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Phillip Angelides

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**Opening Remarks of Chairman Phil Angelides at the First Public Meeting of
the Financial Crisis Inquiry Commission
Washington, D.C.
September 17, 2009**

Members of the public and fellow commissioners, it is my honor to address you this morning as we begin the important work we have been charged with undertaking on behalf of the American people. I am grateful to Speaker Pelosi and Majority Leader Reid for giving me the chance to serve as Chairman. I want to thank Vice Chairman Thomas for his extraordinary cooperation and I look forward to working with him and my fellow commissioners in the task ahead.

This bipartisan commission has been given a critical mission; one that is of clear national importance, and one that must be conducted without politics or partisanship of any kind: to examine the causes of the financial and economic crisis that has gripped this country, and to report our findings to the Congress, the President, and the American people. It's a challenge that is, in many respects, daunting and complex, but at its core, simple and straightforward. We have been called upon to conduct a full and fair investigation in the best interests of the nation - pursuing the truth, uncovering the facts, and providing an unbiased, historical accounting of what brought our financial system and our economy to its knees. This is what the American people deserve and this is what we are obliged to do. In this critical instance, if we do not learn from history, we are unlikely to fully recover from it.

Nearly 7 million Americans have lost their jobs since the economic downturn began. Nearly 25 million Americans – or over 16% of our workforce – are unemployed, underemployed because they can't find full time work, or have given up looking for work.

Over 2 million families have lost their homes to foreclosure in the last three years and over 10 million have been in the foreclosure process during that same time period. In the Central Valley of California - from which Vice Chairman Thomas and I hail- alone, there have been over 100,000 foreclosures since 2006.

And, U.S. households have seen over \$13 trillion in wealth evaporate - with retirement accounts and life savings swept away as the markets declined.

One year ago this week, we witnessed the implosion of our financial markets. Yet, the fuses for that cataclysm were undoubtedly lit years before. It is our job to diligently and doggedly follow those fuses to their origins.

It is my hope that the findings of this commission can help the President, Congress, market participants, and the public reach the best judgments about how to fix our financial system. How we conduct our work will say much about the credibility with which our work is viewed.

First of all, it is essential that our investigation proceed on the basis of fact and evidence – and not according to the opinion or political leanings of any member of the Commission or the Congress that empowered us. Indeed, the law which created the Commission calls on us to

determine the causes of this crisis, not to offer our prescriptions for the future, although we are free to do so.

Secondly, we have an obligation to conduct this investigation with a seriousness commensurate with crisis we are investigating. The 9/11 Commission conducted over 1,200 interviews, reviewed over 2.5 million pages of documents, and held 12 days of public hearings. We should be similarly thorough.

Our job is not to engage in public posturing. It is to pursue the evidence wherever it leads, to leave no financial stone unturned. In the course of doing so, we may well find criminal activity as well as egregious practices that were not only permitted but exalted. Our job isn't to presume the worst actions and intentions— but to follow their trail wherever and whenever we find them.

Thirdly, we must move as quickly as we can in fulfilling our duties. Our final report is due in just 15 months. We will seek the records we need from government agencies, financial institutions, and others. We will begin holding hearings by December. We must proceed with fairness and professionalism and, if need be, use our subpoena power to ensure that we can fulfill our statutory mandate.

Finally, we should make our investigation and our findings as clear and relevant to the public as we possibly can. Yes, this crisis is about the arcane and the complex – CDOs, CMBS, RMBS, credit default swaps - but is also about a deep financial trauma that has affected millions of families and threatened the viability of our system of capital. We must write a history that is factual, substantive, and understandable. If we do this right, our work can serve as an antidote -- much as the Pecora hearings did in the 1930's -- to the kinds of financial market practices that none of us would want to see be repeated ever again.

Let me conclude with this thought: There is much anger, and justifiably so, about what has transpired. The public's trust in our financial system has been badly shaken. Many Americans who abided by the rules now find themselves out of work, devastated by foreclosures, uncertain of their future prospects. There is a hunger to see those who profited from irresponsibility take responsibility, for wrongdoers to be held accountable. Yet the most important task in front of us is shed light, not heat. For us to take stock of what has happened and give a true accounting so the important work of restoring faith in our economic system can begin.

In the wake of the market crash of 1929, there was a whole generation of Americans who would not put their money at risk in what they considered to be the casino of the stock market. The Dow Jones Industrial Average did not regain its 1929 peak for 25 years. We can ill afford a similar prolonged lack of faith and trust.

It is my hope that, together, we can rebuild and sustain a system of capital that helps us create enterprises of value, that puts Americans to work so they can support their families and fulfill their dreams, and that provides the foundation for a new era of broadly shared prosperity.

Thank you.