

Commission faults Wall Street greed for economic collapse

January 27, 2011

WASHINGTON, DC— Representative Peter DeFazio (D-OR) today agreed with many of the conclusions made by the Federal Crisis Inquiry Commission in a report analyzing the 2008 financial crisis which led to millions of Americans losing their jobs , their homes, and their pensions due to Wall Street's recklessness and greed . The report identified key causes of the economic meltdown. It specifically faulted the deregulation of Wall Street and elimination of critical laws protecting consumers, irresponsible Wall Street greed that gambled with our future, and predatory mortgage lending that took advantage of the most vulnerable Americans. The report also faulted ineffective government oversight which missed key warning signs leading up to the meltdown.

DeFazio has long opposed the deregulation of Wall Street and financial services, including the repeal of critical laws like Glass-Steagall that kept Wall Street investment firms from co-mingling with banks. He also opposed the \$700 billion Wall Street bailout in 2008 and proposed legislation to require Wall Street to pay for its own bailout. He voted in 2010 for the Wall Street Reform and Consumer Protection Act which restored some regulations, and is pushing for addition reforms to prevent another speculative bubble and collapse.

The following statement was issued by DeFazio following the release of the report.

“The findings in this report confirm what I have been saying since the beginning of radical deregulation of Wall Street. Wall Street is incapable of regulating itself. When Wall Street creates a bubble and the bubble bursts, it’s not the guilty parties that suffer, but millions of Americans who lose their jobs, their savings, and their investments.

I opposed the deregulation that led to the wild speculation and ultimate collapse of the economy and I voted against the massive taxpayer funded \$700 billion Wall Street bailout. We would have been better off if irresponsible firms had failed and received the real market discipline they deserved. Unfortunately, they were bailed out by the American taxpayers and now they are back to their old tricks.

We adopted modest regulatory reforms last year which I supported, but they didn’t go far enough due to extreme pressure from Wall Street barons and they need to be strengthened. Unfortunately the new Republican majority is proposing that we let Wall Street regulate itself once again, which sets the stage for the next big bubble that will crash our economy.

I continue to be concerned that President Obama is not being well served by his economic team. The president needs an economic team that was not complicit in the deregulation leading to the crash and is willing to take a tough stand on regulating our financial markets to protect the interests of Main Street, rather than Wall Street.”

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If you have any problems or questions about downloading the feed, please contact Jen Gilbreath at (202) 225-6416.

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