings suffer? How long?"

The Washington Post

FRIDAY, JULY 9, 1999

WASHIMTON POST
JULY 8, 1999

MARY McGRORY

After Six Years, the Track's Other Side

President Clinton deserves a gold star for his poverty tour. He has brought us face to face with the deprived and the dispossessed in our society. He has given us the voices of the brave men and women in Appalachia and other places left behind in the great surge of prosperity that has engulfed the rest of the country. We have seen their humility, their hopefulness, their immense dignity.

But Sen. Paul Wellstone (D-Minn.) says it is "a little late." Jesse Jackson is claiming credit. And—the unkindest cut of all—the first lady bumped him off live CNN coverage of his historic visit to Pine Ridge. She was putting a toe in the New York senatorial waters while her husband was making the first serious presidential call on an Indian reservation. Calvin Coolidge went to Pine Ridge in 1927 but only to pick up a much-photographed war bonnet. Clinton promised help.

Wellstone has a point. The Senate's most liberal Democrat and the only member of his party to vote against the Clinton welfare bill, he says he sees Clinton's concern for the poor as genuine but a "disconnect" between rhetoric and budget requests. But to see Clinton bonding with blacks in an East St. Louis parking lot or commiserating with an Oglala Sioux woman who is responsible for 11 people in her wretched house and 17 other relatives in her trailer is to watch him doing something he was born to do.

Wellstone thinks it is "a tragedy" that Clinton is introducing the country to its most miserable inhabitants in the seventh year of his presidency rather than the second.

Jackson tells people that the trip is "a victory for the Rainbow Coalition." It may be, but Clinton's tour guide was indisputably Andrew Cuomo, the hard-charging secretary of housing and urban development. For the last year, Cuomo has been preaching the gospel of the left-behind. He has insisted that Americans, if they found out about, for instance, the 73 percent unemployment rate at Pine Ridge, would insist on doing something about it.

Happy talk was the usual output of the administration. Only Cuomo went from platform to platform with his daunting statistics, his depressing slides. He spoke with something of his father's eloquence about challenge and conscience and was told he sounded old-hat. He had no reason to think anyone was listening until the president reeled off the names of all the places he is now visiting in his State of the Union speech and spoke of "bringing jobs and opportunities to our inner cities and rural areas."

The people of Appalachia and East St. Louis and other sad centers have seen other prominent public men come through before, expressing sympathy and even outrage. Clinton brings hope with clout. His large entourage is studded with CEOs who profess willingness to take a flyer on the poor, who are prepared to offer Wal-Marts and vouchers for housing and scholarships for the young. Cooperation between the public and private sectors is not a new idea. Republicans have pushed for enterprise zones. Earned income tax credits were passed in the second year of Clinton's administration.

The question is whether Congress will give Clinton the satisfaction of burnishing his legacy by ministering to the poor in the twilight of his presidency. Will the Republicans vote the appropriations necessary to fund tax credits and loan guarantees?

The answer depends in some measure on whether or not the scandal of the left-behind becomes a campaign issue. Vice President Gore has been an ardent advocate of empowerment zones but more apt to do meetings with mayors than encounters with the poor. His nomination rival, Bill Bradley, speaks feelingly of rescuing children from poverty, but without specifics. George W. Bush's views on these matters, as on so many others, are not known. Gore might find the humanity his campaign lacks in pushing these schemes to help the people who have tires and rusting bedsprings in their front yards and no indoor plumbing.

For Clinton, these four days have been reviving. He has eschewed the Hollywood playmates and the Wall Street moguls with whom he so often consorts to stand with the dirt-poor losers. It is always attractive to see a president of the United States exhorting his fellow citizens to do better. There is a tendency, particularly around the Fourth of July, to congratulate ourselves on our accomplishments and our uniqueness, to credit our virtue, rather than our incredible luck, for our enviable state.

It is entirely fitting for Clinton, who has hardly ever tired of pointing out the unparalleled prosperity that has occurred on his watch, to sing another tune. Now he is not only telling the country but showing it that we have an obligation to spread our good fortune to those among us who can't read or write or haven't had a crack at the American dream.

The Washington Post
THURSDAY, JULY 8, 1999

LEVEL 1 - 9 OF 9 STORIES

Sacramento Bee

July 8, 1999, METRO FINAL

SECTION: EDITORIALS; Pg. B7

LENGTH: 527 words

HEADLINE: SOME LIVES UNTOUCHED BY THE BOUNDING ECONOMY

BYLINE: Thomas Oliphant

DATELINE: WASHINGTON

BODY:

Presidents are simply not known for doing what President Clinton is setting out to do this week -- doggedly call attention to the shortcomings in his signature accomplishment.

How else to describe a carefully planned journey through some of the poorest chunks of real estate in the country that have been left out of the decade's astonishing economic resurgence?

The president, however, is not simply raising consciousness by dragging a group of corporate leaders and the press around America to the Pine Ridge Ogala Sioux Reservation in South Dakota, and to Kentucky, Illinois, Mississippi, Arizona and Watts. He is also trying to dramatize a few important points about the economic future: that the biggest difference between making and not making a decent living is the level of one's education; that poverty in rural and urban America is a function of isolation from the economic mainstream; and that after having made a huge difference in eliminating some of the worst manifestations of poverty over the last generation (hunger, absence of sanitation, presence of industrial poisons, destitution among the elderly), the next challenge for government is to stimulate and leverage private investment in struggling communities.

In time, the smart business guys are going to figure out an obvious truth that an extra-smart few are already grasping -- one of the next great opportunities for growth in the mature U.S. economy can come from the rising incomes and even assets of people who are poor in places that have remained far behind the rest of the country -- hence the administration's moniker for a collection of worthwhile initiatives, New Markets. According to White House officials, there is nearly a $ 100 billion consumer market out there, grossly underdeveloped but very inviting.

Clinton highlights how local development companies have been able to leverage public money to attract private investment -- to expand businesses, start new ones or help attract jobs-producing investment from outside.

This week's trip is connected to a specific agenda that flows easily from six years of multibillion-dollar results in getting 125 empowerment zones up and running, creating a vigorous welfare-to-work operation, expanding new community development financial institutions and cleaning up toxic sites.

Now Clinton wants to leverage another $ 15 billion in investment by proposing a new income tax credit for up to 25 percent of the money put into these business-developing institutions. And he also wants to authorize domestic investment companies to promote projects in inner city and rural areas the same way the Overseas Private Investment Corp. operates in emerging markets abroad.

This is no mere photo opportunity, and to the extent it is, it draws attention to what has not been accomplished this decade. But with another presidential election looming, Clinton's mission demonstrates that bringing prosperity to the places that have been bypassed requires more than compassion; it demands new thinking and hard work.

Thomas Oliphant is a columnist for the Boston Globe. Distributed by the New York Times News Service.

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ECONOMIST
JULY 10, 1999

America's emerging markets

Bill Clinton has a host of plans to help his country's poorest places. Will they work?

IN A tour that was explicitly modelled on a trip to the developing world, Bill Clinton this week visited the "new markets" of the United States. Accompanied by a posse of cabinet ministers, congressmen and corporate executives, the president touched down in Appalachia, the Mississippi Delta, the Pine Ridge Indian reservation in South Dakota and other black spots of economic backwardness. Just as the president's previous journeys to Africa or Latin America shone a spotlight on poor countries and spawned a plethora of policy initiatives to spur economic development, so this trip was punctuated by proposals for boosting "new markets" back home.

The analogy has obvious political appeal. Not least, it distracts people from the question of why eight years of economic expansion have largely bypassed these parts of America. But it also sounds a warning. Foreign aid and other governmental efforts to help poor countries hardly have a resounding record of success. Too often, public money has been wasted. Too often, incentives for private investment have been designed more to help American companies than poor countries. What chance is there that the administration's new domestic initiatives will work any better?

To help the poor, wherever they are, you must find out what ails them. In most cases, two major ingredients of prosperity are missing: infrastructure and private capital. Many of the most desolate parts of America have terrible physical infrastructure: housing is bad, transport links are inadequate. Just as important, they lack the sort of schools that could create a skilled workforce. The history of public investment in infrastructure in poor areas is dismal; too often, the pork barrel talks louder than good sense. Better infrastructure and education must remain the first requirement.

The second is private capital. America's most depressed economic areas desperately need private investment. They get very little not only because they are unattractive, but also because of misperceptions and market failures. A lack of information, for instance, means that many companies may have an exaggerated idea of the risk of investing in deprived areas, and often have no idea of potential markets.

The latest Clinton proposals are designed to address this lack of capital. Just as rich-country governments can catalyse private investment in poor countries by taking on some of the risk, so the Clinton administration hopes that the federal government can encourage private investment in deprived areas through tax credits, loan guarantees, "new market venture capital firms" and other financial gizmos. The aim is to use around $1 billion of public money to draw in as much as $15 billion of new investment (see page 23).

Some caveats along the way

In some ways, this approach makes sense, and presidential attention (long overdue) is heartening in itself. There are several dangers, however. The first is the risk of misdirecting rather than creating investment. For bureaucratic purposes, America's deprived regions are carefully defined geographical areas. A tax incentive that simply induces a company to move across the street will do little for long-term development. The second danger (painfully learned in the international arena) is bureaucratic muddle. Too many initiatives involving too many institutions are likely to cause a tangle of red tape, which—perhaps more than anything else—will repel private investors.

The third pitfall—also learned painfully in the foreign-aid business—is the risk of too much money too soon. Despite the headline-grabbing investments announced this week (such as BankAmerica's pledge of $500m in equity for business enterprises in poor areas), it will take time for well-directed private investment in America's most backward areas to accelerate. Providing lots of incentives fast can sometimes look like great politics, but it does not always lead to wise decisions about the best poor corners to help.

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EDITORIALS

BRING JOBS

Delta residents should not have to go elsewhere for jobs.

The task right now is to lure jobs to Americans who need them.

The credit can be divided up later.

Delta visit

'Paradise' in search of investor(s)

If nothing else, President Clinton's Tuesday visit to Clarksdale highlights Delta "wealth" available to investors.

As local and state officials showed the president on his tour, Clarksdale has a lot of pluses: The city of 20,000 has a willing workforce with unemployment that is regularly double or more state and national averages.

It has access to local community colleges and courses for vocational training as well as two Delta universities.

It has access to rail, air and barge traffic, located on the Mississippi River, 72 miles from Memphis International Airport and 25 miles from Helena, Ark.

With poverty and decades of neglect, it is "hungry" for work. And that is the "wealth" the Delta offers.

In terms of potential, the Delta is a paradise waiting for an investor. President Clinton was in the Delta to highlight just such charms as available for the asking under his New Markets Initiative.

While here, he offered one quick solution to unemployment, noting that Clarksdale had no jobs but plenty of workers while Memphis had plenty of jobs and a need for workers.

The result was Greyhound Bus Lines and Federal Express announcing a plan for affordable, daily trips by Greyhound to Memphis scheduled to typical work hours.

That's a simple solution that could help. But the major problem remains that people in the Delta should not have to look outside the Delta for jobs.

Republicans in Congress have their own plan, called the "American Community Renewal Act," that passed the House last session but failed in the Senate. Perhaps with a Mississippian, Trent Lott, as Senate majority leader, the benefits of that plan could receive greater attention.

The people of the Delta in need of livelihoods don't care who gets the credit — the Republicans or the Democrats. Those in Congress should remember that. They can claim credit later. The task right now is to lure jobs to Americans who need them, regardless of political credit.

›ublic defenders

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REACTION TO PRESIDENT CLINTON'S CLARKSDALE VISIT

"He started people thinking outside the box, that you don't really have to leave the Mississippi Delta to get ahead, if you start re-investing in what we have here. I look forward to the new investments."

Photo Mug
— 2nd District U.S. Rep. Bennie Thompson

"This is the first meaningful visit by an incumbent president of the United States since Woodrow Wilson spent Christmas on the Mississippi Gulf Coast in 1913. President Nixon was here right after (Hurricane) Camille. But, this is the first nonemergency (and noncampaign) visit by an incumbent president."

Photo Mug
— Former Gov. William Winter

"It's good of him to come and try to help our state out, and these other rural states that are having a hard time even though the economy is doing so well. ... Agriculture is really hurting right now, and this is an agriculture-based economy around here."

Photo Mug
— 4th District U.S. Rep. Ronnie Shows

"What I hope (the president's visit) means is a renewed effort toward economic development here, toward paying attention to places like Clarksdale. Today's the easy day. Tomorrow and the days that follow are what's hard and what's going to make a difference."

Photo Mug
— Former Gov. Ray Mabus

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Date: July 7, 1999, Wednesday
Title: Clinton's Overdue Trip To Help Nation's Poor

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EDITORIALS
LENGTH: 367 words

BODY: PRESIDENT CLINTON took his time publicly acknowledging that the economic boom he is so proud to claim as his own has bypassed a significant number of Americans, mostly the poorest of the poor. Still, better now than never. With corporate CEOs, members of Congress and the Rev. Jesse Jackson at his side, the president is on the final leg of a four-day trip to some of the nation's most distressed regions as a way to focus on "untapped markets." Roughly 13.3 percent of Americans still live below the poverty level, which is defined as an annual salary of $16,665 for a family of four. In places like Perry County, Ky., where coal mining has seen more prosperous days, 30 percent of the people live below the poverty level. The photo opportunities in six states -- from Appalachian communities in Kentucky to the Mississippi Delta to Los Angeles -- will serve as a backdrop for lobbying for a proposal made earlier in the year for tax incentives and loan guarantees that the Clinton administration estimates will generate $15 billion in new investment in urban and rural areas over five years. Among the proposals: -- A tax credit of up to 25 percent for investments in development banks and venture funds that serve disadvantaged communities. -- Leverage up to $1.5 billion in investment in new developments that expand to inner-city or rural areas. -- Government debt guarantees and deferred interest to establish new venture capital firms. But probably more important than the government programs are the promises Clinton obtained before he started the trip from banking, insurance and communications companies to invest in Appalachia and other poor areas.

As he said, "We wanted to send a signal to America that we know government can't solve these problems alone. But we know that we'll never get anywhere by leaving people alone, either." The government has touted anti-poverty programs before, particularly its Empowerment Zone and Enterprise Communities grants and investment incentives. As he seeks congressional support for what he calls his "New Markets" initiatives, Clinton has a responsibility to show that he is prescribing solutions that have a proven track record.

LOAD-DATE: July 7, 1999

WASHINGTON POST
JULY 11, 1999

Andrew Cuomo

The Trip Into Poverty

In his visits last week to the poorest areas of this country, President Clinton encountered the hearts and souls of those living in poverty—their struggles, their hopes and their dreams for their children. This visit was not only about past failures but about expanded opportunities, new possibilities and a renewed future for the poor in our cities, rural areas and Indian reservations. The president highlighted rural poverty in Appalachia and the Mississippi Delta, distress in our older, small and medium-sized manufacturing cities like East St. Louis, and struggles even in our large successful cities like Los Angeles and fast growing cities like Phoenix.

The most poignant moment of this tour was the president's visit with Geraldine Blue-Bird at the Pine Ridge Indian Reservation. Pine Ridge is the poorest census tract in the nation and the home of the Oglala Sioux. Geraldine Blue-Bird lives with 27 relatives in a tiny, run-down military surplus home and an adjoining trailer. In 1999, a descendent of the first Americans, Geraldine cannot even afford to buy her children the shoes they need to go to school.

The president's trip was a tremendous success for raising national awareness that despite the economic boom, there are many places left far behind. But the trip says much more.

The first message is that the areas visited by the president are examples of potentially new economic markets that can be developed to continue to fuel this nation's economic engine. The two essential elements to sustain economic life—the economic equivalent of air and water—are new workers and new consumer markets. The workers whom business so desperately needs for tomorrow are the unemployed of today. And the new consumer markets are the unused purchasing power of our untapped markets right here in the United States. A recent Department of Housing and Urban Development report estimates that there is $330 billion in potential purchasing power in our inner-city communities. In the nation as a whole, there is 25 percent more money earned than spent in our inner cities. In New York, it is 31 percent; in Washington, D.C., it is 28 percent.

But there is another message that goes beyond the economics: that we have a moral obligation to bring those places left behind into the American success story. It is an issue of national definition and of social justice. The premise of this nation—unlike any other—was not based on common race or religion but on promise and principle. And the premise simply put is "opportunity for all." Not guaranteed outcomes, but an equal playing field of opportunity.

To fulfill the nation's promise, we must work to provide the basic platform for an individual to build on: decent housing, health care, a public education system that offers everyone everywhere the skills to compete and access to capital. It is our spirit of community that has made this nation strong: our belief that we are all interconnected and interrelated. The Native American uses the symbol of the circle, without beginning and without end, one inextricably linked to the other. It's either shared success or shared failure.

The president's commitment to addressing this challenge incorporates the lessons of the past. Government cannot fill the void left by the private sector's absence. Past efforts tried a government substitute for a private sector economy—an "entitlement economy"—and we must do better. At the same time, it cannot be left to the free market, because, by definition, the private sector has failed in these places.

The intelligent synthesis is that government take action to facilitate and incentivize the private sector to invest in poorer communities and help them overcome competitive economic disadvantages.

The president's New Markets Initiative will do this by providing tax benefits, loans and capital, which will foster new private-sector jobs and economic activity. It is not our first effort. This builds on the empowerment efforts advanced for six years by Vice President Gore, a bipartisan policy that combines the best of Democratic and Republican approaches.

This is a unique moment in history because of a confluence of several factors. First, we have an exceptionally strong economy that provides the fuel for continued growth. Second, the federal government has new credibility and has eliminated the deficit, which all but made progressive government an impossibility. Third, with new technologies, businesses are more mobile than ever, and thus a remote area today is more proximate to economic potential. A fiber-optic cable can go where no road or rail ever has.

If we don't act now, then when?

The writer is secretary of housing and urban development.

INSTRUCTIONAL OBJECTIVES

It is the intent of the Albuquerque Job Corps Center to educate the enrollees to become employable, to be good citizens and to become better homemakers and mothers.

In so doing, the educational program presents the following objectives:

1. To involve the enrollees in problem-solving, instead of informational learning.

2. To emphasize the basic ideas, structure and methods of inquiry.

3. To stimulate a love for learning that hopefully will last throughout life and that her vocational skills will reach a greater proficiency.

4. To inspire stability, perseverance and self-confidence in the individual.

It shall be considered that these objectives have been met when:

the enrollee is able to perform her chosen vocational skills;

she is self-motivated to use the library to further her learning beyond the assignment;

she demonstrates stability and perseverance in her given task during "on-the-job" training;

she can choose the appropriate dress and hair style for any given functions;

she has attained the social skills necessary for success in interpersonal relationships with her peers, teachers, and those with whom and for whom she works.

6. Reverend Jim Horton
   911 N. 7th Street
   Artesia, New Mexico

Reverend Horton has lived in Artesia for 22 years. He lives in the area affected by poverty.

Activities: He was pastor of the Bethel Baptist Church of Artesia for 16 years; he is presently commuting to preach at the Mt. Gilead Baptist Church in Roswell; Member of the Fair Employment Practices Commission for 8 years; Moderator for 12 years of Jerusalem District Baptist Assn.; Secretary for Mt. Olive State Convention.

Reverend Horton is presently employed by the Relocation Authority of the Urban Renewal Agency of Artesia, New Mexico.

Labor Force Estimates

State	Area	1993 Annual Average Labor force	1993 Employed	1993 Unemployed Level	1993 Unemployed Rate	1998 Annual Average Labor force	1998 Employed	1998 Unemployed Level	1998 Unemployed Rate
APPALACHIA		10,274,691	9,523,205	751,486	7.3	10,766,612	10,248,005	518,607	4.8
LOWER MISSISSIPPI DELTA		3,850,801	3,563,560	287,241	7.5	4,085,811	3,854,818	230,993	5.7
ARIZONA	PHOENIX CITY	536,819	507,292	29,527	5.5	695,311	674,833	20,478	2.9
	SOUTH PHOENIX	31,205	27,518	3,687	11.8	39,164	36,607	2,557	6.5
CALIFORNIA	LOS ANGELES CITY	1,775,228	1,577,882	197,346	11.1	1,861,754	1,723,367	138,387	7.4
	WATTS	78,379	61,650	16,730	21.3	79,065	67,334	11,731	14.8
ILLINOIS	**EAST ST LOUIS CITY/TWP**	11,533	10,007	1,526	13.2	11,837	10,678	1,159	9.8
KENTUCKY	CLINTON COUNTY	4,484	4,128	356	7.9	4,493	4,207	286	6.4
	JACKSON COUNTY	4,389	3,982	407	9.3	6,861	6,552	309	4.5
	WAYNE COUNTY	7,669	7,097	572	7.5	8,012	7,124	888	11.1
	HIGHLANDS	16,542	15,207	1,335	8.1	19,366	17,883	1,483	7.7
MISSISSIPPI	**COAHOMA COUNTY**	11,962	10,661	1,301	10.9	11,682	10,467	1,215	10.4
SOUTH DAKOTA	JACKSON COUNTY	1,028	961	67	6.5	1,091	1,033	58	5.3
	SHANNON COUNTY	2,858	2,395	463	16.2	3,394	2,982	412	12.1
	PINE RIDGE RESERVATION*	3,234	2,717	517	16.0	3,786	3,328	459	12.1

* Pine Ridge Reservation contains all of Shannon county and part of Jackson county.

U. S. Department of Labor
Bureau of Labor Statistics
Local Area Unemployment Statistics
July 1, 1999

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FAX 213-593-1072

A piece of the rock for Nets' Newark arena

* POTUS will go to Newark in next few months to tour →

07/08/99

By Joseph R. Perone
STAFF WRITER

TALK TO PATRICK DORTON OR SPERLING FOR SPECIFICS

Prudential Insurance Co. has offered to arrange up to $170 million in financing so the New Jersey Nets can build a pro basketball arena in Newark.

In a move Nets officials hope will attract more private investors, Prudential says it would set up a consortium of lenders to finance much of the arena's construction as long as certain conditions are met.

"On the basis of what we've seen this looks like a good project," said Matt Chanin, senior managing director of Prudential Capital Group, which evaluates the viability of commercial projects for the nation's largest insurance company.

Details that must be worked out include studies on the feasibility of the arena and the infrastructure needed to support it, Chanin said. However, the company's preliminary backing is expected to give momentum to the Newark project, which is favored by the new owners of the Nets, because Prudential is a powerful and conservative firm with a long history of financing commercial development.

"It strengthens the Nets and Newark's position," said Michael Danielson, a Princeton University professor and author of a book on how professional teams affect the cities in which they play. "It gives them a lot more clout."

The total cost of the Newark arena is estimated at $290 million, which is expected to be funded by both public and private sources. Nets officials hope Prudential's "expression of interest" will help the franchise attract a dream team of corporate backers such as AT&T, Lucent Technologies and

Bell Atlantic.

"A company like Pru doesn't put their backing behind architectural dreams," said Nets President Michael Rowe. "This is the first step in what we hope is a public-private partnership."

Rowe learned of Prudential's offer to finance part of the project in a July 6 letter from Yvonne Guajardo, vice president of corporate finance for Prudential. The financing would include a two-year construction loan and a 20-year mortgage, according to the letter, a copy of which was obtained by The Star-Ledger.

"In particular, we are interested in pursuing a potential financing of up to $170 million to be provided by Prudential and a club of institutional investors," she wrote, adding that the funds would be used to build an arena for the Nets "and an NHL or IHL (International Hockey League) team."

One sticking point could be in convincing the New Jersey Devils to relocate to Newark. The Nets and the Devils, a National Hockey League franchise, are in different camps in trying to decide where they will play in the future. The Nets favor Newark while the Devils want to build an arena in Hoboken with help from Cablevision Systems, a Long Island cable TV company.

State officials want both teams, who currently play in the Continental Arena in the Meadowlands, to play in the same town. Gov. Christie Whitman has said she could not support a one-team arena.

Rowe declined to say whether the proposed Newark arena could proceed without state funding. However, he said it shouldn't take much to convince state officials because the arena would become an anchor for hotels and retail operations that would sprout around the 40-acre tract in downtown Newark.

"We would hope that at some point the Devils and the Governor would come forward . . . to join us," Rowe said. "We're prepared to be the catalyst for about $700 million of commercial development around the arena."

Whitman is in a difficult position because three cities are vying for two professional franchises. However, the teams cannot agree on a joint site, which would require some public funding -- most likely bonds that could be paid for out of revenues.

"The state's problem is that they have been reluctant to give up on The Meadowlands," said Danielson, the Princeton professor. "This makes it a lot harder for the state, and the state is a key actor in this game."

Newark Mayor Sharpe James says he is hopeful that the Governor can be persuaded to support the Newark site. The state's largest city contributed about $20 million to develop the New Jersey Performing Arts Center, which he says has exceeded expectations, and he expects the city would do nothing less for the Nets arena.

"We plan to, and Essex County plans to, make a significant contribution," James said. "We would hope the state of New Jersey would do the same. I remain optimistic that any fair-minded individual that understands the impact professional sports would have on this city would want to be part of it. We are no different than Cleveland, Baltimore or Seattle."

The proposed arena is expected to create 8,100 permanent jobs. It would be located three-quarters of a mile from NJPAC and a mile and a half from the stadium that will house the Newark Bears minor-league baseball team.

Prudential would act as lead lender for the Newark arena and finance up to $80 million itself while lining up other banks and insurance companies to loan the remaining $90 million, according to Chanin, the Prudential executive.

Prudential says its willingness to provide financing for the project is not contingent upon the Devils or any other National Hockey League franchise occupying the facility along with the Nets. The arena could house a minor league club that plays in the International Hockey League.

The insurance company has led lending consortiums for sports arenas in the past. Prudential provided $70 million in financing for the Rose Garden, home of the Portland Trail Blazers basketball franchise, and roughly $80 million for the First Union Center, where the Philadelphia Flyers and 76ers play, according to Chanin.

"Arena financings tend to last 15 or 25 years," Chanin said. The group that wants to build the arena, Newark Sports & Entertainment, could pay off the debt with revenue from luxury suites, advertising and by selling the name of the arena to a company, he said. Continental Airlines paid to have its name advertised on the Nets' current home in East Rutherford.

Financing a sports arena is "a lot less risky than a speculative office building," Chanin said.

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[TO JOSH]

2505

JOSH

resent - 2 pages

Draft POTUS Points
July 1, 1999

Over the past four days we have traveled the country and focused the spotlight on the potential of American communities. We've traveled through rural and urban areas to talk about new markets. This morning, we want to talk about new workers. New workers we need in the new economy.

We've spent a lot of time focusing on private sector capital investment–and that's critical. But this isn't about dollars alone. Our nation is not made up of financial capital–it is made up of human capital. And the best way to build communities is by building the skills of the people who live there. Economic development and skills development really are two sides of the same coin.

As we take on this challenge, we need to put a special focus on the next generation of workers–our youth. Today, five million young people who are out of school live in distressed communities. Despite the strong economy, almost half are jobless. As America enters the 21st century, we can't afford to lose a generation of young people who don't know what it is to hold a job and support a family.

For too many young people, all the wrong doors are open. The doors to prison. The doors to apathy. The doors to hopelessness. We need to close those doors and open the doors of opportunity.

That takes recognizing that this isn't rocket science...it's a simple formula for success...school plus skills. And all of us need to be part of the equation.

We see that demonstrated today with the community leaders, business leaders, foundation leaders, cultural leaders.

What we're doing today is not creating another program, we are starting a movement–what we call a Youth Opportunities--or "YO" movement.

It is a national partnership with the private sector to invest in young people. It recognizes that unlocking the talents of young people is good public policy. It is good business. And it is vital to tapping into new markets throughout our country.

Secretary Herman often points out that when she worked at the Department of Labor 20 years ago, the annual unemployment rate for black teens was over thirty percent. Twenty years later, it's still about 30 percent.

And this challenge is not isolated to African American young people. A majority of the out-of-school youth population in high poverty areas don't have a job. That's true in black communities, white communities, Hispanic communities, and Indian reservations.

And–as Secretary Herman has said--it is time to move facts like these from the statistics books to where they belong--and that's the history books.

It is time to provide hope to left out kids who feel left behind. It is time to make sure that young people from rural areas have a real chance--and that youth from the inner city are in the inner circle of opportunity.

That takes leadership. It takes partnership. It takes you.

Because you know in the end it is really very simple: when young people cannot fulfill their potential, America cannot fulfill its promise.

Human capital is as critical to our success as investment capital. Through this movement we can help our young people move from desperation to hope. From dead ends to career paths.

We can close the skills gap and the opportunity gap–and new workers can help new markets succeed.