

SENATE CONCURRENT RESOLUTION NO. 6

A CONCURRENT RESOLUTION, Requesting the Congress of the United States to enact legislation that would reinstate the separation of commercial and investment banking functions that were in effect under the Glass-Steagall Act (Banking Act of 1933).

WHEREAS, an effective monetary and banking system is essential to the proper function of the economy; and

WHEREAS, an effective monetary and banking system must function in the public interest without bias; and

WHEREAS, the federal Banking Act of 1933, commonly referred to as the Glass-Steagall Act, protected the public interest in matters dealing with the regulation of commercial and investment banking, in addition to insurance companies and securities firms; and

WHEREAS, the Glass-Steagall Act was repealed in 1999, permitting members of the financial industry to exploit the financial system for their own gain in disregard of the public interest; and

WHEREAS, many financial industry entities were saved by the United States Treasury at a cost of billions of dollars to American taxpayers; and

WHEREAS, within the hundreds of pages of the Dodd-Frank Wall Street Reform and Consumer Protection Act, there are no prohibitions that prevent "too big to fail" financial services organizations from investing in or undertaking substantial risks involving trillions of dollars of derivative contracts; and

WHEREAS, the American taxpayers continue to be at risk for the next round of bank failures, as enormous risks are undertaken by financial services conglomerates:

NOW, THEREFORE, BE IT RESOLVED, by the Senate of the Eighty-Eighth Legislature of the State of South Dakota, the House of Representatives concurring therein, that the Congress of the United States is urged to enact legislation that would reinstate the separation of commercial and investment banking functions that were in effect under the Glass-Steagall Act (Banking Act of 1933). That Act prohibited commercial banks and bank holding companies from investing in stocks, underwriting securities, or investing in or acting as guarantors to derivative transactions, in order to prevent American taxpayers from being called upon to fund hundreds of billions of dollars to bail

out financial institutions.

Adopted by the Senate,
Concurred in by the House of Representatives,

February 26, 2013
February 28, 2013

Matt Michels
President of the Senate

Jeannette Schipper
Secretary of the Senate

Brian Gosch
Speaker of the House

Arlene Kvislen
Chief Clerk of the House