

Chris Dodd for President

Speech to the to the United States Conference of Mayors

Prepared Remarks of Senator Christopher J. Dodd (D-CT) To the United States Conference of Mayors Washington, DC January 24, 2007

Tonight's dinner is being held to honor new leadership in the Congress. On that note, allow me to join in saluting our new Senate Majority Leader, Harry Reid, and our new Speaker of the House, Nancy Pelosi. They are off to an outstanding start as the new leaders of the Congress. This is my first address since being formally chosen as Chairman of the Committee on Banking, Housing, and Urban Affairs. I am pleased and honored to share my thoughts with you, the Mayors of America, and other friends. I want to speak with you this evening about change. Specifically, I want to talk about what I believe we can and must do in the next few years to put our nation on a new and more hopeful path. I cannot imagine a better forum to discuss this topic than the United States Conference of Mayors. It's been said that everything that happens in America first happens in our cities and towns. Since its founding 75 years ago, this organization has been dedicated to making a positive difference for the American people. As mayors, you understand the stakes. If the currents swirling around us are not harnessed, channeled, and turned into practical, positive policies, then the people we represent face a future of hardship rather than hope, uncertainty rather than opportunity. I had an experience not long ago that I want to share with you. My five year old daughter, Grace, was getting ready for school one morning, when she looked up at me and said, "I wonder what my day is going to be like." It's not every day that you get that question from a five year old. A moment later, she looked up again and said these exact words: "I wonder what my life is going to be like." She had just turned 5. How do you answer that? It's a question that I would guess many of you have heard before. Because it's a question that all parents often ask behalf of their children. None of us can know with certainty the answer to that question. But we do know that the lives all of our children lead will depend in no small measure on the decisions that people like you and I will make in the next few years. We gather this evening at what I consider to be a critical moment in the life of our country. I believe this is a time when the gap between America's promise and America's progress is wider than it has been in many years – certainly in my lifetime. On the one hand, it is a time of nearly unparalleled possibility. Every day we read or hear about new breakthroughs in technology, in medicine, in science. These developments harbor vast potential to create new hope of a better life for all people. Yet, at the same time, here

at home, far too many of our children are forced to learn in crumbling schools. Too many families find it impossible to get decent healthcare. Too many working men and women struggle to find well-paying jobs and security in their retirement. And late at night, in homes across our nation, too many parents look in on their sleeping children and wonder if they will inherit a lesser life in a lesser land. As I travel the country and talk with our fellow Americans, I hear a persistent refrain that our nation is on the wrong path. I hear misgivings about where America is being led – at home and abroad. And who can say they are wrong? Six short years ago, a new president came to office. He inherited the largest budget surpluses in American history. Six years later, those record surpluses have been turned into record deficits. Five years ago, America weathered the storm of 9/11. The world looked to the United States to lead the community of civilized nations in a common effort to defeat terror. Yet, five years later, we are terribly isolated in the world. We are mired in a war that has cost over 3,000 American lives, hundreds of billions of Americans' tax dollars, and tens of thousands of Iraqi lives. A war that has distracted us from the true threats of al-Qaeda and nuclear proliferation in Iran and North Korea. A war that even the president's own intelligence experts say has made America less safe. Even our closest allies now doubt the wisdom – and intentions – of this administration's policies. These are not times that cry out for business as usual, for maintaining the status quo. They call for new and bold solutions to the challenges we face. I believe that we as a country can meet these challenges. But time is short. The hour is late. We have only a few years to put our house in order. The decisions that we make over the next decade will chart the course of our nation for the rest of the century. Those of you who are our nation's mayors understand the urgency of the moment. That understanding is reflected in the "Mayors' 10-Point Plan." I applaud you for it. It is a call to action by our nation. If heeded, it can help create safer streets, cleaner air, better schools, and good jobs for our people. The American people understand the urgency of the moment, as well. That is why they decided last November to change the leadership of the Congress. In so doing, the voters have allowed me to become Chairman of the Committee on Banking, Housing, and Urban Affairs. They have given me a moment in time to make a difference. And I do not intend to waste it. For too long, the needs of our nation's cities and towns have been ignored by the Congress. I'm here to tell you this evening that, as long as I have anything to say about it, those days are over. My commitment to our nation's cities and towns is not merely an intellectual exercise. It is deeply personal. I was born in the small city of Willimantic, Connecticut. In those days, it was a thriving mill town. At its peak, Willimantic produced 85,000 miles of cotton thread – every day. In fact, when I first ran for Congress three decades ago, the city's major textile mill was so large that it would take me nearly an entire day to walk its floors to shake hands with its workers. And maybe because I was so good at distracting people from their work, they gave me their votes and I won that election. But things changed in Willimantic, as they

did in so many towns and cities. As I returned to the factory over the years, I found fewer and fewer hands to shake. That mill now consists of apartments and offices. But as times changed, the city and its people have never stopped seeking good jobs, decent housing, and a better future for their kids. As Chairman of the Banking Committee, my principle focus will be on people like those in Willimantic and countless other cities and towns across America – on people who ask for nothing more than a chance to work hard and build a good life for themselves and their families. Their cares will be my cause. On their behalf, I intend to focus on achieving two principal objectives: first, to expand opportunity and prosperity for more Americans; and second, to strengthen our nation’s security. I have always believed that the best social program is a good job. Our free nation is in many respects built on our free-market economic system. To create opportunity and prosperity, public leaders must work to create the conditions in which people can succeed as entrepreneurs and as workers within that free-market system. That means creating some obvious conditions like safe streets, clean water, a state-of-the-art telecommunications network, and of course, schools that graduate educated and trained workers. But in a modern economy, it requires even more to create the conditions that allow people and communities to succeed. It requires, as well, fostering a financial system that fuels enterprise and rewards work. That requires several actions. First and foremost, it requires that we strengthen the fundamentals of economic growth. By that I mean ensuring that financial institutions are run in a safe and sound manner; promoting fiscal and monetary policy that is geared for long-term growth and stability; and working to ensure that our capital markets remain the most transparent, fair, liquid, and competitive in the world. But these steps, taken alone, are not enough to rekindle America’s economic promise. We must also address what I call the “opportunity gap” that keeps millions of Americans from fully and fairly participating in our free-market economy and achieving their God-given potential. That gap is evident in the continuing lack of access that millions of Americans have to mainstream financial services, products, and capital. Today, as many as 10 million households have little or no relationship to banks, thrifts, or credit unions. They have no place to borrow at affordable rates, to save for the future – no place to finance their dreams of a better life. The financial “mainstream” for these customers is the check cashing shop down the block, the payday lender at the neighborhood strip mall, or the money-wiring location in the back of the convenience store. These businesses overwhelmingly tend to be found in lower-income and minority communities. For the residents of these neighborhoods, the lack of access has staggering costs. The price to obtain basic financial services – getting a paycheck cashed, sending money to a loved one back home, or paying a gas or electricity bill – can cost them thousands of dollars over the course of a lifetime. Those extra dollars could otherwise go towards retirement savings, the down payment on a first home, paying a child’s tuition, or purchasing a

car to get to a better job. We must find a way to bring more Americans into the financial mainstream. That means working to bring more mainstream financial institutions into underserved areas. Because if US capital and credit can make their way to the most remote markets on the planet, they can surely find their way to the untapped markets of our cities and towns. We must also put an end to the kinds of practices that in many cases amount to legalized loan-sharking. The Bible had another word for it – usury. In the coming weeks, I will chair a hearing on improving access to affordable credit and other financial services. I want to work with you – our nation’s mayors – as well as with faith-based and nonprofit institutions, and with financial institutions themselves to find ways to give people sound ways to save, borrow, and build wealth. But even among those who have access to mainstream financial services, we must make sure that those services give consumers the ability to rise higher, rather than sink deeper into debt. One example is credit cards. Tomorrow, I will chair my second hearing as Committee Chairman. The topic will be the practices of the credit card industry and their impact on consumers. Let me say this about credit cards: I support them. I believe in their potential to give consumers greater convenience and opportunities for advancement. I oppose any efforts to ban their use. But in far too many instances, certain practices by certain issuers are harming, not helping, consumers’ ability to move up the economic ladder. There is something wrong when people who pay off their credit card bills every month are known in the industry as “deadbeats” – because their good conduct prevents issuers from charging late fees and interest. There is something wrong when the policies and practices of many in this industry encourage Americans to go deeper and deeper into debt. Even some in the credit card industry itself are starting to realize that some of their practices can’t withstand scrutiny. Just last week, one major issuer decided to terminate a particularly egregious practice known as “double-cycle billing.” I intend to explore ways that we can put an end to these kinds of indefensible practices, while at the same time allowing credit cards to be a safe financial instrument for consumers’ convenience and progress. This “opportunity gap” also exists in the area of affordable housing and homeownership. By some measures, it is growing. As mayors, you have been contending for years with the consequences of federal budget cutbacks. For two consecutive years, CDBG has been cut. Federal housing assistance has been squeezed. And the Administration has even proposed to eliminate the HOPE VI initiative – one of our nation’s most successful efforts to revitalize our urban centers. I intend to fight to fully meet Americans’ basic need for housing. That means fully funding proven successes like CDBG, Section 8, and HOPE VI. Because nothing is more fundamental to Americans’ ability to succeed than safe, affordable housing. And nothing is more emblematic of the fulfillment of the American Dream than buying a home. A home is more than a symbol of achievement. It still represents the most substantial financial asset that most Americans will ever own. It is the cornerstone of most Americans’

financial prosperity and security. And homeownership is vital to the stability of our communities. Today, new challenges to homeownership are emerging – challenges that not only keep families from buying homes, but increasingly prevent them from keeping the homes they have already bought. According a new study, 2.2 million families with non-traditional or “sub-prime” loans made since 1998 have faced or will soon face foreclosure because of mortgage lending practices that have been described as “predatory” in nature. These foreclosures will cost homeowners as much as \$164 billion in lost wealth, mostly in home equity that has been or will be stripped away. For these consumers, the American Dream can truly become a nightmare. This is a homeownership crisis of unprecedented proportions. If left unaddressed, the ripple effect on our cities will be enormous. Mayors will have to contend with greater rates of poverty, homelessness, and blight. In two weeks, I will conduct a hearing in the Banking Committee on this subject. Ultimately, we hope to develop solutions to help keep people in their homes. I welcome your input and suggestions about what we can do to avert this looming crisis. I have discussed some of my thoughts about how to ensure that our free market system works for more Americans: ensuring that our financial institutions are safe and sound; creating more transparent markets; expanding access to capital and credit; and ensuring that products like credit cards and mortgages help Americans create new wealth rather than deeper debt. In addition, we must do more to ensure the security of all Americans – be it from crime, from natural disasters, or from terrorism. No one who witnessed the horrific acts of 9/11 will ever think quite the same about the security of our homes, offices, and public places. That includes public transportation. Yet, the evidence suggests that our national leaders are doing far too little to protect Americans as they move from their homes to their jobs using public transit. Every day, 1.8 million Americans board an airplane. Fourteen million board a bus, subway, or other form of public transit. Since 9/11, the federal government has invested nearly \$24 billion in airline security – and only \$386 million to protect riders of public transit. Put another way, that amounts to seven dollars and fifty cents spent for the security of each airline passenger – and less than a penny for the security of transit passengers. I don’t for a minute mean to suggest that we’re spending too much for airline passengers. But I believe we are spending too little on transit passengers. Any mayor who presides over a city with a bus, subway, or commuter rail system will understand why this issue deserves greater priority. That is why the very first hearing I conducted as chairman was on the subject of strengthening the security of our transit networks. And that is why I am working with my Ranking Member, Senator Richard Shelby, to pass good, strong, tough legislation to keep our people safe when they ride to work. To sum up, then: creating opportunity, expanding prosperity, strengthening our security – these are the objectives that the Banking Committee will pursue under my leadership. As I said a few moments ago, I believe that we have only a few short years to change the

direction of our country and put it on a surer footing for the 21st century. One day, future generations will ask us: what did you do to make America a stronger, more hopeful nation? Did you do all you could to stop global warming? To create a sustainable energy policy? To build schools that allow our children to win in the competitive global economic marketplace? To provide high-quality, affordable health care? To support businessmen and -women trying to create good jobs for hard-working American men and women? I want us to be able to answer those questions in the affirmative – because these urgent times demand nothing less. America is at risk, and I want my children’s generation to grow up in a world where America leads again with confidence and with faith in the future. There are some who are content to talk about change. But talking about change and actually creating change are two entirely different things. As mayors, you understand that better than anyone. I don’t need to explain to any of you how hard, and how essential, a job it is to move from talk to action. That is what I have been doing my entire life in public service – turning rhetoric into results, ideals into initiatives, and principles into progress for the American people. A few years ago, I and a few others started talking about creating an America where working men and women could care for a new child or sick parent without fear of losing their jobs. Some said it was a pipe dream, a fantasy. But after 8 years of effort, including two presidential vetoes, we prevailed. Today, the Family and Medical Leave Act is no longer a dream – it’s the law. And because of that law, over 50 million Americans have been able to be more successful on the job and at home. That’s the kind of change that I want to create for the people of our country. And I’m confident that you want to do that, as well. So let us join together to turn people’s dreams into realities. And let later generations say that, at the beginning of the 21st Century, after an uncertain start, America’s leaders charted a new course that once again matched America’s progress to her promise. Thank you.

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