

## Thanks to Nurses Union and Occupy Wall Street, Pressure for Wall Street Speculation Tax Grows

Written by Sarah Jaffe | AlterNet  
Wednesday, 30 November 2011 00:00

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With the nation's (and the world's) focus back on Wall Street, the possibility of a financial transaction tax is looking more likely.

T]here'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.”

That was no less respected a voice than Paul Krugman, writing this week in the [New York Times](#) about “Things to Tax.” He continued:

“Because there are so many transactions, such a fee could yield several hundred billion dollars in revenue over the next decade. Again, this compares favorably with the savings from many of the harsh spending cuts being proposed in the name of fiscal responsibility.”

Calls for the financial transaction tax have only been getting louder and stronger in recent weeks and months. The passion stoked by the Occupy Wall Street movement has brought the nation's and the world's eyes back to the big banks and the bankers who crashed the global economy with their “sophisticated” financial instruments and rapid-fire trading of mortgages and anything else that could be packaged into a security and sold, many times over, each time at a profit.

Think of it as a sales tax for financial instruments, from stocks and bonds to futures and [credit](#)

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### [default swaps](#)

. We pay sales tax on all sorts of things, from new homes and cars to food and drink. We pay larger sales taxes on items, like cigarettes, acknowledged to be harmful to our health. Why not a tax on items acknowledged to be harmful to the economy? The more you repackage, shuffle and sell debt and other types of financial products, the more you'd pay—so a person with a few stock options who holds them wouldn't pay much, while the bankers who make hundreds of transactions a day would be paying a little bit on each one to help rebuild what they broke.

As Krugman noted, the tax has three distinct benefits: it hits exactly the people who deserve to be hit, and serves as a check on speculation as well as a revenue source for a cash-strapped country. With the collapse of the supercommittee, Washington still has no solutions for patching up the economy, and pressure from the outside is mounting.

The National Nurses United, as [AlterNet has reported](#) , has been at the forefront of the push for a financial transaction tax, marching on Wall Street and holding actions around the country in the home districts of members of Congress, and even [following Obama to France](#) for a meeting of the G20 summit.

“We're in a very exciting period, we came off the fall where I think the financial transaction tax has emerged as a somewhat prominent issue,” Michael Lighty, a spokesperson for NNU, told me. And it's not just the United States that is thinking about enacting the tax—the Eurozone is also considering raising revenue with such a tax, particularly as the ongoing financial crisis continues to rock Europe.

“The bottom line is, they're being screwed by the banks and the financial system and we are too,” Lighty said. Further, he noted that one of the arguments used against the tax is that traders will simply take their business elsewhere. But Hong Kong and Singapore already have versions of the tax, and if the Eurozone enacts one, there will literally be nowhere to go. “Maybe even more so than other issues, there's just a direct relationship between what happens internationally and what we're doing,” Lighty said.

Two million public sector workers went on strike in the United Kingdom on Wednesday, and Lighty noted that one of the calls from the UK's largest public-sector union, Unison, was for a financial transactions tax. To stand by their colleagues overseas, here in the States the NNU held six rallies in six cities and delivered a letter to Britain's ambassador to the US in support of

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the strike.

And so the nurses' next step in their push for the tax is another trip to Europe, specifically, a meeting in London in the third week of January 2012, trying to build momentum for the push for the tax there. At the same time, here in the US, the NNU will be delivering thousands of postcards from supporters of the tax, gathered in targeted congressional districts to pressure members of Congress who are out of sync with their constituents on the issue.

Lighty noted that people who are unfamiliar with the idea of the tax tend to like it when it's explained to them. Americans are still angry at Wall Street and want it to pay its fair share. So Republican representatives Dana Rohrabacher and Darrell Issa in California, Dave Camp in Michigan (chair of the House Ways and Means Committee), Chip Cravaack in Minnesota, Blake Farenthold in Texas and Allen West in Florida, as well as GOP Senators Scott Brown of Massachusetts and Dean Heller in Nevada will be getting postcards from their constituents asking which side they're on. It's not only Republicans who are reluctant on this issue, though—Dan Lipinski, Democrat from Illinois, and Silvestre Reyes, Democrat from Texas, are also going to be targeted.

"It's really a followup to our actions, we went to the districts and town halls in August, we were in the congressional offices on November 3," Lighty said.

The tax they're pushing for here in the States is a stronger version of the one introduced in the House by Rep. Pete DeFazio ( [H.R. 3313](#) ) and in the Senate by Tom Harkin ( [S.1787](#) ). Their bill would impose a tax of .03 percent on the purchase of a security.

"That version is too small to really make the kind of difference we need," Lighty said. "We think it's a lowball proposal and we're selling ourselves short, and how many times have we done *that* since 2008? We've got to draw a line in the sand here."

The NNU's proposed tax is .5 percent on each transaction, which they project could r [aise \\$350 billion](#) annually.

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Moving into 2012, Lighty said there will obviously be a lot of focus in the US on the presidential election, so the focus will be at first on the tax in Europe. But also, the international campaign allows space, at international meetings like the G8 in Chicago this year and the G20 in Mexico, to pressure Obama to take a stand. On their Web site, the nurses have downloadable stickers that say "Tax Timmy's Friends," a clear statement that they think at least the Treasury Secretary is on the side of Wall Street.

At the last G20, Lighty said, the administration proposed a very small fee on banks, which he called "the real Band-Aid move," though he said that the Harkin-DeFazio bill isn't far from that. "That's their version of meaningless change," he said.

Going into the spring, though, Lighty expressed the hope to work with the Occupy movement and other allies to really create a large push for taxing Wall Street, including a large demonstration, possibly in May, calling for the financial transaction tax. He noted that the Obama administration will need to take some action as the Bush tax cuts are set to expire in December 2012, and a growing movement for the financial transaction tax could be just what is needed.

"It's part of our program of participatory democracy and accountability," Lighty said.