
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 411 Session of
2015

INTRODUCED BY FOLMER, DINNIMAN, HUTCHINSON AND MENSCH,
JULY 7, 2016

REFERRED TO BANKING AND INSURANCE, JULY 7, 2016

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 the adoption of S.1709 and H. Res.381, which repeal the Dodd-
5 Frank Wall 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12 WHEREAS, The Glass-Steagall Act was partially repealed in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 Comptroller of the Currency reports major banks
17 in the United State have 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

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

5 WHEREAS, Some fear that activity similar to the confiscation
6 of customer deposits by Cyprus and Italian banks could be
7 authorized under 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 that banks legally own the
13 depositors' funds once they are put into a bank, making their
14 money the bank's money and making depositors' unsecured
15 creditors holding IOUs or 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, The Congress of the United States has been making
23 efforts to address concerns with the Dodd-Frank Act by restoring
24 protections under the 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 the Congress of the United States to enact legislation to
30 reinstate the separation of commercial and investment banking

1 functions in effect under the Glass-Steagall Act and support the
2 adoption of S.1709 and H. Res.381, which repeal the Dodd-Frank
3 Wall Street Reform and Consumer Protection Act; and be it
4 further

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

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

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