

LEGISLATIVE REFERENCE BUREAU

RESOLUTION

INTRODUCED _____, 20 _____

BY _____, District NO. _____

BY _____, District NO. _____

BY _____, District NO. _____

BY _____, District NO. _____

BY _____, District NO. _____

See next page for additional co-sponsors.

Referred to Committee on

Date _____ 20 ____

Reported _____ 20 ____

As Committed-Amended

Recommendation

By Hon. _____

A RESOLUTION

1 Urging Congress to enact legislation to reinstate the separation
2 of commercial and investment banking functions in effect
3 under the Glass-Steagall Act and support the adoption of
4 Senate Bills 985 and 1282, which repeal the Dodd-Frank Wall
5 Street Reform and Consumer 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12 WHEREAS, The Glass-Steagall Act was partially repealed in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 Dodd-Frank Wall Street Reform and Consumer
17 Protection Act (the Dodd-Frank Act), which to some extent
18 replaced the Glass-Steagall Act, is estimated by the
19 Congressional Budget Office to cost \$19,000,000,000 over ten

1 years; and

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

5 WHEREAS, Some fear that activity similar to the confiscation
6 of customer deposits by Cyprus banks could be authorized under
7 the Dodd-Frank Act; and

8 WHEREAS, A joint paper by the Federal Deposit Insurance
9 Corporation and the Bank of England dated December 10, 2012,
10 discusses plans to deliver clear title to banks of depositor
11 funds; and

12 WHEREAS, Few depositors realize banks legally own depositor's
13 funds once they are put into a bank, making their money the
14 bank's and making depositors unsecured creditors holding IOUs or
15 promises to pay; and

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

22 WHEREAS, Congress has been making efforts to address concerns
23 with the Dodd-Frank Act by restoring protections under the
24 Glass-Steagall Act; and

25 WHEREAS, The Glass-Steagall Act states taxpayer dollars
26 should be used to protect taxpayers, not private entities;
27 therefore be it

28 RESOLVED, That the Senate of the Commonwealth of Pennsylvania
29 urge Congress to enact legislation to reinstate the separation
30 of commercial and investment banking functions in effect under

1 the Glass-Steagall Act and support the adoption of Senate Bills
2 985 and 1282, which repeal the Dodd-Frank Wall Street Reform and
3 Consumer Protection Act; and be it further

4 RESOLVED, That the legislation prohibit commercial banks and
5 bank holding companies from investing in stocks, underwriting
6 securities or investing in or acting as guarantors to derivative
7 transactions; and be it further

8 RESOLVED, That the prohibition will prevent American
9 taxpayers from being asked to fund a bailout of financial
10 institutions that amounts to hundreds of billions of dollars;
11 and be it further

12 RESOLVED, That a copy of this resolution be sent to the
13 President of the United States, the presiding officers of each
14 house of Congress and to each member of Congress from
15 Pennsylvania.

