

## The Tiny Tax that Terrifies Wall Street

By *Sam Pizzigati*

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**Robin Hood would not be happy if he happened upon our incredibly top-heavy modern world. But the new campaign to levy a tax on speculative trading would most certainly have him smiling.**

**Robin Hood would not be happy if he happened upon our incredibly top-heavy modern world. But the new campaign to levy a tax on speculative trading would most likely have him breaking out in smiles.**

The most lavishly paid bank CEO in America, Jamie Dimon of JPMorgan Chase, sashayed back to Capitol Hill last Tuesday for still another congressional hearing on JPMorgan's billions in speculative trading losses this past spring.

Dimon didn't have much trouble fending off the few tough questions that came his way from lawmakers on the House Financial Services Committee. But Dimon and his fellow Wall Streeters may have much more trouble handling a new campaign — for taxing financial speculation — that launched the same day Dimon testified.

The goal of this new "Robin Hood" campaign <sup>[1]</sup>: a tiny tax on the ever-churning financial transactions that have made the Jamie Dimons of our time fabulously wealthy.

**This Robin Hood campaign** for a financial transaction tax actually began two years ago in the UK and quickly spread to over a dozen <sup>[2]</sup> other nations. The U.S. branch of the campaign that launched last week comes with some high-profile champions.

Actor Mark Ruffalo — a star in the hit film *The Avengers* — introduced the campaign on Tuesday with a video <sup>[3]</sup> now bouncing all around the online world.

A follow-up came Thursday, when over 50 top financial industry professionals from around the world endorsed <sup>[4]</sup> the financial transaction tax notion in a letter to the leaders of the world's 20 top nations economically.

**The volume of global speculative** trading, these financial industry experts pointed out, now exceeds — by 70 times — the size of the entire real global economy, the actual goods and services that people use everyday.

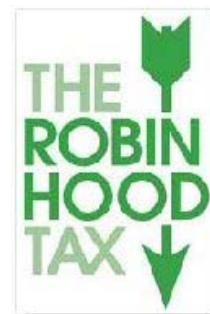
This massive speculation endangers the entire world. But a tiny tax on every trade, the financial professional letter notes, could moderate that speculation.

The Robin Hood campaign is calling for a 0.5 percent tax on stock trades — the equivalent of a 50 cent tax on every \$100 of trading — and a smaller levy on Wall Street's heavier-volume, casino-style trading in derivatives, currency, and other speculative instruments.

**All told, this level of financial** transaction taxing would raise over \$300 billion a year from Wall Street, money, notes the Robin Hood campaign, that could "stop foreclosures, fund new jobs, and help repair the social safety net."

Those Wall Streeters who would bear the vast bulk of the Robin Hood tax burden, nurses union leader Rose Ann DeMoro pointed out last week, can certainly afford <sup>[5]</sup> to pay a new tax. The pay pools at JPMorgan Chase and the nation's six other largest banks totaled \$156 billion in 2010.

JPMorgan CEO Dimon alone last year pulled in \$23.1 million, a sum that Adriana Vasquez, a 37-year-old janitor at the JPMorgan Chase tower in Houston, would have to work <sup>[6]</sup> over 2,400 years to match. Vasquez and her union confronted Dimon in Washington last week after his congressional testimony.



Vasquez took home \$9,000 in 2011, and the contractor that manages JPMorgan janitorial work in Houston is currently offering only a 10 cent-an-hour raise over the next five years.

**In Europe, the Robin Hood** campaign has already gained serious political momentum, even support from Angela Merkel, the conservative German chancellor. In the United States, two lawmakers — Rep. Peter DeFazio from Oregon and Senator Tom Harkin from Iowa — have a transaction tax bill pending.

A tax on speculative trading, DeFazio said last week, would dampen Wall Street volatility and “drive some of these hedge fund speculators out of the market.”

“These people are getting filthy rich by driving up the price of commodities,” added <sup>[7]</sup> DeFazio. “They don’t care how they affect the real economy. They don’t care if they drive up the price of oil. They’re just there to trade something 1,000 times a minute with super-computers.”

**DeFazio’s financial transaction tax bill** calls for just a 0.03 percent tax on speculative trades, a tax rate that runs 321 times smaller <sup>[7]</sup> than the typical sales tax on a tube of toothpaste.

Most all movers and shakers on Wall Street, not surprisingly, oppose any tax whatsoever on financial transactions, no matter how tiny. They contend that any such tax would cripple investment.

But the United States has a long history <sup>[8]</sup> of taxing financial transactions. The federal government started taxing stock trades and transfers in 1914 and had a financial transaction tax on the books until 1966.

<sup>[9]</sup>Getting the tax back on the books will take real effort. GOP leaders in Congress remain dead set against the notion, and the White House is offering no support <sup>[10]</sup> either. The push will have to come from the grassroots, and that pushing began last week <sup>[11]</sup> with rallies at JPMorgan Chase offices all across the nation.

This article originally appeared in *Too Much, the inequality weekly*. Sign up to receive free via email.

**In San Francisco**, pediatric nurse Martha Kuhl called on <sup>[12]</sup> Wall Street’s finest “to pay their share.” Added the activist: “If JPMorgan can squander billions in speculation, something is wrong.”

In Washington, D.C., activists protesting JPMorgan CEO Dimon’s Capitol Hill appearance last Tuesday put the matter a bit more rhythmically.

“Jamie Dimon, you’re no good,” the campaigners chanted <sup>[13]</sup>. “The people need a Robin Hood.”

**Sam Pizzigati edits *Too Much*, the online weekly on excess and inequality published by the Institute for Policy Studies. Read the current issue <sup>[14]</sup> or sign up here <sup>[9]</sup> to receive *Too Much* in your email inbox.**

### Summary:

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- [1] <http://robinhoodtax.org/>
- [2] <http://www.guardian.co.uk/world/us-news-blog/2012/jun/19/robin-hood-tax-us-wall-st>
- [3] [http://www.youtube.com/watch?v=Bd\\_U2mnHqMU](http://www.youtube.com/watch?v=Bd_U2mnHqMU)
- [4] [http://www.ips-dc.org/articles/letter\\_from\\_financial\\_industry\\_professionals\\_in\\_support\\_of\\_financial\\_transaction\\_taxes](http://www.ips-dc.org/articles/letter_from_financial_industry_professionals_in_support_of_financial_transaction_taxes)
- [5] <http://www.commondreams.org/view/2012/06/20-10>
- [6] <http://abcnews.go.com/Business/jamie-dimon-defends-wall-street-capitol-hill/story?id=16598004#.T-HTXVLih8E>
- [7] <http://thinkprogress.org/economy/2012/06/20/502199/defazio-transactions-tax/>
- [8] <http://www.motherjones.com/mojo/2012/06/robin-hood-tax-comes-america>

[9] <http://org2.democracyinaction.org/o/5725/t/8798/signUp.jsp?key=1638>

[10] <http://www.csmonitor.com/USA/Politics/The-Vote/2012/0619/Robin-Hood-tax-What-is-it-and-why-does-Occupy-want-it>

[11] <http://www.alternet.org/story/155956>

[/the\\_people\\_need\\_robin\\_hood':\\_nurses\\_union\\_leads\\_nationwide\\_campaign\\_to\\_force\\_wall\\_street\\_to\\_pay\\_its\\_fair\\_share?akid=8959.156228.5pTtN9&rd=1&t=15](http://www.alternet.org/story/155956)

[12] <http://blog.sfgate.com/nov05election/2012/06/19/robin-hood-and-the-not-so-merry-nurses/>

[13] <http://www.thenation.com/blog/168494/jamie-dimon-youre-no-good-people-need-robin-hood-video>

[14] <http://toomuchonline.org/tmweekly.html>