

Arizona Legislators Join Drive for National Infrastructure Bank

Feb. 5, 2019—On Feb. 4, a group of Arizona legislators, led by State Senator Juan Mendez, joined the national movement to get Congress to reimpose Glass-Steagall and establish a Hamiltonian National Infrastructure Bank. [SM1001](#), a “Memorial urging Congress to reinstate portions of the Glass-Steagall Act and to support national banking policies,” was introduced into both houses of the Arizona legislature.

There are five sponsors in each legislative house.

Arizona thus joins Illinois, Minnesota, Missouri, Rhode Island, South Carolina, and Virginia as states where such memorials have been introduced. By taking up these resolutions, the state legislators are seeking to get Congress to act. Although a [draft](#) of a bill to establish a National Infrastructure Bank is circulating, no Congressman or woman has yet introduced anything like it.



The Hoover Dam, completed during FDR's presidency, was a huge boon to the state of Arizona by providing

electricity and water .
(Bureau of Reclamation)

The South Carolina House of Representatives has already passed a [memorial](#) calling for a full recovery program, including the Bank and Glass-Steagall.

The full text of the Arizona memorial reads as follows:

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, an effective monetary and banking system is essential to the proper functioning of the United States economy; and

Whereas, certain provisions of the Banking Act of 1933, commonly referred to as the Glass-Steagall Act, protected the public interest in matters dealing with the regulation of commercial and investment banking; and

Whereas, the Glass-Steagall Act was repealed in 1999, contributing to the greatest speculative bubble and worldwide recession since the Great Depression by allowing members of the financial industry to exploit the financial system for their own gain in disregard of the public interest; and

Whereas, in recent years the Federal Reserve has fed a speculative bubble on Wall Street, much like that of 2007; and

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

Whereas, as law for 66 years, the Glass-Steagall Act prevented banking crises like the Great Recession; and

Whereas, growing a productive economy will also 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, the early infrastructure of the United States, from canals to rail systems, was built by national banks; 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 State of Arizona recovered from the Great Depression through significant RFC projects, including copper mining and infrastructure and irrigation projects; and

Whereas, a new national bank could be chartered to finance new projects, which would put millions of unemployed or underemployed people back to work,

Wherefore your memorialist, the Senate of the State of Arizona, prays:

1. That the United States Congress immediately reinstate the separation of commercial and investment banking functions in effect under the Glass-Steagall Act and support efforts to return to national banking policies to repair our nation's infrastructure.
2. That the Secretary of State of the State of Arizona

transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and each Member of Congress from the State of Arizona.

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