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Remarks
by
Vice President Al Gore
At
The Kennedy School Forum
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Thank you very much.

It's a pleasure to be back at Harvard, where I first studied government in a formal way -- as opposed to the way it really works.

I was a student here at a tumultuous time. George Will said recently that you could say about politicians what people said about students in the '60s: it would be unfair to judge all of them by the behavior of most of them.

That's no surprise, of course. A lot of politicians now were students in the '60s. Not all of us were disappointed by the experience.

Of course, there are many people who have held a dour view of college campuses. Even this campus. I remember reading that once W.E.B. Dubois was congratulated for conquering centuries of discrimination to become the first African-American granted a Ph.D from Harvard.

"Believe me," he said, "the honor was entirely Harvard's."

He was right. Today, though, the honor is entirely mine.

I am honored to be speaking to students at one of the great schools of public policy in the world. I am equally honored by the presence of young men and women from YouthBuild, who are learning trade and skills as they rebuild housing in the inner city.

And I am honored as well that we have with us today residents of Upham's Corner -- what the urban planners call a "distressed" inner city community.

If we are going to turn this country toward a new future, we must all learn from them and from millions like them in both rural and urban communities.

I'll have more to say about Upham's Corner later. But let me start by describing for you the situation they faced not so long ago.

It was one of devastation. Not only were buildings abandoned. They were being torched. "I could smell it every night on the way home," one community organizer remembers. "The old timbers burning."

In the '80s, the drug trade took over the streets of Upham's Corner. Crime became rampant. Local businesses closed. The proud old Strand Theatre was boarded up. Families struggling to stay together had few places to turn.

This isn't unique. The problems faced by people in Upham's Corner are faced by communities in every city across this country.

For example, at Malcolm X elementary school a few miles from the gleaming white marble of the Capitol Dome.

No white marble here. Thieves have carried off whatever of the jungle gym is not bolted to the ground. The fence is mangled where a sixth-grader crashed a car he had hot-wired.

One article recently quoted a security guard there, talking about his work at a nearby junior high. When students from the school were killed, it was his duty to walk the mother or father to their child's locker and help them clean out the books, papers and gym shoes.

How many died? "Twenty, maybe thirty," he says, his eyes welling up with tears.

This is life in inner-city America. An exaggeration?

No.

People who think violent crime is up in America are right. The annual rate per 100,000 went up from 597 in 1980 to 758 in 1992.

And while this is true all over America -- rates for smaller cities are increasing more than in the very biggest -- crime is epidemic in black communities. In Washington, 42% of young black men are in jail, on bail, on parole, probation or wanted for arrest.

As agonizing as it is to live in a neighborhood of drive-by shootings and gang wars, crime is only one symptom of what's wrong. Discrimination, alienation, drugs, family violence, despair, and lack of skills all contribute to a crisis of the spirit within the poverty-stricken communities of the inner city.

What has caused the epidemic? Certainly when we analyze the differences between white and black opportunity, racism is at the root of it.

But that's not the whole answer. While we have moved to erase legal barriers to equality, we have seen a dramatic increase of violence in black urban communities, particularly since the scourge of crack cocaine was introduced in the 1980s. In far too many communities, the culture of violence associated with the drug trade has become part of the social fabric and the means by which non-drug related disputes are settled.

Meanwhile, along with the surge in violence, family life has disintegrated. In 1960, 20% of all black children were living in fatherless families. By now it is 68%.

Recently, the President quoted William Julius Wilson in his moving speech in Memphis about inner-city violence.

Both the President and I find Dr. Wilson's argument persuasive. He argues that

joblessness has increased among young black men partly because jobs have vanished from urban America. He argues that the two-parent black family is disappearing because male joblessness has made marriage less attractive.

But for those who feel this is only a black phenomenon, I say this: look again.

Charles Murray -- of all people -- made this point last month in a Wall Street Journal article. In the 1960s, when Daniel Patrick Moynihan wrote his notorious memo about the disintegration of the black family, the black illegitimacy rate was 26%.

What's the white rate now? 22%. And what is it for white women below the poverty rate? 44%.

The breakdown of the poor family is not just a black phenomenon. In Murray's words, "the ethnic group with the most people in poverty, most illegitimate children, most women on welfare, most unemployed men, and most arrests for serious crimes are European-American whites."

But I am not here today to talk just about the problem -- or the theories concerning its origin. My profession is politics -- the only profession, Robert Louis Stevenson once wrote "for which no preparation is thought necessary."

Discussing the problems is not irrelevant for a politician. And certainly analyzing the root causes is essential. Without it, creating solutions is like building a skyscraper without a foundation.

At some point, though, politicians have to grapple with solutions. That's what I would like to do, today.

Because the solutions this Administration has in mind are different than those that have been proposed before in some crucial ways.

They originate in a large shift in the way our culture has decided to relate to the world -- a philosophical shift away from a vision of single cause--single effect and toward one admitting complexity and focusing on context.

This change has begun to be reflected in public policy, as we have started to abandon the notion that we can look at a single problem in isolation from all others. We have moved toward the idea that problems come in clusters and can only be solved when we treat the underlying dynamic of how they relate to each other.

Our new emphasis on the environment, for example, is , in one sense, part of this new appreciation for context.

In delivering social services, we used to look at a pregnant teenager and ask: how can we teach her not to have babies? We thought we could solve that with a single silver bullet - - say, sex education in the schools. Now, we believe that in order to help her, we have to be aware of the needs of her whole family and the community around her. The best social worker looks at everything going on in her life; looks at her relationship with each member of the family; looks at what's happening in school and among her friends. Do we map out the same approach for her that we would for everybody? No. We map out one that is as closely tailor-made to her as possible.

In the same way, we have treated each symptom of decay in our most disadvantaged communities as if it existed in a vacuum. It is time to assert that they do not. It is time to understand that communities need to be looked at in their entirety. It is time to adjust our strategies accordingly.

Thus, a community without jobs is likely to be a community without husbands and without active, engaged fathers. And a community without intact families is likely to be a

community with high rates of juvenile crime and violence. An unsafe community is not likely to be very successful at attracting new businesses and thus new jobs.

Such communities are suffering from a vicious tautology: failure that feeds upon failure. The result: communities where drug dealers are role models and where kids plan their own funerals.

Government as we know it is poorly equipped to help these communities. Why? Partly, because government as we know it is itself divided into programs that treat only symptoms. Social workers cluster in one department trying to treat the symptoms of poverty and family disintegration. Economic development specialists cluster in other departments trying to come up with strategies to convince the market it should invest in these communities. Criminal justice workers -- police, parole officers and prosecutors -- cluster in yet another department in the attempt to address crime. The net effect is a band-aid here and a bandaid there. A small consolation amidst all the pain.

The President has a different approach.

It takes account of the limits of government and our resources. For government cannot do everything. And a government hamstrung by deficits cannot hope to erase poverty overnight.

Yet, it is an approach that can make a difference.

And it is an approach which has influenced our entire program since January 21.

First, he's devised an economic plan to put our national economy in shape to compete in the new global economy.

We cannot create jobs for Americans anywhere unless we compete successfully in the global economy.

That has been the meaning of our deficit reduction plan -- designed to lower interest rates and make available more investment capital. It has also been the meaning of our attempt to shift federal spending from consumption to investment; of our attempt to remove regulatory impediments to business formation; of our attempt to increase competitiveness by opening foreign markets to goods made in America; of our attempt to rebuild roads and bridges.

But it's not enough to invest in the infrastructure of America. We have to invest in the human infrastructure of America: our workforce.

So, second, the President has called on the country to invest in people. That's the meaning of all that increased support for WIC, immunization, family preservation, and Headstart.

That's why the President was so adamant about expanding the Earned Income Tax Credit. He wanted to make work pay off.

That's why we've supported Goals 2000, Historically Black Colleges and other education program.

That is also why he has announced the most ambitious social program of our generation: a wholesale revolution in our health care system. We cannot move ahead with a health care system that leaves 37 million Americans uninsured. We cannot afford a system where the sticker price for a new car includes more for health care than it does for steel.

Creating a new health care system for America is a key component to our investment in America's future. Hillary Rodham Clinton, the architect of the President's plan will be here in Boston, tomorrow to tell you about it.

And another key part of that investment is our effort to literally "reinvent" government.

That was the task the President assigned me earlier this year. Because it was clear that in addition to our policy disagreements with the last two Administrations, government -- that is, the day-in-day-out work of agencies -- didn't work very well.

After all, we had a government that spent four dollars for every three it took in. We had a government that took 49 months to order a large computer system. We had a government with 10,000 pages of personnel regulations and a culture in procurement that made us write ten pages of rules on how to buy and test ashtrays. And we don't even buy ashtrays, anymore.

We had a government modelled on the old top-down corporate models of the Industrial Age. And the message of the National Performance Review Report which we released last September, was that we must decentralize.

We have to empower government workers to make decisions instead of sending them up the endless bureaucratic ladder. We can scrap those personnel and procurement regulations and make government agencies more flexible.

We don't have bad federal workers. We do have good workers trapped in bad systems. That's got to change. America doesn't have a person to waste.

Neither do we have a community to waste.

That's why the President has created a third component of this plan: a new way of looking at "distressed" communities, and a new way of organizing government's response.

We want to call upon all Americans to come together from the bottom up in a new compact to help poor communities in urban and rural America join in contributing to the growth of regional economies.

You know, recently, I read about a new technology emerging in the garment industry

that will allow you to go to a local tailor, pick out a fabric, color, design. Somebody takes your measurements with a handheld instrument.

Then they send the data to some machine cutting cloth in another city. The next morning you have the suit you wanted.

It's a sophisticated version of buying off the rack. But it's much better tailored to the contours of your body.

Until this decade, social services have come in only a few sizes. We don't have to do that any more. We think we have the capacity to empower each community with a tailor-made response.

How?

Many of you are already familiar with two opportunities to bring us together in this effort:

* **National Service** will offer thousands of young Americans the chance to learn in exchange for serving their local communities.

* **Community Policing** will enable local communities to come together all across America to take back their streets, making them safe for people who want to raise a family, teach a child ... or start up a business.

I call these programs "tailor-made" because for both programs, communities sign up for them, then design how they want them to operate.

But we're offering more. A lot more. Our Community Empowerment agenda offers an assortment of services that every community in America can choose, then shape to meet their own goals.

They can be grouped in five basic areas.

*** Access to capital, credit, and banking services: reform of the Community**

Reinvestment Act will reward our major financial institutions for making sound investments in all communities. At the same time, we'll make equity investments matched by private dollars to spur a network of community-based financial institutions to help these communities build the credit, loans and business opportunities they need.

*** Targeted Small and Minority Business Assistance: Small Business Administration**

One-Stop Capital Shops Minority Entrepreneurship and Exports, expanded microenterprise loans, and tax incentives for investment will be available to leverage private investments in communities previously ignored.

*** Investment Partnerships with other Financial Institutions and the States: Creative**

partnerships with private foundations, union pension funds, and government sponsored initiatives.

*** World Class Schools: Chapter I Reauthorization** will assure that schools in poor

communities have the resources targeted to meet the Goals 2000 so that all students have the opportunity and responsibility to meet and establish new world class standards.

*** Rural Development and Investment Initiatives: These major new investments will**

assure that rural and Indian country communities can provide the clean water and other infrastructure necessary to build businesses, plants and jobs.

Is this assortment of investment ideas available to all communities in a one-size-fits-all package?

No. The federal government has no intention of dictating to local communities how to design, trim and cut these new investments to fit their unique circumstances. They'll do it.

But isn't there something more we can make available to the most devastated of our communities?

There is.

Congress has passed a \$3.5 billion package of targeted tax incentives and investments to support the designation of 9 empowerment zones and 95 enterprise communities.

The incentives are designed to stimulate the expansion of jobs within the zones. They will lower the cost of doing business for those that hire zone residents. They'll provide incentives and capital for business expansion. They'll upgrade the work skills of zone residents.

How do we pick these communities?

In January, the President and I will announce the beginning of an application process for designation under the new legislation.

In the initial round, communities will have six months to apply. And if they meet the criteria -- much of it involving the quality of private sector support they've secured -- they will win.

How can communities become designated as EZs or ECs?

The first thing to understand, is that we at the federal level are above all, an investor. This is not government business as usual. This is not pork barrel politics.

We are devising a set of criteria. The winners will be those who come up with a plan meeting these criteria.

And while the list of criteria is by no means complete, certainly any plan with a

chance to succeed should include ways to deal with safety, with job creation, environmental justice with co-investing -- that is, a plan to attract investment from state, local and private sector sources.

I also believe that each community must examine its own assets. Build off strengths. Exploit its unique competitive advantage.

They may discover some startling new ones. For example, consider how handicapped center cities were in the old industrial economy of the 1950's. The engine of economic growth then was the mass production plant that required lots of acres for development.

In the new economy, means of production don't require that land area. there's no reason why the engines of growth in the year 2000 -- the Silicon Valleys and Research Triangle of the future -- won't be located in Harlem, next to Columbia University, or in South Los Angeles next to USC.

Those are some possible criteria. You may have others. I'll be interested to hear your thoughts when we move to Q&A.

But here's another point: We're trying to design this process so there will be no losers in this application process.

Let's say a community puts together a good plan -- and doesn't get designated. Hasn't it learned a lot about itself in the process? Hasn't it discovered resources and ideas it can use even without the federal money?

In a way this plan is like Dumbo's magic feather. Remember Dumbo? The elephant who thought he could fly because he was carrying the magic feather in his trunk. Then one day he dropped the feather -- and discovered he could fly anyway. The secret wasn't the feather -- it was his big ears.

Communities may lose the magic feather of a Community Empowerment award, and discover resources within themselves they never knew they had.

There are those who say that \$3.5 billion is a pittance -- decimal dust in a trillion dollar budget.

What you need to know is how much more we are willing to invest -- and how much more we expect local regions to invest in communities that develop workable plans.

Our network of new SBA one-stop centers will generate at least \$3 billion in private investments.

Our reform of the Community Reinvestment Act, rewarding thrifts and regulated banks for investment and lending in these communities, will generate many times this amount in loans and investments.

Our cooperative partnerships between HUD and the great government-sponsored housing enterprises like Fannie Mae, will make many billions of new, private dollars available for homeownership, rehabilitation and community development.

And we will create cooperative arrangements with each of the federal agencies, a range of resources totalling several billion dollars -- resources for local communities to decide whether they're needed, and how to use them.

And that's just the beginning.

You know, one of the lessons of the Sixties is that governments alone, no matter how well intentioned, cannot turn around the vicious cycle of poverty with hand-outs. As the President often remarks, governments don't raise kids, families do.

In the same way, governments don't build most jobs ... or businesses ... or

communities. People do. People working together.

But government can listen. Government can be flexible. Government can respond to each local community's own plan to break their own vicious cycle.

For too long, government programs have operated like stovepipes, with a separate program and mandate for each narrowly perceived problem.

A reinvented government will do it differently. A reinvented government can use what I call the virtual department of Cleveland approach. If Cleveland outlines a plan in which we can help, we want to create a team made up of people from all agencies to help get the job done.

They won't really be a department of Cleveland. But while they are at work, the agency boundaries will disappear and they can work together as if they were a department until the job's done.

That's the kind of "custom tailoring" and responsiveness I hope we can foster with the newly created Community Enterprise Board. The Board the President asked me to chair, when he created it last month by Presidential memorandum, is made up of fifteen agencies. We're exploring a variety of ways to give distressed communities flexibility and free them from these complicated categorical programs. We want to give them a responsive single point of access to the federal government.

Those are some of our ideas.

There's no guarantee of success. A former President of Harvard -- James Conant -- used to say, "Behold the turtle. It makes progress only when it sticks its neck out."

We are sticking our necks out.

But we are sticking our necks out for real people.

What gives me hope are groups like YouthBuild.

What gives me hope is that there are places where communities have reclaimed their lives.

Communities like Upham's corner.

They had enormous obstacles. But they had one great strength. People who wanted to stay and fight.

They banded together. And they changed ...not the world but their world. They drove an open drug trade from the area.

Closed the crack houses.

Created the Dorchester Bay Economic Development Corporation.

Created housing and commercial revitalization.

Created two loan companies, one for small businesses and another to individuals. And now they're in the process of reclaiming the former Boston Insulated Wire site to create at least 100 jobs and maybe 3-400 more.

Why do I find that so exciting?

Because here was a community in decay. Crime. Drugs. Poor schools. And no jobs.

Washington isn't reclaiming their community. They are.

And I hope that if Americans see the changes beginning to happen at Upham's Corner our country will begin to feel more strongly.

It is now almost thirty years since I came to Cambridge, to find a community in a different kind of distress. Those were years dominated by America's torment over Vietnam.

George Will to the contrary, the behavior of most students was sparked by idealism and

concern. But campuses were shut down. For a time, the smell of tear gas hung over dormitories.

In those days, many doubted that change was possible -- either in Southeast Asia or Watts.

Today, we live in a hopeful time. A decade ago, who would have thought that the Berlin Wall would have fallen? That Nelson Mandela would be free? That Yitzchak Rabin and Yasir Arafat would shake hands on the White House lawn?

The Cold War is over. It is time for the United States, which did so much for people all over the world, to turn its attention to another people who need help: Americans.

This does not mean we shirk our responsibilities abroad. It means we must meet our responsibilities in both the West Bank and in South Boston in Russia and in South Central Los Angeles.

For while the great battles of the decades ahead are likely to be economic, the greatest challenge to our economic strength is certainly not competition from the Pacific Rim or Europe. No, the greatest challenge to our economic strength is here at home, where the decaying cores of too many inner-cities and the poverty-stricken heartlands of rural America threaten to erode our dynamic regional economies from within.

That is what we intend to change. I believe we can do it. We can do it by supporting the efforts of the people of Upham's Corner to help themselves. We can do it by supporting the families of Malcolm X School.

Change, of course, is a process. If, at the end of this decade, or the next, the process is not yet complete, it will be the job of you in this room to carry it on. Just as we have learned from the mistakes of the past, you can learn from our mistakes.

And if part of learning is the knowledge that there is no magic feather ... well, part of it is also learning that there really are ways to fly.

Thank you.