

# Make Wall Street finance bailout through user fees

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Here is a radical thought: Let Wall Street, not taxpayers, fund the \$700 billion bailout.

Taxpayers don't have the cash. We would have to borrow it, saddling our grandchildren's grandchildren with debt payments that would further erode spending options for generations.

Some bailout supporters promise that taxpayers would eventually recoup much of this \$700 billion, but there is no guarantee.

Meanwhile, the federal deficit would balloon, weakening the U.S. dollar, increasing inflation, and devaluing the few dollars the taxpayers get to keep.

Instead, why not impose a minimal transaction fee on every Wall Street transaction?

Great Britain has such a fee — a quarter of a point on each stock transaction. On a \$1,000 stock trade, that amounts to \$2.50.

By some estimates, such a fee would generate more than \$100 billion annually. Such a fee — a user fee, not a tax — could easily finance the bailout.

Critics suggest that a transaction fee would put a damper on the markets by driving up the cost of trading.

But such a fee would place the cost of the bailout squarely where it belongs, on the back of those who created the problem.

The average investor would hardly notice. In fact, speculators and institutional investors who execute thousands of trades each day would fund most of it. As the principal beneficiaries of the system we seek to shore up, why shouldn't they be called upon to fund the restoration program?

To protect smaller investors, Congress could even exempt any stock transaction in an IRA or 401k.

Congress could also stipulate that the fee expires after the bailout is fully financed.

And if the bailout has the potential upside of paying dividends to the taxpayer down the road, those dividends could be dedicated to pay down the national debt.

If the bailout pays no dividends, Wall Street, not Main Street, should be footing the bill.

With all the recent finger pointing, there seems to be little the politicians can agree about.

But we, the people, ought to be able to agree on this much: Our children and grandchildren should not be burdened with the failures of our generation. Our legacy should not be their burden.

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