

Chair Sosa, co-Chairs & Committee Members,

I'm Fergus Mclean, Secretary of a 501c3, We the People-Eugene, dedicated to addressing the accelerating crisis of wealth inequality in the US by overturning the calamitous Citizens United US Supreme Court ruling which provided corporations nearly unlimited control over campaign financing in the US. Public banking is the policy option which can restore to Oregonians some measure of independence from the crushing corruption and greed of the too-big-to-fail banks.

There are about a million owner-occupied homes in Oregon, and a little more than half that number of rentals.

Fallout from the Great Recession caused close to 100,000 home foreclosures in Oregon from 2008-2012. 100,000 families lost their life savings. In 2010 Oregon had the third highest foreclosure rate in the US.

Today Oregon has the highest per-capita homeless rate in the country and the housing crisis is Governor Kotek's chief policy focus, yet this is what the Oregon Bankers Association CEO testified to this committee on HB2966:

"Oregon's banking system is vibrant, diverse, and community minded, with both the desire and the capital to serve Oregonians. Operating within a highly competitive landscape, Oregon's banks are integral to the state's economic health and the well-being of individuals, families and communities. House bill 2966 proposes a task force and study to establish a public state bank. It's a solution for problems that simply do not exist." How this rosy picture and their refusal to be willing to come to the table, as will happen under HB2966, to discuss ways developing around the country and the world to address the human tragedy of loss of life savings and homelessness tells us all we need to know about the ethics of big banks.

This committee's major challenge is one of framing: banks- or those who portray themselves as representing banks- are telling us "nothing to see here, move along" when our state is still reeling from the rampant illegal and unethical manipulation and financialization of home ownership in America whose fallout made Oregon's foreclosure rate third highest in the country in 2010, and presently gives our state the nation's highest per capita rate of homelessness in the United States. Yet Mr Bruun assures us that everything is fine; that there is no reason for the legislature to pass, once again as it did

in 2023, a bill which convenes a high level, broadly representative panel of Oregonians to discuss how Oregonians might best manage our banking practices. This is unacceptable.

One problem this committee faces in its efforts to determine whether Oregon needs to have a discussion about private and public banking in Oregon is that Mr Bruun misrepresents himself as spokesperson for the Community Banking Association of Oregon. The OBA website indicates that Mr Bruun sits on the Board of, but has no leadership role in Community Banks of Oregon. As members of this committee are aware, community banks have a very different role in the banking industry from that of the industry giants whose malign influence brought the US economy to its knees by systemic fraud which collapsed the US housing market during the Great Recession of 2007-2008 and who were subsequently made whole by trillions of dollars of direct subsidies- at the cost of the economic well-being of Americans in general and Oregonians in particular. We need to talk about this problem, even if it seems too big to address. If we do not, we are left to deal with the downstream effects of malign and criminal banking giants contributing to the greatest gap in income and wealth since the 1920's- a gap which is accelerating. Taking a step back to consider all the issues touched on by testimony from the financial industry. Only the legislature- with the welcome support of Treasurer Steiner- has the power to make this conversation happen. Make no mistake- if HB2966 does not pass this necessary conversation can never take place.

One other consideration for the committee is that the federal legislative solution to the debacle of the Great Recession' housing bubble and collapse was to provide that, in the next collapse, banks will not be bailed out but will be "bailed in" by essentially confiscating deposits. But primacy in receiving funds from "bail ins" goes to financial derivatives, which amount to hundreds of trillions in big bank liabilities. Among those funds to be seized will be included Oregon's deposits. With the banks and the economy teetering on the edge of truly unmanageable levels of debt, Oregon's funds on deposit with private banks are at risk. The legislature must act to find a safe depository for state funds.