

1 HJR19
2 204242-1
3 By Representatives Jackson and Howard
4 RFD: Rules
5 First Read: 06-FEB-20

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8 URGING THE CONGRESS OF THE UNITED STATES TO SUPPORT
9 EFFORTS TO REINSTATE THE SEPARATION OF COMMERCIAL AND
10 INVESTMENT BANKING FUNCTIONS PREVIOUSLY IN EFFECT UNDER THE
11 GLASS-STEAGALL ACT AND TO SUPPORT EFFORTS TO RETURN TO
12 NATIONAL BANKING POLICIES TO REPAIR OUR NATION'S
13 INFRASTRUCTURE.

14
15 WHEREAS, the Federal Reserve has fed a speculative
16 bubble on Wall Street, much like that of 2007; and

17 WHEREAS, this speculative bubble is tied to more
18 than two hundred fifty trillion dollars of derivatives
19 officially on the books of the major Wall Street banks; and

20 WHEREAS, this speculative bubble has soaked up all
21 available credit and resulted in a weak performance of the
22 United States economy; and

23 WHEREAS, state budgets throughout the nation have
24 reflected the constriction of revenue due to the collapse of
25 production and high-paying jobs; and

26 WHEREAS, a growing, productive economy will require
27 a return to the policies that successfully guided the nation

1 out of similar crises, including the creation of direct credit
2 to industry, infrastructure investment, and science-driven
3 innovations; and

4 WHEREAS, a prudent course of action would be to
5 restore the provisions of the Glass-Steagall Act that
6 immediately separate investment and commercial banking; and

7 WHEREAS, as law for 66 years, the Glass-Steagall Act
8 prevented banking crises like the one experienced in 2008;
9 and

10 WHEREAS, a return to national banking and direct
11 credit to industry and infrastructure was completed under
12 President George Washington, Secretary of the Treasury
13 Alexander Hamilton, President John Quincy Adams, President
14 Abraham Lincoln, and President Franklin D. Roosevelt; and

15 WHEREAS, the early infrastructure of the United
16 States, from canals to rail systems, was built by national
17 banks; and

18 WHEREAS, national banking policies orchestrated by
19 Henry Carey under President Abraham Lincoln created industrial
20 expansion, including the construction of modern rail and steel
21 programs; and

22 WHEREAS, the Reconstruction Finance Corporation
23 (RFC), a federal credit program approved in 1932, was modeled
24 on the War Finance Corporation and on Alexander Hamilton's
25 prototype, the First National Bank; and

1 WHEREAS, The State of Alabama recovered from the
2 Great Depression during Franklin D. Roosevelt's administration
3 through significant RFC projects; and

4 WHEREAS, a new national bank would be chartered with
5 no less than one trillion dollars of capital, not taxpayer
6 funds, to finance new projects; and

7 WHEREAS, this approach would put millions of
8 unemployed or underemployed people, especially young people,
9 back to work; now therefore,

10 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
11 HOUSES THEREOF CONCURRING, That we respectfully urge the
12 Congress of the United States to immediately reinstate the
13 separation of commercial and investment banking functions in
14 effect under the Glass-Steagall Act and to support efforts to
15 return to national banking policies to repair our nation's
16 infrastructure.

17 BE IT FURTHER RESOLVED, That copies of this
18 resolution be transmitted to the President of the United
19 States, to the presiding officers of each house of Congress,
20 and to each member of Alabama Congressional Delegation.