

# NEWSLETTER FROM THE PARLIAMENTARIAN WORLD

## APPEAL FOR THE TOBIN TAX

### *Washington Call*

<http://tobintaxcall.free.fr>

Welcome to the October 2002 Newsletter from "World Parliamentarians for the 'Tobin Tax'". If you would like to have this newsletter sent to other Parliamentarians, NGOs or other people, or to obtain further information, you can contact us by e-mail: [tobintaxcall@free.fr](mailto:tobintaxcall@free.fr)

Yours sincerely,

**Harlem Désir, Glyn Ford and Carlos Carnero Gonzalez**

*"Capital Tax, Fiscal Systems and Globalisation" Intergroup*

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### **1 – The 'Tobin Tax' in the work programme of the new German government**

The **work programme** of the new German government, a coalition of Social Democrats and Greens led by Chancellor Gerhard Schröder, mentions the Tobin Tax as an **instrument to generate money for developing purposes**. The chapter on globalisation also insists on the need for the European Union, the OECD and the G8 to generate more political pressure on tax havens.

This is a success for the **Minister for Development and Cooperation**, who had supported the conclusions of the report submitted by Professor Spahn in March 2002 that favoured a Tobin type tax at the European Union level. Despite opposition from the Ministry for Finance and the Ministry for Economy, she is allowed to continue to examine the issue.

#### Extracts from the chapter on globalisation of the government's work programme:

*"Moreover, the functioning of the financial markets must be strengthened and the volatility of prices and capital flows should be reduced. (...) The German government together with the EU, the OECD and the G7/8 will generate more political pressure towards Offshore Centers, in order to improve tax justice and to fight money laundering, financing of criminality and terrorism. (...)the Federal Government will examine the feasibility of instruments for financing*

*development (such as the Tobin Tax and user fees)."*

*Sources : Peter Waldow - WEED (World Economy, Ecology & Development) NGO based in Bonn  
e.mail : <peter.waldow@weedbonn.org>*

### **3. European Parliament : oral question tabled by 89 MEPs**

Following French President **Jacques Chirac's** speech at the **World Summit in Johannesburg** on the idea of "a solidarity levy on wealth generated by globalisation", **89 members of the European Parliament (MEPs) from five different political groups** tabled a question to the Council in order to have a **debate in the plenary session of the European Parliament**. Will Jacques Chirac's declarations be turned into **concrete initiatives** at the European Union level? Will they remain words without future? The MEPs ask the Council – a body of representatives of the 15 Member States - if it intends to examine **how such a "Chirac Tax" could be applied** and to evaluate how such a levy could be implemented as well as the amount of money it could raise. They also suggest that the position of the Member States should be coordinated in order to be able to promote such proposals together at a future meeting of the **International Monetary Fund**. Finally the MEPs ask the Council to examine how the opening of the first global foreign exchange settlement bank, the Continuous Linked Settlement (CLS), could facilitate such a levy.

The decision to table this question was taken following a debate with **Professor Spahn** on 25 September 2002, organised by the "Capital Tax, Fiscal Systems and Globalisation" Intergroup and the NGOs **War on Want (UK), SOLIDAR (EU)** and with the participation of **ATTAC France, 11.11.11 (Belgium) and the Tobin Tax Network (UK)**. Professor Paul Bernd Spahn, from Frankfurt University, presented the conclusions of his report to the German government on the feasibility of a currency transaction tax at European Union level.

### **3 – The Tobin Tax on the agenda of the European Social Forum**

The first European Social Forum that follows the World Social Forums of Porto Alegre will take place in **Florence (Italy) from the 7th to the 10th November 2002**. There will be many workshops and seminars concerning the Tobin Tax:

- **A seminar about "Global Taxes and the Tobin Tax"** and the campaigns led by different NGOs from different countries will be organised at the initiative of ATTAC France and Italy, War on Want (UK), and 11.11.11 (Belgium) during the **afternoon session on Thursday 7th November**.
- Another **workshop**, organised by ATTAC France, ATTAC Italy, ATTAC Finland, and the Finnish NGO NIGD will be dedicated to a proposal for a **treaty at European level introducing the Tobin Tax** into the European Union on **Thursday 7th and Friday 8th November from 5.30pm to 7.30pm**. This workshop will use as a base for discussion, a proposal drafted by **Heikki Patomäkki**, Professor of Economics and International Politics at Nottingham Trent University, and **Lieven A. Denys**, Professor of European and International Fiscal Law at the Université Libre in Brussels.

An internet discussion site will be created afterwards in order to allow the discussions to continue and to lead to a common proposal for a treaty of a kind that brings together the initiatives in favour of a "Tobin Tax" and prove that the European Union can, legally and technically, be the first region in the world to adopt such a tax.

You can obtain a version of this proposal in English on this website: <http://www.nigd.u-net.com> .  
You can also contact Heikki Patomäkki by email: [heikki@nigd.u-net.com](mailto:heikki@nigd.u-net.com) .

### **Berlusconi threats on the Social Forum**

Fifteen members of the European parliament wrote **open letters** on 30 October 2002 to **Romano Prodi**, President of the European Commission, **Pat Cox**, President of the European Parliament and **Silvio Berlusconi**, president of the Council of the Italian Republic, in order to ask for the European Social Forum to be held in good conditions and to ask for the Schengen agreement not to be suspended, as the Italian authorities threatened to do. The parliamentarians specified that *"This attitude cannot be justified when there isn't even an official summit to be protected. The European Social Forum must be allowed to take place in normal conditions meaning the free movement of people and the freedom of people to meet must be fully respected (...) We will ourselves be very vigilant on this matter of fundamental rights and will be ready to testify on whatever we might have observed "*. The signatories asked that *"the national authorities of Italy do not take any measure that could compromise the success of this important European event."*

For more information on the European Social Forum program, you can view the ESF website at: <http://www.fse-esf.org> .

### **4 – First meeting of the European branch of the International Parliamentary Network created in Porto Alegre**

After the end of the European Social Forum, the first meeting of the **European branch of the International Parliamentary Network**, created after the two World Social Forums of Porto Alegre, will take place at the European Parliament in Brussels on the **28th and 29th November 2002**.

This meeting will notably prepare the **third World Social Forum** which will take place in Porto Alegre on **22-24 January 2003**. It will also be the occasion for debate between national and European parliamentarians and representatives of social movements on the following themes: what model and which priorities should a political and social Europe facing liberal globalisation be constructed on? Building new relations between political parties and social movements; the role of Europe in the fight against war; and the campaign against the privatisation of public services of the General Agreement on Trade in Services - GATS.

#### Draft programme

**Thursday 28th November 2002 15.00 - 18.30**

**Friday 29th November 2002 9.30 - 13.00**

*Interpretation available*

European Parliament - 60, Rue Wiertz - Brussels

#### **Thursday 28th November 2002:**

1. Information on Porto Alegre III and outcome of Florence Social Forum
2. Roundtable on "**Political and social Europe in the face of liberal globalisation?**"
3. Roundtable on "**Building new relations between political parties and social movements**"

#### **Friday 29th November 2002:**

1. **The world and threats of war: what role for Europe?**
2. **From Porto Alegre to Evian, Thessaloniki and Cancun:** initiatives and actions of the Parliamentary Network
3. **Preparation for the 3rd World Parliamentary Forum in Porto Alegre**

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## **5. Parliamentarians call against liberalisation of public services, especially in developing countries, in the GATS framework**

A call from European and National Parliamentarians against liberalisation of public services in the framework of the General Agreement on Trade and Services (**GATS**) has already collected over 100 signatures.

The call asks for **transparency** in the negotiations, started in utmost secrecy by the European Commission in the name of the 15 Member States, when they will have direct consequences on the organisation of public services in numerous countries. It was only through a leak last April that the list of liberalisation requests by the Commission addressed to other member countries of the WTO has become public knowledge. These requests to trading partners concern the liberalisation of major service sectors such as water supply, waste treatment, energy, transportation, scientific research and postal services. Further requests for liberalisation proposed by the European Commission since 30 June 2002 have still not been published by the European Commission. The European Parliament and the national parliaments are also not aware of the sectors the European Commission will offer for liberalisation to the other members of the WTO. These offers should be published before the 30 March 2003. The campaign will intensify until that point.

The parliamentarians ask not only that **Europe refuse any liberalisation of its own public services** in the framework of negotiations in the WTO, but also that it **does not push for the deregulation of public services abroad**, particularly in developing countries. The signatories believe that co-operation should be strengthened, technology transfers promoted and personnel training reinforced to help southern countries and not the commercialisation of public services.

The call and the campaign to parliamentarians were prepared with Susan George, Vice-President of ATTAC France and Harlem Désir MEP and with the support of **the European branch of the International Parliamentary Network** created in Porto Alegre. This is part of a wider campaign led by a group of NGOs in different countries of the EU (Friends of the Earth Europe, World Development Movement, etc.)

Parliamentarians who wish to sign this call can send an e-mail to:

[euro-parlint-secretariat@ras.eu.org](mailto:euro-parlint-secretariat@ras.eu.org)

or a fax to: +32 2284 9853

Please indicate your country of origin as well as the political party you belong to.

## **6. Launch of the first global foreign exchange settlement bank: collecting a Tobin Tax**

In September the first global foreign exchange settlement bank, the **CLS (Continuous Linked Settlement)** was created. This bank allows from now on that all payments relating to the settlement of a currency transaction can operate in a simultaneous and centralised way thanks to the installation of a time span of five hours common to all financial places (between 7am and noon, Central European Time) during which payments can take place. Previously, this settlement took at least two days because of a time delay, thereby leading to a risk of non-payment by one of the two

parties to the transaction. All significant international currency transactions should from now on go through this financial establishment.

For the banks, the creation of the CLS responds to the wish to reinforce the security of their transactions. For those who support a tax on currency transactions, it brings a simple answer to where best the tax ought to be collected. Long live the CLS!

*Information published courtesy of David Hillman and the Tobin Tax Network*  
<http://www.tobintax.org.uk>

## **7. Poll: French people in favour of Tobin Tax**

On 16 Octobre 2002, for World Food Day, the French polling company BVA conducted a poll on «French people and the challenges of globalisation and development ». Among the 11 main themes, one question asked of the 950 people polled was “Are you personally in favour or opposed to the installation of a tax on international financial transaction, such as the Tobin Tax, even if there is a risk to slow down the economy?” 25% declared to be totally for it, 22% declared themselves rather favourable to the idea while 16% are rather opposed and 8% totally against. All in all 47% are favourable while 24% are opposed. 29% did not know. This is an encouraging result for all those who have worked to popularise this tax in France.

One has to believe that the 8% minority of staunch opponents to the Tobin Tax must have pretty strong backing in order to have managed to get successive governments away from a popular tax that would collect billion of Euros to give access to education and health, and to fight against poverty in southern countries.

*The results of the poll can be consulted on <[www.bva.fr](http://www.bva.fr)>*

## **8. Book: *La taxe Tobin et la solidarité entre les nations* (The Tobin Tax and Solidarity between Nations) by economist Bruno Jetin**

"From the concept of the Tobin Tax idea to the precise description of the ways it can be implemented: Bruno Jetin, member of the Scientific Council of ATTAC France and Maître de Conférence at the Université Paris Nord, has published a complete work on the question of a tax on currency transactions.

The book also details the funding needs of the developing countries and compares it with the potential receipts of a Tobin tax and other 'global taxes', notably eco-taxes. It shows that the financing of sustainable development can be largely assured if governments had the political will. Bruno Jetin also explains how such a tax is technically feasible at a regional level. The book is a valuable addition to the library of any pro-Tobin militant.

*This book is available in book shops, and can also be ordered by sending a cheque or a postal order for 15 euros payable to the publisher, Descartes & C<sup>ie</sup>, at 32 rue Cassette - 75006 Paris - France.*

## **9 - Appeal to support the writer Denis Robert, author of the book *Révélation***

The publication of Denis Robert's books, *Révélation* (written with the former banker at Clearstream, Ernest Backes) and *La boîte noire*, shocked the international financial establishment in Luxembourg by revealing the opaque workings of the bank Clearstream (concealment of accounts, money laundering.....). In conjunction with the books, Canal + broadcasted a documentary. Additionally, his hearings before the European Parliament and the French National Assembly had led to several actions by parliamentarians aiming at reinforcing the control of Clearstream and of the Luxembourg financial place.

The Clearstream Bank is currently pursuing Denis Robert through the courts. We offer you to join us in a campaign to support this independent and courageous investigator who allowed the French National Assembly Parliamentary Mission against money laundering to broaden its investigation to financial practices in Luxembourg. At the European Parliament, his hearing led the "Capital Tax, Fiscal Systems and Globalisation" Intergroup to ask the European Commission to exercise control in the Grand Duchy of Luxembourg of the directive against money laundering. A text of has been launched in view of the trials, which will start in October 2002 and continue through the following year.

#### PLEASE GIVE YOUR SUPPORT

Denis Robert is the author of a survey looking at new developments on the Clearstream Bank, whose headquarters are in Luxembourg and through which passes, every year, more money than 250 times the entire budget of France. This multinational is the tool and the property of numerous banks and financial companies in more than a hundred countries, as well as several tax havens.

This time-consuming work, to which he dedicated four years of research, two books and a film, has allowed tens of thousands of readers and television viewers to discover one of the nerve centres of globalisation and its opaque workings, far from the public eye.

This original research opened the way to the official work of French, Belgian and European deputies on what has come to be known as the Clearstream affair. It has been supported by the highest financial prosecutors in Europe, initiators of the Geneva Appeal, in an open letter published by Le Monde. In its wake, it sparked judicial enquiries in Luxembourg concerning the delegate administrator of Clearstream and many of his colleagues, who have been charged, for almost the last eighteen months, with money laundering charges, forgery and use of forgery, and abuse of welfare funds. The main directors of the company had to resign from their posts.

Naturally Clearstream - and many Russian or Luxemburgish banks - with a sometimes shady reputation, have engaged in judicial proceedings against the authors, the editor and the producers of this research. These financial institutions respond to demands for transparency which have been made towards them by judicial harassment with all the means at their disposal, which are considerable. It is not this right that we are questioning, but the methods used: the overflowing number of legal opinions and the choice of long, costly and complex procedures, in many European countries as well as in Canada.

With this letter, we take seriously the investigations of Denis Robert, based on lists of accounts which have never been contested, on hundreds of documents, on dozens of witness accounts of the former directors of Clearstream, and on contradictory research. The goal of this work is legitimate. Freedom of information cannot stop where the interest of banks begins. The work of the parliamentary mission on money laundering has supported the results of this work in public.

The mission of a journalist, or a writer, as Albert Londres has explained, is to "porter la plume dans la plaie" - ie. to use the pen to shine a light on the most fearful of things. Denis Robert has accomplished this. With each month that passes, the financing of terrorism, accounting scandals, stock market fiddling and so on show us how important it is for opinions to inform us of the opaque corners of the financial world. The endless number of appeals and complaints is not an appropriate response. The freedom to research is a fundamental right that cannot be allowed to incur a prohibitive cost for those that exercise it.

*You can send this letter of support, accompanied by your name, profession, address and email to Denis Robert's editor at the following address : [arenes@easynet.fr](mailto:arenes@easynet.fr).*

*You can also, if you wish your witness account to be used in the trial, send a personal written message relating to the books and on the Clearstream research, not forgetting to attach proof of identity as well as the declaration "Je déclare établir la présente attestation en vue de sa production en Justice et être informé qu'une fausse attestation m'exposerait à des sanctions pénales". These statements can be sent to the editor: Editions Les Arènes - 33 rue Linné - 75005 Paris.*

## **10. American Senator Paul Wellstone passed away**

Minnesota Senator Paul Wellstone died on October 27 in a plane crash together with his wife, daughter and five members of his team. **Paul Wellstone was the only Senator of the US Congress to have joined the World Parliamentar Call for the Tobin Tax from its launch in April 2000 in Washington.** Along with Peter DeFazio, representative from Oregon, Yann Galut, French MP, Harlem Désir and Glyn Ford MEPs, he took part in the Press Conference that was held at the Congress with Christophe Aguiton from ATTAC France and the Steelworkers of AFL-CIO.

Paul Wellstone was very highly regarded in the progressive side of the American Congress, elected in a state where the Democratic Party is called Democratic Farmer and Labour Party. He was very involved in trying to change the politics of US in the international arena and **had on 11 October spoken in the Senate against the resolution aiming to authorise President Bush to launch a war against Iraq** even without the consent of the United Nations. His death came only days before the mid-term elections in which the Bush administration had been fighting very hard to regain this crucial seat. The Senate has currently a one-seat majority for the Democrats.

Our newsletter loses a friend. The campaign for the Tobin Tax and the US progressive camp lose a heavy weight.

We would like to express our sincere condolences to his family as well as to all who had been working with him in Washington and in St Paul, Minnesota.

## **11. Call from British Intergroup on Heavily Indebted Poor Countries**

The UK's All Party Parliamentary Group on Heavily Indebted Poor Countries is a group of 160 MPs and Lords who campaign in the UK parliament for more support for greater and faster debt relief to the world's poorest countries.

The group meets regularly to discuss debt relief and recent speakers to the group have included British Ministers as well as speakers from charities and the UN. The members of the group share a commitment to international development and many have associated themselves with particular countries in order to promote their countries' concerns in the UK parliament.

The group would like to develop this further and build up links with parliamentarians **world wide**, both from heavily indebted poor countries, creditor countries and poor countries which suffer from unsustainable debt but do not fall under HIPC.

If you are interested in building up links with the UK parliament to work on debt relief and international development issues, please get in contact.

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