

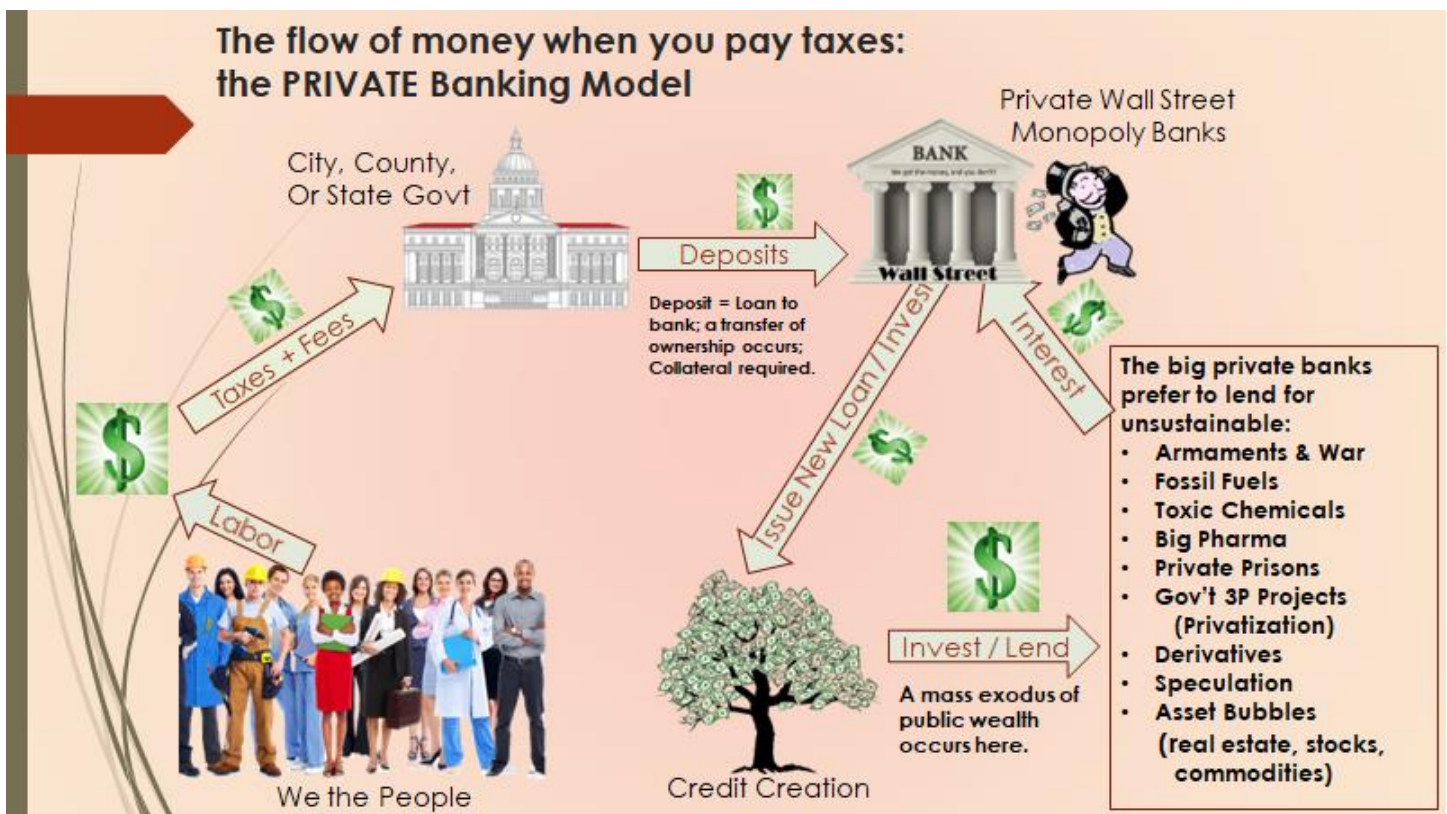
The Private vs Public Banking Systems

1. The Private Banking Model:

Dominant today, the private banking system creates 97% of the money supply, and Wall Street banks control most of this market and reap most of the benefits--at public expense and harm.

Unfortunately for taxpayers, almost every government in the nation -- with just a few exceptions -- city, county, state, and national, are depositing our taxes and other revenue in Wall Street banks. And once 'deposited', the banks own our deposits and the income from them. And studies show that the Big Banks primarily invest in big corporations with the consequence of creating monopolies in various sectors of the economy, bubbles in existing assets like real estate or stocks that inevitably collapse, and in risky investments such as derivatives, which together cause recession, such as the Great Recession of 2008.

The following image illustrates the Private Banking Model and how there is a net loss to City Hall and the community it serves by depositing our wealth in banks that serve private interests. Not shown here but nonetheless true, our governments further increase our public debt by borrowing through bonds at interest from private investors and Wall Street banks to finance infrastructure and large programs. This interest will cost taxpayers an average of 40-45% of the total cost of the loan, and up to 77% of the total cost of housing projects, plus the cost of issuing and marketing the bonds, which is substantial.



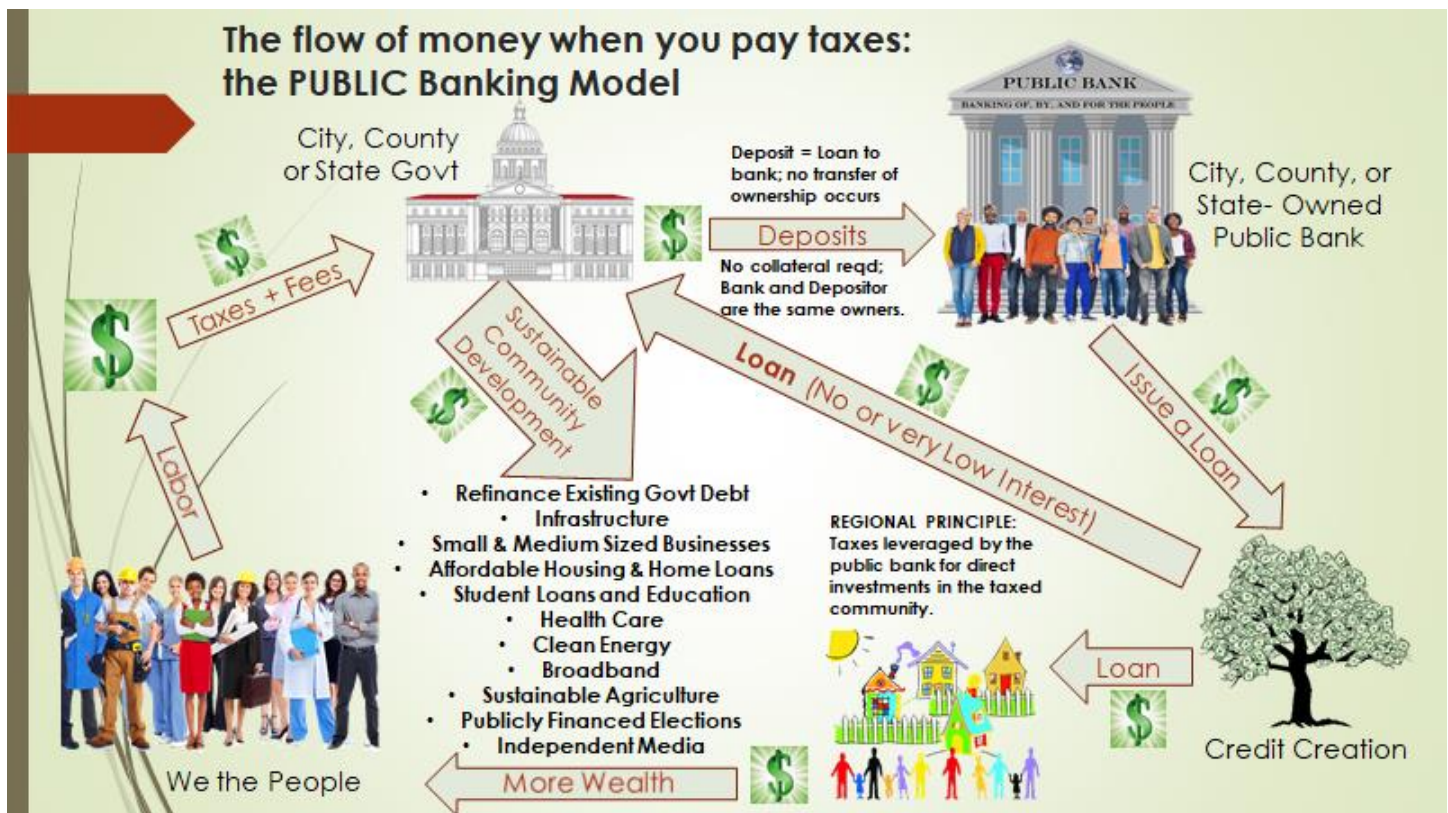
2.The Public Banking Model:

There are just a few Public Banks in the US and its territories -- the Bank of North Dakota, Chickasaw Community Bank, and Territorial Bank of American Samoa.

Outside of the US there are about 1,500 city-owned and nonprofit savings banks in Germany (e.g. the Sparkassen), the public bank of Alberta province, Canada, and public banks in Japan, China, S. Korea, Costa Rica and elsewhere in the Americas and the world.

Public banks provide a long history of robust, safe, and stable banking that supports healthy economies and better serves community needs. In its 104+ year history, the Bank of North Dakota has been a remarkable success for its citizens.

A close look at the following illustration will explain why. With a public bank for your city, county, or state, taxpayer wealth is returned to the taxed community many times over, creating a powerful economic and financial engine that reinvests in the community, creating more wealth, and reinvesting the profits of the bank back into the community through new loans, and sharing the bank's earnings with its government. This image illustrates the dynamic feed-back loop that a Public Bank creates, a powerful economic engine is created that finances all local needs.



Public banks in your city, county, and state offer a tremendous opportunity to governments to have a new source of income without raising taxes, and a real chance to build a better, more sustainable future for its citizens.