

# PCUSA lists five firms for possible divestment: The start of "progressive engagement"

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The Presbyterian Church (U.S.A.) has announced plans to target five public companies that it says “contribute to the ongoing violence that plagues Israel and Palestine.” Church officials said they could ultimately pull their assets, or divest, from those companies if corporate behavior remains unchanged.

On the list are five firms that have allegedly served militaristic efforts of either Israelis or Palestinians. Those named are: Caterpillar, Citigroup, ITT Industries, Motorola and United Technologies. Various church entities own shares in all five firms.

The corporate target list, released August 5, is the latest chapter in the church’s year-old effort to pursue “limited, phased divestment” from companies that are involved in the Israeli-Palestinian conflict.

Jewish groups have roundly criticized the Presbyterians—along with Anglicans, two Methodist regions and other church bodies that have followed suit—for the divestment campaign. Jewish groups say divesting from Israel is unfair and ineffective and does not impose similar sanctions on Palestinians.

A church panel charged with overseeing church investments, the Mission Responsibility Through Investment Committee, listed the five companies during a meeting in Seattle and authorized the start of “progressive engagement” with these companies.

“We have chosen these companies because we believe that they can make changes that will increase the possibilities for a just peace in the region,” said Carol Hylkema, chairwoman of the committee. “As shareholders of these companies, the Presbyterian Church (U.S.A.) calls on them to act responsibly.”

To exercise leverage, the church said it will undertake “a slow, deliberate process” that will include dialogue with senior management and possibly shareholder action. The decision to divest would ultimately be left to delegates at the church’s biennial meetings.

“If these dialogues fail,” said Bill Somplatsky-Jarman, staff member of the MRTI Committee, “we may conclude that our investments are not being used for activities that support the broad mission of the church. At that point, divestment is an option that the General Assembly may consider.”

Four of the five companies were faulted for supplying the Israeli military with either technology or equipment. The fifth, Citigroup, was listed because it reportedly played a role in the delivery of funds to Palestinian suicide bombers, according to an April 2005 *Wall Street Journal* report cited by the church.

Caterpillar has come under criticism by peace activists because its machines are used by Israeli forces to crush the homes of Palestinian militants. In the past, Caterpillar has said it has no control over how its equipment is used by customers.

“Caterpillar shares the world’s concern over unrest in the Middle East and we certainly have compassion for all those affected by the political strife,” said a statement on the company’s Web site.

“However, more than 2 million Caterpillar machines and engines are at work in virtually every country and region of the world each day. We have neither the legal right nor the means to police individual use of that equipment.” -*Religion News Service*