

that are deaf, and that there is also a TDD line—

The President. Oh, I'm sorry.

Audience member. —and maybe a special thank-you to Senator Kennedy for seeing that that happened. [Laughter]

The President. Thank you. Would you like to say something about it?

That's the TDD line, and for the last couple of years we've done some things to point out what telephone technology is doing to bring communication to the deaf. And this TDD line is 1-800-787-3224.

I thank you for mentioning that.

Thank you. Thank you all.

NOTE: The President spoke at 12:38 p.m. in the Roosevelt Room at the White House. In his remarks, he referred to Candice Slaughter, domestic violence victim, and Ellen Fisher, hotline director.

Letter to Congressional Leaders Transmitting Budget Rescissions

February 21, 1996

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

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report three rescission proposals of budgetary resources, totaling \$820 million. These rescissions offset the emergency FY 1996 Defense supplemental appropriations, which support the Bosnia peace implementation force. The rescissions affect the Department of Defense.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Remarks to the White House Conference on Empowerment Zones

February 22, 1996

Thank you very much, Mr. Vice President, Hannah and Vinnie and the congressmen, the mayors, county officials, and others here. Can you believe the Vice President—[laughter]—asked me in front of all of you about this trade deal? [Laughter] I figured that

the—you know, in this league there's only two teams. [Laughter] Nobody on their team I want to trade him for. [Laughter] I'm a lot more worried about the other team treating him like a free agent, making him an offer he can't refuse. [Laughter]

I want to say to Vinnie Johnson, all of us saw him play on television with Detroit, but I was in my very first term as Governor of Arkansas when he was a star at Baylor. So I want to say here in front of all of you, I forgive him for all the points he scored against my team—[laughter]—when I was trying to succeed at everything, in every endeavor.

I thank him; I thank Hannah for their stunning examples. I want to thank the Vice President and Secretary Cisneros and Assistant Secretary Cuomo and Secretary Glickman and all the people in our other Departments who have worked to make this community empowerment effort a success.

I had believed in this concept long before I became President, long before I ran for President. But to make it work in the way that it has worked required an incredible amount of planning and discipline and followup and effort. And I must say, I have been pleased beyond my wildest dreams not only with what you have done but with the role that our administration has played and the role that they have done. The idea and the passing of the law in Congress was only the first step, and had they not done such a superb job in the followup—all the people on the Community Empowerment Board, but beginning with those I mentioned and starting first and foremost with the Vice President, this would not have happened. So I want to thank them for what they did.

I also want to say, just before I get into my remarks about you, the Congress is coming back next Monday, and in the weeks since they've been gone you can see that sometimes partisan activities lead to inattention to the public's business. Now we've got a real opportunity for action between now and Easter when the Congress goes out for its next recess, and I think it's time that we here got down to doing our work the way you are doing your work in your communities. It's time to deal with the unfinished business of this country: to continue to create oppor-

tunity, to continue to give people like you the opportunity to take responsibility for your own lives, and to build our American community, to grow this economy in a way that will help you to succeed.

That means we should act now—not later but now—to pass a 7-year balanced budget plan that is consistent with our values and our interests: that protect Medicare and Medicaid, our investments in education and the environment, that gives a modest tax cut to those who really need it, and that grows our economy. It means we ought to act now to pass real welfare reform that elevates work and family and protects children and gives people a chance to make the most of their own lives.

You want to know what kind of welfare reform I want? You just heard her speak up here. That's what this country needs.

We ought to pass the health care reform bill now before the Senate, unanimously voted out of the committee, Republicans and Democrats alike for it. The labor unions are for it. The National Association of Manufacturers are for it. The chamber of commerce is for it. Why has it not been voted on? The health insurance lobby is against it. Everybody else is for it. It's a simple little bill. It says if we can't find a way to give everybody health insurance, at least everybody ought to be able to afford health insurance, and people shouldn't lose their insurance just because someone in their family gets sick or because they have to change jobs. That bill, the Kassebaum-Kennedy bill, should be passed immediately to help the American people.

I heard Vinnie say he was going to give his employees a 401-K plan. There are a lot of small businesses that simply cannot afford pension plans for their employees now because of the laws that exist. One of the things in our balanced budget plan—it's a top priority of the White House Conference on Small Business—would make it much easier for the small businesses in your community empowerment zones to take out retirement programs for themselves and their employees. We ought to pass that right away.

And I'll tell you something else we ought to do when they come back. We ought to raise the minimum wage. You know, I believe

if we raise the minimum wage, you'd have people coming out of welfare looking for work even more intensely than they are now. If we don't raise the minimum wage, it will fall to a 40-year low this year in terms of what it will buy. You know, it's hard to raise a family with children on \$4.25 an hour. And yet, that's what a lot of people are trying to do. Now if we want to value our families and value work, we ought to do it. We ought to do it now.

We ought to pass antiterrorism legislation that has been languishing for a year almost. And we ought to enact real campaign finance reform. There is a lot for Congress to do. And this can be an era of genuine bipartisan achievement for our country. It's the only way we can achieve anything since the Congress is in the hands of the Republicans, but we need Republicans and Democrats to vote for things, and the White House is in the hands of the other party. We can do that.

What we really need to do here is to behave the way you are back home. What we really need to do is to adopt a model that you have had to adopt back home, get all kinds of people together, different people, different walks of life, different parties, different attitudes, different outlooks, and bring everybody's strengths to the table and prove that we can create an era of possibility for everyone.

You know, sometimes people say to me when I give these speeches, "Well, what exactly is it that you believe? What is your philosophy of how people ought to work together and how this country ought to work?" And you're it. I mean, basically, this is how I think we ought to approach all of our major challenges. If you want to know how I think we should work and what Government should do, look at what we have done to work with you to basically empower you to work together to take control of your own destinies, to help individuals and families and neighborhoods and communities make the most of their own present and their own future.

I said in the State of the Union Address that these enormous economic changes, our movement to an information and technology age, into a global economy, have created an age of possibility for untold numbers of

Americans. But as all of us know, it is a strange and different time.

None of us have ever lived through a time of this much economic change before. The last time this happened was a hundred years ago when we moved from an agricultural to an industrial society. So none of us have the experience of knowing what this is like. But what is going on is we are exploding opportunities at a record rate, and half our people feel like they are stuck in idle. And there's a reason for that.

I mean, if I had told you 3 years ago—suppose I had given the following Inaugural Address, how would you have responded: “My fellow Americans, in 3 years we'll cut the deficit in half; have 8 million new jobs; have 3 years in a row of record new formations of small businesses; record new self-made millionaires, not people who were given it; we'll have the lowest combined rates of unemployment and inflation in 27 years; homeownership will be at a 15-year high; we will have record exports—for the first time in 10 years our exports to other countries will be growing faster than their imports to us; and after 3 years, half the American people will be making the same thing they were making 3 years ago.”

You would have said, “That guy is on another planet,” right? [*Laughter*] Those things don't follow, but that's exactly what happened. And that's why you see these different stories coming out about the economy, and people taking a different tack on it and the rhetoric of the election season, because the good news is true and so is the bad news.

And what is causing that is this great uprooting, this time of change we're going through where more and more work is more mind and less muscle; where this fine lady and her son do computer programs and work out the software to help the empowerment zone work in their community; and more and more work is being created by people like Vinnie, small-business people in highly flexible interpersonal relationships with fewer layers of bureaucracy. And more and more people who used to be in big structural bureaucracies are finding themselves downsized, which is a cruel way of saying you're middle-aged and out of work.

And so it is the best of times for America, except for the people who don't quite fit into all the changes when the gears don't quite mesh. And obviously, if you look across America, economically, you will see that there are essentially three big problems. There are places where the recovery hasn't hit, where the unemployment rate is still too high and people want jobs and don't have them. There are the people who are working harder and harder just to keep up because they haven't gotten a raise. And then there are people who happen to be in certain sectors of the economy where they're being downsized, and it's taking them a much longer time to find another job making what they were making before with the same level of benefits.

So the challenge, the economic challenge for America is not how do we put up a wall and walk away from the world, but how do we capture the dynamism of the good sectors of the economy, all these great things that are happening, and spread it to the rest of the economy so that everybody has opportunity again; so that when you talk about how the country's doing, you're talking about how everybody can do and not just how some can do.

The same thing is true on the social front. If you look at it, 3 years ago I would not have believed that in 3 years we could have the crime rate, the poverty rate, the welfare rolls, the food stamp rolls, the teen pregnancy rolls all dropping. But that is good. That's the good news. They're all going down. The bad news is, in most places they're still too high.

And the really troubling thing is that if I had told you this 3 years ago—what if I had given you this speech. “My fellow Americans, in 3 years the rate of drug use in our country among people between the ages of 18 and 34 will be going down, and the crime rate in America will be going down, but the rate of casual drug use among people under 18 will be going up and random violence among people under 18 will be going up.” You would say, “Wow, how did that happen?”

It's the same story on the social front. We have not—we have not succeeded in revitalizing our institutions, our neighborhoods, in strengthening our families and reaching oth-

ers. There are still too many of those kids out there raising themselves, with nothing to say yes to and people not touching them and working on them. That's what you're trying to do.

Now there is no way a Government program alone can either deal with the issue of opening up opportunity for all who will assume responsibility for it, or solving all the social problems. And not only that, no big bureaucracy is particularly effective anymore. This Government is much smaller than it was when I took office, 205,000 smaller. It's the smallest Government we've had in 30 years. But that does not mean, as the Vice President said, it does not mean that the answer to America's issues and America's challenges is going back to a time when people were left to fend for themselves or that we need a weak Government. What we need is a kind of partnership embodied by this endeavor, community-based efforts where everybody does their part. That's what we have tried to do and that is what you are doing.

And I just want to tell you that I am grateful to you for the progress you have made. And I want you to continue, and I want this model to sweep the country.

The solutions to America's real challenges, economic and social challenges, have got to be community driven. The private sector has got to be an integral part. The Government—it's not like the Depression—the Government is broke. We have some money to invest in education and training, to invest in environmental protection, to invest in new technologies, to invest in infrastructure, but we got to get rid of this deficit. So we can't go out and just hire everybody that doesn't have a job. The private sector has got to do that. And we have to have the right kind of partnership to get them involved so that we have 10,000 stories like the one Vinnie told today, or 100,000, or a million, or however many it takes to bring opportunity back to everybody in this country.

The third thing we've got to do is to have Government at every level doing its part. The most important thing, I will say again, about this whole empowerment zone process, I think, is not that we broke 13 years of gridlock to finally pass it into law in 1993 in the budget, it is that after we did that,

over 500 communities applied to participate. And even the ones that were not selected wound up being richer and better off because they had to get together and ask themselves, what is our vision for this community and what is my responsibility and what is your responsibility to achieve that vision, and how are we going to do it together?

We cannot afford to be divided anymore. We can't afford to sit home passively and read the papers every day and watch the news every night and be upset about what's not happening and blame somebody else. Instead, we're going to go out and meet together and work together and change it together. If everybody in America would do that, we would be on the way toward the American dream for all of our people in the 21st century—just what you've done.

The first round of the empowerment zone's Enterprise Community Initiative was so successful that more than \$8 billion in additional commitments of investment in these areas have been made from the public and private sector in addition to the money that was committed by the Federal Government. That is amazing. One hundred and five communities were chosen in the first round. You heard Vinnie Johnson's story: Detroit alone has attracted \$2 billion in local private sector investment commitments, creating hundreds and hundreds of jobs. We can do that everywhere.

In Los Angeles, Federal funds helped to set up a public-private partnership to form the largest community development bank in the Nation. We know—this country, your country has funded banks in developing nations to make loans to people with far fewer assets, skills, and capacities than we have in the American inner cities. And we have put those people back to work and given them a stake in the future and strengthened the economy of other countries. It is unconscionable that we don't do it in this country. Every community should have one of those.

In one of the smallest and poorest communities in the Mississippi Delta, two new manufacturing plants are coming to Itta Bena, a town that had never had one before. We can do that everywhere. One of the things that we ought to do in this budget debate is to make sure that we leave in the commit-

ment of a modest amount of money to establish these community development financial institutions everywhere. If it works in Third World countries, it will work in the rural and urban areas of America that have been left out. Stay with it. We have to do it.

And let me say that most of what we are talking about here—all of what we are talking about here—need not be a partisan issue. Every American, Republican and Democrat alike, independent, Green Party, whatever, there's nobody in America that says, "I've got a real vested interest in keeping that crime rate up," except people we want out of the way. There's no one in America that says, "I've got a vested interest in keeping more mothers on welfare. I've got a vested interest in keeping our schools substandard." Nobody's giving these speeches.

Fiorello LaGuardia once said, there is no Republican or Democratic way to clean the streets. No one in America says, "I've got a vested interest in making sure that that playground a block down from my apartment house never has a net on the basketball goal."

This is basic human values. When we fail to give every person a shot at the American dream, when we fail to grow the economy, when we fail to build up the potential of the American people, and when we fail to work together, we all lose. And when we do it, we all win.

This is not a question of class warfare. Americans don't resent successful people. They admire successful people. Americans want people who are successful to be rewarded. We do expect successful people to do what Vinnie's done, that sometime in their lives to give a little something back to help other people succeed. But nobody resents success.

The only time resentment comes into our society is not when people who are successful have more; it's when people who don't have more never have a chance to do better. That is the problem here. People want their own chance to do better. And we have an obligation to give it to them, and that's what this whole empowerment zone enterprise community endeavor is all about.

Now let me say that I believe that you have made round one a phenomenal success. There are many other rural and urban and

Indian Nation communities that I believe deserve a chance. And so let me say, when the Congress comes back I'm going to urge them to do one more thing; I'm going to ask them in this budget negotiations to give us a round two so that others have a chance to do what you have done.

If we are going to have tax relief, we will never give so little tax relief and have spent so little money to have such a big impact, to generate so much private sector and other public sector investment in any other way as we will with this. There is more bang for the buck here than anything else we could do. And I believe we should do it.

I also want to say that I want to challenge, again, every community to come together and devise your own rebirth. There are other ways for communities to work with us. For example, if the Baltimore empowerment zone can develop a plan to transform 600 acres of abandoned industrial land into an eco-industrial park, imagine how many other acres can be reclaimed. If the Kentucky Highlands empowerment zone can create a cooperative to get credit to farmers, imagine how other farmers and businesses could be helped if only credit were available. If other communities have done this kind of thing to help themselves, why can't every community do the same thing?

We want to do everything we can to help everybody in America be a part of the kind of comprehensive strategy for the future embodied in the empowerment zones in the enterprise communities, taking on tough jobs like reclaiming abandoned industrial sites, improving access to capital and making homeownership easier, working with the communities with which we are working and those with whom we are prepared to work. We are beginning to clean the environment in our cities by taking a commonsense approach.

And I wish I had a chance to talk about 10 of these examples, because they're all so thrilling to me. But there are literally hundreds of thousands of old, neglected industrial sites now popularly called "brownfields," that can be redeveloped, as Baltimore is doing. Protecting our environment in the urban areas can go hand-in-hand with redevelopment. It can create jobs and at the same

time make more people want to live in the cities of America again.

Finally, let me say we have to do more to create housing that will encourage vibrant neighborhoods in our inner cities and rural areas. You know, cities used to be places where teachers and firefighters and police officers wanted to live, and they can be again if we can help communities to develop good, affordable housing.

If we really want all of our communities to be revitalized again, we not only have to create opportunities for poor people, we have to make the environment so that middle class people will want to live in them again and that the poor and the middle class will live side by side, as they did in the neighborhoods when I grew up. We have to do that. We have to be committed to helping all Americans achieve this large part of the American dream known as homeownership.

I'm very proud of what Secretary Cisneros has done with dwindling resources at HUD, working with the private sector to see homeownership reach a 15-year high this year, and we have to do more. We proposed to reclaim tracts of vacant or blighted land and to renovate whole neighborhoods, to bring back to the city hard-working middle-income families, to stimulate business and private investment. We want to work with private sector and other investment to create scores of livable, inviting, inner-city neighborhoods.

Homeownership initiatives now are working in Detroit, Buffalo, in San Antonio and New York and Baltimore. I say again, let us build on our success. Homeownership is one of the best ways to empower local residents, to give them a stake in the community and to increase the bonds that tie people together. It means commitment. If we have any hope of bringing success back to these inner cities, we have to have people there who care and who are committed. Homeownership can help us achieve that goal as well.

Together, I believe we can find the kind of long-term solutions we need. But I will say again, if we really have a vision of all-American communities—where there are good jobs, where there are businesses that are flourishing, where the streets are safe and the environment is clean and the families are stable and the schools work to educate and

prepare all children—it begins, not so much with any specific initiative as with you, with people like you who are committed to working together, to working in an honest, forthright way. And it ends with having the kind of partnership that you have achieved with each other and with every level of government and with the private sector. The difference is the way you are doing this and your understanding that you cannot succeed unless you work together.

So I ask you when you leave here to continue to prove that we can do this. And I ask you to join us in reclaiming more of our distressed communities, and spreading the message throughout America that there is no challenge facing this country we cannot meet if we will get rid of our cynicism, get rid of every excuse for inaction, get rid of the notion that we have the luxury of blaming other people for our problems instead of working together to solve them together. That's what you have done. That's what you can give to all America.

Thank you very much, and God bless you.

NOTE: The President spoke at 11:46 a.m. in the Grand Ballroom at the Mayflower Hotel. In his remarks, he referred to Vinnie Johnson, former Detroit Piston basketball player and chairman of Pistons Packaging, and Hannah Oakman, public information officer, Philadelphia/Camden Empowerment Zone.

Remarks Announcing the Nominations for Chairman, Vice Chair, and Member of the Board of Governors of the Federal Reserve System and an Exchange With Reporters

February 22, 1996

The President. Good afternoon. As we seek to sustain economic growth, there is no more important institution in our country than the Federal Reserve. Its decision can help determine whether businesses can borrow and grow, whether families can buy a home, and whether our financial system is sound. Its independence and its professionalism are an important safeguard for our economy.