

Published Thursday, March 4, 2004

Protestors question Baca Ranch investments

BY SARAH MARBERG

Staff Reporter

Chanting "What do we want? Disclosure!" and "Farallon has got to go," over 60 concerned students, community members and alumni marched on the Yale Investment Office Wednesday afternoon. This protest, which follows the group's last demonstration at 55 Whitney Ave. by less than a month, is the most recent aftershock from what the protestors described as the "Baca Ranch debacle."

The group, which was composed primarily of students involved in the Yale Student Environmental Coalition, Graduate Employees and Students Organization and other student organizations, first came together just over a month ago to protest the University's sale of Baca Ranch, an investment property in Colorado, and Yale's subsequent plans to donate the profits from the sale to the Nature Conservancy, an environmental nonprofit organization.

The group's concerns have since broadened to encompass University investment practices in general rather than being limited to this instance of what one protestor called an "environmentally destructive" investment. The group argues that the secretive nature of Yale's investments has and will continue to lead to ventures that are neither environmentally nor socially responsible. The Yale students have also joined forces with other concerned students from various universities across the country.

Yale first became embroiled in this controversy just over two years ago when the University's unions uncovered Yale's involvement in the partnership that owned Baca Ranch. The 97,000-acre ranch lies adjacent to the Great Sand Dunes National Monument and Preserve in the San Luis Valley. Farallon Capital Management, a San Francisco-based investment firm was the managing owner of the ranch and wanted to develop the aquifer below the property.

Christine Canaly, a Colorado resident who spoke at the protest and one of the founders of the San Luis Ecosystem Council, said residents of the San Luis Valley have been fighting water development in the area for the past 15 years because it would hurt local ecosystems as well as ranchers and farmers. She said they were outraged when they found out that Yale was one of the members of the partnership that owned the ranch.

Within 24 hours of the discovery of Yale's involvement in this project and a visit from Colorado Sen. Wayne Allard, University President Richard Levin announced Yale's decision to sell the Baca Ranch to the Nature Conservancy and donate its profits to the group. The group of students as well as Colorado residents allege that Yale promised the Nature Conservancy \$4 million in 2001 when the agreement to sell the ranch was first made. Yale spokesman Tom Conroy said this figure is "totally inaccurate." The University currently estimates the profits to be \$1.5 million.

In addition to disputing the size of the donation, the student group wants to see more transparency in Yale's investment procedure. They view Baca Ranch as part of a much larger issue.

"We see Baca as the tip of the iceberg, and once you start thinking about the implications of the Baca situation it's obvious that it's part of a much larger problem, which is that Yale has so much money in funds like Farallon that don't require any sort of disclosure," Andrea Johnson FES '05, one of the protest's organizers, said.

The group has written David Swensen, Yale's Chief Investment Officer, asking the University to engage in an open dialogue regarding its investments but has received no response, group members said. The Investment Office declined to comment on the letter or the protest, but Conroy said the University needs to keep information about

the money confidential.

"The endowment provides 30 percent of the operating budget of the University -- a result of not only the generosity of Yale alumni but also of the superb management of the contributions by the investment office," Conroy said. "Some of these investments are available to the University and possible only if the University keeps them confidential. That can be a requirement of an investments opportunity."

Conroy also said Yale discloses all that it is required by law, and that the unions have never found any impropriety on the part of Yale regarding its investments.

The students involved in the protest allege that Yale has engaged in investments that are socially and environmentally irresponsible. Outside of the Investment Office they engaged in a mock conversation between Farallon Capital Management and Yale in which they alleged that Farallon's investment strategies harm people in developing nations and disturb the environment. With each example, one of the protestors used a hammer to destroy a paper mache globe the group had brought with them. They took the remnants of the globe to the steps outside Woodbridge Hall at the end of the protest.

The students have joined forces with students from Duke University, the University of Pennsylvania, Stanford University and the University of Texas to combat Farallon. They launched a Web site yesterday which they say is intended to uncover any unethical investment practices and have attempted to contact the firm.

"We wrote them a letter asking them to talk to us about issues related to what kind of environmental and social ethical oversight they employ and what kind of disclosure could enable a dialogue between various stakeholders like University students, people working at the University and alumni," Justin Ruben FES '02, a GESO organizer and one of the organizers of the student coalition, said.

Steven Bruce, a spokesman for Farallon, declined to comment on the protest yesterday, but did comment on the letter.

"We received the letter yesterday and are currently reviewing it. We have always been responsible investors and take that obligation seriously," Bruce said. "We intend to respond once we have a chance to review this."

Johnson said the group will continue to put pressure on both Yale and Farallon to engage in more transparent investment practices.

Paid Advertising:

Student credit card ratings	Nokia ringtones - sms	Mobile Phone Games
Dental Plan \$4.95/Month	Neuseeland	Mortgage loans
Network Adapters	Strivectin	2004 Ozzfest tickets
Build A Website	Big shoes	Phentermine
Internet Marketing Tools	Fundraisers & Fundraising Ideas	Online Survey

Copyright © 1995-2004 Yale Daily News Publishing Company, Inc. All rights reserved.

This page URL: <http://www.yaledailynews.com/articlefunctions/Printerfriendly.asp?AID=25312>

URL of original article: <http://www.yaledailynews.com/article.asp?AID=25312>