

# NEWSLETTER OF THE PARLIAMENTARIAN WORLD APPEAL FOR THE TOBIN TAX

<http://tobintaxcall.free.fr>

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## **1. Sweden: The Deputy Prime Minister, Mrs Lena Hjelm-Wallen, declares herself in favour of the Tobin Tax**

In parallel with the Stockholm Summit, Mrs Lena Hjelm-Wallen, Swedish Deputy Prime Minister declared before the workers of the Swedish Non-Governmental Organisation ATTAC: "I agree with the Tobin Tax". This declaration comes as Sweden heads the European Union from 1 January 2001 until 30 June 2001. The Members of the European Parliament, members of the Intergroup "Capital Tax, Fiscal Systems and Globalisation" have therefore decided to officially call on the Presidency of the Council of the European Union, to repeat the initiative they took under the French Presidency. They will table several oral questions to the Council in order to debate, during one of the next plenary sessions in the Parliament in Strasbourg, the position of the Council and the initiatives that the Swedish Presidency could take with regards to Tobin type taxes. Moreover, a debate on the Tobin Tax should take place in the Swedish Parliament.

## **2. Spain:**

### **- Drawing up of a non-legislative proposal on the Tobin Tax in the National Assembly**

A "non legislative proposal" calling for the implementation of a Tobin type tax has been tabled by Juan Manuel Eguiagaray, in the name of the Spanish Socialist Party at the National Assembly on 14 March 2001. The proposal on international co-operation with a view to promoting financial stability, economic development and equality in a globalised economy should be debated on in the forthcoming weeks in the plenary session of the Assembly.

(The text of the proposal can be seen on our website: <http://tobintaxcall.free.fr> . You can also send your support/remarks on this proposal)

### **- Also in Catalonia...**

The socialist Group "Ciutadans pel Canvi" of the Parliament of Catalogne has just presented a proposal on the Tobin Tax. The relevant committee must now examine this text.

### **3. New ATTAC Committees established in National Parliaments**

We are pleased to report the creation of an ATTAC Group within the Finnish Assembly, following the recent creation of ATTAC Groups in the Swedish and Danish Parliaments.

### **4. European Bank Federation concerned over the introduction of the Tobin Tax**

The Federal Bank of the European Union (FBE) called a special Press Conference on 27 March 2001 in Brussels against the Tobin Tax. On the day, the FBE published a study by the economist George Martin, explaining that the Tobin Tax "is not the right answer to instability of markets" for three reasons: First, it cannot be implemented if not introduced simultaneously by all the countries in the world to avoid re-routing financial activity; Second, it would have disruptive and unjustified effects on all economic actors and not uniquely on speculators; and thirdly it would be ineffective in not fulfilling its initial objective, namely, the fight against instability of financial markets.

The FBE denounces this 'Loch Ness Monster', fearing a return of the issue on the European political agenda following troubles on the currency and international financial markets. The whole text of the study is available in the "FBE Letter n°5" which you can find on <http://www.fbe.be>

These arguments are not new and you can find the counter-arguments in the text of the "Capital Tax, Fiscal Systems and Globalisation" Intergroup of the European Parliament, which can be found on: <http://tobintaxcall.free.fr>

### **5. Some new signatories of the Parliamentarians World Appeal for the Tobin Tax**

On 11 April 2001, it will have been a year since the launch in Washington of the Parliamentarians World Appeal for the Tobin Tax.

Over the last few weeks, new signatories have joined us, in particular from Spain and Sweden where ATTAC has just been created, and from several African countries at the time of the ACP/European Union Assembly in Libreville last month. We particularly welcome the signature of Rudolf Edlinger, former Austrian Finance Minister. To date, there are 582 Parliamentarians representing 32 countries from all continents.

In order to motivate Parliamentarians, ATTAC Sweden has published the top 10 list of countries with the most signatories:

UK – 142  
France – 129  
Sweden – 72  
Belgium – 50  
Canada – 33  
Italy – 29  
Spain – 20  
Germany – 17  
Denmark – 11  
Australia – 10

We also have signatories from Argentina, Brazil, Cameroon, Costa Rica, Ivory Coast, Finland, Greece, India, Ireland, Luxembourg, Madagascar, Mali, The Netherlands, New Zealand, Norway, Portugal, Senegal, South Africa, Switzerland and The United States of America (The full list can be seen on: <http://tobintaxcall.free.fr>).

The objective remains to gather more than a thousand Parliamentarians. We thank you all for your continued support in publicising this Appeal and in getting signatures.

## **6. Briefly...**

***- Hearing in the European Parliament of Denis Robert and Ernest Backes, co-authors of the book "Revelation\$"***

The co-authors of "Révélation\$" came before the members of the European Parliament to present their inquiry into secret circuits of money and hidden accounts within the clearing house Cedel/Clearstream based in Luxembourg. The book uncovers for example the existence of an illegal account belonging to the Russian company MENATEP, which was involved in embezzlement of IMF money, plus it discloses hidden accounts from Colombian Banks, and major European industrial groups. The book details the functioning of the company and brings proof of the tracability and long term archiving of financial operations. This blows away the argument that the Tobin Tax is not feasible because operations can't be traced.

Following this hearing, written questions were tabled to the European Commission to ask about the actions it intends to take in order to enquire into the facts presented in the books, as they represent a breach of European law and in particular the 1991 directive on protection of the financial system against money laundering.

***- When the Trade Unions are in favour of the Tobin Tax***

On 30 January 2001, John Sweeny, President of AFL-CIO (one of the most important Trade Unions) and Dieter Schulte, President of the German Trade Union DGB, spoke out in favour of a stronger control on international financial markets, saying "this is the only way to ensure long term productive investments and sustainable growth". During their meeting with the German chancellor Gerhard Schröder, the two Trade Unions speaking on their priorities, emphasised the need to stabilise the international financial market by implementing a stable exchange rate between the yen, the dollar and the euro as well as the installation of a tax on currencies. They pleaded for a reform of the WTO, which should consider the rights of workers and employees as well as the respect of the environment.

***- Georges Soros in favour of the implementation of a Tobin Tax***

The Observer reported a surprise move from George Soros, the international financier and philanthropist, who has lent his voice to calls for a 'Tobin tax' and declared 'I'm in favour of the Tobin tax. It doesn't happen to coincide with my personal interest, but it could be a very good source of funds for providing global [public] goods,' he said.

***- Addendum to last newsletter***

In our first edition of the newsletter we wrote that the Canadian Parliament had adopted a report in favour of the Tobin Tax in March 1999. We would like to thank Robin Round for correcting this information. The Canadian Parliament had passed a resolution in March 1999 in support of a Tobin tax reading: "That, in the opinion of the House, the government should enact a tax on financial transactions in concert with the international community." It passed by a 2:1 margin with all party support.

She also reminded us that in Geneva in June 2000 at the UN Social Summit, a Canadian proposal to conduct a study on the Tobin tax resulted in language in the final Summit's Geneva Declaration (approved without dissent by 160 governments) calling for a conduct "*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.*"

***- Last minutes***

The UK National Union of Journalists have just passed a motion in favour of the Tobin Tax. Will we soon see a world appeal of journalists in favour of a Tobin Tax?

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