

## Appendix A

### Methodist Conference 2006

#### **Ethics of Modern Warfare – Peacemaking: A Christian Vocation (summary) and conference decisions**

In 2004 the Methodist Council endorsed a proposal for a joint piece of work by the Methodist Church and the United Reformed Churches to examine the ethics of war in the current context. The Methodist Council asked for a report to be brought before the Conference with the intention of:

- i) producing a joint resource to help stimulate reflection in our Churches and beyond;
- ii) identifying clearer ethical criteria to assist churches and church leaders to weigh ethical considerations in complex and uncertain situations where British military intervention is proposed.

Members of the Connexional Team facilitated the study. The study group comprised ten people with varied backgrounds. The Revd Dr Peter Bishop was a co-convenor while Dr David Clough took on the primary editorial role on behalf of the group.

The output from this study is the publication: "*Peacemaking: A Christian Vocation*". Draft texts were reviewed by several external readers and also by a Reference Group established to report to the Methodist Council. The Report seeks to place the discussion of the ethics of war within the context of the wider challenge of peacemaking. It explores what Jesus' call to be peacemakers might mean in the context of our world today. The Report makes use of the experience of Forces Chaplains and other people who have had direct involvement in conflict situations to illustrate aspects of conflict and peacemaking. The publication includes chapters on Learning from the Past, Building for Peace, Non-violent Strategies for Dealing with Conflict and On the Use of Force. It is possible to reproduce here only a small part of the arguments put forward by the study group. These are offered for the consideration of the Conference.

#### ***Learning from the past***

In addressing questions of peace and war, it is crucial for Christians to recall with profound regret the way that the medieval Church endorsed the use of wars fought for the sake of religion in the Crusades. This was a disastrous episode in the history of the Church, in which Christian warriors, encouraged by the Church to believe that they were doing God's will, were guilty of appalling violence against Muslims, and were encouraged to attack Jews in the Christian homelands. The Crusades cast a long shadow, and the violence of groups such as Al Qaeda today looks back to past Christian violence as justification.

It is fitting that Christians approach Jewish and Islamic traditions in great humility. We need to acknowledge that members of all three Abrahamic faiths engage in constant efforts to understand and interpret their own scriptures within which are verses that, taken literally, appear to condone or even encourage violence. Too often the Church has debated these matters solely within a Christian framework, leading to pacifist (a rejection of all military engagement and a refusal to enlist), pacifist (seeking alternatives to a reliance on the military but accepting the use of military force in exceptional circumstances) or just war positions. The task of peacemaking today demands that Christians move beyond entrenched positions to a more broadly-based consensus around the benefits of learning together about non-violent approaches to conflict resolution from the broad spectrum of Christian, other faith and secular reflection and practice.

The Report "*Peacemaking: A Christian Vocation*" examines the subject of peacemaking from the perspective of the biblical narrative and Christian tradition and illustrates the powerful witness to the cause of peace provided by Old and New Testaments and the teaching of Jesus. It examines how this witness has been interpreted at various times in the history of the Church. The report also reviews how non-violent strategies exemplified by Gandhi, Martin Luther King and others might apply today.

### ***The call to be peacemakers***

The lives of Christians should be distinctive in working to establish just and peaceful relationships between those among whom they live and work. Peacemaking does not mean passivity, or acquiescing to injustice: it means being active in creating and maintaining right relationships. It means day-by-day care to deal rightly and considerately with a child, parent, sibling, spouse or friend; it may be that peacemaking in such close relationships is the most demanding of all. It also means not joining factions within Churches but finding common ground on which differences can be discussed, and working for understanding in differences within and between denominations. On a larger scale, peacemaking means engaging in elections and political campaigns and debates in support of policies and politicians that offer a realistic alternative to vicious cycles of hostility and fear. It means working internationally to combat economic and social threats to peace, such as poverty, infectious disease, and environmental degradation, which were highlighted in the recent UN Secretary-General's High Level Panel on Threats, Challenges and Change.

Four dimensions to the Christian vocation to peacemaking are explored:

- a. to foster just and peaceful relationships;
- b. to be active in resolving conflicts;
- c. to support strategies for preventing violent conflict;
- d. to engage with political leaders about when and how force might be threatened or used.

To achieve progress in non-violent conflict transformation training is essential and adequate resources need to be allocated.

### ***The environmental dimension to conflict***

With changes brought about by global climate change, agricultural and marine resources may well also become a source of potential conflict. As a whole range of resources become scarcer and available in ever more inaccessible places, competition for access to them will become fiercer. Ultimately efforts must be made to adopt measures to distribute fairly the emission of carbon across developed and less-developed countries. The study group therefore commends proposals based on equity such as 'Contraction and Convergence', promoted by the Global Commons Institute.

### ***Authority to pursue war***

The question of authority is complex and contestable. The 2003 invasion of Iraq brought such questions to the fore as the world debated whether the United Nations Organisation and its Security Council was the only appropriate body to authorise war and, if so, why.

How is a Christian understanding of authority shaped by confession of the authority of God who will establish justice throughout the earth? In Christian moral reasoning the question of authority, and/or the right, to pursue war is subject always to the pacific authority of God. Our particular question concerns how a theological account of the authority to pursue war, or to refrain from it, proceeds from and through an account of divine authority.

This means that discussion about the authority to pursue war cannot be reduced to assertions of a nation's self defence. A decision to pursue war can only be authoritative if, like acts of judgement performed by the judiciary, the person or body making the judgement has the public standing to determine whether wrongs have been committed and, if so, how restitution and reconciliation might be effected. The nature of authority in this context is that of judicial arbitration exercised on grounds that can be defended publicly – preferably by an appropriate third party. The attacked may take to themselves the judicial role only when there is no competent third party. Armed conflict can be a possibility only when other modes of judicial authority have been exhausted or are reduced to incompetence. In the present day the Security Council of the United Nations Organisation has unparalleled capacity to exercise judicial authority in the face of wrongs that fall outside the scope of other jurisdictions. Despite its wounds and need for reform, it is usually able to arbitrate the claims of the parties to international conflicts and exercise judgement.

### ***Common ground between pacifist and just war perspectives***

Even in relation to the political question of when a nation state is entitled to go to war, there is still common ground between Christians that adopt pacifist and just war perspectives. Both can agree that:

- war should never be employed where other means of addressing a conflict remain open. The word of the Churches to the nation will be that the cost of war is such that nations should continue to pursue diplomatic and non-violent modes of dialogue and coercion to the utmost.
- nations need to be held accountable to the just war criteria for how wars should be fought.
- there are times when Christians should join in asking a nation state to deploy troops in order to prevent a humanitarian catastrophe. This is clearest in the case of United Nations peacekeeping missions, but may extend to using military force to restore law and order to situations of extreme lawlessness.
- the just war tradition has sufficient reason to allow pre-emptive attacks but only when the threat is immediate and significant. To allow nations to go to war to prevent other nations threatening them, even if authorised by the current United Nations Security Council, would be to make wars more common and international relations less secure.
- in the absence of imminent nuclear threat, church members should urge the UK Government to make bold and immediate steps to meet its disarmament obligations in full. Without such moves, it is hard to see the justification for opposing the acquisition of nuclear weapons by non-nuclear powers.

Despite substantial common ground, we recognise that Christians will sometimes differ amongst themselves about whether a particular war is morally legitimate. We must resist the temptation, however, to make this occasional disagreement the focus of Christian discussion of warfare. To do so is to mistake a narrow peripheral difference for the heart of Christian reflection on warfare: the need to work towards and call the nation towards a more peaceful world.

### ***The UK Nuclear Deterrent***

Under the Non-Proliferation Treaty the UK has agreed to the objective of “determined pursuit by the nuclear-weapon states of systematic and progressive efforts to reduce nuclear weapons globally with the ultimate goal of eliminating those weapons”<sup>1</sup>. Since the end of the Cold War, the Conference has passed resolutions calling for further action with respect to disarmament. For example, in 1996 the Conference called for “a genuine willingness to forego Britain’s own nuclear capability (whether unilaterally or multilaterally) in order to stop nuclear proliferation”.

In recent years the UK Government has reduced the size and readiness of the UK nuclear weapons system. The UK Government states that decisions on the future of the UK nuclear weapons system are likely to be necessary in the lifetime of the current Parliament and has signalled that it is in favour of a replacement of the Trident system. Consistency with the Conference’s long-established views, together with the recommendations in *‘Peacemaking: A Christian Vocation’*, would lead the Conference to oppose the renewal of the Trident nuclear weapons system.

- 34/1 The Conference commends the Report *‘Peacemaking: A Christian Vocation’* to the Methodist people for reflection, study and guidance on action.
- 34/2 The Conference encourages the Connexional Team to make available further resources to support the role of Districts, Circuits and Methodist members in the task of peacemaking.

---

<sup>1</sup> Review and Extension Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons 17 April - 12 May 1995, New York

- 34/3 The Conference encourages the Connexional Team to continue to work ecumenically and with other faith groups to develop a common understanding of peacemaking and social justice and to make appropriate representations to the UK Government.
- 34/4 The Conference opposes replacement of the Trident nuclear weapons system and urges the UK Government to take leadership in disarmament negotiations in order to bring about the intention of the Non-Proliferation Treaty for the elimination of all nuclear weapons.
- 34/5 The Conference affirms the support of the Methodist Church for the Ecumenical Accompaniment Programme for Palestine and Israel (EAPPI) and encourages Districts and Circuits to make known the opportunities for service afforded by this programme.
- 34/6 The Conference expresses admiration for the work of forces' chaplains and notes the many challenges they face at this time. The Conference reaffirms the importance of this ministry to people in the armed forces.

## Appendix B

### History of CFB/Epworth analysis of companies with military exposure

#### 1. **GEC**

GEC was reappraised in a CFB paper in 1992 following its acquisition of Ferranti's missile business. Prior to the acquisition, GEC's defence exposure formed an estimated 23% of total sales and 28% of total profits. This appeared to include a high proportion of overseas sales. The acquisition changed the defence exposure by less than 1% but increased the exposure to weapons and weapons systems. Defence exposure had been declining as a proportion of the total but the acquisition was regarded by the CFB as a renewed commitment to this area. GEC had '*rested uneasily*' within the Investment Fund and this new development prompted a decision to sell the holding on ethical grounds.

#### 2. **Mitsubishi Heavy Industries**

In 1993, the CFB reported to JACEI that it had sold its holding in this company on ethical grounds. Its exposure to the Japanese defence industry had always been known about but recent growth in Japanese defence manufacture meant that the exposure had risen and was now too high a proportion of the company's business.

#### 3. **GKN**

GKN was examined in 1994 following its announcement that it would be acquiring Westland, a military helicopter business. It was held by the CFB Investment Fund. Prior to the takeover, defence exposure (mainly Warrior and Saxon armoured vehicles, which were used by UK forces in Bosnia and also sold to Kuwait) formed 5% of group sales. CFB analysis suggested that this would rise to around 18% with the purchase of Westland and rise to 20% in 1996.

The report quoted the CFB Annual Report from 1993, which stated that '*We have ...not invested in companies which are substantially involved in the arms trade...*' and also referred to the draft discussion paper, *Ethics and defence electronics*.

The addition of the Westland business was regarded as a cause for ethical concern and the decision was made to sell the holding.

#### 4. **Racal**

Racal was re-examined in October 1994 in the light of its participation in Camelot, the operator of the National Lottery. The 'cellular radio' (Vodafone) and security systems (Chubb) businesses had been demerged some time previously. These moves raised the defence exposure from 10% in 1989 to over 25%. The defence sales were of battlefield communications and electronic warfare technology (eg on frigates and helicopters). These products were specifically for military use and included some weapons control systems. With the new investment in, and operating contract with, Camelot around 40% of profits came from areas causing ethical concern. It was therefore decided that Racal was no longer a suitable holding for the CFB.

#### 5. **LucasVarity**

JACEI reviewed a CFB report on this company in 1997, when it concluded that a small and declining defence sales (4.2% of the total declining to 3.4%) meant a sale on ethical grounds was not justified. The report referred to *Ethics and defence electronics*.

A CFB report re-examined this company in 1998. The CFB Overseas Fund held shares in this FTSE100 company since Varsity merged with Lucas in 1996. It was noted that defence sales had risen to 6.1% of group sales and was likely to continue to rise. The products were not regarded as 'offensive' primarily but included core components for the Tornado and F-18 aeroplanes and integral parts of a missile and attack helicopter. The report was prompted by a renewed commitment by LucasVarsity to its aerospace business. The conclusion reached was that it may become an unsuitable holding on ethical grounds.

JACEI agreed with an Investment Committee decision that the Investment (UK) Fund should not purchase a holding and that the Overseas Fund holding should not be increased, with the company being kept under review. The holding was later sold on financial grounds. The company moved its listing to the US.

## **6. *Marconi (GEC)***

Marconi (formerly GEC) was reviewed in 1999/2000. It had sold most of its defence interests to British Aerospace. Some interests remained. Marconi owned a 24% stake in Alstom, 0.3% of the turnover of which was derived from contracts with the French Navy. Marconi was expected to sell the stake and had no significant influence on Alstom's management. The French Navy contracts did not involve nuclear powered vessels or launch platforms for nuclear weapons, as far as the CFB was able to ascertain. Marconi also retained some contracts for the sale of communications equipment to defence customers. The technology was regarded as 'off the shelf' and sales were less than 3% of group sales. The CFB/Epworth concluded there were no ethical grounds for preventing investment in Marconi and JACEI agreed.

## **7. *Smiths Group***

This company was reviewed in 2001 following its creation with the takeover of TI Group (a holding) by Smiths Industries (non-holding due to military exposure). TI Group defence exposure was focused in the aerospace division and consisted of hydraulics and actuation, turbine engine components, tubular systems, aerostructures, defence and engineering systems. This included frames for missiles. The Smiths Industries aerospace business was focused on avionics and included weapons aiming computers and gun controllers for use in cockpits.

The combined Smiths Group was estimated to have an exposure to defence of at least 20%. This was likely to increase with the sale of another business and an expected acquisition. The Investment Committee concluded the holding should be sold on ethical grounds.

## **8. *Support Services companies ethical issues***

This short paper was produced by the CFB, and presented to JACEI, examining exposure to defence spending. Some of the activities in this sector could be classified as 'frontline' while others were really in more of a support role. Amey (non-holding) derived over 30% of turnover from defence contracts and was recognised by JACEI as being of ethical concern.

## **9. *Inmarsat***

Ahead of the IPO, Inmarsat, a satellite communications company, was reviewed in 2005. Epworth found that approximately 20% of turnover was derived from defence. The nature of the service was secure defence communications. Inmarsat was clearly committed to expanding this part of its business. JACEI agreed that it was right to be wary of setting rigid percentages to define the point at which a stock might be excluded. Nevertheless, the level of exposure and the commitment to growth led the committee to suggest Inmarsat raised serious ethical concerns. Investment was not pursued.

#### **10. Close Brothers**

In November 2006 the CFB reported to JACEI that Close Brothers was involved in providing unsecured and secured personal loans to individual members of the armed forces through their ownership of 80% of Close Brothers Military Services Ltd. It was agreed that this activity, which was only about 5% of Close Brothers' total lending, should not be an ethical bar to CFB investment in Close Brothers.

#### **11. Reed Elsevier**

Reed's defence exhibitions business has been a cause of ethical concern for some time. The exhibitions provide companies with opportunities to display and advertise military hardware and services. Though no actual trade takes place at the exhibitions, they are clearly part of the arms trade. The exposure to defence is not more than 1% of group turnover and has been regarded as an engagement issue.

The Church Investors Group wrote to the company expressing these concerns in 2005. In 2007, the CFB, with Henderson Global Investors, met the company and wrote a letter raising additional points. Reed acquired an additional defence exhibitions business in December 2006. While a response to the letter was awaited, Reed announced it would be selling its defence-related businesses in response to stakeholder pressure.

## Appendix C

### Investment policies of other churches in relation to military exposure

#### 1. Church Investors Group members

In November 2006, the CIG produced a compilation of members' investment policies. These provide some guide. Many mention a requirement to avoid companies that have a significant interest in manufacture of armaments. Some points of note are listed below.

The Baptist Union sets a limit of 10% of revenue derived from armaments and the BMS World Mission a limit of 5%,

The Church of Scotland sets a limit of 15% of profits derived from armaments.

The Joseph Rowntree Charitable Trust does not define any limit, though avoids material involvement.

The Church in Wales seeks to avoid *'any company whose business involves the proliferation of armaments beyond areas of legitimate defence and local and international peacekeeping.'*

The Plymouth Roman Catholic Diocese Common Investment Fund will not invest in companies that *'Have the manufacture of arms/weapons as a core activity. Specifically, involvement in the manufacture of anti-personnel mines would preclude investment in the company.'*

The United Reformed Church avoids investment in *'companies directly engaged in the manufacture or supply of weapons of mass destruction'* and *'companies a significant part of whose business is in the supply of...military equipment (other than weapons of mass destruction)'*. 'Significant' is deemed to mean 10-20% of total revenue.

#### 2. Church of England Ethical Investment Advisory Group (EIAG)

It is useful to consider in detail the policy of the Church of England. The EIAG revised its policy in 2000. It states that:

*'The Church of England generally accepts the right of nations to defend themselves and to engage in peacekeeping initiatives. However, we do not invest in companies that manufacture weapons platforms such as aircraft, naval vessels, helicopters, or tanks, neither will we invest in companies that manufacture weapons or weapons systems.'*

There are four criteria:

Level 1 Completely exclude defence platform suppliers

e.g. such as aircraft, ships, submarines, helicopters, armoured vehicles.

Level 2 Completely exclude weapons and weapons systems suppliers

e.g. supplying nuclear warheads, missiles, torpedoes, bombs, ordnance, artillery small arms, electronic warfare systems, guidance, targeting and firing systems.

Level 3 Over 25% of turnover, exclude non-offensive systems suppliers

e.g. avionics, radar, sonar, instrumentation, military IT and software, components, vessels and weapons commissioning and refit.

Level 4 If less than 25% of turnover, include non-offensive systems suppliers

e.g. as in Level 3



Companies in Level 4 with growing defence turnover in the 20-25% range are subject to close monitoring. Providers of facilities management or suppliers of goods such as catering, clothing, furniture, and telecommunications generally provided in 'civil society' are not considered to fall within these guidelines and are therefore acceptable for investment on ethical grounds.

### **3. General Board of Pensions and Health Benefits (United Methodist Church, USA)**

Investments shall not knowingly be made in any company:

Receiving 10% or more of gross revenues from the manufacture, sale or distribution of antipersonnel weapons (land mines, "assault-type" automatic and semiautomatic weapons, firearms, etc.) and ammunition provided for commercial and private markets. Exceptions may be made for weapons and ammunition provided for legitimate military or law enforcement uses.

Ranking among the top 100 Department of Defense (DOD) contractors and whose ratio of DOD contracts involving the production and distribution of conventional military armaments or weapons-related systems to gross revenues is greater than or equal to 10%.

Whose identifiable ratio of nuclear weapons contract awards from DOD or comparable agency or department of any foreign government to gross revenues is greater than or equal to 3%.

### **4. United States religious groups (ICCR survey)**

In January 2001, the Inter-faith Centre for Corporate Responsibility (ICCR) published a compilation of statements made by eleven US religious groups on religion and warfare. Most of the statements were made in the 1980s and 1990s. Epworth summarised them in a paper for JACEI in 2001. Little application to investment policy was found.

- 4.1 The arms trade is regarded negatively.
- 4.2 Weapons of Mass Destruction, including nuclear and space-based weapons raise concerns. For example, the United Methodist Church issued a statement in 1986 opposing the holding or use of nuclear weapons.
- 4.3 Bans on the production, sale and use of landmines are favoured.
- 4.4 Sale of arms abroad (presumably this might include the UK) are often condemned.
- 4.5 There are differences in approach towards the use of arms, ranging from advocating a Just War approach (Roman Catholic Church), to pacifism (Mennonites).
- 4.6 The Presbyterian Church (USA) Committee on Mission Responsibility Through Investment released Military-Related Investment Guidelines in 1995. These state that church policy would be '*...not to invest in the securities of publicly traded corporations engaged in military-related production.*' Types of companies were named. These included: the one hundred leading defence contractors; the top five firms engaged in foreign military sales; and corporations which produce weapons of mass destruction or indiscriminate injury to civilians, including nuclear warheads and landmines.

### **5. Summary**

There is certainly common ground amongst church organisations but they do differ how they define policies towards affected companies. Few consider the issue in detail but some do have a nuanced approach.