

2013 -- H 5840

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

HOUSE RESOLUTION

RESPECTFULLY URGING CONGRESS TO ENACT H.R. 1489, THE
"RETURN TO PRUDENT BANKING ACT OF 2011"

Introduced By: Representatives McLaughlin, Bennett, and Hull

Date Introduced: March 06, 2013

Referred To: House Corporations

1 WHEREAS, An effective monetary and banking system is essential to the proper
2 function of the economy; and

3 WHEREAS, An effective monetary and banking system must function in the public
4 interest without bias; and

5 WHEREAS, The Federal Banking Act of 1933, commonly referred to as the Glass-
6 Steagall Act, protected the public interest in matters dealing with the regulation of commercial
7 and investment banking, in addition to insurance companies and securities firms; and

8 WHEREAS, The Glass-Steagall Act was repealed in 1999, permitting members of the
9 financial industry to exploit the financial system for their own gain in disregard of the public
10 interest; and

11 WHEREAS, Many of the financial industry entities were saved by the United States
12 treasury at a cost of billions of dollars to American taxpayers; and

13 WHEREAS, Within the hundreds of pages of the Dodd-Frank Wall Street Reform Act,
14 there are no prohibitions preventing "too big to fail" financial services organizations from
15 investing in or undertaking substantial risks in trillions of dollars of derivative contracts; and

16 WHEREAS, The American taxpayers continue to be at risk for the next round of bank
17 failures with enormous risks undertaken by financial services conglomerates; and

18 WHEREAS, Congresswoman Marcy Kaptur has introduced H.R. 1489, known as the
19 Return to Prudent Banking Act of 2011, to reinstate the provisions of the Glass-Steagall Act; and

1 WHEREAS, H.R. 1489 has 78 co-sponsors in the 112th Congress; and

2 WHEREAS, The Building and Construction Trades of Rhode Island and Plumbers and
3 Pipefitters Local 51 have adopted resolutions asking Congress to enact H.R. 1489; and

4 WHEREAS, Glass-Steagall has received wide support nationally, from the AFL-CIO, the
5 American Federation of Teachers, and the International Association of Machinists, and from
6 prominent economic and business leaders, including Thomas Hoenig of FDIC, Sanford Weill,
7 former CEO of Citibank, economist Luigi Zingales, the New York Times, the St. Louis Post
8 Dispatch, the LA Times, and many others; now, therefore be it

9 RESOLVED, That this House of Representatives of the State of Rhode Island and
10 Providence Plantations hereby strongly urges the United States Congress to enact H.R. 1489,
11 pending before the 112th Congress, to reinstate the restrictions of the Banking Act of 1933,
12 commonly referred to as the Glass-Steagall Act, which prohibited commercial banks and bank
13 holding companies from investing in stocks, underwriting securities, or investing in or acting as
14 guarantors in derivative transactions, in order to prevent American taxpayers from again being
15 called upon to fund hundreds of billions of dollars to bail out financial institutions; and be it
16 further

17 RESOLVED, That the Secretary of State be and hereby is authorized and directed to
18 transmit duly certified copies of this resolution to the President of the United States, the Senate
19 Majority Leader, the Speaker of the United States House of Representatives, Congressional
20 delegates of each state in the United States of America, and each member of Rhode Island's
21 Congressional Delegation.

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