

Statement of Senator Sherrod Brown
Senate Banking Committee, Restoring American Financial Stability Act
Monday, March 22, 2010

Thank you, Mr. Chairman.

Mr. Chairman, two years ago we teetered on the edge of another Great Depression. Wall Street had gorged itself on so much junk debt that the markets panicked. At the request of the Bush Administration, we took urgent, bipartisan action to pull ourselves back from the brink of economic collapse.

We saved the banks temporarily, but Main Street was not so lucky. Wall Street recklessness, aided and abetted by lax regulation, drove more than 7 million Americans into unemployment and caused nearly 6 million home foreclosures.

It's been two years since that near miss. But Wall Street can and is continuing to risk Main Street jobs, Main Street pensions, and Main Street homes on get rich quick schemes as reckless as the ones that collapsed on them two years ago.

There are those on this committee who will try to delay action for as long as possible.

They are hoping the American people will forget the meltdown, forget the bailouts, and forget that Wall Street knowingly gambled away the economic security of millions of middle class families.

Well, Americans aren't going to forget. And Congress reports to Americans. No more meltdowns, no more bailouts.

Our nation cannot afford to let Wall Street remain a casino with the odds stacked against everyday Americans.

We need rules that ensure Wall Street investors cannot bet the farm in Chillicothe, the home in Cleveland Heights, the job in Wilmington on a financial bubble that is bound to burst.

Some of my colleagues on this panel have said that the banks' interests are more important than protecting the American public.

I think that's a false choice.

We have seen all too painfully that a business strategy that relies on hoodwinking borrowers and investors is destined to fail.

We cannot predict the next economic disaster, but if we protect consumers we can probably prevent it.

Mr. Chairman, I want to commend you for moving forward with your bill. As you know, I believe the bill should be strengthened to make absolutely certain there are no more meltdowns and no more bailouts.

I'd like to put in stronger safeguards against behemoth banks that control so much of the nation's wealth that they could singhandedly send our economy spiraling.

Our economy cannot prosper with an ever-growing share devoted to finance. In the 1980s manufacturing made up 25% of GDP and financial services was 11-12%.

By 2005 the two sectors had flipped: manufacturing was just 12% of GDP while the financial services industry was about 20-21%.

We need to get out of the business of propping up Wall Street and ensure we don't get put in this position again.

In my view, Wall Street banks wrecked our economy, got a taxpayer-funded bailout, and are profiting again while working Americans continue to suffer.

Yesterday was a momentous day, when Congress passed the most important piece of health care legislation in fifty years.

Today, this Committee can continue its work on behalf of the steelworkers in Steubenville, the farmers in Findlay, and the auto workers in Ashland.

It has been almost four months since you introduced your bill, Mr. Chairman. We can't sit by any longer and continue to do nothing.

We need to move now.

No more meltdowns. No more bailouts.