

**Testimony of Eric Reeves to the Massachusetts State Legislature, March 29, 2007,
Calling for State divestment from public pension plans as a response to genocide in Darfur**

With all due respect, I would submit to this committee that ongoing genocide in Sudan's western Darfur region forces upon the Massachusetts state legislature an urgent moral obligation. I believe it is incumbent upon the legislature to divest—from those portfolios it controls—all shares in those European and Asian companies that continue to do a critically enabling business as usual with the génocidaires in Khartoum. I refer to the brutal National Islamic Front, which for five years hosted Osama bin Laden and al-Qaeda, and which continues to dominate Sudan's nominal "Government of National Unity" and to control all domestic policies, including genocide in Darfur.

Such a divestment decision has already been taken by a number of states, including California, Maine, New Jersey, Illinois, Colorado, and Oregon; at least two dozen other state legislatures are actively considering divestment. As well, a great many dozens of colleges and universities have divested.

To be sure, there will be some who offer a form of "slippery slope" argument: "genocide in Darfur is certainly horrific, but divestment is not a strategy that we can endorse as a matter of law—we can't ethically screen our investments without risking making every political cause a potential occasion for a divestment campaign. The purpose of state-controlled funds is to secure the maximum return on investment, not to change the world."

But the answer to this "slippery slope" argument is what I might call the "threshold argument." It asks: "Is there no threshold beyond which we do begin to screen our investments on a political or moral basis? What about a hypothetical Swiss company that in 1944 was shipping Zyklon-B (Prussic acid) to the Nazis, for use in the death camps? What if this Swiss company traded on the New York Stock Exchange, and benefited from US capital investment? Does anyone claim that under such circumstances it would not have been morally obligatory for Massachusetts to divest from any holdings in this hypothetical company?"

But how is the present situation different? Companies like France's Schlumberger and China's PetroChina and Sinopec—which trade on the New York Stock Exchange and are found in a great many portfolios with international exposure—help sustain a genocidal government in Khartoum by means of massive capital and commercial investments. Given Khartoum's overwhelming external debt, these investments are a financial lifeline—the essential supplement, economically, to the oil wealth that the National Islamic Front has devoted in profligate fashion to military purchases and to genocide as a domestic security policy. Why should investments in companies such as Schlumberger

and PetroChina, and a number of others, be acceptable to the state of Massachusetts? or to its pensioners?

I must argue that massive ongoing genocidal destruction—what we are witnessing in Darfur according to the US Congress and the most senior officials of the Bush administration—should incinerate concerns about inappropriate precedents. Corporate complicity in the ultimate human crime should always be an occasion for divestment.

And let there be no doubt about the ultimate efficacy of the divestment campaign: industrial giants ABB Ltd of Switzerland and Siemens of Germany, two of the primary initial targets of the divestment campaign, have announced that they are suspending all operations in Sudan.

Perhaps a few, even stipulating genocide and corporate complicity in that genocide, will argue that the state legislature must be concerned only about its fiduciary responsibility to the citizens of Massachusetts. But such fiduciary responsibility certainly entails taking cognizance of the potentially devastating effects on share-price of a successful divestment campaign. During a similar divestment campaign against Canada's huge Talisman Energy—a campaign animated by the company's clearly demonstrated complicity in the genocidal clearances of the oil regions of southern Sudan—Talisman share price declined by 35% according to Canadian oil analysts. This example demands current fiduciary attention, given the rapidly growing national strength of the Darfur divestment campaign.

Morally and financially, Darfur presents a case for divestment that could not be more compelling.

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