

1 HR466
2 153677-1
3 By Representative Jackson
4 RFD: Rules
5 First Read: 09-MAY-13

2
3
4
5
6
7
8 URGING CONGRESS TO SUPPORT EFFORTS TO REINSTATE THE
9 SEPARATION OF COMMERCIAL AND INVESTMENT BANKING FUNCTIONS IN
10 EFFECT UNDER THE GLASS-STEAGALL ACT.

11
12 WHEREAS, an effective money and banking system is
13 essential to the functioning of the economy; and

14 WHEREAS, the Federal Banking Act of 1933, known as
15 the Glass-Steagall Act, protected the public interest in
16 matters dealing with the regulation of commercial and
17 investment banking, in addition to insurance companies and
18 securities; and

19 WHEREAS, the act was repealed in 1999, partially
20 contributing to the greatest speculative bubble and worldwide
21 recession since the Great Depression of 1933, leaving millions
22 of homeowners in foreclosure, causing the loss of millions of
23 jobs nationwide, and placing severe financial strains on
24 states, counties, and cities, exacerbating unemployment and
25 loss of civil services; and

26 WHEREAS, Congress has been making efforts to restore
27 the protections of Glass-Steagall through House Resolution

1 129, the Return to Prudent Banking Act of 2013, which seeks to
2 revive the separation between commercial banking and
3 investment banking, as was done in Glass-Steagall; and

4 WHEREAS, the 2013 act has widespread national
5 support from such organizations as the American Federation of
6 Labor and Congress of Industrial Organizations, the American
7 Federation of Teachers, the International Association of
8 Machinists, as well as from prominent economic and business
9 leaders, including Thomas Hoenig of the FDIC, Sanford Weill,
10 former CEO of Citigroup, economist Luigi Zingales, the New
11 York Times, the St. Louis Post Dispatch, the Los Angeles
12 Times, and many others; now therefore,

13 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF
14 THE LEGISLATURE OF ALABAMA, That we urge Congress to enact
15 legislation that would reinstate the separation of commercial
16 and investment banking functions that were in effect under
17 Glass-Steagall, prohibiting commercial banks and bank holding
18 companies from investing in stocks, underwriting securities or
19 investing in or acting as guarantors to derivative
20 transactions, in order to prevent future bail outs of
21 financial institutions.

22 BE IT FURTHER RESOLVED, That a copy of this
23 resolution be provided for distribution to the President of
24 the United States, to the presiding officers of each house of
25 Congress, and to each member of Congress from Alabama.