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HOUSE JOINT RESOLUTION NO. 550

Offered January 13, 2021

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Memorializing the Congress of the United States to reinstate the Glass-Steagall Act and develop an infrastructure bank.

Patron—Rasoul

Committee Referral Pending

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

WHEREAS, this speculative bubble is tied to more than \$250 trillion of derivatives officially on the books of the major Wall Street banks; and

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

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

WHEREAS, a growing, productive economy will require a return to the policies that successfully guided the nation out of similar crises, including the creation of direct credit to industry, infrastructure investment, and science-driven innovations; and

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

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

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

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

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

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

WHEREAS, the Commonwealth of Virginia recovered from the Great Depression during Franklin D. Roosevelt's administration with the help of significant RFC projects; and

WHEREAS, a new national bank would be chartered with no less than \$1 trillion of capital, not taxpayer funds, to finance new projects; and

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

RESOLVED by the House of Delegates, the Senate concurring, That the Congress of the United States be urged to reinstate the Glass-Steagall Act and develop an infrastructure bank; and, be it

RESOLVED FURTHER, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia Congressional Delegation so that they may be apprised of the sense of the General Assembly in this matter.

INTRODUCED

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