David Haslam

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I t is not only the ‘money in’ column of a payslip that puts a smile on the face of the Rev David Haslam. ‘I enjoy paying tax,’ he says. ‘I like to see the amount I've paid, because that is my contribution to the services that I, my family and other people use.’

However, the Methodist minister is concerned that some wealthy individuals and corporations avoid paying their fair share, and that their tax dodging is having an adverse effect on societies. It’s a concern that he shares with the other members of the newly launched Church Action for Tax Justice, a group whose name suggests that at present there is injustice in the tax system.

‘The injustice is that the wealthiest individuals and corporations avoid paying their fair share,’ David, the group’s chair, explains. ‘They hide their money by various technically legal routes in tax havens. They put their money offshore in countries where you can find a building which is registered as the offices of about 20,000 businesses but which is actually empty of people and is just a letterbox where money can be put and then taken out later.

‘Public services in all countries are being denied the just taxes that the wealthy should pay. At the launch of Church Action for Tax Justice in the Houses of Parliament, the Rev Michaela Youngson said that tax was needed to fund police, youth work and health services in the UK, and so was ‘a matter of life and death’.

Looking overseas, campaign group the Tax Justice Network estimates that ‘tax abuse’ results in about $200 billion of losses in revenue for developing countries every year. David says: ‘If businesses keep shifting money into low-tax regimes and not accepting the spirit of the law, then governments – particularly of poor countries – don’t have the funds to provide education, infrastructure and health services.

Church Action for Tax Justice is pushing for changes in the system.

‘The key concept is transparency,’ says David. ‘Every company should be transparent about how many people it employs in a country, what kind of economic activity takes place there, what profit it makes and what taxes it pays.

‘We want the UK government to require British Overseas Territories to open a public register of trusts and foundations that are based in the jurisdictions. At the moment, places such as the British Virgin Islands, Bermuda, the Turks and Caicos Islands and the Cayman Islands run secrecy jurisdictions where people can legally put their money without anyone knowing how much is there or even who owns it. Lawyers create a system where they take the money, put it in a trust and appoint trustees so that even the people who supplied the money don’t know who the trustees are and cannot easily be challenged.’

The global financial system is promoting individualistic values

Steps have been made towards that goal. At the launch of Church Action for Tax Justice in April, MP Dame Margaret Hodge spoke of her efforts to persuade the government to introduce transparency in British Overseas Territories. She had been pressing the government to work with the territories to set up public registers of ownership by 2020 or, if necessary, legislate directly. On 1 May, Sir Alan Duncan, told the Commons that the government had ‘listened to the strength of feeling’ in parliament and would not vote against a new clause in the Sanctions and Anti-Money Laundering Bill.

‘We want that kind of transparency,’ says David. ‘We also want a tightening of laws and more action on big corporations that avoid tax by pushing their money around from country to country even within Europe.’

David also argues that ‘the making of tax policy internationally should be moved to the UN rather than controlled by the OECD, which always acts in the interests of wealthy countries and doesn’t allow developing countries very much say at all’.

While highlighting unfairness, Church Action for Tax Justice also wants to promote positive ideas about tax. It has established links with the team behind the Fair Tax mark, which accredits UK businesses that demonstrate a commitment to paying tax responsibly and which is holding the first Fair Tax Fortnight. Beginning today (Saturday 9 June), the two-week celebration will include roundtable discussions and announcements of more businesses to add to the 37 who have already achieved the mark.

David says: ‘The American judge Oliver Wendell Holmes Jr said that taxes are what we pay for a civilised society. ‘The global financial system at the moment is promoting consumerist and individualistic values. But we in the churches have a different story to tell. We need to talk of the Christian values of sharing and of being a good neighbour.

‘If we want to address global inequality, we have to deal with tax.’

Let’s talk about tax