

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H.J.R. 190
Feb 26, 2019
HOUSE PRINCIPAL CLERK

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HOUSE JOINT RESOLUTION DRHJR10092-LG-55

Sponsors: Representative Willingham.

Referred to:

1 A JOINT RESOLUTION URGING CONGRESS TO ENACT WITHOUT DELAY AN
2 "AMERICAN ECONOMIC RECOVERY PROGRAM" WITH SUGGESTED
3 PARAMETERS AND SPECIFICS IN ORDER TO PROVIDE MECHANISMS TO
4 RESTORE THE ECONOMIC HEALTH AND WELL-BEING OF AMERICA AND ITS
5 CITIZENS.

6 Whereas, the financial system in the United States is now holding over \$275 trillion
7 of derivatives contracts on the books of the federally insured banks, according to the Comptroller
8 of the Currency, the same financial paper that blew up in 2008, and these derivatives now threaten
9 a new financial disintegration like that of 2008. The "Too Big To Fail Banks" are constantly hit
10 by crises—the expose of Wells Fargo's shocking improprieties, JP Morgan Chase, Goldman Sachs,
11 and others being found guilty of felonies against their customers, and Citigroup, Bank of
12 America, and others being fined for continuing legal malfeasance; and

13 Whereas, the financial crisis is being driven by a collapse of this country's industry
14 and infrastructure. The United States GDP has been "growing" at 1% to 2% over the past years,
15 and only 11% since 2008. Productivity has been falling continuously and is now "expanding" at
16 .5% per year, rates not seen in decades. Capacity utilization has been stagnant, while over 1,500
17 corporations and banks continue to buy back their own stock, driving up the markets, while the
18 productive economy falters more than \$200 trillion of derivatives are officially on the books of
19 the major Wall Street banks, of which over 90% is concentrated on the books of four banks; and

20 Whereas, the speculative bubble on Wall Street and the Tax Cut and Jobs Act of 2017
21 have resulted in a decline of tax revenue into the federal government but a massive increase in
22 debt, as in 2008: corporate debt has doubled to \$9 trillion, U.S. household debt is at a record high
23 of \$13.5 trillion, leveraged loan debt is \$1.5 trillion, and student debt is over \$1 trillion. The debt
24 bubble could unravel at any time, and the major banks and non-banks are vulnerable, as in 2008;
25 and

26 Whereas, a new national bank would be chartered with no less than \$2 trillion of
27 capital, by repurposing existing Treasury debt, not taxpayer money, and this bank would finance
28 only infrastructure projects; and

29 Whereas, a new national bank would put tens of millions of people back to work at
30 prevailing wages, not low wages, including young people, unemployed and underemployed,
31 building the needed infrastructure program; Now, therefore,

32 Be it resolved by the House of Representatives, the Senate concurring:

33 **SECTION 1.** The General Assembly urges the Congress of the United States to enact
34 without delay the following "American Economic Recovery Program," according to the
35 following proposals:

- 36 (1) Restore the provisions of the Glass-Steagall Act to immediately restore the
37 separation of investment and commercial banking. Glass-Steagall was the law



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1 of the land for 66 years and prevented banking crises like the one experienced
2 in 2008.

3 (2) Return to a national banking system, modeled on the principles of Alexander
4 Hamilton's First Bank of the United States which built all the early
5 infrastructure of the nation. Under President John Quincy Adams, the Second
6 Bank of the United States oversaw the largest expansion of infrastructure until
7 the advent of the Lincoln Administration, which used the same banking
8 principles. The same federal credit policy was embodied in Franklin
9 Roosevelt's Reconstruction Finance Corporation, which financed the gigantic
10 New Deal infrastructure program. Rep. Robert Doughton chaired the Ways
11 and Means Committee and played a crucial role in infrastructure development.
12 The Tennessee Valley Authority included parts of North Carolina and should
13 be a model for a much larger Carolina states flood control program. Congress
14 can and should enact a new National Infrastructure Bank, with at least \$1-3
15 trillion federally backed, nontaxpayer money, and erect a new infrastructure
16 platform in coordination with the states.

17 (3) Use the federal credit system to build a modern network of high-speed rail,
18 power-generating systems, water projects, and urban and rural infrastructure.
19 On the East Coast, the building of a modern high-speed rail system should be
20 a priority. Funding must also be made available for coastal seawall systems to
21 end the threat of excessive hurricane and other water damage. Additionally, a
22 series of inland flood control projects, like the Tennessee Valley Authority,
23 should be built in the Carolinas to permanently end the threat of flooding.

24 (4) Launch a John F. Kennedy-style initiative to rebuild our space program to
25 explore the solar system and inspire future generations. America, through its
26 President and the Congress, also must launch a crash program to develop
27 fusion power to finally solve the energy needs of the nation and the planet.

28 **SECTION 2.** The Secretary of State shall transmit copies of this application to the
29 President of the United States, Secretary of the United States Senate, the Speaker and Clerk of
30 the United States House of Representatives, and the members of North Carolina's congressional
31 delegation.

32 **SECTION 3.** This resolution is effective upon ratification.