



**Remarks Prepared for Delivery By
Chairman Michael G. Oxley
House Financial Services Committee
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Thank you so much for the invitation to speak at Saver Summit. It is fitting that we conduct an event such as this, to emphasize to the public the importance of personal saving, financial planning, and retirement security. Thank you to Ms. Combs for the introduction, and also to Secretary Chao for the invitation to speak today.

The best news for any saver or investor is that the American economy is strong and sound. There is no substitute for economic growth and prosperity, and we have consistently strong and stable markets across all of the various sectors of investments to help people make their money grow.

General Economic Overview

Recent economic performance is such that the skeptics these days are fewer in numbers and much quieter. It's impossible to refute the overwhelming evidence that our economy is firing on all cylinders.

Some facts:

- Our GDP expanded at a solid 3.5 percent pace last year;
- More than 4.6 million new jobs have been created since May of 2003; two million of them in the last year;
- Unemployment is 4.7 percent, running lower than the 1970s, 1980s and 1990s, payrolls are rising and household wealth is at an all-time high;
- Productivity growth remains strong. Output per hour in the non-farm business sector has risen at an average annual rate of 3.2 percent since 2001, faster than any five-year period in the 1970s, 1980s or 1990s;
- More Americans than ever own their own homes;
- Tax revenues are surging to the highest levels ever;
- Inflation-adjusted hourly wages are beginning to rise, growing 1.6 percent between September and December;
- The Dow Jones Industrials are touching all time highs and;
- Our home values reflect underlying growth, low interest rates and confidence about future economic prospects.

It should be heartening to all of us to think how we got to this place amidst all the obstacles that stood in our way, including the end of the tech bubble, 9/11, fighting the continuing war against

terrorism, numerous corporate bankruptcies, and the loss of investor confidence that drained trillions from our market capitalization.

Aside from the general stability and prosperity of our economy, the other tremendous feature of our American financial system is the emphasis on the individual, and I don't know that this is adequately appreciated.

We have an emphasis on owning our own homes: our national homeownership rate is at an all-time high of 69 percent. We have widely available mortgage credit with all kinds of fixed and adjustable rates, many with minimal downpayments required.

In the areas of securities, bonds, deposits, and insurance the American financial services industry provides a complete array of products and services and continues to innovate to meet the demands of consumers in a very competitive business. American consumers have everything available to them, from mutual funds, to individual stock, to index funds and exchange traded funds. We can purchase CDs, money market funds, and bank at credit unions or banks. We have a vigorous bond market and insurance products to suit every need imaginable.

We have solid companies and generally robust regulators who provide important oversight and enforcement.

Let's remember that in many countries throughout the world, these same advantages do not exist. In vast portions of even advanced countries, homeownership rates are low and products designed for lower- or middle-class savers and investors are not widely available.

The financial services industry prospers when it helps its clients to prosper. A strong U.S. economy helps us all to make our money work for us.

We also have tremendous advantages in the areas of information. We have lots of free financial literacy information available to us. During the five years I have been Chairman, I see that the financial literacy movement is continually gaining strength. Also, with the continual advances of technology, our systems are becoming more and more transparent, they are becoming faster and more accurate all the time. Now, individual investors in many cases have the same access to real-time information as the pros, and that's a huge step forward.

I only have time to talk about a few of the issues we are working on. As I was thinking about this talk, I realize that just about everything we do in the Financial Services Committee helps savers and investors.

Social Security Reform

Before I get into some other specific issues before our Committee, I have to take a moment to commend the President for his efforts to reform the Social Security system. While we have not achieved the result of reform that we had hoped for, he gets a lot of points with me for raising and addressing one of our most difficult issues. The debate goes on, as it should, to secure a better retirement future for us all.

Deposit Insurance

We have just completed a major piece of legislation for savers, and that is the modernization of the deposit insurance system.

The President signed the legislation in the Oval Office on February. So, the Financial Services Committee and the House completed five years of rolling that boulder up the hill!

Deposit insurance reform has been a top priority of the Financial Services Committee and the House and our goals for the legislation were the same as when Federal deposit insurance first became law:

to reassure Americans in the safety of their deposits and the banking system, and to protect taxpayers from being on the hook during times of economic crisis.

This guarantee has in turn contributed to making our banking system the most advanced and efficient in the world. And as we all know, safe and sound banks are an indispensable part of a healthy, vibrant economy.

One key provision I would hasten to point out to this audience is the increase in the deposit insurance limit for certain retirement accounts to \$250,000. The legislation also indexes that limit to inflation – a critical move that will encourage Americans to save for retirement.

I commend the Financial Institutions Subcommittee Chairman from Alabama, Spencer Bachus, and the bipartisan coalition he brought together for their leadership in seeing that this reform measure became law.

Now, savers and depositors can be assured that the system has been modernized to meet the needs of the 21st Century financial services industry.

Protecting Military Personnel

The House overwhelmingly passed legislation introduced in our Committee by Rep. Geoff Davis to protect military personnel from products that I have to say are ripoffs.

The legislation bans the sale of contractual mutual funds, an obscure product that disappeared from the civilian market more than two decades ago. Also, the bill would require that military personnel be informed about the low-cost life insurance available to them from the Federal government prior to the sale of private insurance.

Improving the Quality of Company Information

Certainly one of the proudest accomplishments of Sarbanes-Oxley is that it improved the quality of public company information in many different ways. Boards are more active participants, companies have more checks and balances both internally and externally, and investors in public companies have reason to be more confident in the information they use to make their investment decisions.

I won't revisit the era of corporate bankruptcies here today. But suffice to say that I do not miss the days when I was signing congressional subpoenas all the time and spending my time saying "Raise your right hand." We've come a long way and thousands of people who work for

companies and regulators and law firms and accounting firms all across this country deserve a lot of credit for implementing Sarbanes-Oxley.

While I have heard many complaints, I also have spoken privately with numerous CEOs who tell me they are sleeping better at night these days, and that's great news.

Another initiative we are working on right now is to introduce greater transparency in the credit ratings industry. Right now, it's essentially a duopoly, with the little guys unable to achieve the proper designation from the Securities and Exchange Commission. Not unlike the old analysts issue, there are numerous ties and financial transactions that normally go on between credit ratings agencies and the companies they rate. Increasing competition and creating a stronger role for the Securities and Exchange Commission will go a long way to help improve this information.

Additionally, we are examining right now how we generally try to get away from quarterly earnings guidance. Clearly, the drive to meet those numbers has been a contributing factor in much of the fraud that has occurred in public companies. Our Committee's effort will complement the SEC's and FASB's initiatives to reduce complexity in financial reporting.

Closing

There are so many issues that I could discuss with you today, and we don't have time to get to them all. But what I would leave you with is that American savers and investors have every tool available to them to plan their own future and to achieve their own goals.

They have a government and a Congress and regulators looking out for them. They have a free and open system of information and education that is easily accessible. And they have a prosperous economy with good job growth, low interest rates, and low inflation.

Despite the many difficulties that our country has faced over the past five years, we have achieved the economist's dream of solid growth with low inflation.

I am thrilled to be here today to echo the theme and the purpose of the Department of Labor's 2006 National Summit on Retirement Savings. I encourage savers and investors to take advantage of all that is available to them and to take charge of their own futures.