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S T A T E   O F   R H O D E   I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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S E N A T E   R E S O L U T I O N

RESPECTFULLY REQUESTING THAT THE UNITED STATES CONGRESS ADOPT "AN AMERICAN ECONOMIC RECOVERY" PROGRAM

Introduced By: Senators DiPalma, Ciccone, Metts, Miller, and Euer

Date Introduced: January 24, 2019

Referred To: Senate Commerce

1   WHEREAS, There is an ongoing banking crisis gripping the United States and other

2   nations, typified by the massive fraud committed by Wells Fargo Bank, and the ongoing

3   malfeasance at JP Morgan Chase, Bank of America, HSBC, Goldman Sachs and other major

4   banking entities. Too Big to Fail Banks (TBTF) have paid tens of billions of dollars in fines for

5   criminal activities against the American public; the same banks are still holding over $250 trillion

6   of derivative contracts on their books, the same derivatives that blew up the economy in 2008;

7   and

8   WHEREAS, The financial crisis is being driven by a collapse of industry and

9   infrastructure. From 2007 through 2016, Gross Domestic Product grew at the anemic rate of 1-2%

10   per year, and productivity rose at an even worse rate of .5% percent or less per year; and

11   WHEREAS, A return to a durable industrial recovery will require adoption of a national

12   banking policy as was done by Alexander Hamilton, John Quincy Adams, Abraham Lincoln, and

13   Franklin D. Roosevelt. This program of federal credit to industry, Cities and States built the

14   productive capability of our nation; now, therefore be it

15   RESOLVED, That this Senate of the State of Rhode Island and Providence Plantations

16   hereby respectfully urges the Congress of the United States to immediately adopt "An American

17   Economic Recovery" program and do the following:

18   1. Restore the provisions of the Glass Steagall Act in the United States, which aimed to

19   immediately restore the separation of investment and commercial banking. Two members of the

1   Rhode Island delegation to the United States Congress cosponsored legislation, and the Rhode

2   Island State Senate was one of more than fifteen state legislatures to file Glass-Steagall

3   resolutions in 2016. Glass-Steagall has also been previously adopted on the platforms of both the

4   Democratic and Republican Parties;

5   2. Return to a national banking federal credit system, modeled on the principles of

6   Alexander Hamilton's First Bank of the United States, which built all the early infrastructure of

7   the nation. President Abraham Lincoln was a leading advocate for a new National Bank, and used

8   the Greenback policy to build the industrial might of the nation, and that same credit policy was

9   embodied in Franklin Roosevelt's Reconstruction Finance Corporation (RFC), which financed the

10   gigantic New Deal infrastructure program. New Deal spending in Rhode Island was responsible

11   for schools and Post Offices as well as water projects in Cranston and Warren, and was directly

12   funded by offshoots of the RFC. A new National Bank can be immediately capitalized at $1 to 2

13   trillion and finance a similar national recovery;

14   3. Use the federal credit system to build a modern network of high-speed rail, power

15   generating systems, water projects, and other programs. Rhode Island would benefit by a network

16   of high-speed rail lines from Boston to Washington D.C., and storm protection and port

17   development projects. The port facilities of the state will be major beneficiaries of National Bank

18   credit;

19   4. Rebuild our space program, picking up where the Kennedy space program left off,

20   exploring the solar system and thus inspiring future generations. It would also launch massive

21   research into key scientific frontiers including nuclear fusion, which is the long-term solution to

22   our energy needs; and be it further

23   RESOLVED, That the Secretary of State be and hereby is authorized and directed to

24   transmit duly certified copies of this resolution to all members of the Rhode Island delegation to

25   Congress and to the President of the United States.

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