

**THE GENERAL BOARD OF PENSION AND  
HEALTH BENEFITS OF THE UNITED METHODIST CHURCH**

**PROXY VOTING GUIDELINES**

**Revised, March 2007**

## TABLE OF CONTENTS

<b>Introduction</b>	<b>4</b>
<b>Issues Relating to Corporate Governance</b>	<b>5</b>
<b>Board of Directors</b>	<b>5</b>
Election of Directors	
Annual Election of Directors/Classified Boards	
Separation of CEO and Chairperson of the Board	
Cumulative Voting	
Confidential Voting	
“Supervoting” Provisions	
<b>Stock Distribution</b>	<b>6</b>
Increase/Decrease Common Authorized Stock	
Issuance of Preferred Stock	
Blank Check Preferred Stock	
Director Stock Option Plans	
Other Stock Option Proposals	
Employee Stock Ownership Plans	
<b>Executive Compensation</b>	<b>7</b>
Disclose Director/Executive Compensation	
Link Executive Compensation to Financial Performance	
Link Executive Compensation to Social Performance	
Put Golden Parachutes to Shareholder Vote	
<b>Mergers and Acquisitions</b>	<b>8</b>
Sell or Merge the Company	
Company Seeking to be Acquired by Third Party	
Redeem/Amend Preferred Shareholder Rights Plans (“Poison Pills”)	
Reincorporation	
<b>Social Issues</b>	<b>9</b>
<b>Human Rights</b>	<b>9</b>
Endorse/Adopt MacBride Principles	
Establish Human Rights	
Adopt/Review Standards of Corporate Conduct	
Report on Sweatshops/Vendor Supplier Standards	
Civil Unrest	
<b>Equal Employment/Diversity Report/Diversity on Boards of Directors</b>	<b>9</b>
Report on Composition of Workforce and Affirmative Action Programs	
Report on Steps to Break the Glass Ceiling	
Discontinue Negative Images of Native Americans	
Sexual Orientation Non-Discrimination	

<b>Government Activities Issues</b>	<b>10</b>
Disclose Political/Government Affiliations	
<b>Third World</b>	<b>10</b>
Disclose/Amend Policies on Doing Business in China	
<b>The Environment</b>	<b>11</b>
Phase Out Chlorine Compounds	
Endorse/Report on Ceres Principles	
Report on Toxic Wastes/Nuclear Chemicals	
Global Warming	
Clean, Renewable Energy Sources	
Genetically Modified Organisms	
Humane Treatment of Animal	
Sustainability Reporting	
<b>Bank Lending Policies</b>	<b>12</b>
Report on Bank Lending Policies	
Loan Cancellation for Developing Countries	
<b>Militarism</b>	<b>12</b>
Report on Foreign Military Sales	
Military Contracts Criteria	
<b>Health</b>	<b>12</b>
Drug Price Restraint Policy	
Resolution on HIV/AIDS	
<b>Tobacco</b>	<b>13</b>
Tobacco Investments by Insurance Companies	
Products Used in Cigarette Manufacturing	
<b>Appendix</b>	<b>14</b>
<b>Supporting Statements from the Social Principles and <i>The Book of Resolutions</i></b>	

## Introduction

The General Board of Pension and Health Benefits of The United Methodist Church (General Board) votes its proxies in accordance with its rights and responsibilities as a socially responsible investor and as a part of the ministry of The United Methodist Church. In alignment with the financial interests of our plan participants and the values of the Church as expressed in the Social Principles (¶160-165 of *The Book of Discipline of The United Methodist Church 2004*), the following proxy voting guidelines represent the General Board's position on a variety of proxy voting issues. Supporting denominational statements are cited from *The Book of Discipline of The United Methodist Church 2004* and *The Book of Resolutions of The United Methodist Church 2004*. Informing all positions are ¶163 and ¶163I, from the Social Principles.

*We claim all economic systems to be under the judgment of God no less than other facets of the created order. Therefore, we recognize the responsibility of governments to develop and implement sound fiscal and monetary policies that provide for the economic life of individuals and corporate entities and that ensure full employment and adequate incomes with a minimum of inflation. We believe private and public economic enterprises are responsible for the social costs of doing business, such as employment and environmental pollution, and that they should be held accountable for these costs. We support measures that would reduce the concentration of wealth in the hands of a few. We further support efforts to revise tax structures and to eliminate governmental support programs that now benefit the wealthy at the expense of other persons. (¶163.)*

*Corporations are responsible not only to their stockholders, but also to other stakeholders: their workers, suppliers, vendors, customers, the communities in which they do business, and for the earth, which supports them. We support the public's right to know what impact corporations have in these various arenas, so that people can make informed choices about which corporations to support. We applaud corporations that voluntarily comply with standards that promote human well being and protect the environment. (¶163I.)*

Based on guidelines found in the *Statement of Administrative Policy, Guidelines and Limitations*, the Corporate Relations department oversees, instructs and monitors the General Board's proxy voting agent. Where no clear General Board guidelines exist, proxies may be voted according to the proxy voting service recommendations, company management recommendations or in accordance with the so-called "Wall Street Rule."

## **Issues Relating to Corporate Governance**

### **BOARD OF DIRECTORS**

#### **Election of Directors**

Generally, the General Board supports the slate of directors offered by corporate management when the board meets at least two of the following criteria:

- The board is composed of a majority of independent directors. An independent director is a person who is not currently or formerly an employee of the company or who does not have significant financial or personal association with the company or its management.
- The board's structure includes audit, compensation and nominating committees whose members are composed of a majority of independent directors.
- The board membership is inclusive of qualified individuals who reflect a diversity of experience, gender, race and age.
- Each director owns a reasonable minimum number of common shares in the company.

Companies not meeting the majority of criteria listed above receive a letter encouraging them to make appropriate changes and to dialogue with Corporate Relations staff when deemed necessary.

The General Board may elect to withhold its votes from any or all directors who do not represent the shareholder's interest. Instances include:

- Directors who are involved in or are aware of stock option backdating.
- Directors who are affiliated when more than two affiliated directors already sit on the board.
- The chairperson of the nominating or corporate governance committee when he or she fails to nominate an independent leading or presiding director.
- Directors whose committee membership represents a conflict of interest as, for example, when the chief financial officer sits on the audit committee.

It is the practice of the General Board to commend companies whose boards have both gender and racial diversity.

#### **Annual Election of Directors/Classified Boards**

The General Board typically supports the annual election of board members. Board members are subject to greater accountability when elected annually. Continuity of experience can be maintained with annual elections when nominating committees are careful to address issues of competence and succession.

#### **Separation of CEO and Chairperson of the Board**

The General Board supports separating the position of Chief Executive Officer from that of the Chairperson of the Board to ensure a greater measure of board independence, to improve the

board's oversight role and to allow powers to be more effectively balanced between board and management.

### **Cumulative Voting**

Cumulative voting allows shareholders to direct all of their votes to one, two, or any combination of director candidates. Through cumulative voting, minority shareholders have a greater possibility of electing a director.

In general the General Board supports cumulative voting only when a board is not considered independent or has no representation from women or persons of color, but there may be other situations when cumulative voting might promote shareholder interest.

### **Confidential Voting**

The General Board supports confidential (secret) shareholder voting in order to keep proxy voting free of any potential for coercion.

### **“Supervoting” Provisions**

Supermajority vote provisions require that a specified percentage of votes above 50% is needed to approve a particular measure. The General Board opposes all supermajority voting requirements because they run counter to the principle of majority rule.

## **STOCK DISTRIBUTION**

### **Increase/Decrease Common Authorized Stock**

Typically, the General Board supports proposals to increase the number of shares of common stock available for public purchase unless there is potential for dilution of the stock's value (where the company has a significant number of shares in reserve under other option plans or in relation to takeovers, mergers, etc.)

### **Issuance of Preferred Stock**

Preferred stock pays a fixed dividend and is used by companies as a tool to meet changing financial conditions. The General Board supports the issuance of preferred stock when the issuance complies with current exchange rules and is linked with a specific business purpose. Otherwise, the General Board opposes the creation of preferred stock as contrary to the principle of one share, one vote.

### **Blank Check Preferred Stock**

The General Board opposes the creation of Blank Check preferred stock because it gives the board of directors broad discretion in determining the terms of the stock (voting, dividend, conversion and other rights) after issuance and without shareholder approval. Blank check preferred stock also may be used to implement a management takeover defense without shareholder approval.

## **Director Stock Option Plans**

These management-sponsored programs recognize top management, directors, and employees and are a means of strengthening the company's ability to retain and adequately compensate valued personnel. They also enable their benefactors to have an additional stake in the future success of the company. The General Board supports incentive plans featuring stock options and other awards when designed to recruit and retain middle and senior management. We recognize that flexibility is necessary in determining various financial vehicles such as options and restricted stock to develop a competitive compensation package.

## **Other Stock Option Proposals**

The General Board votes other stock option proposals on a case-by-case basis, but, in general, will vote against proposals calling for:

- Re-pricing of stock options.
- Discounting stock options.
- Underwater options.
- Dilution of stock which exceeds 1% of outstanding stock for each year or 5% over a 5-year period. Staff will determine situations that might warrant a higher dilution percentage.

## **Employee Stock Ownership Plans**

Employee stock ownership plans enable employees to acquire meaningful ownership of the firms in which they work. In some cases, management has used such plans to protect itself from hostile takeovers. The General Board will not support plans that are used as an anti-takeover defense.

## **EXECUTIVE COMPENSATION**

*The General Board believes that compensation should be determined by the compensation committee (composed of independent directors) of the board of directors. The board should disclose to shareholders in the annual proxy statement the criteria and process used to establish the compensation of the CEO and other senior management. In general, compensation should be consistent across industry peer groups and should reflect performance as measured by acceptable benchmarks within a particular industry and over a sufficient time.*

### **Disclose Director/Executive Compensation**

The General Board supports shareholder proposals requesting the board to prepare a report on the compensation packages of its top executives.

### **Link Executive Compensation to Financial Performance**

The General Board supports linking executive pay with financial performance when performance is measured by acceptable industry benchmarks over a sufficient period of time.

## **Link Executive Compensation to Social Performance**

The General Board supports shareholder proposals that encourage linking executive pay with a social performance.

## **Put Golden Parachutes to Shareholder Vote**

In the event of a takeover, management should have some assurance that it will not be terminated without notice and reasonable compensation, but golden parachutes are often excessive and not in the best interest of shareholders or the company. The General Board believes that shareholders should be given the opportunity to vote on proposals requesting the adoption of golden parachutes.

## **MERGERS AND ACQUISITIONS**

### **Sell or Merge the Company**

The General Board votes its proxies relating to mergers and acquisitions in accordance with the Wall Street Rule or the position that represents the best financial interest of shareholders.

### **Company Seeking to be Acquired by Third Party**

Proposals recommending that the board consider selling the company to the highest bidder will be considered if the proposal is in the best financial interest of shareholders and others buyers have been considered.

### **Redeem/Amend Preferred Shareholder Rights Plans (“Poison Pills”)**

Shareholder rights plans (poison pills) are measures to discourage hostile takeovers. They are activated when an outside party acquires a certain percentage of company stock. Once activated, shareholders may purchase additional shares at a deep discount. The resulting increase in the outstanding stock dilutes the acquirer’s voting power and equity and makes further share acquisition prohibitively expensive. The General Board supports resolutions calling for putting poison pills to shareholder vote.

### **Reincorporation**

Companies may reincorporate from one state to another (usually Delaware) when seeking protection against hostile takeovers by shareholders. Delaware incorporation law provides “shark repellants,” which are favorable to corporations, but not necessarily to shareholders. The General Board casts its vote on reincorporation on a case-by-case basis.

## **Social Issues**

### **HUMAN RIGHTS**

*Positions on the following issues are consistent with ¶163B (Collective Bargaining), ¶163C (Work and Leisure) and ¶163E (Poverty) from the Social Principles.*

#### **Endorse/Adopt MacBride Principles**

The General Board supports resolutions calling on companies to endorse and implement (where possible) the Northern Ireland MacBride Principles. These principles call for support of the peace process, an end to employment discrimination, training for the unskilled and development of an affirmative action program for subsidiaries operating in Northern Ireland.

#### **Establish Human Rights**

Companies are encouraged to establish “Principles for Global Corporate Responsibility” or similar codes that protect human rights and establish uniformity in labor practices.

#### **Adopt/Review Standards of Corporate Conduct**

The General Board supports resolutions requesting companies to adopt and enforce workplace codes of conduct. Such codes should prohibit discrimination and the use of child, forced or convict labor and should uphold the right of workers to bargain collectively.

#### **Report on Sweatshops/Vendor Supplier Standards**

Companies are encouraged to develop, enforce and monitor workplace standards that apply to all their suppliers. Such standards should prohibit discrimination and the use of child, forced or convict labor and should uphold the right of workers to bargain collectively.

#### **Civil Unrest**

As situations of civil and political unrest vary greatly from region to region, the General Board votes resolutions addressing operations in these areas on a case-by-case basis.

### **EQUAL EMPLOYMENT/DIVERSITY (EEO) REPORT/DIVERSITY ON BOARDS OF DIRECTORS**

*Positions on these issues are consistent with ¶162A (Rights of Racial and Ethnic Persons) and ¶163I (Corporate Responsibility) of the Social Principles.*

#### **Report On Composition of Workforce and Affirmative Action Programs**

The General Board supports resolutions requesting company management to report on efforts to establish affirmative action programs, enforce equal employment opportunity in the workplace and promote women and persons of color.

## **Report on Steps to Break the Glass Ceiling**

The General Board supports resolutions requesting company management to prepare a report on progress concerning the business recommendations of the former Federal Glass Ceiling Commission, including: company-wide policies addressing leadership development, employee mentoring, workforce diversity initiatives and family-friendly programs and an explanation of how executive compensation packages and performance evaluations include executive efforts in breaking the glass ceiling. The glass ceiling is defined as “those artificial barriers based on attitudinal or organizational bias that prevents qualified individuals from advancing upward in their organization into management-level positions” (Federal Glass Ceiling Commission).

## **Discontinue Negative Images of Native Americans**

The General Board supports efforts to eliminate negative images of indigenous peoples by requesting companies to review their advertising policies and practices and report on their progress.

## **Sexual Orientation Non-Discrimination**

The General Board supports resolutions requesting companies to amend (and implement) their written equal employment opportunity policies to explicitly prohibit discrimination based on sexual orientation.

## **GOVERNMENT ACTIVITIES**

*Positions on these issues are consistent with ¶163I (Corporate Responsibility) of the Social Principles.*

### **Disclose Political/Government Affiliations**

In an effort to encourage transparency, the General Board supports resolutions requesting companies to provide a report on its activities and financial relationships with political and/or governmental agencies.

## **THIRD WORLD**

*Positions on these issues are consistent with ¶163I (Corporate Responsibility) of the Social Principles.*

### **Disclose/Amend Policies on Doing Business in China**

The General Board supports resolutions requesting companies doing business in China to adopt policies that ensure subcontractors are not using forced or slave labor or purchasing products made by forced or slave labor. Such resolutions also may include requests to allow on-site visits to manufacturing sites.

## **THE ENVIRONMENT**

*Positions on these issues are consistent with ¶160A (Water, Air, Soil, Minerals and Plants), ¶160B (Energy Resources Utilization), ¶160F (Food Safety) and ¶163I (Corporate Responsibility) of the Social Principles.*

### **Phase Out Chlorine Compounds**

The General Board supports resolutions requesting companies to gradually eliminate the use of polyvinyl chloride (PVC) in the manufacture of medical products when safe alternatives are available. The production and incineration of PVC products create dioxin, a known carcinogen and reproductive toxin.

### **Endorse/Report on Ceres Principles**

The General Board supports resolutions requesting companies to either support or endorse the Ceres Principles. Ceres (formerly, the Coalition for Environmentally Responsible Economies) encourages companies to work toward energy conservation, restoration of the environment and the protection of air and water.

### **Report On Toxic Wastes/Nuclear Chemicals**

The General Board supports resolutions requesting companies to address various topics on nuclear weapons production and the environmental impact of nuclear reactors on human and animal health and safety.

### **Global Warming**

The General Board supports resolutions requesting companies to report on greenhouse gas emissions and to consider the business risks of global warming.

### **Clean, Renewable Energy Sources**

The General Board supports resolutions requesting companies to adopt and report on policies that promote renewable energy sources.

### **Genetically Modified Organisms**

Because of the synthesis of natural carcinogens, genetically modified plants may be harmful to humans, animals or the environment. Furthermore, genetically modified plants may incorporate genes that are allergens. The General Board supports resolutions requesting companies to remove all genetically-modified ingredients from products sold under their brand names and private labels until adequate long-term safety testing is completed. In the meantime, companies are encouraged to label any products containing genetically modified ingredients and to report such products to shareholders.

### **Humane Treatment of Animals**

The General Board supports resolutions calling for the painless slaughtering of meat animals, fish, and fowl.

## **Sustainability Reporting**

Sustainability reports allow companies to disclose business policies, practices, goals, opportunities, and challenges related to environmental and social issues. The General Board supports resolutions calling for the preparation of these reports.

### **BANK LENDING POLICIES**

*Positions on these issues are consistent with ¶161E (Poverty) of the Social Principles.*

#### **Report on Bank Lending Policies**

The General Board supports resolutions requesting companies to develop policies relating to the Community Reinvestment Act and to report on efforts to avoid predatory lending.

#### **Loan Cancellation for Developing Countries**

The cancellation of government and bank sector obligations of developing countries provides some relief and savings that may be used to supplement needed human development. The General Board supports resolutions requesting companies to develop policies on the cancellation of debt to countries in the Heavily Indebted Poor Countries program.

### **MILITARISM**

*Positions on these issues are consistent with ¶163I (Corporate Responsibility) and ¶165C (War and Peace) of the Social Principles.*

#### **Report on Foreign Military Sales**

The General Board supports resolutions requesting companies to report on sales of military equipment (including categorization by type) to foreign countries.

#### **Military Contracts Criteria**

The General Board supports resolutions calling on companies to renounce future involvement in landmine and cluster bomb production, to disclose the criteria for bidding, accepting and implementing governmental military contracts and to disclose commitments to provide benefits (usually jobs or technology) to foreign governments as a condition of the sale.

### **HEALTH**

*Positions on the following issues are consistent with ¶162T (Right to Health Care), ¶160B (Energy Resources Utilization) and ¶162S (Persons Living with HIV and AIDS) of the Social Principles.*

#### **Drug Price Restraint Policy**

Because pricing policies and marketing practices may negatively affect the poor, elderly, uninsured and underinsured, the General Board supports resolutions requesting pharmaceutical companies to create and implement (and report to shareholders) policies leading to price restraints on pharmaceutical products for institutions and individuals.

## **Resolutions on HIV/AIDS**

The General Board supports resolutions calling upon companies to report on the impact HIV/AIDS, Tuberculosis and Malaria have on their business operations and to specify what strategies and actions they are taking as a consequence. Such strategies might include:

- Making low-cost HIV/AIDS medications more widely available.
- Creating workplace policies that stress education and non-discrimination.

## **TOBACCO**

### **Tobacco Investments by Insurance Companies**

The General Board supports resolutions calling upon insurance companies to divest their tobacco-related investments.

### **Products Used in Cigarette Manufacturing**

The General Board supports resolutions requesting that adhesives and other materials not be sold to any tobacco-related company for use in the production of cigarettes or other tobacco products until it can be shown that tobacco, when used as intended in cigarettes and smokeless tobacco, is not detrimental to health.

## **Appendix**

### **Supporting Statements from the Social Principles and *The Book of Resolutions of The United Methodist Church 2004***

#### **HUMAN RIGHTS**

##### ***Work and Leisure* (§163C)**

Every person has the right to a job at a living wage ... We support social measures that ensure the physical and mental safety of workers, that provide for the equitable division of products and services, and that encourage an increasing freedom in the way individuals may use their leisure time ... We believe that persons come before profits. We deplore the selfish spirit that often pervades our economic life. We support policies that encourage the sharing of ideas in the workplace, cooperative and collective work arrangements. We support rights of workers to refuse to work in situations that endanger health and/or life without jeopardy to their jobs. We support policies that would reverse the increasing concentration of business and industry into monopolies.

##### ***Poverty* (§163E)**

In spite of general affluence in the industrialized nations, the majority of persons in the world live in poverty. In order to provide basic needs such as food, clothing, shelter, education, health care, and other necessities, ways must be found to share more equitably the resources of the world. Increasing technology, when accompanied by exploitative economic practices, impoverishes many persons and makes poverty self-perpetuating. Therefore, we do not hold poor people morally responsible for their economic state. To begin to alleviate poverty, we support such policies as: adequate income maintenance, quality education, decent housing, job training, meaningful employment opportunities, adequate medical and hospital care, and humanization and radical revisions of welfare programs. Since low wages are often a cause of poverty, employers should pay their employees a wage that does not require them to depend upon government subsidies such as food stamps or welfare for their livelihood.

##### ***Collective Bargaining* (§163B)**

We support the right of public and private (including farm, government, institutional, and domestic) employees and employers to organize for collective bargaining into unions and other groups of their own choosing. Further, we support the right of both parties to protection in so doing and their responsibility to bargain in good faith within the framework of the public interest. In order that the rights of all members of the society may be maintained and promoted, we support innovative bargaining procedures that include representatives of the public interest in negotiation and settlement of labor-management contracts, including some that may lead to forms of judicial resolution of issues. We reject the use of violence by either party during collective bargaining or any labor/management disagreement. We likewise reject the permanent replacement of a worker who engages in a lawful strike.

##### ***National Power and Responsibility* (§165B)**

Some nations possess more military and economic power than do others. Upon the powerful rests responsibility to exercise their wealth and influence with restraint. We affirm the right and duty of people of all nations to determine their own destiny. We urge

the major political powers to use their nonviolent power to maximize the political, social, and economic self-determination of other nations rather than to further their own special interests. We applaud international efforts to develop a more just international economic order in which the limited resources of the earth will be used to the maximum benefit of all nations and peoples. We urge Christians in every society to encourage the governments under which they live and the economic entities within their societies to aid and work for the development of more just economic orders.

### ***Justice and Law (¶165D)***

Persons and groups must feel secure in their life and right to live within a society if order is to be achieved and maintained by law. We denounce as immoral an ordering of life that perpetuated injustice. Nations, too, must feel secure in the world if world community is to become a fact.

Believing that international justice requires the participation of all peoples, we endorse the United Nations and its related bodies and the International Court of Justice as the best instruments now in existence to achieve a world of justice and law. We commend the efforts of all people in all countries who pursue world peace through law. We endorse international aid and cooperation on all matters of need and conflict. We urge acceptance for membership in the United Nations of all nations who wish such membership and who accept United Nations responsibility. We urge the United Nations to take a more aggressive role in the development of international arbitration of disputes and actual conflicts among nations by developing binding third-party arbitration. Bilateral or multilateral efforts outside of the United Nations should work in concert with, and not contrary to, its purposes. We reaffirm our historic concern for the world as our parish and seek for all persons and peoples full and equal membership in a truly world community.

## **EQUAL EMPLOYMENT/DIVERSITY (EEO) REPORT/DIVERSITY ON BOARDS OF DIRECTORS**

### ***Rights of Racial and Ethnic Persons (¶162A)***

Racism is the combination of the power to dominate by one race over other races and a value system that assumes that the dominant race is innately superior to the others. Racism includes both personal and institutional racism. Personal racism is manifested through the individual expressions, attitudes, and/or behaviors that accept the assumptions of a racist value system and that maintain the benefits of this system. Institutional racism is the established social pattern that supports implicitly or explicitly the racist value system. Racism plagues and cripples our growth in Christ, inasmuch as it is antithetical to the gospel itself. White people are unfairly granted privileges and benefits that are denied to persons of color. Therefore, we recognize racism as sin and affirm the ultimate and temporal worth of all persons. We rejoice in the gifts that particular ethnic histories and cultures bring to our total life. We commend and encourage the self-awareness of all racial and ethnic groups and oppressed people that leads them to demand their just and equal rights as members of society. We assert the obligation of society and groups within the society to implement compensatory programs that redress long-standing, systemic social deprivation of racial and ethnic people. We further assert the right of members of racial and ethnic groups to equal opportunities in employment and promotion; to education and training of the highest quality; to nondiscrimination in

voting, in access to public accommodations, and in housing purchase or rental; to credit, financial loans, venture capital, and insurance policies; and to positions of leadership and power in all elements of our life together. We support affirmative action as one method of addressing the inequalities and discriminatory practices within our Church and society.

***Equal Rights Regardless of Sexual Orientation (¶162H)***

Certain basic human rights and civil liberties are due all persons. We are committed to supporting those rights and liberties for homosexual persons. We see a clear issue of simple justice in protecting their rightful claims where they have shared material resources, pensions, guardian relationships, mutual powers of attorney, and other such lawful claims typically attendant to contractual relationships that involve shared contributions, responsibilities, and liabilities, and equal protection before the law. Moreover, we support efforts to stop violence and other forms of coercion against gays and lesbians. We also commit ourselves to social witness against the coercion and marginalization of former homosexuals.

***Native American Dialogue About Chief Wahoo (Resolution 141)***

WHEREAS, any language, image, or depiction of material which diminishes or demeans persons on the basis of racial or ethnic characteristic as racial harassment is sin; and WHEREAS, The United Methodist Church has gone on record in the 1996 General Conference as denouncing any organization or team that uses offensive racist logos; and WHEREAS, the "Chief Wahoo" caricature, owned by the Cleveland Indian Professional Baseball Team, does demean and diminish Native Americans by denying them recognition as human beings in the baseball team's use and abuse for economic profits; and

WHEREAS, the use of negative and denigrating images, and the acceptance of such images by a large segment of media viewing persons, increases the struggles of young Native Americans to develop strong self-esteem needed to compete effectively within dominant culture; and

WHEREAS, the "Chief Wahoo" mascot increases the isolation, confusion, and hostility which is expressed so graphically by the statistical records of such social dysfunction as alcoholism, school drop-out rates, teen suicide and violence, and family disintegration among Native Americans; and

WHEREAS, the controversy over "Chief Wahoo" deflects attention from the ongoing struggle by all minority groups, including Native Americans, for equality coupled with respect for their traditional values and customs; and

WHEREAS, persons who fail to or refuse to recognize the human worth of their fellow human beings may diminish themselves and their ability to relate effectively with other people and the openness of mind and spirit which prepares them to relate more fully to the Divine.

Therefore, be it resolved, that the Native American International Caucus affirms the sacred value of all of God's creation, including those who participate in and are loyal to the use of "Chief Wahoo" as a logo.

Be it further resolved, that United Methodist Native Americans hope for reconciliation with such persons and that such reconciliation will require dialogue, mutual respect, and sensitivity by persons on all sides of this controversy. We invite such dialogue, and

Be it further resolved, that The United Methodist Church direct appropriate church agencies, in consultation with appropriate Native American entities, to engage the Cleveland community and the ownership of the Cleveland Indian Professional Baseball Team in a dialogue of understanding and sensitivity with demeaning ethnic caricatures and mascots.

**GOVERNMENT ACTIVITIES**

***Corporate Responsibility (§163I)***

Corporations are responsible not only to their stockholders, but also to other stakeholders: their workers, suppliers, vendors, customers, the communities in which they do business, and for the earth, which supports them. We support the public's right to know what impact corporations have in these various arenas, so that people can make informed choices about which corporations to support.

We applaud corporations that voluntarily comply with standards that promote human well-being and protect the environment.

## **THE ENVIRONMENT**

### ***Water, Air, Soil, Minerals, Plants (¶160A)***

processing, and preserving food, and we strongly urge adequate research into their effects upon God's creation We support and encourage social policies that serve to reduce and control the creation of industrial byproducts and waste; facilitate the safe processing and disposal of toxic and nuclear waste and move toward the elimination of both; encourage reduction of municipal waste; provide for appropriate recycling and disposal of municipal waste; and assist the cleanup of polluted air, water, and soil. We support measures designed to maintain and restore natural ecosystems. We support policies that develop alternatives to chemicals used for growing, prior to utilization. We urge development of international agreements concerning equitable utilization of the world's resources for human benefit so long as the integrity of the earth is maintained.

### ***Energy Resources Utilization (¶160B)***

Affirming the inherent value of nonhuman creation, we support and encourage social policies that are directed toward rational and restrained transformation of parts of the nonhuman world into energy for human usage and that de-emphasize or eliminate energy-producing technologies that endanger the health, the safety, and even the existence of the present and future human and nonhuman creation. Further, we urge wholehearted support of the conservation of energy and responsible development of all energy resources, with special concern for the development of renewable energy sources, that the goodness of the earth may be affirmed.

### ***Food Safety (¶160F)***

We support policies that protect the food supply and that ensure the public's right to know the content of the foods they are eating. We call for rigorous inspections and controls on the biological safety of all foodstuffs intended for human consumption. We urge independent testing for chemical residues in food, and the removal from the market of foods contaminated with potentially hazardous levels of pesticides, herbicides, or fungicides; drug residues from animal antibiotics, steroids, or hormones; contaminants due to pollution that are carried by air, soil, or water from incinerator plants or other industrial operations. We call for clear labeling of all processed or altered foods, with premarket safety testing required. We oppose weakening the standards for organic foods. We call for policies that encourage and support a gradual transition to sustainable and organic agriculture.

### ***Animal Rights (¶160C)***

We support regulations that protect the life and health of animals, including those ensuring the humane treatment of pets and other domestic animals, animals used in research, and the painless slaughtering of meat animals, fish, and fowl.

## **BANK LENDING POLICIES**

### ***Poverty (¶163E)***

In spite of general affluence in the industrialized nations, the majority of persons in the world live in poverty. In order to provide basic needs such as food, clothing, shelter, education, health care, and other necessities, ways must be found to share more equitably the resources of the world. Increasing technology, when accompanied by exploitative economic practices, impoverishes many persons and makes poverty self-perpetuating. Therefore, we do not hold poor people morally responsible for their economic state. To begin to alleviate poverty, we support such policies as: adequate income maintenance, quality education, decent housing, job training, meaningful employment opportunities, adequate medical and hospital care, and humanization and radical revisions of welfare programs. Since low wages are often a cause of poverty, employers should pay their employees a wage that does not require them to depend upon government subsidies such as food stamps or welfare for their livelihood.

## **MILITARISM**

### ***War and Peace (¶165C)***

We believe war is incompatible with the teachings and example of Christ. We therefore reject war as a usual instrument of national foreign policy and insist that the first moral duty of all nations is to resolve by peaceful means every dispute that arises between or among them; that human values must outweigh military claims as governments determine their priorities; that the militarization of society must be challenged and stopped; that the manufacture, sale, and deployment of armaments must be reduced and controlled; and that the production, possession, or use of nuclear weapons be condemned. Consequently, we endorse general and complete disarmament under strict and effective international control.

## **HEALTH**

### ***Right to Health Care (¶162T)***

Health is a condition of physical, mental, social, and spiritual well being, and we view it as a responsibility—public and private. Health care is a basic human right. Psalm 146 speaks of the God "who executes justice for the oppressed;/ who gives food to the hungry./ The LORD sets the prisoners free;/ the LORD opens the eyes of the blind." It is unjust to construct or perpetuate barriers to physical wholeness or full participation in community.

We encourage individuals to pursue a healthy lifestyle and affirm the importance of preventive health care, health education, environmental and occupational safety, good nutrition, and secure housing in achieving health. We also recognize the role of governments in ensuring that each individual has access to those elements necessary to good health.

### ***Persons Living with HIV and AIDS (¶162S)***

Persons diagnosed as positive for Human Immune Virus (HIV) and with Acquired Immune Deficiency Syndrome (AIDS) often face rejection from their families and friends and various communities in which they work and interact. In addition, they are often faced with a lack of adequate health care, especially toward the end of life.

All individuals living with HIV and AIDS should be treated with dignity and respect.

We affirm the responsibility of the Church to minister to and with these individuals and their families regardless of how the disease was contracted. We support their rights to employment, appropriate medical care, full participation in public education, and full participation in the Church.

We urge the Church to be actively involved in the prevention of the spread of AIDS by providing educational opportunities to the congregation and the community. The Church should be available to provide counseling to the affected individuals and their families.