

CUPE·SCFP

National Executive Board Meeting

June 9-10, 2010

Resolution of CUPE's National Executive Board

Re: Financial Transaction Tax (FTT)/Bank Tax

CUPE NATIONAL WILL:

- Work with other unions, international development organizations and other allies to campaign and lobby for the introduction of new taxes, such as a financial transactions tax, on the banking and financial industry.
- Educate CUPE members about the need for fairer taxation and stronger regulation of the banking and financial sector.

BECAUSE:

- Financial transactions are not subject to sales and value added taxes.
- Capital gains benefit from preferential tax rates.
- The exponential growth in the financial transactions and speculation has increased economic instability and was a major cause of the recent financial and economic crisis.
- According to the International Monetary Fund (IMF), the net direct costs of G20 government support to the financial sector will amount to over \$900 billion.
- The wider economic, social and fiscal costs of the crisis amount to many trillions for all the G20 countries.
- Working people are being forced to pay for the costs of this crisis through cuts to public services, cuts to public sector wages, and increases to user fees and regressive taxes in Canada and in other countries around the world.
- Highly profitable banks and financial sectors in Canada are the biggest beneficiaries of recent and further planned cuts to corporate income tax cuts.
- Higher revenues are needed to pay for pressing social and environmental needs and to support public services in Canada and around the world.

- Increased taxation on banks and the financial sector would not only raise the substantial revenues, but can also be designed to reduce speculation and economic instability which would help to prevent further crises.
- Many countries around the world already levy special taxes and fees on their financial sector, but international cooperation is required for further measures to be truly effective.
- World leaders, global unions, civil society organizations, prominent economists, tens of thousands of people worldwide and even the IMF have endorsed a range of different proposals for special taxes in this area, including a financial transactions tax, the “robin hood tax”, a financial activities tax, and other fees and levies on the banking and financial sector.
- The Canadian government is using its status as host of the G8/G20 meeting in an attempt to derail international agreement on any form of additional taxation on banks and the financial sector.
- Unions and progressive Canadians should support efforts to achieve an international agreement on this issue and oppose their federal government’s narrow-minded and irresponsible actions.