

Testimony 3-17-21 HB 2743 The municipal Public Bank Bill of 2021

Thank you Chair Holvey , Vice Chairs Bonham and Grayber, and committee members for this opportunity to testify in support of HB 2743,

My Name is Harriet Cooke, I am representing the Oregon Public Bank Alliance. I am a mostly retired physician with a master's in public health. I became interested in public banks after learning about how many solutions to problems that we know, from health, to education, to climate, to economic & social problems, that we are limited in addressing by not have enough money to fund the solutions.

This began my study about the nature of money, how it is created, & where it comes from. It landed me with the Oregon Public Bank Alliance, promoting public banks, banks not owned or managed by municipal governments, but that partner with local credit unions, community banks, and governments to benefit the local economy and the common good.

Banks are the only institutions that actually create money, they do this by creating loans that are up to 10 times the amount of money the bank actually has on hand. Every other institution, including governments, can only borrow money from banks. The banks create the terms for interest payments, fees, and so forth.

As many of us know, the Wall Street banks make huge profits, profits that go to creating the great disparities of wealth that we see in our national, and global economy. When a government does business with the banking industry, either as the place where public revenue is deposited and banking services offered, or as the place where we take out loans or bonds for infrastructure projects, the interest on these loans gets paid by tax payers and contributes to the growing profits of these big banks. This money is extracted from our community, & mostly goes out of our state.

A Public Bank is a bank whose mission is to direct these profits not outside of our community, but back to the wellbeing of the public, and our infrastructure.

I was initially captivated by the story of the Bank of North Dakota, which was established about one hundred years ago, and which has been the foundation of state finances that have weathered all of the financial storms of this century, greatly reducing foreclosure rates, increasing the value of State money, and backing local banks to support local businesses and offer student loans at rates and terms that are a solid security for the people of North Dakota. The profits then go back to funding projects good for North Dakota.

Oregon was unable to move forward to establish a state bank due to constitutional limitations, but the same restrictions are not on municipalities, many of which are approximately the size of North Dakota, either alone or combined.

It will take many years for Municipal Banks of Oregon to grow into the capacities and benefits that Public Banks can offer our citizens and our communities. HB2743 is the first step to creating a secure financing institution to best manage public money. The Municipal Bank bill establishes the legal framework for beginning this journey. The capacities to help fund local businesses and support loans to economically marginalized communities of color, whose disparities have

been created by historic institutional discrimination, is as deep as our hearts and minds can imagine. It is time to begin this process with the passage of HB 2743 .

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