



**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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