



SPONSOR: Sen. Ennis & Rep. Kowalko
Sen. Hansen; Reps. Baumbach, J. Johnson, Mitchell

DELAWARE STATE SENATE
149th GENERAL ASSEMBLY

SENATE CONCURRENT RESOLUTION NO. 46

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

1 WHEREAS, an effective monetary and banking system is essential to the proper functioning of the economy; and

2 WHEREAS, an effective monetary and banking system must function in the public interest without bias; and

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

6 WHEREAS, the Glass-Steagall Act was repealed in 1999, permitting members of the financial industry to exploit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

8 WHEREAS, many financial industry entities were saved by the United States Treasury at a cost of billions of
9 dollars to American taxpayers; and

10 WHEREAS, within the hundreds of pages of the Dodd-Frank Wall Street Reform and Consumer Protection Act,
11 there are no prohibitions that prevent "too big to fail" financial services organizations from investing in or undertaking
12 substantial risks involving trillions of dollars of derivative contracts; and

13 WHEREAS, the American taxpayers continue to be at risk for the next round of bank failures, as enormous risks
14 are undertaken by financial services conglomerates; and

15 WHEREAS, in the 115th Congress, Representatives Marcy Kaptur (D-OH), for herself and on behalf of 26 other
16 Representatives, introduced H.R. 790, the Return to Prudent Banking Act of 2017, to revive the separation between
17 commercial banking and the securities business that had been required under the Glass-Steagall Act; and

18 WHEREAS, in the 113th Congress, Senator Tom Harkin (D-IA) introduced S. 985 and Senators Elizabeth Warren
19 (D-MA), Angus King (I-ME), John McCain (R-AZ), and Maria Cantwell (D-WA) introduced legislation to parallel a prior
20 House bill on this subject; and

21 WHEREAS, the Return to Prudent Banking Act of 2013, H.R. 129, has 78 cosponsors, including Representative
22 Mike Coffman (R-CO), chairman of the Congressional Balanced Budget Amendment Caucus; and

23 WHEREAS, Glass-Steagall has widespread national support from organizations such as the American Federation
24 of Labor and Congress of Industrial Organizations (AFL-CIO), the American Federation of Teachers, and the International
25 Association of Machinists, as well as from prominent economic and business leaders including Thomas Hoenig of the
26 FDIC, Sanford Weill, former CEO of Citigroup, economist Luigi Zingales, the *New York Times*, the *St. Louis Post-*
27 *Dispatch*, the *LA Times*, and many others.

28 NOW, THEREFORE:

29 BE IT RESOLVED by the Senate of the 149th General Assembly, the House of Representatives concurring
30 therein, that the Congress of the United States is urged to enact legislation that would reinstate the separation of commercial
31 and investment banking functions that were in effect under the Glass-Steagall Act (Banking Act of 1933); and

32 BE IT FURTHER RESOLVED that federal legislation based on the Glass-Steagall precedent is needed in order to
33 prohibit commercial banks and bank holding companies from investing in stocks, underwriting securities, or investing in or
34 acting as guarantors to derivative transactions, in order to prevent American taxpayers from being called upon to fund
35 hundreds of billions of dollars to bail out financial institutions; and

36 BE IT FURTHER RESOLVED that the Secretary of the Senate shall send suitable copies of this resolution to the
37 President of the United States, the President of the United States Senate, the Speaker of the United States House of
38 Representatives, and the members of the Delaware Congressional Delegation so that they may be apprised of the sense of
39 the General Assembly in this matter.

SYNOPSIS

This Senate Concurrent Resolution urges the Congress of the United States to enact legislation that would reinstate the separation of commercial and investment banking functions that were in effect under the Glass-Steagall Act (Banking Act of 1933). Federal legislation based on the Glass-Steagall precedent is needed in order to prohibit commercial banks and bank holding companies from investing in stocks, underwriting securities, or investing in or acting as guarantors to derivative transactions, in order to prevent American taxpayers from being called upon to fund hundreds of billions of dollars to bail out financial institutions.

Author: Senator Ennis