

December 20, 1999: Commission to Examine Capital-Market Sanctions

FOR IMMEDIATE RELEASE

Dec. 20, 1999 Contact:

Lawrence J. Goodrich, Communications Director, (202) 523-3240

The U.S. Commission on International Religious Freedom today announced creation of a task force to examine possible capital-market sanctions against companies investing or doing business in countries that severely violate religious freedom. Commission Chairman David Saperstein announced that commissioners Elliott Abrams, John Bolton, and Nina Shea would form the task force. The task force will: Monitor the announced intention of China National Petroleum Corporation (CNPC) or a holding company under a different name to list on the New York Stock Exchange and proceed in a multibillion-dollar initial public offering. CNPC reportedly owns 40 percent of the Greater Nile Petroleum Operating Company, Sudan's government oil consortium. Keep abreast of the campaign by human-rights groups to encourage Talisman Energy, Inc. of Canada to divest its reported 25 percent stake in the Greater Nile oil project. Evaluate the advantages and limitations of private and government financial-market sanctions versus traditional trade sanctions. Meet with outside experts and market participants to explore voluntary adoption of human rights and religious-freedom criteria as part of the market's "due diligence" processes. Assess foreign entities already in U.S. debt and equity markets -- or seeking to enter them -- that have been linked directly or indirectly to religious persecution in China, Sudan, and Russia, the Commission's three priority countries of interest. The task force will periodically present its findings to the full Commission, which will develop recommendations to the President, the Secretary of State, and Congress. On Oct. 19, the Commission met with President Clinton and raised its concern that revenues from the Sudanese pipeline would insulate Sudan's repressive regime from U.S. sanctions and perpetuate the 16-year-old civil war, which has already killed about 2 million people. It asked the President to apply his 1997 Executive Order imposing economic sanctions on Sudan to bar CNPC and other companies from using U.S. capital markets to finance the pipeline. The Commission also urged the President to meet with experts on Sudan to design future actions aimed at ending egregious religious persecution by that country's government. "The Commission strongly supports the free flow of capital into and out of the United States and opposes broad capital controls and other measures that could harm U.S. competitiveness and market leadership," said Rabbi David Saperstein, the Commission's chairman. "In creating the capital-markets task force, the Commission wants to ensure that U.S. sanctions against 'countries of particular concern' for repression of religious freedom not be undercut or evaded by foreign entities entering the U.S. stock and bond markets." The State Department in September designated Sudan as a "country of particular concern" under the International Religious Freedom Act of 1998.

Rabbi David Saperstein, Chair

- Dean Michael K. Young, Vice Chair Hon. Elliott Abrams Laila Al-Marayati, M.D. Hon. John R. Bolton Firuz Kazemzadeh Archbishop Theodore E. McCarrick Nina Shea Justice Charles Z. Smith Ambassador Robert Seiple, Ex-Officio Steven T. McFarland, Executive Director