

SENATE JOINT RESOLUTION 6

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By: **Senator Muse**

Introduced and read first time: February 5, 2016

Assigned to: Finance

SENATE JOINT RESOLUTION

1 A Senate Joint Resolution concerning

2 **Reinstatement of the Separation of Commercial and Investment Banking**
3 **Functions**

4 FOR the purpose of urging the United States Congress to support efforts to reinstate the
5 separation of commercial and investment banking functions in effect under the
6 Glass–Steagall Act and to support H. R. 381 and S. 1709.

7 WHEREAS, An effective money and banking system is essential to the functioning
8 of the economy; and

9 WHEREAS, Such a system must function in the public interest, without bias; and

10 WHEREAS, Since 1933, the Federal Banking Act of 1933, known as the
11 Glass–Steagall Act, protected the public interest in matters dealing with the regulation of
12 commercial and investment banking, in addition to insurance companies and securities;
13 and

14 WHEREAS, The Glass–Steagall Act was repealed in 1999, partially contributing to
15 the greatest speculative bubble and worldwide recession since the Great Depression of
16 1933; and

17 WHEREAS, The worldwide recession has left millions of homes in foreclosure; and

18 WHEREAS, The worldwide recession has caused the loss of millions of jobs
19 nationwide; and

20 WHEREAS, The worldwide recession has put severe financial strain on states,
21 counties, and cities, exacerbating unemployment and loss of civil services; and

22 WHEREAS, The United States Senate and the House of Representatives have been
23 making efforts to restore the protections of the Glass–Steagall Act; and



1 WHEREAS, Congresswoman Marcy Kaptur has introduced H. R. 381, known as the
2 Return to Prudent Banking Act of 2015, and Senator Elizabeth Warren has introduced S.
3 1709, known as the 21st Century Glass–Steagall Act of 2015, that would revive the
4 separation between commercial banking and the securities business in the manner
5 provided in the Glass–Steagall Act; and

6 WHEREAS, Restoration of the protections of the Glass–Steagall Act has widespread
7 national support from labor organizations, including the American Federation of Labor and
8 Congress of Industrial Organizations (AFL–CIO), the American Federation of Teachers,
9 and the International Association of Machinists; from prominent economic and business
10 leaders, including Thomas Hoenig of the Federal Deposit Insurance Corporation, Sanford
11 Weill, former Chief Executive Officer of Citigroup, and economist Luigi Zingales; and from
12 newspapers, including the New York Times, the St. Louis Post Dispatch, the Los Angeles
13 Times, and many others; now, therefore, be it

14 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the members
15 of the Maryland General Assembly urge the United States Congress to enact legislation
16 that would reinstate the separation of commercial and investment banking functions in
17 effect under the Glass–Steagall Act and that would prohibit commercial banks and bank
18 holding companies from investing in stocks, underwriting securities, or investing in or
19 acting as guarantors to derivative transactions to prevent American taxpayers from being
20 called upon to fund hundreds of billions of dollars to bail out financial institutions; and be
21 it further

22 RESOLVED, That a copy of this Resolution be forwarded by the Department of
23 Legislative Services to Barack Obama, President of the United States, 1600 Pennsylvania
24 Avenue NW, Washington, D.C. 20500; Joseph R. Biden, Jr., Vice President of the United
25 States, 1600 Pennsylvania Avenue NW, Washington, D.C. 20500; Paul Ryan, Speaker of
26 the House, H–232 The Capitol, Washington, D.C. 20515; Representative Marcy Kaptur,
27 House Office Building, Washington, D.C. 20515; Senator Elizabeth Warren, Senate Office
28 Building, Washington, D.C. 20515; and the Maryland Congressional Delegation: Senators
29 Barbara A. Mikulski and Benjamin L. Cardin, Senate Office Building, Washington, D.C.
30 20510; and Representatives C. A. Dutch Ruppersberger III, John P. Sarbanes, Donna
31 Edwards, Steny Hamilton Hoyer, Andrew P. Harris, John Delaney, Elijah E. Cummings,
32 and Christopher Van Hollen, Jr., House Office Building, Washington, D.C. 20515.