

Germany wants an EU wide financial transaction tax

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The FT [has reported this morning that:](#)

German Finance Minister Wolfgang Schäuble will push for a planned European tax on stock and bond trading to apply in all EU countries in spite of firm UK opposition to the scheme and warnings from banks it would hurt their business.

I suspect that in the UK this would be reported as a left wing measure. No one could call Schäuble a left-winger.

And I also know it would be seen as anti-business. This is not true. Banking and business are not the same thing. Banking is a service facility to business and the community. It is, because of its power (granted to it by the government) to make money out of thin air nothing like the rest of the business community. They should not be confused.

There is a particular tax way in that difference is also very obvious: most banking activity is not subject to VAT. The result is that banking is currently undertaxed, and the benefit largely goes to the wealthiest who make use of its services the most by value (inevitably).

And there is the now near universally acknowledged fact that banks outsource their risk to the world ta large, for which I think they underpay.

The result is a need for taxes on banks that reduce risk, are progressive and which compensate society for the costs banks can impose, of which 2008 was just an example.

It's not left wing to demand a financial transaction tax in that case. It's a key tax in rebalancing some of the presently seriously unbalanced elements in our economy as well as many of the economies in the EU and the world at large.

This is a move that has to be welcomed.