“Tobin Tax” and UN Global Taxman Making A Comeback

For decades, the "Tobin Tax" — a proposed global tax on currency transactions — has remained far from economic mainstream thought, being primarily the hobby horse of left-wing academics and advocates of world government, such as the World Federalists, or communist dictators, such as Fidel Castro. The past few years, however, have seen a host of Tobin-type proposals coming from more establishment sources.

In the past few months, it has been boosted by liberal-left economists Paul Krugman and Robert Kuttner, as well as French President Nicolas Sarkozy, French Foreign Minister Bernard Kouchner, British Prime Minister Gordon Brown, European Commission President Jose Manuel Barroso, the European Council, Greek Prime Minister George Papandreou (who is also president of the Socialist International) and the U.K.’s Financial Services Authority chairman Lord Adair Turner.

Advocates of the Tobin tax, named for the late Yale economics professor and Nobel laureate James Tobin, suggest a tax on foreign currency transactions would engender international currency stability by discouraging speculation. Some politicians, like Gordon Brown and Venezuela’s Hugo Chavez, have pushed for Tobin taxes at the national level. However, as the British journal *The Economist* noted, "Unless a Tobin tax were implemented worldwide, trading would move out of any country that enforced it."

Tobin proponents differ greatly on the optimum rate that should be charged, which is to be expected, since the line between speculating and investing is largely subjective. Some Tobin tax advocates propose "simplifying" things by levying a tax not only on foreign currency conversions, but all securities transactions. With tens of trillions of dollars in transactions taking place, that raises the possibility of raising hundreds of billions of dollars annually in new tax revenues. Voila! Suddenly the Tobin tax is transformed from a "stabilizing" tool into an almost inexhaustible global source of revenue. This, of course, raises immediate questions as to who will collect and administer these funds and to what ends they will be put.

Cuban dictator Fidel Castro, addressing the UN’s World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerance, in Durban, South Africa, in September, 2001, proposed a Tobin tax that would provide the UN with a trillion dollars annually. Fidel said:

> May the tax suggested by Nobel Prize Laureate James Tobin be imposed in a reasonable and effective way on the current speculative operations accounting for trillions of US dollars every 24 hours, then the United Nations, which cannot go on depending on meager, inadequate, and belated donations and charities, will have one trillion US dollars annually to save and develop the world. Given the seriousness and urgency of the existing problems, which have become a real hazard for the very survival of our specie on the planet, that is what would actually be needed before it is too late.

Cuba’s erstwhile "Maximum Leader" would find few to disagree with him over at the Tobin Tax

Campaign and Policy Network, which includes dozens of groups of the far Left, such as the National Lawyers Guild, the Institute for Policy Studies, Friends of the Earth, World Federalists Association, Rainforest Action Network, Oxfam, the World Council of Churches, the Commission on Global Governance, and the AFL-CIO.

The AFL-CIO, however, apparently realizes that a Tobin tax is more politically feasible if the revenues generated from it are promised to spending on domestic programs, rather than the UN, though it is not averse to funding UN projects as well.

Most news stories paint the Obama administration as being firmly against any type of Tobin tax, with much being made of Treasury Secretary Timothy Geithner's reported opposition to Gordon Brown's Tobin proposal at last November's G20 summit. Geithner's anti-Tobin comments may or may not reflect genuine opposition by the administration to the transaction tax; there is ample reason for suspecting that the announced opposition is mere posturing and maneuvering, and that Team Obama may be planning a strategic flip-flop on the issue. After all, that is what Gordon Brown did; before becoming a top Tobin advocate, he was a leading opponent. Ditto for billionaire speculator George Soros, who flipped for the Tobin tax back in 2001 (see here, and here).

A more recent convert or near-convert is Dominique Strauss-Kahn, head of the International Monetary Fund. At last November's G20 summit, he had joined Geithner in disparaging Tobin-type proposals. But before the month was up, he'd changed his tune to describe Tobin options as "interesting" and said the IMF would be following advice from the G20 leaders to look into various alternatives. According to Britain's *Guardian* newspaper, Downing Street sources say that while Geithner and Obama are publicly indicating opposition to a Tobin tax, "the White House was privately interested in the idea." That is very likely the case, as Obama's top economic advisor, Lawrence Summers, is a longtime advocate of a Tobin tax.

But, say some observers, Summers is now cozy with Goldman Sachs executives, the ultimate Washington and Wall Street insiders, as is Geithner and others in the top echelon of the Obama administration (see here, here , and here). And, surely, Team Obama would not go against Goldman Sachs (GS), which generously showered them with campaign cash and adamantly opposes any kind of Tobin tax, right? But, is GS really and truly opposed to a global tax levy, or is this Br'er Rabbit begging not to be thrown into the briar patch? Can we expect GS to make an abrupt U-turn on Tobin, as have Gordon Brown, George Soros, Dominique Strauss-Kahn, and others? It is very likely we'll see a Goldman Sachs flip-flop in the near future — and not because they have been dragged into it. The top-level folks at GS are committed globalists who favor a stronger United Nations, stronger WTO, transforming the IMF and World Bank into a world central bank, a UN-administered global carbon cap-and-trade regimen, and other schemes that are propelling the UN toward becoming an actual world government.

The Goldman Sachs Foundation is a big backer of the UN Global Compact, the UN Millennium Development Goals, United Nations University, and many other UN programs. Former Goldman Sachs managing director Robert Zoellick is now president of the World Bank. Former GS vice chairman Robert Hormats is now Obama's Under Secretary of State for Economic and Business Affairs. Zoellick and Hormats, like many of the other top GS folks, are members of the Council on Foreign Relations (CFR), the premiere U.S. organization promoting world government for the past 90 years. Goldman Sachs is a corporate member of the CFR.

Peter Sutherland, chairman of Goldman Sachs International (as well as chairman of BP, British Petroleum) was the head of the General Agreement on Tariffs and Trade, GATT, the forerunner of the

WTO. Acknowledging his critical role in founding the WTO, President Clinton's Trade Representative dubbed Sutherland "the father of globalization." Sutherland is a chairman of the Trilateral Commission and a member of the Bilderberg Group steering committee, two of the most powerful organizations of the "global power elite" (as author David Rothkopf describes them in *Superclass: The Global Power Elite and the World They Are Making*) who guide the political and economic destiny of the planet.

As Rep. Ron Paul (R-Texas) points out in this television commentary on Fox News,

the Goldman Sachs influence and GS operatives in the Obama administration are a major force behind the attempts to stop his efforts to audit the Federal Reserve, and are also a major force pushing for a global currency and transforming the IMF into a one-world bank. GS is currently one of the biggest promoters of the carbon cap-and-trade schemes that would amount, essentially, to a global tax on almost all energy use. This would greatly enrich and empower not only the UN, but also Goldman Sachs, which has positioned itself to be the leading broker of carbon credits and fees (taxes), with the potential to rake in hundreds of billions of dollars.

Return to Jekyll Island

But wouldn't a Tobin tax be different? Wouldn't it tax and regulate the financial activities of GS and their Wall Street cronies? And wouldn't Goldman Sachs robustly oppose any such "infringement"? That might seem to be the natural, logical reaction one would expect. But perhaps one should consider that there may be more here at play than meets the eye. After all, as the current SEC and congressional investigations of GS and Wall Street have confirmed, the folks at Goldman are masters of deception, selling their customers long on sure-to-default collateralized debt obligations (CDOs) while GS was going short. Similarly, with the Tobin tax they may be signaling one direction, while planning to go in the opposite direction. The GS objective here may well be regulatory capture, whereby they end up controlling the agency that was set up, ostensibly, to regulate them. It might be said that GS has already accomplished that, with Geithner and GS lobbyist Mark Patterson at Treasury, Hormats at State, and former Goldman Sachs Partner Gary Gensler who Obama appointed as head of the Commodity Futures Trading Commission. This Goldman Sachs dominance on Team Obama, is not unprecedented, of course; it is a continuation of the GS influence during the Clinton and Bush administrations.

The ultimate in regulatory capture, arguably, occurred nearly a century ago, with the establishment of the Federal Reserve System in 1913. It was a time of economic turmoil not unlike our own, with a huge public backlash against the power of what was then called the "Money Trust": Wall Street and the big banksters, epitomized by J.P. Morgan and John D. Rockefeller. The Federal Reserve (the Fed) was proposed as a means to stabilize our monetary system and prevent its control by the Money Trust. The Morgan, Rockefeller, and Rothschild banks publicly opposed creating the Fed, but privately, secretly, they were the main supporters and promoters of the Fed. In fact, their agents were the authors of the legislation that created the Fed. Still largely unknown to the vast majority of Americans is the fact that the genesis of the Fed was a secret meeting of the Money Trust's principal agents 100 years ago, in 1910. Leading that nine-day meeting at Jekyll Island, a resort off the coast of Georgia, with key operatives of the Morgan, Rothschild, and Rockefeller banking dynasties, was Paul Warburg, the chief Rothschild agent in America. Following the meeting, Warburg led the effort to pass legislation to create the Fed, while the others pretended to oppose it. The American people did not find out about the conspiratorial meeting at Jekyll Island until 25 years later, when one of the participants, Frank Vanderlip of the Rockefeller banking empire, revealed details of the gathering to the *Saturday Evening*

Post. "I was as secretive, indeed as furtive, as any conspirator," he admitted. The creation of the Federal Reserve System was heralded as a great triumph over the Money Trust. However, James Perloff explains the Jekyll Island jui-jitsu reversal that followed:

> Whom do you suppose President Woodrow Wilson named first vice chairman of the Federal Reserve Board (a position from which national interest rates would be set)? Paul Warburg. Who was first head of New York Fed, the system's nucleus? Benjamin Strong. Thus the very men who had secretly planned the bank now controlled it. The foxes were running the henhouse. At the time, neither Congress nor the public had any inkling of the Jekyll Island meeting.

Although much more is now known about the "secretive," "furtive" Jekyll Island "conspiracy" (Vanderlip's characterization, not mine) that produced the Fed, that knowledge is still largely censored from the economics and history textbooks. More's the pity, since the Money Trust foxes are still running the Fed henhouse — as well as the Treasury and IRS henhouses — and are continuing to cause economic havoc, while enriching themselves with taxpayer bailouts. Now they are preparing to move this operation to the global level, with a World Fed and a World IRS. Like the Jekyll Island conspirators, they are hijacking current populist anger against the Wall Street bailouts to gain support for taxes that supposedly are aimed at curbing the Money Trust banksters. Hence, we have the Obama administration, which is joined at the hip with Goldman Sachs, proposing mandated bank insurance fees that Goldman Sachs and its fellow Money Trust conspirators pretend to oppose. If it passes, you can be sure that a GS man will be put in charge of the new insurance scheme. And that's just the start. The Obama insurance fee plan is not an alternative to the Tobin tax, as the administration and its supporters claim, but an adjunct and preparatory skid to the Tobin tax.

Here is what the European Council said last December:

> The European Council emphasises the importance of renewing the economic and social contract between financial institutions and the society they serve and of ensuring that the public benefits in good times and is protected from risk. The European Council encourages the IMF to consider the full range of options including insurance fees, resolution funds, contingent capital arrangements and a global financial transaction levy [Tobin tax] in its review.

This "full range of options" would further penalize the good banks that have not engaged in fraud, deception, and speculation, while putting the global Money Trust (led by Goldman Sachs and its ilk) more firmly in control of banking and the monetary system. It would also usher in the precedent and the mechanisms for global taxation. While the vast majority of Americans would adamantly oppose a global income tax on individuals, they might be gulled into supporting global taxes on banks and corporations. If that happens, we can be reasonably sure that the Goldman Sachs/Morgan/Rockefeller/Rothschild forces will end up as the captors — with us as the captives of this new regulatory scheme. And, just as the income tax was brought in piggyback in 1913 with the Fed, we should expect that any global tax system created ostensibly to tax the banks will ultimately be turned to tax individuals as well. The current Tobin tax movement sure looks like another Jekyll Island jui-jitsu move in the making.

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