



**The United Church  
of Canada  
General Council**

# **GC37 Unregulated Speculative Capital and Tobin Tax (2000F176)**

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**WHEREAS** The United Church of Canada has long critiqued unregulated capitalism which enshrines private gain over public benefit, as evidenced in policy statements dating back to 1950: "The axioms and postulates of laissez-faire are anti-Christian, and lead in the direction, not of democracy, but of managerial dictatorship;" and

**WHEREAS** the 34th General Council called for the reform of the tax system to tax more fairly wealth, inheritance and capital gains, close corporate and individual loop-holes and clamp down on corporate and individual tax cheaters; and

**WHEREAS** speculative short term capital movements have a profoundly destabilising effect on national economies, particularly those of vulnerable low and middle income countries; and

**WHEREAS** on March 23, 1999, the House of Commons supported a resolution calling on the Canadian government "to enact a tax on financial transactions in concert with the world community," often referred to as the "Tobin Tax," and

**WHEREAS** capital controls, particularly on short term flows of capital, enable countries to control the pace and content of these flows and to insulate themselves from their volatility; and

**WHEREAS** the Ecumenical Coalition for Economic Justice (ECEJ) has acted on behalf of Canadian churches in studying and advocating methods, including the Tobin Tax, which would counteract currency speculation;

**THEREFORE BE IT RESOLVED** that the 37th General Council commit The United Church of Canada, through its ongoing relationship with ECEJ and other coalitions,

1. to encourage and support advocacy for the establishment of a tax on all foreign exchange transactions with a view to deterring destabilising short-term capital movement; and
2. to encourage and support advocacy vis-à-vis the Canadian government so that the Government of Canada actively supports the legitimacy of capital controls as a policy tool and, in particular, opposes leaving the International Monetary Fund with the authority to compel member countries to lift restrictions on capital account transactions.

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