Profiting from Military Occupation?

The Committee on Mission Responsibility Through Investment (MRTI) of the Presbyterian Church (USA) has recommended adding these companies to the church’s divestment list:

see www.pcusa.org/mrti

Caterpillar, Inc., Hewlett-Packard, & Motorola Solutions

**CATERPILLAR (NYSE: CAT)** An Israeli Military commander referred to Caterpillar bulldozers as “the key weapon” in its military occupation of Palestinian land. The company is aware that the Israeli army uses Caterpillar equipment to destroy Palestinian homes, orchards and olive groves. This is done to clear land for illegal settlements, segregated roads and the separation wall, which is largely built on Palestinian property. They have uprooted hundreds of thousands of olive trees and demolished water cisterns. All this is part of building and maintaining the infrastructure of the occupation, which is now in its fifth decade.

**MOTOROLA SOLUTIONS (NYSE: MSI)** Motorola developed a perimeter surveillance system called MotoEagle. It is used for surveillance at illegal settlements in the West Bank, and is installed in sniper towers as well as the separation wall, which has been ruled illegal by the International Court of Justice.

**HEWLETT - PACKARD COMPANY (NYSE: HPQ)** Owns Electronic Data Systems, which heads a consortium providing biometric monitoring of checkpoints, including a number built inside the West Bank in violation of international law. These checkpoints have been put in place by Israel to secure the illegal settlements built on Palestinian land. HP has aided illegal settlements with data storage solutions, and coordinates all the Information technology for Israel’s Navy which has shelled the Gaza coast, and attacked fishing boats in Gaza’s own territorial waters.

www.theIPMN.org
1. What is the role of the Presbyterian Church (U.S.A.)/s Mission Responsibility Through Investments (MRTI) Committee?

MRTI implements the socially responsible investing policies of the General Assembly of the Presbyterian Church (U.S.A.) by engaging corporations in which the church owns stock.

2. What is PC(USA)’s corporate engagement process?

In 1976, the General Assembly established the rubric for corporate engagement which includes, proxy voting, dialogue with companies, shareholder resolutions, public appeals and - as a last resort – divestment.

3. Why would the Presbyterian Church (U.S.A.)’s MRTI Committee engage companies doing business in Israel and Palestine?

A statement urging the “…financial investments of the Presbyterian Church (U.S.A.), as they pertain to Israel, Gaza, East Jerusalem, and the West Bank, be invested in only peaceful pursuits” was adopted in 2006 as a result of the General Assembly’s response to numerous overtures regarding corporate engagement on Israel-Palestine issues.

4. What are the business pursuits that are non-peaceful?

The General Assembly has identified specific practices that are deemed to be roadblocks to a just peace in Israel-Palestine. Companies are asked to “refrain from allowing their products or services to support: violent acts by Israelis or Palestinians; construction and maintenance of settlements or Israeli-only roads in occupied Palestinian territory; the military occupation of Palestinian territory by Israel; and construction of the Separation Barrier beyond the 1967 ‘Green Line’ to include Palestinian land.”

5. Are there many corporations involved in these roadblocks to peace?

No. The Presbyterian Church (U.S.A.)’s investing agencies own stock in many companies doing business in Israel and Palestine. And, of course, MRTI expects that all these companies will be socially responsible in their business practices. However, a few are profiting from business involvement in the roadblocks to peace, and MRTI has engaged them as directed by the General Assembly.

6. MRTI has recommended divestment from Caterpillar, Motorola Solutions and Hewlett-Packard. Why these three companies?

All three companies are profiting from involvement in non-peaceful pursuits, and after extensive efforts to undertake corporate engagement over several years, MRTI has concluded that continued corporate engagement is not likely to change that situation. (A description of the particular activities of these companies is described in MRTI’s report which can be found at www.pcusa.org/mrti)

7. Have other denominations encouraged this same kind of action or is the Presbyterian Church (U.S.A.) acting alone in this divestment initiative?

Many national and regional Protestant denominational bodies and Roman Catholic religious orders, both in the U.S. and internationally, have been involved in similar corporate engagement. Some have already divested of companies involved in non-peaceful pursuits. Others, including the United Methodist Church, will be considering similar proposals this year.

8. Is this a blanket call to divest from all companies doing business in Israel and Palestine?

No. The PCUSA’s investing agencies continue to hold stock companies that do business in Israel in Palestine, including for example Intel, Oracle, Coca-Cola, Procter & Gamble, IBM, Microsoft, McDonald’s and American Express. MRTI’s dialogue has been focused, as the General Assembly has repeatedly directed them, on companies who are engaged in particular roadblocks to peace, profiting from non-peaceful pursuits in Israel-Palestine. Neither the General Assembly nor MRTI call for divestment from all companies doing business in Israel and/or Palestine.

9. If the Presbyterian Church (U.S.A.) divests from companies profiting from involvement in human rights violations in Israel and Palestine, why isn’t the church divesting from American companies that do business in Syria, Egypt, Saudi Arabia, China, Burma and many other countries where massive human rights violations are documented?

MRTI along with its ecumenical partners engages many other companies doing business in countries with serious human rights challenges. Not all of the human rights violations involve corporate complicity. In addition, corporate engagement has resulted in changes in corporate policies and practices. However, in other cases where companies have refused to change, the General Assembly has placed them on the divestment list until the practices were changed. Examples are Talisman Energy in Sudan or sixteen key companies involved in South African apartheid in the 1980’s.

10. Is the MRTI committee recommending that the PC(USA) call for an economic boycott of Israel or Palestine?

No. The MRTI committee has not recommended to the PC(USA) that the church seek an economic boycott of Israel or Palestine, and MRTI is not recommending a boycott with this recommendation. The focus is on divestment from these three corporations, not any blanket actions against Israel or Palestine.

11. Some have suggested that MRTI’s recommendations are an example of anti-Semitism within the PCUSA. Is this true?

No. The Presbyterian Church (U.S.A.) has spoken clearly against anti-Semitism and for the worth of every individual. In no way is this recommendation anti-Semitic, anti-Jewish, or anti-Israel. For over 60 years, the Presbyterian Church (U.S.A.) has called for a just peace between Israelis and Palestinians. The PC(USA) stands against violence, by any party, against innocent civilians, whether Israelis or Palestinians.

12. Some have said that these companies cannot comply with the General Assembly guidelines due to U.S. anti-boycott laws. Is MRTI asking these companies to violate U.S. law?

No. MRTI is not asking these companies to engage in any boycott of Israel or Palestine, but rather to limit their activities in the region to peaceful pursuits.

13. What will be the financial impact if the church’s recommendations are enforced?

If the General Assembly approves MRTI’s recommendation, PC (USA) investing agencies would be requested to add these companies to the list of companies where we do not invest. In addition, the investing agencies would be requested to end their existing investments in these companies in a process consistent with their fiduciary responsibilities.

14. What are the next steps for the PCUSA as it relates to acting on the recommendations?

The MRTI report and recommendations are being transmitted to the General Assembly meeting in Pittsburgh this summer where they will be considered and acted upon.