

MOTION FOR A RESOLUTION

further to the oral question

pursuant to Rule 42(2) of the Rules of Procedure

by the following Members: Wurtz, Brie, Jove, Bertinotti, Schmid, Theonas, Papayannakis, Cossutta and Miranda

on behalf of the GUE/NGL Group

on the taxation of capital movements

Resolution on the taxation of capital movements**B5-0089/2000***The European Parliament,*

- having regard to its previous resolutions on capital movements, in particular its repeated requests for the implementation of more effective measures to combat speculation and its destabilising effects,
- A. whereas the daily volume of transactions on world currency markets totals US\$ 1 800 billion,
- B. whereas the annual volume of real world trade in goods and services is roughly US\$ 6 000 bn, the equivalent of four days' financial speculation,
- C. whereas on a number of occasions the sudden inflow or withdrawal of speculative capital has led to the collapse of the financial and banking systems of many countries, with serious economic and social consequences, such as in east Asia in 1997,
- D. having regard to the massive increase in inequality and the extreme poverty caused by neo-liberal globalisation under the hegemony of the financial markets,
- E. whereas the European economy is increasingly subject to the workings of completely deregulated financial markets,
- F. having regard to the wide range of proposals for the reform of the international financial system put forward by international institutions and governments,
- G. having regard to the proposal put forward by the 1981 Nobel Prizewinner for economics, James Tobin, to introduce a very low tax (between 0.01% and 0.1%) on speculative financial transactions,
- H. noting the appeal issued in Davos in January 1999 and the wide range of grassroots initiatives taking shape in many countries around the world,
 - 1. Takes the view that the Commission's proposals for measures to combat damaging tax competition in the EU, in particular through the taxation of income from savings, represent an interesting step forward, but are still inadequate in the face of the domination of the financial markets;
 - 2. Pays tribute to the Canadian and Finnish Parliaments and UNCTAD, who have advocated the taxation of capital movements;

3. Calls on the Commission to propose the introduction and levying of a tax on short-term capital movements (along the lines of the Tobin tax) which have a destabilising impact on economies and no link to the real economy;
4. Takes the view that this tax, which would be levied at a low but progressive rate, could help to curb speculation without penalising the activities of the real economy (imports, exports, investments) and would generate fresh resources for investment in the areas of education, development and the environment;
5. Urges the Portuguese and French Presidencies to include this matter in their list of priorities;
6. Takes the view that the introduction of this tax would become a symbol of the political will to win back the scope for democratic action appropriated by international financial operators;
7. Takes the view that the introduction of taxation on capital movements would represent a first step to be built on by means of further measures to combat movements of purely speculative capital, such as exchange controls, the abolition of capital flows to or from tax havens, the requirement to lodge a non-refundable deposit with the central bank of a given country in connection with loans granted by foreign banks to local firms and banks in that country and a complete revamping of the rules governing the international financial system;
8. Instructs its President to forward this resolution to the Council, the Commission, the governments of the Member States and the President of the European Central Bank.