

Israel's confiscation of Palestinian revenues: a brazen violation of international law

Rick Kelly**25 February 2006**

Events within the Occupied Territories following Hamas's victory in Palestinian legislative council elections last month have again demonstrated Israel's and Washington's blatant disregard for international law.

Israel's confiscation of Palestinian tax and customs revenues worth an estimated \$50 million a month is indicative of the illegal measures currently being implemented. The Bush administration has unambiguously backed this provocative response to the Islamists' election win.

The seizure of the Palestinian Authority's (PA) central source of independent revenue has left the Palestinian administration on the verge of collapse and threatens a humanitarian catastrophe in the West Bank and Gaza.

Israel's ability to cripple Palestinian finances derives from its strict control of the West Bank and Gaza borders. Almost all of the Occupied Territories' imports must be unloaded at Israeli sea and air ports; authorities then collect the customs duties and value-added taxes levied on the goods. Each month the PA is supposed to receive this money, minus fees deducted by Israel for electricity, water, and other utilities. The arrangement is codified in the "1994 Protocol on Economic Relations Between the Government of Israel and the PLO," which is a supplementary agreement to the Oslo Accords.

The confiscation of these revenues underscores Tel Aviv and Washington hypocrisy on the incoming Hamas-led PA government. Not only does the US demand that Hamas renounce violence and recognise Israel's existence, it has also insisted that it uphold existing Israeli-Palestinian agreements. Such a condition, however, does not apply to the Israeli government, which is free to tear up any accord which no longer suits its interests.

Washington has made it clear that it endorses Tel Aviv's actions. On February 21, US State Department spokesman Adam Ereli was asked about Israel's seizure of the Palestinian revenues. "The US position is this is a

sovereign decision for the government of Israel to make," he declared. "We understand that decision."

The position that Israel is entitled to make a "sovereign decision" to withhold Palestinian money has no basis whatsoever, and directly contradicts international law. Aside from the 1994 protocol, Israel has a series of obligations as an occupying power to the residents of Gaza and the West Bank. Under laws formulated in the Hague Convention Regulations (1906) and the Fourth Geneva Convention Relative to the Protection of Civilian Persons in Times of War (1949), Israel is obliged to maintain security in the Occupied Territories, ensure public order and safety, and act for the welfare of the civilian population. Its seizure of Palestinian revenues will abrogate all of these obligations.

Israel's actions are symptomatic of the general collapse of any consideration for international legal structures. While the Israeli state has always sought to deny its status as an occupying power in the West Bank and Gaza and has committed countless crimes against the Palestinians since its founding, the present situation differs in that no previous US administration has so blatantly issued the Zionist state a blank cheque to take whatever measures it deems fit.

Moreover, the broader status of international law has been deliberately and systematically denigrated by the Bush administration. Washington's open support for Tel Aviv's illegal response to the Palestinian legislative election is explicable only in the context of the Bush administration's neo-colonial drive to assert its hegemony over the Middle East.

The invasions of Afghanistan and Iraq were illegal wars of aggression, which have been followed by innumerable war crimes by American occupation forces in both countries, from the abuses in Abu Ghraib, to the shooting and bombing of thousands of civilians, to the corruption of so-called reconstruction contracting companies. All of

this has been conducted in the name of bringing democracy to the Middle East.

The hypocrisy of this stated objective has been laid bare following Hamas's election victory in Palestine. If a Middle Eastern election fails to produce a winner suitably amenable to US interests, then Washington feels entitled to subvert the elected government.

After the *New York Times* on February 13 detailed US and Israeli plans to instigate the collapse of the incoming Hamas-led PA, the Bush administration made no serious effort to refute the story. Washington has since announced that, in addition to reviewing all areas of its aid to the West Bank and Gaza, including that channelled through non-governmental organisations and US aid agencies, it is demanding the immediate return of \$50 million it gave last year to the PA for reconstruction work in Gaza.

Secretary of State Condoleezza Rice is currently visiting Middle Eastern countries, including Egypt, Saudi Arabia, and the United Arab Emirates. One of her central aims is to pressure these states not to increase their funding to the Hamas-led PA. The Bush administration has a two-pronged strategy. By ensuring that US-aligned Arab states do not make up the funding shortfall, Washington not only destabilises Hamas's rule, but also forces it to rely on Iranian money. The Palestinian Islamists' dependence on Tehran can then be used to publicly justify both the subversion of the Palestinian election results and the Bush administration's aggression against Iran.

Israel and the US publicly justify their financial embargo against the PA on the grounds that Hamas is a terrorist organisation which cannot be dealt with unless it meets a series of demands. What is really involved, however, is the infliction of yet more suffering upon the entire Palestinian people. The populations of Gaza and the West Bank are being punished for failing to bow to US and Israeli dictates, and the experience is intended to serve as a broader object lesson for the people of the Middle East.

The Bush administration's declarations that humanitarian assistance outside of PA structures will continue are purely for public consumption. Washington knows that it is impossible for non-governmental organisations and other institutions not connected to the PA to make up for discontinued Palestinian programs and employment sources.

The PA is the largest single employer in the West Bank and Gaza. One in every three Palestinian families relies on the salaries of the 140,000 PA employees. Wage payments are already beginning to fall into arrears and a

humanitarian catastrophe looms. Unemployment is estimated at more than 30 percent in Gaza and 20 percent in the West Bank. Half the population lives under the poverty line.

Israel's withholding of the taxation revenue affects a wide range of social services provided by the PA. According to *Haaretz* journalist Amira Hass, the Ministry of Health has been unable to pay contractors for hospital food, equipment, and medicine for the past three months. The ministry employs 13,000 people. Another 40,000 work under the Ministry of Education, which is facing a no less severe crisis as it attempts to maintain its already limited education services for Palestinian children.

The PA also provides pensions to retired employees, and has operated a temporary unemployment insurance scheme for workers who are unemployed as a result of Israeli border closures and other restrictions on Palestinian labour within Israel. All of these programs may now be discontinued, along with a range of other government projects such as infrastructure development and poverty-relief measures.

The calculated brutality of Israel's actions was underscored by the reported comments of Dov Weissglas, advisor to acting Prime Minister Ehud Olmert. "It's like an appointment with a dietician," he told a government meeting. "The Palestinians will get a lot thinner, but won't die." According to *Haaretz*, Weissglas's colleagues, including the military's chief of staff, the director of Shin Bet, and senior generals and officials "rolled with laughter" at the remark.



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