



Too Risky for Business

Financial Institutions and Uranium Weapons

Abstract of a briefing paper by ICBUW - Netwerk Vlaanderen - BankTrack, november 2007

Full Dossier available at www.mymoneyclearconscience.be

Summary

Uranium weapons. Despite the fact that weapons containing depleted uranium are not widely known, they have been produced and used on a massive scale. The health consequences of these weapons, which also continue after the end of the armed conflict in which they are used, are becoming clearer. Depleted uranium is a radioactive and chemically toxic waste product from the nuclear industry. It is used in anti-tank weapons and in the armour of tanks. The use of these weapons creates clouds of tiny metal particles that contaminate the battlefield and surrounding environment for millions of years. Scientific research has shown that depleted uranium causes cancer, birth defects, and other serious health problems. The effects have been recorded in both soldiers and civilians.

There is also a growing awareness that these weapons breach the most fundamental human rights. Military trade unions, human rights organisations and the environmental and peace movements are calling for a world-wide ban on the production of uranium weapons. The financing of these weapons has also been brought into question.

The companies who produce these weapons are readily supplied with capital by large financial groups- capital that makes the production of these weapons possible. The research report 'Too Risky for Business. Financial Institutions and Uranium Weapons.' shows that 47 financial institutions are currently investing in producers of uranium weapons. Three US stock market listed companies: Alliant Techsystems, GenCorp and General Dynamics, are supported by financiers from Canada, the US, Japan, Great Britain, France, Germany, Taiwan, Singapore and Italy.

In the period July 2004 – June 2007, these institutions guaranteed credit facilities worth a total of at least 3 billion US \$. The financial institutions have also underwritten the issuing of 4.2 billion US \$ in bonds and 120 million US \$ in shares in these companies. Various financiers also hold significant shareholdings in the producers of uranium weapons.

This research is limited to 3 large companies, and the investment period 2004-2007. The total investments in this sector are therefore higher than the amounts revealed in this report. The figures form a worrying indication of the involvement of the financial sector in the proliferation of uranium weapons.

The civilian and military community calls on investors to act responsibly and put an end to their support for the production of uranium weapons. A number of investors have already taken this step. Others will hopefully follow. Governments also have an important role to play here. Just as with a ban on investments in weapons such as anti-personnel mines and cluster munitions, governments can ensure that banks are no longer legally able to invest in producers of uranium weapons.

Via actions in many countries, the International Coalition to Ban Uranium Weapons calls on the banks mentioned in this report to take a positive step and implement an investment policy that no longer allows this sort of investment.

Too Risky for Business: The Authors of the report



ICBUW - The International Coalition to Ban Uranium Weapons

ICBUW counts more than 90 member organisations in 25 countries. In propagating a Draft Convention for a ban on uranium weapons, ICBUW is following the successful example of the International Campaign to Ban Landmines. ICBUW's grassroots member organisations lobby at a national level, while ICBUW itself works with supranational bodies such as the European Parliament and the United Nations. Their work is supported by Euromil - the European Military Union.

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Netwerk Vlaanderen (B)

Netwerk Vlaanderen vzw promotes an alternative approach to money. Money is an instrument that – if applied well – can promote a sustainable and honest society. Netwerk Vlaanderen is running the campaign 'My Money. Clear Conscience?' to make the investment policies of the banks public, and enforce the participation of the saver and investor in the destination of their money. Netwerk Vlaanderen provides information on sustainable investment and savings products, and supports and advises organisations and companies who (wish to) have a socially and environmentally friendly approach to money.

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Netwerk Vlaanderen is a member of BankTrack, an international movement for sustainability in the financial sector.

BankTrack

BankTrack is a network of civil society organisations and individuals from all over the world, tracking the operations of the private financial sector (commercial banks, investors, insurance companies, pension funds) and its effect on people and the planet. BankTrack calls on the financial institutions not to fund producers of uranium weapons.

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Profundo

Profundo is an economic research consultancy specialised in the analysis of shareholders, banks and other financiers of a company, suppliers and clients of a company and policy options to stimulate financiers, suppliers and clients to operate in a socially responsible way.

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Investments in uranium weapons at a glance

Banks and other financial institutions provide various types of financial services to uranium weapons producers. The most important services are commercial banking, investment banking and asset management. This table gives in insight in the involvement in investments in three major producers; Alliant Techsystems, GenCorp and General Dynamics (US).

Importance in the financing of:		Alliant Techsystems	GenCorp	General Dynamics
Financial institution	Country			
Artis Capital Management	United States		X	
Atlantic Investment Management	United States		X	
Bank of America	United States	X		X
Bank of New York	United States	X	X	X
Bank of Tokyo-Mitsubishi UFJ	Japan	X		
Barclays	United Kingdom	X	X	
Bear Stearns	United States			X
Calyon	France	X		
Capital Group	United States			X
CIT Group Equipment Finance	United States		X	
Commerzbank	Germany	X		
Deutsche Bank	Germany		X	X
Fidelity	United States	X		X
Franklin Templeton	United States		X	
Gamco Investors	United States		X	
General Electric Capital	United States	X		
Goldman Sachs	United States	X		
Hua Nan Bank	Taiwan	X		
Intesa Sanpaolo	Italy			X

Importance in the financing of:

Alliant

Gencorp

General Dynamics

Financial institution

Country

JP Morgan Chase	United States
Keeley Asset Management	United States
Lehman Brothers	United States
Longview Asset Management	United States
Marsico Capital Management	United States
Massachusetts Mutual	United States
Merrill Lynch	United States
Mizuho Bank	Japan
MR Beal	United States
National City Bank	United States
Natixis	France
Northern Trust	United States
People's United Bank	United States
Pinnacle Associates	United States
QVT Financial	United States
Regions Bank	United States
Royal Bank of Scotland	United Kingdom
Sandell Asset Management	United States
Scotiabank	Canada
Sowood Capital Management	United States
State Street	United States
Steel Partners	United States
T. Rowe Price	United States
United Overseas Bank	Singapore
US Bank	United States
Wachovia Bank	United States
Wellington Management	United States
Wells Fargo	United States

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