

# **BAYES Business School – Inaugural Craft Lecture**

## **“Capital, Slavery and Corporate Responsibility”**

Delivered by Alan Smith, First Church Estates Commissioner,  
Church Commissioners for England

### **Introduction: The governance necessity for corporations to understand their linkages to Slavery**

Thank you, André, Malla and Paul for your warm welcomes.

It is a huge honour and privilege to be asked by Bayes to deliver<sup>i</sup> the inaugural Craft<sup>ii</sup> Lecture.

Bayes has always been pioneering in its annual lecture programmes. The Mais and Henry Thornton annual lectures are flagship events in their thought leadership.

You have made it clear to me that Bayes has similar ambitions for the Craft Lecture series to explore the intersection between finance, markets, and social justice.

So no pressure there!

When André invited me to present, he explicitly suggested that I explore the interconnectedness between capital, Transatlantic Chattel Slavery and modern-day corporate responsibility through our journey at the Church Commissioners for England of investigating our historic links<sup>iii</sup> to Transatlantic Chattel Slavery.

André was prescient in that ask. The issue is exactly what a leading business school should be looking at.

Democratic capitalism has developed over the centuries with huge potential for good. But it also has, to its detriment, capacity for injustice. And today it is sitting alongside significant and damaging inequality despite having created great wealth.

There is the feeling out there that we are now at a place where we seem to lack the capability to address the pressing issues on the table today, such as artificial intelligence and climate change.

How did we get to this place and how do we figure our way out of it?

Understanding the corporations at the heart of our economies and their history is a good place to start.

As suggested by the historian Gordon Wood<sup>iv</sup>, “History is to corporations what memory is to the individual: without it, we don’t know who we are, and we cannot make wise decisions about where we should be going.”

So much of who we are today is shaped by the long arm of the legacy of Empire, Slavery and Colonialism<sup>v</sup>. Capitalism<sup>vi</sup> grew with Empire and corporations<sup>vii</sup> were at the heart of the exponential economic growth which saw Britain by the 1800s become the most prosperous region in the world and laying the foundations for the country we are today.

The very concept of corporations and how they are organised<sup>viii</sup> is directly traceable to colonial expansion and the Transatlantic Slave Trade. Their roll call is familiar – the Royal Africa Company, the South Sea Company, the East India Company, the Dutch VOC; the Company of the Bank of England<sup>ix</sup>.

Arguably, to lead a company properly today, as a Board or CEO you must address its history. Whilst Transatlantic Chattel Slavery set the foundations of the corporation, modern capitalism and international trade, much of this history has been hidden. Yet whether we know it or not, or acknowledge it or not, who we are today is still influenced by its values.

### **The Church Commissioners and Transatlantic Chattel Slavery**

To bring this out, I would like to share the story of how our Board and CEO at the Church Commissioners addressed our specific legacy of slavery. It is a journey that started over four years ago. It is one we are still on. We have not yet reached our destination.

The Church Commissioners for England is a unique and distinct organisation. It is not the Church of England. It is not the global Anglican Communion. It is a 320-year-old in-perpetuity endowment fund with a mandate to support the mission of the Church of England in England.

There are 33 Church Commissioners, of whom 27 make up the board of governors as the main policy-making body, with a further six who are officers of state or Government ministers. The Prime Minister, as The First Lord of the Treasury, and the Speaker of the House of Commons are among those six. The Archbishop of Canterbury is the Chair of the Board.

Equally, the Church Commissioners is a £10.3 billion asset owner, a financial institution overseeing a diversified portfolio, interacting with major capital market players. We are as likely to have a conversation with a Bishop or a member of the clergy as we are to interact with some of the leading private equity firms and hedge funds who manage parts of our portfolio, or with executives of the big banks such as JP Morgan, Bank of America or Morgan Stanley who were counterparties and advisors when we did our first bond issue last year, or with Moody's who provide the credit rating for our bond.

As responsible investors we actively engage with the boards and executives of the firms we invest in, in particular on the issue of a just transition to a low carbon world.

So why did we as such an entity think it was important to grapple with our legacy where Transatlantic Chattel Slavery is concerned? What have we learned? How are we thinking about acting?

### **Why did we investigate our legacy?**

Back in 2019 our Audit and Risk Committee became aware that the issue of linkages to Transatlantic Chattel Slavery was on the radar of several significant organisations, in particular academic institutions such as the University of Glasgow, Princeton University and Cambridge University. As an organisation with its origins in 1704 we knew this applied to us.

At that stage, we had also heard of murmuring with regards to corporations on both sides of the Atlantic, albeit the pressure and noise was from external stakeholders. Then, and even now, many corporate institutions have been either reticent, or speak with a quiet voice on the issue of slavery.

Those developments though were signals. They flagged that a growing number of academics, thought leaders and corporate stakeholders (including employees and prospective employees) cared about this issue.

Over time, The Audit and Risk Committee and the Church Commissioners became convinced that we should also care about this issue. Our CEO in particular, was very convinced that we needed to own the issue.

Transatlantic Chattel Slavery was a significant component of the Church Commissioners' origin story but this important history had never been mentioned in the corporate memory of the Church Commissioners.

As the Church Commissioners for England we had a moral responsibility to grapple with this issue.

As responsible ESG investors acting for the public good, if there was important hidden history lying in our own archives, we needed to investigate and share this history. This may deepen our understanding in ways that lead to better stewardship of the fund we manage and better decision making by us and others.

And with our stewardship requirements as a board and executive around financial management, risk identification and transparent disclosure, we also knew we needed to guard our reputation as a leading ESG investor seen as responsible, wise and trusted. This required us to address the issue head on.

We have always seen reputation and trust as indivisible from financial performance.

Reputation has a direct impact on our ability to maximise the value of the fund we manage. It affects how we engage, with whom we engage, and the quality of investments we can access. Our strong reputation has helped us to attract the very best investment managers out there, to get the best advice and transactions, to raise funds at competitive, efficient levels. And it has helped us to have a convening voice and influence in strategic spaces.

We knew that the integrity and rigour with which we approached investigation and truth-telling was important.

It was our CEO's decision to take a pioneering forensic accounting approach and be as data-driven as possible, to "follow the money." Our independent accountants<sup>x</sup> were retained to digitise the Church Commissioners 300-year ledger and analyse what was found.

Debits and credits can tell the truth more profoundly than human beings.

Or as the Archbishop of Canterbury reminded me, they represent "theology in numbers"!

We sought to be fully transparent in what we found – disclosing the findings consistently and clearly, including in financial documents and in stakeholder presentations.

We ensured accessibility and accountability – and made the findings available to academics and the general public for further examination and research.

We had a professional obligation to assess and note all risks in our accounts which we did in our 2020 Financial Statements and again in 2021, and in our bond prospectus in 2022.

### **What did we find and how are we planning to act?**

On 10 January 2023, we published our findings. We found that our predecessor fund (Queen Anne's Bounty) invested in the South Sea Company, an entity significantly vested in the Slave Trade. We also received benefactions for "match funding" from individuals likely to have derived wealth from the slave trade and plantation economy. Edward Colston's name featured prominently in our ledger.

Through various letters and documents uncovered, we got important insights into the values and mindsets of both the powerful and the powerless at the time – values and mindsets which no doubt helped to shape who we are as a people, a country, and a church today.

We deepened our understanding of how religion was used strategically in the ruthless pursuit of profit at an enormous cost to human lives. We uncovered one of the rare copies of "The Slave Bible<sup>xi</sup>" in existence in the world today – Bibles produced specifically for use by slaves on plantations in the West Indies after the abolition of the Slave Trade in 1807, designed to keep slaves in mental slavery by editing out the Bible passages that pointed to the hope of freedom from bondage.

We apologised for these shameful links.

The Archbishop of Canterbury<sup>xii</sup>, Chair of our Board, stated unequivocally "the abomination of transatlantic chattel slavery was blasphemy<sup>xiii</sup>."

## **Our actions and the question of reparations**

We wanted to be thoughtful and intentional in our response. We are only too aware that this is a complex, sensitive and very challenging issue with little precedence on meaningful actions. After considerable deliberation with the CEO and Board, we assessed that £100 million over 9 years was an appropriate figure which would enable us to act in thoughtful and meaningful ways whilst respecting the boundaries of our statutory mandate.

Through an independent search using a blind CV process, we appointed a 14-person Oversight Group<sup>xiv</sup> to advise us.

**This £100 million is not reparations defined as paying compensation to individuals. It is about wider efforts to repair and “create a better future.”**

The issues surrounding the Transatlantic Chattel Slavery and its legacies are enormously complicated. We believed that in the specific context of the Church Commissioners, to go down the road of reparations as paying compensation to individuals would be to enter a maze from which there would be no clear exit.

We would run the risk of no satisfactory and meaningful impact from our actions for several generations.

We have been and will continue to be challenged on this.

Far more meaningful, we believed, is to learn from this past and invest in a better, fairer future that promotes human flourishing for historically marginalised and vulnerable groups, with special safeguards to ensure that the descendants of chattel slavery benefit in fair and proportionate ways.

My own personal story has made me particularly reflective of the enormous complexity.

My Barbadian, Trinidadian and British heritage means that I am the descendant of African chattel slaves and Indian indentured servants. I am, with a high degree of probability, the descendant of white slave owners. I am the descendant of a Barbadian, Adam Straw Waterman<sup>xv</sup>, born a slave, who ultimately gained his freedom, became wealthy and then in turn, possibly owned slaves himself.

As you can imagine, that would make my reparations calculation a complex one. We would take some time to work out whether I should be a net payer or payee.

There will be many like me!

## **Concluding remarks – Hopes for the future**

Our hope is to encourage organisations, in particular major corporations and actors in the financial markets in the UK and beyond with this hidden history in their archives to see it as their corporate responsibility<sup>xvi</sup> for the public good to go on their own journeys of investigation and truth telling.

In doing so, they will be helping to share knowledge and deepen our collective understanding in ways that could lead to better decision making and potentially a future of more widespread human flourishing for all. In doing so, they will also be acting in their own self-interest.

We very much see the £100 million as seed funding. We would love to see others come alongside us, or act on their own, so that we could grow this into an in-perpetuity fund with a base of £1 billion over the next ten years, to invest in impactful ways.

We would also hope that corporations reflect on the lessons from Transatlantic Chattel Slavery to inform how to deal with the existential crises of our day – especially where artificial intelligence and big data, and climate change are concerned. Scholars have noted the ways in which the economy of the big tech<sup>xvii</sup> corporations have whispers of the plantation-extractive economy model; and how the manner in which vested interests operated at the end of the slave trade provides a pointer as to how the fossil fuel companies might behave next in the transition to a low carbon economy.

We also hope that the corporations act in a timely manner and avoid exposing themselves to inordinate reputational or other risks.

We should take note of the recent cases of governments and companies being held to account in the present for historical injustices.

In the last three years alone we have the cases of the German Government's €1.1bn<sup>xviii</sup> proposals for addressing the Herero and Nama genocide in Namibia at the start of the 20th century when it was their colony; the significant costs<sup>xix</sup> to Rio Tinto financially and reputationally for blasting a 46,000 year old Aboriginal site in Australia to expand an iron ore mine even though they argued they were acting legally; the recent US Senate report<sup>xx</sup> challenging Credit Suisse for not reviewing all records when probing Nazi-linked accounts; and the settlement by laboratory equipment maker Thermo Fisher Scientific of a lawsuit brought by the estate of Henrietta Lacks<sup>xxi</sup>, a long-deceased cancer victim whose "immortal" cells have lived on to fuel biomedical research for decades since the 1950s. While none of these are explicitly about Transatlantic Chattel Slavery, the values underlying each case represent the values of Chattel Slavery.

They may also show, as Martin Luther King, Jr. reminded us, that "the arc of the moral universe is long, but it bends toward justice."

Change has a way of happening very slowly and then speeding up very quickly indeed. We may indeed be at such a moment. We were grateful to find ourselves on the right side of history, of building a just world. As a long-term responsible investor with the

longest of time horizons, we hope all corporations and their boards will see it that way also.

James Baldwin once wrote: “Not everything we face can be changed. But nothing can change until it is first faced.”

Deepening our understanding of the history of Transatlantic Chattel Slavery will help corporations and help us all to change the world and build the better future for us all.

Thank You.

## **Notes**

---

<sup>i</sup> I would like to express deep thanks and appreciation to Penny Carballo-Smith, my wife, who helped me to shape this talk. Given the nature of the topic, I found it was one of the most complex and difficult talks to script and deliver. Like the Crafts, this lecture is a joint enterprise!

<sup>ii</sup> The remarkable story of Ellen and William Craft, American Abolitionists, born into slavery, whose journey to freedom included a period of living in England, is retold in “Master, Slave, Husband, Wife – An epic journey from slavery to freedom” by Ilyon Wood; Simon & Schuster, 2023 (<https://www.simonandschuster.com/books/Master-Slave-Husband-Wife/Ilyon-Woo/9781501191053> )

<sup>iii</sup> <https://www.churchofengland.org/about/leadership-and-governance/church-commissioners-england/who-we-are/church-commissioners-links>

<sup>iv</sup> “The Purpose of the Past – Reflections on the Uses of History”, by Gordon S Wood; Penguin Random House, 2008 (<https://www.penguinrandomhouse.com/books/292786/the-purpose-of-the-past-by-gordon-s-wood/> )

<sup>v</sup> Jonathan Guthrie in his 2020 opinion piece in the Financial Times, “The City starts to confront its role in the Slave Trade”, 27 October, 2020, (<https://on.ft.com/3ozmiZM>) provides an excellent overview of the City’s links with slavery. This followed on from his Big Read Lex in Depth article “Examining the Slave Trade – Britain has a debt to repay”, Financial Times, 28 June, 2020 (<https://on.ft.com/2NCktdG>)

<sup>vi</sup> Eric Williams’s “Capitalism and Slavery”, originally published in 1944, (<https://www.theguardian.com/books/2022/mar/02/capitalism-and-slavery-eric-williams-back-in-bestsellers-list> ) arguably remains the pioneering work in examining this issue.

<sup>vii</sup> “Empire, Incorporated – The Corporations that Built British Colonialism” by Philip J. Stern; Belknap Harvard, 2023 (<https://www.hup.harvard.edu/catalog.php?isbn=9780674988125> ) argues that companies built and governed global empire, raising questions about public and private power that were just as troubling four hundred years ago as they are today.

<sup>viii</sup> In “Accounting for Slavery – Masters and Management”, Caitlin Rosenthal; Harvard University Press, 2018 (<https://www.hup.harvard.edu/catalog.php?isbn=9780674972094> ) the author explores in great detail the complex relationship which New World Slavery in the West Indies and the Southern USA has with capitalism and modern management.

<sup>ix</sup> The Bank of England have a curated exhibition on the findings of their linkages to slavery (<https://www.bankofengland.co.uk/museum/whats-on/slavery-and-the-bank> ). A staff working paper, “The Collection of Slavery Compensation, 1835 to 43”, by Michael Anson and Michael D Bennett, Bank of England Staff Working Paper No 1,006, November 2022 (<https://www.bankofengland.co.uk/working-paper/2022/the-collection-of-slavery-compensation-1835-43> ) was published exploring other involvements. It will be interesting to see whether the Bank of England will interrogate the issue through its mainstream economic research publications such as done by the Federal Reserve Bank of Minneapolis in “How the racial wealth gap

---

has evolved – and why it persists”, by Lisa Camner McKay, October 2022 (<https://www.minneapolisfed.org/article/2022/how-the-racial-wealth-gap-has-evolved-and-why-it-persists> ) which utilises a data set which goes right back to 1860, before slavery was abolished in the USA.

<sup>x</sup> <https://www.grantthornton.co.uk/insights/investigating-the-churchs-links-to-slavery/#:~:text=The%20Church%20Commissioners%20appointed%20Grant,links%20to%20transatlantic%20chattel%20slavery.&text=3%20to%20determine%20the%20extent,in%20the%20endowment%20fund%20today.>

<sup>xi</sup> <https://www.smithsonianmag.com/smart-news/heavily-abridged-slave-bible-removed-passages-might-encourage-uprisings-180970989/>

<sup>xii</sup> <https://www.anglicannews.org/news/2023/02/acc-18-visits-former-british-slave-castle-in-ghana-with-the-archbishop-of-canterbury.aspx>

<sup>xiii</sup> <https://premierchristian.news/en/news/article/archbishop-talks-of-cofe-s-eternal-shame-at-visit-to-slave-holes-in-ghana>

<sup>xiv</sup> <https://www.churchofengland.org/media-and-news/press-releases/church-commissioners-announce-members-oversight-group-advise-response>

<sup>xv</sup> <https://www.bajanthings.com/adam-straughn-straw-waterman-1803-1887/>

<sup>xvi</sup> Sarah Federman provides a powerful framework of how and why companies should be addressing the issue in her HBR article “How Companies Can Address Their Historical Transgressions – Lessons from the slave trade and the Holocaust”, Sarah Federman, Harvard Business Review, January/February 2022, Volume 100, pages 82 to 91. (<https://hbr.org/2022/01/how-companies-can-address-their-historical-transgressions> ). She makes a comment which leaders of companies today should heed – “Historical atrocities can never be fully repaired – and the past has a habit of catching up with anyone who ignores it or tries to outpace it”.

<sup>xvii</sup> “The Age of Surveillance Capitalism – The Fight for a Human Future at the New Frontier of Power” by Shoshana Zuboff; Profile Books, 2018 (<https://profilebooks.com/work/the-age-of-surveillance-capitalism/> ) is provocative and original in prompting thinking and awareness of themes today which parallel patterns of corporations’ colonial engagements.

<sup>xviii</sup> <https://www.theguardian.com/world/2021/may/28/germany-agrees-to-pay-namibia-11bn-over-historical-herero-nama-genocide>

<sup>xix</sup> The Rio Tinto’s blasting in 2020 of a 46,000 year old Aboriginal Site to expand an iron ore mine (<https://www.theguardian.com/australia-news/2020/may/26/rio-tinto-blasts-46000-year-old-aboriginal-site-to-expand-iron-ore-mine> ) resulted to a number of senior executive and board changes (<https://www.bbc.co.uk/news/business-56261514> ) and continues to reverberate through to very recent times (<https://www.bloomberg.com/news/articles/2023-09-21/rio-tinto-pauses-work-at-mine-after-aboriginal-shelter-damaged?leadSource=uverify%20wall> )

<sup>xx</sup> <https://www.budget.senate.gov/chairman/newsroom/press/credit-suisse-failed-to-fully-investigate-nazi-linked-accounts-full-report-confirms>

<sup>xxi</sup> <https://www.theguardian.com/science/2023/aug/02/henrietta-lacks-family-lawsuit-settlement-thermo-fisher-scientific-hela-tissue-immortal-cells-harvested>