



State to divest funds of firms, countries that support genocide

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By Wilson Ring Associated Press

MONTPELIER — The state of Vermont is planning to rid its \$3 billion pension fund of assets of companies and countries that support terrorism or genocide, state Treasurer Jeb Spaulding said Monday.

The goal of the divestment is to ensure that the countries or companies don't support policies that support terrorism or genocide, such as what has been happening in the Darfur region of southern Sudan where outside observers say 200,000 people have been killed in the last four years.

"Divestment is an absolute last gasp," Spaulding said Monday. "I really believe in constructive engagement of corporate management and that as stock holders we are part owners of the company."

Spaulding said he had been involved in discussions with some companies that do business in Sudan whose officials were receptive to the goals of ending genocide. But in some cases divestment is the only option.

"I think we can have an influence on the kind of actions that a company takes and how they play a positive role in a country such as Sudan, or Iran or North Korea," Spaulding said.

Spaulding said the committee was striking a balance between its responsibility to get the best return for the funds and the moral goal of trying to end terrorism and genocide.

"I am pleased to let Vermonters know our money is not only invested wisely and safely, but also that our money will not be used to support governments or companies that threaten our national security or are engaged in genocidal activities in another part of the world," he said.

Spaulding, who chairs the Vermont Pension Investment Committee, said he didn't know how many of the pension fund's investments would be changed because of the new policy.

"I would anticipate we're talking about a handful of companies," Spaulding said.

The managers of the state's pension funds are being instructed to look at the investments to find out how many would be affected. "It's my hope that we'll be able to get a response back from them in February," Spaulding said.

At the top of the list of countries that support genocide is Sudan, where government troops and Arab tribal militia have been fighting ethnic African rebels from the Darfur region. More than 200,000 people have been killed, and President Bush has labeled it a genocide.

"We talked about having a Sudan specific policy and then we realized there could be another Sudan next year," Spaulding said.

The only specific company that Spaulding mentioned was PetroChina, which he said was supplying the government of Sudan with military equipment.

The Beijing-based company is China's largest producer of crude oil and natural gas. The company did not respond to an e-mailed request for comment.

In the 1980s, a number of states and large institutions divested funds from companies that did business in South Africa to oppose that country's support for apartheid.

Spaulding said the current plan was not meant to be as all-encompassing as the South Africa divestments.

While Vermont's investments might be relatively small, Spaulding said it was a start.

"If one state does it the people don't notice too much, when 10 states do it you start to have a real impact," Spaulding said. "If it continues to spread you actually will be able to make a change."