

Senators Johnson, Anderson, Gregory, Bieda, Pappageorge and Young offered the following resolution:

Senate Resolution No. 98.

A resolution to urge the Congress and the President of the United States to enact legislation that would reinstate the separation of commercial and investment banking functions in effect under the Glass-Steagall Act.

Whereas, An effective money and banking system is essential to the functioning of the U.S. economy. Such a system must function in the public interest without any bias; and

Whereas, Since 1933, the Federal Banking Act, also known as the Glass-Steagall Act, protected the public interest through the regulation of commercial and investment banking, insurance companies, and securities. The Glass-Steagall Act was repealed in 1999, partially contributing to the greatest speculative bubble and worldwide recession since the Great Depression; and

Whereas, The worldwide recession left millions of homes in foreclosure. It caused the loss of millions of jobs nationwide. The recession also put severe financial strains on states, counties, and cities, exacerbating unemployment and loss of civil services; and

Whereas, The United States House of Representatives and United States Senate have been making efforts to restore the protections of the Glass-Steagall Act. United States Representative Marcy Kaptur has introduced H.R. 129, known as the Return to Prudent Banking Act of 2013, which would revive the separation between commercial banking and the securities business in the manner provided by the Glass-Steagall Act. United States Senator Elizabeth Warren, along with Senators John McCain, Maria Cantwell, and Angus King, has introduced the 21st Century Glass-Steagall Act of 2013 (S. 1282), which would reduce risk for American taxpayers in the financial system and decrease the likelihood of future financial crises; and

Whereas, The Glass-Steagall Act has widespread national support from prominent economic and business leaders and national publications, including Thomas Hoenig of the FDIC, former Citigroup CEO Sanford Weill, economist Luigi Zingales, the *New York Times*, the *St. Louis Post-Dispatch*, the *Los Angeles Times*, and many others; and

Whereas, As of September 9, 2013, 18 states have filed resolutions demanding immediate action to return to Glass-Steagall. Maine and South Dakota have passed those resolutions through both houses of their legislatures. In the remaining states, legislative action is still pending; and

Whereas, Overwhelming pressure must be brought to bear on members of the U.S. House of Representatives and U.S. Senate to take action to pass this important legislation; now, therefore, be it

Resolved by the Senate, That we urge the Congress and the President of the United States to enact legislation that, in order to prevent American taxpayers from being called upon to fund hundreds of billions of dollars to bail out financial institutions, would reinstate the separation of commercial and investment banking functions in effect under the Glass-Steagall Act; prohibiting commercial banks and bank holding companies from investing in stocks, from underwriting securities, or from investing in or acting as guarantors to derivative transactions; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, United States Representative Marcy Kaptur, and United States Senator Elizabeth Warren.