Re: Support for a financial speculation tax

Dear President Obama,

We, the undersigned faith, labor, environmental, health, education and development organizations, write to urge you to join with French President Nicholas Sarkozy and a growing number of other world leaders and members of Congress in support of a miniscule tax on speculative financial transactions. The benefits are two-fold: discouraging destabilizing speculation while raising billions in revenue for critical needs at home and around the world.

We call on you to support the Investing in Our Future Act of 2011, which would generate new funds to help cut the U.S. deficit and secure financing for life-saving health, climate resiliency, and low-carbon development programs in impoverished countries. This would be accomplished through a 0.005% levy on foreign currency exchange transactions by large-scale investors, such as investment banks and money center banks, in the U.S.

We ask that you promote this proposal both in the U.S. Congress and in the G8 and G20 meetings this year. The United States should join the call for what President Sarkozy described recently as a “moral and ethical tax.”

While big banks report massive earnings and pay their executives exorbitant bonuses, the foreign exchange market remains largely untaxed and the U.S. deficit continues to grow. The Investing in Our Future Act would tap lightly into Wall Street’s overflowing profits, but would have little impact on middle class investors. Rather than cut social-safety net programs and increase the burden on working families, a speculation tax simply requires Wall Street bankers and speculators to pay their fair share.

At the same time, a speculation tax can play an important part in helping the U.S. keep its global promises. Smart investments in global health can save millions of lives and lift entire communities out of poverty. U.S. scientists are leading the way toward defeating HIV/AIDS, tuberculosis and malaria. Yet addressing these—along with growing the global health workforce; improving maternal, reproductive and child health; and combating neglected diseases—will require increased investment.

Similarly, a tax on financial speculation can help the U.S. keep its promise to provide funding to help build resiliency to climate change and aid the necessary transition to clean energy economies in developing countries. Meeting our financial commitments is essential to reduce global poverty, ensure human security and demonstrate our country’s leadership.

Predictable, sustainable financing is needed to address deficit, climate and global health needs. The Investing in Our Future Act creates such a source by establishing a tiny levy that would generate billions while curbing risky speculation. We urge you to support this initiative at home, and champion a financial speculation tax at the G8/G20.

Signed,

350.org
ActionAid USA
Africa Action
AIDS Policy Project
AIDS Treatment News
Border Agricultural Workers Project
Center for Food Safety
Center for Health and Gender Equity (CHANGE)
Center of Concern
Chesapeake Climate Action Network
EcoEquity, USA
Faith and Money Network, Inc
Family Care International
Food & Water Watch
Franciscan Action Network
Friends Committee on National Legislation
Global AIDS Alliance
Global Alliance for Incinerator Alternatives
Grassroots International
Health Alliance International
Health GAP
Holy Cross International Justice Office
Human Nature
Institute for Policy Studies, Sustainable Energy & Economy Network and Global Economy Projects
International Forum on Globalization
Labor Network for Sustainability
Leadership Conference of Women Religious
Maryknoll Office for Global Concerns
Medical Mission Sisters Alliance for Justice
Partners In Health
Pax Christi USA
Sister of Mercy of the Americas - Institute Justice Team
Sisters of Mercy - Mid-Atlantic Justice Office
Sisters of the Holy Cross - Congregation Justice Committee
Tax Justice Network USA
The Affording Hope Project
Treatment Action Group
United Methodist Church, General Board of Church and Society
World Wildlife Fund

CC: Timothy Geithner, Secretary, Department of Treasury
     Gene Sperling, Director, National Economic Council
     Lael Brainard, Under Secretary of International Affairs, Department of Treasury
     Nancy Sutley, Chair, White House Council on Environmental Quality
     Todd Stern, Special Envoy for Climate Change
     Jonathan Pershing, Deputy Special Envoy for Climate Change
     Michael Froman, Deputy Assistant to the President and Deputy National Security Adviser for International Economic Affairs, Sherpa to the G20