

2016 -- S 2200

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LC003923  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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SENATE RESOLUTION

RESPECTFULLY REQUESTING CONGRESS TO RE-ENACT PROVISIONS OF THE  
GLASS-STEAGALL BANKING ACT

Introduced By: Senators DiPalma, Ruggiero, Ciccone, Lombardi, and Metts

Date Introduced: January 27, 2016

Referred To: Senate Finance

1           WHEREAS, From 1933 to 1999 the Federal Building Banking Act of 1933, known as  
2 the Glass-Steagall Act, worked effectively to protect the public interest by separating the  
3 functions of commercial banking from investment banking, insurance, and securities trading; and

4           WHEREAS, The Glass-Steagall Act was repealed in 1999, expanding the ability of  
5 financial entities to exploit the financial system for their own gain in disregard of the public  
6 interest, and contributing to the greatest speculative bubble and subsequent worldwide economic  
7 distress since the Great Depression; and

8           WHEREAS, Many of the financial services entities were saved by the United States  
9 Treasury at a cost of billions of dollars to American taxpayers; and

10          WHEREAS, Within the thousands of pages of the Dodd-Frank Wall Street Reform Act,  
11 there are no prohibitions preventing "too big to fail" financial services organizations from  
12 investing in or undertaking substantial risks in hundreds of trillions of dollars of derivative  
13 contracts; and

14          WHEREAS, A new set of financial bubbles are in full swing, and the American taxpayers  
15 are at renewed risk of being forced to cover for losses incurred by derivatives gambling of the  
16 financial services conglomerates; and

17          WHEREAS, Re-enactment of the Glass-Steagall provisions would protect the public  
18 from these bail-out costs, and free credit resources to be directed into large-scale infrastructure  
19 and other physical economic investments, with attendant restoration of skilled employment and

1 the tax base; and

2 WHEREAS, Unites States H.R. 381, the "Return to Prudent Banking Act of 2015",  
3 calling for the reinstatement of Glass-Steagall, was introduced in January of 2015, and currently  
4 has sixty-nine bipartisan cosponsors; and the parallel United States S. 1709, "The 21<sup>st</sup> Century  
5 Glass-Steagall Act", was introduced July 7, 2015, with seven cosponsors; now, therefore be it

6 RESOLVED, That the Senate of the State of Rhode Island and Providence Plantations  
7 urges the United States Congress and the President of the United States to enact Glass-Steagall  
8 inspired legislation currently before Congress, and prohibit commercial banks and bank holding  
9 companies from investing in stocks, underwriting securities, or investing in or acting as  
10 guarantors to derivatives transactions; and be it further

11 RESOLVED, That copies of this resolution shall be sent to the President of the United  
12 States, to the presiding officers of each house of Congress, and to each member of the State of  
13 Rhode Island Congressional Delegation.

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