

## **Stuart E. Eizenstat, Chief Domestic Policy Advisor to President Jimmy Carter**

I frankly loved Geno Baroni. I loved his remarkably positive attitude, I loved his passion for people of all races and creeds. I loved his determination to push all of us, in the Carter years, to develop a federal policy on neighborhoods. I loved his sensitivity to urban dwellers, white and black, and Hispanic. I loved his ability to try to build bridges of understanding between white and minority neighborhood dwellers. And I loved him for what he did for us in the 1976 campaign, which was to educate a Southern governor and a parochial staff, who had very little understanding of urban ethnic concerns in the Northeast and the middle West, to sensitize us to this and to help us work through some of the incredibly difficult issues in the campaign and then in the administration, without at the same time abandoning our commitment to black and Hispanic concerns.

He helped evolve Jimmy Carter's position on abortion, which was a tremendously divisive issue as we took office only a few years after *Roe v. Wade*. He taught us how to try to put that issue into a broader context of social justice, to get his own church not to judge candidates on a single-issue basis -- more about that in a minute.

He brought his disciples -- if I can call them that -- Vicki Mongiardo, Terry Sunday, people like John Carr who worked with us during the campaign and in the administration. And we appointed him to a new position at the Department of Housing and Urban Development which was created specifically for him, which was Assistant Secretary for Neighborhoods, Consumer and Regulatory Affairs.

There had been an Assistant Secretary for Consumer and Regulatory Affairs, but we wanted to add the important designation of neighborhoods to that. And that became more than just a title; it became a policy. We created an office of neighborhoods at HUD headed by Geno. We developed a \$15 million neighborhood self-development program, which Geno pioneered and implemented.

And he taught us the importance of developing policies from the neighborhood up.

Now, I want to talk about some lessons that Geno taught us, and I'm going to base those lessons both on my position as President Carter's chief domestic adviser for four years in the White House, but also having served eight years in the Clinton administration in a variety of international positions, because I think some of the things that Geno taught us we can also learn from international experiences.

The first thing is they need to talk about poverty reduction and neighborhood policy in moral terms. Democrats and independents who are concerned, and perhaps even Republicans with these issues, often talk in programmatic terms. Geno talked about poverty and neighborhoods in moral terms. And it occurs to me that this is a lesson that is particularly applicable today in the following context:

During the Clinton years, poverty steadily declined. Indeed, quite dramatically declined. Over the last four years, it has steadily increased. That's not accidental; it is the consequence of government policy. But if we begin to talk about this in moral terms, and perhaps Katrina and the vision of minorities being left behind will permit us to do this, let me suggest an international counterpart that will perhaps give us the right language. Something occurred during the late 1990s and into the Bush administration, which led to a dramatic reduction in debt relief for poor third-world countries.

An issue which had been an issue on the left suddenly became an issue which united people both on the left, and the Catholic Church, and evangelical Christians; that somehow they need to remove debt burdens from the poorest countries was put into moral and religious terms. And lo and behold, it worked. From Bono and the rock bands, to Jesse Helms and Brownback and others on the right, there was a determination to lift this burden and give the poorest people in the poorest countries a chance.

The G-8 took this up, Tony Blair's leadership, the president endorsed it, and debt relief is meaningful, and it is real.

If we can develop that kind of coalition for debt relief for the poorest countries abroad, perhaps Geno's memory and Katrina can occasion us to build similar coalitions, based on moral and faith-based terms as well, to get conservatives to join in poverty reduction, affect a domestic form of debt relief here at home.

I do believe we really have this opportunity, and I believe that Geno would have led the way. Now, some of the policies that flow from Katrina have simply been efforts to implement conservative policy in the wake of that tragedy. For example, lifting the prevailing wage requirements of the Davis-Bacon act. That's certainly not what I'm talking about. But I think this gives us an opportunity to put everything on the table: housing vouchers, the need to disperse poor people and not congregate them in public housing. We ought to put everything on the table when we left at how to rebuild New Orleans, and use that as a national model.

Let me give you a couple of examples, again, some of which I've learned from international experience. Number one would be to create, in the kind of urban neighborhoods that Geno flourished in, special tax incentives for corporate and businesses to invest.

Ireland has done this with remarkable success. Having a very low corporate tax regime, and capturing an incredible amount of US investment as a consequence. Everybody's focused on the amount of investment in China. Ireland, with 6 million people, compared to one and a half billion, it's twice as much US investment each year as China does. And so, special tax incentives to go into poorer areas is one thing perhaps we can learn.

Second would be microcredits. We have learned from our international experience, USAID, and I know a lot of good work that the Council of Churches does, Bob, that microcredits, small amounts of loans in villages abroad have remarkable impacts, really remarkable impacts. I mean this is documented. Fifteen hundred, 2000, 2500, we could develop microcredit policies in our impacted urban neighborhoods.

Third is access to financing and banking. During the Clinton administration, when I came back home when I was deputy secretary of the treasury, we hope to adopt effort to develop policies to encourage banks to provide interest-free, fee-free banking facilities, building on the kind of efforts that Geno pioneered with the National Consumer Cooperative Bank. More needs to be done here to give low income people access to financial services.

Fourth is a fair tax system, with an expanded earned income tax credit. Tax cuts focused, not as they have been over the last five years on those who least need them, but on those who most deserve them: low and middle income, and middle-middle income people, who

are bearing the full burden of Social Security taxes, and do not get the kind of relief from the tax bills -- four of them now -- that have largely benefited the wealthy; one of the reasons we've had this income inequality to which I have referred.

Next is to develop the kind of neighborhood-based urban programs that Geno pioneered. And this would include faith-based, church-based, and secular-based NGOs. This is what Geno pioneered in the 1978 Urban Self-development program, with his office of neighborhood policies. We need to develop an urban policy on that basis.

Now I want to be very clear, and it's set forth very clearly in this book. I worked with Geno and his deputies during the '76 campaign, on the most intimate basis. He taught me a great deal about urban America. He took me to places I otherwise wouldn't have gone to. But when he came to us with the notion of a neighborhood-based policy, I had an initial qualms.

And as the book said, then being the president's domestic adviser, I sharply cross-examined him. Why? Because one of the lessons it seemed to me of the Great Society was that mayors had turned against many of President Johnson's programs, because they perceived that the federal government wasn't directly funding neighborhood-based organizations, and going around them.

And I really cross-examined Geno very hard about whether we could avoid that problem, and he convinced me that we could. And I believe that we can. And here again, let me draw from an international lesson.

By happenstance I met just yesterday with officials from the Millennium Challenge Corporation, which I think is perhaps the single best initiative of the Bush administration. The Millennium Challenge Corporation not only has an expanded amount of foreign assistance for low-income countries, but it has eligibility criteria which have to be met: governance, rule of law, and so forth. But importantly, once you even qualify under those criteria, in order to get funding, the Millennium Challenge Corporation, unlike the way the USAID has typically operated, doesn't tell the country what program they want. It insists that the country tell the Millennium Challenge Corporation what programs they need. And importantly -- and again, here is Geno's lesson applied -- they have to demonstrate, the country does, that they have widely consulted with civic society and NGOs in their country, and that the program that they're presenting is one that the localities and the villages believe will be most helpful to them.

This is precisely what I think we could do with an urban action Grant program, in which we go through the mayors. We don't make them feel that we're going around them. But we insist that as a condition of getting this aid, they have to demonstrate they are relying on the kind of neighborhood-based NGOs that Geno worked with and helped create.

Last, and perhaps most sensitive -- and as long as we're having a conference, let's be candid and honest -- there are a number of reasons why progressive candidates have lost presidential and a senatorial elections, and we could spend a whole seminar on that. But certainly one of the reasons is the inability to build kind of coalitions between white ethnic voters and minorities that Geno pioneered. We have maintained the minority community, thank God, but we have not been able to hold on to the white ethnic community. We have lost them on a whole range of issues.

And in particular, the abortion issue has cut very deep. Geno was a very strong supporter of the Catholic Church's position on abortion. He never tried to qualify it, never tried to obscure it. But he believed, and was able to convince the US church, in '76, in 1980, in 1984, that there should not be a single-issue focus. That has significantly been lost. There is a single-issue focus by many, and we had a situation in 2004 of a Catholic candidate who was at risk in many parts of the country of being denied communion, and who lost a majority of the Catholic vote, having been the first Catholic candidate to run for the presidency and get his party's nomination since John Kennedy.

I hope that Geno's message and Geno's lesson, that we can't simply look at the first nine months of a person's pregnancy. We have to look at what happens after their birth, and look at how candidates treat the whole life of a person. And that we can't simply focus on a single issue.

And to put that, again, in the kind of moral and religious terms that Geno was so brilliant at doing.

And when we can begin to get that voice back, then perhaps we'll begin to be able to draw back the very white ethnic voters, whose economic interests lie with that of others from whom they've been split by these single issue politics.

I miss Geno, and I think so many of us do terribly. I miss him personally. I miss him as a friend. But I miss him as someone who could have spoken to so many of these issues. And all one can say for someone who left us so early is that the Lord must have been very sad about not having Geno at his side as early as possible. Thank you.