

**On Divestment from Caterpillar, Inc., and Motorola, Inc.,
for Profiting from the Israeli Military Occupation of Palestine Territories**
<http://www.pc-biz.org/Explorer.aspx?id=1733>

RECOMMENDATION

The Presbytery of San Francisco respectfully overtures the 218th General Assembly (2008) to instruct MRTI to report to the General Assembly Council on the compliance, or lack thereof, by the Caterpillar and Motorola corporations with regard to General Assembly guidelines on responsible investment. In accordance with previous resolutions approved by the General Assembly in 2004 (Minutes, 2004, Part I, pp. 64-66) and 2006, the General Assembly Council is authorized and encouraged to act on this information, and as it deems appropriate, implement divestment procedures.

RATIONALE

1. Current Status of Corporate Engagement

Since the 216th General Assembly (2004), the committee on Mission Responsibility Through Investment (MRTI) has implemented a process of principled corporate engagement with Caterpillar, Inc., Motorola, Inc., and several other corporations that are profiting from Israel's military occupation of the West Bank, Gaza, and East Jerusalem and contributing to the escalating humanitarian crisis among Palestinians. This process of corporate engagement has thus far failed to produce any changes in the military-related activities of these corporations in the Occupied Territories.

2. Resolutions On Divestment: 2004, 2006

The 216th General Assembly (2004) approved an alternate resolution to an overture on the Geneva Accords involving Israel and Palestine (Minutes, 2004, Part I, pp. 64-66), and urged both parties to revive negotiations toward a just and peaceful resolution of the dispute that would result in two states: an Israel within safe and secure borders, and an economically and geographically viable Palestine within safe and secure borders. The assembly also directed MRTI to initiate a process of phased, selective divestment of companies doing business in Israel that contribute to violence and/or profit from the occupation of territory in the West Bank. The MRTI developed a set of six criteria focused on General Assembly concerns about violence against Palestinians and Israelis alike, the occupation, Israeli settlements in the occupied territories, and the Separation Barrier. Five companies were identified for engagement according to the criteria: Caterpillar, Citigroup, ITT Industries, Motorola, and United Technologies.

The 217th General Assembly (2006) said that investments in companies doing business in Israel, Gaza, East Jerusalem and the West Bank, should be only in companies engaged in peaceful pursuits. The General Assembly also said that the customary MRTI process of corporate engagement is the proper vehicle for determining whether or not a company is involved in peaceful pursuits (Minutes, 2006, Part I, pp. 944-45). —MRTI, Priority Issues Work Plan, 2006-2007

Corporate engagement is the process whereby the church researches the companies, determines their compliance with its standards, and then pressures them to change. Divestment refers to the ultimate termination of investments from the targeted corporations, and is the next step in the process of morally responsible investment to be implemented when and if engagement fails to produce positive change.

3. Past Resolutions on Israel and Palestine

Presbyterian General Assemblies have repeatedly addressed issues involving Israel and Palestine, in 1948, 1967, 1974, 1977, 1978, 1979, 1982, 1983, 1984, 1985, 1987, 1988, 1990, 1992, 1995, 1997, 1998, 2000, 2001, 2002, 2003, 2004, and 2006.

"The consistent Presbyterian position has been to affirm the right of Israel to exist as a sovereign state within secure, internationally recognized borders and the right of the Palestinians to self-determination, including the right to the establishment of a neighboring independent, sovereign state, toward the end of establishing a just and durable peace."—A Brief Summary of General Assembly Statements, February 2005

"In statements of successive assemblies since 1967, the General Assembly has decried the cycle of escalating violence—carried out both by Palestinians and Israelis—which is rooted in Israel's continued occupation of Palestinian territories. Presbyterians have continued to be concerned about the loss of so many innocent lives of Israelis and Palestinians as evidenced by the Resolution on the Middle East, approved in 1997, and the Resolution on Israel and Palestine: End the Occupation Now, approved in 2003."—The Social Justice Actions of the 216th General Assembly 2004.

4. MRTI Mission Guidelines/Divestment Criteria

"The Presbyterian Church (U.S.A.) believes that church investment is more than a practical question. It is also 'an instrument of mission and includes theological, social and economic considerations.' This belief flows from our understanding of the stewardship of God's resources entrusted to the church. Thus, 'we confess that the Lord is really the acknowledged Master of our entire life—moral, physical and material.'"—MRTI, A Christian Call to Faith-Based Investing

"The General Assembly of the PC(USA) urges divestment and/or proscription of some corporations due to their involvement in military-related production, tobacco, or human rights violations. This policy is an outgrowth of the General Assembly's adoption of Peacemaking: A Believer's Calling, which asked the entire church to review its witness and seek additional ways to promote peacemaking."—mrti, 2007 G.A. Divestment List

"As a result of this policy, investments would be used to promote the church's mission goals in society, as well as to bring integrity to the church's ethical and moral values as they were applied to the policies and values of the private sector."—William Somplansky-Jarman, The Presbyterian Church As Investor

5. The Israeli Occupation and Related Human Rights Violations

Israel routinely engages in gross patterns of human rights violations in its military occupation of the Palestinian West Bank, East Jerusalem, and the Gaza Strip. The killing

and injuring of civilians, torture, extrajudicial assassinations, the deliberate destruction of civilian infrastructure, acts of collective punishment, and economic warfare are but a few examples of Israel's human rights violations. Below are some of the elements of the "matrix of control" (ICAHN) that Israel uses to dominate, humiliate, impoverish, and transfer Palestinians.

The Security/Separation/Apartheid/Annexation Wall/Fence/Barrier: Although the official stated purpose for the wall is security for Israel, only 11 percent of the structure is actually located on the pre-1967 border or "Green Line," the internationally recognized boundary between Israel and the West Bank. The other 89 percent cuts deep into the West Bank, effectively annexing some of the most fertile and productive Palestinian land. Fourteen percent of West Bank lies between the border and the wall, land that is currently home for more than 274,000 Palestinians living in closed enclaves surrounded by the wall. Another 400,000 Palestinians live on one side of the wall while their farms, jobs, and services are on the other side. The effect is to cripple the Palestinian economy, prevent economic development and foreign investment, and hobble the ability of the Palestinians to maintain security or govern their territories. The International Court of Justice declared the wall illegal in July 2004, and the ICJ (USA) has joined the overwhelming international community calling for the immediate removal of the barrier from Palestinian land.

Checkpoints: According to the United Nations Office for the Coordination of Humanitarian Affairs, 528 checkpoints and roadblocks have been recorded in the West Bank, choking its roads every few miles. Israel's daily Haaretz newspaper puts the figure even higher: 75 permanently manned checkpoints, some 150 mobile checkpoints, and more than 400 places where roads have been blocked by obstacles.

"As a result, moving goods and people from one place to the next in the West Bank has become a nightmare of logistics and costly delays. At the checkpoints, food spoils, patients die, and children are prevented from reaching their schools. The World Bank blames the checkpoints and roadblocks for strangling the Palestinian economy."— Jonathan Cook, "Daily Indignities and Humiliations: Watching the Checkpoints," Counterpunch, Feb. 22, 2007.

One of the main purposes of the policy to restrict Palestinian movement is to protect Israeli settlers. Given that the settlements are illegal, the policy only aggravates the situation: it comprehensively and disproportionately impedes the freedom of movement of an entire population in order to perpetuate an illegal policy. If the restrictions were intended to prevent attacks inside Israel, and not in the settlements, the policy would still be illegal because it is sweeping and disproportionate, giving it a semblance of collective punishment which is forbidden.

Furthermore, Israel's policy is based on the assumption that every single Palestinian is a security threat, thereby justifying restrictions on his or her freedom of movement. This assumption is racist and leads to the sweeping violation of the human rights of an entire population on the basis of national origin. As such, the policy flagrantly violates international law. —B'Tselem, The Israeli Information Center for Human Rights in the Occupied Territories

"Checkpoints serve to humiliate Palestinians and create feelings of deep hostility towards Israel ... In this respect they resemble the 'pass laws' of apartheid South Africa, which required black South Africans to demonstrate permission to travel or reside anywhere in

South Africa.”—John Dugard, United Nations, Report of the Special Rapporteur on the Situation of Human Rights in the Palestinian Territories Occupied Since 1967

Israeli settlements: Under Article 49 of the 4th Geneva Convention, Israel is prohibited from establishing settlements: “The Occupying Power shall not transfer parts of its own civilian population into territories it occupies.”

During the Oslo negotiations, when the status of the occupied territories was supposedly being negotiated, Israel expropriated 200 square kilometers of farm and pasture land for its own exclusive settlements and infrastructure. Since 1967, Israel has declared 73 percent of the West Bank “state lands,” thus annulling Palestinian deeds going back generations. This unilateral and non-negotiated policy set the stage for massive expropriations for settlements, military facilities, highways and bypass roads, industrial areas, closed military areas, and nature reserves.

Since 1967, Israel has established at least 214 settlements in the West Bank, and another 18 in the Gaza Strip. During the Oslo negotiations, the settler population doubled. Thirty new settlements were established, including entire cities such as Kiryat Sefer and Tel Zion. As of May 2002, more than 400,000 Israelis lived beyond the “Green Line”: 200,000 in the West Bank, and another 200,000 in East Jerusalem. Israel has approved almost 20,000 new homes in illegal Jewish settlements in the West Bank during the past seven years. In defiance of the current “Roadmap Towards Peace,” plans have resumed for further settlement expansion in East Jerusalem and elsewhere in the West Bank. —Israeli Committee Against House Demolitions

House demolitions: Since 1967, 18,000 Palestinian homes have been demolished in the occupied territories, including East Jerusalem. The majority of house demolitions are conducted for “administrative” reasons and are generally because the house was built without a permit. However, permits are almost impossible to obtain by Palestinians living under occupation. Israel has denied 94 percent of Palestinian building permit requests over the last seven years, granting only ninety-one requests.

More than 628 Palestinian homes have been demolished during the second Intifada as collective punishment and “deterrence” affecting families of people known or suspected of involvement in attacks on Israeli civilians. On average, twelve innocent people lose their home for every person “punished” for a security offense—and in half of the cases the occupants had nothing whatsoever to do with the acts in question. The Israeli government insists its aim is to “deter” potential terrorists, although 79 percent of the suspected offenders were either dead or in detention at the time of the demolition.

Under the Fourth Geneva Convention, Occupying Powers are prohibited from destroying property or employing collective punishment. Article 53 reads: “Any destruction by the Occupying Power of real or personal property belonging individually or collectively to private persons... is prohibited.” Under this provision the practice of demolishing Palestinian houses is banned, as is the wholesale destruction of the Palestinian infrastructure.—Israeli Committee Against House Demolitions

Land and Water expropriation: Israeli settlers and the State of Israel have taken the richest Palestinian agricultural land. Even the Jordan River Valley, well within the West Bank, is used primarily for Israeli farming enterprises. Israelis control all the aquifers

that supply water to Palestinian lands. Palestinians are charged four times more for potable water than Israeli settlers.

Destruction of fruit orchards and olive groves: The olive tree is a primary source of food and income for Palestinian farmers. Since 1967, more than one million Palestinian olive trees have been uprooted or cut down by the Israeli military and settlers.

Ethnic cleansing: As a direct result of the occupation, the livelihood of many Palestinians has been destroyed and they are thus expelled from their historic homelands. As documented by the highly respected Israeli human rights organization, B'Tselem, in a case study of the city of Hebron, "Israel has brought about over the years the expulsion of thousands of Palestinians residents and merchants from the center of the city. The 'separation policy,' constitutes, therefore, a policy of expulsion of Palestinians. The army acts according to similar principles throughout the West Bank."

The "two-state solution" advocated repeatedly by past General Assembly resolutions is most seriously threatened by the ongoing construction of Israeli settlements and bypass roads: without a halt to such construction, a two-state solution may be impossible to implement. Indeed, a growing number of academics and intellectuals throughout the world argue that Israel will never allow the Palestinians to have a viable state and Palestinians should instead focus their efforts on obtaining equal rights as Israeli citizens.

6. Corporate Complicity

Caterpillar: The company that best exemplifies the interest of U.S. corporations in the occupation and the complete refusal to address human rights concerns in the region is Caterpillar. The most destructive weapon of the occupation may not be an F-16 or helicopter gunship, but rather an armor-plated D-9 or D-11 bulldozer. In 2001, Israeli Defense Minister Shaul Mofaz declared, "The D-9 is a strategic weapon here." The Israeli military adds its own armaments, including machine-gun mounts, grenade launchers, and bulletproof windows, bringing the machine's weight up to approximately 60 tons.

These are the machines that have demolished thousands of homes, uprooted countless olive trees, and carved gaping holes in roads, making them impassable. Even when used in the construction of settlement housing or bypass roads, CAT equipment is being used daily in violations of international law, playing a central role in clearing Palestinian agricultural land for the 450-mile-long Separation Barrier.

Article 147 of the Fourth Geneva Convention deems the "extensive destruction and appropriation of property carried out unlawfully and wantonly" to be a war crime. The sale of Caterpillar bulldozers to the Israeli military is subject to the U.S. Arms Export Control Act, which prohibits the use of U.S. made machinery or weapons against a civilian population.

Despite years of corporate engagement by investors, Caterpillar is expanding its role in the occupation by its joint venture with InRob Tech. Ltd. to develop unmanned remote-controlled bulldozers for Israel.—US Campaign to End the Occupation

Motorola: Motorola Israel—a fully owned subsidiary of Motorola Incorporated—produces the 980 Low Altitude Proximity Fuse for the MK-80 series of high explosive bombs. On

July 30, 2006, during its war on Lebanon, the Israeli Air Force dropped an MK-84 high-explosive bomb on an apartment building in Qana, Lebanon, killing at least twenty-eight civilians, many of whom were children.

The \$100 million contract used to develop and supply the "Mountain Rose" secure cell phone communication system to the Israeli military directly enhances the coordination and monitoring capabilities of the occupying forces in their illegal military operations in the Palestinian territories.

Motorola Israel supplies Israel with the Wide Area Surveillance System (WAAS) to monitor and maintain the illegal wall/fence barrier it has constructed in violation of the July 2004 International Court of Justice (ICJ) advisory opinion.

Motorola Incorporated set up advanced radar detection devices and thermal cameras in forty-seven Israeli settlements. According to the Fourth Geneva Convention, Article 49, it is considered a war crime for an occupying power to transfer its civilian population into an occupied territory. The Motorola WASS equipment helps entrench Israeli settlers on expropriated Palestinian territory, in direct violation of international law.—US Campaign to End the Occupation

7. PC(USA) Relations with the Jewish Community

Since the overwhelming approval of the 2004 "Divestment Resolution," the PC(USA) has experienced a significant backlash in the form of pressure and public criticism from certain pro-Israel organizations, such as the Anti-Defamation League, the American Jewish Council, and others, with accusations of anti-Semitism and unfair bias against Israel. We join with Israelis and Palestinians and most of the world in condemnation of targeting of civilian populations.

However, many pro-peace Jewish and interfaith groups, including Jewish Voice for Peace, the American Friends Service Committee, Tikkun, the U.S. Campaign to End the Israeli Occupation, and the Israel/Palestine Mission Network of the Presbyterian Church (U.S.A.) have actively supported the church's position. The New York City-based Jews Against the Occupation wrote in a letter to the PC(USA) that divestment was "an important step forward for peace and justice in Israel and Palestine."

"Economic sanctions against Israel are not invoked against Israel per se, but against Israel until the occupation ends. With this proviso it is Israel's policy of occupation that is targeted, its status as an occupying power, not Israel itself."—Dr. Jeff Halper, an American-Israeli Jew and director, Israeli Committee Against House Demolitions (ICAHD)

8. Precedent for Divestment: South Africa

No less an authority on human rights than Anglican Archbishop Desmond Tutu has said that he believes the Israeli government is in some respects worse than the South African apartheid government. At an October 2007 conference in Boston, the South African Nobel Peace Prize laureate cited what he described as the Israeli government's use of "collective punishment" of Palestinians, and criticized the Israeli government for brutality and what he described as "gross violations of human rights."

Tutu, who has condemned suicide terrorism against Israel and recognized the Jewish state's right to secure boundaries, and was even honored in 2003 by Yeshiva University's law school with an award for promoting world peace, also wrote an op-ed in the Boston Globe in which he stated:

What do I see and hear in the Holy Land? Some people cannot move freely from one place to another. A wall separates them from their families and from their incomes. They cannot tend to their gardens at home or to their lessons at school. They are arbitrarily demeaned at checkpoints and unnecessarily beleaguered by capricious applications of bureaucratic red tape. I grieve for the damage being done daily to people's souls and bodies. I have to tell the truth: I am reminded of the yoke of oppression that was once our burden in South Africa.

While his comments attracted substantial criticism from some within the Jewish community, Abraham Foxman, national director of the Anti-Defamation League, had the following reaction: "Tutu has certainly been an outspoken, sometimes very harsh critic of Israel and Israeli policies, but certainly is not an anti-Semite and should not be so characterized."

Within this context, it is important to remember the history of past General Assembly actions: in 1985, MRTI proposed a policy of phased, selective divestment from corporations doing business in South Africa. The purpose of this approach was to keep the focus on the corporations involved, to permit other shareholder strategies to bear fruit if possible, and to make more feasible a "sustained and widening strategy of interpretation and education of church members and the general public." The policy also acknowledged that total divestment might be impossible for large portfolios, and that the fiduciary responsibility of trustees might limit such actions as well. Clearly, some divestment was feasible, and MRTI felt that a phased, selective approach would permit the church to test whatever limits might exist while proceeding with an approach that promised more public and corporate impact.

"The policy named four companies that year as the first to be divested, and in subsequent years through 1991, twelve others were added to the divestment list. As companies pulled out of South Africa they were removed from the list, and finally, after apartheid was ended in 1993, the policy was rescinded and all remaining companies were removed from the divestment list."—William Somplansky-Jarman, The Presbyterian Church as Investor

Archbishop Tutu concludes: "If Apartheid ended, so can the Occupation. But the moral force and international pressure will have to be just as determined. The current divestment effort is the first, though certainly not the only, necessary move in that direction."

9. Peacemaking: A Believer's Calling

We live in a time of kairos when humanity stands on the border of a promised time, when God's people are summoned to obedience and faithfulness to preserve God's creation, to stand with the poor and oppressed everywhere, and to stand together as the people of the earth; when with confession and with humility we repent of our blindness to the division and war in our own hearts and in our own land, our

obsession with money and our pursuit of power, our irrational belief in security through weaponry, and our worship of secular gods. We are called to be obedient to Jesus Christ, the Prince of Peace, who loves the whole world and who invites us to be stewards of the earth and servants of his people, to be co-workers in the new Creation. Let us be peacemakers. Let us be called the children of God, speaking boldly with moral conviction to the nation and to the world, building, with God's grace, a new moral order in the world community; and acting now for world peace, an enterprise of justice, an outcome of love.

10. Conclusion

"Enough is enough. No more words without deeds. It is time for action." This was the message that Christians in Palestine and Israel delivered to the WCC International Peace Conference "Churches Together for Peace and Justice in the Middle East" held in Amman, Jordan, in June 2007. "Risk the curses and abuse that will be aimed at you and stand in solidarity with us and with our Palestinian brothers and sisters of all faiths...."

Our church provided great hope to many Christians, Jews, and Muslims in the Middle East when we began a process of corporate engagement with American companies profiting from the occupation. After four years, corporate engagement with Caterpillar and Motorola has produced no results. If we fail to take the next step of actual divestment, we lose credibility and dash the hopes of those who languish under Israel's oppressive military occupation. Now is the time to divest from these two companies.