

ISSUES THAT MATTER FOR 2008 Adopt a Securities Speculation Tax

Nader/Gonzalez favor a securities speculation tax.

Securities speculation -- buying and selling blocks of derivatives to profit from rapid fluctuations in price -- is one cause of the escalation in oil prices at the pump, the mortgage industry meltdown, and the dot.com bust.

A securities speculation tax would reduce speculation in the markets and increase stability.

Noble Prize winning economist James Tobin proposed a similar tax on currency transactions (The Tobin Tax).

As economist Dean Baker points out, the securities speculation tax would make the tax code more fair since most financial speculation is conducted either directly or indirectly by wealthy people.

"Just as poor and moderate income people pay taxes when they gamble at a casino or buy a state lottery ticket, a financial transactions tax would simply be applying a comparable tax to gambling in financial markets," Baker observed.

Nader/Gonzalez would apply the significant revenues raised by the securities speculation tax to the pressing needs of the American people, including lower income taxes on workers.

References:

- [The Feasibility of a Unilateral Speculation Tax in the United States by Dean Baker, on the Web, visit: <http://www.globalpolicy.org/socecon/glotax/currtax/baker1.htm>](http://www.globalpolicy.org/socecon/glotax/currtax/baker1.htm)

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