MAXINE G. CROLEY
VICE PRESIDENT & RESIDENT MANAGER
SALES DIVISION
918-336-3100

SEP 10 1987

SMITH BARNEY

September 4, 1987

The Honorable Mickey Edwards
2434 Rayburn Office Building
Washington, D.C. 20515

Dear Representative Edwards:

A Securities Transaction Excise Tax would jeopardize the position of the U.S. as the world financial center. Both domestic and foreign investors would turn to those markets which offer the lowest transaction costs.

The STET falls on Americans of modest means, not just the wealthy. Based on the New York Stock Exchange's profile of the average investor, more than 47 million Americans own stock directly. In addition, millions of Americans have retirement and pension plans invested in securities. Previously tax-exempt managers of these funds would pay tax on their securities transactions. The burden of the STET extends to all these savers -- directly or indirectly.

Among ten major foreign countries, Belgium, Italy, Japan and the Netherlands do not tax capital gains, and West Germany does not tax long-term gains.

We strongly urge you to be aware that we feel the Securities Transaction Excise Tax would be very detrimental to our local stockholders. Please consider this when the tax comes to the attention of your legislative body.

Sincerely,

Maxine G. Croley

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DOC# 43222
AIDE 99061 REC# CW
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SMITH BARNEY.
HARRIS UPHAM & CO. INC.
FIRST COURT PLACE, SUITE 301
501 SE FRANK PHILLIPS BLVD.
BARTLESVILLE, OK 74003