

SPEECH PROPOSING THE FINANCIAL TRANSACTIONS TAX

Speech endorsing the Financial Transactions Tax (FTT) motion

- As a council our day-to-day business is the welfare of our residents. But our task has clearly been affected in recent years by wider events.
- Since the financial crisis of 2008, local residents have been made to pay – often with their jobs, or at best, with frozen or lower wages and reduced public services – for the mistakes of a small financial elite in the City of London.
- As Councillors, we are doing our best to preserve the vital services our residents rely upon, but the impact of central cuts since 2010 makes our job increasingly difficult.
- It is important therefore that we show our support for a potential alternative to this austerity that impacts our residents lives and ties one hand behind Councillors’ backs on a daily basis.

The FTT

- I think an opportunity here is the Financial Transactions Tax, which is something this authority should get behind.
- The Financial Transactions Tax is at the forefront of the way most leading nations have responded to the financial crisis, including the centre-right German government, and centre-left French administration.
- The FTT involves a very modest tax on shares, bonds and derivatives transactions in the financial markets.
- Because it is applied at a tiny level for each transaction, it is targeted at high frequency gamblers on the markets, not long term investors like pension funds.

- In the UK we currently have a very successful tax on shares, our Stamp Duty, which raises £3.3bn a year.
- Extending this to bonds and derivatives could raise an additional £5bn a year.
- In times like these, we cannot afford to turn down more than £25bn per parliament. It is reasonable to ask a few thousand financiers to pay a modest tax which would raise a similar sum.
- Invested wisely that £25bn could help create tens of thousands of jobs across the country, and help drive up employment in our authority.
- Opinion polls consistently show over 70% support for the tax amongst Labour and Lib Dem voters.
- The Government, and all political parties, need to be bolder on the FTT – and put the interests of ordinary people, like our residents, above the narrow concerns of a small subset of the financial elite.
- We in local government have felt the impact of the cuts more than most. With the impact of many of the cuts still to be felt, things are likely to get more difficult. The FTT is a way to address the billions shortfall in councils' budgets, whilst also forming a positive, job and growth creating mechanism.
- I therefore move we pass the attached motion.