

The seeds that brought about the collapse of the financial markets in 2008 were planted almost 30 years ago when the Carter Administration deregulated the airline industry. It began innocently enough, but over the last quarter century Democrats and Republicans alike pushed for the systematic dismantling of financial regulatory structures and allowed corporations to consolidate into “too big to fail” behemoths.

In 1999 Congressman DeFazio opposed the repeal of the Glass-Steagall Act that kept Wall Street investment companies from intermingling with commercial banking institutions. That repeal enabled Wall Street to gamble with customers’/shareholders’ money in high risk investments.

In 2008, when Wall Street executives came asking for a bailout, Congressman DeFazio was one of the first Members of Congress to stand up and say no. He voted against the \$700 billion taxpayer funded Wall Street bailout all three times that it came up in the House of Representatives. As an alternative he introduced legislation that said “never again,” and forced Wall Street to pay for its own bailout. Congressman DeFazio firmly believes that if Wall Street wants to set its own rules and engage in risky gambling, it should live or die by those rules rather than running to Congress, bonuses in one hand and the other stretched out for a taxpayer bailout.

Over the past two decades Wall Street lobbied for, and won, drastic deregulation of the financial sector. This lauded “free market,” however, only served to foster a grotesque lack of restraint and foresight among financial executives. Congressman DeFazio has always been a staunch opponent of such deregulation, and consistently voted against it during his time in Congress.

With the support of Congressman DeFazio, Congress passed The Wall Street Reform and Consumer Protection Act. The bill takes meaningful steps toward addressing many of the problems that created our current financial crisis. However, Congressman DeFazio had advocated for stronger protections for working class families from Wall Street greed and stricter safeguards against any future taxpayer funding of bailouts.

In 2011, Congressman DeFazio proposed a minuscule Wall Street speculator’s tax that targets hedge funds that flip stocks 1000 times a minute to manipulate the market for profit. His bill

would curb unnecessary speculation and generate \$350 billion to help our cash-strapped federal government pay down debt and invest in the real economy to benefit all Americans.

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### **DeFazio-Harkin Wall Street Speculator's Tax**

In recent years rampant speculation and high speed trading have come to dominate Wall Street. Focusing on very short-term gains, rather than long-term stability, this kind of trading has severely threatened our economic stability. A minimal tax on financial transactions would steer

Wall Street back toward its traditional role of making long term investments and loans to American businesses. A similar tax existed from 1914 to 1966 and was doubled during the Great Depression.

By setting the tax rate very low, the measure is not likely to impact the decision to engage in productive economic activity. It would, however, reduce certain speculative activities like high-speed computer arbitrage trading. A transaction tax could help to shift Wall Street away from short-term trading. Given the very high volume of financial trading, it will raise considerable funds, badly needed for government services and for reducing deficits.

The proposed tax would take effect on January 1, 2013.

The European Union is considering a similar proposal, but with a tax rate that is more than three times higher. Today, 30 foreign nations have in place a similar tax, including Great Britain and Switzerland.

Various experts support a speculator tax, including Dean Baker, Co-Director of the Center for Economic and Policy Research, John Fullerton, former Managing Director of JPMorgan, Capital Institute, Lisa Donner, Executive Director, Americans for Financial Reform, and Warren Buffett.

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**Financial Transaction Tax News Clips**

[High Speed Trading Alive and Well on Wall Street](#) *MSN Money Partner* by Sarah Anderson

[Official: EU to move forward on Transaction Tax](#) *The Hill Newspaper* by Bernie Becker

[Gambling Millions in Milliseconds: The Glocal Economic Risk of Automatic Trading](#) *Huffington Post*  
by Robbie Gennet

[To Reclaim the Envy of The World, Wall Street Must Pay](#) *Wall Street Journal Opinion Editorial*  
by David Weidner

[Obama, Sarkozy and Taxing Wall Street](#) *Huffington Post Column* by Jeff Cohen

['Micro' Tax on Financial Trades Gains Advocates](#) *New York Times* by Steven Greenhouse and Graham Bowley

[Peter DeFazio proposes transaction tax to blunt Wall Street abuses](#) *The Oregonian* by Charlie Pope

[DeFazio's Transaction Tax: Proposal would raise more than \\$350 billion](#) *Eugene Register-Guard Editorial*

[Tax Idea is Worth a Shot](#) *Albany Democrat-Herald Editorial*

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## DeFazio Press Releases on Wall Street Reform

[November 9, 2011 Lawmakers Write Deficit Reduction Committee on Revenue Benefits of Wall Street Tax](#)

[November 9, 2011 MEMO: Joint Tax Committee Finds Harkin, DeFazio Wall Street Trading and Speculators Tax Generates More Than \\$350 Billion](#)

[November 3, 2011 Lawmakers Introduce Targeted Wall Street Trading Tax](#)

[July 22, 2011 House Passes DeFazio Amendment to Rein In Wall Street Influence on Financial Regulation](#)

[January 27, 2011 DEFAZIO CALLS FOR STRONGER FINANCIAL REFORMS](#)

[June 30, 2010 DEFAZIO VOTES TO REIN IN WALL STREET, END TAXPAYER BAILOUTS, PROTECT CONSUMERS](#)

[June 15, 2010 DEFAZIO URGES PROTECTIONS TO PREVENT ADDITIONAL TAXPAYER](#)

[BAILOUTS OF FANNIE MAE AND FREDDIE MAC](#)

[April 26, 2010 60 Members Sign DeFazio/Cummings Request For Goldman Sachs Investigation](#)

[April 16, 2010 DeFazio, Cummings Invite Colleagues To Join Goldman Sachs Investigation Request](#)

[December 3, 2009 DEFAZIO INTRODUCES LEGISLATION INVOKING WALL STREET 'TRANSACTION TAX'](#)

[June 27, 2009 DeFazio Votes Against Wall Street Speculation in Climate Change Legislation](#)

[March 19, 2009 DeFazio Votes to Reclaim Tax Dollars From Greedy AIG Executives](#)

[10.03.08 DEFAZIO FIGHTS FOR TAXPAYERS, OPPOSES WALL STREET BAILOUT BILL](#)

[10.02.08 DEFAZIO OPPOSES SENATE BAILOUT BILL](#)

[09.29.08 The Executive Compensation Limits have Major Loopholes: They are no Band-Aid for a Bailout](#)

[09.29.08 A Dozen Reasons to Vote No on the Bailout](#)

[09.28.09 OPPOSE THE BUSH/PAULSON BAILOUT](#)

[09.23.08 DeFazio Defends Main Street From Wall Street](#)

[09.19.08 DeFazio Wary of Administrations Economic Bail Out Proposal](#)

[09.19.08 Defazio Audio Statement on the American Economy](#)

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