

NEWSLETTER OF THE PARLIAMENTARIAN WORLD APPEAL FOR THE TOBIN TAX

<http://tobintaxcall.free.fr>

Please find below the June Newsletter of the World Parliamentarians for the Tobin Tax. If you would like to have this newsletter sent to other Parliamentarians, NGOs or anybody else and for further information you can contact us by e-mail: tobintaxcall@free.fr

Yours sincerely,

Harlem Désir and Glyn Ford

"Capital Tax, Fiscal Systems and Globalisation" Intergroup

Number 4
JUNE 2001

Summary:

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1. The President of the Norwegian Parliament in favour of the 'Tobin Tax'

After Sweden and Finland, the Tobin Tax is breaking some ground in Norway. A number of Norwegian Parliamentarians have signed the World Parliamentarian Call in favour of the 'Tobin Tax'. They have received support from the President of the Parliament herself, **Mrs Kirsti Kolle Grøndahl**, who herself has signed the call.

2. European Parliament: public hearing of economists on the "Tobin Tax"

Just before the commencement of the Belgian Presidency, on 27 June 2001, the "Capital Tax, Fiscal Systems and Globalisation" Intergroup has organised a public hearing of economists on the Tobin Tax.

The presentations will look at the conditions for the feasibility, at technical and political level, of the implementation of such a tax.

This will be followed by a roundtable to discuss the possible initiatives to be taken by the Belgian Presidency with the participation of **M. Charles PICQUÉ, Minister for Economy and Scientific Research**, future co-President of the ECOFIN Council, and notably the proposal in their programme of the 15 December 2000 to ask for a feasibility and interest of a tax on speculation.

Programme :

Wednesday 27 June 2001
Economist hearing on Tobin Tax

Followed by a roundtable

What possible initiatives during the Belgian Presidency

Organised by "Capital Tax, Fiscal System, Globalisation" Intergroup

European Parliament – 60, rue Wiertz – Brussels – Room 1G3

- 9h00: Welcome
- 9h30: Introductory remarks by **Francis Würtz**, President of the GUE /NGL Group of the European Parliament
- 9h40: Currency Transaction Tax: For what purposes? How might it be enforced?
Presentation by **Anthony Clunies-Ross**, Professor at Strathclyde University, Glasgow and **Bruno Jetin**, Assistant Professor at the University of Paris XIII and a member of the ATTAC-France Scientific Council
Chairman: **Danielle Auroi**, Member of the European Parliament (Greens, France)
- 10h20: Question Time from Parliamentarians
- 10h30: Proposal for a two-tier tax on currency transactions
Presentation by **Paul Bernd Spahn**, Professor at Goethe University, Frankfurt
Chairman: **Reino Paasilinna**, Member of the European Parliament (PES, Finland)
- 11h00: Question Time from Parliamentarians
- 11h20: Economists Conclusions
- 11h30: "Tobin Tax" and European Treaties
Presentation by **Lieven Denys**, Professor of European Fiscal Law at Brussels Free University
- 11h40: Possible initiatives during the Belgium Presidency of the European Union?
Chairman: **Harlem Désir**, Member of the European Parliament (PES, France) and President of the 'Capital Tax, Fiscal Systems and Globalisation' Intergroup
- **Charles Picqué**, Minister for Economy and Scientific research, responsible for Urban Policy
 - **Dirk Van der Maelen**, Member of the Belgian Parliament, President of the working group on the Tobin Tax
 - **Pierre Jonckheer**, Member of the European Parliament (Greens, Belgium)
 - **Sophie Charlier**, Representative of the "Belgian network against financial speculation"
- 12h50: Conclusions by **Glyn Ford**, Member of the European Parliament (PSE, UK) and Secretary of the 'Capital Tax, Fiscal Systems and Globalisation' Intergroup

13h00: End

No registration fees. In order to prepare your access pass to the Parliament and to the meeting room, please confirm your attendance before the 26 of June :

Harlem Désir's office - Tel : (00 32 2) 284 78 53 / 58 53 ; Fax 284 98 53 – Valérie Picquet.

Glyn Ford's office - Tel : (00 32 2) 284 75 18 ; Fax 284 95 18 - Emma Whelan.

3. Uruguay: the Tobin Tax on the agenda of the Parliament

The **Senator José Korzeniak**, with the collaboration of ATTAC Uruguay, presented a bill at the end of May that "the Uruguayan state suggests at every level, international, bilateral, regional, continental and at world level that a tax of between 0.1% to 1% be imposed on financial speculative transactions (known as the "Tobin Tax")".

In his arguments justification, José Korzeniak considers that the Tobin Tax could raise "between 50 and 300 billion dollars per year". He also referred to the different international campaigns led by NGOs and parliaments from around the world "like in USA, France, Finland, Spain, Argentina, and others".

The second article of the bill suggests that the creation of an organisation be decided internationally, within the Economic and Social Council of the United Nations. This organisation would be in charge of handling the proceeds of the tax and would redistribute it to developing countries with three main objectives: fight against poverty, economic development, cancellation of the debt. It would have representation at regional level and its members would not have veto power.

The text of the bill is published on the website of the World Parliamentarians Call for the Tobin Tax: <http://tobintaxcall.free.fr>

4. Argentinean Parliamentarians organise themselves for a 'Tobin Tax'

Mario Rapoport, member of ATTAC Argentina, who met with Harlem Désir and Yann Galut at the French National Assembly, keeps us informed on the latest developments in his country.

"I would like to inform you that today (6 June 2001) Parliamentarians met to discuss the 'Tobin Tax' and presented a draft resolution. A similar draft resolution was also presented to the Senate.

A press conference is planned for the 5 July with deputies and senators when they will officially sign the World Parliamentarian Call in favour of the Tobin Tax. They will have hopefully signed your appeal beforehand by e-mail.

We are also looking at organising an event in September where we would invite parliamentarians from other countries."

The text of the draft resolution is published on the website of the World Parliamentarians Call for the Tobin Tax: <http://tobintaxcall.free.fr>

5. US: New resolution on the 'Tobin Tax' to be tabled at the House of Representatives

A new resolution calling for the installation of a tax on international financial transactions will be presented to the House of Representatives in the United States by Congressman Peter de Fazio. The text, besides asking for the implementation of a Tobin type tax, is asking for:

- advocacy at the World Bank and the IMF, as well as within other regional and international organisations including the OECD, the G8 and the G20.
- a global reform of the international financial organisations.

The tabling of this resolution was delayed due to the energy problems in the Western United States, including in Peter de Fazio's constituency but it should be tabled within the next few weeks.

The text of the resolution is published on the website of the World Parliamentarians Call for the Tobin Tax: <http://tobintaxcall.free.fr>

6. André Lussi, CEO of Clearstream stepping down – Interview of Denis Robert

The chief executive of **Clearstream**, André Lussi, is stepping down in the wake of an investigation into its business activities by the authorities in Luxembourg.

This follows the publication of 'R v lation\$', the book by journalist Denis Robert, and Ernest Backes, a former banker from Luxembourg, that made allegations of money laundering against Clearstream, which holds accounts containing stocks, bonds and other types of securities for millions of investors.

Deutsche Borse who owns 50 per cent of Clearstream, is under investigation by a public prosecutor appointed by the Luxembourg finance ministry. Clearstream denies the allegations and has started legal proceedings for libel. It promised to co-operate fully with the public prosecutor and said the findings of an internal investigation, which found nothing amiss, would be made available in full to the investigator. Lussi's departure is likely to be greeted with relief at Deutsche Borse as earlier this year, the unit was forced to lower the value of assets it holds for investors after a "client error" led to an overstatement of some € 1,000bn.

The authors of the book made presentations to the 'Capital Tax, Fiscal Systems and Globalisation' Intergroup of the European Parliament in March 2001 and also at the French National Assembly.

The book certainly helped to start the investigation. On the contrary, the European Commission did not react to the question raised by Harlem D sir and Glyn Ford who asked the Commission to investigate the accusations brought forward by the book and to ensure that the 10 June 1990 directive on control of financial establishment be applied in all member states in an effective manner. Commissioner Bolkenstein replied that "the Commission has no reason to date to believe that the Luxembourg authorities do not apply it vigorously."

Interview of Denis Robert for our Newsletter :

- The Newsletter of the Parliamentarian World Appeal for the Tobin Tax : André Lussi, CEO of Clearstream, steeping down is a first result for the publication of your book...

Denis Robert : "It is very important to mention the resounding effect his resignation has had in the political circle, among journalists and especially among the bankers. The announcement of the opening of an investigation for serious fraud, that range from money laundering to embezzlement, has been followed by the dismissal of the main directors. Eight people have been summoned. The resignation of David Cowan, Communication Director and of the director of the judicial services reveal a clear discomfort. Clearstream carries on pretending everything is fine but they won't be able to stop the fire now. The opening of the investigation means that there was something to be found and this is an historic step for Luxembourg. But let's be careful, if we hold André Lussi or the other directors responsible, we are wrong. From 1992 many very recommendable banks from Germany, the UK, France, Italy and the United States... were Clearstream customers possessing hidden accounts.

- This resignation is the proof of validity of your revelations, contrary to the denial of some people:

Denis Robert : Every revelation of the book has come out to have a serious base, notably the existence of a second system behind the main one. For the first time in judicial history, we are uncovering a parallel financial system in which amounts of money circulating is enormous. According to the computing specialists, about 15% of the money was going through the hidden system in 1992. For the year 2000, we are talking of about 7500 billion Euros that have gone through it. It is the biggest financial scandal of the century. Apart from a few initiated people, the medias, politicians and judges haven't realised the seriousness of the matter. Only bankers have understood and are trying to minimise or deny the facts.

- What was, according to you, the strategy of the Deutsche Börse in this?

Denis Robert : Their objective was to buy out all shares of Clearstream. So far they have 50% whereas Cedel (conglomerate of 92 banks) holds the other 50%. The Deutsche Börse wanted to repatriate the clearing activity in Germany. As for Euroclear (the other clearing company based in Brussels), it is pushing to have Clearstream come to Brussels. If Clearstream was to leave the Luxembourg, it would be a terrible shock for this country, therefore the systematic campaign of denial of the book, the film and myself.

- What do you mean by that?

Denis Robert : Six complaints have been lodged against myself, including one from the Banque Générale du Luxembourg and one from MENATEP, asking for considerable amounts for damages. They are completely unfounded. Clearstream's strategy is clever: each time journalists have expressed interest in investigating, the directors call the chief editor and lodge a complaint... in order to discredit me. Ernest Backes has also been the subject of 5 to 6 complaints.

- What would be the next steps to this investigation?

Denis Robert : The investigation of the company began on the 7 June. However, the problem we now face is that there is no European Justice. It will be up to each member state to get interested in this and up to now, the central banks have shut their eyes. Jean-Claude Trichet, governor of the Banque de France has regularly participated in conferences with Clearstream and we can therefore question his independence vis à vis this clearing house.

It will be up to the public prosecutor and the Parliamentary Committees of Enquiry to look at this problem. What we need to remind them of is that the losers are the states and the taxpayers. State representatives have therefore to take this up. But when I see the reply from the European Commission to Harlem Désir's question, I just want to shout."

This interview has been realised by Elsa Jacquemin

[The Newsletter of the Parliamentarian World Appeal for the Tobin Tax has been realised by Elsa Jacquemin, Elodie Sergent and Philippe Burguière](#)