

# Americans for Financial Reform

## Accountability, Fairness, Security

February 9, 2010

The Honorable Tom Harkin  
731 Hart Senate Office Building  
Washington, DC 20510

The Honorable Peter DeFazio  
2134 Rayburn House Office Building  
Washington, DC 20515

Dear Senator Harkin and Representative DeFazio:

We, the undersigned organizations, are writing in support of your bills, “The Wall Street Fair Share Act” (S. 2927) and “Let Wall Street Pay for the Restoration of Main Street Act of 2009” (H.R. 4191). Your bills would rein in reckless financial markets gambling, and help prevent another economic crises by placing modest taxes on financial speculation.

Your bills would also put Wall Street to work for the public good by placing a small securities transaction tax on trades of stocks, options and swaps. A tax on these trades has little impact on the average investor or pension fund because they hold their investments for the long-term, but it does curb risky financial behavior and high-volume short-term speculative trading. By exempting individual retirement accounts, tax-benefited mutual funds, pension funds, and the first \$100,000 of stock purchases per year, your bills effectively exempt middle class investors.

At a time when funds are urgently needed to address the employment crisis and budget deficits at home, as well as other urgent needs such as poverty and climate crises around the globe, this bill would provide an important, reliable revenue stream. A modest tax of 0.25 percent would raise \$75 billion a year.

The cost of financial trading has dropped dramatically over the last three decades as a result of computerization, which has led to an explosion in trading volume and a redistribution of resources to Wall Street. The taxes proposed in your bills would raise trading costs only back to the levels in the 1980s, a period with vibrant and well-developed capital markets.

The idea of a transaction tax is not a new one. The United States had a transfer tax from 1914 to 1966 which levied a 0.2 percent tax on all sales or transfers of stock. In 1932, Congress more than doubled the tax to help financial recovery and job creation during the Great Depression.

Critics charge that if the United States reapplies this tax domestically it would simply push trading overseas. This claim is demonstrably false as the United Kingdom currently levies a similar tax and has the highest volume exchange in Europe. Moreover, every major European leader is now calling for this type of tax to be applied globally, and the United States is the major roadblock to this plan.

“The Wall Street Fair Share Act” and “Let Wall Street Pay for the Restoration of Main Street Act of 2009” are important steps in the direction of economic fairness and balance for these reasons, we fully endorse both bills.

Sincerely,

A New Way Forward  
Accountable America  
AFL-CIO  
Alaska Center for Public Policy

Alliance for Democracy  
American Income Life Insurance Company  
Americans for Democratic Action, Inc.  
Americans for Financial Reform\*

# Americans for Financial Reform

## Accountability, Fairness, Security

Americans in Support of American Citizens  
Arizona Advocacy Network  
Campaign for America's Future  
Center for Community Change  
Center for Media and Democracy  
Center of Concern  
Center on Policy Initiatives  
Citizen Action of New York  
Citizen Action of Wisconsin  
Citizen Action/Illinois  
Colorado Progressive Action  
Commonweal Institute  
Community Action Partnership  
Connecticut Citizen Action Group  
Consumer Action  
Consumer Watchdog  
CtW Investment Group  
Demos  
Drum Major Institute for Public Policy  
Empire Justice Center  
Florida Citizen Action Network  
Georgia Rural Urban Summit  
Global AIDS Alliance  
Global Exchange  
Health GAP  
Institute for Policy Studies, Global Economy Project  
International Forum on Globalization  
Iowa Citizen Action Network  
Jobs with Justice  
Liberty Tree Foundation  
Maine People's Alliance  
Maryknoll Office for Global Concerns  
Michigan Citizen Action  
Missouri Progressive Vote Coalition  
National Association of Investment Professionals  
National People's Action  
NDPeople.org  
Neighborhood Economic Development Advocacy Project (NEDAP)  
New Hampshire Citizens Alliance for Action  
New Jersey Citizen Action  
New Rules for Global Finance  
Ocean State Action  
Oil Change International  
Oregon Action  
Pacifica Climate Committee  
PennAction  
Progressive Democrats of America  
Progressive Leadership Alliance of Nevada  
Progressive Maryland  
ProgressOhio  
Public Citizen  
Radio Free Maine  
Service Employees International Union  
Tennessee Citizen Action  
The E.P. Systems Group, Inc.  
United Action for Idaho  
United Food and Commercial Workers International Union  
United for a Fair Economy  
United Steelworkers of America  
USAction  
Washington Citizen Action Network  
Wealth for the Common Good  
West Virginia Center on Budget and Policy  
West Virginia Citizen Action Group  
Western States Center  
[www.globalsocialjustice.com](http://www.globalsocialjustice.com)

### **\* Following are the partners of Americans for Financial Reform**

*All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.*

A New Way Forward  
AARP  
ACORN  
Adler and Colvin  
AFL-CIO  
AFSCME  
Alliance For Justice  
Americans for Democratic Action, Inc  
American Income Life Insurance  
Americans for Fairness in Lending

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Americans United for Change  
Calvert Asset Management Company, Inc.  
Campaign for America's Future  
Campaign Money  
Center for Digital Democracy  
Center for Economic and Policy Research  
Center for Economic Progress  
Center for Responsible Lending  
Center for Justice and Democracy  
Center of Concern  
Change to Win  
Clean Yield Asset Management  
Coastal Enterprises Inc.  
Color of Change  
Common Cause  
Communications Workers of America  
Community Development Transportation  
Lending Services  
Consumer Action  
Consumer Association Council  
Consumers for Auto Safety and Reliability  
Consumer Federation of America  
Consumer Watchdog  
Consumers Union  
Corporation for Enterprise Development  
CREDO Mobile  
CTW Investment Group  
Demos  
Economic Policy Institute  
Essential Action  
Greenlining Institute  
Good Business International  
HNMA Funding Company  
Home Actions  
Housing Counseling Services  
Information Press  
Institute for Global Communications  
Institute for Policy Studies: Global Economy  
Project  
International Brotherhood of Teamsters  
Institute of Women's Policy Research  
Krull & Company  
Laborers' International Union of North America  
Lake Research Partners  
Lawyers' Committee for Civil Rights Under Law  
Leadership Conference on Civil Rights  
Move On  
NASCAT  
National Association of Consumer Advocates  
National Association of Neighborhoods  
National Coalition for Asian Pacific American  
Community Development  
National Community Reinvestment Coalition  
National Consumer Law Center (on behalf of its  
low-income clients)  
National Consumers League  
National Council of La Raza  
National Fair Housing Alliance  
National Federation of Community Development  
Credit Unions  
National Housing Institute  
National Housing Trust  
National Housing Trust Community  
Development Fund  
National NeighborWorks Association  
National Training and Information  
Center/National People's Action  
National Council of Women's Organizations  
Next Step  
OMB Watch  
Opportunity Finance Network  
Partners for the Common Good  
PICO  
Progress Now Action  
Progressive States Network  
Poverty and Race Research Action Council  
Public Citizen  
Sargent Shriver Center on Poverty Law  
SEIU  
State Voices  
Taxpayer's for Common Sense  
The Association for Housing and Neighborhood  
Development  
The Fuel Savers Club  
The Seminal  
U.S. Public Interest Research Group  
Union Plus  
United Food and Commercial Workers  
United States Student Association  
USAction  
Veris Wealth Partners  
Veterans Chamber of Commerce  
Western States Center  
We the People Now  
Woodstock Institute  
World Privacy Forum  
UNET  
Union Plus  
Unitarian Universalist for a Just Economic  
Community

# Americans for Financial Reform

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### *Partial list of AFR State and Local Partners*

Alaska PIRG  
Arizona PIRG  
Arizona Advocacy Network  
Arizonans For Responsible Lending  
Association for Neighborhood and Housing  
Development NY  
Audubon Partnership for Economic  
Development LDC, New York NY  
BAC Funding Consortium Inc., Miami FL  
Beech Capital Venture Corporation, Philadelphia  
PA  
California PIRG  
California Reinvestment Coalition  
Century Housing Corporation, Culver City CA  
Center of Concern  
Center for Media and Democracy  
CHANGER NY  
Chautauqua Home Rehabilitation and  
Improvement Corporation (NY)  
Chicago Community Loan Fund, Chicago IL  
Chicago Community Ventures, Chicago IL  
Chicago Consumer Coalition  
Citizen Potawatomi CDC, Shawnee OK  
Colorado PIRG  
Coalition on Homeless Housing in Ohio  
Community Capital Fund, Bridgeport CT  
Community Capital of Maryland, Baltimore MD  
Community Development Financial Institution  
of the Tohono O'odham Nation, Sells AZ  
Community Redevelopment Loan and  
Investment Fund, Atlanta GA  
Community Reinvestment Association of North  
Carolina  
Community Resource Group, Fayetteville A  
Connecticut PIRG  
Connecticut Association for Human Services  
Consumer Assistance Council  
Cooper Square Committee (NYC)  
Cooperative Fund of New England, Wilmington  
NC  
Corporacion de Desarrollo Economico de Ceiba,  
Ceiba PR  
Delta Foundation, Inc., Greenville MS  
Economic Opportunity Fund (EOF),  
Philadelphia PA  
Empire Justice Center NY  
Enterprises, Inc., Berea KY  
Fair Housing Contact Service OH  
Federation of Appalachian Housing  
Fitness and Praise Youth Development, Inc.,  
Baton Rouge LA  
Forward Community Investment (Madison, WI)  
Florida Consumer Action Network  
Florida PIRG  
Funding Partners for Housing Solutions, Ft.  
Collins CO  
Georgia PIRG  
Green America  
Grow Iowa Foundation, Greenfield IA  
Homewise, Inc., Santa Fe NM  
Idaho Nevada CDFI, Pocatello ID  
Idaho Chapter, National Association of Social  
Workers  
Idaho Community Action Network  
Illinois PIRG  
Impact Capital, Seattle WA  
Information Press CA  
Indiana PIRG  
Iowa PIRG  
Iowa Citizens for Community Improvement  
JobStart Chautauqua, Inc., Mayville NY  
Keystone Research Center  
La Casa Federal Credit Union, Newark NJ  
Low Income Investment Fund, San Francisco  
CA  
Long Island Housing Services NY  
MaineStream Finance, Bangor ME  
Maryland PIRG  
Massachusetts Consumers' Coalition  
MASSPIRG  
Massachusetts Fair Housing Center  
Michigan PIRG  
Midland Community Development Corporation,  
Midland TX  
Midwest Minnesota Community Development  
Corporation, Detroit Lakes MN  
Mile High Community Loan Fund, Denver CO  
Missouri PIRG  
Mortgage Recovery Service Center of L.A.  
Montana Community Development Corporation,  
Missoula MT  
Montana PIRG  
National Housing Institute  
Neighborhood Economic Development  
Advocacy Project  
New Hampshire PIRG

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New Jersey Community Capital, Trenton NJ  
New Jersey Citizen Action  
New Jersey PIRG  
New Mexico PIRG  
New York PIRG  
New York City Aids Housing Network  
Next Step MN  
NOAH Community Development Fund, Inc.,  
Boston MA  
Nonprofit Finance Fund, New York NY  
Nonprofits Assistance Fund, Minneapolis MN  
Northern Community Investment Corporation  
(St. Johnsbury, VT)  
North Carolina Association of Community  
Development Corporations  
North Carolina PIRG  
Northside Community Development Fund,  
Pittsburgh PA  
Ohio Capital Corporation for Housing,  
Columbus OH  
Ohio PIRG  
Oregon State PIRG  
Our Oregon  
PennPIRG  
Piedmont Housing Alliance, Charlottesville VA  
Rocky Mountain Peace and Justice Center, CO  
Rhode Island PIRG  
Rural Community Assistance Corporation, West  
Sacramento CA  
Rural Organizing Project OR  
San Francisco Municipal Transportation  
Authority  
Seattle Economic Development Fund  
Siouxland Economic Development Corporation  
(Sioux City, IA)  
Southern Bancorp (Arkadelphia, AR)  
Community Capital Development  
TexPIRG  
The Association for Housing and Neighborhood  
Development  
The Fair Housing Council of Central New York  
The Help Network  
The Loan Fund, Albuquerque NM  
Third Reconstruction Institute NC  
Vermont PIRG  
Village Capital Corporation, Cleveland OH  
Virginia Citizens Consumer Council  
Virginia Poverty Law Center  
War on Poverty - Florida  
WashPIRG

Westchester Residential Opportunities Inc.  
Wigamig Owners Loan Fund, Inc., Lac du  
Flambeau WI  
WISPIRG