



conscience

Taxes for Peace Bill

Paying Taxes With a Clear Conscience

Securing Peace - Preventing Conflict

“Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed.

This world in arms is not spending money alone. It is spending the sweat of its labourers, the genius of its scientists, the hopes of its children.”

Dwight D. Eisenhower

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Presented by Ruth Cadbury MP under the command of Her Majesty.

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Paying Taxes With a Clear Conscience

The British Government believes that addressing the root causes of conflict is a social, ethical and economic imperative for the 21st century.

Her Majesty's Government also recognises previous legislation for individuals of conscience to opt out of military conscription; but these individuals do not have the same right to opt out of paying for, through the tax system, military activity that would also conflict with their conscience.

This Bill would give all taxpayers the opportunity to express on their tax return their conscientious objection to the expenditure of their taxes on war or the preparations for war. They would then have the appropriate percentage of their income taxes redirected away from military spending and towards conflict prevention programmes sponsored by the government.

The right of conscientious objection has been acknowledged in the United Kingdom for centuries. In the late 17th century, the government sought to pressure Quakers to engage in military activities. They resisted the state's capacity to compel them into military service. In the Militia Ballot Act of 1757, Quakers as a body were excluded from conscription.

The general right to refuse on the grounds of conscience to participate as a combatant in military service was included in the Military Service Act 1916, which introduced conscription during the First World War.

The right to conscientious objection has also been recognised in the United Nations Declaration of Human Rights and the European Union Convention on Human Rights. The legal right to act in accordance with one's conscience has been placed firmly on the statute book by the Government through the Human Rights Act 1998.

Modern wars are no longer fought, by the United Kingdom, with conscript armies in which a conscientious objector can refuse to serve. Today we are not conscripted to fight; instead, our taxes are conscripted to pay for the cost of sustaining a modern professional army and the technology it wields.

We are, as taxpayers, conscripted to pay for some of the most lethal military equipment in the world. We are also compelled to pay for people to be trained in the operation of this deadly machinery which enables them to kill. We are therefore complicit in a system of killing by proxy which interferes with established principles protecting individuals of thought, conscience and religion from unjust force from the state.

For those who object to war, there is little moral difference between actually firing lethal weapons and paying for someone else to do so.

This Bill simply extends the already legally recognised right of freedom of conscience in the modern world where military taxation is the new form of conscription.

If the right of conscientious objection is to have any real meaning today, it must be the right not to support state violence with our taxes. We must allow those who object to war the right to have their taxes used for the non-violent conflict resolution.

The UK is a world leader in sponsoring conflict prevention initiatives by means other than armed force and, through mechanisms such as the Conflict Security and Stability Fund (CSSF), greatly contributes to global peace and security through non-military means.

By enabling citizens to redirect the proportion of their income tax that goes to the military towards a non-military security fund such as the CSSF and its successors, this Bill will allow all citizens, to be able to contribute to the tax system with a clear conscience.

“War will exist until that distant day when the conscientious objector enjoys the same reputation and prestige that the warrior does today.”

John F. Kennedy

Why Now?

The struggle of conscientious objectors is not new, but is one that has existed ever since conscription first came into force. For many COs conscientious objection to military taxation forms part of the historical campaign for the recognition of individual rights of citizens to reject violence.

1916 was a pioneering moment in the conscientious objection movement as it provided the first legally recognised inclusive right to conscientious objection. In 2016, as we commemorate 100 years since the legal recognition of conscience within the 1916 Military Service Act, we must also recognise for many, this clause falls short.

The NGO Conscience: Taxes for Peace Not War has been collecting statements of conscience from its members and supporters to draw a parallel between the COs of World War One and modern day COs who object to military spending in their name, with their taxes.

The centenary of the Military Service Act, and the heightened awareness of conscientious objection that accompanies it, provides a unique opportunity for modern COs to have their voices heard.

Whilst we reflect on the past of conscientious objection, this Bill provides a vision of what its future could, and should, look like. A future where physical and financial conscription finally achieve legal parity, as is already judicially recognised in regards to murder, and the right of military exemption is fully recognised in UK law.

A Tax-Shift to Non-Military Security

This legislation, the first of its kind in the United Kingdom, has a clear purpose: to provide individuals with the economic freedom to decide how their national security is maintained.

All governments must prioritise the security of their citizens – but how is this security best achieved? For many years policy makers have had a simple answer: a defensive military force. But as the 21st century progresses we are seeing the diminishing power of conventional armies against non-conventional threats.

Politicians are beginning to look beyond military security at how we address the root causes of conflict in fragile states.

Foreign policy is far too reactive to escalations in global conflict. Often money is spent on costly military interventions instead of doing the work that could prevent those conflicts in the first place. The imbalance of spending between military activity and conflict resolution is enormous: in 2013 for every £1 spent on peacebuilding over £100 was spent on military activity.

By spending so much money on treating the symptoms and not the disease we are likely to increase the long-term financial burden on the tax payer as global conflicts worsen. It is therefore logical to invest in conflict prevention in order to reduce the need for future military interventions.

This shift away from military security towards a mixture of development, diplomacy and aid with a focus on conflict prevention would ensure foreign policy becomes pro-active in dealing with potential hostilities rather than just reacting to emerging military threats.

Conscientious Objection to Military Taxation

In 1948, the issue of the right to conscience was addressed by the United Nations General Assembly in Article 18 of the Universal Declaration of Human Rights. This states: "Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance."

The right to freedom of conscience is clearly in conflict with the principle of taxation being collected and spent in a manner in which the conscience or religious practices and observances of tax payers are not taken into account.

War is a very specific type of government spending with a very specific remit: deliberate killing to achieve foreign policy objectives. It has long been legally recognised that, given the very specific nature of military activity, individual involvement needs a very specific set of laws to govern it. This is why we can have a legal conscientious objector status to military conscription, but not, say, a conscientious objection to education, welfare or health spending.

Her Majesty's Government budgeted for more than £34 billion of military expenditure in 2014. That represents close to 5 per cent of the Government's total expenditure and an annual contribution of around £1,200 per taxpayer for military activity.

Allowing for the percentage of income taxes spent on military activity to be redirected towards non-military forms of security would allow citizens of conscience to pay into the tax system knowing that their income taxes have been paid in full but in a manner that does not infringe on their right to freedom of conscience.

Currently, some individuals choose to withhold the military portion of their taxes in lieu of being able to redirect their taxes away from military activity. Not only is this a highly ineffective method – it is also illegal.

Many politicians will praise the noble struggle of conscientious objectors in World War One, and Britain's leading role in the legal recognition of conscience, whilst failing to acknowledge that COs today still face the moral struggle of their financial complicity in war. An update in the law is required so that Conscientious Objectors to Military Taxation can have their rights fully recognised.

CASE STUDY – PEACE TAX SEVEN

In April 2004 seven war tax resisters known as the Peace Tax Seven engaged a team of lawyers to act on their behalf in seeking a Judicial Review of the current laws which make conscientious objectors pay for military activity if they do their civic duty and pay their taxes.

The Seven wanted to seek court orders forcing the Treasury to establish a special fund or account so that their money could only be spent on peaceful purposes. Ms Sian Cwper said her Buddhist beliefs led her to object to military spending in any case but she had been spurred into the tax protest by Britain's involvement in the Iraq war.

They decided to test this legal case because they felt their rights of conscientious objection were not being recognised.

Their campaign of tax resistance highlighted that there are still individuals in the United Kingdom that feel complicit in war through their contribution through the tax system and seek an alternative method to pay tax that does not fund state violence.

The Peace Tax Seven legal case began a process to recognise the ability to re-direct military taxes as simply another form of alternative service and an extension of an existing principle that applies to conscientious objectors.

Mr Justice Collins said: "I am persuaded that if this matter is to be reconsidered it must be reconsidered by Strasbourg."

Despite only wishing to practice their pacifism, the Peace Tax Seven and other tax resisters like them are threatened with bailiffs, jail time and enormous legal costs - all for a tax bill they have the capacity to pay.

If we were to accommodate conscientious objectors by allowing them to make contributions to a peace tax fund it would prevent the bizarre and immoral act of the state imprisoning individuals for practising pacifism.

“War does not determine who is right - only who is left.”

Bertrand Russell

CASE STUDY - THE CONFLICT STABILITY AND SECURITY FUND

The Government will provide more than £1 billion in 2015-16 for a new Conflict, Stability and Security Fund (CSSF). This builds on the success of the Conflict Pool by bringing together existing cross-departmental expertise and resources from across government.

The CSSF will fund a broader range of activity to help prevent conflict that affects vulnerable people in the world's poorest countries, and tackle threats to UK interests from instability overseas. This will include actions the UK delivers directly or through third parties to help prevent conflict and instability, and support post-conflict reconciliation.

Priorities for the Fund will be set by the Government's National Security Council to ensure a stronger cross-departmental approach that draws on the effective synergy of defence, diplomacy, development assistance, security and intelligence.

It will also ensure longer term conflict prevention work to tackle the root causes of conflict abroad, such as developing human rights training, strengthening local police and judiciaries, and facilitating political reconciliation and local peace processes.

The CSSF – An Operational Peace Tax Fund?

Since the earliest days of the campaign to enable Conscientious Objection to Military Taxation, the objective has been not to withhold taxes but to have them redirected to a 'peace tax fund' described in the campaign's first 1984 Early Day Motion as a demand for a "peacebuilding fund which will promote security in a non-military manner".

The CSSF is a funding mechanism for non-military conflict resolution and conflict prevention managed by the FCO, MoD and DFID. The CSSF remains one of the most effective methods of funding small scale peacebuilding projects. The flexibility of the CSSF and its ability to respond quickly to escalating events make it very effective in the potentially hostile and unpredictable environments in which peacebuilding organisations operate.

The CSSF already operates as a non-military peacebuilding fund, that acts in a very similar capacity as the previously envisioned 'peace tax fund' championed by Conscience and the Peace Tax Seven. This makes it an effective and already operational government fund that could serve the purpose of a pool for the redirected taxes of conscientious objectors.

Hypothecated Taxation

One criticism of previous attempts at a Bill to enable Conscientious Objection of Military Taxation is that it breaks the Treasury's 'golden rule' of opposing hypothecation of taxation.

In reality, hypothecated taxes have been a fact of life since the first hypothecated tax by King Charles I who levied a 'Ship Money' tax on UK ports to finance the Royal Navy in the 1600s. The examples of UK government tax hypothecation are numerous and growing.

Gift Aid is a form of personal hypothecation in which people may direct part of their tax liability to a specific charity.

In the 2015 Autumn statement the Chancellor of the Exchequer George Osborne enabled local authorities to hypothecate a specific element of council tax in order to meet health and social care commitments.

Another recent example of a hypothecated tax is when the Government announced that proceeds from VAT on sanitary products (the so-called tampon tax) would be re-invested into women's charities.

There also been a more recent tax on sugary soft drinks dubbed the 'Sugar Tax' and a hypothecated tax on insurance premiums that would be used to pay for flood defences.

There are numerous international examples of taxation being hypothecated to positive effect - including the United States gasoline tax (used to pay for transport infrastructure) and healthcare payroll taxes in Germany.

Hypothecated taxation looks to become a permanent feature of the UK tax system.

How Can Tax Hypothecation Help Conscientious Objectors?

The CSSF can serve as a ring-fenced fund for Conscientious Objectors' redirected military taxes, so that their taxes can be paid in full whilst their right to religious freedom is protected.

Hypothecated taxation, already a feature of the UK tax system for many years, could be used as a vehicle to make a tax system morally compatible with the religious traditions of Quakers, Baha'is, Jehovah's Witnesses, Mennonites, Seventh Day Adventists and Buddhists all of whom practice conscientious objection as matter of religious observance.

By allowing citizens to redirect their taxes away from military activity and towards non-military security funds like the CSSF will enable anyone from these and similar groups to make a fair contribution to the tax system, whilst doing so in a manner that does not conflict with their pacifist beliefs.

Because HMRC now calculates individual contributions to government departments through an annual tax statement, the data to make this possible is, for first time, already held by the government. Therefore there has never been an easier time to make conscientious objection to military taxation a reality for UK citizens.

This freedom to redirect a portion of taxes would allow individuals to express their desire for greater security based on mutual dependence and fairer international agreements rather than on the threat of military action.

This would bring an end to a century in which groups who reject military service are effectively conscripted into paying for activity which their conscience does not support. This would also reinforce the international trend away from military spending towards investment in non-military conflict resolution in fragile states.

The Taxes for Peace Bill will provide some groundwork for creating a society with greater economic freedom, with full recognition of the rights of conscientious objectors and increase contributions to schemes that maintain and increase global security.

The first duty of any government is to provide security for its citizens. This Bill for the first time creates a truly democratic framework for citizens to have a say in how that security is provided.

Taxes for Peace Bill

A Bill to give further effect to the international obligations of the United Kingdom in relation to freedom of thought, conscience and religion by enabling persons liable to income tax who object, out of personal conviction, to the expenditure of tax revenues on military activity to direct that the relevant portion of the income tax for which they are liable be spent instead on the prevention and peaceful resolution of conflicts; and for connected purposes.

Be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:-

I. Statement of conscientious objection

(1) A person liable to income tax who objects to expenditure of tax revenues on military activity on the ground that such expenditure is incompatible with his or her personal convictions (an "objector") may make a statement under this section, to be known as a statement of conscientious objection, to Her Majesty's Commissioners of Revenue and Customs ("the Commissioners").

(2) Where the Commissioners receive a statement of conscientious objection in any financial year, they must arrange for the relevant proportion of the income tax for which the objector is liable in that and future financial years to be applied in accordance with section 2; and that proportion so applied is to be known as the "Peace Tax".

(3) In this section, the "relevant proportion" means a fraction equal to D divided by T , where—

(a) T is the total managed expenditure of the United Kingdom government for each financial year, as set out in the Central Government Supply Estimates presented to the House of Commons in respect of that year, and

(b) D is the amount of that expenditure allocated to the Ministry of Defence.

2. Allocation of Peace Tax to non-military security

(1) The Peace Tax raised from objectors shall be allocated to expenditure on non-military security.

(2) In subsection (1), “non-military security” means the promotion of security through international understanding, reconciliation and pacific settlement of disputes, and includes—

- (a) the removal of causes of conflict;
- (b) the conversion of industrial production from military to non-military purposes;
- (c) the resolution of international disputes through mediation and conciliation;
- (d) other peaceful and non-military methods of avoiding or resolving conflict and violence.

(3) Amounts allocated under subsection (1) are to be in addition to, not in substitution for, amounts which would, but for this Act, have been allocated for purposes falling within subsection (2)

3. Final provisions

(1) The Treasury may by regulations make provision for giving effect to this Act, including provision about—

- (a) the form and content of, and the method of communicating, a statement of conscientious objection;
- (b) the duration of a statement of conscientious objection (including provision about its withdrawal, expiry and renewal);
- (c) the calculation of amounts;
- (d) the apportionment of income tax raised from an objector in respect of the financial year during which the objector makes a statement of conscientious objection;
- (e) the arrangements to be made under section 1(2).

(2) Regulations under subsection (1) are to be made by statutory instrument; and no such regulations shall be made unless a draft of the instrument containing them has first been laid before, and approved by resolution of, the House of Commons.

(3) Any expenses incurred by a Minister of the Crown under this Act shall be defrayed out of moneys provided by Parliament.

(4) This Act comes into force—

- (a) as regards subsections (1) to (3), on the day on which it is passed;
- (b) otherwise, at the end of the period of six months beginning with that day.

(5) This Act extends to the whole of the United Kingdom.

(6) This Act may be cited as the Taxes for Peace Act 2016.

Conflict Prevention: a more ethical and economic foreign policy?

“In the field of international conflict, it is often observed that prevention is better than cure. The costs of major post-conflict interventions are so large in both human and financial terms that effective investments in conflict prevention should provide good value for money by comparison. This proposition is, however, rarely put into practice. Funds are usually mobilised only once international crises reach the headlines, when it is too late to talk of prevention.”

– Independent Commission for Aid Impact (ICAI)

Roughly 6% of all tax revenue is spent on the military, but the National Security Council strategy hasn't been focused in a way that delivers good value for taxpayers. Dealing with the causes, rather than just the symptoms, of conflict will reduce the need for expensive military interventions, therefore reducing the cost to the taxpayer overall.

Despite a tough fiscal climate for UK spending there has been an acknowledgement that there should be an increase in spending on conflict prevention programmes.

The Conflict Pool was previously spending £350 million on conflict prevention programmes. The British Government has increased that expenditure to over £1 billion under a new scheme, the Conflict Stability and Security Fund (CSSF). This will operate under a similar mandate to the Conflict Pool and continue to sponsor many of the NGOs that support peacebuilding projects internationally.

This is part of a much wider trend nationally and internationally to broker a new approach to conflict resolution involving work at a local level to reduce arms proliferation, encourage and engage citizens in emerging democracies and delegitimise sexual violence.

Such an approach would be supported by many conscientious objectors but also represents very good value in both financial cost and long-term outcomes.

Military equipment and personnel are expensive to train, purchase and maintain. Due to the high levels of sovereign debt suffered by western nations, many governments' departments are seeking new methods of operating that reduce their financial exposure.

One method by which the Britain could remain a world leader in shaping global affairs whilst reducing spending in conflict zones, is a shift away from military deployment towards investment in conflict prevention programmes, currently supported by US AID, the EU Peacebuilding Partnership and the CSSF.

This would not only help legitimise British intervention overseas but represent both ethical and economic value for British taxpayers.

UK Defence spending on just six vehicle classes

Item	Unit Cost	Number of Units	Total
FV 4034 Challenger 2 Tank	£4,217,000	446	£1,880,782,000
AD-90 Artillery Vehicle	£1,675,977	179	£300,000,000
Future Rapid Effect System Specialist Vehicle (FRES SV)	£5,835,384	~1300	£7,586,000,000
Warrior Capability Sustainment Programme	£2,578,181	550	£1,418,000,000
Queen Elizabeth Aircraft Carriers	£3,100,000,000	2	£6,200,000,000
Vanguard Class Submarines	£5,000,000,000	4	£20,000,000,000

Sources: National Audit Office, British Army and Keep Our Future Afloat Campaign

Cost-Benefit analysis of peacebuilding vs military spending

WITH...	YOU COULD FUND...	OR...
\$2.5 Million	Two Drone strikes in Pakistan	A two year conflict management course training 1,600 Iraqi mediators
\$10 Million	About 10 US soldiers in Afghanistan for one year	A year long Civilian Response Corps that prevented a potentially deadly conflict in Afghanistan 2011
\$40 Million	Less than a year of aerial attacks in Somalia	A full year of funding the United States Institute of Peace that works to resolve conflict in 76 countries.
\$75 Million	Less than one Super Hornet Fighter Jet	Full year of funding the Complex Crisis Fund
\$15 Billion	One Aircraft Carrier	Two years of US United Nations Contributions which would be spent on peace keeping and development
\$28 Billion	The amount Lockheed Martin alone received in US defence contracts in 2010	Total amount US spent on diplomatic activity from 2007-2010



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TAXES FOR PEACE NOT WAR

we work for a world where taxes are used to nurture peace not pay for war

conscience campaigns for a progressive increase in the amount of UK tax spent on peacebuilding, and a corresponding decrease in the amount spent on war and the preparation for war. In addition, we advocate the use of non-military security and provide information and resources to support the development of peacebuilding and conflict prevention methods - methods that are widely recognised to provide more effective and better value forms of security than military intervention.

We also campaign for an update in the law, so that people with a conscientious objection to war can have the part of their taxes currently spent on war and its preparations – approximately 6% – spent on peacebuilding and conflict prevention instead. This is in recognition of the fact that although we no longer face military conscription in the UK, we continue to bear a moral responsibility for war through our taxation contribution to the Ministry of Defence.

If you have any comments or suggestions you would like to raise about this report please contact **conscience** at campaign@conscienceonline.org.uk or for more information about the campaign please visit our website: www.conscienceonline.org.uk