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The Corporate Interests Fuelling Conflict in Palestine

Profiting from the Occupation

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We hear little from the Palestinian Occupied Territories other than endless death, destruction, poverty and despair. While living standards plummet and the death toll rockets, it's difficult to imagine a less likely place to make a profit. But despite the humanitarian catastrophe unfolding, and the international attention it receives, names familiar on high streets across Europe and the US are actively supporting Israel's Occupation of Palestine through their business practices--threatening to prolong the misery of the Palestinian people for many years to come.

US multinational construction company Caterpillar has already been singled out, supplying as it does militarised bulldozers to the Israeli Army through the US's Foreign Military Sales programme. A recent War on Want fact-finding mission confirmed the opinion of an Israeli military Commander, who calls these monster machines the "key

weapon" in the ever deepening colonisation of the West Bank. The litany of war crimes which these machines are used for is shocking--demolition of many thousands of Palestinian homes, sometimes on top of their residents; destruction of agricultural land, water supplies, olive and fruit trees; and the construction of the illegal Separation Wall currently encircling Palestinian towns, separating communities and turning the West Bank into a giant prison. All the more incredible then that Caterpillar's Chief Executive Jim Owens can still claim that "Caterpillar does well by doing good around the world."

The divestment campaign against Caterpillar has sparked debate about corporate complicity throughout many Christian Churches; not least in the Church of England where the General Synod has voted to begin a divestment process, while the Church Commissioners who hold the purse strings, have taken a different decision. In recent weeks the Methodist Church and the United Church of Toronto have voted to use the threat of divestment as a means of pressuring companies to stop aiding the Israeli Occupation.

But Caterpillar is not alone. Many people in the south-east of England will have fond memories (or otherwise) of French train operator Connex, which ran trains out of London for seven years before its franchise was terminated for poor financial management in 2003. Less well known is that one year earlier Connex, as the main partner in a consortium called CityPass, was awarded a \$500 million contract to construct a light railway system connecting Jerusalem to illegal Israeli settlements in East Jerusalem. Road works around Jerusalem's Old City mark the beginning of the project which is planned for completion in 2020. Connex will run the operation of the line for the next 30 years, while another French partner, Alstom, will provide the trains.

The problem is that East Jerusalem is not part of Israel. Indeed the Palestinians hope one day to have their capital here. But Israel's illegal annexation of East Jerusalem threatens this dream. Israel has encouraged 200,000 settlers to move into East Jerusalem over the last 40 years, and is currently using these settlements, along with the Separation Wall, to cut off East Jerusalem, on which tens of thousands of Palestinians depend, from the rest of the West Bank. Israeli peace campaigner and Nobel peace prize nominee Jeff Halper

told us that Israel's current expansion programme around East Jerusalem will render any future Palestinian state "nothing more than a set of non-viable Indian reservations."

The Israeli government has openly stated that the Connex train system is part of this same programme, to complete the annexation of East Jerusalem. During the contract signing ceremony in July 2005 then Prime Minister Ariel Sharon pointed out that this project would help "strengthen Jerusalem, construct it, expand it and sustain it for eternity as the capital of the Jewish people and the united capital of the State of Israel". The implications of this project are not limited to the suffering being endured now, but affect the possibility of peace in the Middle East for many years to come.

Unless we live on a bus route in Wales, few of us are likely to run into Connex. Central to our lives, however, is the behaviour of high street supermarkets. Lack of control over what we eat is becoming an everyday concern for many. Here again, one look at the reality of Israel's Occupation is enough to suggest that supermarkets aren't telling the whole truth about their Israeli produce.

Israel's settlements across the West Bank represent the physical reality of the Occupation for most Palestinians on a daily basis. These settlements violate the Geneva Conventions and their creation is a war crime according to the Rome Statute of the International Criminal Court. Yet settlements increased at breakneck speed during the Oslo 'Peace' Process, stealing Palestinian land and resources, and fuelling Palestinian resentment and the ultimate breakdown of Oslo. Today there are 450,000 settlers who use, together with Israel proper, 83% of the West Bank's water resources, travelling on racially segregated roads which link them to Israel. Across the West Bank cranes and bulldozers symbolise on-going settlement expansion today.

The Jordan Valley, along the eastern edge of the West Bank, is a particularly large-scale settlement production centre. While Palestinians are cramped into small villages surrounded by closed military zones, vast plantations of fruit and vegetables line the landscape. One million palm trees have been planted here, and the Israeli government plans another million in the next five years. The partially state-owned export company, Agrexco, is responsible for 60-

70% of all produce exported from settlements, and business is booming, with a 72% increase in revenue in the last 3 years. 60% of all Israeli vegetables exported end up in the UK. We met one Palestinian farmer growing aubergines in his field, but they were dry and shrivelled compared to the well watered grapes that grow on the plantations which have been stolen from him. "The water these plants constantly get comes through my land", he tells us, "yet I have no access to it."

Despite the centrality of the settlements as an obstacle to peace, supermarkets like Tesco and Waitrose still stock products grown or manufactured in West Bank settlements, labelling them as 'Made in Israel'. Although EU law requires settlement produce to be labelled for customs purposes, so as not to apply preferential tariffs to them, this information is not passed onto the customer, so settlement produce ends up mixed in with other Israeli fruit, vegetables and herbs.

Some products are easier to spot. Wine produced by Barkan is on sale in Tesco, Selfridges and Sainsbury's, while snacks by Beigel & Beigel are sold in Tesco and Waitrose, skin care products by Ahava in Selfridges and soda stream products from Mishor Adumin in Argos. All of these products are manufactured wholly or largely in West Bank settlements. Wine from the Golan Heights, Syrian territory also occupied in 1967, is even more openly marketed in Tesco, Waitrose and Sainsbury's.

Finally Caterpillar isn't the only construction company involved in house demolitions. Though their operations are particularly egregious--given that they supply the Israeli Army with military equipment--we saw Volvo, Daewoo and JCB bulldozers or cranes being used, on a contractual basis, in the construction of the Separation Wall.

It is not sufficient for companies to live in a world of glowing corporate social responsibility reports, while shutting their eyes and ears to the actual impact of their operations. It is inconceivable that Connex and Caterpillar are unaware of the fact that their products and services are being used to implement war crimes. If Tesco and Waitrose are unaware of the origins of the products they sell as 'Made in Israel', it is because they haven't asked the requisite questions of

their suppliers. And if Volvo, Daewoo and JCB's management don't know that their bulldozers are being used in violation of international law, they cannot have spent even half a day in the Occupied Territories. In any case, they all know now.

It is up to all of us to use our power to pressure these companies to change the ways in which they operate. But ultimately the problem is not purely a corporate one. After the First World War the idea of war profiteers disgusted a generation scarred by the horror of conflict. Today wars happen a little further a field, but the consequences are no less devastating. Corporations continue to profit from this suffering in overt and subtle ways. To stop this we need to turn against the economic orthodoxy of our age--that the profit motive is the sole element on which social organisation should be based. Corporations do not need more freedom, but less.

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War on Want's Report Profiting from the Occupation: Corporate Complicity in Israel's Occupation of Palestine is available on-line at www.waronwant.org or from the office on ++ 44 207 549 0555. The report will be launched at a conference on Sunday 9 July in London.

Web link

<http://www.counterpunch.org/dearden07062006.html>