

Canadian Yearly Meeting of the Religious Society of Friends Minutes
in regards to the Peace Tax Concern 1988-1995

Over a number of years the Canadian Yearly Meeting of the Religious Society of Friends (Quakers) worked towards clarity of how to recognise, as an employer, the conscientious objection to paying taxes for the military (commonly called the “peace tax”) by its employees.

This concern was raised by Friends before 1987, but this was the year a minute was brought to the floor of Canadian Yearly Meeting. However, it took several years before an agreed upon minute was approved after a lengthy clearness process. Then, once a position was agreed upon (CYM 1990) the discussion of what that meant in practical terms had to be agreed upon as well.

This document contains the minutes surrounding this discussion from 1987-1995. We have compiled them together to give Friends a sense of how a concern develops, is recognised, and then implemented.

Key minutes:

CYM 1990, 123

CYM 1992, 34

Representative Meeting 1995.

Minutes in Full

Canadian Yearly Meeting, 1987:

93. Edna Ladner presented minutes from the Interest Group on the Peace Tax, and Military Taxes of Yearly Meeting Employees.

a) Statement: Preamble

As expressed by John Wollman in 1763, “to turn all the treasures we possess in to the channel of universal love becomes the business of our lives”.

Right stewardship of the possessions entrusted to us compels us to resist the conscription of these resources to fund preparations for war.

In acting in this Light, we may be led among different paths-some to reduce their income and expenditures, some to legal or political action, some to other forms of action. Committees for clearness and care are important as Friends seek to act out of a deep spiritual centre.

Our calling to work for peace on earth and goodwill between people motivates, yet goes beyond, efforts at individual faithfulness. We seek not only personal rights, but the sovereignty of God.

We approve this minute.

b) Friends gathered at Canadian Yearly Meeting August-23-30th, 1987, extend our loving and prayerful support to Jerrilynn Prior, of Vancouver Monthly Meeting. Jerrilynn Prior is at present making a witness for Peace in her life and through the courts, by conscientious direction of taxes from war purposes to peaceful purposes.

Throughout the over 300 years of the Society of Friends, there have been many examples of Friends following the Light as they were led to refuse to pay for what was abhorrent to them. Jerrilynn's position and actions are spiritually based on prayerful searching and are consistent with the religious basis of the Quaker Peace Testimony.

We commend her to the loving support of Friends everywhere, and will continue to hold her in the Light.

We approve this minute.

c) "We are convinced by the Spirit of God to say without any hesitation whatsoever that we must support the right of conscientious objection to paying taxes for war or military purposes". (London Yearly Meeting 1987)

For CYM employees who are conscientious objectors to the payment of tax for war or military purposes, we look forward to making it possible for them to follow their conscience.

We suggest that if any person has information on the process by which this might be achieved, he should forward it to the Personnel Advisory Committee.

We lay this minute over until a later session (continue to minute 97)

d) In response to an invitation from the United Church of Canada we ask the Clerk of CYM to write to the United Church of Canada expressing our willingness to cooperate in their presentation to the Federal Government concerning conscientious object to war, as well as tax redirection.

97. We returned to the report to the Interest Group on Peace Tax and Military Tax.

Edna Ladner read a new drafted minute. We are not clear to a[[rove either this minute or the minute from this morning. We lay the subject of minute 93c over. WE ask a committee of Edna Ladner, Betty Polster, Chris Springer and Edith Adamson (STC) to continue to work by correspondence on the substance of this minute, to report to the next Yearly Meeting.

120. We ask the committee named in minute 97 to report their progress to the Fall Representative Meeting. If the committee is able to develop a minute that receives the approval of Representative Meeting stating the position of Canadian Friends about conscientious objection to the paying of taxes for military use, such a minute is to be forwarded to the Canadian Council of Churches to contribute to its discussion on conscientious objections as a human right at its Seventh Triennial Assembly in Montreal in May 1988.

Report of Clerk of Representative Meeting

b) The ad hoc Committee on Peace Tax and Military Tax sent a draft statement concerning the redirection of taxes from war and military purposes, to send to the Canadian Council of

Churches Triennial in Montreal. A revised statement was approved for the forwarding to the CCC.

Canadian Yearly Meeting Minutes, August 18th 1988 (pages 76-78)

52. We have received the report of the ad hoc Committee concerning CYM employees who are Conscientious Objectors.

We approve this report. We ask our clerk to amend the letter to Michael Wilson appropriately.

We add this fourth step to the first group of three, "Ask the clerk to write to CCC encouraging it to take similar action", and enclosing a copy of the letter to Michael Wilson.

Revised report of Ad Hoc Committee Concerning CYM Employees who are Conscientious Objectors (CYM 1987, Minute 97)

In response to Minute 120 CYM 1987, a minute was forwarded to Representative Meeting and adopted by Representative Meeting, and forwarded to the Canadian Council of Churches for its 7th Triennial Assembly in Montreal in May 1988. This Resolution, with some changes at the Assembly, was proposed by Rob Hughes of Vancouver Monthly Meeting and adopted by the CCC. The following was the Resolution:

That this Canadian Council of Churches Triennial Assembly ask Member Churches to Consider:

- a) Providing support for any of their members who are struggling to define in accordance with Christ's statement, which of the resources entrusted to them belongs to God and which to Caesar:
- b) Presenting to the Canadian government an objection to any church in its capacity as an employer acting as a collector of the part of taxes of church employees which are used for military purposes against the corporate witness of that church and the conscience of its employees;
- c) Requesting the Canadian government to recognize that the redirection of taxes from military purposes to peaceful purposes on the grounds of conscience is a religious and not a partisan political action; that a church which may direct taxes in accordance with its corporate Christian witness or because of the conscience of its employees, will be not subject to fine or penalty, loss of its employer status or its status as a charitable organization;
- d) Requesting the Canadian government to enact legislation which would enable people of conscience on this issue to direct to recognize peaceful purposes that portion of their tax which would otherwise be used for military purposes. And further that the commission on Justice and Peace be requested to prepare study material to accompany this request to the member churches.

In accordance with this Resolution we approve the following steps:

- 1) Encourage monthly meetings to provide support as requested in paragraph a) through Monthly Meeting Clearness Committees;
- 2) Instruct the Clerk to present annually to the Canadian Government the points raised in paragraph b), c) and d). a suggested letter is appended.

- 3) Cooperate with the Commission on Justice and Peace in preparing study material for the member churches.
- 4) Ask the clerk to write to CCC encouraging it to take similar action and enclosing a copy of the letter to Michael Wilson.

The proposed minute as a replacement of part (c) of **Minute 93 of CYM 1987** is as follows:

We desire a way to enable CYM employees to live according to their beliefs when they are conscientious objectors to payment of tax for war or military purposes.

We appreciated that a significant portion of our taxes is already used for purposes which better the welfare of human society. Nevertheless, we believe it is wrong that CYM be required to act as an instrument for collecting from its employees' money which it knows will be used for purposes contrary to our fundamental beliefs.

While we are not yet clear as to all that may be required of us, we approve the following steps:

1. All tax payments to revenue Canada by CYM shall be by cheque in favour of "Receiver General in trust for non-military use only", and clerical staff involved in this action do so in the instruction of CYM, which takes responsibility for this action. We recommend a Committee of Care for employees involved to help deal with any harassment if it arises.
2. We ask the CYM Elders to promote discussion concerning the way the Canadian Government spends tax money.
3. For Further clarity on our responsibilities as Friends, living in the diverse society of which we are a part, we ask CYM Ministry and Counsel to promote discussion on the following questions: a) Do we listen to the leading of God when society and governments asks us to take action contrary to our conscience? B) Does faithfulness to our leadings necessarily involve conflict with the state? C) How can we find the spiritual strength and mutual support to persevere in the face of sanctions by the state? D) What role does a willingness to accept suffering have in our work to transform society?

from Canadian Yearly Meeting Minutes, August 26th, 1989

93: Canadian Council of Churches reports: Peace Tax Resolution (pages 82-83)

Friends will be interested to know the fate of CYM's Peace Tax Resolution which was passed with amendment, at the CCC Triennial in May 1988. It was first considered, along with other Resolutions, by the CCC executive and sent to the Justice and Peace Commission for forwarding to member churches. At the November, 1988 Board, Kathleen Hertzberg submitted the 4 requests of the Peace Tax Resolution and to act upon them on behalf of the CCC as an employer (a point which Friends had overlooked when formulating the original Resolution). Stuart Brown reported that he had invited the churches individually to consider the Resolution and the staff of CCC to participate, without response. The writer feels that the substance of the Resolution has not yet been carried out either by the churches or by the CC and needs to be followed up further with them. In addition, we have not yet supplied the CCC or the churches with explanatory literature.

from Canadian Yearly Meeting Minutes, August 13th-20th, 1990:

90-39 (pages 24-25)

Edna Ladner presented the concern of Vancouver Monthly Meeting that CYM adopt a strong position of opposition to the compulsory support of the military services of Canada by conscientious objectors. We received the letter from Vancouver Monthly Meeting and are thankful for the clarifying report.

The Committee of Care for Jerilynn Prior has asked Vancouver Monthly Meeting to send you a copy of two minutes which were approved at their regular Meeting for Business on July 25. The two minutes read as follows:

90-81 Vancouver MM: Historically Quakers have been moved by the Light Within to object to compulsory military service. Today, contrary to our Peace Testimony, we are forced to support the military through financial conscription. The right of conscientious objection to military service must be, in modern times, extended to financial exemption through redirection of military tax dollars for peaceful purposes. In the Spirit of our historic Peace Testimony, modern Quakers should take a lead in securing this right.

90-82 Vancouver MM: In the spirit of minute 90-81, Vancouver Monthly Meeting recommends that CYM adopt the following course of action:

- 1) Accept minute 90-81 as a CYM minute and ensure that this issue become an ongoing priority of CYM.
- 2) Seek out an support "Peace Trustees" within and without the Society by: holding them in the Light, providing a Committee of Care or a specially appointed "listening ear", and keeping them informed on the ongoing peace tax work of CYM.
- 3) Unite with other Canadian Peace Churches to pursue this issue;
- 4) Through our Monthly Meetings, be sure all Members are informed on the Peace Tax question and suggest specific actions to bring this issue to national attention. Suggested actions are: writing letters to Members of Parliament, individually and as Meetings, to ask that this right be legislated, and writing letters to local media (newspapers, magazines, television, radio) and national media that have covered the Peace tax issue.

Several Friends spoke of their knowledge and experience of the difficult and painful consequences of conscientious objection and refusal to pay taxes for military purposes.

Some Friends spoke of lack of unity in their monthly meetings on positions raised by the Vancouver Monthly Meeting letter. For some, insistence on the primacy of conscience regarding payment of taxes speaks to fundamental questions of the nature of government and social structure. For others, support of the machinery of modern warfare is a category separate from any other use of tax money.

There is, however, among Canadian Friends, wide support for the peace taxers as they individually follow the leading of God, and the meeting appreciates the spirit of Vancouver minute 90-81 as the ground of this support.

We are in unity that the YM as a whole wants to move forward but needs to work further on this concern and challenge. We commend to all Friends and to all Monthly Meetings the work of Vancouver MM and encourage all efforts to seek in this the way of God.

We ask Betty Polster to convene a gathering of Friends during this week, where it can be considered what action may be possible at this YM.

123: Peace Tax Concerns (pages 107-108)

Betty Polster presented a report from the ad hoc meeting on the Peace Tax held earlier this week.

(Vancouver MM Minute 90-81 quoted)

Canadian Yearly Meeting therefore adopts the following course of action to ensure that this issue becomes one of its ongoing priorities:

- 1) Obtain a list of "Peace Trustees" in Canada, both within and without the Religious Society of Friends. Request the nearest Monthly Meeting to each Peace Trustee to recommend to act as a Canadian Yearly Meeting support person. This person would be available to act as a "listening ear" for the Peace Trustee and keep her/him informed on the ongoing Peace Tax work of Canadian Yearly Meeting.
- 2) Ensure that all members of the Religious Society of Friends in Canada are informed on the Peace Tax question and suggest specific actions to bring this issue to national attention. Such actions might include writing letters to members of parliament, individually besides as Meetings, to ask for legislation to extend freedom of conscience and religion to include exemption from paying tax for military purposes. Such action might also include appropriate letters or statements to newspapers, magazines, television and radio programs.
- 3) Ask the Doukhobor, Mennonite and other peace churches in Canada to adapt a similar program to that described above.
- 4) Request support from members of Parliament for the July 5th, 1990 motion introduced by Svend Robinson for the government Order Paper which reads as follow,

That the Government consider the advisability of introducing legislation making it possible for those Canadians who are conscientiously opposed to paying for war and preparation for war to contribute the military portion of their federal income tax owing to a non-military use such as the Canadian Institute for International Peace and Security.
- 5) Request all Friends in Canada to write for support from each of their own members of Parliament for Svend Robinson's motion.
- 6) Ask Vancouver MM to keep CYM informed on all developments in the Peace Tax issue. Reports on the legal action and legislative action and all other aspects will be needed on a continuing basis.

124: We approved that a letter be sent to Vancouver MM by our clerk along these lines: thanking Vancouver MM for bringing the concern about Peace Tax issues to CYM, and including the following minutes, 38, 39, 123, 124, 125, 126.

125: we approved asking Quaker Peacemakers to arrange on our behalf, that a delegation composed of our clerk and one or two other Friends, present to appropriate government ministries our position in this.

126: We approved sending a letter to all Monthly Meetings and Worship Groups asking them to forward the Peace Tax concern as appropriate.

(Letter not included, see CYM 1990, pages 108-109)

Fall Representative Meeting of CYM. November 10, 1990

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c) Canadian Yearly Meeting 90-38

No response has been received from the office of the Prime Minister to the letter sent from Yearly Meeting about religious freedom and conscientious objection to payment of taxes for military expenditures.

d) Canadian Yearly Meeting 90-125

i Ed Bell reported on efforts of Quaker Peacemakers to arrange a delegation to government ministries to address Peace Tax issues. Vancouver monthly Meeting has been asked for its thoughts on this.

ii Otto Jelinek (Minister of National Revenue), Kim Campbell (Minister of Justice), and Michael Wilson (Minister of finance) have been suggested as people to be approached by such a delegation.

iii Hazel Legge reported that Thomas Berger has started an appeal to the United Nations on behalf of Jerilynn Prior suing her case as representative of peace tax concerns in Canada.

iv We asked that copies of our letter to Brian Mulroney for forwarded to opposition critics with the hope that the lack of response of the Prime Minister's Office will be questioned in the House of Commons.

Representative Meeting Minutes, May 4th, 1991:

91-05-08: We have received no reply to our letter to Brian Mulroney, CYM Minute 90-30, on religious freedom and conscientious objection.

The Clerk will send copied of our letter to members of the Opposition to request that they ask why these letters were not answered.

91-05-09 We learn, from a letter from Ursula Franklin, and from information shared by Edward Bell and Anne Thomas, that background work towards arranging for a delegation to government to present our concerns regarding compulsory payment of taxes for military purposes has made little progress, CYM Minute 90-125.

We also learned that Jerilynn Prior is being harassed through confiscation of bank accounts and garnishees of future income. We ask Robert Smith-Jones to ask Friends in Vancouver, and to report later in this meeting, what relief can be given by the Yearly Meeting to the present suffering of Jerilynn Prior.

The Yearly Meeting can approach this concern through the Department of Justice to discuss to what extent the tax laws have been reviewed in the light of the Canadian Charter of Rights and Freedoms. The Yearly Meeting can also approach this concern through the Minister of Revenue, in order to appeal the present harassment of Jerilynn Prior, It appears from the experience of Friends that these two departments are particularly difficult to approach.

We agree that Anne Thomas, as General Secretary, should pursue a meeting with the Minister of Revenue. We ask that Ottawa MM, with Quaker Peacemakers, pursue a meeting with the Minister of Justice.

We encourage monthly Meetings and individual Friends to approach their own MPs and to undertake whatever other efforts seem right to pursue changes in law and in the treatment of conscientious objectors. In collaboration with CFSC, the YM office will send an information letter to MMs for their assistance.

91-05-25 A letter from Home Missions and Advancement Committee was read by Betty Peterson commending and supporting Anne Thomas, General Secretary, in her conscientious objection to the paying of taxes used for war purposes. A minute of CFSC was read asking that CYM seek legal information on the alternatives open to CYM and CFSC with respect to the conscientious objection of their employees to paying taxes for war purposes. It is recognized that this is a matter of individual conscience in which Friends take very different positions.

A communication was received from CYM Trustees pointing out the legal implications if CYM adopt the policy of not remitting tax monies when so requested by an employee. The legal and financial repercussions for CYM in refusing to withhold tax monies was discussed. Anne Thomas reported that the Mennonites have encouraged CYM to cooperate with them in an effort to petition the federal government for legislative change with regard to conscientious objection to the payment of taxes for military purposes.

After substantial discussion it was agreed to appoint a committee to continue the investigation of this dilemma. Ursula Franklin and Dana Mullen were named, subject to consent. If they are unable to serve, the Clerks of Representative Meeting and CFSC will seek replacements.

Expression was made on the powerful witness which would occur if Friends, at some time, would come to unity on this matter, and with, perhaps, the Mennonite, fully resist the federal government on the war tax issue.

Canadian Yearly Meeting Minutes, August 11th to 18th, 1991

29. Tax Refusal: During the Gulf War, two of our employees wanted Canadian Yearly Meeting not to remit the military portion of their taxes to the government. If Yearly Meeting decided to do that, we would be challenging the government on religious grounds. Representative Meeting asked two Friends to write a report on the legal consequences. (Minutes, pages 129-133)

After a brief discussion, we decided to send the issue to a threshing session later in the week.

55. Conscientious Tax Refusal: We have already heard the report from the threshing session on conscientious tax refusal:

Report of threshing session on yearly meeting support of tax refusal by Quaker employees

Canadian Yearly Meeting reaffirms the centrality of our corporate Peace Testimony. We are clear that it is contrary to the intended uses of the resources entrusted to us when they are used in war preparation rather than the nurturing of life. As a yearly meeting we will seek ways that we may express this conviction in practise as a responsible employer. We ask that a committee be names to develop an open interchange with other churches and groups who express these same convictions, to find a way to speak to our government about these convictions and to report to yearly meeting in 1992. We are committed to continue working on this concern until we come to clearness o the means appropriate to live up to this Light.

We considered the following draft minute:

“We have agonized over our previous minute 29 and the report of the threshing session on the same subject.

In 1988, our Yearly Meeting minuted our desire to enable Canadian Yearly Meeting employees to love according to their beliefs when they are conscientious objectors to the payment of taxes for military purposes. We instructed our Clerk to present annually to the Canadian government a statement of our position as both an employer and a religious body with a corporate witness against war. (Minute 52)

Now, we feel clear what the next step is, but are afraid of the consequences. In spite of our fear, we feel the need to maintain our historic peace testimony and support the conscientious objection of employees who carry this concern.

While continuing to seek dialogue with the government, we also now agree on the following action:

We direct Yearly Meeting treasurers and Committees, when requested by an employee, to refuse to remit to the government the military portion of the employee's taxes, but instead to direct it in the employee's name to an appropriate peaceful use.

We recognize that not all our employees will feel led to this particular form of witness.

Nor do we wish to impose this decision on our trustees, who may bear the brunt of its legal and financial consequences. In this difficult choice, we support any whose unease may lead them to step down. We ask _____ and _____ (Friends to be named) to seek clearness with each of our trustees.

We will search for ways to financially support trustees and staff who feel able to maintain this testimony.

We recognize that, as Yearly Meeting, we have reached a place which is beyond where we or our Monthly Meetings feel comfortable. We also acknowledge that, as individuals, we feel varying degrees of clarity, and often fail to live up even to the Light we have. Nevertheless, we feel propelled by the Spirit to take these steps.”

Although we were slow to unity on this minute, we did not reach it. We lay the matter over until Canadian Yearly Meeting sessions in 1992. We ask Friends to take the matter back to their Monthly Meetings to prepare for consideration at the next yearly meeting.

We ask Representative Meeting to name Friends to:

- Seek clearness with the trustees over this issue;
- See that a committee of care and clearness is established for those employees who, as a result of this decision, cannot now act on their conscience;
- Open an interchange with churches and groups who are struggling with this issue;
- Find a way to speak to our government about this witness;
- Develop any other options that open up; and
- Send a report in writing to monthly meetings in time for their consideration before the 1992 yearly meeting sessions.

Canadian Yearly Meeting, August 17th, 1991

56: Peace Tax: In the second part of the report of the threshing session, there is a draft letter to Brian Mulroney protesting the Supreme Court decision on the Jerilynn Prior case. We ask Rob Hughes and Muriel Sibley to compose letters to the Chief Justice of the Supreme Court and the Prime Minister of Canada for signature by the clerk, bringing forward our concerns about the Supreme Court's refusal to hear the Jerilynn Prior case.

Dear Antonio Lamer/Brian Mulroney,

“We utterly deny all outward wars and strife and fightings with outward weapons, for any end or under any pretence whatsoever. And this is our testimony to the whole world. The spirit of Christ, by which we are guided, is not changeable, so as once to command us from a thing as evil and again to move unto it; and we do certainly know, and so testify to the world, that the spirit of Christ, which leads us into all Truth, will never move us to fight and war against any man with outward weapons, neither for the kingdom of Christ, nor for the kingdoms of this world.”

Declaration to Charles II, 1661

Jerilynn Prior, a member of this Yearly Meeting, has refused to pay taxes for war out of her commitment to the historic peace testimony of Friends. Although entitled to be heard by a, “court of competent jurisdiction”, she has not had consideration in the courts of whether her action are a valid exercise of freedom of conscience and religion.

Canada is a signatory to the United Nations Convention on Civil and Political Rights. Jerilynn Prior’s case is now before the United Nations Human Rights Committee, but we are unhappy that it has to go out of the country for a hearing on its merits. Although her case is presently before the committee, we understand Revenue Canada has seized money from her bank account. Please tell us why the Government is proceeding against Jerilynn Prior before the Committee has had its hearing.

In friendship,

Edward S. Bell, Clerk

Report on the Legal Consequences of withholding Taxes used for Military Expenditure

Don Woodside and Ursula Franklin were asked to by Representative Meeting (91-05-25) to obtain information on the legal consequences of withholding a portion of income tax used for military expenditures at the request of an employee, and to explore any alternative that may comply with the employee’s request. We ask Rick McCutcheon, Coordinator of CFSC to help facilitate our efforts. Each of us explored specific resources and the following pages are the results of our deliberations.

Question One:

“What are the possible legal consequences to the Yearly Meeting if it withheld paying a portion of the income tax to Revenue Canada at the request of an employee?”

No one can answer this question with certainty, since there has been in Canada as yet no case of an employer refusing to remit portion of an employee’s income tax on grounds of conscience, though there are cases in the USA and the UK.

The Canadian case-law and the administrative practices are basically shaped by the government’s responses to failures to remit taxes in the context of bankruptcies, estate settlements or fraudulent schemes.

Answers to question one assumes that the employer’s failure to remit on grounds of conscience will not be treated differently by Revenue Canada from failure to remit for any other reason or excuse.

Before outlining our information on possible penalties for the employer, it must be stressed that in law *the individual taxpayer is responsible for the correct remittance of tax regardless of tax collection mechanisms.*

Like all employers, churches are compelled by the state to act as tax collectors. A portion of the taxes so collected is used for war and war preparations. If a "Peace Church", or any other employer, yields to the request of a staff member to remit only a portion of the income tax, both employer and employee commit an offence against the Income Tax Act.

Because of the prime responsibility of the taxpayer for the correct remittance of taxes, it is likely that the employee will be prosecuted much more vigorously than the employer. (This seems to be in the case for Friends' and Mennonite organizations in the USA.)

Whether the employer transfers the military tax portion to Conscience Canada or leaves it to the staff member to do so will likely make very little difference to Revenue Canada as the government's collection agency. (Advice to U.Fr.)

Revenue Canada takes a very practical attitude about where they can most easily get their money. (Advice to D.W.)

Penalties to the Employer:

In the first instance, failure to remit carries a penalty of 10% of the amount outstanding, this may be raised to 20% in case of failures to comply in subsequent taxation years and interest at a rate slightly about the prime is added.

Let us assume a single staff member, earning \$30 000 a year with no other tax credits. In 1990 the federal income tax would have amounted to approximately \$4 000 of which 10% (= \$480) would not have been remitted. The employer's penalty at the end of the taxation year would be \$48 (plus interest on \$528).

...more discussion of penalties to the employer were discussion....

Position of Trustees

It was learned (U.Fr.) that as long as there is no attempt to remove or hide the assets of the organization, the trustees would not be subject to actions by Revenue Canada. References to trustees in the act should be seen in the context of bankruptcy or estate settlement problems.

Charitable Status

In the absence of any direct precedents, it was felt that since the programmes, activities and testimonies of Friends and CFSC would not change—but in fact the tax action would emphasize some of our testimonies—a challenge to the charitable status was unlikely and, should it come, could be successfully fought.

Question Two:

"Are there other ways that the Yearly Meeting could comply with the employee's wishes without breaking the law?"

At times a compromise has been reached between an employee who wishes conscientiously to withhold taxes and the employer, by transferring the employee to the status of a consultant. Formal employment ceases when consultancy begins, and other benefits are also lost.

Consultant status

An organization that transfers an employee to the status of consultant does not deduct taxes or benefits for such a person. Whether or not Revenue Canada regards the transfer from employment to consultancy as a form of tax avoidance seems to depend on the degree of supervision the staff member's work requires.

For example, if a person works under close and daily supervision, say a receptionist or clerk, it is not likely that they can be truly regarded as consultant, if the member works with minimal direction and has flexible hours and soon then freelance work or consultancy may be more easily defended in case of a tax enquiry.

Source of Information

As a peace truster D.W. has in the past sought extensive legal advice and is very well informed on cases within and outside Canada as well as on the practices of Revenue Canada. Recently he contacted several Mennonite ministers who had raised the war tax issue within their church, as well as member of the Mennonite Eater Conference Executive and their legal consultant Peter Janzen.

U.Fr. obtained advice from Michael Mallin, a lawyer and tax specialist, who writes the tax updates and case reviews for CCH, the leading publisher in Canada and also acts as a private tax consultant. His advice, at the moment given verbally to U.Fr. could be obtained by Yearly Meeting/CFSC in writing through a professional consultation. Also contacted by U.Fr. were documents on war taxes, issued by the Mennonite Central Committee and other Mennonite bodies, the resolutions before their meetings and correspondence of their Social Justice Committee. U.Fr. consulted with Doug Pritchard, the chair of this committee and with Bonnie Greene of the United Church. The information on consultancy was obtained from Anna Mallin, Solicitor at the Innovations Foundation, UofT.

R.Mc.C has contacted Yearly Meetings in the USA and AFSC to obtain the best information available to us in answer to the questions asked by Representative Meeting. However, there are several points on which we would like to add comments or information:

1) The prospects of a change in the Income Tax Act (U.Fr.)

One of the main aims of peace trusters-both individually and collectively-is to persuade the government to update the Income Tax Act so as to allow conscientious objection to the conscription of money.

Several private member's bills along such lines have been introduced in the House of Commons, through none has reached the floor. While such efforts continue, there may be another approach which could be worth pursuing.

Provisions in the Income Tax Act were changed in 1987 when many statutes were amended so as not to conflict with the provisions of the Charter of Rights and Freedoms. IN the main it was the equality provisions of the charter that initiated the changes (information from Professor E. Zweibell, UofO law)

It could be worth exploring the possibility of re-opening the process of revision of the Income Tax Act since the provisions of freedom of conscience were apparently not considered relevant in the original review. The place to begin such an initiative seems to be the tax policy branch of the Ministry of Finance.

2) A Proposal for action from Yearly Meeting (U.Fr.)

Friends may wish to consider the following course of action:

For a period of three years, CYM and CFSC will not remit the war tax portion of the income tax of employees requesting such action. During this time Friends will pursue actively a change in the Income Tax Act-maybe through the revision route outlined above. Friend's corporate decision will testify to the urgency and seriousness of the concern.

Doug Pritchard and Bonnie Green assured me that the Mennonites and United Church already have directives and minutes on record that would make it possible for them to join Friends in an urgent response to the government. It must be recognised that the Gulf War and its aftermath have made many Canadians much more critical of modern war and war preparations.

At the end of the experimental period, Friends will be able to review the spiritual, legal and financial effects of their corporate stand in the light of the insights gained. It is my feeling that it may take three years before clear changes will emerge, though it may take less time.

3) The Effects of Corporate Witness (D.W.)

Despite motions of support by various organizations, in Canada so far the witness for conscientious objection to war taxes has all come from individuals. The willingness of religious body like CYM to join in that witness would be a great consolation to the individuals involved. Support from several religious groups, such as Quakers, Mennonites and the United Church, could put conscientious objection to war taxes on the political agenda, where it needs to be to change the Income Tax Act (D. W).

Ursula Franklin, Don Woodside

Representative Meeting Minutes, November 2, 1991

91-11-13 CYM Corporate stand on the Peace Tax

Since yearly meeting session in August 1991, several monthly meetings have considered the progress of CYM on the concern that yearly meeting make a stand on refusing, at the request of an employee, to remit the portion of taxes that would support the military.

Argenta: had agreed to minutes as appended, and agrees with the proposal of Ursula Franklin for an action plan over the next three years.

Calgary: supports the draft minute (CYM minutes 1991, page 167) in principle, but wants to move in a progression of steps towards a full and effective unity in the yearly meeting.

Halifax: there was no consensus

Prairie: did not reach unity

Thousand Islands: supports the draft minute that yearly meeting almost agreed to

Vancouver: would very much like to see Canadian yearly Meeting make this corporate witness, and supports both the program proposed in Ursula Franklin's report and the draft minute that yearly meeting almost adopted

Vernon: has several questions about the implications of such a policy, but would have liked to see the draft minute accepted

Victoria: supports the draft minute considered at CYM

Wolfville: there was no consensus, but a suggestion Friends work towards federal legislation which would make the issue of tax refusal one entirely between the individual tax payer and the government, removing the penalties for the employers who simply comply with the requests of their employees.

Wooler: supports the making of a corporate statement

Yonge Street: an informal study group met and asks for a new statement of the Peace Testimony for today*

We encourage other monthly meetings to also review their earlier work on this question, and to consider whether they have found new or different understanding.

Dorothy Muma reported that the Trustees look forward to addressing this issue at their next meeting.

Elaine Bishop shared some of a conversation with Ursula Franklin, who continues a deep concern that there be changes in the tax laws.

Canadian Yearly Meeting 1991 Minute #55 (page 168) asks Representative Meeting to name Friends to assist us to carry forward this concern in six specific ways.

We ask Frank Miles, Elaine Bishop and Anne Thomas to be a nominating committee to bring three names to this meeting later today, to form a committee to do this. We ask that our General Secretary/Treasurer serve on the committee ex officio. We want the committee to be named to feel free to ask for the services of other Friends who may have skills particularly appropriate for one or another of the six aspects of the work requested by yearly meeting.

90-11-20: Canadian Yearly Meeting's Corporate stand on the Peace Tax

Elaine Bishop reported for the committee names in minute 91-11-13:

We identified a number of factors that needed to be considered in seeking names of people to serve on the core committee. These were:

- Information on the broad issues and details about the issue of refusal to pay taxes for war, including information about relating to government and other denominations
- Human relations skills
- An ability to pay attention to detail while also keeping the broader issues in focus
- Time to serve

We propose that the core committee work with a number of people perceived to be consultants. These are people, who for reasons of distance or other reasons might be less available but whose expertise and concern for the issue are important and who may be able to participate in this process in specific roles, such as being part of delegations to government.

We bring forward three names to serve on the core committee:

Chris Springer, Ursula Franklin and Ed Abbott.

All have agreed to serve in this capacity (the General Secretary/Treasurer will serve on the committee ex officio).

For consultants we suggest the following names, subject to their consent:

Edna Ladner, Jerilynn Prior, Murray Thomson and Don Woodside.

It is important that a process be in place that will enable this committee to move ahead with the work outlined in the yearly meeting minute. When consultation is needed to allow decisions to be made, the following is proposed:

- a) that the core committee through telephone conference call the clerks of Canadian Yearly Meeting, Representative Meeting, Canadian Friends Service Committee and Continuing Meeting of Ministry and Counsel.
- b) If this larger group feels it necessary, telephone consultation would take place with representative Meeting members.

Concern was expressed about those serving as Trustees and the potential effect that a decision of the Yearly meeting might have on them. We suggest the following process as one way of ensuring effective consultation with the Trustees:

- a) That a meeting be established at a time suitable to all, for the core committee and the Trustees to meet with appropriate legal counsel with expertise in tax law.
- b) That after that meeting there be visits held with each trustee by two Friends, one of whom would be a member of the core committee. Betty Polster's name was suggested as one possible person to be part of such visits would be an opportunity to worship together and explore the response of the trustee to the information and the issue.

We recognize that to faithfully undertake such work as is outlined for this committee a budget is needed. We propose the following budget to cover costs until Yearly Meeting 1992:

Telephone	\$500
Legal Counsel	\$1000
Travel	\$1000
Total	\$2,500

It has been brought to our attention that the phrase in Canadian Yearly Meeting minute #55 "find a way to speak to our government about this witness", is ambiguous. We affirm that this committee is intended to speak to government about this witness. Friends approved this report in its entirety.

91-11-21 Canadian Yearly Meeting Corporate Stand on the Peace Tax

This committee is asked to specifically follow up the suggestion of Wolfville Monthly Meeting reported in minute #13 of this morning's session regarding the placement of moral responsibility in cases of war tax refusal. This request is approved.

Meeting of Representative Meeting of Canadian Yearly Meeting, May 9, 1992

D) 91-11-20 Report of the Ad Hoc Committee on War and Tax Concerns

Anne Thomas spoke to the report of this committee, commenting that the ad hoc committee is actively in contact with and working with other churches, especially the Mennonites, in working for legislative change. We receive this report for inclusion in Documents in Advance with thanks to the Friends on the ad hoc committee.

Minutes from several Monthly meetings show that the matter of payment of taxes which will be used for military purposes is an ongoing concern among Friends, individually, and in meetings. There is a great deal of support for those Friends who have a conscientious objection to paying taxes for military purposes. However, many meetings are still quite mixed in their sense of the right responses for yearly meeting to make.

We particularly appreciate the care with which the Trustees of the yearly meeting have considered and shared with us their thoughts on the possible implications of positions that might be taken by yearly meeting. We regret that Trustees have, in the past, been made to feel unappreciated and in the wrong in their thinking and seeking for God's will in these questions.

We affirm that whatever penalties may arise from decisions that may be made by the yearly meeting will be borne by the entire yearly meeting.

Robert Smith-Jones spoke to the response of Victoria Monthly Meeting to the peace tax questions.

Vivian Abbott reported that changes in Department of Revenue procedures make it more difficult for self-employed people to under pay taxes.

We accept that we are living with tension. We strongly support individuals. We feel unclear and have mixed feelings about corporate civil disobedience. We strongly support change in legislation. We trust that we are moving towards the Light. Jesus said, "Fear not". Can we do this?

92.05.18 Quaker Peacemakers and Jerilynn Prior

We receive with thanks the report of Ottawa Monthly Meeting, Quaker Peacemakers of their support of the case of Jerilynn Prior in her peace tax witness.*

Representatives Meeting Minutes, 1992

Report of the Ad Hoc Group on War Tax Concerns

When we were appointed by the fall 1991 Representative Meeting (minute 13) we were asked to carry out the work noted in CYM '91 minute 55. As requested, this is our report to monthly meetings on our activities. We do not see it as being our role to be to be a substitute for the consideration of this issue in monthly meetings, and hope this report will be an aid in that continuing process. (Reports received from monthly meetings are enclosed with this mailing). While this report focuses on some details, our goal is ultimately one of spiritual discernment. The details, though important, are secondary to this search for spiritual clearness.

- 1) In seeking clearness with the trustees over this issue we have been made aware of considerable distress arising from the tone of some of the discussion at Yearly Meeting last year. We wrote to each of the Trustees individually in November, 1991, inviting dialogue. There was a limited response, and therefore we have been unable to work through to clearness with them. As Friends, the trustees are part of the

seeking being done across CYM. In their role as trustees, they are particularly aware of the possibility that they (or other officers of CYM) may be liable to seizure of their personal goods as a result of any refusal by CYM to withhold and remit income tax from employees. We have sought legal opinions from several sources to assess the likelihood of such a seizure. It appears very unlikely that any individual Friend would be at personal risk because of holding a particular office in CYM, since there is no attempt at fraud. Nevertheless, there are no exact precedents and some uncertainty must remain. We have brought these findings to the attention of the trustees.

- 2) WE have ensured that committees of care and/or clearness are established for CYM employees who carry this concern.
- 3) a) We have made contact with people in the Mennonite Conference of Eastern Canada (MCEC), the Mennonite Central Committee, the Doukhobors and the United Church of Canada, who are also considering their responsibility as employers of conscientious objectors to military taxes, and we have informed the Canadian Council of Churches of these efforts. The MCEC has given itself two years from Nov. 1991 for concerted efforts to bring about changes in tax laws, before deciding whether to violate these laws. The United Church has focused primarily on human rights aspects of the matter, rather than specifically on tax laws. We have been working with individual staff members from these churches to try to coordinate our efforts. At the time this report is being written, we expect to meet formally with them and will suggest drawing up a joint statement of the dilemma we find ourselves facing as employers, and seek some form of relief from government. The drafting of such a presentation may take some time, as we wish to obtain as broad support from other churches (or groups) as possible.
B) It has been difficult to identify the best way to bring these issues to the government's attention. We continue to consult with people more knowledgeable than we are, and are led to believe that an approach to one of the Standard Committee of the House (likely on Taxation) would be a way to bring the matter forward for discussion. Some time will elapse before we are ready to proceed. Thus, we may not have a sense of the prospects even by the time of Yearly Meeting.

4) We have considered other options for a corporate response by CYM to a request from an employee who is unable in good conscience to pay military taxes. The Income Tax Act requires CYM, as an employer, to withhold tax from our employees and remit it to Revenue Canada "In trust for non-military use only". The minute (#51) recognized this as being only a step in a continuing process of seeking way forward.

As Friends we are not opposed to paying income tax for the support of beneficial government services. We do object to the use of this tax money for military purposes. Any CYM action must attempt to balance our support for the positive aspect of good government against our refusal to contribute to war. We are challenged to find a course of action which is faithful to this distinction. In exploring other possible steps, we see three which involve non-compliance with the Income Tax Act.

a) **Withhold but fail to remit:**

The action considered at CYM in 1991 falls into this category. It would have refused to remit to the government the military portion of the employee's taxes, but instead directed it in the employee's name to an appropriate peaceful use. This proposal thus goes beyond refusal to

remit for military uses, and claims the right to determine where the money is to be spent. A refinement of that proposal would be to place the money in a special trust account. CYM would notify Revenue Canada of the details of the account and explain that we are unable to remit it for military use. Revenue Canada would eventually seize this money from the account, but at least CYM would not have assisted in remitting the money which is being used contrary to our employees' consciences. *This Refinement is the action this group recommends.*

b) Fail to withhold and fail to remit:

CYM could refuse to withhold from an employee's pay the amount of tax representing the military component of these taxes. Such money would then be paid to the employee rather than remitted to Revenue Canada. This would put our employees in a position to act according to their consciences.

c) Remit but fail to withhold:

As in b), CYM would not deduct the amount representing military taxes from an employee's pay and so T4 slips would show less deducted than should have been. However, recognizing that there might not be unity in CYM to refuse to remit to the government the full amount of taxes due, CYM would, in its own name and from its own funds, voluntarily remit to Revenue Canada the amount which would otherwise have been withheld and remitted in an employee's name. Thus we would be supporting our employees while not being in serious breach of the law.

In developing any option which contravenes tax laws, possible legal ramifications also need consideration. CYM corporately would face charges. We would need to budget something towards possible fines and legal costs.

If CYM were to approve any change along the above lines, we need to recognize that we cannot predict with certainty how Revenue Canada will respond. We need to have provisions for flexibility in our own response to situations as they develop. In particular, fairly rapid consultation and decision making could be required. These procedures must ensure that individual Friends are protected from personal penalties as well as developing an appropriate corporate response. Following any approval by CYM a period of time would be needed for detailed preparations before CYM could implement the minute.

- 4) we have heard two other suggestions for action by individual employees. These are:
- a) If our employees were made self-employed, no tax deductions at source would be required. In limited circumstances this appears to be a viable option. However for employees who carry responsibility such as CYM general secretary or CFSC coordinator and expect to remain in their position over a fair length of time this does not appear to be available. They do not meet the requirements of Revenue Canada for self-employment.
 - b) Employees could reduce the amount of tax deducted by claiming additional deductions on the T1 form they file with their employer. Such deductions, if legitimate, would reduce their taxes, but would not result in them owing taxes which they could then divert to peaceful purposes. Illegitimate claims would result in an employee owing taxes, but we fail to see how CYM could encourage, or even condone, the submission of false claims for deductions.

In closing this report we note that there has been some confusion about the purpose of conscientious objection to military taxes. Those CYM employees in this position do not

see it primarily as a rational and effective strategy for stopping (or reducing) military spending. They do not even see it primarily as a rational conclusion drawn from our peace testimony. For them it is, in essence, an act of faithfulness to an inner leading.

Ed Abbott, Ursula Franklin, Chris Springer (clerk), Anne Thomas.

1992 CYM Minutes, Wednesday, August 12th

34. War Tax: In a broad discussion, we have moved towards unity with the recommendations of the *ad hoc* committee on War Tax Concerns. We ask the clerks to return to a later session of this yearly meeting with a broad, detailed minute of our discussion this afternoon.

41. War Tax Refusal: We are again close to unity, but did not achieve it, on a way for employees of Yearly Meeting to refuse to pay the military portion of their income taxes. We asked Frank Miles and Chris Springer to meet and return to this yearly meeting with suggestions about how to move forward.

47. War Tax Refusal: As a broad report of the consideration of war tax matters in minutes 34 and 41, we note the following:

Frank Miles spoke to the report of the *ad hoc* Committee on War Tax Concerns, which has been set up by Representative Meeting. We considered the recommendation in point 4. A): that CYM place the military portion of the income tax withheld from an employee in a special trust account, should the employee request such an action.

Diverse aspects of our peace witness were raised. War tax resistance must not be divorced from our other work for economic and social justice. Our corporate life and witness must be consistent with the life and witness of individual Friends if we are to act with integrity as a Yearly Meeting.

A portion of a 1963 Canadian Yearly Meeting minute requesting the government to allow military taxes to be diverted to peace-building purposes was read; it was noted that CYM has had several other minutes along similar lines in the intervening years.

Friends were not in unity with the action recommended by the *ad hoc* committee. Further attempts to persuade the government to introduce legislative changes were requested before it might be right for the Canadian Yearly Meeting to undertake civil disobedience. We asked Frank Miles and Chris Springer to bring back recommendations for further actions by Canadian Yearly Meeting to move forward on this issue.

48. War Tax Refusal: As recommended by Frank Miles and Chris Springer, we lay down the *ad hoc* Committee on War Tax Concerns. We ask Representative Meeting at their fall meeting to set up a group of Friends to bring this matter to the federal Finance Minister and attempt to work toward a resolution of the issues. IF possible we will work with other churches, but if no others are ready to proceed, we will carry this forward on our own. The group is asked to report back at the May 1993 representative meetings and to next yearly meeting.

In addition we ask individual Friends, monthly meetings, and Representative Meeting to search for and act on any other ways which may be useful in influencing government policy regarding the portion of taxes used for military purposes. We undertake to labour together during this next year that we may be better able to reach unity in discerning God's will in this matter. Until such unity is reached we recognise that the requests of our employees

who carry this concern remain before us. We ask Friends to offer support to these people during the coming year and enter into dialogue with them, when possible, to more fully understand the nature of the concern they each carry.

We thank Frank Miles and Chris Springer for their work on this issue.

Representative Meeting Minutes, November 14th, 1992

93-05-08 War Tax Concerns

Don Woodside, the clerk of the ad hoc Committee on War Tax Committee presented his report. (a later report circulates to Monthly Meetings appended). The committee has pursued its objectives through meetings with members of Parliament. Objections were raised throughout, including government unwillingness to allow tax payers to specifically direct any of the monies into anything other than consolidated funds. However, the committee discovered that government currently directs all GST funds into the Debt Service and Reduction Fund. The committee seeks Representative Meeting's permission to pursue the concept of putting money in the Debt Services and Reduction Fund. How funds so directed will be acknowledged remains to be seen. Friends would wish redirected war taxes to be identified as such by the government.

One Friend spoke of the need to consider setting up a Fund for Sufferings, contributions to which would not be tax-deductible. The funds would be used to help tax refusers who had decided to reduce their incomes below tax level. Other Friends spoke in favour of the need for continued conscientious objection to war taxes.

Representative Meeting supports the continued work of the committee. And, to address a question often asked of the committee during its meetings with members of Parliament, Representative Meeting asks Canadian Friends Service Committee to help Friends articulate "a position regarding the use of military force in peacekeeping".

Report to Monthly Meetings from the Ad Hoc Committee on War Tax Concerns

In November 1992 Representative Meeting established an Ad Hoc Committee on War Tax Concerns pursuant to Minute 48 of Canadian Yearly Meeting 1992. Members are Betty Polster, Philip Martin, Helen Thomas, and Don Woodside; the last-named is the clerk. After reporting to Representative Meeting on May 1st, 1993, the Ad Hoc Committee was asked to present Canadian Yearly Meeting 1993 with a progress report. Representative Meeting agreed to the Ad Hoc Committee's request that Monthly Meetings review our deliberations and consider whether they support the significant shift in direction which we are exploring. 1992 Yearly Meeting had asked that a delegation of Friends visit members of Parliament and representatives of Government, if possible in concert with other peace churches. Friends were to stress again the serious and difficult situation in which the SOCIETY AS EMPLOYER and individual members are placed when having to contribute through compulsory taxation to war and the preparations for war.

The delegation was to request again a lawful way to refuse the conscription of our taxes for war, such as depositing the military portion of the income tax into an alternative depository within the system. Over the years a number of Private Members' Motions in the House of Commons have unsuccessfully tried to establish an official Peace Tax Fund as such an alternative.

The Friends delegation and a Mennonite delegation separately made the presentations to the same Members of Parliament –Herb Gray (Lib) and Bill Blaikie (NDP) as well as to the

same two way policy advisors of the Minister of Finance. (It is the Tax Policy Branch in the Department of Finance that recommends changes to the Income Tax Act.)

The responses were not surprising, though somewhat saddening. There seemed to be little understanding of the nature of conscience as a citizen's yardstick for principled decisions making; we were directed to the options of charitable donations, i. e. options that do not deal with the corporate or personal dilemmas. But it was also made clear to us, that any proposal for a separate peace tax fund would not stand a change because of two major objections:

- 1) Setting up an optional, special purpose tax fund would violate the concept of a consolidated revenue fund, distributed according to the directive of the Government. Therefore, any designated fund, like a peace fund, would not be tolerated.
- 2) If a redirected option were offered to conscientious objectors, how could the government refuse corresponding options to anyone who claimed to object on grounds of conscience to anything supported by public funds? They feared any special treatment of corresponding options to military taxation would open floodgates to others wanting a special fund for their own purposes.

However we were challenged by the tax policy advisors to come up with a proposal that would avoid the two objections mentioned above; they would look at such a plan with interest.

During the discussions after the Ottawa interviews it became clear that there is indeed such a possibility: Canada's consolidated revenue fund is, in fact, NOT receiving all the tax revenues. Parliament itself has established a special purpose fund, the Debt Service and Reduction Fund, into which all monies collected under the Goods and Services Tax are deposited.

Therefore, depositing the military portion of personal income tax into the Debt Service and Reduction Fund can not offend the principle of government's right to spend tax revenues at their discretion; after all, THEY set up the Debt Service Reduction Fund as a designated depository of tax revenues. This should overcome objection (1).

Since war tax refusers would not designate a particular end-use of their own choosing for their taxes, but would use an existing channel, the floodgate argument does not have much persuasion. This should answer objection (2).

For the war tax refuser, the proposed approach-to deposit the military portion of one's own or one's employee's income tax into the Dent Service Reduction Fund-has positive and negative facets.

On the positive side, we feel the scheme is clear, and its meets the two main objections. It uses existing structures and is likely lawful, since all taxes go directly to the government. Most importantly, it is consistent with out basic premise that we cannot participate in war and the preparations for war.

On the negative side, the proposal gives up the option to redirect the military tax portion to any specific peaceful activity. This does not seem totally unacceptable; the corresponding options in World War II asked for non-military service, but did not demand specific reassignments.

Then there is the potential problem that a portion of the debt is related to military spending. In the spring of 1990, Conscience Canada published a figure of \$5 billion (about 3.5% of the federal budget) for the military portion of the national debt, compared to \$12 billion for military spending. On the rough understanding that about 30% of federal spending was going to the debt, the military portion was about 10% of total spending. Thus it is a small portion. As well, that was the only year in which Conscience Canada added in the debt portion for tax resistance. Thus the precedent which they have set is to ignore the portion of the debt which is due to military expenditure.

We feel strongly that the positive facets of the proposal outweigh the negative ones.

We hope that all of you will give the proposal lots of thought and discussion. We pray that the approach outlined here may provide a new basis of unity from which Yearly Meeting can respond to the concerns of our staff.

In the meantime we are also seeking comments and reactions from the Mennonite communities, Conscience Canada, the Tax Policy Branch, tax professionals, and other political parties.

Don Woodside

Minutes of Canadian Yearly Meeting, Wednesday, August 18th, 1993

46. **War Tax Concerns:** Don Woodside spoke to the report of the ad hoc Committee on War Tax Concerns printed in *Reports for Canadian Yearly Meeting 1993* (Page 28-30). He noted that Ursula Franklin made an important contribution as a consulting member of the committee. Since the committee's report was written there has been no written reply to letters sent to government by the committee. Informal encouragement has been received by telephone from a source in the government.

We heard reports from those monthly meetings which have considered the proposal that we seek to re-direct the proportion of taxes used for military purposes to the Debt Service and Reduction Fund. They all supported this proposal, with some reservations and with the recognition that it is only one step in the right direction. As Canadian Yearly Meeting employees, Anne Thomas and Rick McCutcheon also support the ad hoc committee proposal; again, with some reservations.

We greatly appreciate the inspired work of the ad hoc committee in carrying this concern on our behalf and extend our thanks.

In looking at ways to move forward with this Canadian Yearly Meeting concern we see several related areas:

- Possible support, during the upcoming election, for a Peace Trust Fund Bill
- Finding ways of informing people whose taxes are deducted at source to redirect taxes in this manner
- Strengthening the witness of the Religious Society of Friends by writing letters to be sent with tax cheques to Revenue Canada each month
- Informing our Personnel Implementation Committees of the details of options, as they develop.

We approve an experimental period of redirection of the military portion of the taxes of those employees who so request it to the Debt Service and Reduction Fund. We ask Don Woodside and Elaine Bishop to work with this and bring back the details of implementation and proposals for handling the other related points to a later session of this yearly meeting.

Minute 47. **War Tax Concern implementation:** We approved laying over the proposals concerning the implementation of the war tax decision to Representative Meeting which is authorized to proceed on this matter.

Representative Meeting Minutes, November 20th, 1993

93-11-07 Matters arising from yearly meeting sessions 1993:

War Tax, CYM 1993 minutes #46 and #74: Elaine Bishop presented the report on War Tax Implementation. We accept the report* with the following recommendations:

- i) Until the Canadian Yearly Meeting Personnel Implementation Committee is functioning more effectively, the Clerk of Canadian Yearly Meeting and the Clerk of Representative Meeting will undertake the responsibilities outlined in proposal #4.
 - ii) We ask Canadian Friends Service Committee Executive how they will implement this proposal.
 - iii) With respect to proposal #5, we recommend that the reporting date be changed to November 1994. We note that the Funk Bill has died with the dissolution of Parliament so no action can be taken
 - iv) We approve implementing the entire report, effective January 1994.
 - v) We ask the ad hoc committee to explore ways of maintaining contact with the bureaucracy, given the opportunity which a new government presents.
- *full report not included

Representative Meeting Minutes, April 30th, 1994

94-04-06 Matters Arising from November 1993:

- a) **War Tax:** Don Woodside reported*. The strategies currently being pursued with the Federal Government have produced inconclusive results, though the marks from at least seven staples on the cheque returned to Anne Thomas suggest that many within government have had to review our current actions. More conclusive results may be available by the time of yearly meeting sessions. Representatives are asked to report back to monthly meetings for further discussion preparatory to CYM. We express our appreciation to this committee for the dedication and imagination in their work on this issue.

Canadian Yearly Meeting Minutes, August 10th, 1994:

60. War Tax Concerns: Don Woodside presented the report from the ad hoc Committee on War Tax Concerns and pointed out amendments to the text made by the Committee subsequent to printing. The amended Text follows:

Report of the ad hoc Committee on War Tax Concerns

Canadian Yearly Meeting has had a deep concern for many years about the untenable position it is in when it is forced to be a collector of military taxes from employees who are

themselves conscientious objectors to military taxation. At yearly meeting sessions in August 1993 it was agreed that CYM and CFSC would try to deposit the military taxes of those employees requesting it into the Debt Servicing and Reduction Account (DSRA) as a way of redirecting taxes away from military uses, it was an imperfect solution as it failed to achieve positive redirection to peaceful purposes. However, as the DSRA is segregated from military spending because it is spent only on debt servicing, we believe it was a step in the right direction. We hoped that it was an administrative solution that the government would accept.

Since January, CYM has been following the procedure prescribed by Representative Meeting in November 1993, with respect to the military portion of the taxes of its General Secretary. Since April, CFSC has been doing the same on behalf of one of its staff. Most of these cheques were returned; one was deposited into the DSRA and credited as a donation, despite explicit direction about it being an income tax deposit. We have had repeated correspondence with Paul Martin, Minister of Finance, over this issue.

On June 15, 1994, Ursula Franklin, Vivian Abbott and Don Woodside travelled to Ottawa to meet with staff of Paul Martin, in order to clarify the issues regarding the DSRA. We learned that it is impossible to place a personal income tax deposit in the DSRA. To do so would rewrite a legislative amendment, and the arguments previously used against a peace tax bill, i.e. "floodgates", and government's prerogative to determine spending, were advanced against an amendment of the DSRA act. Paul Martin in a letter has also said he would not favour an amendment.

We also learned that while the DSRA is indeed a special fund, spent only on deficit reduction, it shares this function with the Consolidated Revenue Fund (CRF), into which all the rest of the revenues and taxes are deposited. Thus a dollar redirected to the DSRA and spend on deficit reduction means that a dollar less can be spent on deficit reduction from the CRF. The result is that no real reduction can be accomplished.

We recommend that CYM stop trying to deposit taxes into the DSRA.

We believe that CYM should continue to refuse to act as a tax collector of military taxes from employees who are themselves conscientious objectors to military taxation. The only currently available way to do this is to place such taxes in the Peace Tax Trust Fund operated by Conscience Canada.

We recommend that CYM and CFSC immediately begin to deposit the military portion of taxes of employees requesting it into the Peace tax Trust Fund, and so inform the Minister of Finance.

We ask Representative Meeting to consider the option of establishing a separate CYM trust fund for its employees.

The three persons names about and Ed Abbott met with an intern in Svend Robinson's office to discuss a private member's bill he is drafting. It is a reworking of the Ray Funk Bill, following the example of the US Peace Tax Bill, directing funds to existing government agencies, to be taken from a list drawn up by a voluntary committee drawn from concerned organizations.

We recommend that CYM support the development of a peace tax bill that redirects military taxes to life-affirming purposes.

We approved the recommendation that CYM stop trying to deposit taxes into the DSRA.

CYM has, for many years, had a deep concern arising out of our Peace Testimony about the untenable position it is in when forced to be a collector of military taxes from employees who are themselves conscientious objectors to military taxation.

CYM has intensively explored the legal avenues for reduction of military taxes over some years without success. Therefore, as the next step in support of our employees who have conscientious objections to taxation for military purposes, we approve the CYM and its committees immediately begin to deposit the military portion of taxes of its employees' requesting it into a trust fund, and so inform the federal Ministers of Finance and Revenue.

We agree on the following procedures:

- 1) Employees who wish to participate in the redirection of their military taxes are advised to seek clearness within their monthly meeting, or if not a Friend, to establish a clearness process in consultation with their personnel committee.
- 2) Employees who wish to participate will need to submit their request in writing to their employer.
- 3) At the employee's request, CYM and its committees will deposit the military portion of the employee's monthly tax being withheld in a suitable trust account. These deposits will be reported to the government on a monthly and annual basis.
- 4) If Revenue Canada collects the redirected taxes from the employee directly, then CYM and its committees will expedite return of the deposits in the trust fund to the employee if requested to do so. If Revenue Canada collects from Canadian Yearly Meeting, then Canadian Yearly Meeting and its committees will recover the deposits.
- 5) If Revenue Canada brings a financial penalty or legal action against any representative, trustee, officer, or employee of CYM and its committees consequent to participating in implementing this decision, CYM will take responsibility for the penalty or legal costs.

We approve that CYM and its committees immediately begin to deposit the military portion of taxes of employees requesting it into the Peace Tax Trust Fund of Conscience Canada and so inform the federal Ministers of Finance and Revenue.

We ask Representative Meeting to establish a separate YM trust fund for the employees of CYM and its committees for the deposit of these funds and do so if appropriate.

61. Thanks to Edith Adamson: We express our gratitude to Edith Adamson of Victoria Monthly Meeting, for her many years of faithful work as an individual on this concern and through Conscience Canada.

62. Support for Peace Tax Bill: We support the development of a peace tax bill that redirects military taxes for life affirming purposes and hope that monthly meetings will keep their Members of Parliament consistently informed of the peace tax issue and enter into dialogue with them.

Representative Meeting Minutes, November 19th, 1995

94-11-14 Canadian Yearly Meeting Peace Tax Fund:

We need to decide whether CYM needs to place unremitted funds in our own trust fund or in the one sponsored by Conscience Canada.

Concerns were expressed that we use our own fund for purposed of tracking the funds and for clarity of this action as a **corporate** faith witness. This could also become a vehicle for witness as Friends donate funds to it or if we so elect to make donations to peace-affirming purposes. Conscience Canada requests we place these funds within their trust fund as an act of solidarity with other war tax resisters and Conscience Canada's established work. Perhaps using the Conscience Canada Peace Tax Fund would assist other employers to do the same.

For our own corporate use only, we approve the decision to establish a separate Peace Tax Fund. This may include monthly meetings as employers if they so choose.

In choosing to place the money in a separate CYM fund we in no intend to show any disrespect or lack of support of the lasting contribution and significant work of Conscience Canada on behalf of individual tax resisters. We will continue to work collaboratively with Conscience Canada and encourage those Friends called to do so to place their unremitted funds with Conscience Canada's Peace Tax Fund.

94-11-15 Potential Peace Tax Bill:

There is a Private Member's Bill in draft to permit legal redesignation of military portion of taxes for conscience sake.

We encourage the ad hoc Committee on War Tax Concerns to direct the bill, if and when it becomes available, to monthly meetings and to CFSC for their comment. Monthly meetings will be encouraged to make a timely response in order to enable Canadian Quakers to speak on the issue. Should the time line be short, we encourage monthly meetings and CFSC to voice their support of this bill directly to their local Members of Parliament.

94-11-18 Request to use CYM Peace Tax Fund:

We approve Anne Thomas' request that the military portion of her taxes be withheld from being remitted to Revenue Canada starting January 1, 1995. We Minute our thanks to her for her role in helping us as a yearly meeting come to clearness on this difficult issue.