

STATEMENT OF MIKE DE ROSA, CO-CHAIR GREEN PARTY OF CT
AT COMMITTEE ON BANKING MEETING OF FEB. 19, 2015

Imagine it's the early morning of April 15, 1912 and you're on the British luxury passenger liner the Titanic. You just hit an iceberg in the cold North Atlantic Ocean, the ship is taking water fast and you're in desperate need of a lifeboat; your very survival now depends on it.

Question: Do you want more or less lifeboats?

Since 1919 the Bank of North Dakota continues to be an economic lifeboat for that state. A public bank for the State of Connecticut would be a great lifeboat for us in the 21st century and a great revenue producer for our state. We need to pass bill 5973 and establish a task force to study the creation of a state bank in CT.

Such a bank would cost the taxpayers not a single dime or involve raising taxes, in fact, if properly implemented, the Bank of Connecticut may allow us to begin cutting taxes and build the future that we deserve.

So what are the benefits of the Bank of Connecticut? The speakers that follow me will give you many reasons why this is a terrific idea whose time has come. I will start off by describing a few:

1. Financial security, stability, and liquidity – This bank will provide security, stability, and liquidity to the State financial sector by partnering with and participating in state-chartered community banks, credit unions or other financial institutions.

2. Educational Assistance – This bank reduces costs paid by the State for student loans and will give all students studying in CT a chance to reduce the cost of higher education. Any interest on these low interest educational loans goes right back into the Bank of CT. It's a wash.

3. The Bank of Connecticut will work directly with all sectors of the economy. For example, the Bank of Connecticut will work directly with the Green Bank of Connecticut which has invested millions of dollars in clean energy in Connecticut

communities. For every \$1 of ratepayer funds CEFA invested, about another \$10 was invested by private sources creating nearly 1,200 jobs and this will help us reach our stated long term goal for the State of CT to purchase 20% of our energy from clean renewable sources by 2020.

4. The Bank Of Connecticut would be a bank of banks. In practice, the Bank of Connecticut seamlessly works with all commercial, savings and loans, community banks, credit unions, etc. so literally nothing looks different for retail bank customers.

5. Our simulated study of the Bank of Connecticut incorporating the benefits of fractional reserve banking with a conservative deposit reserve of 10% and a small \$100 million in initial capitalization shows:

- the CT Money Supply will effectively increase by \$900 Million the first year, an additional \$810 Million in the second year, an additional \$1.54 Billion in the third year, etc.
- The number of direct and indirect CT jobs created by the end of the first year is 1,838, at the end of the second year is 3,492, and in the third year is 6,635.
- the CT State Income Tax Revenues will increase by \$6 Million the first year, \$5.4 Million the second year, \$10.3 Million the third year, etc.

Do you know of any other proposal or legislation which even comes close to these benefits without raising taxes or costing the taxpayers a single dime?

Please vote to pass bill 5973 and sign up for more lifeboats today by supporting a study of the Bank of Connecticut. Let's start down the green road of sustainability and economic progress and avoid going down the tubes with \$65 Billion of Connecticut unfunded liabilities and accumulated budget shortfalls of \$3.5 Billion by 2018!

Vote for for Sustainable Banks, Green Jobs, Peace, and Economic Justice.