

Full Synod: First Day

Friday 6 July 2001

THE CHAIR *The Archbishop of York (Dr David Hope)* took the Chair at 4.00 p.m.

The Chairman led the Synod in prayer.

Welcome to Anglican and Ecumenical Guests

The Chairman: We welcome our Anglican and ecumenical guests who are attending these sessions of the Synod only: from the French Lutheran and Reformed Churches, Monsigneur le Pasteur François Clavairoly; from the Church of Ireland, the Archdeacon of Cork (Ven. Robin White); from the Church of Norway, Rt Revd Sigurd Osbert, Bishop of Tunsberg, accompanied by his wife; from the Old Catholic Church in the Netherlands, Revd Dr Angela Berlis; and as a special guest of the Synod Office, observing procedure, Revd Rosemari Sullivan, executive officer of the General Convention of the Episcopal Church of the United States of America. We welcome them all to our Synod. (*Applause*)

Welcome to Young Adult Observers and Introduction of Ecumenical Representatives and New Members

The Chairman: There are further ecumenical representatives for this quinquennium, 2001–04, and perhaps I could take the opportunity now of introducing them to the Synod; they will be with us throughout the quinquennium. They are, from the Baptist Union, Revd Douglas McBain; from the Black Majority Churches and the New Testament Assembly, Revd Nezlin Sterling; from the Church of Scotland, Revd Hugh Davidson; from the Methodist Church, Mr Dudley Coates; from the Orthodox Church, Very Revd Archimandrite Ephrem Lash; from the Roman Catholic Church, Revd Anthony Barrett; from the United Reformed Church, Revd Fleur Houston. Unfortunately, Revd David Newman of the Moravian Church is absent due to ill-health. We welcome you all and look forward to seeing more of you during this quinquennium. (*Applause*)

We also welcome some new members of Synod: Revd Simon Bessant (Blackburn); the Archdeacon of Westmorland and Furness (Ven. George Howe); Revd Richard Seabrook (Chelmsford); Mrs Sara Condry (Coventry); Prebendary Martin Walker (Lichfield); Mr Malcolm Williams (Lincoln); Revd Dr David Stone (London); Mr Hayden Charles (Norwich); and the Archdeacon of Worcester (Ven. Joy Tetley). (*Applause*)

I ought to be introducing the young adult observers who are usually with us; members

will see that their rows are empty as yet because they will join us this evening, but if you look to the left of the hall later, as is customary throughout Synod, you will notice that we have our young observers with us. In their absence we welcome them.

Presentations

The following were presented to the General Synod and greeted by the Archbishop of Canterbury and the Archbishop of York:

Canon Bob Baker (Norwich), Prolocutor of the Lower House of the Convocation of Canterbury;

Canon Glyn Webster (York), Prolocutor of the Lower House of the Convocation of York;

Canon Dr Christina Baxter (Southwell), Chairman of the House of Laity;

Mr Brian McHenry (Southwark), Vice-Chairman of the House of Laity;

Revd David Houlding (London), Pro-Prolocutor of the Lower House of the Convocation of Canterbury;

Revd Hugh Broad (Gloucester), Pro-Prolocutor of the Lower House of the Convocation of Canterbury;

Revd Clive Mansell (Ripon and Leeds), Deputy Prolocutor of the Lower House of the Convocation of York; and

The Dean of Wakefield (Very Revd George Nairn-Briggs), Deputy Prolocutor of the Lower House of the Convocation of York.

Appointment of Chairmen of the Appointments and Business Committees

The Archbishop of Canterbury (Dr George Carey): I beg to move:

‘That the Revd Canon Hugh Wilcox be appointed as Chairman of the Appointments Committee for a period expiring on 31 December 2005.’

I have pleasure in inviting members to approve the appointment of Canon Hugh Wilcox as chairman of the Appointments Committee of the Church of England for the period to 31 December 2005. Under SO 116 the chairman of the Appointments Committee is appointed by the Archbishops after consultation with the Committee and the Archbishops’ Council; the appointment is subject to confirmation by Synod.

The Appointments Committee of the Church of England is responsible for making appointments to a wide range of positions in Synod and in wider Church-related bodies. The chairman of the Committee needs to be someone who is knowledgeable about the affairs of the Synod and the wider Church, trusted by all members of Synod and fair and wise in judgement. In Hugh Wilcox we are fortunate to have someone

who possesses all these qualities and more. As Prolocutor of the Convocation of Canterbury in the previous Synod he won wide respect for his understanding of the breadth of the Church and his sensitivity to the concerns of others, but he is also a worthy representative of the parochial clergy and very much his own man.

I am sure that all members of Synod will therefore wish to join me in supporting his appointment as chairman of the Appointments Committee.

The motion was put and carried.

The Archbishop of Canterbury: I beg to move:

‘That the Dean of Derby (Very Revd Michael Perham) be appointed as chairman of the Business Committee for a period expiring on 31 December 2005.’

The appointment of the chairman of the Business Committee which must, under SO 115, be from among the six members of the Archbishops’ Council directly elected by the Synod also requires confirmation by Synod.

Members will be aware already of how important a role this is in the life of Synod. The chairman has a major hand in the construction of our agendas and an even more crucial role when our business, as it does occasionally, starts to go adrift, so, together with a complete understanding of Synod, they need to combine the ability both to plan ahead and to think on their feet and to be alive to the interests of all members of the Synod, not just those promoting particular items of business.

Michael Perham does not, as far as I know, possess Pete Broadbent’s range of T-shirts or even his hairstyle but he certainly has style. He has already shown his readiness to innovate and his alertness to the interests and concerns of members; those of us who saw him adeptly steering through various items of liturgical business in the last Synod can testify to his eloquence, his courtesy and his humour – and all this in a dean too!

I hope that Synod will quickly approve Michael Perham’s appointment and do all it can to support him in what will undoubtedly be a challenging job in the years ahead.

The motion was put and carried.

Progress of Measures and Statutory Instruments

The Chairman: I report to the Synod that sections 1 to 11, sections 19 and 20, Schedule 1, Schedule 2 (except insofar as it relates to paragraph 5(a)) and Schedules 3–8 of the Church of England (Miscellaneous Provisions) Measure 2000 came into force on 1 January 2001. The Parsonages Measure Rules have been laid before Parliament and came into force on 1 January 2001. The Care of Places of Worship

Measure 1999, the Care of Places of Worship Rules 1999 and the Faculty Jurisdiction (Care of Places of Worship) Rules 2000 came into force on 1 July 2001. The Churchwardens Measure received the Royal Assent on 10 April 2001 and will come into force on a future date. The Clergy Discipline Measure remains committed to the Legislative Committee for submission to the Ecclesiastical Committee of Parliament.

Message of Greeting from the Reformed Church of France

The Chairman: Members of Synod will know that the Reuilly Declaration has been approved by the Synod and has more recently been signed at formal ceremonies both in Canterbury and in Paris. It is therefore a very great pleasure to have with us Pasteur François Clavairoly, and I invite him now to address the Synod.

Pasteur François Clavairoly: Your Grace, members of Synod, it is a great joy and privilege for me to be with you during this group of sessions. I am very impressed by the quality of your work and by your warm welcome. I would like to convey to you the warmest greetings of the National Council of the Reformed Church of France and its new president, le Pasteur Marcel Manoel.

A major event in recent times between our two Churches has been the signing of the Reuilly agreement. A ceremony was held in Canterbury in June and another took place in Paris in the Eglise Réformée du Saint Esprit, where I am minister. This agreement is a wonderful step forward in relationships between the Anglican Church and the Reformed and Lutheran Churches in France. One of the most important facts is that this agreement is not just a theological text but reveals the existence of a real community, a community of Churches that share a similar spirit of companionship and of partnership.

This agreement is so strongly future-oriented. It is an invitation to build stronger relationships, to initiate new projects, to invent new ways to share our common mission.

Thank you very much indeed for your attention, for your kindness and for your willingness to build some living links with the Reformed Churches of France. May God bless your Church and your work. *Que Dieu bénisse votre église et tous vos travaux.* (Applause)

The Chairman: I am sure that Synod would wish me to express our thanks and appreciation and to assure Pasteur Clavairoly of the good wishes and prayers of this Synod for his Church.

The Reuilly Declaration

The Bishop of Peterborough (Rt Revd Ian Cundy): I beg to move:

‘That pursuant to section 5 of the Church of England (Ecumenical Relations) Measure 1988 as amended, this Synod nominate the Church

of the Augsburg Confession of Alsace and Lorraine, the Evangelical Lutheran Church of France, the Reformed Church of Alsace and Lorraine and the Reformed Church of France for designation by the Archbishops of Canterbury and York as Churches to which the Measure is to apply.'

Synod members will be aware that the historic Meissen Agreement between the Church of England and the Evangelical Church of Germany encouraged the French Protestant Churches to seek closer fellowship with Anglican Churches across the Channel. A dialogue began in 1992 between the French Lutheran and Reformed Churches and the Anglican Churches of Great Britain and Ireland, resulting in the Reuilly Common Statement which was approved by the General Synod in November 1999. As members have already heard, the statement has been signed by the eight participating Churches at two ceremonies this summer: on Saturday 16 June in the crypt of Canterbury cathedral and on Sunday 1 July at the French Reformed Church of the Holy Spirit in Paris. The signing of the Reuilly Common Statement marks another important milestone in the ecumenical work of the Church of England across Europe.

As a person of Huguenot descent I have great pleasure in moving this motion and in urging the Synod to further the implementation of the Reuilly Declaration. However, others may like me have been puzzled to read in a report in the *Church Times* last week that the Reformed Church of France (*l'Église Réformée de France*), one of the four signatory French Protestant Churches, had agreed that in special circumstances unbaptized persons could receive Holy Communion. As this may be of concern to the Synod I trust that you will allow me a brief comment, Mr Chairman, about the report.

The Church of England's rules about admission to Holy Communion are clear, and are clearly set out in Canon B 15A. This Canon governs those who participate in the Reuilly Declaration on behalf of the Church of England. Since the report appeared, the general secretary and European secretary of CCU, together with the Bishop of Stafford, the co-chairman of the conversations, have sought clarification of this report and expressed our concern about it. It is quite clear from the statement that the Reformed Church of France made to the Lutheran and Reformed Church leaders that it has not altered its policy on Christian initiation. Their statement specifically states that the logical order remains and that the synod does not therefore intend to deny or to reverse the traditional step which places the reception of baptism before participation at the Lord's Table. Indeed it has reaffirmed that baptism normally precedes reception of communion, and the decision needs to be seen as a special dispensation for pastoral reasons for those already being prepared for baptism.

It is also clear that the French Reformed Church itself is not of one mind on this issue and that questions are being asked not only from within its own ranks but also by the other French Protestant Churches. Our own concerns about the synod's statements are therefore shared by others.

We also need to remember that the Reuilly Declaration, though a significant step on the way to visible unity, is not on a par with Porvoo: we do not say in Reuilly that we are in communion in the strict sense of that term. If we are to move closer together in the years ahead we must learn to consult one another and to be sensitive to one another's convictions. Commitment involves mutual accountability. Perhaps both parties need to take that to heart.

In the Reuilly Declaration the signatory Churches acknowledge one another as true Churches and commit themselves to closer fellowship and co-operation on the way to fuller visible unity. The commitments outlined in the Common Statement will be monitored and developed by a contact group which will begin work later this year.

The next steps to which the Churches have committed themselves cover many aspects of Church life, some of which require the application of Canon B 43, Of Relations with Other Churches, which regulates the exercise of ministry and conduct of worship in the context of specified ecumenical relationships. Churches outside the United Kingdom may also be designated under this Canon, subject to nomination by the General Synod by resolution, as was the case, for example, with the Evangelical Church in Germany in 1992. The motion before Synod achieves this for the signatories of the Reuilly Common Statement, and I urge the Synod to give a warm welcome to our new relationship with the French Lutheran and Reformed Churches by commending this resolution.

The motion was put and carried.

THE CHAIR *Mrs Diana Webster (Europe)* took the Chair at 4.30 p.m.

Report by the Business Committee (GS 1411)

The Dean of Derby (Rt Revd Michael Perham): I beg to move:

‘That the Synod do take note of this report.’

May I thank the Synod for entrusting to me the task of chairing the Business Committee? The business of this Synod does matter and its conduct, in a way that members find helpful, is important. The committee that I chair is already working on ideas that might make our meetings more satisfactory and fruitful, and we shall take seriously other ideas that are presented to us.

I want to offer good wishes and thanks, in his absence, to the Bishop of Willesden, my predecessor as chair of the Business Committee. Having added to his fine collection the only missing coloured shirt – whether deep violet or roman purple, I have not yet seen – he has entered a life without Synod. The Synod has every reason to be grateful

for his no-nonsense style that got things done and his wisdom that several times got us out of a synodical hole; and we wish him well in his episcopal ministry. (*Applause*)

The agenda for this group of sessions is diverse and what the Clerk to the Synod calls 'fairly concentrated', which is Synod-speak for 'likely to be hard, demanding work'. There are several substantial debates on the Church's engagement with society. We shall welcome the director of Christian Aid with the Bishop of Matana, and Sir Donald Acheson, who will be giving keynote presentations to set the scene for the debates on international aid and the health of the poor respectively. There will also be a presentation on financial issues facing the Church, as a scene-setter for the debates on the apportionments and allocations review, and the budget. We have allowed nearly a whole morning for financial business, in response to requests that we provide more time for money matters, particularly with all the issues that are around at the present time.

A particular feature of this group of sessions is the number of debates for which we have allowed two to three hours, including the Crown Appointments Commission review and the synodical government review follow-up, as well as international aid and the health of the poor. These and other debates, such as the reform of the House of Lords and renewing faith in the countryside, are likely to be of wider public interest, although – extraordinary as it seems even to a pensioned-off ex-Liturgical Commission member like myself – press coverage in advance of the Synod seems to have been more interested in the language of collects.

Members will see from our report that the Business Committee is looking at ways of streamlining Synod's business. Please be patient as we discuss with the Standing Orders Committee various potential improvements, including the more expeditious handling of liturgical business – new members do not know what we went through! – and Questions. As an experiment we have moved Question time to tomorrow evening so that members may have more time to study the Questions and to provide more time in which they can be answered. Comments on this change will be gladly received (more willingly after tomorrow than before).

We have also begun to look at improving our forward planning of Synod's business and GS 1411 includes a schedule of projected legislative business for the quinquennium. Study it when you are feeling strong. We hope to build on this start by providing members with a comprehensive forecast of business when we have spent a little more time in refining it in discussion with Church and World colleagues and others.

That brings me to the subject of the February group of sessions or, in 2001, the lack of one. The present position is set out in paragraphs 4 and 5 of GS 1411, and if members have not studied it I recommend that they do. I need not repeat it here. However, it may be helpful if I indicate something of the likely programme of business, particularly legislative business, next February and beyond. The Business Committee does not at

present see a case for advising the Presidents that there is sufficient urgency or weight of business to warrant a February group of sessions next year, although there may well be a case for a February Synod in 2003. The committee will be keeping the forecast of business under review at each of its meetings and will be watchful that the business does not build up excessively.

Having said that, I am conscious that the decision to convene the Synod this afternoon at an earlier time than usual because of the pressure of business is both unpopular and inconvenient. We did not do it lightly and will do everything that we can to avoid having to do it again.

I need to say for the benefit of all, but especially that of new members, that the predicted order of business can change fairly readily. Nevertheless we do not anticipate too much deviation from the published agenda during this group of sessions, and members will see that much of the business is timed, for example, to assist our invited speakers. Members should watch for the various notice papers that appear on the seats in the hall and study the order paper for each day.

We have only one morning of legislative and related business and no liturgical business except the Wakefield Diocesan Synod Motion. We have found time for two Diocesan Synod Motions and just might tackle a third, and we have two Private Members' Motions: this is not a top-down Synod. I believe that the agenda has balance, and that should make for a good group of sessions. At the end of it, or even before, members of the Business Committee will want to hear views and suggestions for the future conduct of the Synod, and members of the Synod should not hesitate to send in those views and suggestions.

I end with mention of a matter outside the committee's immediate remit but on which the Presidents listen to the committee's advice. We have recommended worship with fewer words and a more reflective quality before breakfast tomorrow and on Monday and Tuesday, a Bible exposition tomorrow at the beginning of the session and a corporate act of worship at the beginning of the session on Monday and Tuesday. Putting these together, we hope that the Synod will have an enhanced sense of being a praying and worshipping community, and that cannot but help our listening, speaking and debating across the whole range of synodical business for which we are gathered.

I commend the report of the Business Committee to the Synod.

Revd Peter Spiers (Liverpool): I heard the story of a man walking along a beach who found a bottle with a cork in it. He removed the cork and out popped a genie, who said, 'You have three wishes.' He said, 'Okay, my first wish is that I'd like £1 billion in a Swiss bank account, please.' It was granted. 'My second wish is that I want a Ferrari sports car, top of the range'; it was granted. 'For my third wish, I'd like to be irresistible to women'; it was granted: he became a box of chocolates.

I tell members that story because I wonder what members' wishes would be for this General Synod agenda. I would like to tell members my wishes, and refer them to page 4 of the Business Committee's report where it says, 'Altogether, the July Synod offers a very full and lively agenda, with several major items of business that are likely to attract public interest.' We have already heard about the collects! What I want to know is whether this is true and whether this is the point. Are we here simply to attract public interest?

When we have finished our business over the next few days, are we going to go back to our parishes, our dioceses, and think that we have driven forward the work of God's kingdom? Where are the radical and creative initiatives that this Church needs? Where is the time in our agenda to discuss them? Indeed we have a whole session on our last morning looking at the size of Synod, and I read with interest the suggestion in the Church press that this is a device to keep us here until Tuesday lunchtime. I do not know how true that is.

Much of the business is worthy and laudable: a lot to take in, a lot to read. A lot of the stuff we have been given is very good and I commend it to Synod. That, however, is not the point. It is about priority and importance. My main concern is that a lot of these issues are not the main priority for us as a Church. We live, we minister, in a context where most people in our country are indifferent to us, are untouched by our life and are unmoved by our amazing message. I wonder if that will change after the next few days.

What we need is radical surgery. That is what the Church needs and it is what we need to be discussing. The Church does not need painkillers but radical surgery, I suggest.

We have just been privileged in the Liverpool Diocese, as I know many people in the country have been, to have J. John coming to speak and preach about the Ten Commandments. I commend him and his series to Synod. He finished off with the first Commandment: I am God. He spoke about putting God first. Here is a mnemonic for Synod to remember: put God first in your Finance, in your Interests, in your Relationships, in your Schedule and in your Troubles. I suggest that we in Synod should be following those five points.

I am disappointed that, in spite of the good stuff that we have here, this agenda will not address that issue.

Mrs Christine McMullen (Derby): I notice that on the agenda again are the ecclesiastical fees. While it is essential for Synod to approve these fees and any changes made to them, I wonder if it is necessary to approve them every year. I wonder if the Business Committee could consider putting ecclesiastical fees on the agenda every other year or once in three years or every five years. I personally would trust our legal officers to be upright and honest and not misuse this change. The idea came to me during a surprisingly boring bit of the Clergy Discipline Measure. The legal officer at the time

was there and I was able to test this out on him, and he felt that it was an idea that the Business Committee might well want to consider. I therefore ask the committee to do so because it would free up time on the agenda without Synod losing any control.

Mr Barry Barnes (Southwark): One of the things that I always look forward to when we come to York is the opportunity as members of the House of Laity for public worship, especially early in the morning. It is quite interesting, you know: if you go into Heslington church for Morning Prayer, you find that there are three churches here: those of us who are there for Morning Prayer, at the end of which there is quite often a mass exodus of people no doubt going for breakfast; then a load more pour in for the Communion service; and there are some of us who stay for both. I have no doubt that there is a fourth category: those who do not bother to come at all.

It is a great shame that Morning Prayer has been dropped this year. I find it a great opportunity early in the morning to be prayerful. It is followed straightaway by the Communion service. If one looks at today, for example, Evening Prayer is at 6.45. The session is due to finish at 6.30 and dinner is from 6.30 until 7.30. So if one is going to rush over to Heslington church for Evening Prayer one will probably have to go without dinner.

It is a great shame that worship has been organized in this way, and I really think that the Business Committee ought to reconsider; surely, as a Church, we should be worshipping above all else.

Revd Angus MacLeay (Carlisle): Quite rightly we need to set our work in the context of what is happening in the world at large – and it is good from time to time, as in the debates that we are to have tomorrow, to look at issues of globalization and poverty – but we also need to set our work in the context of developments within the Anglican Communion. We are a worldwide communion and what happens elsewhere can soon affect us. A particular issue that this Synod needs to be aware of and find time to consider relates to how a situation should be handled where churches and church leaders err in matters of doctrine and morals from biblical standards. Synod will no doubt be aware of the consecrations of John Rodgers and Chuck Murphy in January 2000, of the proposals by the Archbishops Sinclair and Gomez to mend the net, the fact that this was discussed by the Primates at Kanuga in the spring, and the very recent four further consecrations by Archbishops Kolini and Ping Chung.

As a Synod, we need to understand why such actions have been taken. Surely we need space to consider these issues carefully, in an irenic manner, because while we have a situation within the Communion where biblical doctrines and morals are being eroded these issues will not go away; and indeed a considerable momentum is building up.

May I therefore encourage the Business Committee for future sessions to consider carefully the wider context of the Anglican Communion in order that we have in mind the constant ordering of our Churches according to biblical principles?

Mr Gerry O'Brien (Rochester): The telling phrase in this report comes in paragraph 6, where the Business Committee talks about 'the weight of business'. There is indeed a weight of business. I am glad that we are making time for Private Members' Motions; I am glad that we are making time for Diocesan Synod Motions; but these add to the weight of business. We had no sessions in February this year, but business does not go away if this Synod does not meet to transact it; if we do not meet on one occasion we are going to get an overload of business the next time we meet. We have 165 Questions which I am guessing must be a record; I have never known quite that many turn up. We are going to try to squeeze them into 90 minutes, and it is a fairly safe bet that we shall not reach the end of the list in the time allotted.

So I would like to make a suggestion to help the Business Committee in terms of handling the overload of business that we have and trying to contain our business. In the course of this group of sessions we are to have a number of presentations: two in the context of international development and one on ecumenical issues. I am sure that these presentations will be very interesting and enjoyable and that many of us will learn a lot from them, but this gathering is not a meeting of the English Church Affairs Society; we are not coming here to be entertained or to have presentations. The General Synod is quite an expensive animal; it costs thousands of pounds an hour to have us here. I believe that the people in the pews are quite prepared to pay to have their representatives here to discuss the affairs of the Church of England but they may be less inclined for us simply to come and have presentations. The subject matter of the presentations could have been put in a General Synod Miscellaneous Paper; it could have been contained in a video; it could have been sent to us beforehand; and we would not be costing thousands of pounds an hour to sit and have this material presented to us.

It would be really helpful if we could concentrate in future groups of sessions on debating the many issues before us – previous speakers in the debate have already mentioned important issues for our Church that will not be addressed at all – because that is what we are here to do. I hope that the Business Committee will give us scope to do that. Let us remember that business will not go away if we do not meet. We might do far better to get on with the job that we are here to do and counter the business overload by cutting out the business that does not have to be done or could be done in another way in another place at another time.

Miss Jayne Ozanne (Archbishops' Council, ex officio): I believe, as I am sure many here do, that we are called to discern the signs of the times. We are all more than aware that the times that we are living in are becoming darker, and it is more difficult for a Christian witness in an increasingly multi-spirited Britain. So I want to congratulate the Business Committee on an agenda that seeks to show how our Church is currently engaging with modern society.

However, there is one major issue that troubles me deeply. It strikes me that we too need to discern the signs of the times within our own Church. Synod does not need

me to reel off the list of problems – or should I say opportunities, as we are wisely calling them? – that we face, be it matters of finance, levels of trust, declining membership or the absence of young people. I believe that we urgently need to take time out to discern what all these difficulties mean to us as a Church. The fundamental question is: what is God trying to tell us through all this? I am sure that it is something that many of us have pondered at great depth individually, but it is something that we also need to come together to discuss and thus be able to share what we believe God is saying to us at this time.

I for one believe that this can only truly be done in acts of prayer and worship, so I urge Synod to engage with the opportunities that we have as much as possible. I fear that if we are not prepared to listen corporately we will not understand corporately what God is saying.

Mr David Warner (St Albans): I want to say how much I appreciated the draft timetable that was sent to us with its subjects and the amount of time that we were spending on each of them. I found it very useful to list what we were going to do each day, together with their times; I circulated it round our deanery and in our parish magazine and it generated interest, so it was a very useful thing to have.

On another point, I feel that we need to say that all Questions are in fact answered; what is not given is an opportunity to ask supplementaries. Even then, however, we rotate the subjects and have a chance to come to it at another group of sessions where a subject will be taken early on and so will be reached. All the answers are printed. The press have a complete set of answers, and there is an example of that on the board downstairs, but I wonder if the answers to the Questions that are not reached could be printed in a small format so that they can be taken away after the sessions and we could see the answers to the Questions that we did not reach.

Revd Dr Philip Thomas (Durham): I thank the Business Committee for its report and for the openness that it has expressed for looking at the procedures, one of which has just been mentioned. I would like to offer something which may be rather mundane but has to do with the management of paperwork.

In the Diocese of Durham we have many things that we are grateful for – Cuthbert and Bede, Lightfoot and Westcott are well known – but we also have Mrs Anne Williams, or No. 377, as she is familiarly known to many in this hall. Members of the previous Synod may remember how she fought single-handedly against sub-standard envelopes and undersized letterboxes to ensure that members of Synod received their papers. In Durham we have the additional advantage that when the papers arrive she tells us what to do with them. (It may well be that some of your postmen have advice along those lines as well!) Hers is a singularly practical piece of advice: she provides us with a spreadsheet which integrates the agenda with the various documents and kind of debate, and which leaves room for notes and suchlike. It is a very useful tool which helps us to deal with the papers as they come.

The Business Committee mentions in paragraph 2 of its report that it is looking at ways to improve the flow of paperwork, its readability and its access, and I can certainly say that this is one thing that we would invite the committee to look at. In later debates we shall be talking about the allocation and apportionment of resources throughout the Church of England. Financially, Durham Diocese is a grateful recipient in the meantime of that sort of debate. Perhaps, partly by way of reciprocation, we could offer you not Mrs Williams, because that would be too much to ask of us, but we would offer you her spreadsheets as an example of something that the Business Committee might like to look at.

Mr Colin Slater (Southwell): We meet in the same week that the *Sunday Times* carried no less than a front-page story telling us that missionaries are arriving to save heathen Britain. The *Sunday Times* is not normally among my reading but the story was mentioned to me on Sunday morning when I left an ordination service in Southwell Minster. This story tells us that the visits by these missionaries from South America and Africa have been inspired by the Anglican Archbishop of Brazil who says that London has become so secular that he wants to send people to work for its salvation, that some of the first twelve Brazilians who have come to spread the gospel have gone to such places as Bognor Regis, Edinburgh, Orpington and Harrogate. (We are in need in Nottingham, if I could just add that.)

I understand that members of the media who have attempted to follow up this story in the course of this week have been unable to achieve any confirmation of what purport by the *Sunday Times* to be the facts set out in this front-page story. They have been unable to obtain confirmation, despite approaches to CMS or SAMS or others. Therefore I am going to ask that time be found in the course of our business here at York for our Presidents to make a statement for which they should be given opportunity, making clear the accuracy or otherwise of this *Sunday Times* report. I would like to know – and I suspect that I am far from being alone in this – whether it is an Anglican initiative, whether it has been discussed with our Archbishops and, if so, whether advice has been given by our Archbishops about the destination of the missionaries.

Revd Richard Thomas (Oxford): I want to ask whether it really is wise to continue the process of cutting back from three groups of sessions to two. I know that it is policy, but I wonder if it is wise policy. If it is about finance I wish that the Business Committee would come clean and say, 'We can't afford it.' If it is about business, I question whether it is correct. I want to ask what the Synod is actually here for. Are we here merely to comment on Church business or are we about the spiritual life of the nation? If as the Church of England we have something to say to the nation and about the spiritual life of the nation and about the issues that concern the nation, I question that we can do that if we are shoving all our business simply into two groups of sessions a year, thereby constricting us again and again to Church matters. Is this really a wise policy? If it is about cost, let us say so and come clean.

The Dean of Derby, in reply: I am grateful to everybody who has spoken in the debate. There were several speakers – Mr Spiers started it off and it was part of what Miss Ozanne was saying and also part of Mr O'Brien's speech – who desired that there be more on the agenda that was about the radical way forward for the Church, alongside our concerns with the world and the more detailed bits of Church ordering that are on the agenda. Yet none of them told us what ought to be on the agenda precisely. I was waiting for the specific suggestion of what was missing in terms of a Synod debate; I did not hear it and I think that we need to ask them to develop a little bit more what exactly they think should be there and then to look for the proper means of bringing it to the Synod, which may be by Private Member's Motion or by some other method. General suggestions are not quite as helpful as specific suggestions.

Mrs McMullen and ecclesiastical fees: I was expecting to say that this is something that the Business Committee will look into, whether we need to approve them every year, but I am assured that we are already looking into it: the Assistant Legal Adviser tells me that the matter is already in hand. That is good news.

Mr MacLeay referred to the recent consecrations. I can tell the Synod that the Archbishop will be answering Questions about that during these sessions. Answering Questions of course is not the same as having a debate. My own instinct is that at this particular moment a debate would probably be unhelpful to what is a very delicate situation for the Archbishops, but the Business Committee will consider if there ought to be a debate about the Anglican Communion, and when we do we shall want to listen carefully to what the Archbishop of Canterbury advises us because, at a difficult moment in the life of the Communion, we want to support him rather than make his task perhaps a little more difficult.

Miss Ozanne also made a point about worship, which is what Mr Barnes spoke about. May I just reiterate what I said at the beginning, although perhaps I did not make it as clear as I should have. What has actually been happening about worship – it is strictly speaking outside my responsibilities but if I can try to interpret this for the Synod – to be honest, the worship before breakfast, is that the number of people attending, in the time that I have been a member of Synod, has consistently gone down. That is sad. Some of us think that part of it is that we have had two very full services, quite a lot of singing, a lot of words, you get in early at quarter past seven and worship flat out until half past eight, and then you run to breakfast.

What we have tried to put before Synod this time is one service rather than two, fewer words, something quieter and more reflective, in the hope that more people will come; but alongside that we have a richer provision of worship when we are here together in this hall and, although Morning Prayer is not being said in Heslington church, on Monday and Tuesday Morning Prayer in a short form is effectively what we will have here together in the hall. The whole point of what we have been trying to encourage the Presidents to do is not to reduce the worship but to create a more worshipful Synod. If we have got it wrong we can look again, with the Archbishops, at the

pattern next summer, but that is what it is about: getting us to pray together more rather than less.

If I may go back to Mr O'Brien's speech, to which I have made some reference already, he is right: the reason we are here early this afternoon is the determination of the Business Committee that there should, if at all possible, be time for Private Members' Motions and at least two Diocesan Synod Motions, because I have sat down there in the past and heard many speeches complaining about how they are squeezed. In the end we made a choice: bring members here early or let them be squeezed again. We hope that we have made the right decision for this time.

Could we make more space by not having those presentations? I am assured that none of the presentations will be longer than half an hour, that each of them is integral to the debate that follows; they are in effect a different way of getting the debate going. A half-hour presentation, sometimes by people outside the Synod's membership, may prove a much better way into a complex but important subject than a very long speech from the proposer. So they are not totally different bits of business; they are ways of enabling Synod to get into a debate, and to debate well. Nevertheless, as with all these other suggestions, we hear what Mr O'Brien says and I will take it back to the committee for further discussion.

Thank you to Mr Warner for being grateful for the draft timetable. As for printing out for all members of the Synod the answers that cannot be heard here because time runs out, of course we can look at that; I think that it would be a very big pack of papers that people would receive and there would be staff costs: all those things of which we are becoming more and more conscious. I think that we need to decide sometimes that we can do without certain pieces of paper in order to keep costs down, but we will look into it.

Thank you to Dr Thomas for the offer of spreadsheets from the Diocese of Durham. I am told that the Synod staff have not seen them; they would love to see them and so would the Business Committee. Let us see whether they can help us all.

Mr Slater and missionaries from abroad, the *Sunday Times* and all that: the Presidents heard what he had to say. If they are moved to make a statement about it, well, they are of age.

Revd Richard Thomas raised the question about whether we should meet in February more often than we do. The fact is that there is at present a Synod decision some years back – nearly ten years ago – that we would not normally meet in February, although we always have reserve dates there. As members know, there is paperwork about this for those who want to re-read it. If that is wrong, it needs Mr Thomas or somebody like him, next time I have to come before Synod, to ask members to approve sets of dates for Synod, at that point to challenge the dates put before Synod and to bring about a debate on the principle; until such a debate is had (and not everybody wants it,

by any means and it is quite uncertain which way it would go, if we had it) we meet in February only if the Presidents decide that we should, having listened to advice and reckoned either that there is so much urgent business or such a cumulative weight of business that it would be foolish not to do so. That is the present Synod policy and it is in place until somebody brings about a change in that policy.

The motion was put and carried.

THE CHAIR *Canon Frank Dexter (Newcastle)* took the Chair at 5.15 p.m.

Striking the Right Balance (GS 1415) Report by the Ethical Investment Advisory Group

Canon Hugh Wilcox: I beg to move:

‘That the Synod do take note of this Report.’

The title and theme of this year’s report *Striking the Right Balance* is at the heart of what the Ethical Investment Advisory Group is all about: to strike a balance in the research and recommendations that it offers to the three central Church investment bodies between the proper constraints of fiduciary duty, on the one hand, and the ethical imperatives by which we are bound, on the other.

As our chairman, Victor Churchill, makes clear in his foreword, this is often a far from easy task as the members of the group must find workable and pragmatic solutions to often complex and sometimes intractable ethical investment concerns. Our group includes representatives of the three central Church investment bodies – and they are our sponsors – the Board for Social Responsibility and the Archbishops’ Council. An additional member to represent the Synod was appointed and attended our meeting in May.

In the past year we have developed new ways of working with our sponsoring bodies, and in the way our research is prepared. Last July the Church Commissioners contracted the day-to-day management of their United Kingdom equity and bond portfolios to CCLA Investment Management, the managers of the CBF Church of England Funds. With this development, CCLA imaginatively established an Ethical Research Unit at its offices in the City of London to service the research needs of the EIAG and to act as a focal point for the ethical investment work of the Church. This welcome and important step strengthens the quality of our research. However, Synod needs to be clear that providing this resource for the Church is not without cost. If we are to go on developing our research capabilities further and extend the breadth of coverage, additional resources will need to be found and difficult choices made regarding research priorities.

The report contains information on other initiatives that have been taken to provide more effective communication of the group’s work to other parts of the Church. The

new email network of dioceses and cathedrals will be instrumental, for instance, in updating them on policy changes and new publications in a timely and cost-effective way. We hope that this report itself is also helpful in communicating our work to dioceses, cathedrals, parishes and mission agencies, and beyond.

Ultimately it is the quality of the research itself and the recommendations which the group makes that determine its continued authority to speak for the Church on ethical investment matters. In the year covered by this fifth annual report we have been engaged in three major pieces of work: on media ethics, on Provident Financial, and on defence investments. The first of these – media ethics – is still ongoing. The second, the issue of weekly home-collected credit, has now been concluded (though since of course the publication of the report) and the group's advice communicated to the investing institutions. Two of these have met and have accepted the advice; one has still to meet. As readers of the media will know, the Church Commissioners' shares in Provident Financial have been sold.

The EIAG offered its advice after a lengthy period of research and consultation, and our statement has been made available to members of Synod. If members have not searched their pigeonholes, will they please do so because they will find it there?

We recognized from the beginning of our discussions on this matter that this is a very difficult and complex issue for which there are, as so often, few easy answers. In framing its advice, the group had to balance the duty of trustees with the compatibility of this type of business activity with the Church's mission to areas of need and priority. In the end, we concluded that it was incompatible. For some people, the service offered by Provident Financial and its competitors represents their sole access to credit. Probably anybody in this hall could gain any number of credit cards without any trouble at all; we need to remember those people in our society who cannot get credit in any circumstances whatever. So it is either the loan sharks, on the one hand, or Provident Financial on the other. I do want to stress that we are not condemning its working methods; indeed, as a commercial activity it has a lot going for it and we were impressed by the way it conducts itself; but this lack of competitive alternatives available to home credit is a matter of great concern and we believe that, as part of the ministry to the poor, the Church has a vital role to play in communicating this concern to Government and society and in seeking to address the phenomenon of financial exclusion in our country.

Our review of defence investment is set out in the report but it is important to make the point that our policy towards defence has not changed. The Church has always avoided investment in armaments, but it became clear to us that our criteria were thought by many to have become inconsistent and ambiguous. In many ways what we have recommended and what was implemented last year should, we believe, add clarity and integrity to the way in which we manage this issue.

There was compelling evidence, in the light of ten years' perspective on the end of the

cold war, that much had changed in the sphere of international arms sales and their regulation. The so-called 'peace dividend' that has seen Western defence budgets fall has been replaced by a concomitant increase in arms sales internationally. We need to have confidence that these are not sold to countries with poor human rights records and especially where they may be used repressively. Regulation is important here, but with no system of end-use monitoring in place, and doubts over some recent arms-exporting decisions, we lacked confidence that this was sufficiently rigorous at present.

In framing its recommendations, the group had to find practical and workable criteria for our investment managers. It concluded that a policy of continuing to avoid armaments was appropriate but that a crisper definition of the criteria employed was needed. Our solution was to recommend a series of investment levels. Manufacturers of military platforms such as tanks and aircraft, as well as weapons and weapons systems, should be avoided, but investment would be allowed in manufacturers of non-offensive equipment where this constituted no more than about 25 per cent of a company's turnover. Suppliers of services to the armed forces analogous to those provided in civil society, such as catering, clothing or furniture, were exempted from the new policy arrangements altogether.

We believe that the Church continues to take a leadership position in thinking on ethical investment issues, and we enthusiastically welcome the wider take-up of socially responsible investment by the whole investment community, following important changes to pensions legislation in 2000. For the Ethical Investment Advisory Group this has been a challenging year as it continues to develop its work. I look forward to the contributions of members of Synod to this debate and I commend our fifth annual report to the Synod.

The Chairman: This is an annual report and under SO 21(b)(ii) there is a five-minute speech limit throughout the debate. No amendments to the motion nor further motions arising out of the report are in order.

Canon Paul Brett (Chelmsford): Even though I do not normally say this, thank you for calling me, Chairman, for today is my twenty-first: not my twenty-first birthday, sadly, nor yet my twenty-first wedding anniversary, but my twenty-first speech in 21 consecutive groups of Synod sessions. Is this a record, I ask. Have I now come of age? If anyone would like to buy me a bottle of champagne afterwards I would be pleased to drink it with them. (No support for that.)

Seriously, I want to pay tribute to a movement that seems now to have itself come of age: ethical investment, money with a moral purpose, has now entered the mainstream of investing consciousness, as the report before us clearly shows. However, I want to ask what is meant by the title *Striking the Right Balance*. Some emphasis has been put on this in the text as well as in Canon Wilcox's speech, and it is defined in paragraph 47 as '*striking the right balance between Christian values and fiduciary duty*'.

This is not quite right. Christian values, on the one hand, support the responsible exercise of trustee duties to beneficiaries; it would be against Christian values to act recklessly with trust money. These are not opposites that we have somehow to hold in balance. Nor is it quite right in another way too. If Christian values suggest that we should be against profiting from 'activities that could lead to human suffering' (paragraph 41) and against 'exploitation, crudity, violence and oppression [which] transgress the Christian vision of humanity created in the image of God' (paragraph 48) and in favour of 'a shared day of rest and enjoyment' (paragraph 55) and the precautionary principle in relation to GM crops (paragraph 57), surely we do not want to water all this down, flatten it out, with any desire to strike a balance with our own personal financial benefit?

It is like saying that there is good and there is evil and in the interests of moderation, of some golden mean between opposites, we will have a little bit of each.

I applaud the work done by the EIAG and the Ethical Research Unit and the explicit statement in the report of ethical values as informed investment decisions, and I applaud the advance that has been made in the past 21 years since I first got involved with this question in discussion with the Commissioners and the CBF investment staff. Of course there is nowhere to go to be clean and there is in this life no alternative to some degree of compromise if we are to live at all; but do not let the moral fizz go out of this. We do not want Aristotelian balance; we want Christian principle and conviction and moral purpose.

Flat champagne is a poor thing. I urge the EIAG to keep the bubbles flowing.

Mr Mike Tyrrell (Coventry): One of the great things about being a parent is that you go from that time when your little infant is entirely dependent on you to the time when they become the great friends of your life and you are buddies together; as time goes on you move to that sense of maturity. When a child gets to five years old you feel that you are beginning to communicate in the rather wider world. It is great to think that the EIAG has now come to the fifth year of annual reports, and it has moved our debates on so enormously over the past five to ten years. It is good to think that the transparency of the discussions and mechanisms that we have available enable the questioning last year of people like Christopher Hall to be turned within twelve months into some sort of decision and considered response. I remember the times when we talked about South Africa and decades were all that we got.

Also the EIAG is indeed in the vanguard of development; the Church can be proud that it has been one of the first into ethical investment issues, now a whole stage further, moving into pensions, and that is now going on into other European countries, social investment and so on, and we can be very thankful. I am glad to see that we have a representative on the new FTSE index, the FTSE4Good (though if you have read the recent release about what it will cover, you will have seen that it is a FTSE for Little Good rather than a FTSE for Real Good).

I want to welcome this year three things. First, I am delighted that we have now got independence from the Church Commissioners; it gives us a degree of outlook which is not necessarily coloured by the EIAG staff being part of the Church Commissioners. Second, the honesty about costs; it costs a quarter of a million to run this operation; that will help in debates, which I think the EIAG may need to have, about how far there are certain areas where it needs help from other people. We must not reinvent the wheel when there are quite a lot of people involved in ethical investment and ethical discussions.

I am also glad to see this idea of a cycle of reviews and focusing on what we meant by the old banned categories of alcohol, armaments, media and so on, and that has come through in our defence review, which helps enormously in assisting members of Synod to understand some of the issues rather than simply to say, 'We're against guns.'

The great thing about maturing individuals is that you can also point out to them times when they have not listened to you. One thing that I would like to see here – we said it last year and I find it difficult to believe that the people who wrote the report actually listened to last year's debate where the point was made by a number of speakers – is a much better theological background. After all, we are a Christian Church and we ought to see this work in the light of our theology. I have suggested that I give them a hundred words for a theological statement to take to chairmen of companies, just to explain who we are, where we come from and why we have concerns.

The second bit of further joined-up thinking that I would like the group to think about is this issue of globalization and all the other issues in that complex area. I see nothing on it in the report although I understand, through my sources, that the group has been discussing it. It seems very remiss that we have this report here, and the report coming tomorrow on globalization, which does not in any way seem to link up. I am proposing an amendment to the motion tomorrow to see if we can make a link-up; I hope that the EIAG will take it on board and put it on the agenda.

I would like a little more information about how our investing bodies deal with corporate governance. Paragraph 62 of the report mentions, first of all, that the Church Commissioners twice voted against the management – I would like to know what those occasions were – and, second, that the Pensions Board managers are instructed to vote on all issues. Could we please have some information about how they voted?

Finally, on accessibility of information, members have the report in front of them but the group actually produced some quite useful fact sheets and background sheets, and I think that this information ought to be made available not just by email (which I knew about only when I read the report) but by some form of web site. If they would like to co-operate with us in the Christian Ethical Investment Group, we would be delighted to promote their fact sheets, to make the issues simple and straightforward so that people can debate them in parishes and elsewhere.

Revd John Bennett (Bath and Wells): There is only one British company which builds helicopters and it is in my parish. Ever since the decision to disinvest in GKN was announced in November – which came as something of a shock to me as a new member of Synod – I have struggled to understand and, perhaps more important, explain to people where I live why, what it means, and its implications, because there are those in my congregation who work for the company, and to whom I minister as honorary chaplain in that company, and among the individuals who meet in Westland to pray in the chapel in that company, who want to know exactly what it is that the Church of England is saying.

They tell me that last year Royal Navy Sea King helicopters delivered relief aid to flood victims in Mozambique and that RAF Sea Kings have rescued 13,000 people in the past ten years. I watched on television this week another Sea King plucking people off the roof of a burning tower block in Ramsgate. There is no doubt that helicopters play a vital role in British defence strategy. Shipborne aircraft are essential to protect ships against attack by submarine. The Merlin Mk 3 will provide battlefield support as transport aircraft, bringing in men and equipment and evacuating the wounded. The British army has ordered 57 Apaches, built under licence from Boeing, to meet its requirements. By far the biggest customer is the British Government.

If I read the ethical investment policy correctly this is not the reason why the Church has disinvested in GKN. Appendix II of the report says, 'The Church generally accepts the right of nations to defend themselves and to engage in peacekeeping initiatives.' So if it is not because Westland supplies helicopters to the British armed forces, is it an ethical problem because it sells them to foreign governments? As paragraph 39 of the report makes clear, the sale of military helicopters is governed by legislation. The onus is not on the company to decide the ethics of sale to another country; that responsibility rests with the people who issue the export licences. If helicopters have been sold inappropriately, have been sold to repressive regimes, that is a very good reason for a Church to lobby for tightening up the licensing system but not a reason to disinvest in GKN.

Paragraph 41 assures us that the group 'was also attentive to the wider prophetic mission of the Church'. This is taken to mean that the Church is against war and the need for military hardware. Well of course it is, and if you talk to anyone who works for the company you will find that they would far rather that civil aircraft sold better and that the engineering skills and technical excellence that they have developed was used for peaceful purposes; but we cannot simply make them responsible for the sin of the world.

The change in the criteria which now specifically excludes any company which produces helicopters certainly makes the guidelines much clearer for those who manage Church investment but what it fails to do, as we have already heard, is to give theological reasons and clear ethical reasons as a basis for those guidelines and to show how different and possibly conflicting moral demands have been weighed against each

other. That is why I think the title of the report is actually very important: *Striking the Right Balance* acknowledges that there are conflicting moral demands here. Until the Synod is given more indication of what exactly are the considerations that have been weighed, however, I would ask that we do not take note of this report.

Mr Terrence Musson (Truro): I would like to draw Synod's attention to sections 57 to 60 of the report, on GM modification. I am a farmer so I am very well aware of what is going on in the farming industry and I am particularly concerned about genetic modification. Section 57 talks of the risks and benefits of the Church's allowing GM crops to be grown on Church land. This is causing great concern among the organic lobby and the green lobby because they do not want to be anywhere near GM crops that are being grown.

May I give two examples of what happened on my farm last year? I had a cow go down with BSE. When I looked at its heritage I found that I had bought it from a farm further down in Cornwall who in turn had bought it as a calf from Holland. This year we have been surrounded by foot and mouth disease and from the pyres that have gone up around my farm we have seen the smoke billowing into the sky and some of the flakes have fallen on neighbouring farms as much as three or five miles away. No farm is an island. What goes on in one farm affects another farm, whether we like it or not. The bees fly, the pollen floats, the wild animals know no boundaries; so what goes on in one farm does affect another one directly. Many of us do not wish to be anywhere near GM crops.

May I turn members' attention now to section 59 and the supply chain? Certainly this also applies to the organic lobby and those who wish to feed their cattle on non-GM food. I asked my supplier, Cornwall Farmers, last week if they could supply me this year with non-GM products in the feed for my herd of 220 cows. They said, 'Just about. Next year? Very doubtful. In three to five years' time, no, we cannot.' I then asked what it would cost extra as a surcharge to supply me with non-GM foods, and the answer came back that on average it would be about £23 per tonne. For a herd the size of mine that came to £6,343. No dairy farmer can afford that sort of money in this day and age just as a matter of principle. You effectively have taken away my choice when it comes to feeding my cattle on GM foods.

My daughter-in-law this year went down with coeliac disease. May I draw members' attention now to section 60 which says, 'In addition it should be noted that extensive global trials of GM crops have not, so far, produced significant scientific evidence of harm.' Again I would like to take you to task on that one. My daughter-in-law has had to go on to a spelt wheat produced for bread, an old variety; it has 4 to 6 chromosomes in it; the new varieties of wheat have 140 to 240 chromosomes. The Coeliac Society feels that there is a linkage there. I do not know whether you have followed this up or not but there is great concern among coeliacs and others. Is their concern not 'significant'? My daughter-in-law was very ill and she took a very significant interest in this.

The report has no mention of Japan and Thailand who actually banned GM crops. There is no mention of the rye grass being grown in Australia which is now uncontrolled because there is no herbicide to control it. There is no mention in the report of the experiment on AIDS in mice which nearly went horribly wrong. There is no mention here of Kelloggs who had to dispose of thousands of tonnes of Weetabix because there was some doubt as to whether it should be fed to people.

Years ago, tobacco was considered safe. Feeding offal and meat and bone meal to cattle was considered safe. I fell victim to that one, and my cow went down to BSE. The farming industry just cannot afford another crisis on the scale of BSE or foot and mouth. I do urge more caution and much more research. We must not be driven by vested interests and big business.

The Bishop of Ludlow (Rt Revd John Saxbee): This is simply a request really, to ask if Canon Wilcox could elaborate a little more upon that other strand of our ethical investment policy which forms a different kind of balance. We have heard about the balance which has been attempted to be struck between our fiduciary duties and our Christian principles, but there is another balance contained in the report between disengagement and engagement. The last two very moving speeches have shown us some of the issues involved when it comes to disengagement, but that is not the only club in our bag: we also put some emphasis – and the report does so in paragraph 4 – on using engagement with companies to press for debate and for higher standards. Like Mr Tyrrell I simply want to know a little more about that. I do not underestimate the value of having achieved a little bit of progress with Sainsbury's on Christmas Day opening, nor do I underestimate the importance of voting at annual meetings against so-called fat cat salaries. Those are no mean achievements and I commend them, but they are relatively modest, it seems to me, as an expression of that second strand, the balance that we are trying to strike, that is to engage with companies and to influence, presumably, corporate decision-making and boardroom policies.

Could Canon Wilcox help me as to how there is evidence that we have significantly, through our engagement with certain companies, enabled any kind of policy change or affected any decision-making processes? It is not a minor matter, this. I have enthusiastically supported ethical investment policies and I have tried to do it on both counts. I feel quite confident at times on disengagement issues, although the last two speakers have shown us the conundrums that confront us there; I feel less confident about staying in there, holding shares, in order to influence boardroom decisions. Do we, other than on a very modest level? If we do, I would be delighted to hear about it. If we do not, perhaps we should not claim so much for that arm of the balance, as this report seems to do.

Dr Jackie Butcher (Sheffield): It is estimated that one and a half million babies die every year from inappropriate bottle-feeding. I just want to say how much I regret the fact that there is no mention in this report of the ongoing dialogue with Nestlé which has consistently been found to be the worst offender in terms of how it contravenes the

World Health Organisation resolutions on breast milk substitutes or, if not contravening them, certainly stretching them way past the limits they were ever intended to try to define.

I know that the Ethical Investment Advisory Group has produced question-and-answer fact sheets about breast milk substitutes, but that is no substitute for having a summary of the dialogue with Nestlé in the body of the report. How is the ongoing dialogue influencing what Nestlé does, how is it influencing Nestlé's policy, is it calling it to account in terms of the World Health Organisation's resolutions? If it is not, we need to know. It is too important to be in a fact sheet; it should be in the main body of the report.

Revd Dr Richard Burridge (London University): I too want to welcome this report, and I welcome the opportunity to have this debate. As Mike Tyrrell and Paul Brett said earlier, we have come a long way, and we need to keep on welcoming that. I looked forward eagerly to reading this report but as I did so I found that the welcome that I give it is not as warm as the welcome that I would like to give it.

Let me start with a couple of positive comments at the beginning of the report which I liked very much. The establishment of this Ethical Research Unit at CCLA: I am a trustee of a number of trusts with funds that we invest through CCLA and I must pay tribute to the important work that it does. I am delighted about this research unit and I would like to know a little bit more about the research that it is going to do. Is it just researching into the companies or is it doing theological and ethical research into the principles that undergird our work?

As I move on, my concern for the theological and ethical principles strengthens. There is a reference in paragraph 15 to last year's debate. As Mike Tyrrell has said, a number of us, including myself, criticized the report last year for having insufficient Christian theology, moral philosophy and Christian ethics undergirding it. I teach ethics in a university; I am one of the university reps; I know that you want to get rid of us; but I promise that while we are still here we will go on bringing contributions from universities to these debates. That is really important. In his summing-up last year, Canon Wilcox was kind enough to welcome my contribution and said that I had set them an agenda, but when I look through the report I do not see any of that in here. We move on in paragraphs 18, 19 and 23 to the importance of the interest of the public and the media in what we are doing, and the way in which we are giving a lead in ethical investment, but surely we ought to be doing it from a Christian standpoint?

When I got to paragraph 26 I was delighted to see that the Church of England is, as always, even-handed in tackling the evils of our society and that we disinvest in 2 per cent of both pornography and management! When I came to paragraph 30 I was delighted to read about the Church Investors Group, a development being hosted by the Roman Catholics and now by the Methodists; that is really important. I was delighted also to read in paragraph 33 about the relationship with bodies like the Society for the Study

of Christian Ethics. All of that got me really excited. I thought, 'Right, now we're going to get some Christian theology and ethics into this report', so before I read part II I looked again at the statement, which I knew had been revised, and was delighted that it began with Christian witness and values. Then the rest of the statement reads like any other statement that could be written by anybody working in Christian ethics from a humanist or a non-Christian basis. It talks about responsible employment, environmental performance and human rights; they are important but there is nothing distinctively Christian there. There is a bit about management practices which are judged by us to be unacceptable, but it nowhere says on what grounds we judge that. I want to see this. Many of us are grappling with this in our trusts and so on and we look to this group to give us a lead, not just to strike a balance but to take us through.

Therefore when I came to part II I noticed in paragraph 41 'the wider prophetic mission ... and the theological context', and I thought, 'Great', but what I found was 'right to buy, but not an obligation to sell': the language of rights again. That is not particularly Christian. Or there is the desire not to profit from suffering; that is utilitarian, rather than specifically Christian. In paragraph 36, about defence investment, there are two important points: the fact that wars are not fought so much by states these days and that 90 per cent of the casualties are civilian. Anybody who knows just war theory knows that they are two of the crucial criteria upon which investment in the military has often been based: it should be waged by states and it should not involve non-combatants. There is no mention of just war theory there.

Only in paragraph 48 do we get the Christian vision of humanity but even then we move on to 'Christian values without censorship'; you cannot have Christian values without Christian theology. We really need to move further, to show our working. I know that there is an important and helpful contribution from the BSR, with Claire Foster and David Skidmore mentioned, the Bishop of Worcester, and so on. Please, last year I appealed to the group to show the working. When I give an undergraduate back an essay and he says, 'I look forward to doing a better job next time', I expect to see some improvement. You are doing a terrific job, but, please, give us a lead, help us. We are looking to you to make this distinctively Christian, with moral philosophy and Christian ethics.

Mr Tim Royle (Gloucester): When I agreed to join the founding group a number of years ago now, I shared with them at that time that I thought we would be on a hiding to nothing and that we were taking on an extremely complex situation; and so it has proved to be. I want to congratulate the group as it stands today because its members have taken huge steps forward. They have tackled some extremely difficult questions (and the remarks that some speakers have made this evening illustrate the difficulties that we face with this subject). You have to be patient, I am afraid, on a matter that has been a conundrum down the years, not least for the people who actually have to run commercial operations. I believe that this ethical group has achieved a huge amount. When I recall what the Church Commissioners' attitudes were and how we managed to change their view, when I recall the corporate governance and the attitudes that

they took towards ethical investment, when I recall sitting, as I do, as a major trustee of a major investment fund of some £900 million, and raising the whole question of tobacco investment to them and being laughed out of court at that time but, after three or four years, succeeding in persuading them to set up a separate fund which excluded tobacco (although they maintained that they could not possibly do the right thing by their investors in doing so), I can only applaud what the ethical investment group are doing. So I think that we need to have conviction that we are on the right path. I was not going to take part in the debate but having heard what some speakers were saying and noticing their frustration I do want to ask members to be patient.

I want just to raise two or three points which I feel that the investment group could help us with in the future. The first one arises from what Mike Tyrrell said relating to globalization. This has become a sort of politically correct word. I think that there is a Question down about the fact that we should be applauding the people who have hired an entire train to go down to try to wreck the meeting in Genoa. It is not as straightforward as that. Now we are beginning to say that all globalization is wrong, but I do not think that that is necessarily true; we need to look at it in the cold light of day and come up with some convictions about it which will help the society in which we live and the corporations which have to work within it as to what our mind is, but we have not yet done that.

Second, there is a huge problem facing us in the pharmaceutical industry. Most of us who invest probably have shares in pharmaceutical companies. Frankly, I do not know what they are doing behind the scenes; it is very difficult to find out. Take a lot of the factors in the defence industry, for example: no longer is it necessary actually to shoot people with bullets or to wreck their homes with shells; you can do that by scientific means, by lasers, by poisons, by all sorts of things, by producing guns that can make the soldiers fall down as if they are dead. These are issues which I think are far more important and where we need to know where our industries and our society are taking us. I hope that the group can bend its attention to that.

I therefore hope that this body will receive the report with enthusiasm. Of course it leaves out a lot of things. Of course it cannot cover everything that is before us and the complexities that are before us – it is only a small body – but I can assure the Synod that it is beginning at least to draw attention in our society to the fact that there are ethical issues and that something can be done about them. I believe that the Church is showing the way forward by supporting this group.

Canon Dr Brian Chalmers (Canterbury): This is the first time that I have spoken at Synod and I did not come with a prepared piece of paper, so members must forgive me if I am not very coherent. I feel very passionately about this subject. My interest began, like Paul Brett's, many years ago, going into the plush offices of the Church Commissioners and suggesting tentatively that there might be other reasons for making investments than the expectation of the size of the bottom line. At that stage I was chaplain to a business school so I had a great interest in these things.

I want to support a number of speakers in what has been said about the fact that we are not on the edge of a little thing but at the beginning of a large and important debate that should have taken place a long time ago. Ethical investment seems to me to be growing enormously. Ethical investment funds are starting up all over the place and some of them are getting a good reputation for doing rather better than the others. There is clearly a market for those who provide ethical information and evaluation, and I would have thought that there must be people around who have enough nous not to make this a charge on the Church but to make it a source of income. So I commend that to members.

Second, though it started off as an intention to try to keep the Church's investment nose clean, it is really much more fundamental than that. A hundred years ago in the industrial revolution two things happened: people went to the towns – and we slowly got the hang of that and built them new churches – and they also separated where they worked from where they lived, and we have never really got our heads round that. The industrial chaplains and others who have tried to work with that have done their best but we have never really got our heads round it. Medicine and teaching have a fundamental understanding of what they are doing; they have a theological background, and we contribute to their ongoing debate. Much has been written in history about the social contract for politicians and what gives them the right to rule over a country and how that should be done. There is no form of social contract, however, that exists yet or has been debated for business and for business corporations. They are the single group that have the largest effect on our lives and those of people round the world – tomorrow we will be discussing that in a different guise – and we have failed miserably to supply that theological social contract against which corporate responsibility can be judged in terms of what their vision is, what they are trying to deliver and the way they set about doing it.

One of the troubles is, I suppose, that business as a profession has only just been invented. It is only 20 or 30 years old. Unfortunately we were by then a secular society so we were not part of the debate that should have taken place. I want to encourage us to enter that debate. There can hardly be a university of any kind around the country that does not have its business department or its management department, and yet this debate needs to go on. They really do not know what the game is for; they do not know what is okay and what is not okay to deliver. So I want, with others, to encourage a continuation of this work.

Finally, I do not want to accept the argument that they can do what they like as long as there is no law against it. It is the excuse that they use now and it will not do. This came home very forcefully to me once when I was gate-crashing (as chaplains can in universities) a conference of scientists and Government. On the platform was the Chief Government Scientist, and it was quite clear that he was of mid-European Jewish extraction. He said, 'It is for governments to say what research in science should be done, and it is for you scientists to get on with doing it.' I sat there and I was very

afraid, because he did not seem to understand – and nobody else seemed to understand – the implications of what he was saying.

Dr David Bowen (Canterbury): Three quick points supporting what Brian has just said and supporting especially the call for a more active and more theologically informed stance. One comes back to the comments made about the pharmaceutical industry and also about helicopters.

We have in Europe and in North America a real problem at the moment with drifting away from the idea of business as something that produces something real. I was disappointed not to see in the report any comments on the dot-com revolution, which came and went perhaps too quickly but which included a number of profoundly unethical things, not unethical in the sense that they were like tobacco or like weapons, which were killing people, but unethical in the sense that they were feeding greed and involving people in false aspirations. So I hope that we can include some theology of real business manufacturing real products, as farmers do and some product manufacturers do, and as pharmaceutical companies do; and I can assure Synod from my contact with pharmaceutical companies that they are not trying to poison people: they have lots of diseases left to work on and plenty of work to do to cure the diseases.

Second, I would like to speak briefly about the loan question and access to credit for poor people. I was disappointed not to see in any of the papers, including the one in our pigeonholes, a more active response to this. We agree that it is indeed very difficult for people to get credit. Have we been using our shares in banks to tell them that they ought to provide credit? Have we been working ourselves, through the Church Urban Fund or other bodies, to try to provide credit? I hope that our ethical stance will include a more active approach to making things better, not just trying to turn our back on things that we think are worse.

Third, globalization is certainly going to be an issue. It is not something that is good or bad; it is something that is real. It has some good effects and some bad effects. Globalization is like weather: it is going to happen regardless of what we say; but we have a unique advantage in dealing with globalization and again I am sorry that this has not been recognized in the report. We have after all earlier today confirmed and welcomed an agreement with Churches in France and we have, through the Anglican Communion and through our contact with other Churches, a global presence ourselves: we are one of the global organizations and you could say that many of the changes that we have seen in the past few Synods have been globalization of the Church, in our different agreements and in our increased contact with other Churches. So can we not use our globalization to get information quickly, efficiently and reliably on the effects of global companies operating and can we not use it to develop a global network pushing for a uniform ethics across the world? I think that we can, and I hope that this will form part of the ongoing agenda of this excellent group whose work I applaud.

Canon Cedric Catton (St Edmundsbury and Ipswich): I would like to join with others in commending the work of the Ethical Investment Advisory Group and the clarity of its report. It is a very much improved report and very encouraging for us. I would like to draw particular attention to paragraphs 54 and 56 concerning Sunday trading and trading on Christmas Day in the shops.

It is something that I believe to be vital that this Synod publicly support those companies who resist the escalating spread of consumerism and remain closed on Christmas Day, and I was pleased to see that mentioned with regard to Sainsbury's. We should be supporting, as a Church and as an ethical investment group, a growing impetus for legal protection for Christmas Day and other significant festivals in the life of our nation. This will require vigilance and determination to resist further erosion, loss and decay of family life due to the shopaholic culture in which we live.

It is very interesting to note, in the course of my daily work as the parish resources officer in the diocese, resourcing parishes by getting them to think what it is to be Church in the day in which we live and how they can communicate being Church to their communities, a growing understanding of the problems of Sunday trading which seems to have escalated beyond the wildest dreams. I could not help but notice last Christmas that a number of shops were trying to get round the Sunday trading laws by opening half an hour or three-quarters of an hour earlier than supposed, not opening the tills but allowing people in to fill their baskets. This is something that I urge the Ethical Investment Advisory Group, with its portfolio in the retail trade, to watch very carefully.

Canon Richard Atkinson (Sheffield): I just want to expand a little on a fairly brief comment that Dr Bowen made in relation to some things that have been said and written following the assessment of Provident Financial and weekly home-collected credit and, in particular, here following the Bishop of Ludlow, on an issue where we can follow disengagement with very real engagement, as Dr Bowen hinted, with the banks.

Just briefly, to remind us of the seriousness of the issue, the truth of it is that if you are poor you pay for the privilege of being poor; and it is not just about credit but about all the other things: the need to cash cheques and be charged 7 per cent or 9 per cent of the cost of doing so, the problem of not being able to take the benefit of direct debits and other easy-payment methods, exclusion from some of the more complicated and technological financial products. The report says that there are no easy answers and that there is a relative lack of alternatives, but there are some alternatives, even if they are fledglings. In the sphere of registered social housing which I know a little about, there are a number of associations: a housing association working in the Darlington area with the Darlington Building Society, providing bank accounts and simple financial access. Twenty per cent of people in this country have no current bank account, a crucial financial tool. The Woolwich, now part of Barclays, is looking at how it expands its open plan accounts, in a very simplified form but again to give people some of that very basic financial access. The Cambridge Building Society has

worked with the Cambridge Housing Trust. Elsewhere there are those wider regeneration trusts, in Portsmouth, in Aston, a community banking scheme in Wester Hailes, Edinburgh and also in Belfast, drawing on some of the American experience, where others are at least beginning to try to work out how to tackle some of these crucial issues of financial exclusion.

In almost all of them a crucial partner is one or other of the major financial institutions of this country, in many of which our different institutions have significant investment. So there is a clear case for beginning to engage positively with them – they are even supported by bodies like the Financial Services Authority in their report of July 2000 – and for saying that we should take these initiatives, work with them and indeed be even more imaginative in how we tackle this important issue in our society. As with the man by the pool in John 5, who was excluded from its healing waters, certainly in the area of financial exclusion we in the Church can play our part in bringing healing and wholeness.

Mrs Anne Williams (Durham): On a point of order, Mr Chairman. I beg to move:

‘That the question be now put.’

This motion was put and carried.

Canon Hugh Wilcox, in reply: This has been an extremely wide-ranging debate, and I congratulate some members of Synod on the ingenuity with which they have been able to raise matters which are nothing whatever to do with the Ethical Investment Advisory Group! That is not to say that they are not important, but let me remind Synod at the outset that the Ethical Investment Unit consists of three people, not three hundred, and we need to remember, as with all other discussions that we have in this Synod, that there is a price to be paid for adding to the agenda; it is the key thing that we have to bear in mind if our staff are to stay sane and do work of any quality. So please may we be aware of that?

I will have a word with Paul Brett afterwards about the ethics of asking for a bottle of champagne, but that is a different issue. He was quite right to point out the problems of what we thought was the rather tidy, neat ploy of striking the right balance. Members of the committee will remember that I was rather doubtful about this but that I was overruled. I thought that it was far too tidy, and so it has proved to be. However, the whole point is that there is always a compromise; there are hard decisions to be made, and those who are investors and trustees do have real difficulty, particularly as times get hard, in justifying their decisions. Let us not go away imagining that these are easy things; they are not.

I was grateful to Mike Tyrrell for reminding us that the Church can indeed be proud of its record, and I welcome many of the things that he said in helping us forward. I have a problem about taking globalization on to our agenda. As an Ethical Investment

Advisory Group, clearly we have to be aware of the background – I look forward to the debate that is coming up – but this is more the field of the Board for Social Responsibility, I think. Of course, the board is represented on our group and we will want to work with it.

On the Church Commissioners and how they voted at meetings, to which paragraphs 63 and 64 refer, I would remind Synod that our group does not in fact do any of that voting. We can recommend, but in the end it is the investors who have to take the decision about how they use their powers under that heading.

John Bennett indicated precisely the moral dilemmas in the whole of the armaments debate. Let me remind him that we never invested in Westland, when it was just Westland, because it made armaments, and when GKN took it over we immediately disinvested in GKN because it has always been excluded. This is not making a value judgement or a theological judgement or any other kind of judgement about the men and women who work at Westland, of course not; but if we have adopted a policy we must stick to it, otherwise our integrity is out of the window.

Mr Musson indicated in a splendid way his concerns about GM crops, and we are very much concerned about the whole GM issue, not as a matter of the head but as a matter of the heart, and the way in which it is affecting the agricultural community. There are no GM crops on Church land. Our policy is a very cautious one indeed. We are working very closely with the scientists and trying to make sure that the right questions are being asked in that discussion. We are nowhere recommending (if ever we will) that GM should be adopted on Church land; we will let you know if we do.

Can I say to the Bishop of Ludlow that it is quite difficult to claim results in terms of engagement, certainly in public to do so. I would say that we hope that we are making a contribution, together with the rest of the City community, who, as several speakers have pointed out, have really come on board about ethical and investment issues in the past year or so. We are contributing to a change in attitude so that, for example, some of the great companies are beginning environmental reviews and all kinds of other ways in which their procedures are being looked at from an ethical point of view. Certainly that question should be addressed directly to the actual investors, and I hope that you will do so.

The Nestlé question we continue to wrestle with. It is one of those things which go on and on and on in terms of what is non-compliance. We are working with that. How long we give it is an interesting question, but it is one with which the General Synod has wrestled and we go on doing that.

I thank Dr BurrIDGE for his magisterial taking apart of our report. I accept that it is a gamma-minus from his point of view. May I remind him, as I reminded the Synod earlier, that we have only three people on the staff? The rest of us are but humble members, two of whom are bishops, who might be thought to be theologians; but

none of us is as it were a technical theologian. Maybe we ought to do something about that. There is however a real problem in how we handle our work. We are asked to deal with certain questions. I suppose that you could dress it up with a kind of theological top-dressing, but I am not sure that that would convince anybody about real theology. Maybe Dr Burrige is actually calling for a proper, detailed study of the theology of ethical investment; if he is, I would back him, but where the money would come from is another interesting question.

Mr Royle, who is an old friend on this matter, spoke very convincingly and I was grateful for what he said about the pharmaceutical industry. I was particularly grateful for the speech from Mr Chalmers. The whole question of a social contract for business is something that I too believe in, but again it is not part of the group's direct agenda, although I am sure that members of the Board for Social Responsibility heard it and I am sure that others heard it; clearly it ought to be part of our Synod agenda as a major matter for the future.

Dr Bowen said that there was no comment on dot-com. I am not sure that we had any precise ethical investment questions arising from that sphere, because we do not see ourselves as doing a complete résumé of everything that has happened in business and in the world; the report would become entirely unreadable (and unwritable) if we tried to do so. We take his point and we will look at it and see whether there are cases that we should be looking at.

I have good news for him about banks. They are our next major agenda item. As we realized when we were working through the Provident Financial issue, we cannot leave it there. We were already under pressure to look at the whole question of banks and how they operate: do they operate ethically? What are the implications? That should be a major piece of work for our next stage.

I was grateful to Canon Catton for reminding us about the Sunday trading issue. Again the matter of legal protection for significant festivals is not precisely a matter for us although we would of course support it because it goes with our policy of wanting to persuade companies not to take these steps.

Canon Atkinson pointed up the whole significance of the Provident Financial issue; we must certainly do our best to push the boundaries of that question forward, so that credit unions and all the other kinds of possibility are looked at properly.

I am very grateful indeed to the Synod for this debate. We are conscious of how much more there is to do, and I just ask for your patience as we wrestle to do it with quite a small staff.

The motion was put and carried.

(Adjournment)