

Steve Westly *California State Controller*



Contact:
Lisa Casalegno or Stacey Ragland
(916) 445-2636

FOR IMMEDIATE RELEASE

CONTROLLER OPPOSES DIVESTMENT FROM ISRAEL

Sacramento, May 9, 2003 – State Controller Steve Westly urged the CalPERS Board of Administration to oppose calls for divestment from Israel and emphasized that all investment decisions should be based first and foremost on fund performance.

“Such calls to divest are politically motivated attacks against the sole democracy in the Middle East and one of the United States’ most important allies,” Westly said. “We should not allow anti-Israeli agendas to influence CalPERS’ investment decisions.”

The Controller, who sits on the boards of CalPERS and CalSTRS, said making investment decisions for political or social reasons could affect U.S. companies with ties to Israel and impact the U.S. economy.

“The nation of Israel is engaged in a constant battle against terrorism. Divestment, or any other attempt to weaken Israel’s economy and security, would also harm the United States, as our countries share common goals,” Westly said.

The Controller explained that many sound investments also have secondary benefits by achieving additional positive ends.

“I believe this is the case with investments in Israel as our capital helps to maintain the technological advancements and security of a loyal ally. By resisting calls to divest, we will set an example for other pension funds in the country,” Westly said.

The Controller’s concern stems from recent efforts to encourage divestment in Israel. The movement began with a call for the University of California system to divest, and continues with regular correspondence to CalPERS on the matter.

###