

ASSEMBLY, No. 2822

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1997

By Assemblymen COHEN, MORAN, Assemblywoman Gill, Assemblymen Romano, Stanley, Steele, Assemblywoman Turner, Assemblyman Wisniewski, Assemblywoman Quigley, Assemblymen Zisa, Charles, Greenwald, Assemblywoman Pou, Assemblymen Wolfe, Rooney, Assemblywoman Murphy, Assemblymen Bateman, Geist, Augustine, Cottrell, Kramer, Felice, Assemblywoman Weinberg, Assemblymen Jones, DeCroce, Assemblywoman Cruz-Perez, Assemblymen Gusciora, Asselta, Imprevuto, Assemblywoman Vandervalk, Assemblymen Doria, Bagger, Kavanaugh, Garcia, Gibson, Roberts, R.Smith, Barnes, DeSopo, Assemblywomen Wright, Buono, Assemblymen Malone, Zecker, Corodemus, Lance, Azzolina, Arnone, Bucco, Assemblywoman Allen, Assemblymen Blee, Rocco, Caraballo, Carroll, Assemblywomen Farragher, Friscia, Assemblymen Dalton, Brown, DiGaetano, Holzapfel, Assemblywoman Heck and Assemblyman Russo

1 AN ACT concerning the use of public funds and the conduct of
2 business between the State and State authorities and the Swiss
3 Confederation and Swiss-owned and connected companies and
4 supplementing Title 52 of the Revised Statutes.

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6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

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9 1. The Legislature finds and declares that:
- 10 a. Because of the efforts of the United States Senate Banking
11 Committee, it has come to the world's attention that, in the words of
12 Senator Alfonse D'Amato, Switzerland "blatantly benefitted from the
13 Holocaust";
- 14 b. Switzerland benefitted by using the funds of European Jews
15 deposited in Swiss banks during World War II to compensate Swiss
16 citizens for property expropriated by former communist regimes;
- 17 c. In a 1949 secret agreement with Poland, Switzerland used the
18 assets of Polish Jews to compensate Swiss citizens for the
19 nationalization of their property by that country;
- 20 d. The Swiss government later entered into similar agreements with
21 the nations of Hungary and Czechoslovakia;
- 22 e. Swiss banks have refused to help Jewish Holocaust survivors

- 1 locate bank accounts, demanding that they produce death certificates
2 for relatives who perished in Nazi concentration camps;
- 3 f. Swiss bankers have been caught deliberately destroying evidence
4 and records and the Swiss ambassador to the United States demeaned
5 himself by attempting to wage a public relations campaign against
6 Jewish organizations seeking to change Swiss intransigence;
- 7 g. The Swiss government and Swiss banks are only beginning to
8 deal with this horrible chapter in their history by establishing a
9 "Humanitarian Fund for the Victims of the Holocaust";
- 10 h. It is time for the Swiss government to mandate the complete
11 disclosure of all funds deposited in Swiss banks by Jewish Holocaust
12 victims;
- 13 i. It is time for a full accounting by Swiss banks of all unclaimed
14 assets of these victims;
- 15 j. It is time for the return of assets to their rightful owners or their
16 heirs; and
- 17 k. It is time for the State of New Jersey to take a stand against the
18 disgraceful actions of the Swiss government and Swiss financial
19 institutions.
20
- 21 2. a. Notwithstanding any provision of law to the contrary, no
22 assets of any pension or annuity fund under the jurisdiction of the
23 Division of Investment in the Department of the Treasury shall be
24 invested in any bank or financial institution which directly or through
25 a subsidiary has outstanding loans to the Swiss Confederation or its
26 instrumentalities, and no assets shall be invested in the stocks,
27 securities or other obligations of any company engaged in business in
28 or with the Swiss Confederation or of any company which controls, is
29 controlled by, or is under common control with, another company
30 which is organized under the laws of the government of the Swiss
31 Confederation.
- 32 b. No goods and services shall be purchased by the State
33 government or by any State authority from any company engaged in
34 business in or with the Swiss Confederation or any company which
35 controls, is controlled by, or is under common control with, another
36 company which is organized under the laws of the government of the
37 Swiss Confederation.
- 38 c. A company engaged in business in or with the Swiss
39 Confederation or a company which controls, is controlled by, or is
40 under common control with, another company which is organized
41 under the laws of the government of the Swiss Confederation shall not
42 be eligible to receive any loan from the New Jersey Economic
43 Development Authority or to purchase any bonds issued by the State
44 or any agency or authority thereof.
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- 46 3. a. The State Investment Council and the Director of the

1 Division of Investment shall take appropriate action to sell, redeem,
2 divest or withdraw any investment held in violation of the provisions
3 of this act. Nothing in this act shall be construed to require the
4 premature or otherwise imprudent sale, redemption, divestment or
5 withdrawal of an investment, but such sale, redemption, divestment or
6 withdrawal shall be completed not later than three years following the
7 effective date of this act.

8 b. Within 30 days after the effective date of this act, the Director
9 of the Division of Investment shall file with the Legislature a list of all
10 investments held as of the effective date of this act which are in
11 violation of the provisions of this act. Every three months thereafter,
12 and until all of these investments are sold, redeemed, divested or
13 withdrawn, the director shall file with the Legislature a list of the
14 remaining investments. The director shall include with the first such
15 list, and with the lists to be filed at six month intervals thereafter: (1)
16 a report of the progress which the division has made since the previous
17 report and since the enactment of this act in implementing the
18 provisions of section 2 of this act; and, (2) an analysis of the fiscal
19 impact of the implementation of those provisions upon the total value
20 of and return on the investments affected, taking all possible account
21 of the investment decisions which would have been made had this act
22 not been enacted, and including an assessment of any increase or
23 decrease, as the result of the implementation of those provisions and
24 not as the result of market forces, in the overall investment quality and
25 degree of risk characteristic of the pension and annuity funds'
26 portfolio.

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28 4. This act shall take effect immediately.
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31 STATEMENT 32

33 At hearings of the United States Senate Banking Committee, it has
34 come to the world's attention that Switzerland "blatantly benefitted
35 from the Holocaust" by entering into secret agreements to use the
36 assets of Polish and other European Jews deposited in Swiss banks to
37 compensate Swiss citizens for property expropriated by former
38 communist regimes. It has also been shown that Swiss banks have
39 refused to help Holocaust survivors locate bank accounts and other
40 financial assets. Swiss banks have been caught deliberately destroying
41 evidence and records and the Swiss ambassador to the United States
42 demeaned himself by attempting to wage a public relations campaign
43 against Jewish organizations seeking to change Swiss intransigence.
44 Only belatedly have the Swiss taken a first step in dealing with this
45 horrible chapter in their history by establishing a Humanitarian Fund
46 for the Victims of the Holocaust.

1 It is time for New Jersey to take a stand against the disgraceful
2 actions of the Swiss government and Swiss financial institutions. This
3 bill provides that no assets of any pension or annuity fund under the
4 jurisdiction of the Division of Investment in the Department of the
5 Treasury shall be invested in any bank or financial institution which
6 directly or through a subsidiary has outstanding loans to the Swiss
7 Confederation or its instrumentalities, and no assets shall be invested
8 in the stocks, securities or other obligations of any company engaged
9 in business in or with the Swiss Confederation or of any company
10 which controls, is controlled by, or is under common control with,
11 another company which is organized under the laws of the government
12 of the Swiss Confederation. The bill also provides that no goods and
13 services shall be purchased by the State government or by any State
14 authority from any company engaged in business in or with the Swiss
15 Confederation or any company which controls, is controlled by, or is
16 under common control with, another company which is organized
17 under the laws of the government of the Swiss Confederation, and that
18 a company engaged in business in or with the Swiss Confederation or
19 a company which controls, is controlled by, or is under common
20 control with, another company which is organized under the laws of
21 the government of the Swiss Confederation shall not be eligible to
22 receive any loan from the New Jersey Economic Development
23 Authority or to purchase any bonds issued by the State or any agency
24 or authority thereof.

25 The State Investment Council and the Director of the Division of
26 Investment shall take appropriate action to sell, redeem, divest or
27 withdraw any investment held in violation of the provisions of this act.
28 Nothing in this act shall be construed to require the premature or
29 otherwise imprudent sale, redemption, divestment or withdrawal of an
30 investment, but such sale, redemption, divestment or withdrawal shall
31 be completed not later than three years following the effective date of
32 this act.

33 Within 30 days after the effective date of this act, the Director of
34 the Division of Investment shall file with the Legislature a list of all
35 investments held as of the effective date of this act which are in
36 violation of the provisions of this act. Every three months thereafter,
37 and until all of these investments are sold, redeemed, divested or
38 withdrawn, the director shall file with the Legislature a list of the
39 remaining investments. The director shall include with the first such
40 list, and with the lists to be filed at six month intervals thereafter: (1)
41 a report of the progress which the division has made since the previous
42 report and since the enactment of this act in implementing the
43 provisions of this act; and, (2) an analysis of the fiscal impact of the
44 implementation of those provisions upon the total value of and return
45 on the investments affected, taking all possible account of the
46 investment decisions which would have been made had this act not

1 been enacted, and including an assessment of any increase or decrease,
2 as the result of the implementation of those provisions and not as the
3 result of market forces, in the overall investment quality and degree of
4 risk characteristic of the pension and annuity funds' portfolio.

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9 Imposes prohibitions on certain interactions between State and State
10 authorities and Swiss Confederation and Swiss-owned and connected
11 companies.