
HOUSE RESOLUTION

REQUESTING THE UNITED STATES CONGRESS TO TAKE ACTION REGARDING
THE SEPARATION OF COMMERCIAL AND INVESTMENT BANKING
FUNCTIONS THROUGH THE REINSTATEMENT OF THE GLASS-STEAGALL
ACT OF 1933 OR SIMILAR LEGISLATION.

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

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4 WHEREAS, banking systems must function in the public
5 interest, without bias; and

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7 WHEREAS, for sixty-six years, the Federal Banking Act of
8 1933, known as the Glass-Steagall Act, protected the public
9 interest in matters dealing with the regulation of commercial
10 and investment banking, in addition to insurance companies and
11 securities; and

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13 WHEREAS, sections of the Glass-Steagall Act were repealed
14 in 1999, which may have partially contributed to the speculative
15 financial bubble and the Great Recession, which was a worldwide
16 recession that occurred between 2007 and 2009; and

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18 WHEREAS, the Great Recession left millions of homes in
19 foreclosure and resulted in millions of lost jobs nationwide;
20 and

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22 WHEREAS, the Great Recession placed severe financial strain
23 on states, counties, and cities, exacerbating unemployment and
24 loss of public services; and

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26 WHEREAS, efforts have been made by the United States Senate
27 and United States House of Representatives to restore certain
28 protections of the Glass-Steagall Act; and

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30 WHEREAS, in 2017, Senator Elizabeth Warren introduced S.
31 881, known as the 21st Century Glass-Steagall Act of 2017, which



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1 aimed to reduce risks to the financial system by limiting banks'
2 ability to engage in certain risky activities and limiting
3 conflicts of interest and reinstate certain Glass-Steagall Act
4 protections; and

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6 WHEREAS, the reinstatement of the separation between
7 commercial banking and investment banking is necessary to
8 strengthen the country's financial system and put an end to the
9 financial practices and speculative activities that led to the
10 collapse of the housing market and the Great Recession; now,
11 therefore,

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13 BE IT RESOLVED by the House of Representatives of the
14 Thirty-first Legislature of the State of Hawaii, Regular Session
15 of 2022, that the United States Congress is requested to pass
16 legislation that would reinstate regulations requiring the
17 separation of commercial and investment banking functions that
18 were in effect under the Glass-Steagall Act, including
19 prohibitions aimed at preventing commercial banks and bank
20 holding companies from investing in stocks, underwriting
21 securities, or investing in or acting as guarantors to
22 derivative transactions; and

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24 BE IT FURTHER RESOLVED that certified copies of this
25 Resolution be transmitted to the Majority Leader of the United
26 States Senate, Speaker of the United States House of
27 Representatives, and members of Hawaii's congressional
28 delegation.

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31 OFFERED BY: 

MAR 11 2022

