Fiduciary duty of government officials.

Scholars in the field of government ethics assert that state, city, and county elected and appointed public officials owe a fiduciary duty to their citizens with regard to the officials' handling of the public's money. e.g. Markkula Center for Applied Ethics at the University of Santa Clara; http://harvardlawreview.org/2013/01/translating-fiduciary-principles-into-public-law/ Now that public officials are aware or should be aware, in the exercise of reasonable care, that they have available an alternative and superior way to manage their assets and finances by establishing public banks, it can rightfully be asserted that it would be a breach of their public officials' fiduciary duty to their citizens to continue to place and risk their deposits in the major banks. Thus, public officials should act responsibly to promptly take the steps necessary to establish their own public banks, including investigating the means of doing so, such as preparing a business plan to create such banks and maximize their effectiveness.

By continuing to place their deposits in major Wall Street banks, the government foregoes the advantages of depositing its liquid assets in its own bank, and thereby of substantially increasing lending in the local community, of borrowing from its own bank at reduced or no interest, saving roughly 45% of the costs of large projects that consists of interest, of avoiding excessive and often undisclosed fees for banking and investing services, and of having a major new source of income without raising taxes. Without a public bank, a government must tax its people in order to repay the bonds, certificates of participation, and other forms of borrowing required to fund its operations. Those taxes must pay not only the principal, but nearly an equal amount in interest, such that 45-50% of the total cost consists of interest. A public bank would not pay commissions and fees for making loans, would have low overhead, such as no advertising, no tellers or ATM machines, no exorbitant salaries or bonuses for its officers, no dividends, and no branches, would not have to pay taxes, and would not make speculative investments or loans, and its profits or "dividends" would be shared with its government. By foregoing all those advantages of public banks and subjecting their government and people to all of the above disadvantages of depositing in major Wall Street banks, it is hard to escape the conclusion that government officials are breaching the public's trust.

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