

Submitter: Rick Staggenborg MD

On Behalf Of: Oregon Public Banking Alliance

Committee: Joint Committee On Ways and Means Subcommittee On General Government

Measure: HB2763

Most of the benefits of a State Bank are apparent from previously submitted testimony, so let me summarize as follows: 1) the bank could pay more in interest on government accounts than Wall Street banks that are currently the only ones who can manage them, 2) it would have the ability to leverage qualifying funds to lend 10 times their amount, 3) these loans could be used to finance infrastructure projects that banks either won't touch or will charge up to 40-50% of the total cost of a 30 year loan in interests and fees, 4) funds would be available to finance other projects that benefit Oregonians, such as affordable housing, targeted farm and small business loans, green energy projects and student loans, 5) the loans would be made in-state, generating jobs and tax revenue, 6) they could potentially provide for the banking needs of the marijuana industry, making that business less likely to be subjected to violent crimes and 7) the bank could return profits in dividends to the state, which could be used to reduce taxes and/or increase funding to such state responsibilities as education and health care.

I will only add that because a state bank and their partner community banks and credit unions will not engage in the kind of dangerous practices that almost toppled the economy and continue to destabilize the banking system, it is safer to put the state's revenues there than in Wall Street banks that only continue to operate because the Fed has infinite ability to back them even while small and midsize banks continue to fail, making them even more systemically important. For more details, I would refer members to this article by Ellen Brown of the Public Banking Institute: <https://www.globalresearch.ca/what-will-happen-when-banks-go-bust-bank-runs-bail-ins-systemic-risk/5810086>