

NEWSLETTER FROM THE PARLIAMENTARIAN WORLD APPEAL FOR THE TOBIN TAX *Washington Call*

<http://tobintaxcall.free.fr>

Please find attached a special issue of the newsletter from the parliamentarian world appeal for the Tobin tax, published in the framework of the World Social Forum. This issue gives us the possibility of making a "state of the art" of the Tobin tax campaign within parliaments at a world-wide level. It will be distributed during the World Parliamentary Forum at which will gather some 600 politicians from five continents, and taking place alongside the World Social Forum. We hope that this special issue will contribute enlarging the audience of the worldwide appeal and that the appeal will receive new signatories.

Yours sincerely,

Harlem Désir, Glyn Ford and Carlos Carnero Gonzalez

"Capital Tax, Fiscal Systems and Globalisation" Intergroup of the European Parliament

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USEFUL INFORMATION

To become a signatory to the World Parliamentarians Appeal for the Tobin Tax, or to help sign up other Parliamentarians, please send an email to tobintaxcall@free.fr.

For other information on the Appeal, Parliamentary initiatives, or reference documents, please email:

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Editorial

Since the first World Parliamentarian Forum at Porto Alegre in January 2001, several hundred parliamentarians have joined the World Parliamentarians Appeal for the Tobin Tax. The group was launched in April 2000 in response to the IMF and World Bank meetings in Washington with the support of many NGOs including Attac, War on Want (UK), Solidar (EU), the Tobin Tax Initiative (USA) and the Halifax Initiative (Canada). It currently assembles 858 Parliamentarians of the five

continents from Australia to Argentina, from Cameroon to the United States, from the European Union to Mexico, where 85 Parliamentarians recently became signatories.

In the aftermath of the attacks of September 11th, one could have hoped that a consciousness raising would take place. That the idea of cooperation between nations couldn't be limited to tracking terrorist groups and must be applied with the same energy to fight the enormous inequalities that ravage our planet. That everyone would understand the urgency of building a just and safe world for all people. One could have hoped that it would result in a sort of Marshall Plan for Reconstruction, not only for Afghanistan, but also for the three-fifths of the human planet left behind by globalization. A comprehensive plan of world rebalance to leave this insane system where the dizzying concentration of power and wealth is accompanied on the one hand by a limitless poverty and on the other hand by renewed ethnic conflicts and regressive fundamentalisms. A system where the debt and policy of what is called "adjustments" only further weakens fragile states and nations, giving them over to confrontations between clans for control of riches beneath the ground, minerals, diamonds, and oil.

But it is the return of "business as usual" that appears to prevail. The IMF helped ruin Argentina. In just a few weeks, this March, the United Nations conference on Financing Developing will take place in Monterrey, Mexico. The rich countries will be going with their hands empty. And their mouths full of promises to bring their development budgets up to 0.7% of their GDP, which no one will believe because they already committed to do so several years ago and with rare exception, they have since further distanced themselves from this goal. But the Zedillo report (in the name of the former President of Mexico) estimates the resources necessary to enable developing countries to eradicate the most extreme forms of poverty to be 50 billion dollars per year or a doubling of the current aid from developed countries. An amount corresponding to the lowest estimates of what would be raised by a minimal Tobin-type Tax on international transactions taking place in the currency markets.

Never have we created so much wealth, never has humanity had at its disposal so much scientific, technical or medical resources. Yet in the least developed countries (LDC), 600 million inhabitants in total, one out of every 6 children will not live beyond the age of 5. It is about the clean drinking water that 1.3 billion persons are deprived, medicine for those ill with AIDS, access to energy, food, education, it isn't the means that lack. It is the political will.

That is why Porto Alegre is so important. It is why the support is growing among legislators around the world for a first world tax that could make a difference. It is also the responsibility of all those who don't accept that the future is reducible to an opposition between liberal globalization and fanatic fundamentalisms that have given an opening to the tremendous world social movement that has expressed itself since Seattle. A movement of civic awakening that has placed internationalism at the center of debates and that fights financial globalization, not in the name of a nationalist or religious withdrawal, but in the name of another globalization.

The world cannot orient itself around only one principle of competition. The future can not only come down to a competition that will be led by those who would give away the most of their social systems, natural resources, and cultural diversity to best attract capital. To this destructive globalization, we must fight for a principle of world cohesion. No globalization without redistribution, a globalization of solidarity, globalization of rights, that is the purpose of the Tobin Tax. It could be the first source of future world cohesion funds allocated to the major priority programs to reduce the gaps in development. To guarantee everywhere on the planet the right to water, education, health care, clean energy, a right to a decent future for each of us. Because this would not only be just, it is in the interest of everyone, because it is the world we want to build together.

Harlem Désir

Member of European Parliament

At the occasion of the Second World Parliamentarian Forum during the World Social Forum at Porto Alegre, a brief summary (non-exhaustive) of the Parliamentarian initiatives in favor of the Tobin Tax:

Argentina

Mars 2001: In a country already on the edge of an abyss of debt, at the initiative of ATTAC Argentina and the Mario Rapoport, 15 Argentinean Deputies of different political parties submit a bill requiring the institution of a Tobin Tax. At this time, 36 Argentinean Deputies signed the World Parliamentarians Appeal for the Tobin Tax.

Please refer to the text of this bill on the site of the Appeal <http://tobintaxcall.free.fr>

Belgium

November 9, 2000 and December 7, 2000: The House of Representatives and the Senate of Belgium each adopting a resolution requiring the Belgian Government to take advantage of the opportunity presented by the presidency of the European Union (in the second semester of 2001) to explore the methods of executing a tax on international capital flows to prevent destabilizing speculative movements. The receipts of this tax could be allocated primarily to the development of poor countries. These resolutions will oblige the Belgian Government, despite the reticence of the Minister of Finance, to put the question on the agenda of the Council of Finance Ministers of the European Union in September 2001. (See European Union)

December 17, 2001: Senator Jean Cornil and Deputy Karine Lalieux submit a bill to institute a tax on the international movements of capital ranging from 0.01% to 0.1%. This tax would become effective when a majority of Euro-zone member States will have adopted similar measures.

Brazil

Since 2000: In the Federal Parliament of Brazil, a "Parliamentarian Front for the Tobin Tax" assembles a hundred Deputies and Senators lead notably by Aloizio Mercadentes.

January 2001: In Porto Alegre, the final Declaration of the First World Parliamentarian Forum brings its support to the international campaigns in favor of a Tobin Tax.

Canada

March 1999: The Canadian Parliament adopts by a large majority a resolution requiring the Government to institute a tax on financial transactions in concert with the international community.

Spain

March 14, 2001: A bill on international cooperation with the goal of promoting financial stability and economic development requiring the institution of a Tobin-type Tax is submitted by Deputy Juan Manuel Eguiagaray.

March 2001: In the Parliament of Catalan, the Socialist Group "Ciutadens pel Canvi" presents a proposal on the Tobin Tax.

September 13, 2001: The Parliament of Andalusia declares its support for a Tobin Tax.

United States

April 11, 2000: A resolution is submitted to the US Congress by Representative Peter DeFazio and Senator Paul Wellstone in response to the IMF and World Bank meetings. It is also at this time that the World Parliamentarians Appeal was launched.

Finland

June 28, 2000: The Minister of Foreign Affairs Erkki Tuomioja affirms, during the meetings of the inter-Parliamentarians for the Tobin Tax taking place in the European Parliament, the support of the Finnish Government in favor of the tax.

France

November 19, 2001: The National Assembly adopts, with the support of the Government, an amendment to the 2002 Finance Law that institutes a tax on transactions on the currency markets at a rate of between 0.01% and .1% that will be enforced when similar laws are adopted by other countries in the European Union. The National Assembly estimates that at a rate of .1% (the hypothetical maximum), taking into account the volume of monetary transactions on the Paris Exchange, the result would be 50 million Euros per day, or **12.5 billion Euros per year** if the volume of transactions remained unchanged. Even if the tax rate were only 0.01%, the result would still be **1.25 billion Euros per year**, despite the anticipated exemptions (transactions under 75,000 Euros, exports or imports of goods and services, etc.). This would only be for the Paris Exchange where approximately 4% of the world's currency exchange transactions take place according to the Bank of International Settlements.

India

March 2001: The Indian Prime Minister Atal Behari Vajpayee proposes the taxation of capital flows at the international level.

ACP/EU Assembly

October 2000: Meeting in Brussels, the Parliamentarian Assembly Joint Commission ACP-EU that brings together Parliamentarians of 77 countries from Africa, the Caribbean, and the Pacific, as well as the European Parliament, take a position supporting the institution of a Tobin-type Tax to finance development programs.

Mexico

November 8, 2001: A resolution for the institution of a Tobin-type Tax is submitted to the House of Deputies by Rafael Hernandez Estrada. 85 Deputies of five political parties join the World Parliamentarians Appeal.

Norway

June 2001: The President of Norwegian Parliament, Kristi Kolle Grøndahl, signs the World Parliamentarians Appeal along with many other Deputies.

United Kingdom

April 25, 2001: Harry Barnes, Labour MP to the House of Commons, submits with the support of the NGO War on Want a motion on the Tobin Tax signed by 131 MPs across the political spectrum. Clare Short, Minister of Development, is the first member of the Government to add her support.

Sweden

April 2001: The Swedish Vice Prime Minister, Lena Hjelm-Wallen, announces support for the Tobin Tax at the meeting to launch Attac Sweden. The Swedish Deputies become, in proportion to the number in their Chamber, the greatest number of signatories to the World Parliamentarians Appeal.

European Union

January 2001 European Parliament in Strasbourg: At the initiative of the inter-group "Capital Tax, Fiscal Systems and Globalization" the first debate takes place in the plenary session of the European Union Parliament on the Tobin Tax. A proposed resolution requiring the European Commission to submit a report on the feasibility of the tax, to solicit the input of the IMF on the matter, and to explore the sanctions to take against States that encourage tax havens, is rejected by 6 votes. Nonetheless, it received the support of more than 220 European Deputies.

June 28, 2000 in Brussels: The first inter-Parliamentary meetings on the Tobin Tax bring together at the European Parliament national and European Deputies of Europe and Canada, the Finnish Minister of International Affairs and NGOs from Europe, the US, Canada, and Tunisia.

June 27, 2001 in Brussels: The Minister of the Economy and Scientific Research of the Belgian Government who is preparing for the presidency of the European Union, Charles Picqué, adds his support for the Tobin Tax at the meeting of economists on the Tobin Tax organized by the European Parliament Inter-group "Capital Tax." The economists Paul Bernd Spahn, Bruno Jetin and Anthony Clunies-Ross present different variations of the tax to the European Deputies.

September 2001 in Liège: The Tobin Tax is added for the first time to the agenda of ECOFIN, the Council of Finance Ministers of the European Union. The European Commission is called to submit a report before the end of February 2002, notably on "*the advantages and disadvantages of the creation of a tax on financial transactions, including the Tobin Tax, as well as alternative propositions pursuing the same goal*", "*the technical feasibility of the various alternative international means to finance development*" and "*the way to improve the effectiveness of the European budget devoted to aid development, such as the commitment to respect the objective of 0.7% of GNP.*"

Uruguay

May 2001: Presentation of a bill by Senator José Korzeniak, in collaboration with ATTAC Uruguay, requiring that the State of Uruguay propose the application of a tax on speculative financial transactions of between 0.1% and 1%.