



## Questions and Answers about Divestment

### Q. Why are you recommending divestment?

A. Divestment is a form of nonviolent moral action to change unjust practices. The United Methodist General Conference has long affirmed divestment as a legitimate tool for churches to use, both in our Book of Discipline and in our Book of Resolutions. It has been used effectively in the past. In the 1980s, the UMC General Board of Pension and Health Benefits (GBPHB) divested \$77 million from 17 companies doing business with South Africa.<sup>1</sup> In the 1990's, the General Board divested more than 800,000 shares of Kmart stock over the issue of "adult" books carried by its Waldenbooks subsidiary.<sup>2</sup> Both these actions reflected the church's unwillingness to profit from activities our denomination opposes

For years, our denomination has opposed Israel's occupation of Palestinian land. In 1996, the United Methodist General Conference declared that "continuing efforts by the State of Israel to build settlements in the occupied territories violate both international law and the spirit of the Declaration of Principles [the Oslo peace process]."<sup>3</sup> In 2004, the General Conference passed Resolution 312, stating that "The United Methodist Church opposes continued military occupation of the West Bank, Gaza, and East Jerusalem, the confiscation of Palestinian land and water resources, the destruction of Palestinian homes, the continued building of illegal Jewish settlements, and any vision of a 'Greater Israel' that includes the occupied territories and the whole of Jerusalem and its surroundings."<sup>4</sup> The vote to affirm this in 2004 was 877-19. Yet there are still companies in portfolios of GBPHB and other UM agencies that profit from Israel's occupation.

It is time we translated our words into actions. We need to make sure our church funds are not being invested in companies that profit from an occupation we clearly oppose. In the words of Rabbi Brant Rosen, "At the very least, will we be ready to put our money where our moral conscience is?"

### Q. What do you hope to accomplish through divestment?

A. Divestment can do many things:

1. It can provide hope to Palestinians who see their freedom denied every day.
2. It can raise the level of awareness about how profitable Israel's occupation has become for companies around the world.

3. It can ensure that we as investors are not profiting from this.
4. It can put companies on notice that their support for Israel's occupation may turn away investors.
5. It can stimulate public discussion about the realities of occupation, which have largely been hidden from Americans, and can lay the groundwork for changing US policy.
6. It can send a message to Israeli leaders that we view the occupation as immoral and we will actively oppose it.
7. It can show the world that we believe in the equality of all God's children, and that our faith requires our commitment to justice and peace.

#### **Q. Why is divestment urgent now?**

- A.
1. The "Peace Process," which lasted more than 20 years, has failed. During its pursuit (since 1993), the number of Israeli settlers living illegally on occupied Palestinian land multiplied by four,<sup>5</sup> and the West Bank was divided into isolated bantustans surrounded by Jewish settlements.<sup>6</sup>
  2. The "peace talks" were never real negotiations between two equal parties.<sup>7</sup> At best, they focused on how much of the land Israel has taken from the Palestinians would be returned. There are already laws that govern that. In practice, the talks allowed Israel to consolidate its control over Palestinian land, resources and economic activity.<sup>8</sup>
  3. In the last two months of 2010 and the first two months of 2011, the rate of settlement construction in the West Bank quadrupled.<sup>9</sup>
  4. In December 2010 the United States gave up its efforts to stop Israel's illegal settlement expansion on Palestinian land,<sup>10</sup> and the "Quartet" of international diplomats has failed to do so.
  5. According to leaked documents from the "peace talks" which are now publicly available, Palestinian negotiators offered Israel tremendous concessions,<sup>11</sup> but Israel still refused to stop expanding settlements.
  6. Israel has increased arrests of and attacks on peaceful protesters, including Palestinians, its own citizens and American citizens. Many have been killed.<sup>12</sup>
  7. The United States' continuing use of its veto to stymie UN Security Council resolutions means we cannot rely on the UN to make Israel comply with international law.<sup>13</sup>
  8. A 2004 decision by the International Court of Justice confirming the illegality of the Separation Wall on Palestinian land has been ignored.<sup>14</sup>
  9. The UN report on Israel's invasion of Gaza has been ignored.<sup>15</sup>

To summarize, we cannot count on diplomacy, peaceful protests, negotiations, UN action, or the international courts to solve this situation. Palestinians and many Israelis on the ground have told us that economic action against companies that sustain the settlements and the occupation is the most effective option that remains.

### **Q. Are United Methodists alone in this initiative?**

A. Not at all. Around the world there are many organizations involving people of every faith who have called for divestment. (See Global Actions to End the Israeli Occupation at [www.interfaithpeaceinitiative.com](http://www.interfaithpeaceinitiative.com).)

The World Council of Churches has urged its members to adopt divestment from companies that profit from the occupation.<sup>16</sup> The Presbyterian Church (U.S.A.) approved a process of selective divestment from companies profiting from the Israeli occupation in 2004. This was refined in 2006 to focus on progressive engagement, with divestment still an option if companies do not change their policies. In 2010, the Presbyterian General Assembly reaffirmed its opposition to the occupation and its commitment to engage companies on this issue.<sup>17</sup>

Divestment discussions have also been taking place in other denominations. The United Church of Christ has approved the use of “economic leverage” to end the occupation.<sup>18</sup> Various Anglican and Pax Christi groups have approved divestment.<sup>19</sup> Many Jewish groups in Israel and other countries have called for divestment as a tool to end the occupation.<sup>20</sup>

There are divestment campaigns under way in many U.S. colleges and universities, and several student bodies have voted for divestment.<sup>21</sup> In 2006, the Canadian Union of Public Employees (CUPE) Ontario voted for divestment.<sup>22</sup> CUPE Ontario represents 200,000 workers in Canada’s most populated province. In April 2008, the 50,000 member Canadian Union of Postal Workers voted to support the global campaign of boycotts, divestment and sanctions against Israeli apartheid.<sup>23</sup>

In 2010, the British Trade Union Congress including 1.6 million workers voted for divestment.<sup>24</sup> Divestment was endorsed by the South African Council of Churches and the 1.2 million-member Congress of South African Trade Unions.<sup>25</sup> South African Bishop Desmond Tutu has called for divestment. More than 500 South African Jews have signed a petition calling for an end to Israel’s occupation.<sup>26</sup>

A number of United Methodist annual conferences within the United Methodist Church have adopted some form of divestment resolution: Cal-Nevada, Cal-Pacific, Rocky Mountain, North Central NY, New York, Virginia, Detroit, New England and Northern Illinois.

### **Q. Why Israel? Why not focus on China or other countries that have terrible records on human rights? What about Russia in Chechnya?**

A. First, because Christians in the cradle of our faith, who are daily endangered by Israel's actions, have asked us to support them in their nonviolent resistance to occupation by taking economic action. We have an obligation to respond to them, and to advocate for all who are persecuted.

For Americans it is important to respond because our tax dollars and investments enable this conflict to continue. Withdrawal of those tax dollars and investments can help it to end. Israel's blatant violations of human rights are fueling terrorism and anti-American hatred around the world. For years, the US has vetoed efforts by the United Nations to end this conflict. US support for Israel is seen as the reason this conflict continues. This endangers Americans as they travel and their families at home.

Finally, there is a global movement to oppose the occupation nonviolently through divestment. Our actions will be amplified and made more effective because they join the actions of others throughout the world.

### **Q. Won't divestment harm Israel's economy?**

A. No. It is not directed at Israeli companies, or at companies that do business in Israel, unless they profit from the occupation.

There are many kinds of divestment. The one advocated by United Methodists focuses only on those companies that profit from or help sustain the illegal occupation of Palestinian land outside Israel's internationally recognized borders. Most of these are American and international companies.

For example, Heineken has moved its subsidiary Barkan Wineries to a location inside Israel. Unilever is doing the same thing with its subsidiary Beigel & Beigel, and Assa Abloy is moving its Mul-T-Lok plant into Israel. When these companies relocate from the West Bank to a new site inside Israel's borders, the Israeli government no longer provides them with the tax breaks it offers them for doing business in the West Bank. That will save money for Israel. Citizens who live inside Israel's borders will benefit from new jobs, and instead of paying taxes to the settlements, the companies will pay taxes to Israel.

If Motorola stops providing the radar systems to protect the settlements, this will not harm Israel. It will simply affect the growth of the settlements, as people may question whether they want to move there without the radar network. If HP stops the biometric scanning at checkpoints built inside the West Bank but keeps it in place at checkpoints built on Israel's border, it may result in the checkpoints being moved to the border, where they should be in the first place. If Caterpillar and Volvo say "We will not provide equipment to build this wall inside the West Bank, but we will help you build a wall on Israeli land at the border," this will not harm the economy of Israel, but will stop the home demolitions and theft of land inside the West Bank.

We have been told by many Israelis that the expense of Israel's wars is draining Israel's economy and resulting in less money being spent on education and other needs of Israel's citizens inside its own borders. If Caterpillar stops providing its D9 bulldozers for Israel to transform into weapons of war, Israel will not be able to plough down everything in sight, including civilian structures, before sending in ground troops. This may make Israel think twice about launching invasions.

In short, ending the occupation will help Israel's economy and advance the prospects for peace. The occupation endangers Israelis as well as Palestinians, and whatever we can do to end it will provide both peoples a more secure and prosperous future.

### **Q. How is the occupation harming Israel?**

A. In Israel, the expense of wars and military occupation is draining the Israeli economy and having a negative effect on its society as a whole. Today, almost a quarter (23.6%) of all Israelis live in poverty.<sup>27</sup> Beginning in 1998, the US contributions to Israel's domestic economy were phased out as its military contributions increased. Now all US aid for Israel goes to its military.<sup>28</sup> Israeli organization Peace Now estimates that at least 2 billion NIS of Israel's budget goes to the settlement enterprise, but adds that there are also many hidden costs.<sup>29</sup>

A letter from more than 130 Israelis to the United Methodist Church supporting divestment states: "Israelis suffer from loss of life, increase in militarism, and a steady devaluation of human life. This latter is particularly evident in the socio-economic sphere and the affliction of post-traumatic distress. Successive Israeli governments have spent enormous amounts of money on expansion, to the detriment of social benefits for the Israeli population... While all this is taking place at considerable economic cost, poverty in Israel has increased sharply. Israel in 2006 gained the dubious notoriety of having the worst poverty level in the Western world, and has retained this position through 2007."<sup>30</sup> The Israeli National Insurance Institute's annual poverty report released in November 2010 reveals a sharp rise in poverty among children in 2009, reaching a staggering 850,300 while 20.1% of Israel's elderly live in impoverished conditions, many of whom are Holocaust survivors.<sup>31</sup>

### **Q. Churches should not take sides in this conflict.**

A. Through United Methodist investments in companies profiting from occupation, and (for Americans) through the enormous flow of US dollars to Israel's military, we have actually been taking sides. Divestment is an effort to stop being one-sided. It is taking the side of a just and sustainable peace for all.

We are called to live out our faith, as individuals and as an institution. We have a responsibility to make our portfolios reflect our beliefs by aligning our investments with our resolutions. Divestment is directed only at companies that support and benefit from the Israeli occupation of Palestinian land, which our church clearly opposes.

The occupation endangers Israelis as well as Palestinians, and we are responding to pleas from many Israeli and Jewish organizations around the world – as well as from Palestinians – to help end it.

**Q. Won't the church's divestment action destroy relationships between United Methodists and Jews?**

A. The United Methodist Church has long valued and nurtured relationships with Jews around the world. The divestment action is supported by many Jewish organizations. It is aimed not at Israel nor at companies that do business there, but at companies that profit from the occupation, which is doing great damage to Israel.

For too long, we have allowed our concern for interfaith harmony to take precedence over Christ's command to stand up for those who are oppressed. We must stand with all who are being persecuted, and with Jewish Israelis who courageously oppose the occupation. At the same time, we must also reach out in love to those who do not understand the effects of Israel's occupation, helping them to see the impact of this situation on people of all faiths in the Holy Land.

**Q. How will you respond to charges of anti-Semitism, which are often directed toward those that criticize Israel's actions?**

A. We will share the words of rabbis, Holocaust survivors and dozens of Jewish organizations around the world who have called for divestment.<sup>32</sup> It is important to distinguish between Israel as a nation-state and Judaism as a religion and ethnicity. Criticizing the actions of a state does not imply prejudice or hatred toward that state or the religious or ethnic identities of its people. It is neither anti-Israeli nor anti-Semitic to criticize Israel's actions.

We are targeting particular companies based on their practices, not on their identification with any ethnic, religious, or national group. If a Canadian company is destroying the Brazilian rainforest, it is not anti-Canadian or anti-Brazilian to remove one's investments in that company. Similarly, it is not anti-French, anti-Israeli, or anti-Semitic to remove United Methodist investments in a French company providing transportation to illegal settlements. Every investor, whether individual or institutional, has a right to decide which companies to invest in. Investors frequently remove their investments from companies whose practices they oppose.

We lift up the many Jewish voices around the world who are calling for selective divestment. For example, a group called Jews Against the Occupation wrote in a letter to United Methodists:

“All too often, when a non-Jewish group or individual speaks out against blatantly unjust Israeli policies and actions, they are accused of acting on that unreasoning hatred of Jews and Judaism that is commonly called anti-Semitism. Yet to an anti-Semite, Jews are inherently evil, and can only be improved by ceasing to exist as Jews. Issuing a

moral rebuke such as a targeted divestment shows a respect for Jews and Judaism that is fundamentally incompatible with anti-Semitism. Such an act is predicated on the belief that the recipients of the rebuke are capable of reevaluating their actions and turning onto a more just path. We can think of no greater act of friendship than to risk being defamed in order to remind one's friends of their own ideals when they, themselves, have forgotten them.... we believe that the day will come, be it in five years or fifty, when the Church's action in this matter will be remembered with love and gratitude by Jews around the world."<sup>33</sup>

## Q. What does it mean to “sustain” Israel’s occupation of Palestinian land?

A. “Sustain” in this sense means to keep something going. One synonym in the dictionary is “maintain”, or “to make something continue to exist.” Another is “nourish”, or “to provide somebody with nourishment or the necessities of life.”

Kairos Response focuses only on companies that maintain or nourish Israel’s occupation of Palestinian land. They provide Israel and its occupation forces the things it needs to keep the occupation going.

Companies sustain the occupation in one of three ways:

1. Some companies have a **physical presence** on occupied land in industrial zones connected with the settlements, which are illegal under international law. We have seen these, perched on hilltops deep inside the West Bank, often pouring industrial waste onto Palestinian farmland.<sup>34</sup>

These companies strengthen the ability of the settlements to grow and expand. They pay taxes to the settlements. Some provide jobs for settlers. Others take advantage of lax environmental and labor standards and impose severe restrictions of movement and organization on their Palestinian workers.<sup>35</sup> These companies literally keep the settlements going. The settlements built on Palestinian land and the extensive military presence required to maintain them there are two important aspects of the occupation.

If the companies relocate inside Israel’s internationally recognized borders, they will no longer “nourish” the settlements. Settlers may find it less attractive to live there and may be more easily persuaded to move back into Israel.

*Among the companies with a physical presence on occupied land are Cemex, the TMM Onyx subsidiary of Veolia, and the Hanson subsidiary of Heidelberg Cement. Cemex, Veolia and Heidelberg Cement are currently among United Methodist GBPHB (General Board of Pension and Health Benefits) holdings.*

2. Many companies are involved in **building and equipping the infrastructure** of the occupation. This infrastructure, which Israeli anthropologist Jeff Halper has called the “Matrix of Control,”<sup>36</sup> divides the West Bank into small isolated pockets, preventing the

formation of a viable and contiguous Palestinian state. It is a key part of the occupation, and includes:

a. The **Separation Wall**, 85 percent of which is built beyond Israel's recognized borders. It intrudes in many areas deep inside the occupied territories.<sup>37</sup> In those places, the wall has for practical purposes captured and annexed Palestinian land to Israel. It divides communities, prevents farmers from reaching their agricultural lands and cuts off many Palestinian villages from their water wells. Israel has every right to build a wall within its own borders. It does not have the right to build it on land beyond those borders. This principle was affirmed by the International Court of Justice in 2004.<sup>38</sup>

*Companies such as Cemex, CRH, Terex, and Magal have provided materials or equipment for constructing the wall. Motorola has provided security cameras for the wall. Cemex, CRH, Terex and Motorola are currently in the GBPHB portfolios. All sustain the Israeli occupation, and the equipment they provide helps annex much of the most fertile land in the West Bank to Israel.*

b. **Checkpoints** that are built on Palestinian land, and in many cases, between Palestinian towns. These checkpoints disrupt Palestinian travel within their own territory and impede commerce and access to schools, hospitals, universities and jobs. Many of these checkpoints are mobile, popping up unexpectedly on Palestinian roads, and making life there impossible to plan. The wait can be many hours. Employers never know if their employees can get to work on time. Produce rots in the sun on the way to market. Arrival at school and doctor's appointments is always uncertain. Every country has a right to build checkpoints on its own land. These checkpoints are built on land that has been confiscated illegally from another people.<sup>39</sup>

*Companies such as Ingersoll Rand and the EDS division of Hewlett Packard have provided equipment or materials for the checkpoints. HP is currently among the GBPHB holdings. All these companies sustain the Israeli occupation by providing the means to divide and control the Palestinian people on their own land.*

c. **Settlements**, built in violation of international law. These colonies occupy many of the hilltops throughout the West Bank, and they take resources and land from Palestinian families. They prevent the formation of a contiguous Palestinian state. They divert Palestinian water underlying the West Bank for their own use through a system that allots three and a half times as much water for Israeli settlers as for Palestinians.<sup>40</sup>

*Motorola and ICX provide radar systems to protect these settlements. Cemex, CRH, Caterpillar and Volvo are among the companies whose products are used to build the settlements. The Connex division of Veolia Environnement is involved with transporting illegal settlers between the West Bank settlements and*



*Jerusalem. Motorola, Cemex, CRH, Veolia and Caterpillar are in the GBPHB portfolio. All sustain the Israeli occupation.*

**d.** The infrastructure includes hundreds of kilometers of **segregated roads** that connect these illegal settlements to each other and to Israel. They criss-cross the West Bank and serve to further separate Palestinian people from each other and from other Palestinian villages. Though they are built on Palestinian land, cars with Palestinian license plates are not allowed to drive on them.<sup>41</sup>

*Caterpillar bulldozers have cleared Palestinian land for the building of these segregated roads. Other companies provide road building equipment to the companies contracted to build the roads. Caterpillar is in the GBPHB portfolio. It has become a symbol of the occupation, and is a key provider of the equipment that sustains it.*

**3.** The third way companies help sustain and profit from the occupation is by **equipping Israel's occupation forces**. We have never urged divestment from companies that provide strictly defensive weapons to Israel, or weapons that we cannot tie directly to the occupation of Palestinian land. This distinction has been carefully drawn, and every company recommended for divestment on the basis of supplying equipment or weaponry for use in the occupation has been listed only for that involvement.

The United Methodist General Board of Pension and Health Benefits already screens out most weapons manufacturers from its portfolios. But there are others among its holdings that supply military needs of the occupation. From Motorola cell phones that coordinate troop movements inside the West Bank, to Terex Amida floodlight towers used by Israel's military in the West Bank, to the Caterpillar bulldozers that uproot orchards and are weaponized for military use in the occupied territories, companies are profiting from the use of their products by the occupation forces.

*Valero is one of the largest suppliers of fuel for the Israeli military aircraft that have attacked Palestinian villages. General Electric provides engines used in Israel's Apache helicopters which have been fired into Palestinian refugee camps. Caterpillar and Motorola and Terex are equipping Israel's occupation forces in the ways listed above. All these companies are in GBPHB portfolios, and all help sustain the occupation.*

### **Q. What does it mean to “profit” from the occupation?**

A. Israel provides financial incentives in the form of tax breaks and subsidies for companies to locate on occupied land.<sup>42</sup> They are exempt from many of the environmental and other regulations that apply to companies doing business within Israel's internationally recognized borders. They can pay lower wages. The corporate entities that own operations in the occupied territories profit from the lower cost of doing business in the settlements.

One company calls the process of doing business in the settlements “offshoring,” though its operations are only a short drive from Israel’s borders.<sup>43</sup> In addition to the subsidies and tax incentives, it employs people in the West Bank at a wage far below that required in Israel, has none of the normal regulations to comply with, and is thus able to offer lower costs to its clients while maintaining larger profit margins. Individuals and churches investing in these companies often make a higher return on their investments since the companies profit from their location on occupied land.

The occupation’s use of walls, fences, segregated roads, internal checkpoints, and settlements to divide and control the people of the West Bank creates a demand for products that build and equip this infrastructure. These items are not bought “off the shelf.” Israeli government procurement officers often sit down with representatives of companies that provide these products and discuss their requirements. They discuss what kind of Motorola radar systems are needed to protect the settlements, what kind of biometric scanning from Hewlett Packard’s subsidiary EDS is needed at the checkpoints, how Caterpillar’s bulldozers can be robotized to demolish homes without endangering a driver. Without the occupation, there would be no Israeli army cell phones in the occupied territories, no settlements and no home demolitions, removing huge market opportunities from companies that sustain them.

Israel’s occupation army uses tear gas, Apache helicopters, bullets, guns, night vision goggles and other weapons and equipment in attacks on Palestinian towns. These are paid for by billions of dollars a year in US military aid to Israel. If Israel’s control over these areas ended and a just peace was achieved, the companies supplying these goods would see a decrease in demand from one of their largest customers. There are many people and companies making tremendous profits while Israel continues its occupation and suppression of the Palestinian people. Investors in these companies share in the profits.

#### **Q. Why do you say the settlements are illegal?**

A. The Fourth Geneva Convention forbids an occupying power from moving its own people onto land it occupies.<sup>44</sup> Israel has moved more than half a million of its citizens onto occupied Palestinian land. The Hague Conventions of 1907 and the Geneva Conventions also forbid taking or profiting from resources belonging to an occupied people. The United Nations Charter, which Israel has signed, forbids any member from taking land by force. Israel’s establishment of settlements on Palestinian land, its attempts to annex part of that land, and its confiscation of Palestinian water and other resources, violate these international laws and agreements.

In some cases, Israel confiscates agricultural land from villages that have used it for hundreds of years, claiming its confiscation is for military necessity. Land taken for temporary military necessity by an occupying power is governed by laws that require protection of the land and resources. Israel often destroys orchards and agricultural fields, then turns the land over to settlement groups which build homes there and make it a permanent part of their illegal colonies.<sup>45</sup>

In many cases Israel simply takes land which Palestinians own and to which they have clearly documented title. A Christian family living just south of Bethlehem has deeds and tax records for its land dating to Ottoman times and renewed under the British mandate, Jordanian rule and Israeli rule. This has not prevented Israel from issuing demolition orders for buildings constructed on the family's own land or threatening them with dispossession. They have been attacked by settlers who cut down hundreds of fruit trees and destroyed their water tower.<sup>46</sup> In almost every society, taking what belongs to someone else is illegal, even without the substantial body of international law that prevents it.

**Q. Won't the church's divestment of funds from the companies involved with the occupation damage the interests of investors? How can the Board do this and meet its fiduciary responsibilities?**

A. Actually, divesting from companies that have become the targets of international boycott and sanctions is a prudent thing for investment managers to do. Since Veolia Environnement was identified as an enabler of Israel's occupation, it has lost at least \$8.5 billion in contracts with municipalities and other entities pressured by justice advocates to avoid the company. Motorola lost customers as a result of the "Hang Up on Motorola" Campaign launched by American supporters of a just peace. Motorola has been singled out for approbation by the giant AP group of pension funds in Sweden. The company's provision of radar systems for the illegal settlements and cell phones for the Israeli occupation forces continue to be image problems for the company that could result in lost business and a decline in share value. There is a very real liability for companies involved with Israel's occupation, and investment managers are learning this.

This risk awareness is evident in a statement regarding Caterpillar, in a 2011 report by the General Board of Pension and Health Benefits (GBPHB) staff on advocacy and engagement. In that report the Board staff stated that since 2008, "the General Board has continued to write and express our belief that the company's policies expose Caterpillar – and by extension, its shareholders - to reputational and financial risk."<sup>47</sup> If that is the case, why would the Board not be eager to divest from Caterpillar, which has become a global symbol of Israel's brutality toward the Palestinian people?

In 2008, United Methodist researchers discovered three companies in the General Board of Pensions portfolio that were on the "Do Not Invest" list of companies: ITT, OshKosh, and United Technologies. They happened to be companies sustaining the Israeli occupation as well as providing weapons to others, which precluded them from UM divestment. Some time between late 2008 and late 2010, those companies disappeared from the portfolios. During that same period, the pension portfolios weathered one of the worst economic downturns in history and recovered their losses to grow by almost \$3 billion from their low at the end of 2008. Obviously, divesting from those three companies did not in itself harm investors. The money was simply put into other investments.

During the 1980's, the GBPHB divested \$77 million from 17 companies that did business with the apartheid government of South Africa without violating its fiduciary responsibilities to investors. Only 11 companies connected with Israel's occupation are in the GBPHB portfolio at the present time.<sup>48</sup> It should not be difficult to find other profitable investments for those funds.

### Q. Won't divestment harm Palestinian workers?

A. There is overwhelming support in the occupied territories for the campaign for boycott, divestment and sanctions against companies that support the Israeli occupation. This campaign was launched by Palestinians themselves in July, 2005.<sup>49</sup> It was urgently called for in the Kairos Palestine Document issued by Palestinian Christians in 2009.<sup>50</sup> The three main Palestinian unions - The Palestinian General Federation of Trade Unions, the General Union of Palestinian Workers and the Palestinian Federation of Independent Trade Unions - have all endorsed and recently reiterated their support for the Palestinian civil society campaign of Boycott, Divestment and Sanctions (BDS) against Israel.<sup>51</sup> Israeli claims that some union leaders did not favor BDS have been denied by the leaders themselves.<sup>52</sup> Palestinians value their freedom more than any of the menial jobs brought about by Israel's occupation, which destroys their land and takes their water and resources for Israeli use.

Palestinian civil society's call for boycott of settlement industries and divestment from the occupation is part of a two-pronged strategy. The second part of the effort is to build up Palestinian local industries which can provide jobs and income for the Palestinian people. According to Palestinian businessman Sam Bahour, this effort is "welcomed by the public" and is already producing notable results.<sup>53</sup>

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<sup>1</sup> "Historical Synopsis – General Board Divestments," prepared by staff of the UMC General Board of Pension and Health Benefits for Board Meeting March 8, 2008.

<sup>2</sup> Ibid.

<sup>3</sup> "214. Israel-Palestine Conflict- The Building of Settlements in the Occupied Territories," The Book of Resolutions of the United Methodist Church 2000. (Abingdon Press), 732.

<sup>4</sup> "Opposition to Israeli Settlements in Palestinian Land." [http://archives.umc.org/interior\\_print.asp?ptid=4&mid=6855](http://archives.umc.org/interior_print.asp?ptid=4&mid=6855)

<sup>5</sup> Dina Kraft, "Number of Settlers in the West Bank has doubled," *The Independent*, July 28, 2009: "Peace Now, an Israeli organisation that monitors settlement construction, said there were 116,000 Jewish settlers in the West Bank at the end of 1993, just after the Oslo Peace Accords were signed between Israel and the Palestinians," <http://www.independent.ie/world-news/middle-east/number-of-settlers-in-west-bank-has-doubled-1843605.html>; and "Occupied Palestinian Territory: Demolitions, drought and displacement in West Bank Area C," *RefWorld*, published by the United Nations High Commission on Refugees, 18 March 2011: "...a total of 500,000 settlers live in occupied Palestinian land in the West Bank," <http://www.unhcr.org/refworld/docid/4d63734914.html>

<sup>6</sup> "West Bank and Gaza Strip Closure Maps," July 2010, United Nations Office for the Coordination of Humanitarian Affairs, [http://www.ochaopt.org/documents/ocha\\_opt\\_opt\\_closure\\_maps\\_booklet\\_july\\_2010\\_a3.pdf](http://www.ochaopt.org/documents/ocha_opt_opt_closure_maps_booklet_july_2010_a3.pdf)

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<sup>7</sup> Daniel Levy, "Israeli-Palestinian negotiations resume—no fanfare and no new peace religion," *Foreign Policy*, May 14, 2010: "This is not a negotiation between equals. There is a huge asymmetry between the parties - occupier versus occupied, coherent functioning state apparatus versus non-state actor with collapsed national movement, and so on. Structuring a negotiation process as if there were symmetry and without factoring in the above is not smart."

[http://mideast.foreignpolicy.com/posts/2010/05/14/israeli\\_palestinian\\_negotiations\\_resume\\_no\\_fanfare\\_and\\_no\\_new\\_peace\\_religion](http://mideast.foreignpolicy.com/posts/2010/05/14/israeli_palestinian_negotiations_resume_no_fanfare_and_no_new_peace_religion)

<sup>8</sup> "Water Issues under the Oslo Accords," B'tselem web site, [http://www.btselem.org/english/Water/Oslo\\_Accords.asp](http://www.btselem.org/english/Water/Oslo_Accords.asp); and Nikki Tillekens "Palestinian Economic Dependency on Israel," September 23, 2010, The Alternative Information Center, <http://www.alternativenews.org/english/index.php/topics/economy-of-the-occupation/2870-palestinian-economic-dependency-on-israel>

<sup>9</sup> Chaim Levinson, "Construction in West Bank settlements quadrupled since end of temporary freeze," *Ha'aretz*, March 5, 2011 "Since the end of the settlement moratorium five months ago, the construction rate in West Bank neighborhoods has quadrupled, data from Israel's Central Bureau of Statistics revealed Saturday."

<sup>10</sup> Mark Landler, "US Drops Bid to Sway Israel on Settlements," *New York Times*, December 7 2010, [http://www.nytimes.com/2010/12/08/world/middleeast/08diplo.html?\\_r=1](http://www.nytimes.com/2010/12/08/world/middleeast/08diplo.html?_r=1)

<sup>11</sup> Jonathan Freedland, "Palestine papers: Now we know. Israel had a peace partner," *The Guardian*, January 23, 2011: "These papers show that the Israelis were intransigent in public – and intransigent in private. What's more, the documents blow apart what has been a staple of Israeli public diplomacy: the claim that there is no Palestinian partner. That theme, a refrain of Israeli spokesmen on and off for years, is undone by transcripts which show that there is not only a Palestinian partner but one more accommodating than will surely ever appear again." "The classified documents show Palestinians willing to go to extreme lengths and Israel holding a firm line on any peace deal..." <http://www.guardian.co.uk/commentisfree/2011/jan/23/palestine-papers-israel-peace-partner>; and "The Palestine papers," *The Economist Online*, Jan 24th 2011: "They contradict the official Israeli narrative that the Palestinians rejected generous Israeli offers, and portray Palestinians as initiating ideas, only to be stymied by Israeli stonewalling. They give credence to Palestinian claims that Mr Netanyahu made no counter-proposals." [http://www.economist.com/blogs/newsbook/2011/01/al\\_jazeera\\_and\\_palestinianspartner](http://www.economist.com/blogs/newsbook/2011/01/al_jazeera_and_palestinianspartner)

<sup>12</sup> Joseph Dana and Noam Sheizaf, "The New Israeli Left," *The Nation*, Mar 11, 2011: "Since 2005, twenty-one Palestinians have been killed in these demonstrations, including ten under 18, with thousands injured. Israelis and international activists have been injured too, but so far no Israeli Jews have been killed." <http://imeu.net/news/printer0020608.shtml> In 2003, American college student Rachel Corrie was killed by an Israeli soldier with a bulldozer while nonviolently protesting the demolition of a family's home. <http://rachelcorriefoundation.org/rachel>

<sup>13</sup> Brad Knickerbocker, "If Obama opposes Israeli settlement activity, why did US veto UN vote?" *Christian Science Monitor*, February 18, 2011. <http://www.csmonitor.com/USA/Foreign-Policy/2011/0218/If-Obama-opposes-Israeli-settlement-activity-why-did-US-veto-UN-vote>

<sup>14</sup> "Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory, Advisory Opinion," International Court of Justice Press Release, July 9, 2004. <http://www.icj-cij.org/docket/index.php?pr=71&code=mwp&p1=3&p2=4&p3=6&case=131&k=5a>

<sup>15</sup> "Human Rights in Palestine and Other Occupied Arab Territories, Report of the United Nations Fact Finding Mission on the Gaza Conflict," September 25, 2009, United Nations General Assembly Human Rights Council, <http://www2.ohchr.org/english/bodies/hrcouncil/specialsession/9/FactFindingMission.htm>

<sup>16</sup> "Second report of the Public Issues committee," World Council of Churches, February 22, 2005: "The Central Committee, meeting in Geneva 15-22 February 2005 therefore: *encourages* member churches to work for peace in new ways and to give serious consideration to economic measures that are equitable, transparent and non-violent... *reminds* churches with investment funds that they have an opportunity to use those funds responsibly in support of peaceful solutions to conflict. Economic pressure, appropriately and openly applied, is one such means of action." <http://www.oikoumene.org/en/resources/documents/central-committee/geneva-2005/reports-and-documents/genpub-5-second-report-of-the-public-issues-committee.html#c1573>

<sup>17</sup> "219<sup>th</sup> Presbyterian General Assembly, Actions regarding the Middle East,

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Questions and Answers,” [http://oga.pcusa.org/ga219/pdf/middleease\\_final\\_FAQ.pdf](http://oga.pcusa.org/ga219/pdf/middleease_final_FAQ.pdf)

<sup>18</sup>“Report on Implementation of General Synod 25 (2005) Resolution ‘Concerning the Use of Economic Leverage to Promote Peace in the Middle East’,” United Church of Christ, April 2009, [www.ucc.org/synod/pdfs/g27report-el.pdf](http://www.ucc.org/synod/pdfs/g27report-el.pdf)

<sup>19</sup> “The Domino Effect: World Council of Churches joins growing movement for divestment against Israel Activism.” The Grassroots Palestinian Anti-Apartheid Wall Campaign, March 3, 2005, <http://stopthewall.org/cgi-bin/engine/exec/view.cgi/1/868>

<sup>20</sup> Calls for selective divestment to end the occupation come from many Jewish and Israeli organizations, including Jewish Voice for Peace (US), Jews Against the Occupation (US), Not in My Name (US), American Jews for a Just Peace (US), European Jews for a Just Peace (9 European countries), Women’s International League for Peace and Freedom (Israeli Section), International Jewish Anti-Zionist Network, Jews for Boycotting Israeli Goods, Independent Jewish Voices (Canada), the Australian Jewish Democratic Society (Australia), Just Peace Between Israel and Palestine (Switzerland), Rete-ECO (Italy), Union Juive Francaise Pour la Paix (France), The Israeli Committee Against House Demolitions (Israel), New Profile (Israel), Jews for Justice for Palestinians (UK), Coalition of Women for Peace (Israel), the Alternative Information Center (Israel), Boycott from Within (Israel), Jewish Voice for a Just Peace in Middle East (Germany), Jewish Voice for a Just Peace in the Near East (Austria), A Different Jewish Voice (Netherlands), Not in Our Name (Argentina). Many individual Jews, including Holocaust survivors, have also called for divestment and boycotts. See <http://www.unitedmethodistdivestment.com/LetterSupportIsraelis.htm> for their letters.

<sup>21</sup> “North American Campus BDS Campaigns,” US Campaign to End the Israeli Occupation, <http://endtheoccupation.org/article.php?id=2612>.

<sup>22</sup> “CUPE Ontario votes in support of boycott, divestment, sanctions against Israeli apartheid.” *Canadian Dimension*, July 1, 2006, <http://www.highbeam.com/doc/1G1-149059701.html>

<sup>23</sup> “Postal Workers take firm stand to support Palestinian workers,” CUPW newsletter, April 29, 2008, [http://www.cupw.ca/index.cfm/ci\\_id/10663/la\\_id/1.htm](http://www.cupw.ca/index.cfm/ci_id/10663/la_id/1.htm)

<sup>24</sup> John Millington “TUC Votes to Extend Israeli Boycott,” *Morning Star*, September 14, 2010. <http://www.morningstaronline.co.uk/index.php/news/content/view/full/95273>.

<sup>25</sup> Ronen Bodoni, “South African union joins boycott of Israel,” *YNet News*, August 6, 2006, <http://www.ynetnews.com/articles/0,7340,L-3260201,00.html#n>

<sup>26</sup> “Sanctions Against the Israeli Occupation: It’s Time,” ICAHD, January 27, 2005: “...the petition of South African government minister Ronnie Kasrils and legislator Max Ozinsky, which has gathered more than 500 signatories from South African Jews,” <https://www.umhltf.org/ICAHD.html>

<sup>27</sup> “Israel Economy Profile, 2011,” *Index Mundi*, [http://www.indexmundi.com/israel/economy\\_profile.html](http://www.indexmundi.com/israel/economy_profile.html), Source: *CIA World Factbook*, December 30, 2010

<sup>28</sup> Jeremy M. Sharp, “U.S. Foreign Aid to Israel,” Congressional Research Service, September 16, 2010, [www.fas.org/sgp/crs/mideast/RL33222.pdf](http://www.fas.org/sgp/crs/mideast/RL33222.pdf)

<sup>29</sup> Hagit Ofran, “The price of maintaining the territories - data from 2011-2012 budget.” *Peace Now*, December 26, 2010, <http://peacenow.org.il/eng/content/price-maintaining-territories-data-2011-2012-budget>

<sup>30</sup> Understanding United Methodist Divestment, *Letter of Support from Israelis*, <http://unitedmethodistdivestment.com/LetterSupportIsraelis.htm>

<sup>31</sup> Jerusalem Institute of Justice, Projects, <http://www.ijj.org.il/projects.php>

<sup>32</sup> The following rabbis have called for divestment from companies sustaining Israel’s occupation: Rabbi Rebecca Alpert, Associate Professor of Religion, Temple University, Philadelphia, Rabbi Leonard I. Beerman, Los Angeles, CA, Rabbi Michael

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Feinberg, New York, NY, Rabbi Everett Gendler, Emeritus, Phillips Academy, Andover, MA and Emeritus, Temple Emanuel, Lowell, MA, Rabbi Lynn Gottlieb, Founder of Shomer Shalom Institute for Jewish Nonviolence and JVP Advisory Board member, Rabbi Julie Greenberg, Philadelphia, PA, Rabbi Linda J. Holtzman, Philadelphia, PA, Rabbi Margaret Holub, Albion, CA, Rabbi Rebecca Lillian, Chicago, IL, Rabbi Brant Rosen, Co-Founder, Ta'anit Tzedek - Jewish Fast for Gaza, Rabbi Alissa Wise, New York, NY. The following Holocaust survivors have written letters to the United Methodist Church asking for divestment: Hajo Meyer – Netherlands, Suzanne Weiss – Canada, Abraham Weizfeld – Canada, Hedi Epstein – US. Some of the Jewish organizations calling for divestment are listed under footnote #20.

<sup>33</sup> Understanding United Methodist Divestment, *Statements of Support from Jewish Groups*, <http://www.unitedmethodistdivestment.com/SupportFromJewishGroups.html>

<sup>34</sup> Eyal Hareuveni, "Foul Play: Neglect of Wastewater Treatment in West Bank." B'Tselem, June 2009 [http://www.btselem.org/Download/200906\\_Foul\\_Play\\_eng.pdf](http://www.btselem.org/Download/200906_Foul_Play_eng.pdf) and "Pollution Politics in the West Bank," *BBC News*, 6 July 2005, [http://news.bbc.co.uk/2/hi/middle\\_east/4081672.stm](http://news.bbc.co.uk/2/hi/middle_east/4081672.stm)

<sup>35</sup> Jeff Halper, "The Key to Peace: Dismantling the Matrix of Control," ICAHD, 2011: "While providing employment to the Palestinian workforce, these industrial parks threaten the economic viability of the Palestinian state, maintain a dependency relationship on Israel and present dangers to the environment. They allow Israeli firms continued access to cheap Palestinian labor while denying the workers access to Israel (a key component of the 'separation' strategy)." [http://www.icahd.org/?page\\_id=79](http://www.icahd.org/?page_id=79)

<sup>36</sup> Jeff Halper, *Ibid.*

<sup>37</sup> "The Separation Barrier," B'Tselem web site, 2011. [http://www.btselem.org/english/Separation\\_Barrier/Index.asp](http://www.btselem.org/english/Separation_Barrier/Index.asp)

<sup>38</sup> "The Humanitarian Impact of the Barrier," United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) and United Nations Relief and Works Agency (UNRWA), July 2008, [www.ochaopt.org/documents/Barrier\\_Report\\_July\\_2008.pdf](http://www.ochaopt.org/documents/Barrier_Report_July_2008.pdf) and "The Impact of the Barrier on Health," UNOCHA and World Health Organization (WHO), July 2010 [www.ochaopt.org/.../ocha\\_opt\\_special\\_focus\\_july\\_2010\\_english.pdf](http://www.ochaopt.org/.../ocha_opt_special_focus_july_2010_english.pdf)

<sup>39</sup> "West Bank Movement and Access," United Nations Office for the Coordination of Humanitarian Affairs, June 2010, [http://www.ochaopt.org/documents/ocha\\_opt\\_movement\\_access\\_2010\\_06\\_16\\_english.pdf](http://www.ochaopt.org/documents/ocha_opt_movement_access_2010_06_16_english.pdf)

<sup>40</sup> "The Gap in Water Consumption Between Israelis and Palestinians," B'Tselem web site, 2011. [http://www.btselem.org/english/water/consumption\\_gap.asp](http://www.btselem.org/english/water/consumption_gap.asp)

<sup>41</sup> "Bypass Roads of the West Bank," *Peace Now, Settlements in Focus*: Vol. 1, Issue 7, Aug. 2005, <http://peacenow.org/entries/archive1214>

<sup>42</sup> Eyal Hareuveni, "By Hook and by Crook: Israeli Settlement Policy in the West Bank," B'Tselem web site, July 2010, pp. 5: "Most of the settlements in the West Bank hold the status of National Priority Area A, which entitles them to a number of benefits: in housing, by enabling settlers to purchase quality, inexpensive apartments, with an automatic grant of a subsidized mortgage; wide-ranging benefits in education, such as free education from age three, extended school days, free transportation to schools, and higher teachers' salaries; for industry and agriculture, by grants and subsidies, and indemnification for the taxes imposed on their produce by the European Union; in taxation, by imposing taxes significantly lower than in communities inside the Green Line, and by providing larger balancing grants to the settlements, to aid in covering deficits." [http://www.btselem.org/Download/201007\\_By\\_Hook\\_and\\_by\\_Crook\\_Eng.pdf](http://www.btselem.org/Download/201007_By_Hook_and_by_Crook_Eng.pdf)

<sup>43</sup> Gadi Algazi, "Offshoring to the West Bank," *Le Monde Diplomatique*, August 2006, <http://mondediplo.com/2006/08/05offshoring>; and Gadi Algazi, "Offshore Zionism," *New Left Review*, Issue <http://www.newleftreview.org/?view=2624>

<sup>44</sup> "The Fourth Geneva Convention," full text, *Jewish Virtual Library*, Article 49, [http://www.jewishvirtuallibrary.org/isource/History/Human\\_Rights/geneva1.html](http://www.jewishvirtuallibrary.org/isource/History/Human_Rights/geneva1.html)

<sup>45</sup> "Land Expropriation and Settlements: Taking control of the land in the West Bank," B'Tselem web site, [http://www.btselem.org/english/settlements/land\\_takeover.asp](http://www.btselem.org/english/settlements/land_takeover.asp)

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<sup>46</sup> World Council of Churches, *Palestinian Christian Family Counters Harassment with Openness*, <http://www.tentofnations.org/world%20council%20of%20churches.aspx>

<sup>47</sup> "Advocacy and Engagement, Company Descriptions," United Methodist General Board of Pension and Health Benefits web site, [http://www.gbophb.org/sri\\_funds/companies.asp](http://www.gbophb.org/sri_funds/companies.asp)

<sup>48</sup> New England United Methodist Divestment Task Force, "Companies of Concern: Companies Sustaining the Israeli Occupation of Palestinian Land," [https://www.umhltf.org/Companies\\_of\\_Concern.html](https://www.umhltf.org/Companies_of_Concern.html)

<sup>49</sup> "Palestinian Civil Society Calls for BDS," BDS Movement, July 9, 2005, <http://www.bdsmovement.net/call>

<sup>50</sup> "A moment of truth: A word of faith, hope and love from the heart of Palestinian suffering," <http://www.oikoumene.org/gr/resources/documents/other-ecumenical-bodies/kairos-palestine-document.html>

<sup>51</sup> "Palestinian trade unions unanimously support boycott movement," Labor for Palestine, November 25, 2009. <http://www.laborforpalestine.net/wp/2009/11/25/palestinian-trade-unions-unanimously-support-boycott-movement/>

<sup>52</sup> Ibid.

<sup>53</sup> Sam Bahour, "A Palestinian View: Civil Society in the Lead," BitterLemons web site, May 25, 2010, Edition 11, <http://www.bitterlemons.org/previous/bl240510ed11.html#pal2>