

House Concurrent Resolution No. 49

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ATKINS.

1482L.011

WHEREAS, in response to the collapse of the United States banking system, the Glass-Steagall law of 1933 was enacted to regulate the system to prevent commercial banks from engaging in financial speculation and the creation of financial bubbles; and

WHEREAS, until its repeal in 1999, the Glass-Steagall law erected a firewall to separate investment banking, insurance, and brokerage firms from traditional commercial banking. By law, commercial banks were prohibited from co-mingling funds from other enterprises or speculating in such exotic instruments as derivatives; and

WHEREAS, the repeal of the Glass-Steagall law under the Gramm-Leach-Bliley Financial Modernization Act of 1999 allowed commercial banks to move into investment banking, insurance and other enterprises, which led to the creation of "banks" considered to be "too big to fail"; and

WHEREAS, institutions, foreign and domestic, have been bailed by the American taxpayers at a cost of as much as \$27 trillion and they also participated in the creation of hundreds of trillions of dollars in derivatives contracts and other toxic "investments" which are bankrupting the United States economy; and

WHEREAS, legislation was introduced in the United States Congress in 2009 and 2010 to reinstate the Glass-Steagall law. Representative Maurice Hinchey introduced H.R. 4375, "The Glass-Steagall Restoration Act", in the United States House of Representatives with 14 sponsors. Senators Maria Cantwell and John McCain introduced S.2886, the Senate version to restore the Glass-Steagall law in the United States Senate, which fell just short of passage. Several other Glass-Steagall bills were also introduced in Congress; and

WHEREAS, despite its 2300 pages, the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act, H.R. 4173, does nothing to prohibit the sale and trading of derivatives and other activities that helped bring about the 2008 financial collapse; and

30 **WHEREAS**, the 37-page Glass Steagall law sufficiently protected the public against the
31 fraud, theft, and abuse brought about by its repeal:

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33 **NOW, THEREFORE, BE IT RESOLVED** that the members of the House of
34 Representatives of the Ninety-sixth General Assembly, First Regular Session, the Senate
35 concurring therein, hereby strongly urge the United States Congress to enact legislation to re-
36 institute the Glass-Steagall law; and

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38 **BE IT FURTHER RESOLVED** that the Chief Clerk of the Missouri House of
39 Representatives be instructed to prepare a properly inscribed copy of this resolution for each
40 member of the Missouri Congressional delegation.

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