

# memo

## Company name

To: Representative Barbara Smith Warner, Chair of House Rules Committee  
From: Kelie McWilliams, Rural Engagement Project  
Date: 23 February 2022  
Re: Support for HJR 205

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The Rural Engagement Project is a non-partisan organization that is primarily concerned with issues of rural sustainability and voter engagement in rural Oregon. We have been diligent in our advocacy for bipartisanship, for reducing extremism, for responsibility in all elected positions, and for fairness and transparency in government.

For these reasons and more, we stand in full support of House Joint Resolution 205, which would provide Oregonians with the *opportunity to consider* a minor change to the Constitution that would clear up disagreement about whether State banks are permissible. Our reading of the Constitution is that a public bank, in the model of North Dakota, is not expressly forbidden, but we agree that clarity is preferable for everyone.

HJR 205 is a ballot measure that would allow the Oregon people to determine the best use of their money: is it to continue to provide significant power and wealth for a handful of large private banks, a smaller portion to community banks and credit unions, and very little for the people of Oregon? Or, would it be in their best interest to put Oregon first in that list, then the community banks and credit unions, and then the large private banks?

Private banks in Oregon currently house \$112 billion dollars in public money, with most of it residing in one large institution. These private banks leverage that money—in the form of new loans—to create their own profits, which are rarely shared in any meaningful way with those to whom the money belongs: the Oregon people.

Since the inception of our State, private banks have used the People's money to enrich themselves and their shareholders, often turning away people, small businesses and municipalities whose projects are considered "too small" for their portfolio. This has led to dwindling infrastructure projects and business support, especially in rural Oregon, without significant funding from State and Federal resources. In some cases, it has also led businesses and municipalities to take out loans with higher interest rates—which means as much as a third of their repayment going to interest rather than principal.

This does not serve the needs of Oregonians—especially small business owners and rural people.

Right now, the average interest on a loan made to an Oregon small business is 5.5% to 8%, depending on the financial situation of the business and its owner, with "riskier" loans tending toward higher interest rates. Of the \$112 billion taxpayer dollars in the Oregon state budget—all of which is being leveraged as assets by the private banks in which it is held—a 1% minimum return would be more than another BILLION dollars, without creating any new taxes.

***That is money that can and should belong to Oregonians first.***