



SPONSOR: Rep. Kowalko & Sen. Ennis & Sen. Sokola
Reps. Lynn, K. Williams

HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE CONCURRENT RESOLUTION NO. 8

URGING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION
REINSTATING THE SEPARATION BETWEEN COMMERCIAL AND INVESTMENT BANKING.

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

2 WHEREAS, such a system must function in the public interest, without bias; and

3 WHEREAS, since 1933, the Federal Banking Act of 1933, known 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; and

6 WHEREAS, the Glass-Steagall Act curbed speculative activities by erecting a firewall between commercial
7 and investment banking; and

8 WHEREAS, the Glass-Steagall Act was repealed in 1999, permitting commercial banks to merge with
9 investment firms, insurance companies, mortgage companies, and other financial services firms to form vast
10 conglomerates; and

11 WHEREAS, some of these conglomerates engaged in irresponsible financial practices and speculative
12 activities which brought them to the brink of failure and contributed to the collapse of the housing market; and

13 WHEREAS, the collapse of the housing market helped trigger the worst recession since the Great Depression,
14 which cost millions of jobs and hundreds of billions of taxpayer dollars to bailout financial conglomerates considered
15 too big to fail; and

16 WHEREAS, the worldwide recession has left millions of homes in foreclosure; and

17 WHEREAS, the worldwide recession has cost the loss of millions of jobs nationwide; and

18 WHEREAS, the worldwide recession has put severe financial strains on states, counties, and cities,
19 exacerbating unemployment and loss of civil services; and

20 WHEREAS, the U.S. Congress enacted the "Dodd-Frank Wall Street Reform 26 and Consumer Protection
21 Act," in 2010, in response to the speculative activities and irresponsible financial practices which drove the economy
22 into recession; and

23 WHEREAS, although the purpose of the “Dodd-Frank Wall Street Reform and Consumer Protection Act”
24 was to address the root causes of the recession, the law does little to separate commercial and investment banking; and

25 WHEREAS, reinstatement of the separation between commercial banking and investment banking is
26 necessary to strengthen our financial system and to put an end to the irresponsible financial practices and speculative
27 activities that led to the collapse of the housing market and the subsequent recession; and

28 WHEREAS, the Glass-Steagall Act has widespread national support from such organizations as the American
29 Federation of Labor and Congress of Industrial Organizations; and

30 WHEREAS, the “Return to Prudent Banking Act of 2015,” H.R.381 and the “21st Century Glass-Steagall Act
31 of 2015,” H.R.3054 and S.1709, would revive the separation between commercial banking and investment banking by
32 imposing restrictions on affiliations between commercial banks and securities firms, and in a manner similar to that
33 formerly provided in the “Glass-Steagall Act.”

34 NOW, THEREFORE:

35 BE IT RESOLVED by the House of Representatives of the 149th General Assembly of the State of
36 Delaware, the Senate concurring therein, that the Delaware State Legislature urges the President and Congress of the
37 United States to enact legislation reinstating the separation between commercial and investment banking that existed
38 under the “Glass-Steagall Act,” in order to prevent American taxpayers from being called upon to fund hundreds of
39 billions of dollars to bail out financial institutions.

40 BE IT FURTHER RESOLVED that a copy of this Resolution be sent to the President of the United States,
41 the presiding officers of each house of Congress, and to each member of Congress from Delaware.

SYNOPSIS

This House Concurrent Resolution urges the President and Congress to enact legislation that would reinstate the separation of commercial and investment banking functions that were in effect under the Glass-Steagall Act.