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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3259

03/17/2016 Authored by Laine; Dehn, R.; Bly; Simonson; Mullery and others

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A resolution

1.2 memorializing Congress to support efforts to reinstate the separation of commercial

1.3 and investment banking functions in effect under the Glass-Steagall Act and

1.4 supporting H.R. No. 381.

1.5 WHEREAS, an effective money and banking system is essential to the functioning of the

1.6 economy; and

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

1.8 WHEREAS, the Federal Banking Act of 1933, known as the Glass-Steagall Act, protected

1.9 the public interest in matters dealing with the regulation of commercial and investment banking,

1.10 in addition to insurance companies and securities; and

1.11 WHEREAS, the Glass-Steagall Act was repealed in 1999, partially contributing to the

1.12 greatest speculative bubble and worldwide recession since the Great Depression of 1933; and

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

1.14 WHEREAS, the worldwide recession has caused the loss of millions of jobs nationwide; and

1.15 WHEREAS, the worldwide recession has put severe financial strains on states, counties,

1.16 and cities, exacerbating unemployment and loss of civil services; and

1.17 WHEREAS, the United States Senate and House of Representatives have been making

1.18 efforts to restore the protections of the Glass-Steagall Act; and

1.19 WHEREAS, Congresswoman Marcy Kaptur has introduced H.R. No. 381, known as the

1.20 Return to Prudent Banking Act of 2015, reviving the separation between commercial banking-and

1.21 the securities business in the manner provided in the Glass-Steagall Act; and

2.1 WHEREAS, the Glass-Steagall Act has widespread national support from such  
2.2 organizations as the American Federation of Labor and Congress of Industrial Organizations  
2.3 (AFL-CIO), the American Federation of Teachers, and the International Association of Machinists  
2.4 as well as from prominent economic and business leaders, including Thomas Hoenig of the FDIC,  
2.5 Sanford Weill, former CEO of Citigroup, economist Luigi Zingales, the New York Times, the St.  
2.6 Louis Post-Dispatch, the Los Angeles Times, and many others; NOW, THEREFORE,

2.7 BE IT RESOLVED by the Legislature of the State of Minnesota that Congress should  
2.8 speedily enact legislation that would reinstate the separation of commercial and investment  
2.9 banking functions in effect under the Glass-Steagall Act, prohibiting commercial banks and bank  
2.10 holding companies from investing in stocks, underwriting securities, or investing in or acting as  
2.11 guarantors to derivative transactions, in order to prevent American Taxpayers from being called  
2.12 upon to fund hundreds of billions of dollars to bail out financial institutions.

2.13 BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is  
2.14 directed to prepare copies of this memorial and transmit them to the President of the United  
2.15 States, the President and the Secretary of the United States Senate, the Speaker and the Clerk  
2.16 of the United States House of Representatives, the chair of the Senate Committee on Banking,  
2.17 Housing, and Urban Affairs, the chair of the House Committee on Financial Services, and  
2.18 Minnesota's Senators and Representatives in Congress.