A Glimpse of Columbia History . . .

Winter at Columbia, Circa 1949 — The beauty of Morningside campus is enhanced under a white blanket. Above left, students struggle to keep their footing in front of the School of Mines, now called Lewisohn Hall.

Advisory Committee on Socially Responsible Investing Issues Recommendation

The following is a reprint of both the letter and statement received by President Lee C. Bollinger on December 4 from Columbia’s Advisory Committee on Socially Responsible Investing regarding a petition to the University Trustees to divest the University’s endowment holdings in corporations that manufacture arms sold to Israel or sell arms to Israel.

December 4, 2002
Mr. Lee C. Bollinger
President
Columbia University
202 Low Library
New York, NY 10027

Dear President Bollinger:

The Committee on Socially Responsible Investing, in its role as an Advisory Committee created by the Trustees and appointed by the President, hereby conveys its action on the petition to the Trustees to divest the University’s endowment holdings in corporations that manufacture arms sold to Israel or sell arms to Israel. As discussed in the attached statement, this Committee does not recommend divestment.

Thank you.

Sincerely,

Merit E. Janow
Chair, Advisory Committee on Socially Responsible Investing

cc: Michael Patterson, Chair Trustees Subcommittee on Shareholder Responsibility

Statement on Petition to Divest from Corporations Selling Arms to Israel

Issued December 4, 2002

The Advisory Committee on Socially Responsible Investing, as chartered by the University in March 2000, is the University community’s vehicle to advise the Trustees on ethical and social issues confronting the University as an investor. During its first two years, the Committee has had a full agenda of deliberating upon and making recommendations on how the University should vote on shareholder proposals presented through the proxy process to companies held in the University’s endowment. The Committee has not previously been presented with an issue of divestment.

The Committee held its fifth community hearing on November 13, at which it heard from the University community on a variety of issues, including the environment and human rights, as well as from proponents and opponents of a petition to the Trustees to divest the University’s endowment holdings in corporations that manufacture arms sold to Israel or sell arms to Israel.

In the case of the current petition, divestment, if it ultimately achieved its stated goals, would result in corporate decisions to withhold weapons and other military hardware from Israel, as a sanction for acts by the Israeli government against Palestinians characterized by the petitioners as human rights abuses. The appropriateness of divestment in this instance must be considered in the context of an armed conflict with a long and tragic history. To find that sanctions are an appropriate response to this complex international dispute, this Committee and our diverse community must find that the merits in the dispute lie disproportionately on one side.

Moreover, to choose divestment as a course of action, an institution must find that such a measure is more appropriate than on-going communication and engagement as a shareholder. Divestment is the strongest step an institution can take as a socially responsible investor. It stops the communication between shareholder and corporation that takes place through the process of proxy voting on shareholder resolutions, seeking instead to affect corporate behavior through the symbolic act itself.

In the Committee’s view, the current divestment petition does not meet these tests. There is no indication from the Committee’s hearing or otherwise that the predominant view within our community is that sanctions against Israel, as called for by the petition, are clearly justified on the merits. This Committee, for its part, does not believe that such sanctions are justified, given the nature and history of the conflict. Nor does it view the conflict as generating appropriate grounds for terminating all communication with the corporations involved through the act of divestment.