Blueprint for American Prosperity
Unleashing the Potential of a Metropolitan Nation

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Jim, Thank you very much. What an exciting and uplifting morning it has been to see so many concepts I believe in presented so well. And presented by people whom I so respect - inspired by Jim Johnson in his leadership of Brookings over many years, supported by Strobe Talbott in his present administration of Brookings, and generated by Bruce Katz, one of the persons whose intellect and capacities I admire most in the country. Congratulations to the Brookings team for this impressive analysis.

This morning I would like to underscore the ideas which have been presented today by grounding them in human experience and American history.

From the first gatherings of human beings in groups larger than nomadic tribes – for protection, for food production, for division of labor, for trade, for worship – came urban places.
In the fertile crescent of the Middle East, including the great cities of Mesopotamia and Egypt, from China to India to Europe, the urban form evolved into the Italian city-states, where the arts of diplomacy and arms made possible the arts of painting and literature; where trade abroad enabled great architecture at home.

In the North Atlantic nations, in the New World, urban places have been the settings where great national dynamics have played out; where people work, learn, recreate, live and govern themselves.

In American history, our urban places have been the points of origination, the building blocks of national progress. In these places some of the epic processes of the American narrative have unfolded.

Work: a great nation sustains itself through work. From the labors of its people, from their productive capacities, comes national power. In the American colonies, work included trade with England, with shipbuilding and trans-Atlantic shipping from in Boston. It meant waterborne commerce originating in New York City, moving through the Erie Canal into the interior, and later Great Lakes shipping that drew industries to Cleveland, Buffalo, Detroit, Chicago and Milwaukee.

A network of cities emerged along America's great rivers: the Queen City of Cincinnati, the steel city of Pittsburgh, and the Crescent City of New Orleans. St. Louis played the dual role of river city and gateway city, the point of embarkation for the land routes that opened the West.

It was work in the cities that preserved the Union, as armaments made in factories in Hartford and Lowell and Bridgeport and Rochester and Harrisburg overwhelmed the rural economy of the South. After the war, the iron horse opened the way to feed the nation from the stockyards of Chicago and Denver, Omaha, Fort Worth and Kansas City. In the West, clipper ships sailed to the Pacific and Alaska from Seattle and San Francisco and in the East the industrial revolution matured in Toledo and Akron, Louisville, Rockford, Moline, Davenport and Grand Rapids, each of which developed industrial specialization in particular products of importance to the country. When World War II required the Arsenal of Democracy, tanks rolled off the lines in Detroit, ships were launched from yards in Oakland, and airplanes flew out of Long Beach.

Over the last decades, metropolitan areas that were little more than towns 50 years ago have become pillars of the national economy: Atlanta in communications, Charlotte in finance, Miami in trade and banking, San Diego in the biosciences, and San Jose in technology. The evidence is abundant: in American history the metropolitan economies drive the way the nation works.

Learn. A great nation helps its people learn and, in so doing, transforms their potential into national prosperity. That's what America did when it used the public schools of New York to transform the children of immigrants into students at the City Colleges of New York, and then into a Secretary of State, a Nobel Prize winner, a Pulitzer Prize recipient, university presidents, financiers, doctors, and scientists.
I deeply respect the legacy of the land-grant institutions in rural places such as Stillwater and College Station, and Auburn, Alabama. But the nation has needed its city schools: the city public colleges created in Ohio, like the University of Cincinnati, University of Toledo, the University of Akron, and the system of community colleges all across the country. The great urban Catholic schools set as their mission the integration of immigrants: Marquette in Milwaukee, Villanova in Philadelphia, Fordham and St. John's in New York City, Loyola and DePaul in Chicago, and Xavier in New Orleans, which took on the special mission of preparing African American students.

Then there are today's anchor institutions which are integral to the sense of purpose for entire metropolitan areas, such as Johns Hopkins in Baltimore; the University of Miami; Tulane, carrying an extraordinary load in the revitalization of New Orleans; the University of Southern California, which has been an anchor for South Central Los Angeles since the civil disturbances there; Washington University in St. Louis; the University of Pittsburgh, driving the transformation of that city; and the University of Illinois-Chicago. In American history, urban education has helped the nation learn.

Recreate. The greatest nations have places where people recreate, where they celebrate the national heritage and our human inheritance, where the human spirit is uplifted by the genius of the painter, the grace of the dancer, the athleticism of a ballplayer, the wisdom of the writer, the skill of sculptor, the inspiration of the preacher.

In American history, urban places have been home to our churches, temples, museums, symphony halls, opera houses, ballparks, stadiums, convention venues, and conference centers. Imagine how much poorer our nation would be without the National Cathedral in Washington, the Getty Center in Los Angeles, the Statue of Liberty and Central Park in New York, the Museum of Natural History in Chicago, the Opera House in San Francisco, Camden Yards in Baltimore and Coors Field in Denver; the Nasher Sculpture Garden in Dallas, the Calatrava-designed Museum of Art in Milwaukee, and the Mormon Tabernacle in Salt Lake City.
Our urban places give us identity and celebrate our common purpose. We capture that magic even in the names of the athletic teams which describe our urban history the Pittsburgh Steelers, the Seattle Mariners, the Dallas Cowboys, the San Francisco Forty-niners, and, yes, the New York Mets -- The Metropolitans. The metropolitan places are where America comes together.

Live. The greatest nations bring their people together to live. In the great nations, out of the diverse masses are formed civil societies. In American history, the Lithuanians of Sinclair Lewis' The Jungle gathered in Chicago tenements as their first step towards Americanization. A half century later, African American field workers from Alabama and Mississippi provided the manpower for automobile plants and steel works in Detroit and Chicago. And today those metropolitan areas have among the largest African American middle class communities in the nation.

Their routes of passage to life in the American middle class are the route of the Irish of Boston, the Poles of Detroit, the Slavs of Cleveland, the Jews of New York, the Germans of Milwaukee, the Swedes of Minneapolis, the Chinese of San Francisco, the Latinos of San Antonio, and the Vietnamese of Anaheim. In America it has been the machinery of urban life which has provided the stepping stones to a better life.

Governance. Great nations find the ways to govern themselves. In American history many of the most important processes of governance have played out in our urban areas. Governance in the sense of civic engagement has often been raucous, rude, even brutal: the self-serving efficiency of Tammany Hall, the practical sense of Saul Alinsky in Back of the Yards Chicago. In the streets, in the neighborhoods, at the polling places, in the union halls, we have worked at how we govern ourselves.

Governance also means urban areas as the action end of state and federal programs: the WPA, decent housing after 1949, equal opportunity from the Great Society, voting rights, welfare reform in the Clinton Administration – all of these took hold in places and for the majority of Americans those places were our metropolitan places.

So the history of American progress is in substantial measure a metropolitan and urban phenomenon. The issue appropriately joined here today is how to create the next wave of American progress; how to sustain the nation's prosperity; how to extend the greatness of the American experiment.

Bruce's four linchpins are precisely correct. First, dynamic forces are reshaping our world. We have to think in new ways.

Secondly, nations must act upon their assets. We must know how to build upon them.

Thirdly, U.S. metropolitan leaders are presiding over innovation of all kinds, but largely going it alone.

And, fourthly, this Blueprint for American Prosperity is needed to create a new partnership using metropolitan areas as the historic platforms that we know they can be.
Just as metropolitan areas have been engines for some of the greatest advances in American history so too can they serve the 21st century imperatives of national progress.

Metropolitan areas can sustain work and the hope of advancement when 76 percent of the nation's knowledge jobs are in the 100 largest metropolitan areas.

Metropolitan areas can support learning which will unleash human ingenuity when 74 percent of the tier-one research institutions are in those 100 largest.

Metropolitan areas can uplift our spirits when critical masses of the nation's creative talent flourish there.

Metropolitan areas are home to the neighborhoods where we can preserve safety and dignity and family peace of mind when 65 percent of the nation's people live in just the largest 100 metro areas.
Metropolitan areas are places where we must govern ourselves with optimism and inclusiveness when 76 percent of our GDP is generated in only 100 urban places.

Metropolitan areas are the places where our nation can address the challenges of our times. In the new century, we can be a nation with an economy that has the competitive attributes to succeed in global competition, even as we prepare the way for a new middle class. Yesterday it was announced that a Chinese company has become the largest enterprise in the world. There is no question that we are facing massive competition in the years to come; competition we have not seen before on this scale. Yet even as we compete with forces that drive wages down in a global context, we must build the new American middle class. To do so we have to energize metropolitan schools and build the urban technological infrastructure.

We can be a nation that integrates its people, that helps lower-income families and immigrants raise their incomes and accumulate assets. We know today that minorities have two-thirds the income of the average White family and one-tenth the wealth of average White Americans. We can build the middle class we need to sustain American prosperity. To do so, we must create excellence in K-through-16 urban schools, extend home ownership, create pathways to higher education, open access to the financial system, and strengthen the portal role of urban areas for immigrants.

We can be a nation that wisely uses its physical gifts, uses less land, uses fewer natural resources, and creates sustainable places. To do so we must modernize our infrastructure and build smartly.

The Brookings Institution is right to drive a national conversation about a new partnership; about how we use our national resources rather than leave urban governments on their own; about how we create incentives to cooperate across the boundaries of city and suburb, artificial boundaries which disappear when an urban area is viewed from a plane at night. Over the years as I have flown into various metropolitan areas, I have observed how it is impossible to tell where the city ends and the suburbs begin. That mosaic of lights illuminates the real organic form of the metropolitan area and its economy.

It is a discussion about how we can harness public and private capabilities across other kinds of boundaries, such as the ideological boundaries that separate public and private investment practices. We have learned, for example, from programs such as the Low Income Housing Tax Credit that it is possible to harness the best energies of the private sector with public tax policies. We have learned from Jim Johnson's leadership at Fannie Mae and from his contemporaries at Freddie Mac, how to create hybrid institutions which make it possible to bring capital from around the world to our public priorities. We have learned how public investments in higher education research can spawn private technological breakthroughs. We have learned that public transportation policies will have to be revamped to elicit private responses in a post-petroleum economy. We have learned from our Hope VI work in public housing that it is possible to attract private capital to areas that once were off limits to private investment. And we have learned to use housing voucher in such a way that harnesses markets to create opportunities nearer jobs and nearer productive training. All of these lessons provide us the opportunity to think more broadly across boundaries of every kind.

What Bruce and his team have advanced is a way of thinking about where our national assets are and what the appropriate building-blocks for policy should be.

They have also advanced a way of organizing: organizing our national government and Federal leadership from the White House. One might envision, for example, in a future administration, an entity not unlike the innovative Economic Policy Council of the Clinton years, but with a metropolitan focus to utilize the building-blocks of metropolitan areas. The opportunity exists to create Cabinet-level inter-departmental

strategy; cross-departmental programs; Congressional recognition across the lines of committee jurisdictions in order to facilitate the cross-fertilization of ideas and programs.

They have also advanced a way of organizing for a new partnership at the metropolitan level, with a view toward how metropolitan economies actually work, where the jobs actually are, how education assets can be used, how freight is moved, how business innovation occurs.

Some of our nation's great historic epics, the truly important dynamics that have built the foundation of our way of life – our economic maturation over time, our acceptance of immigrants, the processes of democratic participation, the ascent of the middle class, the emergence of public education as the force it has been – these have been so transformative because of our urban and metropolitan places.

The continuing challenges before us in the new century – creating inclusiveness of opportunity, harnessing human potential, integrating new Americans to play their part in civic action and leadership, growing in wise and responsible ways – these challenges we must address in the metropolitan places, the places which we built, the places which we need, and the places we love. In this way, we will keep our country strong.

To Bruce, Jim, and the Brookings team, thank you for your good work. I hope you will take this message across the country and I hope our nation will listen.