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SWIFT SANCTIONS – as a nonviolent instrument towards Peace
in Israel-Palestine

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SUMMARY

South Africa remains the only example where sanctions have successfully resulted in constitutional and political change. The international banking sanctions campaign launched in 1985 by South African church leaders, led by Archbishop Desmond Tutu, Dr Allan Boesak and Dr Beyers Naude, became the tipping point in South Africa’s relatively nonviolent transition to constitutional democracy in 1994.

Without access to the New York interbank payment system to settle foreign exchange transactions in US dollars, apartheid South Africa would also have been unable to trade with third countries such as Germany or Japan.

The effectiveness of the banking sanctions campaign was increasingly acknowledged by 1989, and became the background to President FW de Klerk’s announcement on 2 February 1990 to release Mr Nelson Mandela and to begin constitutional negotiations. Mr de Klerk has subsequently acknowledged that the pressures of the banking sanctions campaign motivated that decision.

Three decades later, banking technology and computerisation have advanced dramatically. Instead of New York, the leverage for banking sanctions is now located in Belgium where the Society for Worldwide Interbank Financial Telecommunications (SWIFT) is domiciled. SWIFT is essentially a giant computer, which daily authenticates over 20 million interbank transactions. It links approximately 10 500 financial institutions in 215 countries around the world. Every bank has a SWIFT code. The letters IL designate Israeli banks.

All Israeli banks are highly complicit in funding the illegal occupation of the Occupied Palestinian Territories. Like apartheid South Africa, Israel is a threat to international peace and security, as exemplified by refusal to sign the Nuclear Non-Proliferation Treaty and recurring destabilisation of countries in the Middle East and beyond. This confirms the imperative for international intervention in the cause of peace. Without access to SWIFT, Israeli import and export payments would be suspended which would immediately cause a massive economic crisis.

SWIFT sanctions can however, be reversed as soon as the Israeli government complies with specified conditions. This initiative has the full endorsement of the Boycott Divestment and Sanctions campaign in Palestine. The purpose is not to destroy the Israeli economy, but to end the Israeli occupation of Palestine by balancing the scales between Israeli and Palestinian negotiators so that meaningful negotiations actually become possible. Nonetheless, it remains for the Palestinians to decide on the solution to be negotiated.

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Biography: The writer is a former international banker who, during the 1980s, advised the South African Council of Churches on the international banking sanctions campaign against apartheid. He served as a peace monitor in Israel-Palestine in 2009 and 2010 for the World Council of Churches’ Ecumenical Accompaniment Programme For Palestine and Israel (EAPPI), and was secretary of the Cape Town organising committee when the Russell Tribunal on Palestine met in Cape Town in November 2011.
SWIFT SANCTIONS – as a nonviolent instrument towards Peace

Introduction: The United States-sponsored Israeli-Palestinian “peace process” finally collapsed in April 2014. Failure was not unexpected, despite huge investment in the talks by the US government and in particular by the American Secretary for State, John Kerry. The scales between Israeli and Palestinian negotiators had been so imbalanced that there was never any real prospect of success.

The subsequent Israeli bombardments of Gaza during July and August 2014 resulted in the deaths of more than 2,100 Palestinians, over 70 percent of whom were civilians, but also 64 Israeli soldiers and 4 civilians. In addition, an estimated 500,000 people in Gaza are now displaced. The Egyptian government mediated the present ceasefire, but substantive negotiations have yet to commence.

The Israeli government’s objective in launching Operation Protective Edge was to destroy Hamas. Evidently however, the real underlying motivation was the Israeli government’s determination to prevent Hamas from financially benefitting from development of the recently discovered gas field off Gaza. The scale of the offshore gas field and its potential to transform Palestine economically is the subject of several analyses, including a policy brief from the German Marshall Fund of the United States based in Washington DC.

A distressing aspect of this gas field discovery is the collusion of US and British energy companies, with backing by their governments, to divert and exploit this resource to Israel, and to deny its economic potential to Palestine. Such collusion includes the role of former British Prime Minister Tony Blair in his capacity as chairman of the Quartet. This however, is not the first time that Israel has plundered gas and oil resources of a neighbouring state.

Al Jazeera in June 2014 has heavily documented how, with US government support, Israel looted Egyptian oil and gas in the Sinai in the years after the 1967 war. Israel paid Egypt only 10 to 15 percent of world prices for gas. The documentary exposes how the agreements to supply Egypt’s natural gas to Israel funded the former Mubarak dictatorship. It also reveals how gas shortages were recently used to orchestrate the coup d’etat against Mohammed Morsi of the Muslim Brotherhood, and to bring back the military dictatorship in Egypt.

Now, with the resultant depletion and financial collapse of Egypt’s oil and gas industry, Israel and Egypt are negotiating to reverse the supply of gas. It is intended that Israel will, in future, supply Egypt with Israeli/Gazan gas – but will do so at full price.

The assault on Gaza has completely backfired politically. Prime Minister Benjamin Netanyahu’s support within Israel has plummeted from 82 percent at the commencement of the war to only 38 percent. By contrast, as reported by the Times of Israel on 2 September, a survey by the Palestinian Centre for Policy and Survey Research found that 79 percent of Palestinians believed that Hamas won the war and only 3 percent believed that Israel won. Hamas received an 88 percent approval for its performance during the war.

The survey also found that Hamas and Islamic Jihad, combined, would garner at least 70 percent of the votes in Palestinian parliamentary elections expected early in 2015. By contrast, the Palestine Liberation Organisation would receive less than 30 percent. Further compounding the lack of credibility of President Mahmoud Abbas and the PLO is confirmation that President Abbas blocked
Palestine’s application to join the International Criminal Court so that Israel might be tried there for war crimes in Gaza.\textsuperscript{7}

The major consequence to Israel of Operation Protective Edge is likely to be the rising levels of mistrust between the Israeli and US governments.\textsuperscript{8} Since the Gaza war this mistrust has been compounded by the Israeli’s government defiant expropriation of 400 hectares of land in the West Bank to build a new settlement of Gevaot in the Gush Etzion enclave between Bethlehem and Hebron. The United Nations, United States, the European Union and others have condemned the expropriation. Haaretz newspaper reported on 2 September:

“The US State Department said that Israel’s decision to appropriate 4,000 dunams (400 hectares) of West Bank land was ‘deeply concerning’ and urged it to ‘reverse the decision.’ State Department spokeswomen Jen Psaki said that the decision to expropriate the land and reports of further settlement construction in East Jerusalem and the West Bank sent a ‘very troubling message’ and were ‘contrary to Israel’s stated goal of a two-state solution’ and a peace deal with the Palestinians.

Also on Tuesday [and illustrating growing political divisions within the Israeli cabinet], Finance Minister Yair Lapid said at a conference in Tel Aviv that the expropriation of land was a move of underhanded opportunism that was not submitted for the cabinet’s approval and is damaging to Israel in the international arena.

‘We are after a military operation, facing a sensitive international front, and it was difficult for us to maintain the world’s support as it is,’ he said. ‘What was so urgent right now to create another crisis with the Americans and the world?’\textsuperscript{9}

Even J Street, the Zionist lobby in Washington, issued a statement condemning the expropriation, and declared that it is time for the Obama Administration:

“to make clear to Israel that it means what it says and that US opposition to settlements is not just symbolic but real. J Street urges the US government to undertake a thorough review of its policy toward Israeli settlements and to announce the steps it will take if Israel does forward with this decision. As a first step, it should declare now that it is the view of the US that settlements are not merely ‘unhelpful’ or ‘illegitimate,’ but illegal under international law as laid out in the Fourth Geneva Convention.”\textsuperscript{10}

The “two state solution” has been internationally promoted for more than 20 years. The reality is increasingly evident that the two state solution is unworkable, given that there are now 700,000 Israeli settlers illegally living “beyond the green line” of the 1949-1967 armistice line in settlements illegally financed by Israeli banks.

The parallels with apartheid South Africa are glaring. Within “Israel proper,” more than 50 laws discriminate against Palestinian Israeli citizens on the basis of citizenship, land and language in a comparison might be described as “petty apartheid.” “Beyond the green line,” the West Bank parallels “grand apartheid” as a Bantustan, where the Palestine Authority has even less autonomy than the Bantustans, and this is further compounded by the presence of the settlers.

2. Israeli Banks and The Occupation:
Everything in Israel is subordinated to “national security.” Israel is a highly militarised society where, similar with whites in apartheid South Africa, the Ashkenazi elite of European Jews dominate the government, the military and the financial system.

Subordination to “national security” includes press freedom, assassinations, and involvements of Israeli banks, which launder the proceeds of war profiteering and plundering of resources both within the Occupied Palestinian Territory and the wider international community. The “Who Profits?” website maintained by the Israeli Women’s Coalition for Peace, documents illegal activities by Israeli and international corporations in the OPT.

Its 2010 report entitled “Financing The Israeli Occupation” found that all Israeli banks are criminally complicit in the Occupation, and are in violation of international law. The report confirms that all Israeli banks are crucially and inherently involved in providing the financial infrastructure for all the activities of companies, government agencies and individuals in the OPT and Golan Heights. The report focuses Israeli bank involvements in:

1. Mortgage loans for homebuyers in settlements,
2. Special loans for building projects in settlements,
3. Financial services to Israeli local authorities in the West Bank and the Golan Heights,
4. Operation of branches in Israeli settlements,
5. Financial services to businesses in settlements, and
6. The Palestinian monetary market as a captured market.

The report notes:

“It can be stated that any and all aspects of Israeli control over the occupied territory have a financial foundation and that none of these financial activities of individuals, organizations, governmental institutions and commercial companies could take place without the active support of banks. The findings of this research show that as the providers of these services, Israeli banks are principle beneficiaries of financial activity in the illegal Israeli settlements in the occupied territories and in Israeli control over the Palestinian financial market.”11

Just as South African banks were inherently part of the apartheid system, so too the operations of Israeli banks within the settlements “beyond the green line” are deliberately merged with those within “Israel proper.” It is therefore impossible to distinguish between settlement and non-settlement transactions. Accordingly, all Israeli banking transactions must be deemed complicit in acts that are illegal under international law, but also in terms of banking protocols such as “Know Your Customer.”

This has been highlighted this year by the blacklisting of Bank Hapoalim (Israel’s largest bank) by the Danish bank Den Danske in February 2014 because of involvement in funding of settlement construction. A few weeks earlier, the largest pension fund management company in the Netherlands, PGGM, withdrew all investments from Israel’s five largest banks for similar reasons. Similarly, the Norwegian Government Pension Fund Global has blacklisted Africa-Israel Investments and its construction subsidiary Danya Cebus.12

Africa-Israel Investments is of particular interest to South Africans. It was established in 1934 by South African Zionists as Africa-Palestine Investments to purchase land in Palestine for Zionist settlements. It is now one of Israel’s leading property groups. Control was acquired in 1997 by the Israeli diamond magnate Lev Leviev, whose record in Africa includes laundering “blood diamonds” from Angola and Zimbabwe. In turn, Africa-Israel Investment Company, through its building
construction subsidiaries (including Danya Cebus), is a major player in construction of the Israeli settlements at Har Homa, Ma’ale Adumin and Zufim in the OPT.

Africa-Israel Investments nearly went bankrupt after the 2008 financial crash because of wild property speculation in both Russia and the United States. Its share price fell by 95 percent. Yet because of the potential impact that its bankruptcy would have had on Israeli banks and pension funds, Africa-Israel was deemed “too big to fail.”

Although Israel has no diamond mines, its diamond cutting and polishing industry claims to handle 50 percent of the world’s cut diamond business. The Kimberley Process, which was intended to eliminate the trade in “blood diamonds,” has in recent years been gutted by corruption. The Kimberley Process now winks at human rights violations by government forces, enabling Zimbabwe to export its diamonds via Dubai and India, and thereby protects the Israeli high-value cut and polished diamond trade from scrutiny and regulation.13

The involvement of Leviev and African-Israel Investment Company in the plunder of Zimbabwe’s Marange diamonds is carefully obscured via front companies in the British Virgin Islands, a jurisdiction that is internationally notorious for money laundering.

Other Israeli nationals are also disproportionately involved in the plunder of African resources in countries including Guinea, the Democratic Republic of Congo and Angola, the proceeds of which are transferred back to Israel via Israeli banks, with authentication by SWIFT.14

The UN General Assembly in September 2012 adopted a report on corporate complicity in human rights abuses in the OPT, and in March 2013 the UN Human Rights Council affirmed that both Israel and international corporate involvements in the Settlements fall under the jurisdiction of the International Criminal Court (ICC), and may result in criminal liability and prosecutions.

Even before Operation Protective Edge, Professor Richard Falk, the outgoing UN Special Rapporteur for Palestine, on 20 May 2014:

> “Urged businesses and civil society to join the growing global solidarity movement to resist the prolonged Israeli occupation and creeping annexation of Palestine. The best prospect for realising Palestinian self-determination now is by way of pressures exerted through grassroots mobilisation. We must strengthen the global solidarity movement, which includes the boycott, divestment and sanctions (BDS) initiative in relation to businesses that profit from the settlements. Third party member states of the UN also have an important responsibility to ensure that they are not complicit in human rights violations in occupied Palestine.”15

Similarly, the French government on 25 June 2014 issued the following warnings to French citizens on business involvements with illegal Israeli settlements, warning them against engaging in financial activity or investments in the settlements in the West Bank, East Jerusalem or the Golan Heights. The statement declares:

> “Due to the fact that the settlements are illegal in international law, the performance of financial activity in the settlements such as money transfers, investments, acquisition of property, provision of supplies or the performance of any other economic activities that
benefit the settlements involves risks related to the fact that Israeli settlements under international law, are built on occupied lands and are not recognised as part of the territory of Israel.

This could lead to a high likelihood of land disputes or disagreements regarding water, quarries or other natural resources. This involves risk to the image of those who carry out such economic activity. We call upon citizens or business people who are considering becoming involved in economic activity in the settlements to seek appropriate legal advice before going ahead.”16

Most other European Union governments followed, and the EU Ambassador to Israel Lars Faaborg-Anderson declared on 27 June 2014:

“Business warnings should not come as a surprise. Member states are losing patience with concerns not being addressed. If settlement expansion continues, more European nations will issue such warnings.”17

The UN Human Rights Council on 23 July 2014 by a vote of 29 to 1 (the US) but with 17 abstentions (including EU countries) adopted a resolution calling for an urgent commission of inquiry into Israeli war crimes in Gaza.18 Canadian law professor William Schabas has been appointed to lead the inquiry, which is expected to submit its report to the UNHRC by March 2015.

The parallels with UN decisions and resolutions regarding apartheid South Africa during the 1970s and 1980s are striking. Israel complains that the UNHRC is biased against Israel, just as apartheid South Africa complained about the UN. Israel declares that the UNHRC has no credibility amongst countries regarded as “democratic.”

In fact, it was the US and British governments that until the late 1980s repeatedly flouted UN decisions such as the 1977 arms embargo, and undermined sanctions initiatives by civil society to end apartheid in South Africa. The deplorable failures of governments purportedly committed to upholding international law therefore requires alternative strategies, driven by civil society, towards nonviolent resolution of conflict.

3. International law:

In their study entitled “Apartheid, International Law And The Occupied Palestinian Territory,” Professor John Dugard and John Reynolds write:

“The international campaign against apartheid in South Africa was emblematic of the struggle of the decolonized third world. With the workings of international law rarely favouring the people and nations of the global South, it represents one of the few major political success stories of the human rights movement that post-colonial nations can claim ownership of.

Despite consistent Palestinian efforts to engage with the mechanisms of international law, the Palestinians have largely been excluded from international legal protection. The significance of apartheid lies not just in the strength of its legal prohibition, but in the political purchase it carries.
As happened in South Africa, what begins as segregation is liable to evolve into an institutionalised system of racial domination. Such separateness cannot be sustained without spawning suffering and cycles of violence.

With the dual system of law that currently prevails in the occupied Palestinian territory best understood as the derivative of an ongoing settler colonial process, logic dictates that Israel will inevitably reach the tipping point at which it is forced to confront its own racial realities vis-à-vis the Palestinians.

While the shape that such a transformation ultimately takes will depend primarily on social attitudes and political craft, international law may retain a role through the light that it shines on the normative issues to be resolved in this context."^{19}

Similarly, Professor Michel Waelbroeck of the Free University of Brussels and Willem Aldershoff, an advisor on EU policy on Israel/Palestine -- in their paper dated 27 January 2014 entitled “Israel’s Obligations as an Occupying Power, their Violations by Israel, and the Implications for EU Policy” – highlighted that:

- “The mere fact that Israel continues to occupy the OPT after more than 47 years is itself a violation of international law,
- Israel deliberately ignores its basic obligation as an occupying state to exercise its powers for the benefit of the occupied area as required by article 43 of the Hague Regulations,
- Israel’s settlement policy has rightly been condemned by the UN’s highest political and judicial authorities as being contrary to article 49 (6) of the Fourth Geneva Convention,
- Construction of a separation barrier (“the Wall”) on Palestinian land impedes the exercise of the right to self-determination of the Palestinian population and contravenes several other provisions of international law,
- Confiscation of private property belonging to Palestinians is prohibited by article 46 (2) of the Hague Regulations,
- By its prolonged failure to comply with numerous resolutions of the UN Security Council, Israel fails to comply with its obligations under article 25 of the UN Charter “to accept and carry out the decisions of the Security Council in accordance with the present Charter.”

As a result, members of the international community including the EU are under an obligation:

1. To cooperate in bringing these breaches to an end,
2. To refrain from recognising as lawful the situation created by the breaches,
3. To refrain from rendering aid or assistance in maintaining the situation thus created."^{20}

4. **Crimes Against Humanity:**

The Convention on the Suppression and Punishment of the Crime of Apartheid (known as the Apartheid Convention) was adopted by the UN General Assembly in 1973, and has subsequently been ratified by more than one hundred countries.\(^{21}\) The crime of apartheid is not specific to South Africa, and in 2002 was incorporated into article 7 of the Rome Statute of the International Criminal Court (ICC).
Apartheid is defined by the ICC as “inhumane acts committed in the context of an institutionalised regime of systematic oppression and domination by one racial group over any other racial group or groups and committed with the intention of maintaining that regime.”

The minority Ashkenazim elite of European Jews comprise approximately 20% of the population within “Israel proper,” and only 10% of the population between the Jordan River and the Mediterranean Sea. About 50% of Israelis are Mizrahim (Arab Jews) whose forebears were lured from countries in the Middle East and North Africa by false promises and deliberate Zionist destabilization strategies.

Arab Jews became conscripts for the Israeli army and cheap farm labour on confiscated Palestinian farms, and remain Israel’s social and economic underclass. Given, in addition, that more than 50% of Palestinians are refugees living in neighbouring countries and elsewhere and by international law are entitled to return, the reality of apartheid in Israel-Palestine including ethnic cleansing becomes glaring.

The kidnapping and murder of three Israeli teenagers in Gush Etzion in June must unfortunately be measured against the reality that between 500 and 700 Palestinian boys (many of them literally from their beds at 2am) are annually abducted by the Israeli army. These boys are often then held by the Israeli Army in “administrative detention” for up to six months. The purpose is to terrify and thereby turn 12-14 year olds into informers against their older brothers.

Such human rights violations are well documented in an Australian television documentary, entitled “Stone Cold Justice” which was broadcast in February 2014. Yet in retaliation for the kidnapping of those three Israelis and in violation of the Geneva Conventions, the Israeli army inflicted collective punishment against Palestinians, including arrests, house demolitions and killings. It then embarked upon Operation Protective Edge in Gaza in which over 2 100 people were killed.

Since the onslaught against Gaza, the extreme right-wing Economy Minister in the Israeli cabinet, Naftali Bennett is increasingly challenging Mr Netanyahu for the political leadership of Israel. He has praised the expropriation of the 400 hectares of Palestinian land in Gush Etzion, declaring that construction of the new settlement at Gevaot is “the Zionist response to murder.” By contrast, the leader of the left-wing Meretz Party, Zehara Gal-On declared:

“The decision to expand government land in Gush Etzion and to hand it over to settlers reveals again what has been a known fact, that the government of Israel works in the interest of settlers and the objective of this expansion is to create a continuous line of territory between the green line and Betar Illit and Kfar Etzion.”

The intention is to make life for Palestinians so untenable that they “voluntarily” emigrate. In short, the Israeli government wants to take over the whole land of Palestine and to expel its people. Theft of Palestinian land and water, and demolition of houses, is a routine part of such “ethnic cleansing.” Purported Israeli government commitment to a two-state solution is merely a charade.

The theft of Palestinian land and water is now compounded by the theft by Israel of major gas reserves offshore Gaza. The Gazan reserves are believed to amount to about 60 percent of the recently discovered gas reserves in the eastern Mediterranean. These gas reserves off Gaza have been confiscated, and are being exploited in conjunction with contiguous Israeli reserves. The first export contract worth US$15 billion over the next 15 years was signed with Jordan on 3 September 2014.

The Russell Tribunal on Palestine (RToP) was established in response to Operation Cast Lead in 2008/2009. It met in Barcelona, London, Cape Town, New York and Brussels between March 2010
and March 2013. The Tribunal was modelled after the Russell Tribunal of the 1960s which considered war crimes in Vietnam. The RToP collated a huge volume of evidence confirming Israeli government defiance of international law. The RToP hearings found that:

- The EU and its member states were complicit in not holding Israel accountable to the United Nations Charter, the Geneva Conventions and other instruments of international law,
- The “apartheid wall” is illegal, and Israeli and international corporations economically engaged in supporting the Occupation are culpable of war profiteering,
- Israeli government behaviour towards Palestinians meets the legal criteria of apartheid as a crime against humanity in terms of the Apartheid Convention, and
- The UN and US are complicit in not holding Israel accountable to the numerous decisions of the UN Security Council, including the right of return of Palestinian refugees and related matters.

The RToP’s report following the session in Brussels in March 2013 also endorsed the possible use of SWIFT sanctions to end the occupation of the OPT. The effectiveness of SWIFT sanctions has already been demonstrated in the precedent-setting application in bringing the Iranian government to negotiations following allegations of Iranian ambitions to develop nuclear weapons. These negotiations over nuclear weapons followed the decision in March 2012 by the European Union Council to prohibit SWIFT from providing financial-messaging services to Iranian banks.

As the result of Operation Protective Edge, the RToP has now decided to hold an extraordinary session in Brussels during 24 and 25 September, and will specifically investigate Israeli war crimes in Gaza.

5. War Crimes:

The Israeli Operation Cast Lead bombardment of Gaza during December 2008 to January 2009 resulted in the Goldstone Report (named after South African Judge Richard Goldstone) being commissioned by the UN Human Rights Council. The investigation reported in September 2009 that both the Israeli army and Palestinians had committed war crimes in Gaza, but that the actions of the Israeli army including use of white phosphorous against civilians were totally disproportionate.

Amnesty International reported evidence of medical workers and health facilities being deliberately targeted in Gaza during Operation Protective Edge. The Israeli army repeatedly fired at clearly marked ambulances, and hospitals and clinics were forced to shut because of damage from Israeli fire. Both the UN and the US also condemned the Israeli targeting of six UN schools where residents of Gaza had taken refuge.

Apartheid South Africa found itself out-maneuvered at the end of the Cold War. So too the highly militaristic Israeli government is now increasingly considered by EU and US governments to be a liability, rather than an asset, to western interests in the Middle East. South Africa during the 1970s and 1980s funded the development of the Israeli armaments industry when Israel flouted the UN arms embargo against apartheid, including the joint development of nuclear weapons.

Recently declassified US documents also confirm how the US Nixon administration connived with the Israeli nuclear weapons programme. In turn, Israel made Jericho missiles available to South Africa,
designed to convey nuclear weapons and which were further improved in South Africa. Also highlighting the duplicity of EU governments on this issue, Germany has already supplied Israel with four submarines which have the capacity to fire nuclear warheads, and intends to provide two more.33 In addition, these vessels have been heavily subsidised at German-taxpayer expense.

Yet ironically, instead of defending apartheid, massive military spending actually hastened its collapse by leading to the 1985 banking sanctions campaign. The journalist Ken Owen in 1995 noted:

“The evils of apartheid belonged to the civilian leaders: its insanities were entirely the property of the military officer class. It is an irony of our liberation that Afrikaner hegemony might have lasted another half century had the military theorists not diverted the national treasure into strategic undertakings ... that in the end achieved nothing for us but bankruptcy and shame.”34

The award-winning 2013 Israeli film documentary entitled “The Lab” is a chilling depiction of Israel’s US$7 billion armaments industry. One of the participants boastingly describes its export successes as “turning Palestinian blood into money!”

“The success is due to experience ... that is the testing of weaponry on the Palestinian population in the Israeli military ‘labs’ of Gaza and the West Bank. The main product Israelis are selling is experience. Testing of the products and experience is the main thing the customers are coming to buy. They want the missile that was shot in the last operation in Gaza or the rifle that was used in the last West Bank incursion.

The director of the film Yotam Feldman declares:

“The Lab makes plain why the peace process, past, present and potential is a total sham. The economy of Israel is inextricably dependent on war and the suffering of the Palestinians. And the other is the fact that the Israeli economy is now so dependent on these operations. It is 20 percent of exports. It is 150 000 families, not people, in Israel actually dependent on this industry. The arms industry doesn’t belong to a few dealers. It is owned by a whole country.”35

The reported capture in Gaza on 1 August 2014 by Palestinian forces of an Israeli soldier, Hadar Goldin prompted an extreme response by the Israeli army that further illustrates the ferocity of Israeli war crimes.

Israeli hysteria about the incident was mirrored even by the US government, which immediately pronounced the alleged capture of Goldin to be “a barbaric and outrageous act.” It has subsequently been confirmed that Goldin, in fact, died in action when two other Israeli soldiers were also killed.

In response to reports that Goldin had been taken captive, Colonel Ofer Winter of the Givati Brigade ordered and implemented an unwritten Israeli army policy known as the Hannibal Directive. This policy is intended to prevent Palestinians from taking any Israeli soldier prisoner in order to avoid politically-sensitive problems such as prisoner swaps to secure that soldier’s release.36
Assuming that Goldin was still alive and was being held in the Rafah section of Gaza, Winter ordered the bombardment of Rafah just hours after a three day ceasefire had been announced, and residents had returned to their homes.

Despite that ceasefire, Rafah was carpet bombed with 500 artillery shells and 100 airstrikes. The Israeli operation killed 190 Palestinians, including 55 children. The only possible intended outcome of such bombardment of Rafah was to kill Goldin and his captors whilst also inflicting collective punishment on the civilian population.37

As well as financing of the illegal settlements, Israeli banks are inextricably part of both funding weapons production and of collecting the export proceeds. The banks also process payments for military technology transfers from Silicon Valley and other areas of the US which were applied in the Israeli assault on Gaza. Accordingly, the writer proposes SWIFT sanctions against Israeli banks as outlined below until such time as the Israeli government complies with specified conditions.


Banking technology has advanced dramatically since the 1980s and is now reliant on computers. This, ironically, makes Israel even more vulnerable to banking sanctions than was apartheid South Africa. SWIFT is a cooperative which authenticates financial payments between 10 500 international banks and financial institutions in 215 countries. SWIFT itself is not a financial institution but, in essence, a giant computer.38

SWIFT’s function replaces the cumbersome and labour-intensive authentication process traditionally known as “testing” which verifies the payment instructions of correspondent banks. Being domiciled in Belgium, SWIFT falls under the supervisory control of the Belgian central bank, the National Bank of Belgium, and the European Union.

In delegating the testing of payment instructions to SWIFT, the shareholding banks remain responsible to ensure in terms of “know your customer” protocols that the underlying payments are not illegal under international law.

Every bank has a SWIFT code, the fifth and sixth letters of which identify the country of domicile. The Israel economy is highly dependent on international trade, and would quickly collapse without access to the international banking system. The letters IL identify Israeli banks. As illustrations:

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<thead>
<tr>
<th>Bank Name</th>
<th>SWIFT Code</th>
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<tbody>
<tr>
<td>Israel Discount Bank</td>
<td>IDBLILIT</td>
</tr>
<tr>
<td>Bank Hapoalim</td>
<td>POALLILIT</td>
</tr>
<tr>
<td>Bank Ha Leumi</td>
<td>LUMILIT</td>
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<tr>
<td>Bank of Israel</td>
<td>ISRAILIL</td>
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<tr>
<td>Union Bank of Israel</td>
<td>UNBKILIT</td>
</tr>
</tbody>
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It would accordingly be a simple matter to re-programme SWIFT’s computer system to suspend inter-bank payments to and from Israeli banks. Unlike trade sanctions which hurt the workers, banking sanctions impact quickly and severely upon the financial and political elites who have the clout to effect political change.

Despite US government intelligence in 2007 that Iran had abandoned its ambitions to develop nuclear weapons as long ago as 2003, the Israeli government insisted that Iran posed a nuclear threat. The SWIFT press statement of 15 March 2012 plus its website page on sanctions declares that SWIFT complied with requirements of the European Union to disconnect services for Iranian banks.
The consequence of this action was the Iranian decision in 2013 to begin negotiations with the US and EU to limit Iran’s nuclear programme to purely peaceful purposes. Negotiations resumed on 4 September, and a deadline of 24 November 2014 has been established to achieve a full agreement.\(^39\)

SWIFT’s website page on sanctions also confirms that as a cooperative its mission is to act and operate in the interest of the entire international community. SWIFT professes that it cannot act voluntarily to disconnect members unless regulations are enacted in its home jurisdiction, namely Belgium and under EU law. To this end, in disconnecting the Iranian banks in 2012, SWIFT was complying with EU Regulation 267/2012.

SWIFT claims leadership within the international financial community in countering money laundering through the banking system. The reality however, is that several major international banks have recently been heavily fined because of their complicity in financial crimes and, alternatively, their failure to enforce elementary principles regarding laundering financial proceeds of crimes.

The Iranian decision to negotiate is a positive development, which confirms the potential of SWIFT sanctions as a nonviolent instrument towards peace. Iran has repeatedly declared its support for a nuclear-weapons free Middle East. A question that now arises why Israel should be permitted to retain its nuclear warheads once the agreement with Iran is concluded?

Why also should Israel be allowed to continue to flout international law and repeatedly to pose a threat to world peace? The Israeli government is equipped with an estimated 200 nuclear warheads. A military confrontation with Israel could result in a nuclear conflagration from China across Asia and Africa to Nigeria, hence the imperative for a nonviolent initiative.

European governments in June, literally just days before commencement of the Israel bombardment of Gaza, warned their citizens about the risks of financial transactions with Israel. Past repeated EU declarations that the settlements in the West Bank are illegal have been ignored. They are now deliberately defied, as illustrated by the latest Israeli government decision to steal another 400 hectares of Palestinian land in Gush Etzion to build another settlement. Unless it takes meaningful action, the EU is accordingly now complicit with Israel’s violations of international law, and itself in violation of its obligations.

Buoyed by the success of SWIFT sanctions against Iran, but frustrated by being out-maneuved in Ukraine, British Prime Minister David Cameron and “hawks” within NATO a week ago were calling for Russian banks to be suspended from the SWIFT system. German Chancellor Angela Merkel was reportedly adamantly opposed, given her realisation that Russia can easily and immediately retaliate by refusing for supply oil to Europe for which, if Mr Cameron got his way, Russia would not be paid.\(^40\) Consequently, the sanctions just imposed against by the EU against Russia will be far less effective.

The much smaller Israeli economy simply does not have any such ability to retaliate against the EU should SWIFT be instructed to suspend transactions to and from Israeli banks. Indeed, Israel is overwhelmingly dependent on access to European and North American trade and financial markets.

Accordingly, this proposal calls upon the governments of the European Union urgently to require SWIFT to suspend transactions to and from Israeli (IL) banks until the Israeli government:

1. Agrees to relinquish its nuclear weapons, and to accede to the Non-Proliferation Treaty,
2. Agrees to release immediately all Palestinian political prisoners,
3. Agrees to end its occupation of the West Bank including East Jerusalem, and that it will dismantle the “apartheid wall,”
4. Recognizes the fundamental rights of Arab-Palestinians to full equality in Israel-Palestine,

5. Acknowledges the right of return of Palestinian refugees.

The intention is not to bring the Israeli economy to its knees but rather to bring the highly militarised Israeli government to its senses. The purpose is to balance the scales so that, unlike the failed “peace process,” meaningful constitutional negotiations between Palestinians and Israelis have some prospect of success.

Given the silent complicity until now of the international banking community in the involvement of all Israeli banks in war profiteering, this proposal also focuses on reputational damage to both the EU and to SWIFT in terms of the “Know your Customer” banking protocols. Not least in such financial crimes is the Israeli theft of Palestinian land and water in contravention of the Geneva Conventions and other instruments of international law, and compounded now by the theft of Gazan offshore gas reserves.

Endnotes

4 Egypt’s Lost Power: The Hidden Story Of Egypt’s Oil And Gas Industry, Al Jazeera, 9 June 2014.
6 Elhanan Miller, “Support For Hamas Skyrockets Following War, Poll Shows,” The Times of Israel, 2 September 2014.
7 Abbas Blocks Attempt At ICC Trial Of Israeli War Crimes, Ma’an News Agency, 13 September 2014.


23 “Bennet: Building Is The Zionist Answer To Murder of 3 Israeli Teens,” Jerusalem Post, 1 September 2014.


26 www.russelltribunalonpalestine.com


36 Such political complications were highlighted by the capture by Hamas in 2006 of the Israeli soldier, Gilad Shalit. Only five years later in 2011 did the Israeli government bow to pressure to exchange Shalit for 1 027 Palestinian prisoners.

37 Rania Khalek, “Israeli Officer Admits Ordering Lethal Strike On Own Soldier During Gaza Massacre,” The Electronic Intifada, 10 September 2014.

38 http://www.swift.com/about_swift/legal/sanctions_faq


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Cape Town, 13 September 2014