

August 7, 1987

The Honorable Mickey Edwards,  
U.S. House of Representatives  
Washington, DC 20515

Representative Edwards,

As I'm sure you know, Congress is once again looking at investors in its never-ending quest for money to reduce budget deficits. You'll recall that, just last year, the preferential tax rate for capital gains, the \$100 dividend exclusion and most deductions for Individual Retirement Account contributions were ended.

Now Congress is considering a tax on securities transactions--a tax when you buy, and again when you sell. I understand this tax would apply to all securities transactions including pension funds, mutual funds, and bonds of federal, state and local governments.

As currently proposed, the tax would have an impact on every investor--large and small. But it won't reduce the cost of capital for companies or governments; nor will it promote economic growth, create jobs, or encourage savings and investments. Neither will it make America more competitive internationally.

I consider this proposed levy counterproductive, ill-conceived and grossly unfair.

Please represent my views on this issue to your congressional peers. The average middle-class American is tired of bearing ever-increasing tax burdens to pay for expenditures he/she didn't create.

Very Sincerely Yours,

Lynn Hodson