

Religion's Modern Witch Hunt

by Charles Dickson

The Old Testament Book of Exodus contains a verse which reads, "thou shalt not suffer a witch to live." For hundreds of years since those words were first penned, religious groups have used them to justify persecution of those accused of practicing witchcraft. Some historians estimate that during the period extending from the fifteenth through the eighteenth centuries churches put 300,000 women to death. This figure includes such episodes as America's infamous Salem witch trials of 1692 when the Massachusetts colonists executed 20 persons and imprisoned 150 others.

While witch hunting in the traditional sense is no longer part of the American scene, a new form of it has emerged in the bureaucratic chambers of some major American religious denominations. This time the object of religious revenge is not ladies wearing black dresses and conducting strange rituals, but rather the management of many major American corporations.

A quiet, behind-the-scenes war began in the early 1970s when two national groups were formed to monitor activity of American businesses and then recommend punishments of certain ones by selling off (divesting) their stock from the portfolios of church retirement funds when the companies did anything with which they disagreed.

Dr. Dickson is a chemistry teacher, ordained clergyman, and writer whose articles have appeared in The Wall Street Journal, Barron's, The Christian Science Monitor, and numerous other scientific, religious, and business publications.

These groups, serving as watchdog units on corporate activity are called the Interfaith Center on Corporate Responsibility (ICCR) headquartered in New York, and the Investor Responsibility Resource Center (IRRC) which operates out of Washington.

The Mechanics of Witch Hunting

Basically the scenario works this way. The ICCR and the IRRC offer annual subscriber services for a fee. In the case of the ICCR, each participating group must pay \$2,000 which entitles it to receive a monthly list of what are called "screens." When a corporate name appears on the screens list there is also a note as to what "sin" it is committing which may range from producing alcohol to processing tobacco, polluting the environment, or, until recently, doing business in South Africa. Managers of church retirement fund portfolios who subscribe to these services may then elect to respond to the screen by selling off all the stock in a particular guilty corporation as a means of protest.

Thus the mission of the ICCR and IRRC, with their salaried full-time staffs, is to search out whatever witches' brews they may find in the kettles of American industry and then recommend punishment by stock divesting. But who are the ICCR and IRRC anyway?

The ICCR began in 1971 and occupies the same headquarters as the National Council

of Churches with whom it works closely. Membership includes churches ranging from Quaker to Catholic and from Methodist to Mennonite. It seeks to manipulate corporate decision-making by using methods ranging from protest letters to threats of boycott, negative publicity and, of course, divestment of stock holdings in the retirement funds of its supporting church groups. In addition it makes recommendations of companies in which to buy stock.

The IRRC was founded in 1972 and numbers among its members some of the same church groups as ICCR plus some corporations who are sympathetic to its cause. This group reports assets valued at nearly three million dollars and annual revenues approaching five million. One of its stated purposes is to produce screens of corporations with recommendations to punish those companies with which it disagrees.

The combined result of these group efforts is that the stocks of 162 major American corporations have been, to one degree or another, removed from the retirement portfolios of clergy and other church workers without their consent and, in most cases, without their knowledge. On the list of "witches" are such financial stalwarts as Borden, John Deere, Hewlett-Packard, Westinghouse, General Electric, IBM, Ford Motor, Colgate-Palmolive, and Bristol-Myers, to mention but a handful, all of whom have felt the bite of church divesting.

But the real bite has been felt by faithful retired church workers who have discovered their monthly pensions are nowhere near as large as they had reason to hope they would be. It stands to reason why this is happening. If an individual takes his or her own investment portfolio and strips it of companies with a history of good yields, the returns are sure to take a nosedive.

Appeal to Reason

As I detailed in "Pensiongate: The Emerging Crisis of Church Investments" *The Freeman* (August 1994), there is a solid body of evidence as to why our church bureaucracies should cease orchestrated

witch hunting operations against corporate America. There are equally strong arguments which cannot be expressed by mere statistics. These may be called the reasonable human factor.

Over the years many companies have done commendable jobs in building the economy of both America and other nations. Selling off their stock as a punishment tactic ignores these accomplishments. The other human factor church social investors fail to recognize is the fact that congregations of all faiths are filled each week with people from every level of employment who work for these companies and who contribute part of their earnings to the welfare of the church, while some of the leaders of the church are working to undermine the companies that employ them. Biting the hand that feeds you has always been a questionable course of action.

Meanwhile the conflict between institutional religion and corporate management continues to be waged by those who direct the back-room, closed-door operation of many church pension funds. For many who believe the task of churches is to minister to human spiritual needs rather than to manipulate corporations or destabilize governments this whole witch hunting operation seems, at the very least, unnecessary if not downright divisive. While corporate America is certainly not without its faults the churches must also possess the insight and courage to admit their own shortcomings.

In an age when we desperately need dialogue between conflicting ideologies on all fronts, we must also search for those who will have the wisdom to avoid advocating patterns of behavior which tend to drive people apart. We need healers not polarizers and churches, above all institutions, should know this. Admittedly, it has always seemed easier to erect walls which separate than to construct bridges which connect. Hopefully it will be the bridge builders who carry the day with efforts that set the stage for a new era of cooperation between churches and corporations. They are, after all, two great American institutions which, in the final analysis, need each other. □

Full Employment—A Lesson from the Deserts of Saudi Arabia

by Keith Wade

The United States has an unemployment problem. While there are people out of work in every segment of the population, the low-skilled worker has been disproportionately outplaced. As the minimum wage rises and guaranteed employer-subsidized health care looms ominously on the horizon, more and more companies are deciding that giving the teenager his or her first break is just not worth it. The minimum wage has choked the life out of many small businesses, forced many people who genuinely want to work for a living onto the welfare rolls, and driven up the cost of goods and services. The true minimum wage is not \$4.50; the true minimum wage is nothing at all!

Precisely because of our minimum wage laws there are far too many people who are disemployed and forced to accept exactly that. The pretty politics of compassion have convoluted and obscured a simple fact of life—each individual has a unique set of skills that have a certain value. The fact that some of these skill sets cannot command the minimum wage is also unavoidable. While the United States through its minimum wage law has undertaken to make these unfortunate individuals paupers, other nations have

allowed these people to work with dignity, resulting in positive results for the worker, the employee, the consumer, and society at large.

As one of the 30,000 American professionals living and working in Saudi Arabia, some of the economics of the Arab world initially confounded me. A liter of water costs roughly five times as much as a liter of gasoline. A pair of tailor-made British wool dress slacks costs about \$20. Because most of the markets are allowed to clear and prices are largely a matter of negotiating between storekeeper and shopper, pricing seems odd to the newcomer. The labor market is no different. With every Saudi national who wants to work guaranteed a job, there are still enough jobs to entice tens of thousands of foreigners to flock to Saudi Arabia and find jobs in a pay range from a few thousand dollars a year to hundreds of thousands.

The Saudi government has effectively separated wages from the other elements of employment. The policy regarding wages is “hands off”; wages are an issue between employee and employer. Along with this policy, however, are a number of exceptionally effective safeguards. Everyone working in Saudi Arabia has a contract that the employer is obligated to fulfill. Labor

Mr. Wade is a systems and efficiency consultant based in Denver, Colorado. He is currently on long-term assignment in Riyadh, Saudi Arabia.