

**GENERAL CONVENTION OF THE EPISCOPAL CHURCH 2009
ARCHIVES' RESEARCH REPORT**

RESOLUTION NO.: 2009-B009
TITLE: Regulation and the Financial Crisis
PROPOSER: The Rt. Rev. V. Gene Robinson
COMMITTEE: National and International Concerns

Directly Related: (attached)

1988-B015 Convene a Consultation on Economic Issues

Indirectly Related:

2003-D033 Promote Understanding of Basic Financial Matters
1994-D124 Commend and Encourage Church Efforts for Economic Justice

In preparing this report, the Archives researched the resolutions of General Convention for the period 1976 through 2006, selecting "direct" resolutions that have a substantive bearing on the proposed legislation. Committee members who are interested in obtaining copies of "indirectly related" resolutions, legislative history before 1976, or who require other research assistance should contact the Archives at 800-525-9329 before Convention or at Convention in the General Convention Secretariat.



Resolution Number: 1988-B015
Title: Convene a Consultation on Economic Issues
Legislative Action Taken: Concurred As Submitted
Final Text:

Resolved, the House of Bishops concurring, **That the 69th General Convention of the Episcopal Church request the Presiding Bishop to convene, as early as possible within the coming triennium, a consultation of laity in various segments of the economic order, as well as clergy experienced in ethics and economic issues. The purpose of this gathering will be to identify and hold up the significant economic issues in U.S. (and world) society from the perspectives of theology, ethics, and economics, and to help frame ways that these may be addressed by the people of the Episcopal Church in their daily ministries in the world.**

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Detroit, 1988* (New York: General Convention, 1989), p. 296.

09 - National and International Concerns: HD

B009

TOPIC/TITLE: Regulation and the Financial Crisis

PROPOSER: The Rt. Rev. V. Gene Robinson

C&C PAGE:

BB PAGE:

1 *Resolved*, the House of _____ concurring, That the 76th General Convention support
2 comprehensive government regulations over economic transactions in the financial and
3 banking sectors, particularly to prevent practices that negatively impact moderate and low
4 income people.
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7
8

EXPLANATION:

Since the 1980s the United States has been deregulating corporations and has often relaxed enforcement of legislation meant to protect consumers, workers and the environment. Recent administrations have also reduced regulatory agency funding, personnel and resources, making enforcement of existing legislation difficult if not impossible. There is general agreement that government deregulation of the financial industry is largely responsible for the fiscal crisis of 2008-09. For example, lending institutions engaged in abusive and even fraudulent practices in the sub-prime mortgage market and exploited many low and moderate income families who actually qualified for prime loans. They also made questionable loans to many who were ineligible or at best only marginally eligible. The banking crisis led to the devaluation of the nation's housing stock, a major loss of share values on the stock market, the virtual cessation of loans to businesses and families, the closing or scaling back of companies, a corresponding loss of jobs and income, and a significant loss of retirement savings. Corporations have multiple stakeholders: the owners (stockholders), management, workers, consumers, the environment, and the larger community. The board of directors primarily represents the owners (stockholders). The other stakeholders are not officially represented on the board of directors and often no one within the corporation is charged specifically with safeguarding their interests. The government acts as the advocate of last resort through regulatory legislation to protect their concerns. Examples of this regulatory activity include paying a minimum wage, recognizing workers' rights to organize, monitoring product quality and safety, and environmental protections. Every organization, precisely because it consists of fallible and fallen human beings, is capable of and even prone to diverging from its original purpose as it strives for self-preservation. Each human organization, including churches or religious communities, needs built-in mechanisms to help them remain faithful to their mission. These regulatory mechanisms can be from inside or outside the organization. A corporation or any other organization may easily lose its mission, its soul, the positive reasons that it was created, (such as meeting the needs of all its stakeholders,) and succumb to greed, power, and other temptations. Moreover, such a fall can create a negative atmosphere in this "corporate person" that affects everyone in the corporation. Because of the public purpose of the corporation and its licensing by the State, government bears an important role in monitoring the corporation for the common good.

Endorser(s): The Rt. Rev. J. Jon Bruno, The Rt. Rev. Stephen T. Lane

Sponsor(s): The Rt. Rev. Douglas Theuner