

22 April 2016

To: the Board of Trustees
Carleton College
Northfield, MN 55057

In June 2014 Carleton College presented me with an honorary degree for contributions to the understanding and practice of Buddhism in the modern world. Although I continue to be very grateful for that honor – all the more because Carleton is my alma mater – I am writing this letter to return that degree, as a way to express my disappointment with the November decision by the Board of Trustees not to divest from the fossil fuel industry. Your unfortunate decision rejected the recommendations of the Carleton Responsible Investment Committee (CRIC), and I urge you to reconsider it.

My personal involvement with Buddhism includes a commitment to engage Buddhist principles with the social and ecological challenges of our day. Today no issue is more important than climate change, which is the most urgent aspect of an ecological crisis that threatens the survival of a large percentage of the earth's species – perhaps including our own. Scientific research has determined that between two-thirds and four-fifths of fossil fuels already accessible cannot be burned without catastrophic results. As the Bank of England Governor Mark Carney said publicly, “the vast majority of reserves are unburnable.” Nevertheless, oil, gas and coal corporations are committed to selling them all – and actively prospecting for more. This emphasis on profit over sustainability is morally reprehensible, and challenges all of us to do what we can to counteract it. More than 500 cities, banks, universities and other institutions around the globe, representing well over \$3.4 trillion in total assets, have already pledged to divest. It is time for Carleton College to join them.

You, the Board of Trustees, have justified the decision not to divest by referring to your financial responsibilities, and by asserting that the college should not “seek to define, promote, or enforce morality.” Frankly, I am astonished by both of these arguments.

The Board has stated that divestment would have a “negative impact on long term investment returns”, but this prediction is difficult to defend, since the future of fossil fuels is increasingly recognized to be questionable. As the recent COP21 agreement in Paris demonstrated, governments are finally realizing that most fossil fuels – coal, oil, natural gas – must remain in the ground. From an investment perspective, what economists call “stranded assets” is increasingly likely, hence a continual decline in the value of such corporations. It was no coincidence that, on the first trading day after that agreement, the stocks of fossil fuel corporations tumbled while renewable energy stocks soared. According to some sources, California's pensions systems lost more than \$5 billion on their fossil fuel holdings in 2014; the Massachusetts state pension fund lost \$521 million last year; New York City's largest pension fund lost about \$135 million

from their oil and gas company holdings. And earlier this month the government of Saudi Arabia announced its intention to sell all its petroleum assets.

Saudi Arabia sees the writing on the wall ... why don't you, the Trustees entrusted with planning for the future of the College? How much have Carleton College's fossil fuel investments declined over the last two years? How much might the value of the portfolio have increased if it had been invested instead in the renewable energy industry? Although I am not an economist, it seems to me that this is an obvious and serious challenge to any argument that invokes "financial responsibility."

Return on investment is, however, not the most important issue. But the other argument offered – that the college should not "seek to define, promote, or enforce morality" – is naïve if not disingenuous. Deciding not to divest does not mean that the college remains morally neutral, because *any* such policy decision has moral as well as ecological and economic implications. Once you know there is a choice, the choice cannot be evaded. Like it or not, the question where to invest means that the College cannot avoid taking a position on this matter. And in the past the College has acknowledged this, by divesting from corporations that were profiting from apartheid in South Africa. The issue of fossil fuel divestment today is certainly no less consequential than that issue was during the apartheid era. To continue to profit from the sale and promotion of fossil fuels is to remain complicit with the damage they are inflicting on the earth's ecosystems, and on the consequences of that destruction for the future of all its inhabitants.

As Martin Lucas wrote: "The moral case is simple. As long as universities like McGill [and Carleton College] don't divest, they remain caught in a glaring contradiction: betting their prestige on preparing young people for the world while betting their dollars on making it uninhabitable."

In contrast to your stated position, then, it seems to me that both the financial argument and (more importantly) the moral argument support divestment. It is imperative that the College not only continue previous commitments to sustainability, but also take a leadership role on this specific issue, which is part of the greatest ethical and political challenge of our time. So I hope that you will reconsider your decision regarding divestment from the fossil fuel industry. In the meantime, however, I feel a responsibility to return the honorary degree that you awarded me in 2014.

Sincerely yours,

David Loy
Class of 1969
7736 Nikau Drive
Niwot, Colorado 80503