
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 83 Session of
2017

INTRODUCED BY FOLMER, MENSCH AND STEFANO, APRIL 24, 2017

REFERRED TO BANKING AND INSURANCE, APRIL 24, 2017

A RESOLUTION

1 Urging the Congress of the United States to enact legislation to
2 reinstate the separation of commercial and investment banking
3 functions in effect under the Glass-Steagall Act and support
4 repeal of the Dodd-Frank Wall Street Reform and Consumer
5 Protection Act.

6 WHEREAS, An effective monetary and banking system is
7 essential to the functioning of the economy; and

8 WHEREAS, Since 1933, a portion of the Banking Act of 1933,
9 known as the Glass-Steagall Act, protected the public interest
10 in matters dealing with the regulation of commercial and
11 investment banking and insurance companies and securities; and

12 WHEREAS, The Glass-Steagall Act was partially repealed in
13 1999; and

14 WHEREAS, The repeal contributed to the greatest speculative
15 bubble and worldwide recession since the Great Depression; and

16 WHEREAS, The Comptroller of the Currency reported major banks
17 in the United States had more than \$237 trillion in derivatives
18 on the books of insured banks and all have superpriority to be
19 honored in a banking crisis; and

20 WHEREAS, The Dodd-Frank Wall Street Reform and Consumer

1 Protection Act (the Dodd-Frank Act) enhances the Federal
2 Reserve's authority to make broad extensions of credit to
3 struggling financial entities, sometimes called "bailouts"; and

4 WHEREAS, Some fear that activity similar to the confiscation
5 of customer deposits or "bail-ins" could be authorized under the
6 Dodd-Frank Act; and

7 WHEREAS, Few depositors realize that banks legally own the
8 depositors' funds once they are put into a bank, making their
9 money the bank's money and making depositors' unsecured
10 creditors holding IOUs or promises to pay; and

11 WHEREAS, Banks had previously been obligated to pay
12 depositors' money back on demand in the form of cash, however,
13 under the plan put forth by the Federal Deposit Insurance
14 Corporation and the Bank of England, IOUs are converted into
15 "bank equity" where the bank gets the money and depositors
16 acquire stock in the bank; and

17 WHEREAS, The President of the United States recently issued
18 an Executive Order directing the Secretary of the Treasury to
19 issue a report on laws, treaties, regulations, guidance,
20 reporting and recordkeeping requirements that inhibit Federal
21 regulation of the United States financial system; therefore be
22 it

23 RESOLVED, That the Senate of the Commonwealth of Pennsylvania
24 urge the Congress of the United States to enact legislation to
25 reinstate the separation of commercial and investment banking
26 functions in effect under the Glass-Steagall Act and support
27 repeal of the Dodd-Frank Wall Street Reform and Consumer
28 Protection Act; and be it further

29 RESOLVED, That the legislation prohibit commercial banks and
30 bank holding companies from investing in stocks, underwriting

1 securities or investing in or acting as guarantors to derivative
2 transactions; and be it further

3 RESOLVED, That the prohibition will prevent American
4 taxpayers from being asked to fund a bailout of financial
5 institutions that amounts to hundreds of billions of dollars;
6 and be it further

7 RESOLVED, That copies of this resolution be sent to the
8 President of the United States, the presiding officers of each
9 house of Congress and to each member of Congress from
10 Pennsylvania.