

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

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

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

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

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

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

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

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

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

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

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

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