

STATEMENTS OF SUPPORT FOR A FINANCIAL TRANSACTION TAX (FTT)

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Financial Experts and Business Leaders

Sheila Bair, former Chair of the Federal Deposit Insurance Corporation

*Impose a Financial Transaction Tax: Developed nations in Europe and elsewhere are moving forward with fees on financial transactions. Instead of resisting these efforts, the U.S. should lead the way.*¹

John Bogle, founder of the Vanguard Group

*I love it. The financial institutions that control 75 percent of all stocks are tax free. Pension funds are tax free. Mutual funds are about half tax-deferred, but the other half is run by managers who pay no attention to taxes. So we've got these two giant industries basically operating without any frictional costs when they trade stocks back and forth... and that helps explain why we've had this orgy of speculation.... So I like the idea of a transaction cost.*²

Warren Buffett and other business leaders*

In a position paper published by the Aspen Institute, the group put forth several recommendations to encourage long-term focus among investors, including the proposal to “revise capital gains tax provisions or implement an excise tax in ways that are designed to discourage excessive share trading and encourage longer-term share ownership.”³

*Co-signers of this paper include **John Bogle** (Vanguard Group), **Warren Buffet** (Berkshire Hathaway), **Steven Denning** (General Atlantic), **Jack Ehnes** (CalSTRS), **J. Michael Farren** (Xerox), **Barbara Franklin** (former Secretary of Commerce), **Bill George** (Harvard Business School), **Louis Gerstner, Jr.** (IBM), **David Langstaff** (Veridian), **Jay Lorsch** (Harvard Business School), **Ira Millstein** (Yale School of Management), **Peter Peterson** (Peter G. Peterson Foundation), **James Rogers** (Duke Energy), **Felix Rohatyn** (former US Ambassador to France), **Charles Rossotti** (former Commissioner of Internal Revenue), **Judith Samuelson** (The Aspen Institute), **Henry Schacht** (Cummins Inc. and Lucent Technologies), **Lynn Stout** (UCLA School of Law), **Richard Trumka** (AFL-CIO), **John Whitehead** (Goldman Sachs), **John Wilcox** (TIAA-CREF), **Ash Williams** (Florida State Board of Administration), **James Wolfensohn** (World Bank Group).

Douglas Cliggott, former managing director and U.S. equity strategist at JP Morgan Chase

*The social costs of a financial transactions tax appear to be close to zero, and the potential benefits to society loom large. The perfect tax.*⁴

Mark Cuban, owner of the NBA's Dallas Mavericks, Landmark Theatres, and Magnolia Pictures

*We need to figure out a way to revert the Stock and Bond Markets, and the derivative instruments created from these equities, back to their original purpose, a place to raise capital for growing business... The simplest way to change this is to place a very simple per share tax on every transaction... The market thrived when spreads and transaction costs were much higher just a few short years ago. It will survive now.*⁵

¹ Fortune: <http://finance.fortune.cnn.com/2012/11/19/bair-wall-street-deficit/>

² Multinational Monitor: <http://www.multinationalmonitor.org/mm2009/052009/interview-bogle.html>

³ Overcoming Short-termism: A Call for a More Responsible Approach to Investment and Business Management: <http://www.aspeninstitute.org/policy-work/business-society/corporate-programs/cvsg/public-policy>

⁴ Fortune: <http://fortune.com/2015/09/02/stock-market-volatility-china/>

⁵ Blog Maverick: <http://blogmaverick.com/2011/10/14/my-soapbox-advice-to-the-ows-movement-and-then-some/>

Financial industry professionals

*New FTTs, whether agreed by the G20, EU, or by individual countries, offer a real opportunity to help restore the financial sector to its proper role, while raising massive revenues for people in urgent need at home and in the world's poorest countries. We believe this is an opportunity that should not be missed.*⁶

Jeff Furman, Chair of Ben & Jerry's Board of Directors

*One tool that would help steer us in the right direction is a financial transaction tax.... [A]s we work to build high-road business practices, we should see it as a bit of insurance against future Wall Street tsunamis*⁷.

Bill Gates, Chairman of Microsoft

*It is very plausible that certain kinds of FTTs could work. I am lending some credibility to that. This money could be well spent and make a difference.*⁸

Steven Pearlstein, business columnist at *The Washington Post*

*Right now, the European Union is moving to impose a small tax (one-tenth of one percent) on all financial transactions as a way of raising money for bailouts and discouraging speculative, high-volume trading schemes that have turbo-charged market volatility and put extra pressure on banks and over-leveraged governments. For the idea to work, the Europeans need the United States and Britain to participate.*⁹

Avinash Persaud, Chairman of Intelligence Capital Limited

*In truth, this tax is more feasible than many would have us think, and like all taxes can be set well or badly and if set well, could bring several benefits... The principal victim of transaction taxes are those engaged in very high-frequency trading, as opposed to traditional pension funds, insurance companies and individual investors who turn over their portfolios less frequently... If a transaction tax limits high-frequency trading it may even provide a bonus in improving systemic resilience.*¹⁰

Felix Salmon, financial journalist and senior editor at Fusion

*Back in 2007, I wasn't a fan of a financial-transactions tax; today, I am.... The stock market is clearly more dangerous than it was in 2007, with much greater tail risk; meanwhile, in return for facing that danger, society as a whole has received precious little utility.*¹¹

Lee Sheppard, tax commentator and contributing editor at *Tax Notes*

*The United States should adopt a financial transactions tax (FTT) to kill high frequency trading (HFT) by removing the juice from this pernicious practice. A tax would be a simpler, more direct approach than entrusting the SEC to make effective rules.*¹²

Yves Smith, financial blogger and author

*To put it simply, financial firms have huge incentives to generate volatility, which profits them at the expense of the real economy, and they have the means to do so. A transaction tax is one approach to making it less profitable for them to create volatility.*¹³

⁶ An open letter by over 50 financial professionals from the United States, Europe and Australia:

<http://ourfinancialsecurity.org/2012/06/financial-professionals-call-for-speculation-taxes-on-financial-transactions/>

⁷ *Fortune*: <http://fortune.com/2014/08/04/how-to-avoid-another-wall-street-tsunami/>

⁸ *The Guardian*: <http://www.guardian.co.uk/business/2011/nov/03/gates-urges-g20-to-introduce-tobin-tax>

⁹ *Washington Post*: http://www.washingtonpost.com/business/economy/steven-pearlstein-obama-can-learn-from-the-occupy-wall-street-movement/2011/10/04/gIQAhTI6VL_story.html

¹⁰ VOX EU: <http://www.voxeu.org/index.php?q=node/7046>

¹¹ Reuters: <http://blogs.reuters.com/felix-salmon/2012/08/06/chart-of-the-day-hft-edition/>

¹² *Forbes*: <http://www.forbes.com/sites/leesheppard/2012/10/16/a-tax-to-kill-high-frequency-trading/>

¹³ Naked Capitalism: <http://www.nakedcapitalism.com/2013/07/why-its-just-absurd-that-america-doesnt-tax-wall-streets->

George Soros, chairman of Soros Fund Management and Open Society Foundations

*The globalization of financial markets has given financial capital an unfair advantage over other sources of taxation. A tax on financial transactions would redress the balance.*¹⁴

David Stockman, Director of U.S. Office of Management and Budget during the Reagan administration

*[F]rankly we should put a transaction tax on Wall Street as well.*¹⁵

Adair Turner, former Chairman of Britain's Financial Services Authority

*If you want to stop excessive pay in a swollen financial sector you have to reduce the size of that sector or apply special taxes to its pre-remuneration profit.*¹⁶

Paul Volcker, U.S. Federal Reserve Chair during Carter and Reagan administrations

*[M]aybe the best reform we could make is have a big tax on financial engineers so that they can't make up all these new things quite so rapidly; because it is this highly complex, opaque financial engineering which gave a false sense of confidence, which broke down.*¹⁷

David Weidner, *Wall Street Journal* columnist

*[A] minimal transactions tax would create new forms of revenue for cash-strapped regulators and gently apply the brakes to trading run amok in the markets.... Rather than begrudge the banks their earnings, let them keep the money with one condition: They should pay for markets that are truly fair, open and transparent.*¹⁸

Religious and Opinion Leaders

Kofi Annan, former Secretary-General of the United Nations

*I support innovative financing solutions, such as a fair maritime bunker fuel tax, a levy on airline tickets, or the Financial Transaction Tax.*¹⁹

Boston Globe editorial board

*As Obama and other policymakers contemplate far-reaching changes to entitlements such as Medicare and Social Security, a financial transaction tax — which would simultaneously raise money and deter another crisis — has to be part of the discussion.*²⁰

Al Gore, former U.S. Vice President

*We need policy changes, we need a tax on carbon and we need a tax on global transactions.*²¹

Van Jones, author and President of Rebuild the Dream

*The Wall Street Tax... is common sense... Congress is about to face a telling choice. Will they vote to tax Wall Street gamblers in the 1%, or cut the Social Security checks of senior citizens in the 99%?*²²

transactions.html

¹⁴ Asia Society: <http://asiasociety.org/business/development/george-soros-open-societies-sovereignty-and-international-terrorism>

¹⁵ National Public Radio: <http://www.npr.org/2010/12/18/132167168/beyond-the-tax-deal-targeting-the-code-itself>

¹⁶ *Financial Times*: http://www.ft.com/cms/s/0/08943b5a-926a-11de-b63b-00144feabdc0.html?nclick_check=1

¹⁷ House Financial Services Committee: <http://www.gpo.gov/fdsys/pkg/CHRG-111hrg54869/pdf/CHRG-111hrg54869.pdf>

¹⁸ *Wall Street Journal*: <http://online.wsj.com/article/SB10001424052970204331304577141121954479422.html>

¹⁹ *Daily Monitor*: <http://www.monitor.co.ug/OpEd/Commentary/-/689364/1281646/-/item/0/-/ftj7f4/-/index.html>

²⁰ *Boston Globe*: http://www.boston.com/bostonglobe/editorial_opinion/editorials/articles/2011/01/29/transaction_tax_works_against_deficits_financial_recklessness/

²¹ Environmental Finance: <http://www.environmental-finance.com/news/view/2099>

²² *Huffington Post*: http://www.huffingtonpost.com/van-jones/tax-the-one-percent-make- b_1071258.html

Nicholas Kristof, columnist at *The New York Times*

*Impose a financial transactions tax. This would be a modest tax on financial trades, modeled on the suggestions of James Tobin, an American economist who won a Nobel Prize. The aim is in part to dampen speculative trading that creates dangerous volatility.*²³

Ralph Nader, author and consumer advocate

*A good start would be a tax on financial speculation... It has the potential to curb risky speculative trading that contributes little real economic value.*²⁴

New York Times editorial board

*A financial transaction tax — a per-trade charge on the buying and selling of stocks, bonds and derivatives — is an idea whose time has finally come.*²⁵

Pontifical Council for Justice and Peace

*[T]axation measures on financial transactions... would be very useful in promoting global development and sustainability according to the principles of social justice and solidarity.*²⁶

Eliot Spitzer, former Governor of the State of New York

*It used to exist in New York, and it used to be a significant source of revenue source for the state of New York... Could it be put back in place without having a huge impact on where capital flows? The answer is yes. Should it be done? Yes, at a very low level... it could be a very good revenue source.*²⁷

Richard Trumka, President of the AFL-CIO

*Reckless Wall Street gambling has cost Americans trillions in lost wages, savings and household wealth. It is time to put Wall Street to work rebuilding Main Street with a financial speculation tax to create jobs, rein in speculation and lay the groundwork for long-term economic prosperity.*²⁸

Desmond Tutu, Archbishop Emeritus of Cape Town

*I urge G20 leaders... to introduce a tax on financial transactions to help low-income countries hit by the economic crisis and to protect poor people from climate change.*²⁹

USA Today editorial board

*Slap a small transaction tax on rapid trades, impeding the practice and returning markets to their core purpose. That would be a big win for small investors, and the only people harmed would be those now putting everyone else at risk.*³⁰

Economists

Dean Baker, Co-Director of the Center for Economic and Policy Research

*[A] financial speculation tax is a great way to raise lots of government revenue by making financial markets better serve their purpose of transferring capital from savers to investors.*³¹

²³ *New York Times*: <http://www.nytimes.com/2011/10/02/opinion/sunday/kristof-the-bankers-and-the-revolutionaries.html>

²⁴ *Wall Street Journal*: <http://online.wsj.com/article/SB10001424052970204394804577009823316771852.html>

²⁵ *New York Times*: <http://www.nytimes.com/2016/01/28/opinion/the-need-for-a-tax-on-financial-trading.html>

²⁶ Vatican news service: <http://www.news.va/en/news/full-text-note-on-financial-reform-from-the-pontif>

²⁷ MSNBC: <http://www.msnbc.msn.com/id/21134540/vp/45087377#45087377>

²⁸ AFL-CIO: <http://www.aflcio.org/Blog/Economy/Robin-Hood-Tax-Bill-Introduced-in-Congress>

²⁹ *The Guardian*: <http://www.guardian.co.uk/business/2011/oct/14/tutu-challenge-to-g20-leaders>

³⁰ *USA Today*: <http://www.usatoday.com/news/opinion/editorials/story/2012-09-26/high-frequency-trading-crash/57846524/1>

³¹ *New York Times*: <http://www.nytimes.com/roomfordebate/2012/08/06/how-to-regulate-high-frequency-trading/high-frequency-trading-edges-out-normal-investors>

Jared Bernstein, former Chief Economist and Economic Adviser to Vice President Joe Biden

*A financial transaction tax is a smart, fair way to raise urgently needed revenues while reducing unnecessary trading that makes our markets more volatile. Let's give it a shot.*³²

Center for American Progress economists

*As 11 countries in the European Union move forward with a financial transaction tax, the United States should move forward with its own plan. We propose a tax applied at a very low rate... which would raise an estimated \$50 billion a year in revenues and, critically, would remove a source of instability in the market by eliminating front running that serves no useful economic function.*³³

James Galbraith, Chair in Government/Business Relations at the University of Texas at Austin

*The purpose of a financial transactions tax is part of a reform package aimed at the hypergrowth of Wall Street and the enormous weight of the financial sector in the economy... This would be a useful way of... getting the country's economy back to where it was 15 or 20 years ago with a much greater emphasis on other sectors.*³⁴

Stephany Griffith-Jones, Director of Financial Markets Program at Columbia University

*But above all, it is economically and morally the right thing to do: the international financial transactions tax is clearly an idea whose time has come.*³⁵

Paul Krugman, economist and Nobel Laureate

*And then there's the idea of taxing financial transactions, which have exploded in recent decades. The economic value of all this trading is dubious at best. In fact, there's considerable evidence suggesting that too much trading is going on... it suggests that to the extent that taxing financial transactions reduces the volume of wheeling and dealing, that would be a good thing.*³⁶

Lawrence Mishel, President of the Economic Policy Institute

*It's not only poetic justice -- it's good economics and has great political appeal.*³⁷

Robert Pollin, Co-director of the Political Economy Research Institute at the University of Massachusetts-Amherst

*The financial transaction tax can make major positive contributions toward forcing the financial markets away from the logic of the casino, thereby reordering the market's priorities on behalf of long-term productive investments and job creation.*³⁸

Robert Reich, former U.S. Secretary of Labor

*Businesses won't create new jobs without enough customers. But most Americans no longer have enough purchasing power to fuel that job growth.... [P]ay for much of this by... impos[ing] a small tax on all financial transactions.*³⁹

Jeffrey Sachs, economist and Director of the Earth Institute at Columbia University

*The Financial Transactions Tax is a solid idea that has been resisted by Wall Street for years.*⁴⁰

William Spriggs, Chief Economist at the AFL-CIO

If we are to accept the notion that Wall Street's recklessness is the price of higher growth, then we must also require Wall

³² *New York Times*: <http://www.nytimes.com/2015/07/22/opinion/the-case-for-a-tax-on-financial-transactions.html>

³³ Center for American Progress: <http://www.americanprogress.org/wp-content/uploads/2013/06/ProgressiveGrowthSECTION2CHAPTER7.pdf>

³⁴ CNBC: <http://www.nbcnews.com/video/cnbc/34275952#34275952>

³⁵ *The Guardian*: <http://www.guardian.co.uk/commentisfree/2009/dec/07/tobin-tax-climate-change-investment>

³⁶ *New York Times*: <http://www.nytimes.com/2011/11/28/opinion/krugman-things-to-tax.html>

³⁷ *Politics Daily*: <http://www.politicsdaily.com/2009/11/19/with-16-million-jobless-should-the-feds-pay-people-to-work/>

³⁸ *New Labor Forum*: <http://newlaborforum.cuny.edu/Archives/2012/spring/Abstracts.aspx?id=12>

³⁹ *Huffington Post*: http://www.huffingtonpost.com/robert-reich/december-2013-jobs-report_b_4576297.html

⁴⁰ *Huffington Post*: http://www.huffingtonpost.com/jeffrey-sachs/obama-the-g20-and-the-99_b_1069030.html

*Street to insurance against their failures.... There is no excuse for evading the FTT. Wall Street absorbed the fee when it went to a tiny cabal of ruthless traders, they can absorb it when it goes to insure the American people.*⁴¹

Joseph Stiglitz, economist and Nobel Laureate

*What's needed is a comprehensive response that should include, at least, significant investments in education, a more progressive tax system and a tax on financial speculation.*⁴²

Lawrence Summers, former Director of the National Economic Council

*Some form of securities transactions tax would have the desirable economic effects of curbing speculation and of raising a significant amount of revenue.*⁴³

Political and Government Leaders

José Manuel Barroso, President of the European Commission

*It's a question of fairness... It is time for the financial sector to make a contribution back to society.*⁴⁴

Maria Cantwell, member of the U.S. Senate Finance Committee

*[I]ninstall a financial transaction tax.... Our tax code should return our financial system back to the basics: a system that works for everyday investors.*⁴⁵

François Hollande, President of France

*Today we need to take a second step and introduce a tax on financial transactions – that has already been agreed to by several European states – so that the capital movements that profit from globalization can contribute to international development and the fight against pandemics.*⁴⁶

Angela Merkel, Chancellor of Germany

*We all agree that a financial transaction tax would be the right signal to show that we have understood that financial markets have to contribute their share to the recovery of economies.*⁴⁷

Nancy Pelosi, Minority Leader of the U.S. House of Representatives

*I believe the transaction tax still has a great deal of merit... [It would have] really minimal impact on the transaction, but a tremendous impact on helping us meet our needs.*⁴⁸

Elizabeth Warren, U.S. Senator

*High-frequency traders... introduce greater instability into our financial markets... We can address this problem by instituting a targeted financial transactions tax designed to have no impact on regular mom-and-pop investors. Such a tax would push sophisticated trading firms to invest in companies for the long haul and strengthen our markets.*⁴⁹

Wolfgang Schäuble, Finance Minister of Germany

*The markets are a bit too preoccupied with themselves these days rather than supporting the real economy... That's why I'm fighting with such determination for a financial transaction tax.*⁵⁰

⁴¹ AFL-CIO Now: <http://www.aflcio.org/Blog/Economy/FTT-Financial-Transaction-Tax-or-Flash-Boys-Transaction-Tax>

⁴² New York Times: <http://opinionator.blogs.nytimes.com/2013/01/19/inequality-is-holding-back-the-recovery/>

⁴³ Journal of Financial Services Research: http://stevereads.com/papers/to_read/when_financial_markets_work_too_well.pdf

⁴⁴ Financial Times: <http://www.ft.com/intl/cms/s/0/19c46aca-e9ad-11e0-adbf-00144feab49a.html#axzz1c1pJ3ZIG>

⁴⁵ Office of Maria Cantwell: <http://www.cantwell.senate.gov/public/index.cfm/press-releases?ID=37eadd7e-25b0-4d87-a5f9-76e1e56f39ef>

⁴⁶ Unitaid: <http://www.unitaid.eu/component/content/article?id=1001>

⁴⁷ New York Times: <http://www.nytimes.com/2011/12/07/business/global/micro-tax-on-financial-trades-gains-advocates.html>

⁴⁸ Reuters: <http://www.reuters.com/article/idUSTRE5B24J520091203>

⁴⁹ Moyers & Company: <http://billmoyers.com/2015/04/18/elizabeth-warren-speech/>

⁵⁰ Reuters: <http://uk.reuters.com/article/2011/12/25/uk-eurozone-germany-schaeuble-idUKTRE7B008P20111225>