

June 15, 2011

Mr. Gene B. Sperling
Director, National Economic Council

Dear Mr. Sperling:

We are asking you, as a champion of policies to extend tax relief to families and the working poor, and an advocate of a fee on financial firms to help cover the cost of the Troubled Asset Relief Program, for your support on a small levy on financial speculation, specifically on trades of stocks, options and swaps. As you may well know, a modest levy of 0.25 percent could provide a permanent, reliable revenue stream of approximately \$100 billion a year.

A small financial transaction levy that would exempt the middle class and those who hold securities for longer-term investment would discourage dangerous financial gambling and high volume, rapid speculative trading that ratchets up prices on precious commodities and inflates the bonuses of those on Wall Street.

The IMF has confirmed the feasibility of such taxes. And in fact, the United States had a transfer tax from 1914 to 1966, which levied a 0.20 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 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.

We are very encouraged by the progress of the debate on financial speculation taxes in Europe. As you know the idea is supported by many G20 leaders, including President Sarkozy and Chancellor Merkel. In March 2011, the European Parliament called on European Union member countries to adopt transactions taxes, and supported an amendment in favor of an EU-wide levy as well as a global one. The German government has already budgeted 2 billion euro in revenue from this tax for FY 2012.

President Obama has acknowledged the public anger over the Wall Street bail out, and the executives who are recording record profits and bonuses, while millions across the country are still suffering. For instance, the front page of *The New York Times* on May 23rd stated that several million more Americans are expected to lose their homes due to bank foreclosures in the next few years. This anger shows no sign of abating as gas prices skyrocket, workers are being pressed to make concessions, and funding for health, education, infrastructure, environmental sustainability and more is under attack.

We urge you to ensure that Wall Street does more to aid the recovery. We, the undersigned 42 faith, education, health, labor, consumer, housing, development

and environment organizations, join the more than 1,000 economists who recently signed an open letter advocating a financial speculation tax because it is not only "technically feasible" but also "morally right."

We know your time is valuable, and we would be grateful for the opportunity to meet with you and discuss the matter further. The follow-up contact will be Sarah Anderson, tel: 202 787 5227, sarah@ips-dc.org.

Sincerely,

AFL-CIO
Alliance for a Just Society / Main
Street Alliance
Alliance for Global Justice
Americans for Financial Reform (see
below for partner groups)
Center for Biological Diversity
Center for Food Safety
Center of Concern
Communications Workers of
America
Community Organizations in Action
Consumer Action
Consumer Watchdog
Demos
Earth Day Network
Earth Economics
Food and Water Watch
Friends of the Earth U.S.
Grassroots International
Health GAP
Holy Cross International Justice
Office
Institute for Policy Studies, Global
Economy Project
International Center for Technology
Assessment

Jubilee NW Coalition
Jubilee USA Network
Leadership Conference of Women
Religious
Marianists International
Maryknoll Office for Global Concerns
Missionary Oblates of Mary
Immaculate
NACA
National Nurses United
NEA
Oxfam America
PICO National Network
Public Citizen
RESULTS Educational Fund
SEIU
Sisters of the Holy Cross
Congregation Justice Committee
United Church of Christ Justice and
Witness Ministries
United Methodist Church, General
Board of Church and Society
US PIRG
USAction
Voces Verdes
Washington Association of Churches

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
AFL-CIO
AFSCME

Alliance For Justice
Americans for Democratic Action, Inc
American Income Life Insurance
Americans for Fairness in Lending

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 Media and Democracy
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
Move On
NASCAT
National Association of Consumer
Advocates
National Association of Neighborhoods
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 Trust
National Housing Trust Community
Development Fund
National NeighborWorks Association
National People's Action
National Council of Women's
Organizations
Next Step
OMB Watch
OpenTheGovernment.org
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 Leadership Conference on Civil and
Human Rights
The Seminal

TICAS
U.S. Public Interest Research Group
United Food and Commercial Workers
United States Student Association
USAction
Veris Wealth Partners
Western States Center
We the People Now
Woodstock Institute
World Privacy Forum
UNET
Union Plus
Unitarian Universalist for a Just
Economic Community

***Partial list of State and Local
Signers***

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
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
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
Florida Consumer Action Network
Florida PIRG
Funding Partners for Housing Solutions,
Ft. Collins CO
Georgia PIRG
Grow Iowa Foundation, Greenfield IA
Homewise, Inc., Santa Fe NM
Idaho Nevada CDFI, Pocatello ID
Idaho Chapter, National Association of
Social Workers
Illinois PIRG
Impact Capital, Seattle WA
Indiana PIRG
Iowa PIRG
Iowa Citizens for Community
Improvement
JobStart Chautauqua, Inc., Mayville NY
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
Neighborhood Economic Development
Advocacy Project
New Hampshire PIRG
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
NOAH Community Development Fund,
Inc., Boston MA
Nonprofit Finance Fund, New York NY
Nonprofits Assistance Fund,
Minneapolis MN
North Carolina PIRG
Northside Community Development
Fund, Pittsburgh PA

Ohio Capital Corporation for Housing,
Columbus OH
Ohio PIRG
OligarchyUSA
Oregon State PIRG
Our Oregon
PennPIRG
Piedmont Housing Alliance,
Charlottesville VA
Michigan PIRG
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
Community Capital Development
TexPIRG
The Fair Housing Council of Central
New York
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