

# From Wall Street, to War and the Wall: Canadian Pensions Invest in Israeli Apartheid

By Richard Sanders, coordinator, Coalition to Oppose the Arms Trade (COAT)

Many Wall Street corporations, and their investors, profit by supplying Israel with military and “homeland security” products, including materials for its illegal Separation Wall. Working Canadians are complicit in this through the country’s largest pension plans, which invest billions in firms that equip Israel’s state institutions of war and repression.

COAT research published in *Press for Conversion!* exposes that in 2011 the Canada Pension Plan (CPP) had \$1.5 billion worth of *direct* investments in 68 companies selling products to Israel’s military, police, intelligence and penal institutions. When the CPP Investment Board (CPIB) released its 2012 report – which combines data on *direct and indirect* investments – we learned that CPP holdings in these firms are actually worth more than double that, totalling \$3.3 billion.

But the CPP is not alone in this.



Graphic: R Sanders

Canada’s other top pension funds also own shares in many of these same corporations. In fact, Canada’s five largest retirement plans have invested \$6.5 billion in the 68 firms researched by COAT. (See the table on page 4.)

What Canada’s top pension funds have in common is a fixation on

maximising profit. This focus on the bottom line means that pension fund managers show no regard for ethical issues when buying stocks. The inevitable result is that Canadian pension fund portfolios read like a veritable “who’s who” of multinational corporations that are on the pariah lists of every existing movement for social change.

So, whether you are looking for the world’s largest weapons makers, its biggest polluters, worst labour-rights violators, most destructive mining and oil companies, or the leading producers of junk food, killer seeds and tobacco, or firms

profiting from Israel’s war crimes against Palestinians, you need look no further than Canada’s top pension funds.

This disregard for ethical concerns was epitomised by CPIB statements made during one of their rare, biennial meetings this June. COAT had

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## Boycott Divestment Sanctions (BDS)

This issue of *Press for Conversion!* – and the previous one – are inspired by the international BDS campaign, as well as by the Palestinian call in 2011 for an international arms embargo on Israel.

In 2005, Palestinian civil society called for a global campaign of boycotts, divestments and sanctions in order to make Israel meet its obligations under international law by:

✋ “Ending its occupation and colonization of all Arab lands occupied in 1967 and dismantling the Wall;

✋ “Recognizing the fundamental rights of the Arab-Palestinian citizens of Israel to full equality; and

✋ “Respecting, protecting and promoting the rights of Palestinian refugees to return to their homes and properties as stipulated in UN Resolution 194.”

## Canada’s Top Five Pension Funds

**Canada Pension Plan:** With assets of \$161 billion, CPP has 18 million contributors and beneficiaries in all of Canada’s provinces except Quebec.

**Quebec Pension Plan:** With \$159 billion in assets, the QPP is Quebec’s mandatory pension scheme. Citizens contribute through about 25 public and private pension and insurance funds.

**Ontario Teachers’ Pension Plan:** With assets of \$117 billion, the OTPP represents about 180,000 primary and secondary school teachers. The fund now has 120,000 pensioners.

**Public Sector Pension Investments:** With \$64.5 billion in assets, this plan represents federal public service workers, including the military and RCMP.

**Ontario Municipal Employees Retirement System:** With assets of \$55 billion, OMERS represents 947 employers and almost 420,000 members, retirees and survivors.

## Killer Pensions: Investing in the World’s Largest War Industries

This summer, COAT coordinator, Richard Sanders, researched the investments of Canada’s top pension funds in the world’s largest weapons makers. This research, published in “Killer Pensions: Pension funds force Canadians to invest in war industries,” appeared on the front page of the Canadian Centre for Policy Alternatives’ magazine, *The Monitor* in July 2012. You can read it at COAT’s website: [coat.ncf.ca/articles/killer-pensions.htm](http://coat.ncf.ca/articles/killer-pensions.htm)

COAT also published five data tables detailing how Canada’s largest pension funds have invested billions in:

- ✓ The top-100 war industries of 2011
- ✓ F-35 stealth bomber contractors
- ✓ Cluster-munition manufacturers
- ✓ Nuclear weapons manufacturers
- ✓ Top-100 war industries (pre-2010).

See these tables and much more online at COAT’s website: [coat.ncf.ca](http://coat.ncf.ca)

alerted concerned Canadians across the country about these meetings, and urged them to pose questions online or at the meetings themselves. Many did, and as a result, the CPPIB was forced to respond to public criticism about its unethical investments. During their web broadcast – viewed at all nine CPPIB meetings across Canada – this crown corporation’s “Media Relations” director, Linda Sims, said they had received “similar questions from various locations...as well as through the web ...asking about companies that manufacture military products.” (The CPPIB had by then received 1,200 emails from signatories of COAT’s petition to “Stop CPP investments in Israeli apartheid.” See the back cover for details.)

Sims then turned to the CPPIB’s CEO, David Denison, and asked: “Why does CPP invest in these companies?”

Denison’s response was telling: “[W]e do not screen out or eliminate any particular sectors from our investing activity.... [T]he question referred specifically to armaments.... We have a very singular and clear

investment mandate that is to achieve a maximum rate of return without undo risk of loss.”

In the 1990s, he said, CPP “reformers” “intentionally decided” that the CPPIB should *not* take ethical issues “into account in making investment decisions.”

Robert Astley, chair of CPPIB’s Board, then quickly piped in to say:

“I want to assure Canadians that the Board of Directors is totally at ease with this policy and is very mindful that in every one of these areas where calls for so-called ethical investing are made, there’s always a contrary opinion and the Board...is quite comfortable investing with a singular focus on investment return.”

Although Astley and CPPIB’s board are “comfortable” and “totally at ease” with investing our pension money in unethical stocks, many Canadians have been shocked to learn that their retirement security is ensured, in no small part, by shares in the world’s biggest war profiteers, polluters and other disgraced corporations. For instance, Frances Everett, who was at the CPPIB

meeting in Victoria, said in an email to me that of the 35 in attendance, “a good half or more...were there out of concerns about ethical investments.”

Everett rightly noted that the Act of Parliament governing the CPPIB “would need to be amended to provide for an ethical investment council arm of the CPPIB.” But, because the federal government and a majority of provincial governments will have to agree on such an amendment, she suggested:

“We need to build a broad coalition of social justice organisations, faith groups, political organisations, etc., to push for a change in the Act, leading to the creation of an ethical investment council.”

*Great idea!* And, in the meantime, COAT will continue making connections between Wall Street, war and The Wall, by raising awareness about a range of unethical, CPP investments.

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## **COAT Sparks Question about Israeli Military Attack on Aid Ship to Gaza**



CPP invests in Montreal’s CAE Inc., a war industry providing training systems for Israel’s UH-60 helicopter pilots.

Nine activists were killed when UH-60s dropped Israeli troops on an aid ship heading to Gaza in 2010.

**A** highlight of the CPPIB meeting came from Kevin McNeish in Victoria. He based his comment/question on material from the previous issue of COAT’s *Press for Conversion!* Here, in part, is McNeish’s remark as webcast across Canada:

“I’m concerned about the many CPP investments in military weapons companies.... There is one investment in particular that I’m very concerned about.... CAE is the world leader in building military flight

simulation trainers...[including] trainers for UH-60 Blackhawk helicopter gunship pilots.... I was on board the humanitarian aid ship, the Mavi Marmara, on May 31, 2010, when Israeli forces attacked our ship in international waters using three UH-60 Blackhawk helicopter gunships. Nine aid workers were killed, 54 others were wounded. Three Canadians onboard, including myself, were injured and almost killed.... In

my view, CPP shouldn’t be investing in war industries, let alone in war equipment used to attack Canadian citizens. Is this profit at any cost?”

When the CPPIB’s PR rep asked the Board’s chair to “take a stab” at answering this, Robert Astley replied:

“In the particular case of the company that Kevin is referring to, that activity is viewed by society in Canada and elsewhere as a legitimate activity of creating systems, weapons. It is viewed and regulated accordingly. We do not screen out investments.... That is, I think, the ultimate right course... Bad things do happen in the world and individuals and companies can be involved in them... but we do not make those kinds of judgements in screening.”

As Kevin explained in an email to me:

“I used the COAT report on CPP investments to frame my question about CAE Inc.... After my question was asked the room erupted into applause... I would never have bothered to attend such a meeting if I had not read that COAT report.”

**Watch the CPPIB webcast:** [www.cppib.ca/About\\_Us/public\\_meetings.html](http://www.cppib.ca/About_Us/public_meetings.html)