

NEWS LETTER OF THE PARLIAMENTARIAN WORLD APPEAL FOR THE TOBIN TAX

<http://tobintaxcall.free.fr>

Number 1
MARCH2001

Content:

1. Editorial: Newsletter Launch
 2. India: Prime Minister in favour of Tobin type tax
 3. UN Committee asks for study on Tobin Tax
 4. Belgium: Resolution on Tobin type tax installation passed
 5. In brief... the tobin tax in the Parliaments
 6. The Tobin Tax in the final declaration of the Parliamentary Forum of Porto Alegre
 7. Practical information
-

1. Newsletter Launch

On 11 April 2000 in Washington, USA, when the World Bank and the IMF were holding meetings and the first resolution on the Tobin Tax was tabled in the US Congress, we decided to launch a World Appeal for Parliamentarians in favour of the installation of Tobin type tax, with Congressmen Peter de Fazio and Paul Wellstone and with the support of NGOs like ATTAC, War on Want, Solidar, Tobin Tax Initiative USA and the Halifax Initiative (Canada).

Since the launch, about 500 parliamentarians have signed the Washington Appeal, mainly in both the European Parliament and the National Parliaments, but also in Africa, North and South America, Australia and New Zealand. Such a tax would not only slow down speculation and control financial markets but also help to finance development programmes in the poorest countries for access to water, medical supplies and education. Our objective is to see the issue of the Tobin Tax put on the agenda of the national Parliaments as well as at the UN, the IMF and at the G7 level. Following the vote in the Canadian Parliament in favour of the installation of a Tobin type tax in 1999, the launch by 100 Brazilian Parliamentarians of a 'Parliamentarian Front for the Tobin Tax'; the different initiatives of National Parliaments in Europe in 2000 as well as in the European Parliament; the final declaration of 200 Parliamentarians participating in the World Social Forum of Porto Alegre in January 2001, the Washington Appeal will give further support to civil society movements in different countries.

Today we launch this newsletter that as well as being sent to the signatories of the World Appeal will also be sent to other parliamentarians we wish to get in contact with and the NGOs who have long been supporting this campaign. We hope to publish it on a monthly basis to keep you up to date with the different Parliamentary, or even Governmental, initiatives around the world. We encourage you to send us any information on the Tobin tax, which you believe should be included in this newsletter.

We look forward to your support,

Harlem DESIR
Member of the European
Parliament
(France)

Glyn FORD
Member of the European
Parliament
(Great Britain)

Yann GALUT
Member of the Parliament
(France)

NB: The text of the appeal, in several languages, and the list of signatories can be consulted on the website <http://tobintaxcall.free.fr>.

2. India: Prime Minister in favour of Tobin type tax

Indian Prime Minister Atal Behari Vajpayee, during an inaugural address at the first Delhi Sustainable Development Summit 2001 organized by the Tata Energy Research Institute, has suggested the imposition of an international levy on capital flows between developed countries and all capital repatriations from developing countries. The money, he says, could then be credited to a Global Poverty Alleviation Fund.

Amongst other purposes the Fund could serve, said Vajpayee, would be: accelerated liquidation of all public external debts of low-income countries, framing of poverty alleviation programs targeted specifically at those who have lost their livelihoods in economic crises born out of reversal of external capital flows in developing countries, assistance in enhancement of skills and access to finance needed by the poor to compete effectively in the global economy. The Fund could also help place technologies that save lives, increase food output, and generate renewable energy for rural areas, for use by developing countries.

Information published thanks to Steve Tibbett from War on Want, UK, <http://www.waronwant.org>

3. UN Committee asks for study on Tobin Tax

In view of the High-level International Intergovernmental Event on Financing for Development (FFD) to be held at the end of 2001 or the beginning of 2002, the Preparatory Committee has been asked to look at the feasibility of the introduction of a Tobin type tax. The report of the UN Secretary General to the Preparatory Committee suggests that one of the measures that could be taken could be the installation of a tax on currency transactions.

The Secretary-General of the United Nations recalls that at its twenty-fourth special session entitled “World Summit for Social Development and beyond: achieving social development for all in a globalizing world”, the General Assembly called for “conducting a rigorous analysis of advantages, disadvantages and other implications of proposals for developing new and innovative sources of funding, both public and private, for dedication to social development and poverty eradication programmes” (see General Assembly resolution S/24-2, annex, para. 142 (g)). *Some delegations that sponsored this paragraph indicated their view that the proposals to be analysed should include those of national “currency transaction taxes”. In addition, the possibility of establishing mechanisms of this type (geared towards not only raising public revenues but also attenuating some of the negative effects of sudden and significant changes in capital inflows and outflows) was one of the issues that received much attention in the “hearings” with civil society on financing for development held on 6 and 7 November 2000.*

The Secretary General concludes: *"The high-level event should consider, as part of its deliberations, the results of a rigorous analysis of the advantages, disadvantages and other implications of proposals for developing new and innovative sources of funding, both public and private, which the Secretary-General will commission in accordance with the request made by the General Assembly in its resolution S/24-2"*.

- You can read the entire report on the UN website at the following address: <http://www.un.org/esa/ffd/index.html>
- The letter which the European Parliament Intergroup wrote to the UN Secretary General is available upon request.

4. Belgium: Resolution on Tobin type tax installation passed

The Belgium Chamber of Representatives and the Belgium Senate adopted, respectively on the 9 November and 7 December 2000, a resolution calling for the introduction of a tax on speculative currency transactions. The resolutions called on the government to:

1. Seize the opportunity of the Belgium Presidency of the European Union to push forward initiatives for improved control measures on international financial movements.
2. Examine the conditions necessary for the implementation of a tax on international capital flows in order to prevent the destabilising effect of speculative movements. The revenues raised could go towards the development of the poorest countries.
3. Present, at the occasion of the IMF General Assembly, concrete proposals urging the members of the IMF to guarantee better transparency on their financial and banking systems, and to reinforce their national rules on prudential supervision.
4. Re-inforce the IMF role in times of crisis, particularly as a « last resource lender», in order to guarantee a fair defence by the IMF of the interests of both creditors and debtors countries, and also in order to involve the private sector in the prevention and management of financial crisis.

5. In brief... the Tobin tax in the Parliaments

Canada

In March 1999 the Canadian Parliament adopted a report in favour of the Tobin Tax by a two-thirds majority. Additionally the Canadian delegation to the UN Social Summit in June 2000 had an amendment added to the conclusion of the Summit asking for a study report on the Tobin Tax.

Finland

The Finnish Government officially took position in favour of the Tobin Tax. Erkki TUOMIOJA, Foreign Affairs Minister came before the European Parliament Intergroup on 28 June 2000 to confirm his government's support.

The 'Capital Tax, Fiscal Systems and Globalisation' Intergroup initiated a debate that led to a motion of resolution in January 2000. This resolution called on the European Commission to produce a report within six months on the feasibility of the Tobin Tax. It was also proposing to 'involve' the IMF and the G7 Secretariat and to consider sanctions against states that encourage fiscal evasion. The resolution gained the vote of 220 MEPs but was defeated by 6 votes.

On the 28 June 2001, the Intergroup organised the First Interparliamentary Meeting on the Tobin Tax that gathered Parliamentarians from Canada and 13 European countries, the Finnish Foreign Affairs Minister as well as economists and NGOs from Europe, USA, Canada and Tunisia. A new resolution will be tabled during the Belgian Presidency of the European Union in the second part of 2001.

United Kingdom

The War on Want Campaign in the UK led to a debate on the installation of the Tobin Tax in the House of Commons with Harry Barnes leading a group of 101 Parliamentarians from The Labour Party, the Liberal Democrats and some Conservative Parliamentarians.

In Northern Ireland, during their 30th Annual Conference in November 2000, the SDLP (Social Democratic Labour Party), unanimously adopted the Tobin Tax as Party Policy.

Brazil

A Parliamentarian Front for the Tobin Tax was formed with the support of 100 members. President Cardoso himself spoke out in favour of the Tobin Tax at the November 1999 'Reformer's Summit' in front of Bill Clinton, Tony Blair and Lionel Jospin.

United States

On 11 April 2000, Peter DeFazio, US Representative and Paul Wellstone, US Senator tabled a resolution to the Congress. At the same time, the World Appeal was launched.

France

In the ATTAC Committee of the National Assembly, an amendment in favour of the installation of a Tobin-type tax has been tabled to any economic legislation with the support of more than 120 Parliamentarians. The Senate has adopted a similar position.

In May 2000 the National Assembly Delegation for Relations with the European Union adopted a resolution "asking the French Presidency of the European Union to examine and suggest the installation of a tax on currency transactions, in order to combat speculative capital movements". In June 2000, two parliamentarians concluded their report on financial flow regulation by suggesting a trial period for the tax.

ACP-EU Joint Assembly

The ACP-EU Joint Parliamentary Assembly took a position in favour of the installation of a Tobin type tax during the plenary session on Wednesday 11 October 2000 in Brussels. The Parliamentarians who sit in this assembly come from the 15 European Union Member States and from more than 70 countries in Africa, the Caribbean and Pacific Regions. In the Resolution on 'ACP-EU Partnership and the Challenges of Globalisation', the Parliamentarians adopted a paragraph calling "*on the major industrialised countries and notably on the European Union, to introduce a tax on capital transfers as proposed by Professor Tobin*".

introduce a tax on capital transfers as proposed by Professor Tobin".

Italy

A resolution asking for the installation of a Tobin tax was tabled both in the Chamber of Deputies and in the Senate.

Spain

In June and October 2000, Joan Saura from the Congress of Deputies and José Cabrero from the Senate tabled legislation asking the government to create a Committee with a remit to study the installation of a tax system on speculative capital movements.

6. The Tobin Tax in the final declaration of the Parliamentary Forum of Porto Alegre

The World Parliamentary Forum, which was held on 27 and 28 January 2001, was attended by over 200 deputies and senators, from 23 countries mainly from Latin America and Europe, but also from South Africa, Russia and New Zealand, including signatories of the Tobin Tax Appeal. This Declaration concludes with the decision to support amongst others, the campaign for the installation of a Tobin type tax. This campaign will be one of the priorities of the then created network of Parliamentarians.

If you wish to take part in the international network of Parliamentarians and to bring your contributions on one subject (debt, WTO, Tobin Tax...) before the next forum that should be held in Porto Alegre in January 2002, you can sign this Declaration.

The text of this declaration and more information on the World Social Forum, can be found on the following website: <http://www.forumparlamentarmundial.rs.gov.br>

7. Practical information

- If you have not yet signed the Appeal and wish to do so, you can:
 - send an e-mail to tobintaxcall@free.fr
 - send a fax to one of the following numbers:

+32 2 284 9853	Harlem DESIR
+32 2 284 9518	Glyn FORD
+33 1 40 63 89 55	Yann GALUT
- If you would like us to send this newsletter to other Parliamentarians, association and NGOs, please let us know (by e-mail or fax as above) of their contact details.
- If you have any comments on this newsletter or suggestions for the coming ones, please do not hesitate to contact us.

Harlem DESIR
hdesir@europarl.eu.int
<http://www.harlemdesir.co>

Glyn FORD
gford@europarl.eu.int
<http://www.glynford.com>

Yann GALUT
ygalut@assemblee-nationale.fr
<http://www.y-galut-depute.com>