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An Idea Whose Time Has Come: Adopt a Financial Transactions Tax

By John Dillon

A growing number of politicians, civil society organizations, economists and some financiers have become strong advocates of a global Financial Transactions Tax (FTT). An FTT is a tiny tax on financial market transactions such as equity, bond, derivative or foreign exchange trades.

Political leaders, including the presidents of France and Germany and the former prime minister of Britain, back an FTT as one of the best ways to fund programs to fight world poverty, pay for climate mitigation and adaptation costs and make financial institutions pay their fair share of the costs of the global crisis which, in large part, was created by their practices. Prominent economists advocate a Financial Transactions Tax as one way to cool down excessive speculation in financial markets, a principal cause of the economic crisis.

This briefing paper will first explain why an FTT is urgently needed and then situate the current debate in its historical context. Next it will summarize the arguments in favour of an FTT and discuss some of the most common objections to the tax. Finally it will explore how political momentum in favour of an FTT is growing in spite of the reluctance of the Canadian government to lend its support.

Why an FTT is Urgently Needed

In order to cope with the global financial and economic crisis, governments around the world have spent trillions of dollars on bail-outs for financial institutions and economic stimulus measures. Private banks have reaped huge profits by borrowing substantial sums from central banks at near-zero interest rates and lending to customers at higher rates. At the same time, governments are facing mammoth revenue shortfalls, leading to cutbacks on expenditures, including on foreign aid budgets.

In Canada, spending on international assistance will peak at $5 billion in 2010 and then remain frozen at that nominal amount from 2011 through 2014. As a result, Canada's Official Development Assistance (ODA) is projected to fall from 0.33% of Gross National Income (GNI) to just 0.28% by 2014, putting Canada farther and farther away from the international goal of devoting 0.7% of GNI to ODA. The freeze on foreign aid amounts to a $4.4 million cut from planned spending over the next five years. Thus fully one-quarter of the expenditure restraint that Finance Minister Jim Flaherty says is needed to balance the budget will come at the expense of the poorest and most vulnerable people in developing countries – those who had nothing to do with causing the global crisis.

Meanwhile the need for foreign assistance is greater than ever. The crisis has driven nearly 50 million more people into extreme poverty and derailed progress towards meeting the United Nations Millennium Development Goals.[1] These eight goals, which all 192 UN member states agreed to achieve by 2015, include reducing by half the proportion of people living in extreme poverty, achieving universal primary education, improving maternal health, reducing child mortality and halting the spread of HIV/AIDS, malaria and other diseases.

In addition, the global community must take responsibility for finding ways either to reduce the severity of the effects of climate change on developing countries, or to assist them in adapting to its consequences. The peoples of the global North owe a huge ecological debt to those in the global South for the overuse of the earth's fossil fuel resources and carbon dioxide absorption capacity. Of course, that ecological debt is much broader than the "carbon debt" since it includes the exploitation of resources for hundreds of years and the assault on cultures and ways of life.

The Trade Union Advisory Committee to the OECD estimate the additional funding needed to meet global financial obligations at US$696 billion a year from 2012 to 2014.[2] The need for these resources results, in part, from the contradictory advice the International Monetary Fund has given to developed and to developing countries facing the global crisis. Whereas the IMF advised Northern countries to run up large deficits to stimulate demand, it counseled Southern countries to exercise fiscal restraint even when it meant falling farther behind in achieving their Millennium Development Goals.

Additional Resources Needed Annually over the Years 2012 to 2014	
To meet the Millennium Development Goals	US$ 168 billion
To finance climate change adaptation and mitigation in developing countries	US$ 156 billion
To meet budget deficits in developed countries resulting from the financial crisis	US$ 372 billion
Total	US$ 696 billion

A Financial Transactions Tax Could Raise Substantial Revenue

The Austrian Institute for Economic Research estimates that a global FTT could yield US$286 billion annually for a tax set at a rate of 0.01% and US$917 billion a year for a 0.1% tax rate. At a mid-range tax rate of 0.05%, an FTT would raise annual revenues of approximately US$650 billion – almost enough to cover the costs of the MDGs, the funds needed to help developing countries adapt to climate change *and* cover the budget deficits of developed countries.[3]

Prior to the September 2009 Pittsburgh Summit of the Group of Twenty (G20) industrialized and emerging market nations, then German Finance Minister Peer Steinbruck publish an op-ed in the *Financial Times* describing how financial market participants had gained "significant benefits from government bailouts … [but] are not pulling their weight" in accepting responsibility for finding solutions or paying for the costs of the crisis.[4]

He proposed an FTT applied across the G20 countries to ensure that all financial market participants contribute equally to the costs of government bailouts. He proposed a tax rate of 0.05% on all trades of financial products (including equities, bonds, derivatives and foreign exchange) which could yield up to US$690 billion a year or about 1.4% of world GDP.

A global FTT covering all kinds of financial assets – stocks, bonds, currency trades and derivatives – is the most ambitious application of an idea that has been around since the Great Depression.

Keynes Original Proposal

The famous British economist John Maynard Keynes first put forward the idea of a small tax on financial transactions in the 1930s. Keynes was preoccupied with the effects of short-term speculation on stock market price movements. In his *General Theory* of *Employment, Interest and Money*, Keynes famously wrote: "Speculators may do no harm as bubbles on a steady stream of enterprise. But the position is serious when enterprise becomes the bubble on a whirlpool of speculation."[5] Keynes proposed that a small tax should be placed on stock market transactions to encourage investors to consider long-term fundamentals rather than engage in speculation, which amounts to guessing at the short-term behaviour of other speculators.

In the 1970s, Professor James Tobin took up Keynes basic idea as a way of curbing excessive price fluctuations on international currency markets. In 1978 he proposed what became known as the Tobin Tax – a uniform tax on all international transactions in foreign exchange markets including spot sales and deliveries pursuant to futures contracts and options. In Tobin's words: "The proposal has two basic motivations. One is to increase the weight market participants give to long-range fundamentals relative to the immediate speculative opportunities. The second is to allow greater autonomy to national monetary policy."[6] Tobin's original proposal was for a tax at a rate of 0.5% with an estimated revenue potential of US$1.5 trillion a year.

It is worth noting that Tobin called his proposal "a realistic second-best option." In his opinion, an even better option would be to establish "a permanent single currency [to] escape all this turbulence."[7] But he judged that the possibility of establishing a world currency would not occur for many decades since it would have to be sustained by a centralized monetary authority, such as a world central bank. However in the wake of the global financial crisis, the idea of establishing a new global financial system with an international currency and a Global Reserve Bank is again under discussion.[8]

Since the original proposal by James Tobin, many academic experts and civil society groups have advocated modified versions of his ideas. Some have emphasized the goal of increasing financial stability while others have concentrated on generating new public revenues. Many civil society organizations advocated a minimal tax rate of 0.005% with the explicit aim of avoiding market distortions. Rodney Schmidt, an economist at the North-South Institute in Ottawa, has shown that this modest Currency Transactions Tax on all major foreign exchange trades would yield annual revenues of US$33 billion.[9]

Now, in the wake of the global crisis, advocates of transaction taxes are emphasizing three goals: revenue collection; speculation deterrence; and making private financial institutions bear more of the costs of the crisis they provoked.

Gradual Introduction of FTT Feasible

While Peer Steinbruck has put the goal of achieving a global FTT on all kinds of financial instruments squarely on the G20 agenda, it is important to realize that progress towards a universal tax can be achieved through a series of smaller steps. It is not necessary to have unanimous agreement on the feasibility of an international FTT before moving forward. It could be introduced gradually, beginning probably in Europe where support is strongest. The first stage might involve a levy on financial instruments within a few countries. Stephan Schulmeister of the Austrian Institute for Economic Research has suggested that initially Britain and Germany could implement a tax on a range of financial instruments since about 97% of all transactions on European Union exchanges occur in these two countries.[10]

Dean Baker and colleagues at the Center for Economic and Policy Research and the Political Economy Research Institute at the University of Massachusetts have proposed a variable tax with different rates for various financial instruments sold in the US.[11] Within the US alone their proposal would generate US$176.9 billion in annual revenues, even assuming a 50% drop in trading volumes.[12]

Université Paris Nord Professor Bruno Jetin has proposed an FTT covering only foreign exchange trading as James Tobin had suggested. This modest version of an FTT would still raise substantial sums: US$99 billion a year if applied across the European Union; US$158 billion if applied across Canada, the US and Mexico; and US$192 billion if applied globally.[13]

Of all the current proposals, that of Stephan Schulmeister for a global FTT has the widest coverage as it includes not only foreign exchange markets but also all kinds of derivatives that can be used to speculate on movements in interest rates, currencies, equities, commodity prices and Credit Default Swaps (financial instruments created to offset elevated risks of default on loan repayments). He points to the inherently speculative nature of derivative products that were supposedly introduced to allow investors to hedge against the volatility of the underlying assets but in fact became instruments of speculation.[14]

Arguments for an FTT

The Trade Union Advisory Committee to the Organization for Economic Cooperation and Development neatly summarizes the case for an FTT as follows: "The economic justification for an FTT starts with the acknowledgement of the harmful effects of short-term speculation producing strong and persistent deviations of asset prices from their theoretical equilibrium levels. Such 'overshooting' in prices lead to speculative bubbles over the long run. A measured and controlled increase in transaction costs implied by an FTT would slow down trading activities so as to align capital flows with economic fundamentals and the real economy, while freeing up new sources of financing for global public goods."[15]

IMF Objections to an FTT

Economists at the International Monetary Fund have been among the most vociferous opponents of an FTT. Their objections fall into three broad categories.

Negative impacts of a reduction in trading volume

The IMF's most serious reservation concerns the alleged negative impacts of a reduction in trading volume on price volatility and market liquidity and, by extension, on market efficiency.

Stephan Schulmeister replies to this concern by pointing to empirical evidence that asset markets are characterized by excessive liquidity. In fact, the volume of financial transactions in the global economy is 73.5 times higher than nominal GDP.[16] This excessive liquidity and consequent excessive price volatility leads to large and persistent deviations of stock prices, exchange rates and commodity prices from their fundamental equilibria.

In recent years, the growing importance of technical trading systems has also contributed significantly to the volatility of asset prices over the short run as well as over the long run. On a typical day, Infinium, a Toronto-based trading company, makes between 500,000 and one million trades based on computer algorithms that "gather and interpret market data, and buy or sell securities in response, in milliseconds (thousandths of a second) or even microseconds (millionths of a second)."[17] By some estimates such high frequency trading accounts for one-quarter of stock trades in Canada and 60% to 70% in the US.

Schulmeister describes how excessive speculation played a role in both the boom and bust phases of the current crisis. The financial collapse of 2008-2009 followed a triple boom in stock prices (2003-2007), house prices (1998-2005) and commodity prices (2007-2008) all of which were inflated by speculation. Between the spring of 2008 and spring 2009 all three markets fell dramatically. "The fall of stock prices and commodity prices has been strengthened by trend-following technical trading via taking huge short positions in the respective derivatives markets. Due to the extraordinary strength of these 'bear markets', hedge funds using these models (in many cases 'automated trading systems') reported higher returns than ever before."[18]

Impact on small investors

The IMF's second objection to an FTT concerns potential added costs for "middle-class" investors. Dean Baker replies that small investors trade their portfolios relatively infrequently. Their goal is to save for retirement or their children's education and not to make a fortune by constantly flipping their holdings. Schulmeister points out that, under his proposal, not all transactions between customers (households and enterprises) and financial institutions would be subject to the FTT. For example, if a private person gives an order to her broker to buy or sell stocks or a futures contract, only the transaction on the exchange would be taxed but not the payment between the customer and the broker.

Some argue that banks and brokerages would pass on the costs of an FTT to their customers by, for instance, raising their service fees. Even if that happened, the impact would not be onerous. A 0.05% tax on a $1,000 stock purchase would cost an investor only 50 cents. Such a small amount would not deter those making long-term investments but would dissuade those who intend to hold shares only for a short term before selling them to take advantage of price movements.

The ability of traders to pass on the full incidence of the tax would vary according to the financial instrument in question. Financial institutions trading on their own account rather than on behalf of customers would have to absorb all the tax. Hence they would be discouraged from making trades based on price differences that were smaller than the tax rate.

Tax avoidance

The IMF's third objection involves the possibility of tax avoidance through disguising transactions or using tax havens.

Rodney Schmidt's research demonstrates that levying taxes at the point where trades are cleared or settled, regardless of where the dealing rooms are located or the trade is made, effectively eliminates the possibility that the tax could be easily avoided. He explains that all large-value financial transactions go through three steps. First dealers agree to a trade; then the dealers' banks match the two sides of the trade through an electronic central clearing system; and finally, the two individual financial instruments are transferred simultaneously to a central settlement system. Thus a tax can be collected at the few places where all trades are ultimately cleared or settled.[19]

It is possible for a single country to apply a securities transaction tax unilaterally without significant capital flight to exchanges in other jurisdictions. There are many examples of such taxes already in existence. Britain levies a "Stamp Duty," a 0.5% tax on purchases of shares of UK companies whether the transaction occurs in the UK or overseas. Such specific financial transaction taxes exist in Austria, Greece, Luxembourg, Poland, Portugal, Spain, Switzerland, Hong Kong, China and Singapore. The state of New York levies a stamp duty on trades taking place on both the New York Stock Exchange and on NASDAQ.

The Political Debate

Since then German Finance Minister Peer Steinbruck first raised the prospect of a global FTT in September 2009, leaders from the majority of G7 countries have endorsed the idea. During the Copenhagen UN conference on climate change, French President Nicolas Sarkozy and British Prime Minister Gordon Brown endorsed an FTT as one way to fund climate change adaptation and mitigation measures in developing countries. German Chancellor Angela Merkel has repeated her support on more than one occasion. Japan's Vice Finance Minister Naoki Minezaki has endorsed an FTT.[20] Government officials in Australia and the former Governor of the Reserve Bank of India, both G20 countries, have endorsed an FTT.

Others in favour of an FTT are Lord Adair Turner, chairperson of Britain's Financial Services Authority and billionaire financiers George Soros and Warren Buffet. Members of the European Parliament have passed a motion in favour and the president of the European Commission, José Manuel Barroso, has called for an FTT, as have the governments of Belgium and Austria. Three hundred and fifty economists from dozens of countries have issued an open letter calling for an FTT.[21]

As a presidential candidate, Barack Obama expressed support for a tax on U.S. financial transactions. In a speech in La Crosse, Wisconsin, on October 1, 2008, he said: "I've proposed a Financial Stability Fee on the financial services industry so Wall Street foots the bill – not the American taxpayer. And as I modernize the financial system to create new rules of the road to prevent another crisis, we will continue this fee to build up a reserve so that if this happens again, it will be the money contributed by banks that's put at risk."[22]

Paul Volcker, US Federal Reserve Chair from 1979 to 1987, is an influential advisor to President Obama. Volcker told a House of Representatives Financial Services Committee that he is "very interested [in the idea of an FTT since] ... Maybe … a big tax on financial engineers [will deter them from making up] all these new … highly complex, opaque financial" instruments so rapidly.[23]

When the G20 finance ministers met on November 7, 2009, in Scotland, British Prime Minister Gordon Brown made headlines with a speech endorsing an FTT as a way of forcing private financial institutions to pay some of the costs of the global financial crisis. However, Canadian Finance Minister Jim Flaherty, US Treasury Secretary Timothy Geithner and IMF Managing Director Dominique Strauss-Khan rejected Brown's overture at that meeting.

Iqaluit Meeting of G7 Finance Ministers

When Jim Flaherty convened a meeting of G7 finance ministers in Iqaluit, Nunavut, on February 5-6, 2010, the British, French and German ministers all arrived with mandates to support an international Financial Transactions Tax.

A report from Iqaluit noted that US Treasury Secretary Timothy Geithner "had come around to the idea" of some kind of a global tax.[24] French Finance Minister Christine Lagarde announced: "We were all in agreement that it had to be a universal taxation or universal levy …"[25]

After Iqaluit the debate shifted from whether there should be a levy to what kind of a tax or fee should be implemented. Would it be a broad financial transactions tax? Or a requirement that finance companies pay into insurance funds? Or a tax on windfall profits earned in the wake of the financial crisis? Or some combination of these options?

IMF Interim Report

At their November 2009 Summit meeting in Pittsburgh G20 leaders were unwilling to endorse the German proposal for an FTT. Instead they asked the IMF "to prepare a report for our next meeting with regard to the range of options countries have adopted or are considering as to how the financial sector could make a fair and substantial contribution toward paying for any burdens associated with government interventions to repair the banking system."

When the IMF presented its interim report for the G20[26] in April of 2010 it laid out three options:

1. A Bank Levy – a tax on financial institutions' balance sheets (most probably on their liabilities or possibly on their assets) whose proceeds would most likely be used to create an insurance fund to bail them out in any future crisis rather than making taxpayers pay for bailouts.

2. A Financial Transactions Tax (FTT) – on a broad range of financial instruments including stocks, bonds, currencies and derivatives.

3. A Financial Activities Tax or "FAT" – on bank profits and bankers' excessive remuneration packages with the proceeds going into general government revenues.

Much of the IMF's report is devoted to the first option of a levy on all major financial institutions balance sheets. Initially it could be imposed at a flat rate and later it could be refined so that the institutions with the most risky portfolios would pay more than those who took on fewer risks. Such a levy could be modeled on President Obama's proposed Financial Crisis Responsibility Fee that would raise US$90 billion over 10 years from US banks with assets of more than US$50 billion. If Obama's proposal is approved by the US Congress, the proceeds would go into general government revenues. They would be used to pay the costs of the current crisis rather than go into an insurance fund in anticipation of the next one.

While the IMF does not endorse an FTT, it concedes that "The FTT should not be dismissed on grounds of administrative practicality." This is important because the Fund might have rejected it outright. However, the IMF interprets its mandate from the G20 quite narrowly and therefore does not endorse the FTT on the grounds that it "does not appear well suited to the specific purposes set out in the mandate from the G-20 leaders."[27] This narrow interpretation is regrettable since an FTT would in fact have many benefits, including a role in deterring excessive speculation, that go beyond raising revenues to pay for some of the costs resulting from the financial and economic crisis.

Of the options under consideration, an insurance scheme is the least constructive because it would apply only to future crises and might even encourage risky behaviour by bankers who believe they would be automatically bailed out if they ran into trouble again. Moreover, monies placed in an insurance pool would not be available for spending on global public goods. Furthermore, an insurance scheme would not prevent sudden swings in asset prices.

An excessive profits tax is a possible candidate due to its political appeal. Hard working people struggling to make ends meet instinctively know that high bank profits and executive bonuses are unrelated to the effort required to earn them. Indeed as Martin Wolf, economics editor for the *Financial Times*, explains banks are earning windfall profits due to the availability of virtually "free money provided by central bank[s]" to commercial banks at near zero interest rates for lending to their customers at higher rates. Wolf defends an excessive profits tax on the grounds that "it is reasonable to recoup not only the direct fiscal costs of saving banks but even some of the wider fiscal costs of the crisis… to make the pain ahead for society much more bearable."[28]

In the lead up to the Toronto Summit all three options remain in play. In fact, the three options are not mutually exclusive. Some combination could be implemented.

Germany and France Move Ahead

On March 30, 2010 Germany's new finance minister, Wolfgang Schauble, announced plans for a "measured bank levy" that would force German banks to pay between €1 billion and €1.2 billion a year into a fund to cover bail-outs in a future crisis.[29] French economy minister Christine Lagarde attended the German cabinet meeting that made the decision, calling it "a very useful contribution to the international debate" about financial regulation. Mr. Schauble said that he would "modify" his plan if international agreements demanded, implying that the debate on what kind of a tax or levy might finally be implemented is far from over. The German civil society alliance for an FTT criticized their government's decision as inadequate because the revenues would be too small and because it would only apply to future crises without doing anything to deter reckless speculation.

Lagarde said that France would introduce a similar levy with the revenues accruing to general government coffers rather than a special insurance fund. She also said that a bank levy and an FTT "are not necessarily mutually exclusive, but the one that is likely to progress fast is the levy on banks, rather than the financial transaction tax."[30]

Canada Most Vocal Opponent

As the Toronto G20 summit approaches, the most vocal opponent of any kind of tax is the Canadian government. In a speech to the World Economic Forum in Davos, Switzerland, in January 2010, Prime Minister Harper said that while he supports "strengthened financial sector regulation … Canada will not go down the path of excessive, arbitrary or punitive regulation of its financial sector."[31] Later it became clear that the Prime Minister intends to use his influence as host of the G20 "to kill the proposal" for an FTT in part because it runs counter to his government's advocacy of lower taxes.[32]

The Canadian government's opposition to any tax on financial transactions has caught European officials by surprise. As one European diplomat told *Embassy* newspaper: "We were definitely taken aback by this, especially in light of the good momentum we built in Iqaluit." [33]

On May 18th Prime Minister Harper took the extraordinary step of sending five cabinet ministers out to make speeches in Mumbai, Shanghai, Washington and Ottawa all in opposition to any kind of bank tax. However, events in Europe may well overtake Canadian opposition.

The financial crisis affecting Greece and other European countries has led to renewed support for an FTT. Speculation on European bond markets and against the Euro has added to turmoil on world markets. Chastised by opposition parties for her failure to include endorsement of an FTT in a package of measures for dealing with the European crisis, Chancellor Merkel has decided to throw the full weight of her government behind a renewed call for an FTT. Merkel has announced that she is determined to press for a decision at the June G20 summit.[34] Merkel has openly criticized Harper's intransigence saying that countries which were less affected by the crisis should not block efforts to make the finance industry pay for the costs of the crisis.

Merkel's Finance Minister, Wolfgang Schauble, told the *Financial Times* that if no decision is taken in Toronto then "we will work intensively to see if we cannot have a transaction tax at a European level."[35]

Conclusion

As this brief has demonstrated, the FTT is both technically feasible and economically desirable in terms of the massive revenue it would raise to address government deficits, support for the MDGs and climate change strategies. In the end, political leaders will determine its fate. Thankfully its proponents are growing in number and political strength. If the Harper government succeeds in blocking a decision at the G20 Summit in Toronto, it is widely anticipated that the issue will be on the table for the subsequent summit in Seoul in November 2010.

A tax on financial transactions is a measure of political fairness and social justice. A 0.05% global tax could raise approximately US$650 billion a year, enough revenue to put the Millennium Development Goals back on track, pay for developing countries' climate mitigation and adaptation costs and reimburse governments for the costs of bailing out financial institutions. An FTT would shift the burden of crisis resolution from the general public to the financial sector, from taxing wages and consumption to taxing financial speculation, making the tax system fairer.

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KAIROS: Canadian Ecumenical Justice Initiatives unites eleven churches and religious institutions in work for social justice in Canada and around the globe.

Endnotes

Much of the data and analysis used in this paper is derived from Trade Union Advisory Committee to the Organization for Economic Cooperation and Development. "The Parameters of a Financial Transaction Tax and the OECD Global Public Good Resource Gap, 2010-2020." Paris: TUAC Secretariat. February 15, 2010.

[1] http://www.un.org/millenniumgoals/bkgd.shtml

[2] "The Parameters of a Financial Transaction Tax and the OECD Global Public Good Resource Gap, 2010-2020." Paris: TUAC Secretariat. February 15, 2010. Table 2 Page 6 and Table 3 Page 7.

[3] See Schulmeister, Stephan. *A General Financial Transaction Tax: A Short Cut of the Pros, the Cons and a Proposal*. Vienna: WIFO Institute. 2009. http://www.wifo.ac.at/wwa/servlet/wwa.upload.DownloadServlet/bdoc/WP_2009_344$.PDF These revenue estimates assume there would be a 65% decline in the volume of financial transactions. While the Schulmeister study gives revenue estimates in terms of a percentage of GDP, the US dollar figures cited here are derived from tables in Trade Union Advisory Committee to the Organization for Economic Cooperation and Development. "The Parameters of a Financial Transaction Tax and the OECD Global Public Good Resource Gap, 2010-2020." Paris: TUAC Secretariat. February 15, 2010.

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[6] Tobin, James. "A tax on international currency transactions." *Human Development Report 1994*. New York: United Nations Development Program. 1994. Page 70.

[7] Ibid.

[8] See "Financial Crisis an Opportunity for a New Global Order" KAIROS *Policy Briefing Paper* No. 19. November 2009. http://www.kairoscanada.org/fileadmin/fe/files/PDF/Publications/PBP19-NewFinancialOrder.pdf

[9] Schmidt, Rodney. *The Currency Transaction Tax: Rate and Revenue Estimates.* New York: United Nations University Press. 2008. Page 14.

[10] Schulmeister. Op. cit. Pages 15-16.

[11] The rationale for imposing different rates on various kinds of transactions is to take into account the differences in transaction costs across markets. They propose a tax rate of 0.01% for currency transactions, swaps and bond trading while a higher rate of 0.5% would apply to derivatives and equity trades. See Poulin, Robert; Baker, Dean and Schaberg, Marc. "Securities Transaction Taxes for U.S. Financial markets." Amherst: Political Economy Research Institute University of Massachusetts Amherst. 2002.

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[14] Ibid. Page 12.

[15] Trade Union Advisory Committee to the Organization for Economic Cooperation and Development. "The Parameters of a Financial Transaction Tax and the OECD Global Public Good Resource Gap, 2010-2020." Paris: TUAC Secretariat. February 15, 2010. Page 2.

[16] Schulmeister. Op. cit. Page 5.

[17] Daly, John. "There's Millions in those Milliseconds." *The Globe and Mail's Report on Business* magazine. February 2010. Page 36.

[18] Schulmeister. Op. cit. Page 11.

[19] Schmidt, Rodney. "Notes on the Feasibility and Impact of a General Financial Transactions Tax." Ottawa: North-South Institute. January, 2010.

[20] Fujioka, Toru. "Japan Should Impose Taxes on Financial Trading." Bloomberg news service. February 17, 2010.

[21] For the text of the letter and a list of signatories see http://robinhoodtax.org.uk/in-the-news/350-economists-call-for-a-financial-transaction-tax/

[22] http://speeches.demconwatchblog.com/2008/10/barack-obamas-speech-in-la-crosse-wi.html

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