

SMOKING GUN

*Shocking Truth Uncovered
about U.N. Taxation Plan*



*U.N. Secretary-General Kofi Annan and French President
Jacques Chirac: Partners for Global Taxes on America*

A report by Cliff Kincaid, President—National Committee Against the U.N. Takeover
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The U.N. Pushes Global Taxes; U.S. Citizens Targeted for Trillions of Dollars by the International Bureaucrats and Insider-Trader George Soros

POWERFUL INTERNATIONAL ORGANIZATIONS and personalities, including the United Nations and left-wing billionaire oligarch George Soros, are promoting global taxes that would extract trillions of dollars from the American people.

In violation of the letter and spirit of the so-called “Helms-Biden” U.N. “reform” law, which was passed by the U.S. Congress to prohibit the world body from promoting or adopting international taxes, the U.N. has prepared a book, *New Sources of Development Finance*,¹ advocating global taxes on the American people. The book suggests global environmental taxes and a global currency tax that would affect the international investments of ordinary Americans.

According to journalist Steven Solomon, a former staff reporter at Forbes, such a proposal, known as the Tobin Tax, “might net some \$13 trillion a year...”²

One contributor to *New Sources of Development Finance* suggests that taxes be collected by national governments and then provided for international purposes, perhaps through “an international agency.”³ Another contributor suggests the establishment of a “World Tax Authority” under the U.N. system.

Book Might Anger Congress

This kind of rhetoric has alienated Congress in the past. In fact, Congress passed and the president signed Public Law 106-113, which incorporated the Helms-Biden U.N. “reform” legislation and allowed payment of so-called U.S. financial “arrears” to the U.N. only under very strict conditions. The law states, in part:

“No taxation proposals.--Except as provided in subparagraph (D), neither the United Nations nor any of its specialized or affiliated agencies has, on or after October 1, 1996, officially approved any formal effort to develop, advocate, or promote any proposal concerning the imposition of a tax or fee on any United States national in order to raise revenue for the United Nations or any such agency.”⁴

The U.S. State Department holds to the view that the Helms-Biden provisions on international taxes and other matters were satisfied when the money was paid to the world body and are, therefore, not in effect any more. But other experts and congressional sources disagree. They point out that the exact wording of the law – “on or after October 1, 1996” -- clearly indicates that the prohibition of global taxes applies indefinitely into the future, and does not just apply to the years in which the “arrears” were paid. Indeed, it’s difficult to believe that the Congress would have passed a law prohibiting U.N. promotion



of global taxes only for a short period of time, as long as the world body was getting those U.S. payments, and that U.N. promotion of global taxes could proceed after that with U.S. Government approval. What's more, the global tax proposals in the Atkinson book were clearly being developed over the period of several years, including during the time when Helms-Biden was in effect.

There should be no doubt that the Helms-Biden law was the declared will and intention of the Congress and that the U.N. was not supposed to receive U.S. tax dollars and promote global taxes on the American people.

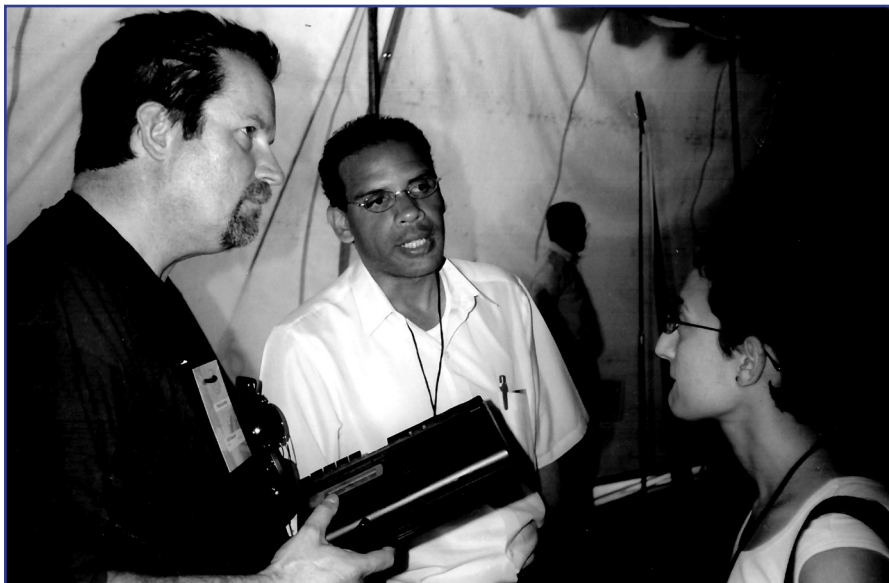
The declared opposition of the U.S. to U.N. promotion of global taxes was clearly on the minds of many at the world body pushing these schemes, and they were determined to get around this legal prohibition.

In the preface to the book, *New Sources of Development Finance*, editor Tony Atkinson ⁵ suggests there is a risk in going forward with the book because "Proposals for any form of global taxation meet immediate opposition from powerful elements in the US Congress." In fact, there is no such opposition that the Congress passed a law, as a condition of receiving U.S. assistance, that the world body should not promote global taxation schemes. Nevertheless, Atkinson confirms the U.N. role in making the book possible:

"This book reports the work of a project on 'Innovative Sources of Development Finance' undertaken at the request of the UN."

Atkinson thanks the U.N. Department of Economic and Social Affairs (DESA) and the U.N. University's World Institute for Development Economics Research (WIDER) for having "initiated the project" and having "provided crucial support."

A policy brief was issued on the subject of global taxation, drawing on the papers



National Committee Against the U.N. Takeover first started sounding the alarm about this new push for U.N. global taxes back in 2002, after reporting "live from the scene" from the United Nation's Global Tax Summit in Mexico. Here Cliff Kincaid interviews a delegate to that U.N. Global Tax Summit from Cuba.



prepared for the project. Both the brief and book were the basis for a presentation held November 15, 2004, at the premises of the Permanent Mission of Germany to the United Nations. The speaker was Atkinson and the chairpersons of the panel discussion were José Antonio Ocampo, Under-Secretary-General for UN Economic and Social Affairs, and Tony Shorrocks, Director of the UNU World Institute for Development Economics Research.

Ocampo and Shorrocks wrote the foreword for the book, declaring that it was prepared by Atkinson “on behalf of the United Nations Department of Economic and Social Affairs.”⁶

“The debate has already entered the United Nations,” Ocampo declared in July 2004. Referring to the U.S., Ocampo said that, “Although some key countries are very strongly opposed to these proposed global taxes, a number of developed and developing countries are giving them careful consideration.”⁷

So here we have confirmation from a top U.N. official that, despite U.S. opposition, the U.N. was proceeding to develop a global tax scheme.

The U.N. got even more deeply involved when, drawing largely on Atkinson’s work, the U.N. itself issued a 17-page August 17, 2004, report on global taxes under the title of “Innovative sources of financing for development.”⁸ The report was approved by U.N. Secretary-General Kofi Annan, made explicit references to global taxes, and carried the endorsement of the U.N. General Assembly. Annan specifically hails “global environmental taxes” as “an obvious potential source of revenue...”

It should be apparent that “innovative sources of financing for development” refers mainly to global tax schemes. By using this phrase, the U.N. hopes to avoid scrutiny of how it is pressing ahead with global taxes on the American people, in violation of the law under which it was paid so-called U.S. “back dues.”

In another report, *In Larger Freedom*, Annan urges massive increases in “official development assistance” (ODA), also known as foreign aid, and proposes that a new International Finance Facility⁹ be launched by the U.N. to facilitate this objective. But he also declares that, “In the longer term, other innovative sources of finance for development should also be considered to supplement the Facility.”¹⁰ This is code language for global taxes.

It is time to hold the world body accountable for its brazen campaign to loot American taxpayers.

U.N. Adviser Wants \$845 Billion from U.S.

The U.N. is seeking a global tax to force the U.S. to spend more money on foreign aid, or global welfare. The Report of the International Conference on Financing for Development, also known as the Monterrey Consensus, assigns the specific target of



0.7 percent of developed countries' gross national income to Official Development Assistance. ¹¹ From September 14-16, 2005, the U.N. is scheduled to hold a "high-level plenary meeting" of the U.N. General Assembly to "review progress in fulfillment of commitments" contained in the U.N. Millennium Declaration. The target will be the U.S.

According to Jeffrey D. Sachs, a Special Advisor to United Nations Secretary-General Annan on the Millennium Development Goals, the U.S. stands at 0.15 percent ¹² and, therefore, "We are short by \$65 billion each year." Over a 13-year period, from 2002 to the target year of 2015, this amounts to \$845 billion over and above what the U.S. is already providing in foreign aid.

Sachs, author of the book, *The End of Poverty*, has proposed global taxes to make up the difference. "We will need, in the end, to put real resources in support of our hopes," he states. "A global tax on carbon-emitting fossil fuels might be the way to begin. Even a very small tax, less than that which is needed to correct humanity's climate-deforming overuse of fossil fuels, would finance a greatly enhanced supply of global public goods. No better time to start than as the new millennium begins."¹³

Such a tax would drastically raise your energy prices, putting more Americans into the poverty class that Sachs says he wants to eliminate.

One may wonder how global taxes could be "sold" to the American people. The Sachs book, with its emphasis on "ending poverty," is one variation of the sales pitch. As the U.N. prepares for its September 2005 conference, where pressure will be put on the Bush Administration to comply with U.N. demands, you will likely see more and more of Sachs, who was dubbed a "rock star in the staid world of economics" by Time and is a friend of real rock star Bono, who wrote the foreword to the Sachs book.



After discovering the U.N.'s intentions and uncovering even more evidence about the U.N. Global Tax plan, Cliff Kincaid traveled to New York to confront U.N. officials directly. Here Cliff Kincaid debates the "Mother of U.N. Global Taxes" Inge Kaul. When confronted with her record of supporting international taxes on Americans, she said, "I'm not talking about that topic".



And who is another close friend of Sachs? None other than billionaire financial speculator George Soros, labeled by Sachs in the acknowledgements section of his book as one of the “miracle workers in promoting global justice who have generously helped me in my own activities...” Sachs identifies Soros as a “world-class philanthropist and financier.”

The Real George Soros

In fact, Soros may be the biggest political fat cat of all time. Convicted in France of insider trading, Soros specializes in weakening or collapsing the currencies of entire nations for his own selfish interests. He is known as the man who broke the Bank of England. His power is such that his statements alone can cause currencies to go up or down. Other people suffer so he can get rich.

Curiously, once he made his fortune he became a global socialist, endorsing global taxes on the very means he employed to get rich – international currency speculation and manipulation.

The media consistently ignore the fact that this so-called “philanthropist” has had brushes with the law as he has laid siege to national economies and currencies. Hard-working U.S. businessmen understand how Soros has made his money. In protesting a Soros appearance hosted by the University of Toledo, Edwin J. Nagle III, president and CEO of the Nagle Companies, highlighted “the immoral and unethical means by which he achieved his wealth.” He added, “I certainly didn’t see included in his bio the stories on how he collapsed whole country’s currencies for his own self interests so that many may suffer.”

Despite his vision of an “open society,” Soros operates an unregulated “hedge fund,” open only to the super-rich, and fought a proposal from the Securities and Exchange Commission to regulate and monitor these offshore entities.

But rather than explore the curious and indefensible Jeffrey Sachs connection to George Soros, the March 14, 2005, issue of Time magazine featured a poverty-stricken family on the cover and an excerpt of the Sachs book inside. “How to end poverty” is what the cover said. “Journalism with a conscience” is what the managing editor of Time called it. How do we end poverty? According to Sachs, it’s to spend more money – money mostly from American citizens. But if you won’t provide it voluntarily, then it will have to be taken from you through global taxes if necessary.

At the World Economic Forum early this year, Soros declared himself in favor of “international taxation”¹⁴ but said that it “might not be realistic” at the present time because of opposition from the Bush Administration. A proposal for an international tax had been put forward by French President Jacques Chirac and Brazilian President Luiz Inacio Lula da Silva. Soros declared support for an international tax “not only on currency transactions, but also on all financial transactions.”¹⁵



Advocating World Government

In a 1994 U.N. publication, economist Jan Tinbergen declared:

“Mankind’s problems can no longer be solved by national governments. What is needed is a world government.”¹⁶

The plan is simple: world government through global taxes.

At this point, with only a few months before the critical September 2005 U.N. meeting, it is important for Congress to act. The U.N. is deathly afraid that the Congress will take action and de-fund the world body because of its advocacy of U.N. global tax schemes.

In his 2002 paper, *Global Taxation: the Rise, Decline and Future of an Idea at the United Nations*, Ruben P. Mendez¹⁷ noted that the U.S. Congress had incorporated restrictions on U.S. financial contributions to the United Nations “should the UN engage in any effort to implement or impose any taxation on US persons,” and that this was “built in to its agreement with the UN on the payment of its arrears.” As a result, Mendez said, “word circulated at the UN cautioning the staff against advocating or publicly discussing global taxation.”

Mendez said that a U.N. conference scheduled for June 2001 was cancelled, “on instructions from the Office of the Under-Secretary-General for Economic and Social Affairs,” because it was to discuss the issue of global taxation. At the time, the Under-Secretary-General for economic and social affairs was Nitin Desai. The sponsor was supposed to be the Division for Public Economics and Public Administration of the U.N.’s Department of Economic and Social Affairs. Papers for the conference, titled “the United Nations ad hoc Expert Working Group Meeting on Innovations in Mobilizing Global Resources for Development,” were produced and plans were being considered for their



Cliff Kincaid presents U.N. official Lowell Flanders with proof that the United Nations is violating U.S. law prohibiting promotion of global tax schemes.



publication. They were eventually posted at a U.N. web site of UNPAN, the Committee of Experts on Public Administration.¹⁸

In his paper, Mendez wrote that

“...the dawn of global taxation appears to be at hand.”

But at the time that Mendez wrote these words, he was worried that because of the Helms-Biden law, which was then moving through Congress,

“It is doubtful that the papers could be issued as a UN publication, which is what the Division has had in mind.”

At that juncture, he wrote, “the UN is caught in a dilemma,” and Mendez wondered whether the U.N. would ever officially issue its study on this matter.

While the Helms-Biden prohibitions may have been a factor, another reason for cancellation may have been that one of the scheduled participants, Fred McMahon of the Fraser Institute of Canada, had prepared a paper denouncing a global tax as “unworkable, unnecessary and dangerous.” In other words, it appears that the conference was cancelled because the U.N. didn’t want to be associated with a study opposed to the idea of global taxes and didn’t want to give the author the opportunity to make his case at a U.N. forum.

Whatever the case, the U.N. was also sponsoring the Atkinson project and study. This effort was pro-global taxes and was more easily controlled by the U.N. The table of contents of the Atkinson book tells the story:

- Innovative Sources to Meet a Global Challenge, *A. B. Atkinson*
- Over-Arching Issues, *A. B. Atkinson*
- Environmental Taxation and Revenue for Development, *A. Sandmo*
- Revenue Potential of the Tobin Tax for Development Finance: A Critical Appraisal, *M. Nissanke*
- A Development-Focused Allocation of the Special Drawing Rights, *E. Aryeetey*
- The International Finance Facility Proposal, *G. Mavrotas*
- Private Donations for International Development, *J. Micklewright and A. Wright*
- A Global Lottery and a Global Premium Bond, *T. Addison and A. Chowdhury*
- Remittances by Emigrants: Issues and Evidence, *A. Solimano*
- Global Public Economics, *J. A. Mirrlees*



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- National Taxation, Fiscal Federalism, and Global Taxation, *R. Boadway*
- The Way Forward, *A. B. Atkinson*

While the book purports to examine the feasibility of various schemes, the seven “potential options” or “innovative ideas” were specifically identified as

- “Global environmental taxes (e.g. carbon-use tax);
- “Global lottery and global premium bond;
- “Tax on currency flows (the so-called “Tobin tax” designed to discourage excessive currency speculation);
- “Creation of new Special Drawing Rights (creation of SDRs for development purposes, with donor countries making their SDR allocation available to fund development);
- “International Finance Facility (making available long-term, but conditional, funding guaranteed to the poorest countries by donor countries);
- “Fostering greater private donations for development by firms and individuals;
- “Facilitating the means for emigrants to send their money home.”

As part of this process, a “Conference on Sharing Global Prosperity” was held in Helsinki, Finland, September 6-7, 2003.¹⁹ This conference was funded in part through contributions from the Governments of Denmark, Finland, Norway, Sweden and the United Kingdom. Individuals associated with the Project on Innovative Sources for Development Finance participated in the event. The project was “funded by UN-DESA and UNU/WIDER.”

It should be noted that WIDER was established by and is part of the U.N. University (UNU) and is, therefore, part of the U.N. system. As such, it is also covered by the U.S. legal prohibition on U.N. involvement in promoting global taxation schemes. Nevertheless, the UNU and WIDER issued its study on global taxation on November 15, 2004, saying it was critical to mobilize additional “resources” for “Millenium Development Goals.”²⁰

World Federalists Paying Close Attention

Another fascinating account of the U.N.’s handling of the global tax issue is contained in the book, *World Democratic Federalism*, by Myron J. Frankman.²¹ World federalism is a euphemism for world government. He says one factor behind the “hostile reaction” of the U.S. Congress “to activity by the UN aimed at the promotion of any global taxes” was the publication by the U.N. Development Program of a 1996 book titled *The Tobin Tax*. Interestingly, the acknowledgements section of the *Tobin Tax* book refers to several experts who reviewed the book, including “Arminio Fraga of the Soros Fund”²² and



Tobin himself. One of the editors was Inge Kaul of the U.N. Development Program.

The Frankman book, which itself argues for world government, includes a chapter devoted to the creation of a “world currency.” He also argues strongly in favor of global taxes.

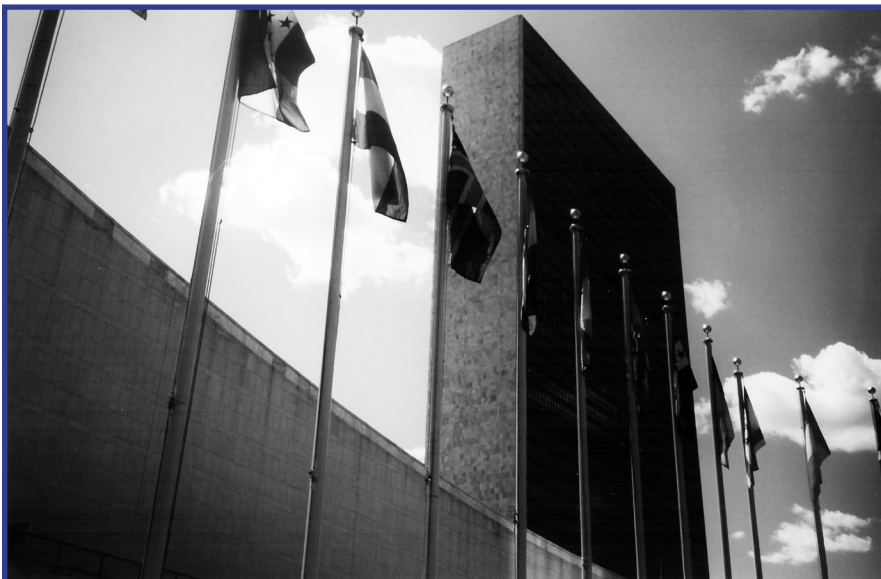
He claimed that, for a time, the Helms-Biden law had “effectively muzzled the free speech and inquiry of the U.N. and Americans citizens working for the UN, the US Bill of rights notwithstanding, in return for the promise of payments.” He said it appeared that the law was intended to prohibit “discussion or even the slightest printed reference to global taxes.”²³

In fact, however, by going forward with the Atkinson project, his policy brief, book, and Kofi Annan’s August 2004 “Innovative Sources of Financing Report,” the U.N. was openly violating the U.S. law and daring the Bush Administration and the Congress to stop them.

UN TV Promotes Global Taxes

The U.N. has even included discussions of global taxes on its World Chronicle television program. Tony Jenkins of the U.N. Correspondents Association, James Wurst of U.N. Wire and Louis Hamann of the Canadian Broadcasting Company (CBC) were on the May 3, 2004 edition of the show²⁴ to question a U.N. official, Ambassador Marjatta Rasi of Finland, about the topic. Hamann asked if a global tax on financial transactions could become a new source of foreign aid. The official replied that we have to pay “much attention” to “innovative financing sources.” Hamann pressed, “But do you think the idea of a global tax could ever come to be?” The official said there was no consensus now but that “times may change.”

Ironically, a form of global taxation has already been incorporated in the Law of the Sea Treaty, which has not been ratified by the U.S. Senate.



Will the United Nations become the new headquarters for a global government that taxes the American people? Not if Americans like you continue to help us in this battle. Please help National Committee Against the U.N. Takeover stop them.



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As Ruben Mendez noted in his paper on global taxation:

“...charges for the use of the global commons, which could fall under the rubric of ‘user fees,’ would be viewed as a form of global taxation. It is one of the innovations of the United Nations Law of the Sea Convention that royalties may be charged for the exploitation of the deep ocean bed, which is deemed to be part of the ‘common heritage of mankind.’”

Mendez declared that, “despite the opposition of the US and others, I can see industrialized nations with strong environmental lobbies leading the way” toward acceptance and implementation of global taxes.²⁵

Mendez declared that the Kyoto Protocol, also known as the global warming treaty, “considered” adopting an approach to regulating global pollution that could lay the groundwork for global taxes. The approach, he said, involved countries issuing and selling pollution permits. If such an arrangement is adopted by developed countries, including the U.S., Mendez says “this will lead to their trading in international markets, thus paving the way for a new regime of global taxation.”²⁶

Meanwhile, the U.N. Pension Fund, which is reserved for the retirement of U.N. officials and bureaucrats, is worth over \$25 billion. And its value is rising.

The American taxpayers will be pressed and squeezed so that the U.N. and its officials can live luxuriously at our expense and control our property and our lives. The U.N. wants world government through global taxes. The Bush Administration and the Congress have the power to stop them.

(Endotes)

¹ New Sources of Development Finance, Edited by A.B. Atkinson, Oxford University Press, 2005.

² Solomon, Steven. *The Confidence Game: How Unelected Central Bankers Are Governing the Changed Global Economy*. New York: Simon & Schuster, 1995, page 511.

³ *Ibid.*, New Sources of Development Finance, page 47.

⁴ Subparagraph (D) was an exception that consisted of “fees for publications or other kinds of fees that are not tantamount to a tax on United States citizens...”

⁵ Warden of Nuffield College, Oxford. He was previously Professor of Political Economy at the University of Cambridge, and Chairman of the Suntory Toyota International Centre at the London School of Economics. He is Fellow of the British Academy, and has been President of the Royal Economic Society, of the Econometric Society, of the European Economic Association and of the International Economic Association.

⁶ *Ibid.* New Sources of Development Finance.

⁷ <http://www.ipsnews.net/interna.asp?idnews=24552>

⁸ http://www.unescap.org/tid/mtg/egmrti_ref272.pdf

⁹ British Prime Minister Tony Blair proposed a similar-sounding International Financing Fund.

¹⁰ <http://www.un.org/largerfreedom/chap2.htm#>

¹¹ The 0.7 percent figure can be traced back to a U.N. resolution urging the creation of a Marxist-oriented New International Economic Order.

¹² Sachs says this currently amounts to \$16 billion.

¹³ <http://www.cid.harvard.edu/cidinthetnews/articles/sf9108.html>

¹⁴ http://www.forumblog.org/blog/2005/01/george_soros_th.html

¹⁵ Soros 2001 speech to the Asia Society. See: <http://www.asiasociety.org/speeches/soros.html>

¹⁶ <http://hdr.undp.org/reports/global/1994/en/>

¹⁷ Mendez was associated with the U.N. Development Program and became an Adjunct Professor and Fellow at New York and Yale Universities.

¹⁸ The papers were posted at <http://www.unpan.org/corethemes-papers-on-innovations-LW.asp>

¹⁹ <http://www.wider.unu.edu/conference/conference-2003-3/conference-2003-3-participants.htm>

²⁰ <http://www.wider.unu.edu/events/book-launch-FFD/press-release-ffd-ny-15%20november-2004-b.pdf>

²¹ Frankman has been a member of McGill University’s Department of Economics and its Center for Developing Area Studies since 1967.

²² Fraga was a fund manager for billionaire speculator George Soros and was Governor of Brazil’s central bank from March 1999 to December 2002.

²³ Frankman, Myron J., *World Democratic Federalism: Peace and Justice Indivisible*, 2004, Palgrave Macmillian, page 91.

²⁴ <http://www.un.org/webcast/worldchron/trans940.pdf>

²⁵ Mendez, *Global Taxation*, page 12.

²⁶ *Ibid.*

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- From September 14-16, 2005, the U.N. is holding a “high-level plenary meeting” of the U.N. General Assembly to “review progress in fulfillment of commitments” contained in the U.N. Millennium Declaration. The end result will be more pressure on the U.S. for tens of billions of dollars in more foreign aid. In fact, U.N. pressure is building for imposing global taxes on the U.S.
- In violation of the “Helms-Biden” U.N. “reform” law, which was passed by the U.S. Congress to prohibit the world body from promoting or adopting international taxes, the U.N. has prepared a book, *New Sources of Development Finance*, advocating global environmental taxes and a global currency tax that would affect the international investments of ordinary Americans.
- The U.N. issued a 17-page August 17, 2004, report on global taxes under the title of “Innovative sources of financing for development.” The report was approved by U.N. Secretary-General Kofi Annan, made explicit references to global taxes, and carried the endorsement of the U.N. General Assembly. Annan specifically hails “global environmental taxes” as “an obvious potential source of revenue...”
- The Report of the International Conference on Financing for Development (held March 18-22, 2002), also known as the Monterrey Consensus, assigns the specific target of 0.7 percent of developed countries’ gross national income to Official Development Assistance (ODA). According to Jeffrey D. Sachs, a Special Advisor to Annan, the U.S. stands at 0.15 percent and, therefore, “We are short by \$65 billion each year.” Over a 13-year period, from 2002 to the target year of 2015, this amounts to \$845 billion over and above what the U.S. is already providing in foreign aid (currently estimated by Sachs at \$16 billion a year).
- José Antonio Ocampo, Under-Secretary-General for U.N. Economic and Social Affairs, says, “The debate has already entered the United Nations,” and that, “Although some key countries are very strongly opposed to these proposed global taxes, a number of developed and developing countries are giving them careful consideration.” He referred to a global tax proposal from France and Brazil.