



The Coming of the Universal Financial Transaction Tax

In the clearest indication yet, a high French government official confirmed last week that an FTT — Financial Transaction Tax — will be implemented by the European Union by the end of 2012, a year earlier than planned. Jean Leonetti (left), France's Minister for European Affairs, said on television that "This is on the program for the next European summit [on January 30]. [French President] Nicolas Sarkozy and [German Chancellor] Angela Merkel have decided on this and it will be put in place before the end of 2012."



The tax [would be levied](#), initially at least, on every financial transaction taking place by any entity with a connection to the eurozone, at the rate of 0.1 percent on shares of stock and bonds, and 0.01 percent on all derivatives transactions. It is estimated that the FTT would cover about 85 percent of all transactions between financial institutions such as banks, investment firms, insurance companies, pension funds, and hedge funds. It is expected to raise, in the beginning, about \$70 billion annually to help fund the EU.

It's being touted as punishment for the banks which were allegedly instrumental in causing the economic meltdown, but would have no impact on ordinary citizens or small businesses. According to the European Commission, the FTT "would help to reduce competitive distortions in the single market, discourage risky trading activities [such as high frequency trading and highly leveraged derivatives contracts] and complement regulatory measures aimed at avoiding future crises."

Because of Great Britain's Prime Minister David Cameron's [resistance](#) and because under the current treaty such imposition requires a unanimous vote, "exceptions" are being made so that the FTT can be applied just to those in the 17-member eurozone instead of to all 27 member states.

Cameron's resistance to the imposition of the FTT was initially [thought by this writer](#) to reflect his overriding loyalty to the City of London, inside London but outside of his jurisdiction. Since the European Union is a creation of the Anglo-American establishment with its heavy concentration of financial interests located in the [City of London](#), it was threatened with being subjected to penalties by its own creation. The *Telegraph* seemed to agree, writing on January 8 that the reason for Cameron's resistance was for fear that "it will damage the City of London, a global financial centre where much of the tax would be raised." But a careful reading of Cameron's statement indicates he would *favor* such imposition if it were "*imposed globally*." [Emphasis added.]

That makes much more sense to Anthony Wile, writing about the coming FTT at [The Daily Bell](#). He said that the FTT would have numerous advantages in the march to the New World Order, including the ability to monitor and police every financial transaction in the world, and then declaring and enforcing rules yet to be written against those who work opposing its interests. Such record keeping would

open up a bonanza of new crimes and criminals, in our view. First of all...trade data could be matched...to detect patterns of "insider trading." But sooner or later other crimes would be



Written by [Bob Adelman](#) on January 9, 2012

discovered as well...

There could be “volume crimes” in which trades overwhelm the market...

Or how about exotic “front-running” crimes...by manipulative trades...

To counteract these newly discovered crimes, an international agency to fight market manipulation and insider trading would have to be set up. It would be a huge, global agency that would be funded by an ever steepening transaction tax.

Another threat envisioned by Wile would be the creation of “black lists” of entities not in compliance, and “white lists” of “good guys” who behave themselves according to the rules and who, as a result, are allowed to handle profitable governmental and banking business controlled by the insiders. Wile’s conclusion:

We believe that the City of London and its intergenerational, great central-banking families WANT a transaction tax. Why wouldn’t they? Taxes are a way to develop information about people and business trends. Taxes are a way to ensure that one comes under pressure to conform and to do business in a way that benefits the larger system the powers-that-be have put into place.

In the make-believe world of public opinion polling, Europeans are buying into the story that’s it all about punishing the banks for their misdoings. A recent Eurobarometer poll of more than 27,000 people showed them favoring the imposition of a FTT by more than two-to-one. Another poll by YouGov puts the FTT favorability at closer to four-to-one.

With little informed resistance to the real purposes of the Financial Transaction Tax, it appears to be a *fait accompli*.



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