



NEW YORK STATE SENATOR

James Sanders Jr.

Sanders Urges Congressional Delegation to Support Reinstating Glass-Steagall

JAMES SANDERS JR. May 19, 2016



Senator James Sanders Jr. (D-Rochdale Village) sent letters to the entire New York congressional delegation this week, including all 27 U.S. Representatives and both U.S. Senators, urging passage of H.R.381 and S.1709.

This federal legislation would reinstate the protections of the 1933 Glass-Steagall Act, which was repealed in 1999, separating commercial banking from investment banking and all forms of gambling schemes.

Sanders was joined by fellow Senators Hamilton, Krueger, Serrano, Perkins, Hassell-Thompson and Panepinto, who also signed the letters. Though the state legislature does not make federal law, members can encourage Congress to take action on important issues.

“Glass-Steagall worked for 66 years and prevented any banking collapse like the one we recently experienced,” wrote Sanders. With the law reenacted, “[T]he government will no longer be on the hook for the gambling debts of the large ‘Too Big to Fail’ banks.”

Many have partially attributed the 2007-2008 economic collapse, the effects of which are still being felt in Southeast Queens, to financial institutions not being adequately regulated. Glass-Steagall seeks to ensure “non-bank” activities such as investment in stocks, underwriting of securities and acting as guarantors in derivative transactions do not receive national protection. Sanders and his colleagues argue this will secure a safer American banking system.

“Reinstating the protections of Glass-Steagall is a critical requirement to rebuild the physical economy of our country, not the virtual economy of manipulated finance,” Sanders asserted.