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U.N. SEES LUKEWARM SUPPORT FOR GLOBAL TAXES FOR ENVIRONMENT

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UNITED NATIONS (Bernama-IPS) - After a five-year debate, the United Nations is shelving a proposal for new and innovative taxes to fund the development and environment needs of Third World nations.

'Traditionally, governments have been unwilling or reluctant to cede sovereign taxation power to international bodies,' says a new U.N. report. As a result, says the study, 'not much progress has been made' since the June 1992 Earth Summit in Rio discussed two global taxes: a tax on air transport and another on global financial transactions.

'Although there is agreement that both taxes could be an important source of revenue, there is currently insufficient political will to go much beyond the discussion of technical details,' the study notes. The 14-page report on 'Financial Resources and Mechanisms' is to go before the U.N. Commission on Sustainable Development during its three-week session Apr. 7-25.

The main opposition to global taxes has come from the United States, which has expressed fears that the world body would have the power to impose levies on U.S. nationals.

A November 1996 report by the General Accounting Office (GAO), a U.S. Congressional watchdog, notes that while Washington has encouraged U.N. delegations to discuss alternative funding sources, U.S. officials oppose any suggestion that the United Nations be granted authority to impose taxes.

'Because the United Nations is an organisation of sovereign states with no independent power of its own, it has no authority to impose taxes within the jurisdictions of its member-states,' the GAO says, adding that granting such authority would, at a minimum, require an amendment to the U.N. charter.

'The official position of the U.S. government is that it would veto any proposal to amend the U.N. charter for this purpose,' the GAO says.

The study lists six options to raise revenues that have been discussed in the U.N. system -- the issuance of bonds; an international lottery; a U.N.-issued credit card; levies on international transportation-related activities and financial transactions; a U.N.-established international currency exchange; and borrowing of funds from the World Bank.

In an Oct. 1996 letter to the GAO, the State Department noted that the U.S. Congress had raised concerns about the authority of the United Nations to impose taxes on U.S. citizens. 'The United Nations cannot impose any form of tax without the consent of the United States,' the letter said.

'We should add that the U.N. General Assembly has not made a formal proposal to tax member-states; nor do we expect any such proposal will be seriously considered in the future,' it noted.

Jesse Helms, the right-wing Republican chairman of the Senate Foreign Relations Committee, has shot down by the proposal for global taxes.

'It will be a cold day in hell before we allow the United Nations to directly tax American citizens,' Helms' spokesman Marc Thiessen has said. 'The United Nations is not a world government. We prefer to stick with the present system where member-states make their own contributions to the United Nations,' he said.

The United Nations receives only a small part of its financial support from private sources.

Its operations are funded primarily from three sources: dues from

member-states for the regular budget, special assessments for peacekeeping, and voluntary contributions from member-states. A fourth source covers contributions from non-governmental entities, including foundations or other private international organisations.

But of the US\$5.9 billion in voluntary contributions in 1995, only US\$584 million came from non-governmental sources.

Several countries such as Malaysia, Sweden, Pakistan and Australia strongly advocate global taxes.

Malaysian Prime Minister Dr Mahathir bin Mohamad has said there should be levies on global air travel, a tax on speculative flows of capital, as well as an international tax on the arms trade.

Former Swedish Prime Minister Ingvar Carlsson has said the United Nations should explore the possibility of creating an international tax on foreign currency transactions. In addition, 'We need to consider the possibility of introducing charges for the use of common global resources such as the sea lanes for ships, or the ocean fishing areas, or an extra tax on airline tickets,' he added. -- Bernama-IPS