

WHEREAS, Interest is a major factor in the cost of operation of the government and has a direct bearing on the cause of taxation; and

WHEREAS, In spite of efforts of the last several National Administrations and, in particular, the present one, to control the rate of interest paid by government, business and citizens to commercial banks and other financial institutions, the effort seems to be failing; and

WHEREAS, The Federal Reserve System which theoretically controls the flow of funds into the economy by the regulation of interest factors has not clearly demonstrated its effectiveness in stemming inflation; and

WHEREAS, The State of Maryland and its local subdivisions and other states and their subdivisions throughout the Country have been in an extremely unfavorable position in borrowing funds; and

WHEREAS, The State of Maryland and local governments are very substantial depositors in commercial banks and extremely profitable customers for banks and other financial institutions; and

WHEREAS, The State of Maryland in its 1970-71 budget will have one and one half billion dollars of funds flowing through banking sources at the State level and untold millions more flowing through local governments and untold millions from other autonomous agencies of the State such as the University of Maryland, the Maryland Port Authority, the State Roads Commission and independent retirement funds, and these tremendous amounts of funds appear to be extremely profitable as deposits for the private banking industry; and

WHEREAS, The control of the monetary funds by private financial institutions appear not to be subject to any substantial control or influence by the State of Maryland and other states so that the industries and citizenry of the States may reap some benefits from the vast resources that our tax revenues produce; and

WHEREAS, There have been many precedents of interstate compacts in many different phases of government where neighboring citizens can benefit mutually by entering into these compacts; now, therefore, be it

*Resolved by the General Assembly of Maryland, That a special commission be created to study the feasibility of creating a State Bank of Maryland and/or a compact with any such neighboring states for the purpose of depositing and disbursing all State and local funds derived from governmental sources within the State and use these funds in a State-owned banking system so that whatever profits may be derived therefrom be used solely for the benefit of the citizens and industries who have created these resources. This commission should consist of nine members to be appointed as follows: three by the Governor; three by the President of the Senate, no less than one from the Senate; three by the Speaker of the House of Delegates, and no less than one from the House of Delegates; COMMISSION, COMPOSED AS FOLLOWS, BE CREATED TO STUDY THE BROAD PROBLEM OF THE MANAGEMENT OF PUBLIC FUNDS BY THE STATE OF MARYLAND AND LOCAL GOVERNMENTS IN MARYLAND, INCLUDING POLICIES RE-*