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## Vermonters Would Keep Lid on Ben & Jerry's Pint

[Back to Main](#)

[Daily Lesson Plan](#)  
[Lesson Plan](#)  
[Archive](#)  
[News Snapshot](#)  
[Issues in Depth](#)  
[On This Day in History](#)  
[Crossword Puzzle](#)  
[Campus Weblines](#)  
[Education News](#)  
[Newspaper in Education \(NIE\)](#)  
[Teacher Resources](#)  
[Classroom Subscriptions](#)

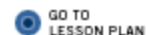


[News Summaries](#)  
[Daily News Quiz](#)  
[Word of the Day](#)  
[Test Prep Question of the Day](#)  
[Web Explorer](#)  
[Science Q & A](#)  
[Letters to the Editor](#)  
[Ask a Reporter](#)  
[Web Navigator](#)



[Conversation Starters](#)  
[Family Movie Guide](#)  
[Vacation Donation Plan](#)  
[Discussion Topics](#)

By CAREY GOLDBERG



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BURLINGTON, Vt., Dec. 17 -- A poignant cry is rising from many a Vermonter's heart these days, a plaint for local purity in the face of cold cash and the forces of globalization: "Say it ain't so, Ben and Jerry!"

Ever since Ben & Jerry's Homemade Inc. announced on Dec. 2 that it had received "indications of interest" from potential buyers and was considering them, the entreaties of "Don't sell out!" have sounded from the Statehouse to the Internet to the streets of this lakeside city where the company began in 1978 as a little ice cream shop in a converted gas station.

Perhaps no other for-profit company is so known for its green, community-oriented virtue, typified by the 7.5 percent of pre-tax profits it gives away. It would be hard to name another company as symbiotically synonymous with its state. Ben & Jerry's sweet, dappled-and-tie-dyed image helps market Vermont, and vice versa, says Gov. Howard Dean.

"Anywhere I go in the country or the world," said Dr. Dean, who is fighting the possible sale, "When you say, 'I'm from Vermont,' they say 'Ben & Jerry's!' So it really is a signature corporation for the state."

And the state is reacting in its signature utopian way -- with homemade protests and calls to idealism. A street theater group demonstrated outside the Ben & Jerry's shop here last week, offering suggestions including the introduction of new flavors like Chubby Bureaucrat, Funky Money and Two-Faced Swirl. Despite diligent employees' scrubbing, the outside wall of the shop still bears the faint scrawl, "Don't Sell Out Vermont!" Peter Clavelle, the Progressive mayor of Burlington, went to the protest, as did Representative Bernard Sanders, the independent Congressman whose district includes Burlington. In an interview today, Mr. Clavelle said that "Vermont is not for sale, nor should Ben & Jerry's be."

Part of Vermonters' concern is economic. Ben & Jerry's, Dr. Dean said, buys 300 million tons of milk a year from local dairy farmers at

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premium prices, and its ice cream factory attracts more visitors than any other tourist site in the state.

Some also see the battle as a last stand by hippie idealism against capitalism.

But Governor Dean, Mayor Clavelle and Representative Sanders painted the current conflict a bit differently. This fight, Dr. Dean said, is about globalization, and the need to keep companies in the hands of Vermonters. As Mr. Clavelle put it, "Folks on Church Street in Burlington should have as much or more control over our economy as those on Wall Street."

One effort to stop the possible sale tries to use Wall Street in the fight. Garret LoPorto, a Web designer based in Massachusetts who has worked for Ben & Jerry's on social projects, is proposing on a new Web site, [www.savebenjerry.com](http://www.savebenjerry.com), that people who care about preventing the sale buy shares so they can vote against it.

The site warns that "gigantic multinational companies are trying to take advantage of Ben & Jerry's undervalued stock price," and want to "skin the company alive and use its gentle lambskin brand to fool unsuspecting consumers into purchasing their soulless, profit-driven products."

The Web site, Mr. LoPorto said in a telephone interview, is "a way for the board of directors to see that other people care. Ben and Jerry have been doing this for over 20 years now. They're tired. When you're a prizefighter, you need people to cheer you on to keep going."

Amid all this hubbub, Ben (Cohen) and Jerry (Greenfield) have maintained an atypical -- some would say ominous -- silence. Chrystie Heimert, a company spokeswoman, said that neither she nor they would comment on the possible sale.

The only company word since the announcement came when Mr. Cohen, who was asked about the sale in an interview on New Hampshire Public Radio, said, "It's my strong personal belief that the only way that the company can actualize its progressive values is to remain independent, so within the bounds of my fiduciary duties as director, I am working hard to find a way to remain independent and return adequate value to the shareholders."

It is that "adequate value" for shareholders that is the rub. The Dec. 2 announcement noted that potential buyers had indicated they would pay significantly more than the company's stock value on the Nasdaq. Industry analysts have been speculating that if the company's board did not sell, it could lay itself open to legal attacks from angry shareholders.

That disturbs Mr. Sanders. "The directors of a company could actually

be sued because they are responsive to their employees, to family farmers in our state and to the local economy," he said. "That sounds to me to be quite unacceptable."

Seeking to address just such a situation, the Vermont Legislature recently enacted what is widely referred to as the Ben & Jerry's law. It says that a company can consider factors beyond profit when it is deciding whether to accept an offer. But defenders of Ben & Jerry's worry because the law has not been tested in court.

There has been no official word on which companies are interested in buying Ben & Jerry's, but reports, unconfirmed by the companies, have included the giant Unilever and Dreyer's Grand Ice Cream. Roncadin, an Italian manufacturer, told Dow Jones Business News recently that it had been interested at first, but when other big players started bidding, the price jumped too high.

Mr. Cohen and Mr. Greenfield, along with a third director, Jeffrey Furman, control about 46 percent of the voting stock, which gives them effective control. They would thus seem to have the power to reject an offer.

Dr. Dean said he had met with the Ben & Jerry's board to make his pitch for ownership's remaining local. The members heard him out and asked some questions but did not indicate their leanings, he said.

He said he believed this was a time of "deep reflection and deliberation about who they are as a company."

Others close to the company speculate that the board is riven by disagreement, that the founders oppose the sale but others support it, arguing that it needs outside capital to ascend to a new level of growth and competition.

The internal nature of the decision-making has not stopped the Vermont Public Interest Research Group, which organized the Burlington rally, from pushing hard against a sale. Dave Rapaport, the group's executive director, said that perhaps the state should consider buying Ben & Jerry's.

Ben & Jerry's officials have announced no deadline for a decision.

Meanwhile, many Vermonters, when asked about a sale, sounded like Krista Reinhart, a forestry graduate student: "I feel like it's selling out, and it's against the initial mission of what we all love about Ben & Jerry's."

Matt Gallagher, an engineer, said, "It would be a shame -- it's an icon." His wife, Emily, also an engineer, agreed.

"It's like it's gotten too big for those two goofy guys to run," Emily Gallagher said.

Many Vermonters are hoping those two goofy guys will come through.

"I believe," Mr. Clavelle said, "that at the end of the day, the good guys will win. This has always been a good-guys story, and it can't end being just another business sucked by money-grubbers."

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