The Britain Israel Communications and Research Centre

Giving peace a chance?

Tom Mills
David Miller
Tom Griffin
Hilary Aked
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>List of Figures</td>
<td>4</td>
</tr>
<tr>
<td>Preface – The national interest, pro-Israel advocacy and anti-Semitism</td>
<td>5</td>
</tr>
<tr>
<td>Summary</td>
<td>8</td>
</tr>
<tr>
<td>Introduction</td>
<td>11</td>
</tr>
<tr>
<td>Chapter One – Shlomo Zabludowicz and the business of war</td>
<td>13</td>
</tr>
<tr>
<td>Chapter Two – Poju Zabludowicz and the business of peace</td>
<td>17</td>
</tr>
<tr>
<td>Chapter Three – The second intifada and the establishment of BICOM</td>
<td>22</td>
</tr>
<tr>
<td>Chapter Four – BICOM and British Zionism</td>
<td>28</td>
</tr>
<tr>
<td>Chapter Five – BICOM strategy, elite networks and the media</td>
<td>39</td>
</tr>
<tr>
<td>Chapter Six – Funding and finances</td>
<td>54</td>
</tr>
<tr>
<td>Chapter Seven – BICOM’s views and arguments</td>
<td>61</td>
</tr>
<tr>
<td>Chapter Eight – The Fox-Werritty scandal and the decline of democracy</td>
<td>66</td>
</tr>
<tr>
<td>Chapter Nine – Conclusions</td>
<td>77</td>
</tr>
<tr>
<td>Biographical Details</td>
<td>79</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>79</td>
</tr>
<tr>
<td>Notes</td>
<td>80</td>
</tr>
</tbody>
</table>
List of Figures

Figure 1. Poju Zabludowicz's major investments by region and business sector 23
Figure 2. BICOM in context: senior figures and locations in the British Zionist scene 34
Figure 3. BICOM staff links to US, UK and Israeli state, lobby groups, media and PR firms 36
Figure 4. The business interests and connections of the main BICOM funders 58
Figure 5. The role of key BICOM supporters in Adam Werritty’s funding network 67

Acronyms

AJC American Jewish Committee
AIPAC American Israel Public Affairs Committee
BDS Boycott, Divestment and Sanction
BICOM Britain Israel Communications and Research Centre
BIPAC British-Israel Public Affairs Committee
BIPG Britain-Israel Parliamentary Group
BoD Board of Deputies
BoD Board of Deputies of British Jews
CAMERA Committee for Accuracy in Middle East Reporting in America
CiFWatch Comment is Free Watch
CFI Conservative Friends of Israel
CST Community Security Trust
FCO Foreign and Commonwealth Office
GGG Good Governance Group
IDC Interdisciplinary Center Herzliya
IDF Israel Defense Forces
JLC Jewish Leadership Council
JNF Jewish National Fund
JPR Institute for Jewish Policy Research
LDFI Liberal Democrat Friends of Israel
LFI Labour Friends of Israel
MoD Ministry of Defence
NEC National Executive Committee (of the UCU)
NGOs Non-governmental organisations
PCC Press Complaints Commission
PLO Palestine Liberation Organization
Reut The Reut Institute
STB Stop the Boycott campaign
UCU University and College Union
UJIA United Jewish Israel Appeal
UPA United Palestine Appeal
WINEP Washington Institute for Near East Policy
WIZO Women’s International Zionist Organisation
WZO World Zionist Organization
ZF Zionist Federation of Great Britain and Ireland
Preface – The national interest, pro-Israel advocacy and anti-Semitism

This report examines the Britain Israel Communications and Research Centre (BICOM), a prominent pro-Israel public relations group. Like most public relations companies, indeed like most companies, it is an opaque organisation that carries out much of its work beyond public scrutiny and accountability. Our hope is that this report goes some way towards developing a better understanding of what BICOM does and whose interests it serves.

Since BICOM is a UK public relations company seeking to cultivate ‘a more supportive environment for Israel’, this study could have examined its activities through the lens of divergent British and Israeli national interests. This type of approach has been adopted in some prominent examinations of what is broadly referred to as the ‘Israel lobby’, but seems misguided to us; too often leading to accusations of ‘dual loyalty’ or an implication that domestic organisations are serving foreign powers.1 We reject it, though, not because we are uncomfortable with its conclusions, but because we do not accept the assumption of an objective ‘national interest’.

Though politicians and academics often use this term, in reality the people and institutions that make up nations rarely share the same interests or perspectives. Indeed, the contest over how the national interest should be understood, and therefore how it can best be served, is the very stuff of national politics. It follows that to understand an organisation like BICOM, we must start not with abstract and subjective notions like the ‘national interest’, but rather with an examination of the ideas and interests of the individuals and groups involved, as well as their broader political networks.

What we discover is that BICOM is not some alien organisation trying to impose its agenda on the British political establishment. Rather its staff and donors, and their networks, are parts of that very establishment. Though their interests and perspectives inevitably conflict with other factions, equally they have found natural allies in pre-existing political networks – most obviously in older pro-Israel groupings, but also notably on the right of the Labour Party, which has been shaped by years of Atlanticist, Cold War thinking and more recently by the War on Terror, which revived elements of those older political networks and ideas.2

To some, our attempt to situate the various players within the ‘power elite’ may have an air of ‘conspiracy theory’ about it. But the similarities are superficial. Conspiracists allege that secret groups, organisations, or even races, wield total power over society, whilst remaining hidden from public view.3 This is far from what we are suggesting.

The countless lobbying scandals of recent years make it clear even to the casual observer that powerful interests routinely push their agendas ‘behind the scenes’. But there is no grand plan or conspiracy afoot. Powerful people and institutions may have considerable resources at their disposal, but they cannot see into the future, and nor can they exercise total control – the 2008 financial crash and the so called ‘Arab Spring’ remind us of that. Like the rest of us, those with power often react to events as they unfold and with considerable uncertainty. Nor do ‘power elites’ always agree with one another. Whilst many powerful individuals and organisations share basic interests and perspectives, their interests also often diverge and there is not necessarily consensus on any given issue.

Furthermore, no single organisation, individual or grouping is all-powerful. Even the banks, which are probably the most powerful institutions in contemporary Britain, have to make compromises with other powerful groups and, albeit indirectly, with the rest of society.
Finally, though many powerful individuals and institutions are highly secretive, they are not secret. When it comes to political influence, we know quite a lot about who funds our politicians and their think tanks and who meets with, and are consulted by, ministers and civil servants. The domination of our politics by corporations and wealthy individuals is no secret, even if to acknowledge it remains taboo in the mainstream. There is no one secret group – no Illuminati, Masonic Grand Lodge or cabal of reptilian shape-shifters pulling the strings. ‘Power elites’ are exactly who they appear to be.

A better understanding of these ‘power elites’ can only enhance democratic politics, and in this report we attempt to cast some light on a particular faction which is engaged in pro-Israel advocacy. Many of its members are from Jewish backgrounds. Before we proceed, therefore, it is necessary to deal with the question of anti-Semitism.

Racism towards Jewish people is deeply rooted in European history and culture and a common theme is the notion that wealthy Jews control powerful institutions or historical events from behind the scenes. As Brian Klug has noted:

Anti-Semitism is an ingrained European fantasy about Jews as Jews. Whether they are seen as a race, religion, nation or ethnic group, and whether anti-Semitism comes from the right or the left, the image of ‘the Jew’ is much the same. To an anti-Semite, Jews are a people set apart, not merely by their customs but by their collective character. They are arrogant, secretive, cunning, always looking to turn a profit. Loyal only to their own, wherever they go they form a state within a state, preying upon the societies in whose midst they dwell. Mysteriously powerful, their hidden hand controls the banks and the media. They will even drag governments into war if this suits their purposes. Such is the figure of ‘the Jew’, transmitted from generation to generation.4

Readers will likely be familiar with the cynical use of this history to smear critics of Israel. This is a reprehensible practice, but it should not disguise the fact that critiques of Israel and Zionism can potentially absorb anti-Semitic ideas. As Klug notes, where anti-Semitic fantasies ‘are projected on to Israel because it is a Jewish state, or Zionism because it is a Jewish movement, or Jews in association with either Israel or Zionism: there you have anti-Semitism.’5

Conservative critics, we would suggest, are particularly vulnerable to this tendency, since they are more likely to believe that the politics of a state reflects some innate character of its people. From this assumption, held consciously or not, it follows that the history and politics of the state of Israel in some way reflects on Jewish people as a whole, whatever role particular Jewish individuals may have played in its politics. Again we reject such assumptions. Just as national states do not have a single self-evident ‘national interest’, neither can Jewish people in general be said to share particular interests or political perspectives. The actual history of the State of Israel illustrates very well that national states are not the inevitable products of the innate characteristics of their people, but are formed from specific political and historical circumstances aided by deliberate human efforts, including the use of propaganda.

In what follows we detail the interests and ideas of groups and individuals involved in pro-Israel advocacy, but we do not tacitly point to some modern ‘Jewish conspiracy’. Indeed, many of those pushing pro-Israel policies are not Jewish, and many of those opposing them are.6

The truth is that those involved in pro-Israel advocacy networks are conservatives of various stripes, some of whom originated on, and may still identify with, the left. On many issues they are at odds with mainstream opinion in what is often described as the ‘Jewish community’ in the UK, the US and in Israel. To the extent that common agendas exist, they are about pushing ideas related to corporate interests, the interests of the Israeli state or its dominant factions, those of the foreign policy establishment and the intelligence agencies of several Western powers, or those of the transnational conservative movements. None of these interests have anything to do with the interests of ‘the Jews’ any more than they do those of ‘the Christians’ or ‘the Muslims’.
Given the considerable criticism one can face, it is understandable that many commentators and analysts are reluctant to scrutinise pro-Israel political networks. But those who do not do so for fear of appearing to be anti-Semitic profoundly misunderstand the nature of anti-Semitism and in fact risk playing into the hands of these conservative forces and worsening anti-Jewish racism.

For our part we proceed on the assumption that the politics of Zionism and the Israeli state should not be conflated with Jews as a people or Judaism as a cultural or religious tradition.
Summary

Introduction

BICOM is an important pro-Israel grouping that focuses on managing the British media. It is important because it is at the more sophisticated end of the pro-Israel lobby and because it works behind the scenes to cultivate elite opinion on Israel. BICOM is primarily about taking standard pro-Israel arguments, but repackaging them in ways that resonate with opinion-forming elites, and teaching other activists to do the same. So, although it focuses on the media and communications its main audience is not public opinion but a political elite that is insulated from the public.

Chapter One – Shlomo Zabludowicz and the business of war

BICOM owes its existence to its principal donor Poju Zabludowicz, whose own wealth stems from the money his father, Shlomo Zabludowicz, made from the arms trade. Networking with top political leaders in Israel and internationally, Shlomo Zabludowicz sold weapons to some of the world’s most repressive regimes over several decades. This history spans the development of Israel’s domestic arms industry in the 1950s, the expansion of the arms market domestically and internationally and globally during the 1970s and later the geopolitical and other factors contributing to a decline in profitability that eventually prompted a move by the younger Zabludowicz to diversify into property.

Chapter Two – Poju Zabludowicz and the business of peace

Poju Zabludowicz’s father made a fortune out of the business of war, but by the time of his death in 1994 the business sector in Israel had come to see its best interests as lying with the normalisation of the country and the internationalisation of its economy. Zabludowicz now became part of the ‘peace dividend’ lobby in London which supported the Oslo process of the 1990s. He made billions from the state-led property booms, privatisations, mergers and tech-bubbles of the neoliberal period, wealth which is now tied up in opaque offshore trusts and hedge funds, managed by associates in London.

Chapter Three – The second intifada and the establishment of BICOM

The Oslo process, though successful from the perspective of Israeli business, did not bring an end to the occupation or illegal settlements, and the ‘final status’ talks held at Camp David in 2000 ended with no agreement. Palestinian frustration erupted into protests and rioting in September 2000. These events subsequently grew into the second intifada. Israel’s violent response and its rightward shift left many in the UK Jewish community uncomfortable, but the official communal leaders sought to mobilise British Jews behind Israel and BICOM emerged as part of this struggle to maintain support. Poju Zabludowicz was its first major donor.

Chapter Four – BICOM and British Zionism

BICOM came from and is embedded within the British Zionist movement. We examine the key groups that are closest to BICOM especially the United Jewish Israel Appeal, the Board of Deputies of British Jews and The Jewish Leadership Council all of which, despite their names, are pro-Israel rather than simply representatives of the Jewish community. BICOM is also close to the Parliamentary ‘Friends of Israel’ groups that wield some influence in Westminster. It is important to note, however, that BICOM, although it distances itself from some of the more hard-line pro-Israel groups, also co-operates with groups such as the Zionist Federation. The Federation is affiliated to the World Zionist Organisation, headquartered in Jerusalem and shares premises with the
The Britain Israel Communications and Research Centre:

Chapter Five – BICOM strategy, elite networks and the media

Here we argue that BICOM is the most sophisticated of the pro-Israel advocacy groups in the UK. It has employed public relations professionals and lobbyists and has adopted a strategic approach to communications. BICOM's original mission included influencing the general public, but this appears to have been dropped and today its website makes no mention of public opinion. BICOM believes in trying to insulate elites from what it sees as the negative opinions about Israel encountered amongst the British public.

BICOM undertakes its work in the context of the UK's highly unequal society in which countervailing democratic powers have been systematically undermined over the last three decades. This is part of the reason why BICOM sees it as more important to build and sustain elite support. Those who bankroll BICOM also do this directly by supporting sympathetic people in the main political parties, especially the Conservative Party.

Because of its focus on elites, BICOM has always emphasised the need to be accurate and rational in its approach, to ensure that it avoids the hectoring approach of some of the hard-liners in the UK pro-Israel community and can develop reciprocal working relationships with journalists. BICOM has had some considerable success in influencing mainstream media. However it is also clear that BICOM operates in a media context that is largely sympathetic to supporters of Israel.

Managing the recurrent crises thrown up by Israeli human rights abuses and military activities is also a key role for BICOM, as it is targeting critics of Israel and attempting to mobilise grass roots supporters.

Chapter Six – Funding and finances

In recent years BICOM has demonstrated the ability to fundraise the odd million pounds through organising business delegations to Israel offering access to leading politicians or hosting dinners at prestigious London locations. However, it remains overwhelmingly dependent on the wealth of Poju Zabludowicz, whose generosity has increased over time. Claims that BICOM has over 100 donors cannot be verified due to a chronic lack of organisational transparency but other sources indicate that the interests and connections of those donors who are identifiable overlap considerably. Drawn from the transnational business elite, several of them have investments in the same private equity fund as Zabludowicz, or, like him, have donated to other British pro-Israel groups, one or both of the major political parties in the US or UK or have business interests in Israel.

Chapter Seven – BICOM’s views and arguments

We show how BICOM’s narrative seeks to present Israel as a benign and reasonable actor yet the moderate tone and rhetoric it deploys undermined by the extremism of its underlying arguments. Despite professing support for Palestinian statehood, it echoes Israeli rejectionism on the key issues of the conflict: borders, Jerusalem, settlements and refugees. This stands in stark contrast with the overwhelming international consensus.
premised on international law and United Nations resolutions. Nonetheless the increasing care taken to cultivate this respectable façade, which sets it apart from other more strident pro-Israel groups, is indicative of BICOM’s broader goal of shoring up support for Israel amongst the strategically vital political elite in the UK.

Chapter Eight – The Fox-Werritty scandal and the decline of democracy

This chapter examines the resignations of Defence Secretary Liam Fox in October 2011 over the activities of his unofficial adviser Adam Werritty, who was funded in part by key BICOM backers. The scandal broke after a former BICOM lobbyist introduced Werritty to a client who then attempted to use his contacts with Fox as leverage in a business dispute.

Although it was claimed that they were intended to promote peace and reconciliation, Fox and Werritty’s activities in Sri Lanka emboldened a hard-line government. Their parallel diplomacy effort on Iran supported hard-line neoconservative rhetoric, but also engaged policymakers in both Britain and Israel who favoured covert action over a military strike.

Chapter Nine – Conclusions

BICOM positions itself as the moderate mouthpiece of a badly misunderstood state. It aims to defend Israel by encouraging a skewed perception of the conflict amongst elites and insulating them from pressure to support Palestinian rights.

By seeking to present even illegal actions by the Israeli state in a favourable light, BICOM simultaneously strengthens its backers’ relationships with state officials whilst minimising any harm that they might bring. It is clear that what worries BICOM’s backers most are campaigns for the boycott of settlement goods, Israeli academia or wider measures. The attempt to mobilise British Jews and to dissuade critics in the Jewish community (and elsewhere) from speaking out is also very important as it helps to identify Jews en masse with Israel and helps to head off criticism of Israel from non-Jews.

We suggest that BICOM and other lobby groups should be understood in the context of the transnational elite networks incorporating players from big business, finance, politics, PR and the media. The existence and activities of BICOM cannot be separated from issues of undemocratic governance in the UK and elsewhere, and any solution to the problems we highlight here must necessarily entail significant political reforms. What is needed is a systematic overhaul of ethics rules in Whitehall including a statutory lobbying register. Lobby groups, think tanks and media organisations should also be transparent and accountable to the public.

BICOM wants to suggest that it is in favour of a two state solution and of the peace process in the Middle East. Our findings suggest, on the contrary, that it supports the rejectionism of an Israeli state which refuses to give peace a chance.
Introduction

BICOM is not well known to the public, but it is probably the most important pro-Israel grouping in the UK. It is at the more sophisticated end of what is collectively referred to as the pro-Israel lobby and, in contrast to the more strident and less subtle element of the lobby, can appear to be centrist and moderate. BICOM works behind the scenes to cultivate elite opinion on Israel and focuses on the British media, attempting to ensure that reporting is more favourable to the interests of the Israeli state. It’s remit is primarily about taking standard pro-Israel arguments, but repackaging them in ways that resonate with opinion-forming elites, and teaching other activists to do the same. Although it focuses on the media and communications its main audience is not public opinion, but a political and media elite that is insulated from the public.

In this report we do not simply examine BICOM in isolation, but try to show that it is one organisation amongst many which act in a concerted way around shared objectives. We also situate it in the context of the wider networks of power and influence, in particular a nexus of relations between the British and Israeli states, and business, political and media elites in both countries. We regard the lobbying and PR activities we describe here as symptoms of the tenuous nature of democracy in the UK, as well as a means by which democracy is circumvented.

In chapter one we begin by delving into the background of the main funder behind BICOM, Poju Zabludowicz. His wealth comes originally from the arms industry, in which his father was something of a pioneer. The subsequent diversification away from arms towards finance and tourism tells us more than a particular family history, mirroring as it does the more general transformation of the Israeli economy since 1948. In chapter two we show that the interests underlying BICOM have a material stake at least in the appearance of a peace process in Israel/Palestine. Thus we suggest the main point of BICOM is to encourage the idea that Israel is serious about peace with the Palestinians.

Chapter three examines the creation of BICOM in response to the beginning of the second intifada in 2000. Chapter four looks at the wider pro-Israel networks in which BICOM is embedded, their interconnections, and their links with Israeli state institutions. This allows us to turn, in Chapter five, to examine BICOM’s role in the context of the UK’s ‘post-democracy’, its strategy of attempting to build elite support for Israel, and undermine support for Palestinian human rights. This takes place against a media and political background that is largely sympathetic to Israel. The funding and finances of BICOM are examined in chapter six whilst the arguments advanced by BICOM are examined in chapter seven. Chapter eight builds on our account of BICOM by examining the Fox-Werritty scandal and highlighting the intimate relations between the networks we have outlined here and the UK defence establishment. Finally chapter nine provides a short conclusion to this study.

Research approach

This report is based on a combination of historical, archival and investigative research as well as a review of the scholarly literature on Israel/Palestine and Israeli political economy.

“the main point of BICOM is to encourage the idea that Israel is serious about peace with the Palestinians.”

Though we spoke to several people with knowledge and experience of BICOM and the broader pro-Israel lobby in the UK, the views and perspectives of those with whom this report is concerned remained accessible to us only through secondary sources. This absence reflects their unwillingness to speak with us, rather than any disinterest on our part. During our research we contacted nearly ten former
BICOM members of staff requesting interviews. One replied declining our request and the rest failed to respond. We also contacted BICOM for an official interview, but received no response. When we followed up our original request, a member of staff confirmed it had been received and said we would receive a response from a more senior member of staff in due course. None was received. Whilst we would expect a certain reticence given that our research was clearly adopting a broadly critical perspective, when considered alongside BICOM’s lack of transparency about its funding and governance structures, we believe this unwillingness to enter into even minimal engagement with critics reflects very poorly on BICOM as an organisation.

Finally, a note on terminology though ‘directors’ and ‘board members’ are generally synonymous in the corporate world, in this report we use the former term when referring to those who are registered as directors at Companies House and the latter term to refer to those who though not officially registered as directors, have been identified as a ‘director’ or ‘board member’ in other sources.
Chapter One – Shlomo Zabludowicz and the business of war

During a decade of pro-Israel activism BICOM has employed three different directors, two interim directors and dozens of members of staff. A constant presence has been its chairman, the Finnish financier Poju Zabludowicz. Zabludowicz was the first major donor to pledge support for the Cross Community Emergency Co-ordinating Group, from which BICOM emerged and the organisation has remained dependent on him ever since for month-to-month financial support.

When he emerged as the key figure behind BICOM, Zabludowicz was barely known in the UK, either inside or outside the Jewish community. He remains a low-key figure, rarely granting interviews. His role in Israel advocacy aside, the billionaire is best known as a collector and patron of the arts. His British wife, Anita, serves as a trustee of the Tate Foundation (which raises funds for the Tate Gallery). The couple’s generous financial patronage, in art and politics, is made possible by a portfolio of lucrative investments, the total value of which has been estimated as £1.5 billion. This substantial wealth has been built up through the buying and selling of property assets and commercial investments, principally in the UK, the US and Israel. But Poju Zabludowicz’s wealth has its origins in the business interests of his late father, Shlomo Zabludowicz – an arms dealer who made a fortune out of his close relations with the Israeli state, and some of the world’s most repressive regimes.

The following section describes the origins of this wealth and charts the changing geopolitical context in which it has been accumulated. While some of the events described here precede the establishment of BICOM by as much as half a century, they have powerfully shaped the present, and we hope that the broader view presented here will help the reader gain a better understanding of BICOM’s politics.

The business of war

Poju Zabludowicz’s father, Shlomo Zabludowicz, was born in Poland in 1915 to a rabbinc family. One of eight children, he was the only member of his family to survive the Nazi genocide. He met Poju’s mother, Pola, after the war at a rehabilitation camp in Sweden and they were married in Israel in 1948. Finding it difficult to integrate in the country however, they returned to Scandinavia shortly afterwards. They settled in Tampere, a city in the south of Finland where Shlomo Zabludowicz became affiliated with the Finnish company Tampella, a manufacturer based in the town. Though it is not clear whether he was ever officially in the employment of Tampella, he established a close, and lucrative, working relationship with the firm, positioning himself as a middleman between the company and Israel’s largest construction firm, Solel-Boneh.

Like many other institutions in Israel during the state’s early years, Solel-Boneh was notionally socialist. It was affiliated to the Histadrut, the Israeli trade union umbrella group in some ways analogous to the Trade Union Congress in the UK, but distinct in that it had been a key part of the Zionist state-building project and thus was deeply embedded in the Israeli power structure. Business, trade unions and the state were not easily distinguishable in Israel and the nationalist Histadrut simultaneously represented ‘big business’ and ‘big labour’, as well as enjoying close relations with politicians. In the 1950s, encouraged by the desire of Israel’s first Prime Minister David Ben-Gurion to develop a domestic arms industry, Solel-Boneh’s industrial arm moved into ‘defence’, looking to Europe for technical expertise.

Finland’s Tampella, which had begun manufacturing mortars for the Finnish Defence Forces in the 1930s, subsequently formed a joint venture with Solel-Boneh, licensed to sell Tampella weapons in Israel. Soltam Corporation,
as the joint venture was known, was based near
the town of Haifa in northern Israel and was
the country’s first private defence company. Tampella’s relationship with Solel-Boneh, the
industrial arm of which was spun-off as Koor Industries in 1958, appears to have been kept at
arm’s length. Contracts were handled by a selling
agent incorporated in Liechtenstein called Salgad,
which in 1956 acquired a London subsidiary
called Tamares Ltd.

The relationship between Tampella and Koor
Industries lasted several decades. But in
1973, a new managing director took over at
Tampella and a year later the joint venture with
Koor Industries was terminated. Soltam then
became a partnership between Koor Industries
and Shlomo Zabludowicz, but nevertheless
continued to sell Tampella-type mortars. Shlomo
Zabludowicz maintained his business relationship
with Tampella until at least 1977, by which time,
despite his initial lack of enthusiasm for the
country, he was mainly based in Israel and had
become an Israeli citizen.

Shlomo Zabludowicz’s success is said to have
been due to ‘a mix of determined lobbying
and business acumen’. He had no capital or
financial backing, but did have connections
in Israel and no doubt sensed a business
opportunity in a country where, as Jonathan
Nitzan and Shimshon Bichler note, ‘the spheres
of government, business, military, culture and
opinion-making’ were deeply ‘entangled’.

During the 1950s he developed a close
relationship with the current President of Israel,
Shimon Peres; a hawkish politician who as
Defence Minister played a significant role in
the development of the Israeli arms industry.
Peres was, according to the former diplomat
and historian Shlomo Ben-Ami, ‘second to
none in his talent for political manoeuvring
and manipulation’. Shlomo Zabludowicz also
appears to have developed close relations with
other Israeli politicians over the years. In 1971
the Swedish Broadcasting Company reported
that the then Israeli Prime Minister Golda Meir
had attended a meeting with three men at a
hunting lodge in Sweden arranged by a Finnish
representative of Soltam.

Soltam’s early contracts included supplying
artillery to the Israel Defence Forces, but the
company soon sought to expand onto the
international arms market. Thanks to his
Finnish nationality and some adept lobbying,
Shlomo Zabludowicz was able to exploit arms
markets closed off to the Israeli state, so much
so that Shimon Peres dubbed him ‘Columbus’
for his role in opening up new lands for Israeli
investors. He won a contract supplying mortars
to West Germany, causing a political scandal
in Israel that led to the resignation of several
members of Ben-Gurion’s Cabinet in 1959.
According to The Times whilst ‘the arms deals
with Germany were Soltam’s bread and butter’,
over the course of three decades Shlomo
Zabludowicz sold arms to at least 26 different
countries. In 1965, the year of the Second
Kashmir War, Soltam won a contract to supply
India, and though the country had no diplomatic
relations with Israel, Shlomo Zabludowicz is said
to have been close to its long serving Prime
Minister, Indira Ghandi.

The real boom years for Soltam were the
1970s and early 1980s, when the Israeli arms
industry expanded dramatically. As Israeli
sociologists Gershon Shafir and Yoav Peled
note, the development of ‘Israel’s modern military
industries was triggered by the imposition of
the French [arms] embargo in June 1967, but
their explosive expansion was a response to a
growing global market for arms, with expanding
profit margins’. According to Michael Shalev:

The aftermath of the 1967 war fundamentally
altered key elements of Israel’s political-
economic regime. Although senior politicians
and bureaucrats developed a sudden fondness
for laissez-faire rhetoric, and some elements
of economic regulation did become less direct,
there was no undermining of the state’s role as
the central pivot of the economy. Instead, this
pivot found a new axis in the ‘military-industrial
complex.’ The basis for this development
was a potent combination of government-
subsidized local military procurement, the
burgeoning world market for arms, and (from
1970) U.S. government financing of Israel’s
foreign arms purchases.
In Singapore, where the IDF had provided secret assistance in the development of the country’s military, Shlomo Zabludowicz formed a close relationship with the Defence Minister Goh Keng Swee, supplying mortars to the country in 1970 and 1976. Soltam also won contracts with Thailand in 1974 and 1988, and in 1983 won a contract to supply mortars to the military regime of Ferdinand Marcos in the Philippines, where Shlomo Zabludowicz reportedly developed relations with Fidel Ramos, later the country’s President. Zabludowicz is reported to have had good connections with the aristocracy in Indonesia and to have dealt arms to Malaysia. Soltam also sold arms to Apartheid South Africa in 1976, the Pinochet dictatorship in Chile in 1983 and the military governments in Ecuador (in 1974) and Honduras (in 1976).

Shlomo Zabludowicz’s luck began to change in 1979 when the Islamic Revolution in Iran overthrew the Shah. A brutal dictator who had toppled the democratically elected Mossadeq government in a coup orchestrated by Britain and the US, the Shah’s regime was reportedly Soltam’s most important customer. Soltam was further hit by the decline in Israeli military spending following the peace treaty with Egypt that same year, which continued after the 1982 Lebanon War.

Seeking new markets for their weapons, Shlomo and Poju Zabludowicz (who by then had joined the family business) looked to the United States – the heart of the international arms industry, where a group of militaristic and fiercely pro-Israel intellectuals and political operators, known as the neoconservatives, were coming to the fore. In 1980 the Zabludowiczes hired the American neoconservative Richard Perle as a lobbyist in an effort to win a Pentagon contract for Soltam. Perle, who later became a member of the George W. Bush administration, had worked as an influential Senate aide for many years and spent a short period as a private consultant in 1980 before joining the Reagan administration. During this time he worked for Abington Corporation, a lobbying company established by John F. Lehman, later Reagan’s Secretary of the Navy. Perle was paid $50,000 by the Zabludowiczes to promote the sale of their mortars to the Defense Department, which then held a supply contract with the British Royal Ordnance Factories (later part of BAE Systems).

In 1983 the New York Times revealed that Perle had pushed for the use of Soltam’s mortars, and that he had received funds from the Zabludowiczes after his appointment as Assistant Secretary for International Security Policy. Responding to the accusations, Perle said that the Army’s mortar contract needed to be opened up to competition and stressed that he had ended his relationship with the Zabludowiczes before entering government, only later receiving payment.

In 1985 the Zabludowiczes used their Washington lawyer, Daniel J. Spiegel, as a defence lobbyist, paying him a monthly retainer through their Cayman Islands vehicle Salgad International. They also developed a relationship with Reagan’s Assistant Secretary of the Navy, Melvyn R. Paisley, a former official at Boeing, which, like the Zabludowiczes, had hired Abington Corporation as a lobbyist. In 1988 Paisley’s home was raided by the FBI, which suspected that he had helped the Zabludowiczes’ US subsidiary, Pocal Industries Inc., obtain defence contracts during his term in office. Paisley was later imprisoned after admitting receiving hundreds of thousands of dollars in bribes, though not in relation to the Zabludowiczes.

Despite the Zabludowiczes’ best efforts, Soltam did not succeed in winning a Pentagon contract until 1988, when, jointly with the US based Martin Marietta Corporation (later part of Lockheed Martin), it successfully bid for a US Army contract. This breakthrough followed Israel’s official designation in the US as a ‘major non-NATO ally’, allowing Israeli companies to bid for US military contracts on an equal footing with firms in the US and NATO countries – cementing the intimate political and military ties between the US and Israel that had developed after the 1967 war.
By the time of the Pentagon contract, however, Soltam had run into serious financial difficulties. In 1987 the company reportedly held an unsold inventory of over $80 million worth of weapons and had no finalised sale contracts. Drastic cut backs on staff in Israel resulted in the occupation of the factory by its workers and even the company’s senior management being held hostage for a period. Soltam’s decline continued into the early 1990s. Sales, which peaked at $139 million in 1985, by 1991 were expected to reach no more than $40 million, whilst staff had been cut by almost 75 per cent.

Out of arms

Soltam’s downturn reflected a more general decline in the Israeli arms industry and the international arms market to which the company responded by moving into joint ventures with high-tech companies. The Zabludowiczes meanwhile diversified into property and household goods. In 1989 they split with their Soltam partner, Koor Industries, divesting their 26 per cent stake in exchange for control of the firm’s marketing agent Salgad.

The Zabludowicz family’s wealth was henceforth managed by Poju Zabludowicz from London. A CV states that Poju led Tamares (as the family’s group of companies became known) from 1990. By this time, he had been based in London for years. In January 1978 he was appointed a director of Salgad’s London subsidiary, Tamares Ltd, and later that year he moved into a flat in St John’s Wood, north London. He met his British wife in London and they became engaged in 1988. A year later they purchased a mansion on The Bishops Avenue in Hampstead (dubbed ‘Billionaire’s Row’), later purchasing the adjacent mansion in 1997.

In February 1993 Poju set up a property company in London called Ivory Gate (UK) Ltd and a subsidiary called Clearacre Ltd. Using offshore vehicles, Ivory Gate made substantial investments in UK commercial property including in 1-6 Lombard Street in the City of London, Argyle House in Edinburgh and Princes House in London’s West End – where Poju Zabludowicz’s offices were at one time based. He later recalled: ‘When we left the [arms] industry, it was natural to invest in real estate. It’s a business that you can access without having to buy yourself a large office and establish large operations.’

On 8 August 1994, Poju’s father Shlomo died at his villa in Israel. Following a drawn-out family feud, his legacy, tied up in trust funds in Lichtenstein and Gibraltar, was divided between Poju and his sister Rivka.
Poju Zabludowicz’s father made a fortune out of the business of war, but by the time of his death in 1994, Israel, and its relationship with the world economy, was undergoing a significant shift. As Markus Bouillon notes, in the 1990s Israel returned to growth and its economy moved away from arms and towards high technology:

The influx of 600,000 Russian immigrants between 1990 and 1994 heralded a new phase of economic expansion... The trend was fuelled not only by manpower, but also by an influx of foreign direct investment and trade deregulation, in addition to renewed efforts at privatization and capital market reform. On the basis of its military industry, Israel, which had the highest proportion of engineers in the population worldwide, became a major high-tech producer.58

The business sector in Israel now increasingly saw its best interests as lying with the normalisation of the country and the internationalisation of its economy. It therefore supported the drawn-out ‘peace process’ of the 1990s, hoping to benefit from the ‘peace dividend’. A key objective for the business sector was the lifting of the Arab League’s boycott of Israeli companies and especially the so-called ‘secondary boycott’, under which companies doing business with Israel or Israeli companies were barred from business with Arab countries and companies. Shafir and Peled note that:

Similarly, Jan Selsby notes that:

The central problem facing the Israeli corporate sector during the early 1990s was that diplomatic isolation and the secondary Arab economic boycott posed profound obstacles to the country’s global penetration, making it more difficult for Israeli businesses to enter emerging markets in South and East Asia, or to attract investment from, and enter into, joint ventures with European and North American companies. Addressing this situation became a priority for Israeli business leaders, and the Oslo peace process was launched in part for this reason.60

This new drive for peace – albeit a superficial one that preserved Israel’s supremacy over the Palestinians – led to the signing of the ‘Declaration of Principles’ in September 1993 and the famous handshake on the White House lawn between the Israeli Prime Minister Yitzhak Rabin and the Palestine Liberation Organization (PLO) chairman Yasser Arafat. Under the Oslo I Accord, as the ‘Declaration of Principles’ are also known, Israel recognised the PLO, which in turn agreed to end its armed struggle against Israel. A timetable was agreed under which the Palestinians would be afforded increasing autonomy in the Occupied Territories, whilst the most contentious issues of the conflict – including the illegal Israeli settlements, the status of Jerusalem and the right of return of Palestinian refugees – were postponed for further negotiations.
The accords were criticised by the far right in Israel and by many long-standing supporters of Palestinian self-determination. Edward Said, for example, dubbed it a ‘Palestinian Versailles’, arguing that the PLO had given up on Palestinian national rights in return for little more than ‘recognition’ and would effectively become ‘Israel’s enforcer’ in the territories. Nevertheless, as Nitzan and Bichler note, the Oslo process was enough to satisfy international investors:

For years, many transnational companies stayed away from the country, scared off by regional instability and the Arab Boycott. When the circumstances changed after the 1993 Oslo Accord, they discovered Israel was an empty spot on their maps, and rushed in with their troubleshooters to quickly fill the void. Entants in this category included consumer-good giants Kimberly Clark, Nestlé, Unilever, and Procter & Gamble; food chains such as McDonald’s and Grand Metropolitan (Burger King); raw material investors like British Gas and Volkswagen; financial groups such as Generali, Lehman Brothers, Citigroup, Republic Bank, HSBC, Chase Manhattan and Bank of America; as well as many of the world’s communication giants ...

In addition to these ‘direct’ investments, many large companies and institutional investors began building up an Israeli ‘portfolio’, acquiring stocks and bonds on the open Tel Aviv and New York markets.

Politicians and businessmen in London quickly sensed an opportunity and in October 1993 the Conservative Government announced that it would host a conference in London to discuss the establishment of financial markets in the region. It was encouraged in such initiatives by the more liberal pro-Israel organisations in London who, following the lead of Israeli politicians and businesspeople, lobbied for closer business relations with Israel. The British Israel Chamber of Commerce and the Britain-Israel Parliamentary Group (BIPG) both campaigned for legislation outlawing the Arab boycott and though this was not forthcoming, the UK Government was nevertheless sympathetic, declaring the Arab boycott to be ‘totally incompatible with the peace process’. Prime Minister John Major persuaded Saudi Arabia, Kuwait, Oman, Qatar, Bahrain and the United Arab Emirates to lift the boycott after receiving a letter from the BIPG urging him to do so, and his government urged businesses to invest in Israel. In 1995 Major visited Israel with a group of British business people and jointly with the Israeli Prime Minister Yitzchak Rabin established the Israel-Britain Business Council, which was backed by public funds and tasked with promoting business relations between the two countries. In 1996 the Foreign Office minister Jeremy Hanley told the House of Commons:

The boycott is withering on the vine; I hope that it will be lifted completely. After all, Britain is Israel’s third biggest trading partner ... we are actively encouraging business-men to ignore the boycott.

During this period Poju Zabludowicz, still a little-known figure, became part of the ‘peace dividend’ lobby in London. In late 1994, he was appointed chairman of the BIPG’s newly formed ‘business advisory group’, a ‘lobbying forum’ established to promote commercial and technological links between Israel and the UK. He also became a member of the advisory board of Major and Rabin’s Israel-Britain Business Council. Zabludowicz had also become friends with Gideon Meir, the number two at the Israeli Embassy in London, who later became deputy director-general of public affairs at Israel’s Ministry for Foreign Affairs. It was Meir who in March 1994 introduced Tony Blair to his friend Michael Levy, later Blair’s chief fundraiser and his personal envoy to the Middle East.

Although it is not clear how much Poju Zabludowicz invested, either politically or financially, in the ‘peace process’, it appears that during the 1990s he became affiliated with other wealthy London-based businessmen for whom the prospect of peace brought with it significant business opportunities; and for whom it was convenient to believe that lucrative business relationships could form the bedrock of a lasting peace. Zabludowicz’s oldest political ally in Israel, Shimon Peres (who was the Israeli signatory to the 1993 ‘Declaration of Principles’) exemplified this trend, as Israeli sociologist Uri Ram noted in 2000:
Peres expresses the current perspective of the Israeli economic and political elite, the discourse of which is threaded with issues of globalisation, intimately interwoven with neoliberal messages of privatization, competition, efficiency, deregulation, flexibility and so forth.74 Decades earlier, when he first became acquainted with Poju Zabludowicz’s father, Peres had been of the view that permanent war with the Arabs was basically inevitable.75 Though his position changed significantly in the 1990s, as Shlomo Ben-Ami notes, Peres was no ‘dove’ and remained opposed to the creation of an independent Palestinian state.76

Peres, having succeeded Rabin as Prime Minister after the latter was assassinated, was unseated in June 1996 by Benjamin Netanyahu, a populist right-winger with powerful supporters in the United States. Markus Bouillon attributes Netanyahu’s electoral victory to the elitist nature of the business-driven peace process, which had entrenched inequality in Israel and alienated much of the population.77 Netanyahu combined anti-socialist, free market rhetoric with an outspoken opposition to the ‘peace process’. He had opposed Oslo from the start,78 describing Oslo II as a surrender agreement, and accusing Rabin of ‘causing national humiliation by accepting the dictates of the terrorist Arafat’.79 As Rosemary Hollis notes: ‘Netanyahu made it plain that he had no intention of facilitating the creation of a Palestinian state; would make no concessions on Jerusalem; and would bar the return of Palestinian refugees to the state of Israel.’80

In the split between the right-wing, populist faction of Israeli politics, exemplified by Netanyahu, and the more liberal faction represented by Peres, Poju Zabludowicz appears to have kept a foot in each camp. Though a long-standing ally and financial supporter of Peres,81 he is known to have funded the right-wing Likud Party in the 1980s82 and has been a friend of Benjamin Netanyahu’s since that time. Indeed Netanyahu holidayed at Zabludowicz’s villa in Caesarea during his term as Prime Minister in the mid to late 1990s.83 Ultimately Zabludowicz is a businessman and an opportunist, and describes
himself as such, and his interest in peace is perhaps less important than his relationship with powerful political actors in Israel, whatever their politics. Indeed Shimon Peres himself has suggested that ‘the business community benefits more from its relations with the [Israeli] government than from peace’. This is no doubt true whether one holds interests in the arms industry, or in high technology, and as we shall see, Zabludowicz, despite having long ago divested from the former, still holds significant interests in Israel and has maintained close relations with current and former state officials.

Poju Zabludowicz’s wealth today
Zabludowicz’s assets are collectively referred to as the Tamares Group, comprising dozens of companies registered in Cyprus, Denmark, France, Germany, Iceland, Israel, the Netherlands, Sweden, the UK and the US. At its core are family trusts established in Vaduz, Liechtenstein – including the Zabludowicz Trust, the Poju Zabludowicz Trust and the Poju Zabludowicz Settlement – as well as several holding companies incorporated in Gibraltar – including Tamares Capital Corporation Ltd, Tamares Hotels Ltd, Tamares (Israel) Ltd, Tamares Media Ltd and Tamares Real Estate Holdings Ltd. In recent years the Tamares Group has bought and sold substantial assets in commercial property, high technology, media and telecommunications. Its property portfolio includes office buildings in New York and Washington, several hotels and casinos in Las Vegas and a number of hotels in Israel.

It has purchased stakes in several companies where Zabludowicz has been subsequently appointed a director; including the Asia Pacific private equity fund GEMS and the Finnish venture capital firm Stratos Ventures.

Zabludowicz’s interests then are genuinely transnational, but despite the fact that he is not an Israeli citizen, the country still appears to be his most important area of operations. Since 2006 his Israel operations have been overseen by Yodfat Harel Buchris (née Gross), Tamares Capital’s managing director who formerly worked at the Israeli technology company Orbotech Ventures. She was preceded as managing director by Pinchas Buchris, a retired Israeli Brigadier General who headed the IDF’s Unit 8200 (also called the Central Unit of Technology Intelligence) between 1997 and 2001. Pinchas Buchris joined Tamares in 2002 when he also became a ‘venture partner’ at the private equity firm Apax Partners, an international venture capital firm which opened an office in Israel in 1994 and has invested $2.25 billion in the country. Buchris left Tamares in 2007 when he was appointed Director-General of the Israeli Defense Ministry by the then Defence Minister Amir Peretz. This revolving door, whereby individuals traverse multiple public and private roles, is familiar in the UK and the US and is an indication of closely intermeshed networks operating between business and the state.

Zabludowicz has completed a number of lucrative deals in Israel with other wealthy investors. In 2005, for example, he purchased shares in Knafaim Holdings Ltd, giving him a 7.9 per cent stake in the Israeli airline El Al. This made him a business partner of (and occasional rival with) the Borovich family, which had acquired a controlling stake in the airline after its privatisation. Zabludowicz’s stake in Knafaim Holdings also made him a shareholder in Kanfei Tahzuka Limited Partnership, a company that maintains aeroplanes for the Israel Air Force.

Another major deal came in December 2008 when Zabludowicz agreed a merger with the British property tycoon Leo Noe, combining Tamares Real Estate (Israel) Ltd – the owner of two high-tech parks in the Haifa area – with Leo Noe’s listed holding company, British Israel Investments – the owner of a number of shopping centres in Israel. As Channel 4’s Dispatches programme pointed out in 2009, this deal made Zabludowicz an investor in a shopping centre in the illegal Israeli settlement of Ma’ale Adumim. Zabludowicz responded to this disclosure by stating that he had no ideological commitment to Israeli settlements in the Occupied Territories, and has since divested his interests in British Israel Investments, which was acquired by Ofer Investments.

In the UK, Zabludowicz has in recent years been increasingly involved in the hedge fund industry.
In 2006 he established the London-based hedge fund advisory firm Auctor Capital Partners, a UK subsidiary of the Gibraltar company Auctor Holdings Ltd. Auctor’s head is Amir Shariat, a London-based Austrian investment banker and art collector. He is reportedly good friends with Zabludowicz and his wife, and with fellow art collectors Fatima and Eskander Maleki. In 2007, Tamares launched the private equity fund Synova Capital with former Tamares adviser and BICOM donor David Menton as its co-director and Zabludowicz as its chairman. The Fund is a client of Auctor Capital Partners, where David Menton has also served as a director, and like Auctor it operates out of Tamares’s London office. It has an advisory board, members of which have included Anthony Alt, who heads investment banking at N.M. Rothschild, Peter Weinberg of Perella Weinberg Partners and BICOM’s former deputy chairman Michael Lewis. Michael Lewis’s offshore investment fund, the Oceana Concentrated Opportunities Fund, committed £5.9 million to Synova Capital and Albany Homes Development Ltd, where David Menton’s wife previously worked, is also an investor. Other partners include Anthony Alt, BICOM vice chair and hedge fund owner Edward Misrahi, the aforementioned art collector Eskander Maleki, the Swiss private bank ING Bank (Suisse) SA and the Luxembourg based investment company RCG International Opportunities Sarl.

In conclusion, whilst his father made his millions through the state-led internationalisation of the Israeli arms industry, Poju Zabludowicz himself made billions from the state-led property booms, privatisations, mergers and tech-bubbles of the neoliberal period. His wealth grew significantly and was largely divested from industries with a direct interest in military conflict – even being partially redirected to areas vulnerable to political violence (notably tourism and aviation). These assets are tied up in opaque offshore trusts and hedge funds, managed by close associates from his base in London – long a home of the international super-rich. Poju Zabludowicz’s interests, like his father’s, are transnational in character, yet closely tied to the Israeli corporate-state nexus. How might these interests relate to the Israel-Palestine conflict, with which BICOM is so preoccupied? As we have seen, Zabludowicz was affiliated to what we have called the ‘peace dividend lobby’ in the 1990s. It would appear that this basic orientation has continued to the present. In March 2011, he hosted secret talks between Shimon Peres and the Palestinian leader Mahmoud Abbas at his North London home. The meeting was one of several reportedly arranged by the venture capitalist Sir Ronald Cohen, the UK’s leading exponent of Peres-style neoliberalisation through peace. Though the meeting was said to have the support of Israeli Prime Minister Benjamin Netanyahu, the Israeli daily Haaretz reported in January 2012 that subsequent talks, though encouraged by the Foreign Office and 10 Downing Street, had been cancelled under pressure from the Israeli Government. This incident might suggest that Zabludowicz is at odds with the rejectionist wing of the Israel elite. In fact, as discussed above, he is a friend and admirer of Benjamin Netanyahu, who, after the final collapse of the Oslo process in 2000, was able to gain the support of big business in Israel by combining unpopular neoliberal policies with an aggressive foreign policy stance. He identifies Netanyahu’s term as Finance Minister (2003-2005) as a key turning point for Israel and compares him favourably to Thatcher and Reagan. Zabludowicz’s connections with the ‘hawkish’ rejectionist factions of the Israeli state, however, appear to be born more out of economic expediency than any commitment to ‘Greater Israel’ (as noted above Zabludowicz denies any ideological commitment to settlement building). It would appear therefore that his interests lie with protecting his relationships with key political actors in Israel and protecting Israel’s reputation amongst the international elite. This suggests that BICOM is both an opportunity for Zabludowicz and his allies to maintain close ties to the Israeli state and at the same time to retain the benefits of a ‘peace process’ in absence of any genuine Israeli commitment to peace. This is further explored in the next chapter, in which we detail the emergence of BICOM in 2000 and 2001.
Chapter Three – The second intifada and the establishment of BICOM

As we saw in the previous chapter, the protagonists in the Israel-Palestine conflict entered into a protracted negotiation process during the 1990s which was supposed to lead to a ‘final status agreement’, bringing an end to Israel’s occupation of land captured in the 1967 war and establishing an independent Palestinian state.

The business sector in Israel was key in pushing for these negotiations which, from their perspective, were a success – they reduced the political stigma attached to Israel and facilitated its opening up to international finance and multinational corporations. This economic internationalisation was highly lucrative for wealthy businesspeople in Israel and international financial centres like London, though it offered only meagre benefits to the broader Israeli public, not to mention the Palestinians, whose conditions significantly deteriorated.110

In the United Kingdom, the Conservative Government led by John Major was naturally sympathetic to the neoliberal ethos that underpinned the ‘peace process’. It ended the arms embargo on Israel imposed by the Thatcher Government in 1982, and worked to end the Arab boycott (encouraged in both initiatives by business orientated pro-Israel groups in the UK). Economic relations with Israel were stepped up, with imports and exports more than doubling during the decade,111 and a relationship ‘blossomed’ between the UK and Israeli arms industries.112

Though there were still those in the UK Jewish community (and beyond, such as some Christian Zionists113) who opposed reconciliation with the Palestinians, the great majority supported the Oslo process and the ‘land for peace’ formula.114 Crucially the supporters of the ‘peace process’ included many wealthy members of the community,115 who had longstanding financial relations with the State of Israel (as donors to the Joint Israel Appeal or Jewish National Fund for example) and who in practice held more sway given the support they provided for communal organisations.

Peace and the decline of the lobby

With Israeli and British elites having developed closer diplomatic, military and economic ties, and with media coverage of the Middle East largely favourable to Israel, organisations working to secure support for the country in the UK were increasingly considered redundant. In 1999, the forerunner to BICOM, the British-Israel Public Affairs Committee (BIPAC), was closed. Explaining the closure, the Institute for Jewish Policy Research (JPR) noted that ‘extremely few respondents [to its Jewish community survey] felt that British Jewry should regularly make representations to the British government on Israel’s behalf,’ preferring that the Israeli Embassy in London perform this role.116

Helen Davis, a former editor of Israel Scene, the magazine of the World Zionist Organization, had headed BIPAC for a decade.117 Under Davis’s leadership, the lobby group had assumed a hard-line position, at odds with its major financial backers. In January 1996, it co-sponsored with Conservative Friends of Israel a speech at the prestigious think tank Chatham House by Ariel Sharon, a critic of the peace process,118 and in 1997 it sponsored a meeting in London addressed by then Netanyahu adviser David Bar-Illan. At that meeting Bar-Illan made his government’s position on Palestinian self-determination clear: ‘We’re talking about a demilitarised “X”, call it a state or a fried chicken. It doesn’t make a difference. The point is we are talking about an entity that does not have all the authority and the powers of a state.’119

It was at around this time that BIPAC lost the support of two key institutional donors and ran into financial difficulties. Helen Davis later claimed
that it had lost support because of its opposition to the Oslo process:

Whenever BiPAC raised the subject of Palestinian violence, noncompliance, media incitement, textbook anti-Semitism, I could expect muttered criticism from Britain’s communal leaders (and BiPAC’s funders). In the name of peace, we were obliged, like them, to see no evil and hear no evil. Eventually, starved of funds, BiPAC was quietly closed down at the end of 1999, destroying two decades of sustained, effective lobbying.120

This suggests that the wealthy businessmen who supported London’s pro-Israel groups were at this stage largely aligned with the Peres ‘peace process’ faction, rather than the Israeli right. Nevertheless, there were a number of influential figures in the UK Jewish community with business interests in Israel who were opposed to the closure of BiPAC. Following the publication of its influential ‘Community of Communities’ report in March 2000 (which examined how the interests of the Jewish community were represented), the JPR held two seminars to discuss the report’s proposals. One of the seminars concerned the report’s recommendation to create an ‘independent mass media and resource office’ to operate as an impartial ‘clearing house’ directing journalists to individuals and organisations with different views within the UK Jewish community. Although the recommendation made no mention of Israel – indeed Israel had not featured particularly prominently in the ‘Community of Communities’ report – the seminar discussing it focused on ‘the image of Israel’. According to the JPR, concerns had been raised ‘especially by those from the business sector’ about the ‘perceived public relations void’ arising from the closure of BiPAC.121

The ‘image of Israel’ seminar was hosted by the British-Israel Chamber of Commerce. Its twelve members included Tony Warwick, the director of the Britain-Israel Industrial R&D Foundation (Britech) – a multimillion pound high-tech

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Figure 1. Poju Zabludowicz’s major investments by region and business sector
research and development fund backed by the British and Israeli Governments – and the late David Lewis, a pioneer of the tourism industry in Israel who headed the Isrotel hotel chain in the country and was a long time supporter of Conservative Friends of Israel.122 Tony Warwick said he thought ‘the greatest obstacle to ongoing investment in Israel is the perception that, at best, Israel, is not a safe place to do business, and at worst, that it is a war zone’.123 According to the JPR, a majority of the seminar participants ‘voiced a need for an effective UK-based PR campaign for Israel that could serve the philanthropic, political, information and business sectors’.124

As Warwick’s comments suggest, the ‘peace process’, lucrative as it was, had produced not a stable peace but sporadic violence and simmering discontent. This was partly because it had delivered very little for the Palestinians. Indeed the whole notion of a ‘peace process’, as Jan Selsby notes, had allowed Israeli elites ‘to have their cake and eat it’, allowing them to ‘claim a commitment to the process of peacemaking, and reap great benefits in return, without necessarily having to make any substantive sacrifices’. ‘Israel,’ Selsby argues, ‘managed to transform itself into a dynamic high-tech globalised economy, without having to make any final status compromises with the Palestinians’.125 Similarly, Bouillon states that the tentative peace ‘necessarily turned lukewarm, if not cool, since it remained a peace of the elites, which pocketed the benefits even as inequality, poverty, and unemployment rose’.126

The second intifada

Though the Palestinian Authority had obtained a degree of autonomy over parts of the occupied territories, the Oslo process did not bring an end to Israel’s occupation or to the construction of illegal settlements on occupied land. The Netanyahu government had demolished Palestinian houses in East Jerusalem and approved plans for new settlements in the area around the city. Netanyahu’s successor, Ehud Barak, also authorised the construction of new settlements and, like Netanyahu, delayed the scheduled redeployment of Israeli occupation forces. Under the Oslo Accords Israel had pledged to withdraw from 90 per cent of the occupied territories by the beginning of 2000, but by that time they had in fact withdrawn from only 18 per cent.127 During the same period not one Israeli settlement was removed and the settler population doubled.128 The ‘final status’ talks held at Camp David in July 2000 ended with no agreement between Barak and Arafat, each side blaming the other for the failure. Political scientist Jeremy Pressman writes:

Palestinian discontent grew during the Oslo peace process because the reality on the ground did not match the expectations created by the peace agreements. From 1993-2000, many aspects of the Israeli occupation of the West Bank and Gaza Strip deepened rather than abated. Palestinians expected their lives to improve in terms of freedom of movement and socioeconomic standing; when both worsened, significant resentment built up in Palestinian society. This discontent, further fed by the failure of the Camp David summit in July 2000, laid the groundwork for popular support for a more confrontational approach with Israel.129

Palestinian frustration erupted into protests and rioting when in late September 2000 the right-wing Israeli politician Ariel Sharon, accompanied by a thousand Israeli armed police, made a provocative visit to the Temple Mount in the Old Town of Jerusalem. The protests and rioting subsequently grew into the Second or Al-Aqsa Intifada.

From the beginning of the second intifada, Palestinian demonstrations – most of which were non-violent – were met with excessive and lethal force by Israel,130 whose reaction to the uprising has been characterised as one of ‘brutal repression’.131 By early 2002 Israel was implementing ‘Operation Defensive Shield’, which included a siege of Jenin refugee camp and involved, according to Norman Finkelstein ‘massive indiscriminate destruction’.132 Human rights organisations record that ambulances and medical personnel were targeted by the
Israel army and that Palestinian civilians were used as human shields.133 Beatings, abuse and torture134 were also extensively documented, as were forced evictions and house demolitions, practiced in particular in the Gaza Strip, which constituted violations of international law135 and in some cases war crimes.136 A number of suicide bombings were also perpetrated by Palestinian militants. These included the 1 June 2001 attack at a discotheque in Tel Aviv which killed 21 Israeli teenagers137 and the Sbarro pizzeria bombing of 9 August 2001 which killed fifteen civilians including at least six children and injured more than 100.138

The ratio of Palestinians to Israelis killed in the early weeks of the violence has been put at 20:1, and the total numbers killed at 2,316 Palestinians and 827 Israelis, an overall ratio of approximately 3:1.139 In the Occupied Territories, the intifada exacerbated the humanitarian situation of millions of Palestinians, increasing unemployment and poverty and decreasing food consumption.140 Human rights groups also accused Israel of having an assassination ‘policy’.141 From the beginning of the intifada, shocking images from both sides were broadcast around the world, including the death of a Palestinian boy called Muhammad al-Dura142 and footage of two Israeli army reservists being beaten and lynched by a group of Palestinians.143 It was not until early 2005 that the high intensity violence subsided. Taking stock, human rights groups concluded that the vast majority of Palestinians killed had been unarmed civilians.144 Most saliently for our purposes, the intifada had also been a ‘public relations disaster’ for Israel.145

Establishing BICOM

This is the immediate context in which BICOM was established; as a permanent organisation it grew out of a broader PR offensive by the Israeli state and pro-Israel groups. In Israel, the media operation was coordinated by four senior officials, among them Zabludowicz’s friend Gideon Meir, recently appointed Deputy Head of Media and Public Affairs at the foreign ministry.146 The Israeli foreign ministry also provided the impetus for the PR response in the UK. According to a report in the Jewish Chronicle, the day after the intifada began the then Israeli Ambassador to the UK, Dror Zeigerman, summoned ‘some 50 leading Jews’ and asked them to donate to a pro-Israel lobbying and public relations initiative. The businessmen reportedly raised approximately £250,000 and Poju Zabludowicz was the first major donor to pledge support.147 This fundraising meeting led to the establishment of the Cross Community Emergency Co-ordinating Group, an ad hoc organisation jointly chaired by Jo Wagerman, then President of the Board of Deputies of British Jews, and Brian Kerner, then President of the United Jewish Israel Appeal.148 The Group also included representatives of the Israeli Embassy,149 the Jewish Agency for Israel and other major Zionist organisations in the UK.150

According to the American Jewish Committee, the Emergency Co-ordinating Group ‘plan[ned] solidarity missions to Israel,… prepare[d] briefings for the community and its institutions’ and ‘counter[ed] slanted media coverage’.151 In December 2000, it jointly funded a two-day trip to Israel by British journalists, led by the Chief Rabbi Jonathan Sacks.152 According to its co-chair Brian Kerner, the purpose of the trip – which he described as ‘an overwhelming success’ – was to ‘open [British journalists’] eyes to the actual facts on the ground’.153 The group also set up what was called a ‘British Israel Communications Office’, staffed by public relations and media professionals, as well as volunteers, which included a ‘rebuttal desk’ to correct perceived errors in media reporting.154 One public relations professionals who joined the Group told PR Week: ‘We have developed a war room to ensure correct information and solidarity with Israel is maintained.’155
An indication of the political perspective of this group is provided by Brian Kerner who several months after its establishment told the Guardian:

My own opinion has changed totally. I have gone from being leftwing to supporting a rightwing government. [Ehud] Barak offered everything and got a kick in the head for doing so. By offering so much, it encouraged violence. The Palestinians respond to strength rather than anything perceived as weakness.

... [Ariel Sharon] has not put a foot wrong so far. There has been restraint. I find it odd that I am now supporting a man a few months ago I would not have considered.156

Kerner’s claim that the Israeli state responded with ‘restraint’ to the protests and rioting of September 2000 is not credible. Indeed, Shlomo Ben-Ami, Israel’s Minister of Public Security during the second intifada, has written that it was ‘Israel’s disproportionate response to what had started as a popular uprising with young unarmed men confronting Israeli soldiers armed with lethal weapons [that] fuelled the intifada beyond control and turned it into an all-out war’.157 Jeremy Pressman writes:

Israel responded to the initial protests with a heavy hand, incorrectly believing that such an approach would calm the situation. The IDF, as had been planned, made extensive use of snipers, even in the absence of Palestinian gunfire. Sniper squads were reinforced following the 1996 riots, and in 2000 they played ‘a central role in the fighting’. According to the IDF, Israeli forces fired one million rounds in the first three weeks of the intifada, ‘a bullet for every child’ according to one Israeli officer. In the first five days of fighting, Israeli forces killed 50 Palestinians and wounded more than 1,000. Palestinian doctors said the nature of the injuries suggested an Israeli shoot-to-kill policy. Most injuries were to the upper body (head, chest, abdomen), and only 20 percent of those injured in the first three days were discharged on that day. Israel’s disproportionate use of force was quickly noted by human rights organizations...158

Sociologist Keith Kahn Harris, co-author of *Turbulent Times: The British Jewish Community Today*, notes that this was a key turning point in attitudes to Israel amongst British Jews:

Since the second intifada in 2000, traditional UK Jewish support for Israel had become increasingly difficult to maintain as more and more Jews saw Israeli intransigence as a contributing factor in the failure of Oslo. While at first such ‘dissidence’ from communal support for Israel was largely confined to the left ... and groups that were, often unfairly, dismissed as comprising secular, uninvolved, marginal Jews – as the 2000s wore on, the consensus at the heart of the community also came under strain.159

Though many liberals and leftists in the UK Jewish community grew increasingly uncomfortable with the escalating violence and rightward shift of Israeli politics, communal leaders sought to mobilise British Jews behind Israel. Antony Lerman, former Director of the Institute for Jewish Policy Research, writes that: ‘Since the second intifada started, the pro-Israel leaderships in Jewish communities urged Jews to close ranks and express complete solidarity with Israel. They tried to marginalise dissent, increasingly fostering a “for us or against us” mentality.’160

BICOM has been part of this struggle to maintain support for Israel. As a permanent organisation, it emerged out of the Emergency Co-ordinating Group’s ‘British Israel Communications Office’, which had used the acronym ‘BICOM’ for several months before the organisation was formally created.161 Mick Davis, chair of the United Jewish Israel Appeal, later recalled: ‘Poju had a vision of a new era in Israel advocacy for the UK. He took the fledgling crisis room created in response to the outbreak of the second intifada and turned it into the renowned and respected organisation that BICOM is today.’162

During its first few months of campaigning, the leadership of the Emergency Co-ordinating Group held a number of meetings to discuss the possibility of putting the Group on a permanent footing. These meetings, which included the Emergency Co-ordinating Group chairs, Jo
Wagerman and Brian Kerner, were also attended by the lobbyist Jonathan Mendelsohn – a onetime chairman of Labour Friends of Israel who later became Gordon Brown’s chief fundraiser. In December 2000 the idea of creating ‘a full-time corps of [PR] professionals’ was reported to have the support of the Israel Embassy in London and the ‘highest level’ of the Israeli foreign ministry, as well as the Chief Rabbi Jonathan Sacks. The Jewish Chronicle suggested that the organisation would need to be ‘far bigger’ than its forerunner BIPAC and that it would require ‘up to £400,000’ of funding for its launch.

BICOM was formally established in April 2001. Its website was registered that month and it was incorporated as a company limited by guarantee (that is without shareholders) under the name Britain Israel Communications & Research Centre Ltd. The signatories to its incorporation documents were Poju Zabludowicz, Philip Rubenstein (a marketing consultant who at that time worked at the accountancy firm BDO), David Green (a businessman who became the organisation’s treasurer) and the joint chairs of the Emergency Co-ordinating Group, Jo Wagerman and Brian Kerner. That year it recruited five paid members of staff, with an average salary of around £24,000 and moved into offices at 15 Cavendish Square. In December 2001 the organisation was inaugurated at a ceremony at its offices attended by Chief Rabbi Jonathan Sacks.
BICOM does not operate in isolation. Since its establishment it has worked closely with other organisations and institutions, and more broadly has drawn on and contributed to, the ideas and strategies produced by other elements of the pro-Israel lobby. Understanding what BICOM is and does therefore requires some knowledge of this broader context. In this chapter we look at BICOM’s most significant partner organisations and its broader political networks to show how BICOM ‘fits’ into this wider movement. We also point to certain tensions and divisions that illustrate that the ‘Israel lobby’, though capable of cohering around certain key objectives, is not monolithic.

Key partner organisations

As we saw in the previous chapter, BICOM emerged from the Cross Community Emergency Co-ordinating Group, a joint project that incorporated several pro-Israel groups as well as Israeli state, and quasi-state, institutions. The Emergency Co-ordinating Group was jointly chaired by the heads of two organisations: the United Jewish Israel Appeal and the Board of Deputies of British Jews. The latter is the official representative body of Britain’s Jewish community and has collaborated with BICOM on pro-Israel campaigns. The former is the UK’s leading Zionist fundraising body and though not active in terms of political campaigning or lobbying, is nevertheless a central institution in UK Zionism. Together with a third organisation, the Jewish Leadership Council, they are some of BICOM’s key partner organisations.

The United Jewish Israel Appeal

The United Jewish Israel Appeal (UJIA) is currently chaired by Bill Benjamin, an American property investor, who heads the international real estate fund manager, AREA Property Partner. UJIA had an income of around £12.5 million in 2010/11 (less than half its income in 2007/8) which was used to support educational and charitable projects in Israel, with a focus on the north of the country, as well as programmes encouraging young Jewish people in Britain to identify with Israel. It was formed in 1997 when its forerunner, the Joint Israel Appeal, merged with Jewish Continuity, an educational charity founded three years earlier by Chief Rabbi Jonathan Sacks.

UJIA’s roots date back over 60 years to before the establishment of the State of Israel. It has its origins in a fundraising body called the United Palestine Appeal (UPA), which was founded in 1944 under the leadership of Simon Marks, the son of Marks & Spencer founder Michael Marks. The UPA was superseded by the Joint Palestine Appeal campaign in 1947, which was eventually renamed the Joint Israel Appeal in 1973. By that time, the Joint Israel Appeal was headed by Simon Marks’s nephew, Michael Sacher. Under Sacher’s leadership it ‘established itself as the pre-eminent and most powerful single organization in the [UK Jewish] community’. It was on his initiative that the forerunner to BICOM, the British-Israel Public Affairs Committee (BIPAC) was established in 1976, supported by funds from the Joint Israel Appeal.

Though the merger with Jewish Continuity in 1997 meant that the UJIA adopted a broader remit, it has retained its strong focus on Israel. In 1999, the Commission on Representation of the Interests of the British Jewish Community noted that: ‘organizations clustered around’ the UJIA ‘have effectively constituted a pro-Israel lobby and have mobilized for this purpose’. In 2011 the UJIA completed an internal review, which recommended a ‘greater focus on the place of Israel in the formation of Jewish identity in young people in the UK’. Its ‘flagship’ programme in this area is the ‘Israel Experience’ under which young people visit Israel on summer tours and school trips organised through the Jewish Agency for Israel, the main Israeli body responsible for integrating Jewish immigrants into Israel.
There has been considerable crossover between BICOM and the UJIA at the level of funding and leadership. According to a report in the Jewish Chronicle, BICOM’s original backers included some of the leading supporters of the United Jewish Israel Appeal (UJIA).\(^{177}\) Zabludowicz has been affiliated with the UJIA since the 1990s and is currently a member of its advisory board.\(^{178}\) In 1999, less than a year before providing the start-up funds for BICOM, he chaired a UJIA fundraising dinner, attended by the then Israeli Prime Minister Ehud Barak, which raised a record £3.8 million.\(^{179}\) Zabludowicz also hosted the UJIA’s 2009 fundraising dinner, which reportedly raised £3.7 million.\(^{180}\) BICOM’s former deputy chairman, Michael Lewis, has also been a major donor to the UJIA and was one of its directors at the time that BICOM was founded. Brian Kerner, who, as previously mentioned, headed the UJIA at the time BICOM was set up, remains a President of the UJIA and a vice-chairman of BICOM.\(^{181}\) Other influential figures holding positions in both organisations include the veteran British Zionists Gerald Ronson, Lord Janner and Trevor Chinn.\(^{182}\)

Though the UJIA’s work is overwhelmingly cultural and educational, it has mobilised behind Israel during controversial armed conflicts in recent years. In 2006, during Israel’s attack on south Lebanon, it launched a ‘solidarity appeal’ to raise funds for Israel and its then chairman, Mick Davis, embarked on a ‘One-Man Solidarity Mission’ to the country.\(^{183}\)

### Board of Deputies of British Jews

Most controversial in this regard, however, has been the Board of Deputies of British Jews, the official representative body of UK Jewry and the other major communal organisation that oversaw the Emergency Co-ordinating Group. During the 2006 Lebanon War, the Board organised a ‘solidarity rally’ during which the then chairman of the UJIA was one of the speakers.\(^{184}\) The rally used the slogan ‘Yes to Peace, No to Terror’ (the same slogan used at a similar rally in 2002).\(^{185}\) The growing perception that the Board of Deputies was taking a partisan position on the Israel-Palestine conflict, and that critical perspectives within the Jewish community were not being heard, prompted a number of British Jews to establish Independent Jewish Voices in February 2007.

The Board of Deputies, sometimes described as the ‘parliament’ of British Jews, brings together around 265 representatives, known as Deputies, who are appointed mainly by synagogues, but also by other Jewish organisations such as youth groups and charities. The Deputies in turn elect its officers, who effectively run the Board and meet to discuss Board policies.

The Board of Deputies, which dates back to the 18th Century, has been criticised by some British Jews for failing to represent members of the community who are not affiliated to synagogues, as well as for adopting an uncritical stance on Israel.\(^{186}\) The Board has not always been supportive of Zionism however, and it was not until 1944 that it officially endorsed the call for a Jewish state.\(^{187}\) In the early 20th century, Zionists were still a small minority in the UK Jewish community, whose most influential members tended to dominate the Board of Deputies and were strongly opposed to the idea of a Jewish state. This changed in the period leading up to the Second World War, when, as the Institute for Jewish Policy Research notes, “the organized Zionists, who were increasing in number, began a kind of long march through the Anglo-Jewish institutions, finally capturing the Board of Deputies of British Jews in 1939.”\(^{188}\) Today one of the constitutional purposes of the Board of
Deputies is ‘to advance Israel’s security, welfare and standing’.\textsuperscript{189} As the Board notes, much of its work ‘underpins Jewish life in ways that may not be immediately obvious or apparent’, including education, fighting extremism and anti-Semitism, preserving Jewish cemeteries, Holocaust era issues, interfaith relations, international issues, research, safeguarding Jewish life and social action.\textsuperscript{190}

However, defending Israel does have a key place in its work. During Israel’s bloody assault on Gaza in the winter of 2008/9, it held a rally in Trafalgar Square, central London, using the slogan, ‘End Hamas Terror!’. This event was organised jointly with the Jewish Leadership Council (JLC), a communal umbrella group which exists in parallel to, and occasionally in competition with, the Board of Deputies. The JLC is probably BICOM’s most important partner organisation. In 2013 it is headed by former UJIA chairman Mick Davis, a London-based South African multi-millionaire who heads the mining company Xstrata.

The Jewish Leadership Council

The Board of Deputies dates back to the 18th Century and can be regarded as a rather archaic institution.\textsuperscript{191} For this reason, the Jewish Chronicle notes, ‘the main bankrollers and power-brokers in the Jewish community’ have tended to remain ‘aloof from what they saw as its cumbersome bureaucracy’.\textsuperscript{192} In 2003 the Board of Deputies appointed a new President, Henry Grunwald, who was frustrated that even though a number of wealthy Jewish businessmen were close to the Prime Minister Tony Blair, he had not met with any official representatives of the community since taking office in 1997.\textsuperscript{193} In an effort to address this apparent political marginalisation, Grunwald organised a number of meetings with ‘bankrollers and power-brokers’ (including Blair’s chief fundraiser Lord Levy) with a view to forming a new organisation that could capitalise on their political connections. Grunwald’s initiative led to the establishment in October 2003 of a new organisation claiming to represent British Jews, to run in parallel with the Board of Deputies, called the Jewish Community Leadership Council – later renamed the Jewish Leadership Council (JLC). The Jewish Chronicle noted that the new organisation brought together ‘a number of undeniably influential, wealthy... figures who have in the past lacked the patience for the tiresome business of wider consultation and accountability’.\textsuperscript{194} Within months of its October 2003 launch, JLC members had met with Blair at 10 Downing Street.\textsuperscript{195}

The JLC is an umbrella group for Jewish organisations and represents a number of non-political charities (Jewish Care, the Nightingale Carehome, Norwood, World Jewish Relief) and religious groups (the Assembly of Masorti Synagogues, Liberal Judaism, Reform Judaism, the Spanish and Portuguese Jews’ Congregation, United Synagogue). This is
reflected in its broad remit that covers religious, charitable and welfare activities. It also represents a number of Zionist organisations including BICOM and the UJIA, and lobbying for Israel has always been an important part of its operations. A number of its leading personnel are connected to the UJIA. In 2006 the Jewish Chronicle noted that the JLC ‘reunites Lord Levy, Sir Trevor Chinn and Mr Gerald Ronson, the triumvirate that ran the Joint Israel Appeal in the 1980s, then widely regarded as the community’s most influential organisation’. Another key founder, David Cohen, was chairman of the UJIA at the time that the JLC was established, and its first director, Douglas Krikler, worked simultaneously at the JLC and the UJIA before his official appointment. He later left the JLC to become chief executive of the UJIA.

The JLC was part of a BICOM-led pro-Israel advocacy ‘action plan’ approved in June 2006. In November that year, it announced that it would review its operations, in part so as to make its Israel lobbying activities more effective. Brian Kerner, a founder and vice-chairman of BICOM, joined the Council and that December the JLC established a limited company called the Jewish Activities Committee to act as a vehicle to handle political operations (it was the Jewish Activities Committee which was involved in the aforementioned Trafalgar Square rally). Though not officially affiliated to the JLC, the Jewish Activities Committee has operated out of the same offices and received grants from it. It is directed by Brian Kerner, Poju Zabludowicz and JLC’s founder and former Board of Deputies president, Henry Grunwald.

That same month the JLC co-founded the Fair Play Campaign group with the Board of Deputies, an initiative set up ‘to coordinate activity against boycotts of Israel and other anti-Zionist campaigns’. According to the JLC’s website, the Fair Play Campaign group ‘acts as a coordinating hub’ and ‘keeps an eye out for hostile activity so it can be an early-warning system for pro-Israel organisations in the UK’. Fair Play later launched the Stop the Boycott campaign with BICOM, with the Jewish Activities Committee acting as a vehicle for donations.

What we see here is considerable cross-over at the level of leadership – particularly between BICOM, the Jewish Leadership Council and the United Jewish Israel Appeal – close coordination on campaigning, particularly at times of crisis, and a certain ‘division of labour’ between these key organisations. Though leading figures involved in BICOM have been involved in lobbying, the organisation’s major focus is on media operations – an issue we will consider in more detail in the next chapter. Political lobbying and campaigning meanwhile are mainly carried out by the JLC and the Board of Deputies. Both organisations lobbied David Cameron to oppose the Palestinian declaration of statehood at the UN and expressed ‘profound concern and disappointment’ in a letter to Douglas Alexander over Labour’s support for the bid. They also campaigned, with BICOM, to have the universal jurisdiction law repealed, thus removing the legal basis for prosecutions for war crimes (for example of Israeli military or other officials). Between the Board of Deputies and the JLC, there would also appear to be a certain division of labour. Whilst the latter was explicitly created for the purpose of gaining access to senior political figures, the Board of Deputies would appear to be more capable of mobilising supporters of Israel within the Jewish community, and is therefore more useful for campaigning activity. In addition to the rallies which have been organised at times of crisis, the Board of Deputies also runs a project called ‘Speak Out for Israel!’ which was established to support grass roots pro-Israel campaigning in the ‘regional communities’ (and is supported by the JLC).

The role of the UJIA meanwhile would appear to be less important in terms of immediate political interventions. It remains significant however, both as an institution dedicated to fostering solidarity with Israel amongst British Jews, and as a hub for a network of wealthy Zionists who hold considerable sway over communal institutions.

The Parliamentary ‘Friends of Israel’ groups

When it comes to political lobbying, the other organisations of particular note in the UK are the various parliamentary ‘Friends of Israel’ groups. BICOM has strong links with these
groups, especially with Labour Friends of Israel, of which successive directors of BICOM have been members.

**Labour Friends of Israel**

Labour Friends of Israel (LFI) has been highly effective in nurturing and organising support for Israel within the Labour Party and is said to have organised more overseas trips for MPs than any other group. It was established in October 1957 at a public rally at the Labour Party conference. An advert in the *Jewish Chronicle* declared that its aim was to ‘strengthen the ties of friendship between the Labour movements of Britain and Israel’. Israel was at that time dominated by MAPAI, the left-wing party headed by Israel’s first Prime Minister David Ben-Gurion, which had strong links with the UK Labour Party. Labour Friends of Israel helped to strengthen these links and by the time of the Six Day War of 1967 could count more than 300 Labour MPs as members, including a number of Cabinet Ministers.

Labour Party support for Israel however began to decline following the Yom Kippur War of 1973, the election of the right-wing Likud Government in Israel in 1977 and particularly the Lebanon War of 1982. During the 1980s a growing awareness of Palestinian rights, resulting partly from the influence of the left inside and outside the party, further eroded support for Israel. The shift towards a more critical stance however was partially reversed by the rise of New Labour. Tony Blair and Gordon Brown both joined Labour Friends of Israel and their close financial and political relationship with pro-Israel businessmen played a significant part in the party’s rightward shift under their leadership, allowing them to lessen the party’s financial dependency on the trade unions. The key figure in the network of New Labour donors was Michael Levy, who was introduced to Blair by Gideon Meir and was later appointed his chief fundraiser and ‘special envoy’ to the Middle East. In 2001 the Labour Party power broker, lobbyist and former LFI chair Jonathan Mendelsohn, commented that: ‘Blair has attacked the anti-Israelism that had existed in the Labour Party… The milieu has changed. Zionism is pervasive in New Labour. It is automatic that Blair will come to Labour Friends of Israel meetings.’ This close relationship continued under Gordon Brown, who appointed Mendelsohn as his chief fundraiser.

**Conservative Friends of Israel**

As support for Israel in the Labour Party waned during the ‘70s and ‘80s, support within the Conservative Party meanwhile began to grow. In the 1970s, the ascendant Tory right wing came increasingly to see Israel as a military and strategic asset for ‘the West’, whilst politics in Israel began to shift towards the right. Conservative Friends of Israel (CFI), which was founded in 1974, both reflected and strengthened this trend. It was established by the right-wing religious Zionist and Conservative politician Michael Fidler, who was described by his biographer as having had extreme political views ‘reminiscent of the philosophy of Enoch Powell’. Over 80 MPs joined the new group, including Margaret Thatcher, who was soon to become party leader, and within a year CFI had a larger membership than Labour Friends of Israel. By 1978 it was the largest political lobby in Parliament. According to conservative journalist Peter Oborne, it is now ‘beyond doubt the best connected, and probably the best funded, of all Westminster lobbying groups’ and is said to include around 80 per cent of Tory MPs as members. Like its Labour counterpart, Conservative Friends of Israel organises events in Parliament and free trips to Israel for Parliamentarians. It is also thought to organise financial patronage for prospective MPs from wealthy Zionists. BICOM’s Public Affairs Manager, Stefan Kerner, is a former deputy director of Conservative Friends of Israel and according to Peter Oborne there is ‘a huge amount of co-ordination’ between BICOM and Conservative Friends of Israel: ‘Many of BICOM’s key figures also play roles in the CFI: Trevor Pears, Michael Lewis and Poju Zabludowicz are driving forces behind both lobbies.’

Since 1989 CFI has been headed by Stuart Polak, who also runs the lobbying firm, The Westminster Connection. Clients of this ‘political consultancy’ include the Israeli defence company,
Elbit Systems, the British chair of which, retired General Richard Applegate, was secretly recorded in 2012 saying that Elbit had ‘piggy back[ed]’ on Conservative Friends of Israel to ‘gain access to particular decision makers’.221

Liberal Democrat Friends of Israel

The third and least significant of the parliamentary groups is Liberal Democrat Friends of Israel. It is the oldest of the three groups and can trace its origins to the Liberal Friends of Israel, a group within the Liberal Party (which merged with the Social Democratic Party to form the Liberal Democrats in 1988).222 In the 1970s the Liberal Party was the strongest supporter of Israel in Parliament,223 but the group has nevertheless been less significant as a force because of the relative marginality of the Liberal Democrats and their predecessors. Like the Labour and Conservative groups, Liberal Democrat Friends of Israel distributes news on Israel to its members, arranges events with Israeli politicians as well as trips to Israel for MPs and Peers.224

The broader pro-Israel network

Despite being relatively new organisations, BICOM and the Jewish Leadership Council have eclipsed several more established pro-Israel groups in the UK, a cause, as we shall see, of some considerable tension. Many of these older groups were originally formed as part of the pre-state Zionist movement and because of this history either have close links with Israeli politics, or are themselves quasi-official Israeli state institutions. The most notable of these groups is the Zionist Federation of Great Britain and Ireland.

The Zionist Federation was established in 1899, but it grew slowly and was ‘moribund for most of the inter-war period’.225 It began to grow more quickly in the early 1930s and by the end of the decade had turned into ‘a mass phenomenon’.226 After the creation of the state of Israel the ZF struggled to find a role, eventually reinventing itself as a PR outfit advocating for Israel to the general public and fundraising. By the last quarter of the twentieth century other groups had emerged on the scene and ZF’s relative size and influence diminished. The decline is emphasised by the failure of the Federation to publish its own journal since the mid 1990s. It published the Zionist Review from 1917. With a few breaks in publication and a name change (1952-77), it relaunched as the Zionist Review in 1982 but ceased publication around 1995. According to its then editor Joseph Finklestone, writing in 1997, ‘so meagre are the resources of the Zionist Federation that it is unable to publish regularly its famous journal Zionist Review’.227

Today the Zionist Federation states that it is made up of around 120 affiliated groupings, though it is not transparent about the names of its members or even the precise number and appears to give various different figures for its membership.228

While its affiliates (both historical and current) cover a broad spectrum of Zionist tendencies, the leadership of the ZF has fairly consistently been to the right, if anything moving further rightward over time. As a result liberal and labour Zionist groups often feel marginalised by the positions taken by the leadership.

World Zionist Organization and the ‘National Institutions’

The Zionist Federation is the British affiliate of the World Zionist Organisation which is simultaneously a quasi-official Israeli institution and a global umbrella body for the Zionist movement. It is headquartered in buildings in Jerusalem known as the ‘national institutions house’, along with several other para-statal institutions including the Jewish Agency, the Jewish National Fund and Keren Hayesod. These groups, which are all pre-state institutions of the Zionist movement, have affiliates across the world, with a variety of similar titles. For example, the Keren Hayesod affiliate in the UK is the United Jewish Israel Appeal, which as we have seen has close connections with BICOM. Another local affiliate is JNF UK, the UK branch of the Jewish National Fund. The JNF was originally established to purchase land in what was then Palestine to facilitate Jewish immigration. Today
JNF UK focuses on supporting what it calls the ‘frontier communities’ in the south of Israel; Israeli towns that have been targeted by rocket fire from Gaza.\textsuperscript{229} It is something of a \textit{bête noire} for Palestinian human rights groups that have long accused the JNF of ethnic cleansing via its programme of land acquisition.\textsuperscript{230}

‘\textit{Neoliberal Zionism}’

BICOM is not closely affiliated with institutions like the World Zionist Organisation, the Jewish Agency or the Jewish National Fund, though there is a degree of collaboration and interlocking cross-membership. It is, however, more closely affiliated with an informal international network of what we will here refer to as ‘\textit{Neoliberal Zionism}’, a key centre of which is the Interdisciplinary Center Herzliya, a private university in Israel with close links to the country’s military and intelligences institutions.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{diagram.png}
\caption{BICOM in context: senior figures and location in the British Zionist scene}
\end{figure}

\textbf{The Interdisciplinary Center Herzliya}

The Interdisciplinary Center Herzliya (IDC) was established in 1994 by Professor Uriel Reichman, who two decades earlier had helped to create the ‘free market’ Shinui party.\textsuperscript{231} The ideology of the IDC strongly reflects Reichman’s combination of committed Zionism and distrust of the corporatist Labour Zionism that dominated Israel’s early years. In a 2008 interview he argued that the strengths of Israel’s society were in private businesses, and its weaknesses in the public sector. He flattered the Center’s private donors, saying

\begin{quote}
The Israeli owners of capital whom I know personally – Arison, Ofer, Wertheimer, Dankner, Teshuva, Strauss and others – are people who have the good of the country at heart. They contribute both by their initiatives and by their philanthropy.\textsuperscript{232}
\end{quote}
If this private sector orientation is reflected in the titles of IDC institutions like the Sammy Ofer School of Communications and the Arison Business School, another side of the IDC’s philosophy is evidenced by its strong links with the Israeli security establishment. In 2007 Reichman told the Jerusalem Post:

“We’re trying to fix national problems in the university setting. For example, a central mission of ours is the strengthening and development of Israel’s security forces. From day one, the IDC gave preference to some 15 per cent of its total student body who came out of elite army units and served at least five years.”

In the 1990s, these students were vetted by Shabtai Shavit, a former head of the Mossad, one of many former military and intelligence leaders who have played key roles at the centre. Another such figure is former Mossad head of research Uzi Arad, who founded the Institute of Policy and Strategy. The Institute of Policy and Strategy hosts the annual Herzliya Conference, which has been described by Haaretz journalist Yair Sheleg as ‘the leading forum for conservative thought in Israel’. BICOM has been a ‘Principal Supporter’ of the Herzliya Conference and Zabludowicz’s Tamares Group has provided funding. BICOM staff regularly present talks at the conference. Former BICOM director Lorna Fitzsimons, for example, spoke in 2011 and 2012 and participated in a seminar in 2010. As can be seen elsewhere in this report, the IDC Herzliya performs a useful role for BICOM as a prestigious venue for trips with British politicians, journalists and other opinion makers. It also connects BICOM and its supporters and allies with a powerful network of likeminded state and private sector actors in Israel and the United States.

Linked In: BICOM’s networked personnel

The CVs of BICOM’s staff offer further insights into how the organisation is situated within the wider Israel lobby in the UK, the US and Israel and linked to the British and Israeli states. Many BICOM personnel have been drawn from – and gone on to work for – key media, PR and political organisations too. For example, Daniel Shek (BICOM director 2004–6), formerly worked at Israel’s foreign ministry and left to become Israeli ambassador to France. Carly Maisel who became BICOM’s head of communications in November 2012 was previously Public Affairs officer at Israel’s London embassy. Former BICOM fellow Tal Becker was also a fellow of the US-based Washington Institute for Near East Policy (WINEP), the think tank set up by the influential American Israel Public Affairs Committee and current BICOM fellow Michael Herzog still holds this role at WINEP. Becker is a former adviser to ex-Israeli Foreign Minister Tzipi Livni, while Herzog also leads the ‘anti-delegitimisation’ work of the Jerusalem-based Jewish People Policy Institute, a think tank set...
up by the Jewish Agency. Herzog previously led the IDF’s strategic planning division – and is the subject of a war crimes investigation opened by the Spanish judicial authorities in 2009 related to the 2002 bombing of a residential area of Gaza.\textsuperscript{245}

BICOM’s close links to the British Labour Party and Labour Friends of Israel (LFI) are illustrated by Lorna Fitzsimons (BICOM director 2006-12) a former Labour MP,\textsuperscript{246} while Luke Akehurst who runs the BICOM spin-off We Believe in Israel is a Labour councillor in the London borough of Hackney.\textsuperscript{247} The late David Cairns, who was MP for Inverclyde and chair of LFI until his death in May 2011, was the partner of current BICOM CEO Dermot Kehoe.\textsuperscript{248} But BICOM also welcomes Israel advocates from the other side of the political spectrum such as its Public Affairs Manager Stefan Kerner who was previously deputy director of Conservative Friends of Israel and also worked as Head of Campaigns and Public Affairs for the Zionist Federation.\textsuperscript{249} If the ZF are hardliners on the UK Zionist scene, BICOM also maintains strong links to the more moderate UJIA through people like founding director Brian Kerner (Stefan’s father). These and a number of other links to media outlets, public relations companies, lobby groups, think tanks and governments are illustrated in the diagram below.

Cooperation and conflict

Though the various pro-Israel groups outlined here broadly pursue similar aims, they are
occasional rivals, and their membership, politics, strategies and tactics are often distinct, leading to conflicts and tensions.

Tensions between the Board of Deputies and the Jewish Leadership Council, for example, have been common since the establishment of the latter, with the JLC criticised for its lack of democratic credentials and its perceived attempt to usurp the Board as the representative body of British Jews. In January 2011 one of the JLC’s key founders, Lord Levy, resigned explaining that he ‘did not envisage it becoming a new power base and expanding its infrastructure – something that is neither necessary nor needed’. That month the Jerusalem Post quoted an unnamed deputy as saying: ‘The JLC has no mandate and no right to make decisions on behalf of the community. The organisation is self-appointed, undemocratic and is merely a talk shop for the wealthy elders of the community, who in the main are out of touch with the realities on the ground.’ In February 2012, the senior vice-president of the Board of Deputies, Jonathan Arkush, was applauded by Deputies at a board meeting when he said: ‘The JLC is unelected, it’s unaccountable and it is therefore unacceptable to the community for it to hold itself out as exercising political leadership of our community.’ The chairman of the JLC later threatened that its members might withdraw funding from the Board of Deputies and Arkush was instructed by its President Vivian Wineman to write a letter of apology.

Much of the criticism of the Jewish Leadership Council has come from the right of UK Zionism and from some of the older pro-Israel groupings. Shortly after its launch in 2004, the JLC was criticised by Eric Moonman of the Zionist Federation and Gail Seal of JNF UK for its failure to include their organisations in its Council. The Jewish National Fund later joined the JLC in November 2004 but left complaining of its insufficiently supportive stance on Israel. This followed comments made in November 2010 by the JLC’s chairman, Mick Davis, that Israel risked becoming an apartheid state unless a two-state solution could be reached. Sociologist Keith Kahn-Harris writes:

The Zionist Federation questioned putting the blame ‘entirely on Israel’ and [Mick] Davis’s stance was denounced by the chair of the Jewish National Fund, who argued that diaspora Jews should never criticise Israel in public. Frustration at what is seen as the Jewish establishment’s weak defence of Israel has led to the setting up of grass-roots organisations such as the British Israel Coalition to fight what they describe as a rising tide of hatred directed at Israel.

Another notable point of conflict came in January 2011, when a planned visit to the West Bank by then JLC chair, Vivian Wineman, and other council members, was cancelled under pressure from right-wing Zionists. The Council members had planned to meet with Palestinian leaders and members of non-governmental organisations. Jonathan Hoffman, then deputy chairman of the Zionist Federation, told the Jerusalem Post: ‘We felt it would give entirely the wrong message to Israelis. Besides, why would leaders want to improve relations with NGOs when many of them, for example Amnesty and War on Want, are bent on demonizing and delegitimizing Israel?’ A month later, the JNF chairman announced that he would resign from the Jewish Leadership Council. Its then chairman Vivian Wineman would subsequently claim that the JNF owed over £10,000 in membership fees and had failed to pay £15,000 in contributions to the anti-boycott campaign for three years.

Such conflicts speak of a split in UK Zionism between increasingly vocal right-wing activists and a more liberally styled leadership. As Kahn-Harris has noted, the Board of Deputies has been a key battleground for this political struggle.
state solution’, but it was rejected by the Board’s Deputies by 79 votes to 51.260 The Board then released a statement declaring that its ‘policy is unchanged and it remains unwavering in its support for Israel,’ adding that it ‘completely stands behind the quest of Israel for a just and lasting negotiated peace and in particular behind the courageous stand of the present government as formulated by Prime Minister Netanyahu’.261 This controversial vote, which effectively meant the Board had assumed a hard-line position on the Israel-Palestine conflict at odds with the overwhelming majority of British Jews,262 prompted an online petition signed by more than 1000 British Jews professing their ‘love’ for Israel, but calling on the Board to reconsider its rejection of a future Palestinian state.263

Mick Davis, has not since publicly repeated his concerns about Israeli ‘apartheid’, but has continued to express concerns about ‘the Settler movement and its supporters’. In a blog piece published in February 2013 he wrote:

> Peace with the Palestinians is an existential need. The conflict divides us and puts us all at risk. Israel is losing the battle of legitimacy and no matter how much we rage against the injustice of it, a boycott movement is on the rise. There is a real danger that unless we demonstrate that we are tirelessly pursuing peace, the boycott movement could achieve its malignant goal of isolating Israel from the Community of Nations, exposing it to pariah status, sanctions and exclusion. If this happens we will become fractured as a people as we inevitably condemn each other and our nation will be at risk.264

BICOM has occasionally been criticised as ineffectual and insufficiently proactive when it comes to campaigning,265 but it has not been at the forefront of major intra-Zionist conflicts. It is therefore not completely clear where it sits on the political spectrum of pro-Israel advocacy. In terms of its institutional affiliations, it certainly appears to be more associated with the wealthy elite who control the Jewish Leadership Council than their more hard-line critics. In the case of Mick Davis’s criticisms of the Netanyahu administration and his warnings about ‘apartheid’, Zabludowicz and fellow BICOM director David Menton were both amongst the prominent signatories of a letter of support sent to the Jewish Chronicle.266

This move however may have been motivated more by the need to preserve an important relationship than by ideological sympathy. It is notable that the abortive Jewish Leadership Council trip to the West Bank was reportedly met with ‘wholesale opposition’ when raised at a BICOM board meeting, seeming to place BICOM more towards the hard-line end of British Zionist opinion. One aspect of the planned trip was an engagement with NGOs, on which Zabludowicz told the Jewish Chronicle that the challenge was ‘to make sure we are doing so by supporting and empowering the appropriate organisations and in a co-ordinated way’.267 This comment reveals the strategic rationale that underlines BICOM’s activities, a topic to which we now turn.
Chapter Five – BICOM strategy, elite networks and the media

Though one early critic dismissed BICOM as a ‘two-men-and-a-dog operation’ it is certainly the most sophisticated of the pro-Israel advocacy groups in the UK. It has employed public relations professionals and lobbyists since its establishment in 2002 and has adopted a strategic approach to communications, retaining leading consultants as advisers and using detailed public opinion surveys to craft its communications strategy.

In 2011 its then director, Lorna Fitzsimons, boasted that: ‘BICOM is the home of the most empirical research in Britain full stop, on what every British person – class dissection, you name it – thinks about Israel’. Back in late 2002, it hired the prestigious US pollsters and political strategists Stanley Greenberg and Frank Luntz to work on a ‘quantitative and qualitative’ research programme examining public attitudes to Israel. Both Luntz and Greenberg have worked as pollsters for American Israel lobby organisations, and Luntz has produced at least two substantial documents for The Israel Project (a US-based lobby organisation), providing sophisticated advice on how to most effectively frame Israel’s case. Both men were again retained by BICOM in 2007 to work on its Stop the Boycott campaign, along with the British consultant Rick Nye, of the UK polling and communications company Populus.

Populus, which provides polling and focus group data to its clients, appears to be BICOM’s most important communications consultant. Its director Rick Nye, a former director of the Conservative Research Department, was a participant in BICOM’s ‘We Believe in Israel’ conference in 2011 (see below). A year earlier he attended the Herzliya Conference in Israel where he was a member of a team of lobbyists and Israeli officials who worked on a paper called ‘Winning the Battle of the Narrative’. Other team members included BICOM’s then director Lorna Fitzsimons and its then Israel director Jonathan Cummings. ‘Winning the Battle of the Narrative’ noted that members of the public are largely excluded from foreign policy decisions, but that nevertheless public opinion, and more particularly media opinion, can have an important indirect impact:

Whilst foreign policy decision-making includes a closed circle of people, usually consistent of the very elite of each society (politicians, advisors and renowned academics included), public opinion and atmosphere still matter. The political elites in Europe and in the US are much more tolerant towards Israel’s policies then [sic] the wider public in those same countries; however, the public’s mood and the media’s coverage (especially in the UK) determine the government’s leeway to pursue a pro-Israeli foreign policy agenda.

This perspective was echoed by Lorna Fitzsimons herself during the same conference, when she commented that ‘public opinion does not influence foreign policy in Britain. Foreign policy is an elite issue’. Similarly, BICOM’s Jonathan Cummings has written that ‘discourse is far less friendly [in] Britain among the general public than it is among elite opinionmakers’ and that pro-Israel advocates should therefore seek to ‘create barriers to delegitimisation, insulating policy-making environments’. This strategic distinction between elite and public opinion appears to be reflected in BICOM’s communication strategy. In February 2007, Lorna Fitzsimons wrote that ‘BICOM has the most
up-to-date polling of opinion formers and the general public’, and Populus is known to have conducted polling of both public and elite opinion on Israel.

BICOM’s original mission was: ‘to bring about a significant shift in opinion in favour of Israel amongst the general public, opinion-formers and the Jewish community’. However, the ambitious objective to shift public opinion appears to have been quietly abandoned. In 2008 a spokesperson told the Jewish Chronicle that BICOM’s ‘main target audiences are British journalists, politicians and other senior opinion formers’ and its website now makes no mention of public opinion, whilst referring twice to ‘opinion formers’.

All this suggests that BICOM does not necessarily aim to influence UK public opinion per se. Rather its objective is to cultivate a policymaking environment in Britain that is favourable to Israel, regardless of trends in broader public opinion. It seeks to achieve this through three principle means: building and sustaining elite support in politics and the media; isolating those who campaign against Israeli policies; and, most recently, mobilising supporters of Israel, especially in the UK Jewish community. Below we examine each of these elements more closely, but first we provide, by way of context, an account of how power and influence is wielded in Britain today.

The UK’s post-democracy

The distribution of wealth and power in the UK is highly unequal. Politically, a relatively small number of people are involved in formulating policy, whilst most of the population – including members of political parties – feel profoundly isolated from decision making. In 2006, a study of popular disengagement from formal politics noted that although public interest in ‘political issues’ remained high, ‘the level of alienation felt towards politicians, the main political parties and the key institutions of the political system is extremely high and widespread’. It noted that ‘citizens do not feel that the processes of formal democracy offer them enough influence over political decisions’.

Leading politicians, influential journalists and political commentators, philanthropists and business executives, lobbyists, political consultants and PR executives – these are the people who effectively run Britain today and make up what author Dan Hind has called the ‘effectually ruling public’. They operate in broadly similar social environments and tend to share certain assumptions and values – some of which set them apart from much of the rest of
the population. Though publicly acknowledging this concentration of power remains highly taboo, it is implicitly understood by those who work in the insular and interconnected worlds of politics, lobbying and public relations, who do not doubt for a second that some people matter more than others.286

In some ways it makes sense to view the people who make up the world of policy makers as a cohesive ‘power elite’ or ‘ruling class’, yet such labels risk exaggerating their ideological cohesion.287 Many do not see themselves as part of an elite, and dismiss such characterisations as paranoid or conspiratorial. This is partly because they are so insular and are therefore less conscious of their isolation from the rest of British society. But it is also because within the policy world there is considerable competition and disagreement – not to mention further (and not inconsiderable) gradations of wealth, power and influence.

Patterns of competition and cooperation in the policy world are complex. Elected politicians of course must compete for votes. That is well understood. But to win elections they must also – increasingly – compete for financial support from business and political support from media corporations, a fact that pulls mainstream politicians in a more business-friendly direction, particularly since the advent of neoliberalism. Media corporations similarly must compete for readers and viewers, but also for advertisers, whilst the increasingly stretched journalists who work at those media corporations rely on politicians and their strategists, and businesses and their public relations advisers, for content. Meanwhile, businesses compete with each other through advertising and public relations campaigns, whilst lobbyists, political consultants and public relations consultants288 compete for clients in the world of business and politics, as well as for influence with media corporations, politicians and civil servants.

In short, the world of politics, business and communications are deeply intertwined and in certain respects highly complex and competitive. Exercising power in this world requires considerable resources, not least because though power is highly concentrated, it is also dispersed. Generally one cannot simply ‘buy’ a politician. For power is not solely vested in politicians and in any case the fate of individual politicians or even whole political parties is unpredictable. Exercising power and influence in 21st century Britain therefore lies in building and sustaining a network of actors within the policymaking world. To be effective, such a network must span politics, business and the media and will usually be highly organised in civil society. The lobbying and PR activities of BICOM and its close partner organisations must be understood in this context. It is not necessarily correct to see lobbying and PR as a process whereby certain actors impose their interests or perspectives on politicians or journalists. Though in some cases coercion can be an effective strategy, building cooperative relationships is generally more effective in the long-term. Indeed, BICOM’s former CEO, Lorna Fitzsimons has emphasised the importance of relationship building. Fitzsimons cited the work of Robert Cialdini, author of Influence: The Psychology of Persuasion, as a model for BICOM’s communication strategy and specifically his account of how to use ‘reciprocation’ as a ‘weapon of influence’.289 Cialdini writes that the indebtedness we instinctively feel towards those who grant us favours is ‘overpowering’ and can therefore be ‘profitably used’ as ‘a device for gaining another's compliance’.290 One of his examples is that of favours, gifts or financial support given to politicians.291

Building and sustaining elite support

It was noted in the previous chapter that BICOM’s pro-Israel activity is largely focused on the media, whilst other groups, notably the parliamentary ‘Friends of Israel’ groups, the Jewish Leadership Council and the Board of Deputies, are more focused on lobbying politicians. Nevertheless BICOM has however paid for politicians to visit Israel and a number of its key donors have also funded both Labour and the Conservatives. The largest of these donors is Poju Zabludowicz.
According to Electoral Commission records, Zabludowicz and his corporate vehicle Tamares Real Estate Investments (UK) Ltd have donated a total of £314,300 to the Conservative Party since 2005. BICOM’s former vice-chairman Michael Lewis is also a major Tory donor. His family investment company Oceana donated £30,000 to the Conservative Party in 2001, as well as £2,500 to support Michael Portillo’s bid for the Party Leadership. In 2004 Oceana donated £3,000 to the Conservative Party in Harlow where Robert Halfon of Conservative Friends of Israel was the Conservative Party’s candidate, and in 2005 Michael Lewis personally donated £5,000 to support Liam Fox’s bid for the Party Leadership. In September 2005, funds donated by Lewis to Liam Fox were used to pay for a delegation of Conservative MPs to Washington D.C. The delegation was led by Fox and included five newly elected Tory MPs, namely Mark Harper, John Penrose, Brooks Newmark, Adam Holloway and Philip Dunne. Although Michael Lewis was identified as having funded the flights and accommodation for the Washington trip, in response to a *Guardian* article he stated that he had no say over how his donation was spent and denied funding the trip.292 More recently Lewis emerged as a donor to Adam Werritty, the unofficial adviser whose activities led to Liam Fox’s resignation as Defence Secretary (discussed below). Along with Mick Davis and Zabludowicz’s Tamares Capital, Oceana was revealed as a funder of Pargav, a vehicle which Werritty described as a not-for-profit organisation that supported his work in the Middle East.293 Lewis is also reported to have donated £13,822 to Atlantic Bridge, a now defunct think tank set up by Fox and headed by Werritty.294

In 2008 David Menton, another BICOM donor and a close business associate of Poju Zabludowicz, donated £1,000 to the Labour Party in John Spellar’s constituency of Warley (Spellar spoke at BICOM’s advocacy conference that year295). In 2011 he donated £2,477 to the Labour Party in Michael Dugher’s constituency of Barnsley East. That year he also paid for Spellar, by then a Shadow Foreign Office Minister, to attend the Herzliya Conference. Menton also paid for accommodation for Michael Dugher and a member of his staff during that conference. Dugher, a former Labour special advisor and corporate lobbyist, was at that stage a shadow defence minister and vice chair of Labour Friends of Israel. Both Michael Dugher and John Spellar attended BICOM’s 10th anniversary dinner in November that year.296

At the Herzliya Conference, Michael Dugher spoke as part of a session called ‘Is Israel Losing Europe?’ He praised BICOM, as well as Labour Friends of Israel and Trade Union Friends of Israel, for their ‘important work’ saying ‘they work hard to ensure that there is a more balanced debate in the United Kingdom and we continue to promote the State of Israel in a positive way’. He blamed the negative view of Israel amongst the public on the lack of context provided in television coverage.297

BICOM itself paid for three Labour Party politicians to visit Israel in 2011. It paid for Michael Dugher to visit Israel again on 5-8 June 2011 as part of the shadow defence team’s review into defence procurement and also paid for the Shadow Defence Secretary Jim Murphy and a member of his staff to visit Tel Aviv on 6-9 June 2011.298 That February it paid for Stephen Twigg MP, then a shadow Foreign Office minister, to fly to Israel. Twigg, who was chairman of Labour Friends of Israel from 1998 to 2001,299 visited Israel and the West Bank between 4 and 8 February 2011. He later wrote that he had undertaken ‘an intense itinerary of meetings and visits with politicians, trade unionists and civil society organisations’ and attended the Herzliya Conference.300

**BICOM’s media strategy**

As noted above, BICOM was formed in response to the outbreak of the second intifada and its early focus was very much on responding to negative coverage of the violence. In September 2001, BICOM’s first director Mark Berg wrote a briefing note for Jewish communal leaders in which he referred to ‘Israel’s lonely struggle against hostile elements in the media’. 301
Under Berg’s short leadership, BICOM supported a wider campaign by pro-Israel groups to pressure the UK media into more favourable coverage, providing advice and support to grass roots activists. It worked closely with the Zionist Federation’s ‘Israel Response Group’ and with the Zionist Central Council and the Jewish Representative Council in Manchester set up a network to respond to local media. It also assisted the Board of Deputies in producing a 50-page information pack for pro-Israel activists, combining factual information on the Israel-Palestine conflict with information on the media, details of the various pro-Israel watchdog organisations and guidance on how to contribute to talk shows and join television audiences.

Meanwhile BICOM’s head of media, Nick Conway, gave a number of talks to British Jews on ‘media bias’ and ‘winning the media war’. BICOM’s role in these campaigns was not to mobilise activists, but to provide them with advice and information. Its director Mark Berg urged people to write to the media, but also stressed the importance of accuracy in lodging complaints, saying, ‘We need your help to put across factually correct letters that have an impact’ [emphasis added]. In an interview in early 2002, Berg commented that there was ‘a minority of people in the community who are overly shrill and overly emotional. And unfortunately, there is another, maybe the same, minority who have a tendency to be inaccurate.’ This comment underlines the BICOM strategy of targeting opinion formers and elites who don’t react well to hectoring, bluster, trolling and sloganeering. BICOM is thus particularly concerned with credibility – putting the arguments in a tone and language that resonates with elite audiences and they are often embarrassed by more hard-line or less sophisticated elements.

Berg’s successor as director, the Israeli diplomat Daniel Shek, shifted the organisation’s emphasis, promoting positive stories on Israel unrelated to the conflict and emphasising shared values between Israel and the UK, which it was hoped would help create a more sympathetic environment for political messages. Since then BICOM’s media strategy appears to have mirrored that of conventional PR firms: seeking to develop reciprocal working relationships with journalists by providing them with content for news stories and access to senior sources, rather than complaining about critical coverage. BICOM’s Israel director Jonathan Cummings has argued that, ‘Harassing the media is a counter-productive tactic, which limits dialogue,’ whilst Lorna Fitzsimons has stressed that in order to exert influence through the media it is necessary to acknowledge that Israel does ‘make mistakes’. Whilst such groups doubtless serve a useful purpose in intimidating critics, BICOM’s strategy of engagement with elites appears to have enjoyed considerable success.

The most prominent such organisations in the US are the Committee for Accuracy in Middle East Reporting in America (CAMERA), which was founded in 1982 to combat negative coverage of Israel’s invasion of Lebanon that year, and the more internationally oriented Honest Reporting, which like BICOM was founded in response to the second intifada. In the UK a similar organisation called Just Journalism operated between 2008 and 2011 and was affiliated to the neconservative think tank, the Henry Jackson Society. Just Journalism was denounced by one of its directors, Adel Darwish, as a McCarthyite operation following his resignation after around nine months. It took a position on the hawkish extreme of the Zionist spectrum, which put it in a similar camp to small attack blogs such as CiFWatch, which monitors alleged anti-Semitism and criticism of Israel at the Guardian’s ‘Comment is Free’ website. Those running CiFWatch appear to be based in Israel, and when it started it featured mostly anonymous contributors. The use of anonymity is also a feature of attack blogs such as Harry’s Place, launched in 2002 in the aftermath of the September 11 attacks and largely devoted to attacking the anti-war left and critics of Israel. This strategy of engagement appears to have enjoyed considerable success. In June 2006, reflecting on BICOM’s early achievements, the Jewish Chronicle noted that ‘BICOM experts have been allowed unprecedented access to the BBC to brief the corporation’s staff on the
In August that year a BICOM spokesperson told the Jewish Chronicle that the organisation ‘had worked with broadcasters including those from the BBC’s Hardtalk, Newsround and Newsnight, as well as placing articles and offering background briefings to journalists, editors and spokespeople’.

An important aspect of BICOM’s media strategy is its organised and paid for delegations of journalists to Israel. The aforementioned Herzliya Conference paper ‘Winning the Battle of the Narrative’ noted that:

introducing people to daily life in Israel has been very successful in gaining their support; spending a night out in Tel-Aviv or taking part in a tour of Herzliya proved to be the best way for foreigners to understand and relate to Israel.

Jonathan Cummings, the head of BICOM’s Israel office, has written at length about what he calls ‘visiting elite opinion-maker delegations’ noting that ‘visiting Israel can be an important element in forming elite British opinions on Israel,’ and that, ‘bringing politicians, journalists, students, and academics to Israel can help to create barriers to delegitimisation, insulating policymaking environments from the most destructive discourse.’

In January 2008 the Jewish Chronicle reported that BICOM was organising the ‘largest-ever group of senior UK journalists’ to visit Israel. The article stated that representatives from The Times, The Independent, The Sun, Sky and the BBC would be part of a group that would attend the Herzliya conference that year. (The BBC representative who signed up to the tour later cancelled after it was pointed out that it would violate the BBC’s guidelines.)

Despite the fact that a BBC correspondent was barred from attending the 2008 trip, a BICOM email made public in September 2011 revealed that the BBC’s Sophie Long participated in a trip to Israel organised by BICOM. The email, intended for BICOM’s donors but sent in error to its media lists, stated:

BICOM has one of BBC News’ key anchors on a bespoke delegation. When planning her very first trip to the region, Sophie Long got in touch with BICOM to see if we could help her out with meeting in the region. Sophie is now spending three days of her trip with BICOM Israel, taking a tour around the Old City, meeting [the Prime Minister’s spokesperson] Mark Regev and [Hebrew University professor] Dr. Alex Yacobsen, as well as visiting Ramallah and Sderot.

The leaked email also stated that BICOM had been ‘in contact with a whole host of BBC and SKY news desks and journalists, ensuring that the most objectively favourable line was taken, and offering talking heads, relevant to the
stories unfolding’. It claimed that Sky News had ‘changed their narrative’ after being contacted by BICOM’s media team and that Lorna Fitzsimons had briefed Jonathan Ford on his Financial Times leader for the following day. The email also noted that: ‘BICOM had regular contact with the Editor at Large of Prospect Magazine, David Goodhart, helping to inform him about the forthcoming UN vote on Palestinian statehood’.321

In February 2012, another email surfaced revealing that BICOM was for the first time organising a trip to Israel and the West Bank for bloggers. According to the email, the ‘social media delegation’ was planned for 26 February to 1 March 2012.322 Six bloggers attended the four-day trip, including Richard Angell, from Progressonline.org.uk, and Jonathan Isaby, political director of the Taxpayers Alliance and co-editor of Conservativehome.com.323

In late 2012 BICOM launched a quarterly ‘journal’ called Fathom, with the tag line ‘for a deeper understanding of Israel and the region’. Edited by BICOM’s Senior Researcher Alan Johnson, among its advisory editors are Efraim Halevy, the former director of Israel’s foreign intelligence agency Mossad, at least two people from Israel’s Institute of National Security Studies and neoconservatives from both sides of the Atlantic such as Alan Mendoza of the UK’s Henry Jackson Society and Joshua Muravchik formerly of the Washington-based American Enterprise Institute.324 Available as an iPad app and slickly produced, the title implies high-brow, nuanced, scholarly analysis – in contrast to the bold, simple slogans of much Israel advocacy aimed at the general public. It has featured prominent neoconservative Richard Perle – who served in the Reagan and George W. Bush administration – and rejectionist Israeli viewpoints. For example, Gerald Steinberg President of the group NGO Monitor claimed in the third issue that NGOs in the UK such as Oxfam, exhibited ‘theological anti-Semitism’.325 Fathom’s second issue showcased an article by Yisrael Medad, a spokesman for the Yesha Council of Jewish Communities (an Israeli settlement organisation), in which he described Naftali Bennett, leader of the far-right Jewish Home Party, as ‘the new hope’.326

In addition to building working relationships with journalists and bloggers, BICOM has also developed crisis management techniques which it has utilised during controversial Israeli military operations, and at key political and diplomatic junctures. In 2011, Lorna Fitzsimons wrote in the Jerusalem Post: ‘We make the case in public, even at the hardest times, such as during Operation Cast Lead, during the Gaza flotilla incident, and in the wake of the recent publication of the “Palestine Papers.”’327 A year later she noted that: ‘We now have a well-developed and practiced crisis management system and protocol run jointly with the JLC. We used it to great effect in response to Operation Cast Lead, in 2010 as the first Flotilla hit the headlines, as well as last year during the Palestinian bid for UN membership.’328

BICOM appears to have developed its ‘crisis management system’ in the aftermath of the 2006 Israel-Lebanon war, during which BICOM, along with the Israeli Embassy, was accused of a failure to present Israel’s case in the media.329 BICOM and the Jewish Leadership Council then appear to have consciously prepared their communication strategies in anticipation of
another Israeli attack. In February 2008, Henry Grunwald, the chair of the JLC wrote:

Lessons have been learnt from the summer of 2006. In recent weeks, working with BICOM, communal organisations have stepped up their activities in this area, publishing and distributing the most up-to-date fact sheets documenting the sheer scale of rocket attacks [on Israel] and their effects. … If Israel does take the military option, we must be prepared.330

The lesson from the Israel-Lebanon War of 2006 was apparently that not enough context was provided to explain why Israel was resorting to such extreme violence. Grunwald wrote:

If we are not careful, there could be a re-run of the 2006 war with Hezbollah, where the context of the actual fighting was lost in the media war of striking pictures of tanks and the rubble of burning buildings.331

One Israel advocate lamented during the attack: ‘There is a conflict here between images and words. If the Lebanese case is made by pictures and Israel’s by words, it’s a difficult match.’332 Comments such as this reflect a growing anxiety amongst pro-Israel advocates that since Israel is one of the world’s leading military powers and its enemies are poor, and poorly armed, observers are likely to reflexively view Israel as the aggressor in any likely conflict. This was noted in the aforementioned 2010 paper for the Herzliya Conference:

Mass media, the main vehicle for shaping public opinion, is an inherently problematic medium for putting across Israel’s message. Heavily based on images, it often plays into the hands of Israel’s opponents. Asymmetric warfare, in terms of media exposure, allows weaker parties certain advantages when faced with a camera-lens, such as the well-known images of Palestinian children ‘fighting’ Israeli tanks.333

Israel advocates during the 2008/9 assault on Gaza therefore stressed the context of the massacres, emphasising that Israel had no choice but to resort to force. Though many people were shocked by the violence displayed during Operation Cast Lead, this PR approach appears to have been largely successful in managing public understandings. A study by the Glasgow University Media Group found that only a minority of viewers blamed Israel for the killing of women and children in Gaza, whilst 63 per cent blamed either the Palestinians or both sides equally. The authors noted that:

There is a sense amongst some that the disparity between the power of each side is ‘unfair’. But what is missing from most of this audience is the Palestinian perspective… On the other hand, many elements of what is assumed to be true are exactly the points which were highlighted in Israeli public relations and reported uncritically on the news. Crucially, this can affect how audiences apportion blame and responsibility and also influence how the images of civilian casualties were interpreted.334

As media academic Simon Cottle notes in summarising the Glasgow Group’s findings, ‘images of human suffering first need to be contextualised before they can be made sense of by audiences. Visual images of the Palestinians as the underdog, for example, do not necessarily produce a sympathetic response’.335

The media context

Before moving on to BICOM’s other areas of operations, it is worth considering in more detail the context in which these media operations take place, since this is commonly misunderstood.

The notion that the UK media is biased against Israel is widespread amongst pro-Israel campaigners. The Guardian and the BBC in particular are regularly accused of being anti-Israel, or pro-Palestinian, and the latter has been subject to numerous campaigns attempting to influence its output.336 Contrary to the claims made by pro-Israel activists, however, evidence-based academic studies of media content suggest that Israeli perspectives tend to appear more frequently in the British media than Palestinian perspectives. The most comprehensive research on this topic has been conducted by the Glasgow University Media
Group, which first published its findings in 2004 as Bad News From Israel and later expanded its research, republishing an updated version as More Bad News From Israel in 2011. The authors note that on TV news the coverage of deaths and casualties had a very disproportionate emphasis on those of Israel and different language was sometimes employed by journalists to describe these. There is no evidence from our analysis to suggest that Palestinian views were given preferential treatment on the BBC. The opposite is really the case. This is part of a consistent pattern on TV news in which Israeli perspectives tended to be highlighted and sometimes endorsed by journalists.337

Other scholarly studies have confirmed this general picture. Loughborough University’s Communications Research Centre, which was commissioned by the BBC to research the impartiality of its coverage of the conflict, found a disparity in favour of Israeli actors both in terms of the number of appearances and ‘talk time’ and also noted that ‘Israeli fatalities generally receive greater coverage than Palestinian fatalities’.338 A subsequent study by researchers at the University of Bedfordshire and Goldsmiths College, London, which examined coverage of the 2006 Lebanon War, found that both the BBC and ITV demonstrated a slant towards the Israeli side in terms of the percentage of time given to the direct speech of Israel and her supporters compared with Lebanon/Hezbollah and their supporters. The proportionate coverage of casualties also favoured Israel in that, on the BBC, 20 per cent of the coverage was devoted to the impact of the fighting on Israeli civilians and 28 per cent on the impact on Lebanese civilians... but in terms of actual casualties, the Lebanese suffered ten times as many deaths as did the Israelis.339

There are no reputable academic studies of television coverage of Israel/Palestine which support the view of those pro-Israel activists who claim that British television is biased against Israel. The British press is more obviously partisan in its coverage of Israel. Some of this is explained by the political commitments of media moguls or editors and the general orientation of the press in Britain towards the narrow range of views of the foreign policy establishment. It is, however, also the case that journalistic investigation can trump such pressures. The British tabloids tend to ignore Israel, but with some exceptions are generally hostile to the Palestinians when they do cover the Middle East. Amongst the broadsheets the Financial Times, The Guardian and the Independent are more likely to be comparatively even-handed, though there is evidence that they tend to adopt Israel perspectives more often than not.340 Papers owned by News International and the Telegraph Group (formerly owned by Hollinger) have tended to be more ideologically driven, especially by proprietorial interest.

News International is the UK subsidiary of Rupert Murdoch’s News Corp, which owns the Sun, The Times, the Sunday Times and the Sun on Sunday (formerly the News of the World). Murdoch has business interests in Israel and is strongly supportive of conservative Israeli politicians – he was reportedly ‘a strong political backer and close friend of’ Ariel Sharon, Israel’s hard-line former Prime Minister.341 He has received awards from a host of pro-Israel advocacy organisations, including the Simon Wiesenthal Center (2006), the American Jewish Congress (1982),342 the American Jewish Committee (2009) and the Anti-Defamation League (2010).343 Journalist Eric Alterman records attending ‘a United Jewish Appeal-Federation “Humanitarian of the Year” ceremony’ for Murdoch. The award was presented, ‘I kid you not’ he wrote, by Henry Kissinger.344

Murdoch wrote the foreword for a 2005 book Israel in the World: Changing Lives Through Innovation, by two long standing pro-Israel activists Helen Davis and Douglas Davis. Helen Davis was Director of the Britain-Israel Public Affairs Centre (BIPAC), the forerunner of BICOM from 1991 to 1999. Douglas Davis wrote for the Jerusalem Post from 1990 until around 2005 and subsequently worked for the Spectator. He has been highly critical of BBC reporting of
Israel and the US, claiming in 2002 that the BBC ‘has become the principal agent for reinfecting British society with the virus of anti-Semitism’. In February 2013, the UK Chief Rabbi Lord Sacks made an ‘unexpectedly robust’ defence of Rupert Murdoch, stating that Israel did not have ‘a better or more significant friend in the world’.

Murdoch has a reputation as an interventionist proprietor and one recent incident provides clear evidence that his pro-Israel politics affect the content of his newspapers. In January 2013, the Sunday Times was attacked for a cartoon by Gerald Scarfe said to be anti-Semitic by a host of pro-Israel groups. The paper’s recently appointed acting editor, Martin Ivens, initially defended Scarfe’s ‘typically robust’ cartoon, describing it as ‘aimed squarely at Mr Netanyahu and his policies, not at Israel, let alone at Jewish people’. However, after Rupert Murdoch tweeted: ‘Gerald Scarfe has never reflected the opinions of the Sunday Times. Nevertheless we owe major apology for grotesque, offensive cartoon,’ Martin Ivens arranged a meeting with officials from BICOM, the Jewish Leadership Council and the anti-Semitism monitoring group the Community Security Trust, and apologised ‘unreservedly’ for the ‘terrible mistake’.

Strong proprietorial influence can also make itself felt on news coverage. At News International both Robert Fisk and Sam Kiley left The Times over censorship of their work. Fisk wrote:

I don’t believe Murdoch personally interfered… He didn’t need to. He had turned The Times into a tame, pro-Tory, pro-Israeli paper shorn of all editorial independence.

Kiley also noted the influence of the proprietor:

Murdoch’s executives were so scared of irritating him that, when I pulled off a little scoop by tracking, interviewing and photographing the unit in the Israeli army which killed Mohammed al-Durrah, the 12-year-old boy whose death was captured on film and became the iconic image of the conflict, I was asked to file the piece ‘without mentioning the dead kid’. After that conversation, I was left wordless, so I quit.

Another influential pro-Israel press baron is Conrad Black, who, before he was sent to jail for fraud, controlled Hollinger International Inc which published leading newspapers such as the Daily Telegraph (UK), Chicago Sun Times (US), the Jerusalem Post (Israel), National Post (Canada), the Sydney Morning Herald (Australia), and The Age (Australia) and hundreds of community papers in the US. Both Black and his wife Barbara Amiel have long been strongly pro-Zionist and hostile to Palestinians. Black has characterised the Palestinian leadership as ‘vile and primitive,’ while Amiel concluded one 5,300 word piece, published in both the Daily Telegraph and the Jerusalem Post, by claiming that some Palestinians were ‘behaving’ like ‘animals’.

In July 2003 Barbara Amiel accused the BBC of having been a ‘bad joke’ for ‘several decades’ and exhibited ‘relentless anti-Israel and anti-America biases’. In 2006 she accused the BBC of having ‘practically gone native’ concluding: ‘Any BBC newscast on the situation could play happily on al-Jazeera – and probably does.’ Black himself has more than once questioned the editorial line of papers with which he disagreed in print, including the example of the Jerusalem Post about which he wrote:

I shared the wish of [Israeli Prime Minister] Yitzhak Rabin, who expressed the hope when my associates and I bought control of the ‘Post’ in 1987, that it would cease to be a ‘pro-PLO’ newspaper. It did and I am proud of that fact despite the strains variations of this policy have sometimes caused with friends in Israel and in the international Jewish community.
Among the casualties of the change: ‘nearly half the journalists on the Jerusalem Post were sacked when they showed what [Black] judged to be an unhealthy enthusiasm for Palestinian rights’.357

Black’s strong support for Israel is alleged to have interfered, as the second intifada progressed from October 2000, with journalists’ abilities to report properly. According to William Dalrymple the result was that ‘uniquely among British papers, the foreign pages of the Daily and Sunday Telegraph contained a notable absence of clear, critical reporting of Israel’s deadly methods of suppressing Palestinian dissent. Their comment pages have been even more extreme’.358 In March 2001, Black again took to the pages of another of his own publications – The Spectator – labelling a contributor as anti-Semite for criticising the role of Israel in the Middle East. In response, three prominent writers – all of them past contributors to Mr Black’s Telegraph group – have signed a letter to the Spectator accusing him of abusing his responsibilities as a proprietor. Such is the vehemence with which Mr Black has expounded his pro-Israel views, they say, no editor or reporter would dare write frankly about the Palestinian perspective.359

The control of key sections of the broadsheet press by proprietors and their immediate circle with strongly conservative views on Israel, and the practice of promoting those views in the paper, can evidently make a significant contribution to news coverage. It is not true, however, to suggest that their views are able to entirely dominate the papers they control, which also need to maintain some connection with their journalists and their readers. Thus in the case of The Times it has been possible for the paper to publish material that elements of the Israeli state were keen not to see the light of day. The attack on the Gerald Scarfe cartoon noted above is a case in point. Even in the case of Conrad Black, his views were not always faithfully relayed. Thus, in 1993, he published an article in the Jerusalem Post decrying the paper’s editorial stance of opposing the proposed Middle East peace deal.360 Later, some of Barbara Amiel’s columns were, reportedly, spiked:

With Black in control of the Telegraph group, [Amiel] had a lofty platform from which to shout, and complete control of the contents of her musings. It was a brave departmental editor who spiked a column, but it did happen on occasions when an editor of the day was faced with a rant too far against the BBC.361

Amiel was sacked from the Daily Telegraph in May 2004 after she was named in a lawsuit against Black and other directors of Hollinger.362 The new editor, Martin Newland concluded that the politics of Amiel and Black and their adviser Dean Godson were just too conservative, as he later explained: ‘I soon came to recognise that (the Daily Telegraph was) speaking a language on geopolitical events and even domestic events that was dictated too much from across the Atlantic. It’s OK to be pro-Israel, but not to be unbelievably pro-Likud, it’s OK to be pro-American but not look as if you’re taking instructions from Washington. Dean Godson and Barbara Amiel were key departures.’363

It is in this generally pro-Israel atmosphere that BICOM attempts to manage media coverage of Israel and build elite support. In other words it operates in a relatively favourable media milieu, with some very notable supporters amongst media proprietors.

Isolating critics of Israel

We have argued that BICOM’s approach is not so much to seek to persuade the UK public, but rather to insulate ‘elite opinion-makers’ from criticisms of Israel. This is achieved firstly by building working relationships with the media and ‘opinion-makers’, as we outlined above, and secondly by isolating and discrediting writers and activists – including those from a Jewish background – who criticise Israel or work to win support for Palestinian rights.

In recent years, critics of Israel have been depicted by Israel lobby groups through the lens of ‘delegitimisation’. This is a term with a specific meaning in pro-Israel discourse. It is used to suggest that critics of Israel are motivated by an antipathy to the state of Israel itself, rather than
specific policies, questioning the very basis of Israel as a ‘Jewish state’. From there, it is a short step to the suggestion that delegitimisation is a new form of anti-Semitism.

Although the term delegitimisation has been used for some decades by Israel advocates, it has gained a renewed popularity among pro-Israel groups in the last few years. It was used, for example by Natan Sharansky in 2004 when he referred to the ‘3D test’ of anti-Semitism which refers to Demonization, Double Standards and Delegitimization. He claimed that this means that ‘Israel’s fundamental right to exist is denied – alone among all peoples in the world’.

A major contribution to the development of the idea was a 2010 report by the conservative Reut Institute. It argued that ‘negation of Israel’s right to exist or of the right of the Jewish people to self-determination’ together with ‘demonisation or blatant double standards’ is a kind of ‘fundamental delegitimisation’ that ‘represents a form of anti-Semitism’. In April 2011, a three day conference in Washington DC, organised by Reut and the American Jewish Committee ‘brought together a global network to fight against the campaign to de-legitimise Israel: 275 leader-activists from twenty countries… from dozens of organisations; and from all the major theaters of confrontation including labor unions, campuses, media, and academia’. Reut’s Gidi Grinstein participated in a panel on ‘Delegitimisation: The global assault on Israel’ with Lorna Fitzsimons from BICOM.

In a separate report Reut suggested in late 2010 that London was the ‘hub of hubs’ of delegitimisation. The ‘Big Tent for Israel’ conference, held in Manchester on 27 November 2011 ‘was based on Reut’s document on London as a hub of delegitimisation, a copy of which was also distributed to the participants’. BICOM’s Lorna Fitzsimons spoke at the event and was a ‘project team member’ along with Reut’s Grinstein, in a roundtable in preparation for the 2010 Herzliya conference. In March 2012, Fitzsimons wrote in the Jewish Chronicle that:

Five years ago there was a lot of turning a blind eye in Britain. Today we have faced up to the use of London as a hub for delegitimisation and we are working hard to counter efforts to portray Israel as a pariah state. This work really started with the Stop The Boycott Campaign, which lifted advocacy out of smoke-filled rooms to the front pages of every national newspaper.

The Stop the Boycott Campaign was launched in response to a motion on the ‘Boycott of Israeli Academic Institutions’ passed at the University and College Union’s inaugural Congress on 30 May 2007. Despite the furious response to the motion, it did not in fact call for the boycott of Israeli universities. Rather the motion stated that the Palestinian Campaign for the Academic and Cultural Boycott of Israel, launched in July 2004, should be distributed to UCU branches and that members should be encouraged to ‘consider the moral implications of existing and proposed links with Israeli academic institutions’. The full text of the motion read as follows:

Congress notes that Israel’s 40-year occupation has seriously damaged the fabric of Palestinian society through annexation, illegal settlement, collective punishment and restriction of movement.

Congress deprecates the denial of educational rights for Palestinians by invasions, closures, checkpoints, curfews, and shootings and arrests of teachers, lecturers and students.

Congress condemns the complicity of Israeli academia in the occupation, which has provoked a call from Palestinian trade unions for a comprehensive and consistent

Stop the Boycott, a campaign run by BICOM with the Fair Play Campaign Group
international boycott of all Israeli academic institutions.

Congress believes that in these circumstances passivity or neutrality is unacceptable and criticism of Israel cannot be construed as anti-Semitic.

Congress instructs the NEC to

– circulate the full text of the Palestinian boycott call to all branches/LAs for information and discussion;
– encourage members to consider the moral implications of existing and proposed links with Israeli academic institutions;
– organise a UK-wide campus tour for Palestinian academic/educational trade unionists;
– issue guidance to members on appropriate forms of action;
– actively encourage and support branches to create direct links with Palestinian educational institutions and to help set up nationally sponsored programmes for teacher exchanges, sabbatical placements, and research.372

The motion was passed by 158 votes to 99.373 Prime Minister Tony Blair phoned his Israeli counterpart Ehud Olmert to reassure him that the boycott did not reflect wider public opinion in Britain, whilst Education Minister Bill Rammell informed the Israeli government that the British government would do whatever it could to defeat a boycott.374

BICOM launched Stop the Boycott jointly with the ‘Fair Play Campaign Group’ – itself a collaboration between the Board of Deputies and Jewish Leadership Council founded in December 2006 to ‘coordinate activity against boycotts of Israel and other anti-Zionist campaigns’.375 The ‘Jewish Activities Committee’, a company limited by guarantee and based in the same premises as the JLC, sought donations to support STB’s activities.386 In February 2013, it was reported that the Community Security Trust (CST), a British charity ostensibly concerned only with combating anti-Semitism, was also on the executive committee of the Fair Play Campaign Group.377

With BICOM’s Lorna Fitzsimons and the JLC’s Jeremy Newmark as figureheads, STB enlisted the services of PR firm Champollion as a ‘strategic advisor’.378 It also commissioned a Populus poll, which found that 86 per cent of business, cultural and political leaders in Britain opposed an academic boycott of Israel.379 Other activities included encouraging supporters to lobby their MPs to sign Early Day Motion 1603, tabled by Jane Kennedy MP (Labour), which opposed the idea of a boycott. More than 250 academics signed a petition against a boycott in The Times and The Guardian380 and Lord Melvyn Bragg and Lord Robert Winston were quoted in the press as prominent critics of the UCU motion.381

Originally STB decided to support calls for the UCU to conduct a full ballot of its 120,000 members, confident that the boycott motion would not pass. However, before this could happen, in September 2007, the UCU announced that its legal advice suggested an academic boycott of Israel could be unlawful and lead to legal action against the union.382 Although Stop the Boycott saw this as a victory, the issue continually resurfaced and in May 2009 another resolution on the boycott of Israeli academia was passed – but immediately declared void by the union’s lawyers.383 However, in the same year the Trades Union Congress, representing 6.5 million members, passed its first ever boycott motion relating to Israeli settlement goods and has subsequently passed further boycott policies.384

Although in practice Stop the Boycott lost the argument in the unions, efforts to use legal measures against the boycott campaign subsequently picked up. In July 2011, Ronnie
Fraser, the director of Academic Friends of Israel, announced that he would sue at an employment tribunal claiming there was ‘institutional anti-Semitism’ in the UCU. However, Fraser’s attempt to take on the UCU was a comprehensive failure with all his claims ‘dismissed in their totality’. The Tribunal judged that his claim was ‘an impermissible attempt to achieve a political end by litigious means’ which demonstrated ‘a worrying disregard for pluralism, tolerance and freedom of expression’ and lamented the fact that public resources had been ‘squandered’ hearing the ‘unmeritorious’ case.

Fraser was supported in his action by members of the Jewish Leadership Council and the Zionist Federation, where he sits on the National Council. It appears that legal claims of this kind are also supported by the Israeli Ministry of Foreign Affairs. In a briefing in South Africa in February 2013, Amir Sagie, the director of the ministry’s civil society affairs department noted that Israel had worked ‘in partnership with UK Jewry’ on two court cases related to boycotts in the previous six months. It is not known if the Fraser case is one of these. Another possible case is that of Moty Cristal, an Israeli negotiator who – supported by the JLC and ‘liaising closely with the government of Israel’ – brought a discrimination claim against a Manchester NHS Trust and the trade union UNISON after an invitation to him to run a workshop was withdrawn.

A core element of the BICOM strategy is to, isolate and undermine critics of Israel.

Mobilising the grass roots

BICOM has recently invested significantly in attempts to manage and mobilise the UK Jewish community. Poju Zabludowicz has referred to BICOM as a ‘communal organisation’, suggesting that key figures see it as a body representing the Jewish community. It has attempted to mobilise British Jews in support of Israel and in opposition to those active in Palestine solidarity and human rights work (which includes many Jews). Pressure on Israel advocates in the UK to mobilise came from the series of influential reports published in 2010 by the Israeli Reut Institute on what it called ‘the delegitimisation challenge’ faced by Israel. London was identified as ‘the hub of hubs’ of this phenomenon. Writing in the Jerusalem Post in February 2011, Fitzsimons implicitly acknowledged that BICOM had lost support amongst British Jews, particularly liberals and the left:

I believe we have to defend Israel even more visibly. We also need to reengage with the grass roots of British Jewry. We cannot win the public debate without the backing of a mobilised, active community at a local level. Marking BICOM’s 10th anniversary this year, we are planning the largest ever pro-Israel conference in London. We are launching a campaign to win back and hold the center ground alongside many other communal organisations. We are launching the progressive case for Israel and driving the campaign for the Left to support it as a Jewish state.

This focus on managing UK Jewry resulted in a conference held on 15 May 2011 and originally called ‘Winning Britain back for Israel’. It was organised by BICOM and backed by the Jewish Chronicle, the Board of Deputies, the Jewish Leadership Council, the Zionist Federation and the Israeli embassy. It was in fact the second such conference organised by BICOM. The first was held on the JFS School’s campus in North West London on 5 April 2008 and was reportedly attended by over 200 activists. Speakers included Lorna Fitzsimons, John Spellar MP, Israeli Ambassador Ron Prosor, DJ Collins, director of Google in the UK and Ireland and Michael Prescott of PR firm Weber Shandwick, a former political editor of the Sunday Times.

The 2011 conference was much larger and would have a more lasting impact. BICOM established a website at www.israeladvocacyconference.org.uk which adopted the slogan “We believe in Israel”. This was later registered as a trademark by BICOM and became the URL for the conference website (www.webelieveinisrael.org.uk). The conference organisers told the
Jerusalem Post: ‘Sessions will allow attendees to develop personal knowledge and skills – encompassing letter-writing, lobbying Parliament.’ The conference is said to have included over 50 workshops for Israel lobbyists and media activists. Around 1,500 people reportedly attended. Key presenters included the then Defence Secretary Liam Fox and the Israeli politician Natan Sharansky. Other notable guests included Sun journalist Trevor Kavanagh, the Israeli diplomat Ron Prosor, the UK Ambassador to Israel Matthew Gould and Tony Blair’s former director of communications, Matthew Doyle. Liam Fox gave a speech in which he criticised Israeli settlements in the Occupied Palestinian Territories and was booed by a group of delegates. He was also reportedly jeered by delegates after saying the UK Government hoped the Fatah-Hamas agreement would lead to a peaceful outcome.

The conference was subsequently cited by one of the Reut Institute’s main analysts, Eran Shayson, as a key event in 2011, which witnessed ‘the emergence of the pro-Israel network’ to combat delegitimisation. In keeping with the conference’s aim to ‘begin the fight-back for Israel’, a toolkit was published designed to ‘give pro-Israel campaigners the essential information and advice needed to campaign for Israel both all-year-round and in the event of a crisis when Israel hits the headlines’. It included sections on ‘how to influence people’, ‘dining for Israel’ and ‘dealing with anti-Israel arguments’.

In August 2011, BICOM appointed Labour Party right-winger Luke Akehurst, formerly of the PR firm Weber Shandwick, as full time director of ‘We Believe in Israel’, which was established as a permanent ‘grassroots network’ to ‘build on the success’ of the conference. A second conference in April 2012 was planned, but in February BICOM cancelled it, saying: ‘In the short term we have decided we want to focus, rather than on a one-off “big bang” event, on the quiet organisational revolution that needs to take place to enable us to punch our weight in the debate about Israel in the UK.’ Another conference however is planned for 2013.

In January 2013, ‘We Believe in Israel’ claimed to have ‘3,400 subscribers’ on its mailing list and its emails to supporters have included offers of support to set up local pro-Israel groups. Akehurst has spoken at a number of regional events. The group has collaborated with Labour Friends of Israel to host an event in the House of Commons and often urges supporters to contact MPs, MEPs and the press. It has distributed a leaflet claiming that a number of Palestine Solidarity Campaign groups have expressed anti-Semitic views and has supported efforts to counter the boycott, divestment and sanctions campaign, for instance suggesting supporters contact the Co-op supermarket after it stopped doing business with companies sourcing goods from illegal settlements. During ‘Operation Pillar of Defence’ in November 2012, We Believe in Israel sent out daily briefings and circulated information about an ‘emergency rally’ in support of Israel organised by the Zionist Federation.

In conclusion; BICOM’s strategy is to insulate the political elite from pressure to support Palestinian human rights. This is done especially via the media, by isolating critics of Israel and by mobilising British Jews (amongst others) in support of Israel. It is important to recognise how the attack on critics of Israel and the mobilisation of support have important mutually confirming elements. The attempt to mobilise British Jews and to dissuade critics in the Jewish community from speaking out is also very important for them as it helps to identify Jews en masse with Israel thus helps to head off criticism of Israel from non-Jews.
Chapter Six – Funding and finances

BICOM’s accounts for the years ending 30 April 2002 and 2003 reported an income of £373,674 and £460,921 respectively. Since then however its accounts have provided no information detailing its income or expenses and disclosed only its balance sheet (which contains a breakdown of assets and liabilities). However, press reports and the disclosure of donations by BICOM directors confirm that BICOM’s income has increased substantially since then. Similarly, BICOM does not disclose the identity of its donors, but press reports as well as certain details available from corporate filings reveal the identity of a number of its financial backers.

BICOM’s chairman Poju Zabludowicz has been the organisation’s main backer since its establishment in 2002, but there have been a number of other major donors. In September 2002, the South African born multi-millionaire and Labour Party donor, Isaac Kaye, was reported to be a ‘key backer’ of BICOM, as was the British businessman David Green. Kaye is reportedly a representative of BICOM and David Green is the organisation’s treasurer. According to a report in the Jewish Chronicle, BICOM’s original backers also included some of the leading supporters of the United Jewish Israel Appeal (UJIA), which was the major donor behind BIPAC, the forerunner to BICOM. Zabludowicz has been affiliated with the UJIA since the 1990s and is currently a member of its advisory board. BICOM’s former deputy chairman, Michael Lewis, has also been a major donor to the UJIA, and was one of its directors when BICOM was founded.

Financial developments

BICOM reportedly had a budget of £1.2 million in 2006 – well over twice its budget three years earlier. In July 2007, following private discussions with Gerald Ronson, the key donor behind the Community Security Trust, Zabludowicz announced that he would underwrite a £300,000 BICOM ‘fighting fund’ in response to the UCU’s boycott motion. Zabludowicz's total donations to BICOM then increased almost threefold, from £341,694 in 2006, to £937,995 in 2007. That December he announced that he would double his donation to BICOM in 2008 to £1 million, adding that: ‘my donations must be followed by other likeminded individuals’. This statement however does not seem to match the reported figures in BICOM’s accounts, since Zabludowicz had already donated just under £1 million in 2007 and in 2008 his donations in fact decreased overall to £837,616, decreasing further in 2009 to £780,247.

BICOM’s budget increased again in 2009 and 2010. At a meeting held on 8 July 2009, its board agreed that it would require a 12.5 per cent increase in spending that year and a 25 per cent increase in 2010 – increasing its total expenditure to around £2million. Its then director, Lorna Fitzsimons said: ‘Our detractors will use the political and trade union conferences in September to their advantage and we must uplift our activities to meet this need.’ Though the value of Zabludowicz’s donations since that time have not been disclosed, BICOM’s 2010 accounts confirm that it has remained dependent on him for monthly financial support.

Though Zabludowicz remains its core donor, a board member has stated to the press that BICOM has as many as 120 different donors. Very few of these donors however are known. Certain donations are detailed in BICOM’s accounts, due to the fact that the donors also served as company directors. Its former deputy chairman, the South African financier Michael Lewis, for example, is known to have donated
a total of £25,000 between 2006 and 2007. Much smaller sums from other BICOM directors have also been disclosed. Jonathan Kestenbaum is known to have donated £2,000 in both 2007 and in 2008 and Philip Rubenstein made annual donations of £250 between 2006 and 2008. Michael Sherwood, a Goldman Sachs trader is reportedly a donor. BICOM’s vice-chairman, Edward Misrahi, an Italian hedge fund partner and former Goldman Sachs trader may also a donor. He joined the BICOM board in November 2011. The Benson Black Memorial Charitable Trust is known to have donated £5,000 in the 2009 and 2010 tax years. The Trust is controlled by Keith Black, a former chair of the UJIA in Manchester, and members of his family.

David Green – BICOM’s Treasurer

BICOM’s Treasurer David Green is extremely low profile but is reportedly one of its key backers. He comes from a large and wealthy family, originally from the East End of London, but which subsequently moved to the city’s affluent northern suburbs. One of his uncles, the late Monty Green, was a lieutenant-colonel in the Indian army during the Second World War and went on to became a founder of the Israel Defense Forces and a member of the Israeli General Staff during the 1948 Arab–Israeli War.

The Green family originally made their money through tobacco in colonial India, but later invested in property and electrical engineering in the UK. In the 1960s these interests were consolidated into British Industrial Holdings, which was chaired by David Green’s late father Joseph. The family took the company private in 1977 through its vehicle Greenbrook Securities. Today David Green and his close family own and run the electrical components corporation Greenbrook Industries, which also has interests in property and stakes in Sandal plc and Unicorn Training Group.

Isaac Kaye – an early ‘key backer’

Isaac Kaye is a South African born multi-millionaire who came to Britain in 1985. Like David Green, he was reported to be a ‘key backer’ of BICOM shortly after its establishment in 2002 and is reported to be one of the organisation’s board members.

Kaye made his millions from drugs companies and has been associated with a number of political scandals. In South Africa during the early 1980s an official ‘gifts for influence’ inquiry found that he had ‘no scruples about applying dishonest or unethical methods’, although Kaye denied ‘any impropriety, saying the giving of presents was not an inducement but an appreciation’. In the UK Kaye became a major donor to New Labour in the late 1990s and in 2008 funded Peter Hain’s bid for the deputy leadership via a think tank that had ‘never’ held a meeting. He is a donor to Labour Friends of Israel and the United Jewish Israel Appeal as well as BICOM and has business interests in Israel where he co-founded the venture capital firm Israel HealthCare Ventures (IHCV). Like Zabludowicz, Kaye has also funded the Herzliya Conference at the Interdisciplinary Center, Israel’s only private university.
Michael Lewis – donor and former vice chair

Michael Lewis is a UK-based South African financier who served as a director of BICOM between September 2006 and December 2007. During this time he was reportedly the organisation’s vice-chairman and is known to have donated a total of £25,000.\textsuperscript{447} He has said that he has had no involvement in BICOM since 2007, but has confirmed that he remains a donor.\textsuperscript{448}

Michael Lewis was born on 27 January 1959, the son of the Stanley and Zea Lewis (née Theadora). His paternal grandfather, the Latvian-born Meyer Lewis, established a furniture company in Cape Town in 1934 which in 1946 was listed on the Johannesburg Stock Exchange.\textsuperscript{449} For several decades Michael Lewis’s late father, Stanley Lewis, controlled the South African clothing retailer Foschini and the Israeli travel company Paltours (which was originally a subsidiary of the Jewish Colonial Trust\textsuperscript{450}).

Stanley Lewis moved from Cape Town to London in 1986\textsuperscript{451} where he established the family’s investment vehicle Oceana Investment Corporation, probably best known in the UK for its attempted takeover of the Etam clothing chain in 1992.\textsuperscript{452} Michael Lewis joined Oceana Investment Corporation in 1987 having worked as a fund manager in Edinburgh and London\textsuperscript{453} and from that point jointly managed the family’s business interests with his father.

Today the Lewis family’s substantial wealth, which is held via trusts and offshore companies, is managed by Michael Lewis and his business associate David Sable, a fellow South African. Lewis and Sable run a London based investment advisory firm, Oceana Investment Partners, which manages the approximately £8 million of assets held by the family’s UK holdings company Oceana Investment Corporation as well as approximately £38 million worth of assets held by the Jersey incorporated Oceana Concentrated Opportunities Fund Ltd. The Jersey Fund has significant stakes in the African furniture company, the Lewis Group (founded by Lewis’s grandfather), the UK property companies Max Property Group plc and Berkeley Group Holdings plc, and the UK merchant bank United Trust Bank, where Michael Lewis serves as a director.\textsuperscript{454} The Fund has also committed £5.9 million to Synova Capital, a private equity fund in which Poju Zabludowicz is the main investor.\textsuperscript{455}

The Oceana Concentrated Opportunities Fund formerly invested approximately a third of its funds in the pro-Israel German media company Axel Springer, where Michael Lewis is still a member of the Supervisory Board.\textsuperscript{456} The shares were purchased from Friede Springer, the widow of the company’s founder who is friends with Michael Lewis and with the German Chancellor Angela Merkel.\textsuperscript{457}

The Lewis family has supported other pro-Israel organisations in the UK in addition to BICOM. The family’s charitable foundation, the Stanley & Zea Lewis Family Foundation, donated a total of £193,239 to the United Jewish Israel Appeal between April 2009 and March 2011\textsuperscript{458} and in 2011 pledged £3 million to the University of Oxford to fund the appointment of a Professor of Israel Studies.\textsuperscript{459} Michael Lewis, who is a trustee of the family foundation, was a director of the United Jewish Israel Appeal from September 2001 to October 2007.

Michael Lewis is also chairman of the London-based think tank, the Institute for Strategic Dialogue (ISD), having joined as a trustee in 2005.\textsuperscript{460} The ISD was founded by its President, the veteran Zionist Lord Weidenfeld. It grew out of the Club of Three, an elite policy forum bringing together powerful figures from business and politics in France, Germany and the UK. The Institute jointly organises an annual event called the European-Israeli Dialogue with Axel Springer, the Jerusalem Foundation and the Portland Trust. It also sponsors research on ‘extremism’ and ‘radicalisation’.\textsuperscript{461}
David Menton – director and donor

David Menton is a close business associate of Zabludowicz’s and a director of, and donor to, BICOM.\textsuperscript{462} Menton’s official CV states that he ‘spent a number of years’ at the advertising company WPP plc before joining Zabludowicz’s Tamares Capital in 2000. There he says he spent seven years ‘leading its private equity activities and developing UK investment strategy’.\textsuperscript{463} Menton’s role at Tamares has been described variously as ‘property advisor’, ‘investment manager’, ‘corporate affairs advisor’ and ‘communications director’. In 2007 he launched the private equity fund, Synova Capital, with his brother-in-law Philip Shapiro. The launch was backed by funds from Zabludowicz who was appointed the firm’s chairman. Synova Capital operates out of Tamares’s London office and Tamares Capital Corporation Ltd is a partner in the firm.

Menton was a campaigns organiser for the Union of Jewish Students (UJS) in the late 1990s during which time he organised campaigns ‘combating extremism’\textsuperscript{464} and lobbied the Home Secretary to ban Islamist groups on campus.\textsuperscript{465} He attended the annual Herzliya Conference as a representative of the Zabludowicz Trust in 2003 and as a representative of Tamares in 2004, 2007 and 2009. He chaired a panel on the media at BICOM’s 2011 We Believe in Israel conference and has attended a number of fundraising dinners for BICOM and the UJIA.

Menton has provided political donations in the US and the UK. In June 2007 he made two donations of $2,300 to Hilary Clinton’s Presidential campaign and in May 2008 he made two donations of $2,300 to the election campaign of Nevada representative Shelley Berkley, one of which was returned in August that year (Zabludowicz owns substantial property interests in Las Vegas, in the state of Nevada).

In 2008 Menton donated £1,000 to the UK Labour Party in John Spellar’s constituency of Warley and in 2010 donated £3,000 to Oona King to support her challenge to Ken Livingstone as the Labour Party’s candidate for London Mayor. In 2011 he donated £2,477 to the Labour Party in Michael Dugher’s constituency of Barnsley East.

Edward Misrahi – vice chair

Edward Solomon Misrahi, an Italian national, was born in Spain on 26 December 1969, the son of Henri and Astrid Misrahi. His father was a businessman in Madrid where his mother was national president of the Women’s International Zionist Organization (WIZO).\textsuperscript{466} Misrahi studied economics at Princeton University in the United States and after graduating joined the investment bank Goldman Sachs in New York. He worked at the bank for 13 years, first as an associate in equities arbitrage\textsuperscript{467} and later as a Latin America expert and head of proprietary trading.

During his time at Goldman Sachs, Misrahi donated several thousand pounds to various US politicians and candidates including Republicans George W. Bush, Dick Cheney and John McCain and several Democrat candidates. More recently his wife donated a total of $6,900 to John McCain and Sarah Palin’s 2008 electoral campaigns.

Misrahi left Goldman Sachs to join the multi-billion dollar hedge fund Eton Park, which was founded in 2004 by former Goldman Sachs partner Eric Mindich. Misrahi became a Senior
Managing Director at the firm where he headed the Europe and emerging markets team. In 2012 he left Eton Park with several members of his team. Since 2009 he has been an investor in the private equity fund Synova Capital, in which BICOM chair Poju Zabludowicz is the major investor. He joined the board of BICOM in September 2011 and at the end of 2012 was vice chair and chairman of the ‘We Believe in Israel’ initiative.

Misrahi is involved in various other charities and not-for-profit organisations. In July 2011, he was appointed co-chairman of the Board of Governors of Immanuel College, a private Jewish school in Hertfordshire originally funded by the right-wing Zionist philanthropists Stanley Kalms and Gerald Ronson. With his wife Janet he has hosted fundraising dinners for the Women’s International Zionist Organisation (WIZO). They have also donated to the Centre for Jewish Life, OneFamily, an Israeli organisation that supports victims of political violence, as well as supporting several other charities such as the Old Vic theatre and the International Rescue Committee. Misrahi lives with his wife Joyce and their three sons. They have a home in St John’s Wood, North London, as well as homes in Manhattan and the Hamptons in the US.

Figure 4. The business interests and connections of the main BICOM funders
Business delegations and fundraising dinners

In June 2005 BICOM organised a trip to Israel for 20 British businessmen and financiers, raising a reported £1 million. Members of the group met with Israeli Prime Minister Ariel Sharon, his deputy Shimon Peres and Palestinian leader Mahmoud Abbas.472 Present on the fundraising mission were Goldman Sachs banker Michael Sherwood, hedge funder and former Goldman Sachs Partner Ron Beller and his wife Jennifer Moses, a former adviser to Gordon Brown, multi-millionaires Edward and Celia Atkin and Conservative Friends of Israel chairman Richard Harrington.473 BICOM was reported to be organising a similar fundraising trip to the US for that September, for which delegates were expected to donate a five-figure sum.474

In January 2008 BICOM held its first fundraising dinner at Gallery 176 in London. The dinner raised £800,000 and was attended by around 100 guests including Lord and Lady Weidenfeld, Lord and Lady Mitchell, David Lewis, Isaac Kaye, Sir Trevor Chinn, Brian Kerner and David and Claire Menton.475 In late 2009 it held a fundraising dinner at the Berkeley Hotel in Knightsbridge. The dinner was attended by around 160 people and raised £800,000 for BICOM. Guests including Israeli Ambassador Ron Prosor, former US Ambassador to Israel Martin Indyk, investor Oren Peleg, Howard Shore, London property magnate Vincent Tchenguiz, David Menton and Philip Shapiro, businessman Joe Dwek and property investors Edna and Peter Goldstein.476

In September 2010 it was reported that Netanyahu would be a guest at the BICOM annual dinner, which was scheduled for the evening of 1 November.477 Netanyahu however later cancelled his appearance and was replaced by his deputy Dan Meridor, only for Meridor to cancel at the last minute after being warned by the Israeli Justice Ministry that he might face arrest for alleged war crimes.478 The dinner was attended by Liam Fox, Michael Gove, Hazel Blears and Tony Blair’s former political director, Matthew Doyle. Gove gave a speech saying that he thought the use of the term ‘disproportionate’ – notably used by Foreign Secretary William Hague as well as human rights groups – to describe Israel’s attack on Lebanon in 2006 had been wrong.479

On 1 November 2011 BICOM held its 10th anniversary dinner, sponsored by El Al. The French intellectual Bernard-Henri Lévy gave an after dinner speech in which he claimed Israel was facing a ‘new form of anti-Semitism’ and ‘delegitimisation’.480 Political guests at the dinner including the Labour MPs Luciana Berger, Michael Dugher, John Spellar and John Woodcock.481

The influence and interests of BICOM donors

BICOM is completely dependent on these donors for its continued support. This in itself means that their donations bring with them a considerable degree of influence. Moreover it appears that major donors exert direct influence over BICOM through the board of directors, which is chaired by BICOM’s main donor, Poju Zabludowicz. Understanding the interests and motives of BICOM’s donors is therefore important to understanding its institutional raison d’être.

In her sociological study of New York philanthropy, Francie Ostrower notes that not-for-profit institutions serve as ‘local points around which upper-class life revolves’ and that fundraising events ‘provide exclusive settings for elite interaction’. ‘Through their philanthropy,’ Ostrower writes, ‘wealthy donors come together with one another and sustain a series of organizations that contribute to the social and cultural coherence of upper-class life’. 482 Financial donations, she notes, tend to come from individuals who are actively involved in, and closely identify with, the grantee organisation, as well as from members of their wider social networks.483 This would seem to be born out in the case of BICOM, which has one major donor, who appears to be closely involved in its activities and connected to a number of its other donors.
What motivates Zabludowicz and BICOM’s other supporters? No doubt its donors, both major and minor, feel a genuine commitment to Israel and to Zionism and supporting organisations like BICOM is a way of expressing these commitments. But at the same time such philanthropy brings with it significant prestige and networking opportunities, a fact made clear by BICOM’s fundraising trips have explicitly offered access to politicians. In the case of Zabludowicz, we have suggested that BICOM’s pro-Israel PR activities may be useful for protecting his business assets, many of which are in Israel. Perhaps more important though, this involvement in high level Israel advocacy brings with it opportunities to develop connections with Israeli state officials and likeminded elites in Europe, Israel and the United States, as well as the ‘cultural capital’ to facilitate such networking. Zabludowicz’s support for BICOM then, represents an opportunity for him to strengthen his power, prestige and status amongst his peers and relatedly to expand his transnational political and business network. BICOM’s fundraising dinners perhaps offer something of the same, presenting more minor, or at least less regular, donors with networking opportunities, as well as conferring a sense of importance and status through their sense of occasion and exclusivity.
Chapter Seven – BICOM’s views and arguments

Sensible centrists?

BICOM was established in 2001 following the demise of the British Israel Public Affairs Committee (BIPAC) in 1999. According to its head, Helen Davis, BIPAC lost the support of its donors because it maintained a hard-line stance on the Oslo peace process. Business figures with money to bankroll pro-Israel lobbying in the UK – such as Poju Zabludowicz, the primary funder of BICOM – had a financial interest in preserving the impression that progress towards stability was being made because the peace process paved the way for increasing economic ties with Israel.

Describing BICOM's activities in 2011, Zabludowicz stated:

> We have learnt over the last 10 years, through the research work BICOM has undertaken, that the key to creating a more supportive environment for Israel in Britain is convincing people in this country that Israel seeks a lasting peace with its neighbours. As long as this argument remains credible people will generally forgive mistakes and difficulties even if peace continues to be elusive. [our emphasis]

These comments by Zabludowicz help us to understand BICOM's strategy. Its interest is in presenting the appearance of a peace process regardless of the actual outcome. Over the years it has taken steps to refine its message and appear more reasonable.

In 2002 BICOM's website was reportedly ‘peppered…with statements such as “Jerusalem was never the capital of any Arab entity” and “no Palestinian would risk injury if they were not attacking Israelis’’. Such assertions, no longer appear on the site. Similarly, internet archive holdings show that from 5 December 2002 (or earlier) until at least 7 May 2005, the “About” section of BICOM’s website read:

> BICOM’s objective is, over time, to bring about a significant shift in opinion in favour of Israel amongst the general public, opinion-formers and the Jewish community.

These days its self-description is lengthier and more bipartisan-sounding: dropping talk of shifting opinion and instead emphasising ‘a more supportive environment’ for, and a ‘more complete understanding’ of, Israel. This ostensible even-handedness is also underscored by reference to a Palestinian state:

> We believe in the right of the State of Israel to live in peace and security, just as we believe in the rights of the Palestinians to statehood.

The existence of a broad international consensus in support of Palestinian statehood is enough to explain why BICOM, to maintain its own credibility, pays lip service to the abstract idea. However BICOM’s commitment is devoid of detail. In fact, BICOM was outspoken in opposing the Palestinian bid for ‘non-member state’ status at the UN in 2010, with its Director of Research Toby Greene claiming it was likely to ‘undermine prospects for reviving the peace process’. Close examination of BICOM’s positions suggests that in practice it opposes key aspects of international law and several prerequisites of the internationally recognised fundamentals for a Palestinian state – suggesting that its professed support may in fact be little more than a rhetorical device deployed to foster an environment in which people will – in the words of Zabludowicz as cited above – ‘forgive’ Israel for its ‘mistakes’.

Despite BICOM staffers links to the right wing of the Labour Party, and attempts to reach out to left-leaning bloggers, its spokespeople have showed staunch support for even the most right-wing Israeli governments. Brian Kerner, BICOM vice chair, described as ‘a conservative in British politics but liberal left in the Israeli context’, told the Guardian he thought Ariel Sharon had ‘not put a foot wrong’. Lorna Fitzsimons, former BICOM Chair and Blair-era Labour MP, has defended Benjamin Netanyahu as ‘forward thinking’,
of ‘inconvenient truths’ and a supporter of two states. Importantly, Netanyahu and other right-wingers have, in recent years, made statements to this effect. But there is considerable distance between the Likud vision of ‘a’ two state solution and ‘the’ two-state solution long advocated by the majority of the international community grounded in international law. BICOM’s stance, when examined in detail, resembles that of even the most hawkish Israeli leaders – not the latter.

What kind of peace?

While BICOM seeks to appear moderate, its ‘Frequently Asked Questions’ – the text most closely resembling a statement of policy – shows that it supports Israeli rejectionism on the four key issues of the conflict, contrary to an overwhelming international legal and political consensus:

1. the idea of withdrawing to pre-1967 borders
2. the status of Jerusalem
3. the need to dismantle all settlements in the West Bank
4. the right of return for Palestinian refugees.

While making much of its support for a Palestinian state, BICOM, following the Israeli government, chooses to interpret the wording of UN Security Council resolution 242 – passed unanimously after Israel occupied the West Bank in 1967 – in a way which allows it to argue that it is not required to withdraw to pre-67 borders. BICOM claims:

The resolution deliberately avoided obligating Israel to withdraw from all the territories it had captured, leaving open the question of future borders for negotiation.

Such an argument rests on the absence of either the word ‘the’ or the word ‘all’ from the English language version of the resolution which called instead simply for withdrawal ‘from territories occupied’. Others argue that the semantic ambiguity of this is rendered irrelevant by the clear assertion in the resolution’s preamble of the “inadmissibility of the acquisition of territory by war”, but supporters of Israel like BICOM tend to overlook this principle. Israel is in clear violation also of UN Security Council resolution 338, which in 1973 called again for resolution 242 to be implemented. But BICOM gives voice exclusively to the uniquely Israeli viewpoint that the West Bank is “disputed territory” rather than occupied territory and expresses opposition to the idea of dismantling the biggest and most entrenched illegal settlements and in particular relinquishing its control of annexed East Jerusalem. If any clearer statement were needed to show that BICOM does not in fact support the Palestinians’ widely accepted right to a state within 1967 borders, it is provided in this succinct dismissal:

If Palestinian demands to return to pre-1967 borders were taken literally, it would result in the redivision of Jerusalem and the loss of Israeli sovereignty over the Old City, which is something that most Israelis would not be willing to contemplate.

The fact that BICOM bases its position on what Israelis are ‘willing to contemplate’ rather than on legal principles, shows that when it seeks to present itself as reasonable and moderate by saying it supports ‘the rights of the Palestinian to statehood’, this should not be ‘taken literally’, to use BICOM’s phrase.

BICOM refers to Jerusalem as ‘the capital of Israel’. This statement is highly controversial and runs counter to the position repeatedly endorsed by the international community. Although in 2008, when campaigning for his first Presidential term, Barack Obama stated at an AIPAC conference that “Jerusalem will remain the capital of Israel”, no country officially recognises Jerusalem as Israel’s capital and even the United States maintains its embassy, for this reason, in Tel Aviv rather than Jerusalem.

A brief survey of the relevant international law and United Nations resolutions upon which the international community base their positions is useful at this point. UN General Assembly resolution 181, designated Jerusalem a corpus separatum in 1947 and the plan for the city to be administered under a special international regime was reinforced by resolution 194 and
resolution 303, respectively endorsed by the General Assembly in 1948 and 1949\(^{500}\), the latter even after the Israel occupied ‘modern’ (West) Jerusalem in the 1948-9 war.\(^{501}\) In the 1967 war, Israel occupied and annexed East Jerusalem including the Old City. A second set of resolutions serve as the basis for labelling Israel an occupying power in East Jerusalem: these include UN Security Council resolution 242\(^{502}\) and resolutions 476 and 478 which condemned violations of the Geneva Convention and proclaimed Israel’s 1980 Jerusalem Law (which declared that Jerusalem was Israel’s capital) to be ‘null and void’.\(^{503}\) These and other resolutions were reiterated more recently in the 2009 General Assembly resolution 63/30. The Palestinian leadership considers East Jerusalem the capital of a future Palestinian state and the British government unambiguously considers East Jerusalem to be occupied territory.\(^{504}\)

While BICOM does not explicitly challenge the broad international consensus based on the above, or offer an explanation of its reasons for labelling Jerusalem ‘the capital of Israel’, its use of such language with regard to such a vital issue seems highly unlikely to have been casual or careless and more likely to have been deliberately deployed, indicating that it accepts and supports Israeli exceptionalism on this point.

There is a similar international consensus on the issue of the illegality of settlements. UN Security Council resolutions 446\(^{505}\) and 452,\(^{506}\) adopted in 1979, affirm the applicability of the Fourth Geneva Convention outlawing the occupying power from transferring its civilian population into the occupied territories. The UN General Assembly resolution 39/146, adopted in 1984, reiterated a host of other resolutions and again condemned the settlements.\(^{507}\) In 2004 the International Court of Justice stated its unanimous opinion that settlements had been constructed ‘in breach of international law’.\(^{508}\) Despite the weight of the world’s political and legal opinion asserting their illegality, the Israeli government continues to construct properties for Israeli settlers in occupied territory – for example announcing it would build 3,000 new homes in East Jerusalem settlements and pursue development in the highly strategically sensitive ‘E1’ area, directly following the vote upgrading Palestine’s United Nations status in November 2012. BICOM stands with the Israeli government in its unilateral rejection of the international consensus on settlements and as such is advocating a position far from the centre ground.

BICOM often refers euphemistically to settlements as ‘communities’ or as ‘neighbourhoods’ and states: ‘There is a broad consensus in Israel that the larger settlement blocs around Jerusalem and on key strategic points protecting Israel’s narrow coastal plain should remain part of Israel.’\(^{509}\) As with its stance on Jerusalem, it pays heed to the Israeli perspective while obscuring by omission the extent to which this perspective runs counter to both legal principles and longstanding international consensus. Continuing by pointing out that ‘The Clinton Parameters in 2000 and the unofficial Geneva Accords in 2003 accepted this principle and suggested some form of land swap’\(^{510}\), BICOM lends legitimacy to and implicitly endorses this plan. Elsewhere, it even offers a defence of extremist settler groups, saying that ‘independent Jewish right-wing organisations have worked to acquire houses in Arab neighbourhoods like Silwan and Jabel Mukaber’ and noting that ‘the Israeli government contends that there is no legal basis to prevent Jews from acquiring homes in eastern neighbourhoods of the city’\(^{511}\) without mentioning the existence of international law proscribing the transfer of a civilian population into occupied territory, against which the Israeli government makes its counter-claim.

BICOM does invoke international law to point to violations on the Palestinian side. For example, it correctly notes that the refusal of requests by the International Committee of the Red Cross to visit Israeli soldier Gilad Shalit (captured and held by Hamas from June 2006 until October 2011) were ‘contrary to the demands of international humanitarian law’. Its assertion of international law is highly selective, however, and rather than engage with and dispute the widely accepted
illegality of settlements, in the ‘FAQs’, BICOM simply ignores it. However, BICOM’s Luke Akehurst, has elsewhere disputed the illegality of settlements by arguing that the Geneva Convention does not apply. He states that it was designed to stop ‘forced deportations of the type perpetrated by Hitler and Stalin’, and while ‘Israel has not “transferred” its civilian population, some of them have moved voluntarily’. The International Committee of the Red Cross, the United Nations and the International Court of Justice all say, however, that the Fourth Geneva Convention does apply to the Occupied West Bank, article 49 of which means Israeli settlements are illegal.

Akehurst’s explicit challenge to the international community’s interpretation of the foundational treaties of international law governing conduct during warfare, again highlights the extreme views underlying BICOM’s moderate and reasonable presentation.

Before examining BICOM’s stance on the issue of refugees, we should first look at its account of the 1948 conflict. Its narrative concedes that the conflict ‘was a disaster for the Arab population of Palestine’ who are said to have ‘left in large numbers for neighbouring Arab states’. The number of refugees created is not mentioned here and, more importantly, no room is left for any alternative versions of the history of this period. BICOM offers the traditional Israeli account of the war. But elsewhere it feels compelled to issue an explicit denial – ‘There was no deliberate, co-ordinated Jewish policy to expel the Arabs’. This is a sign of the influence of the so-called New Historians, such as Ilan Pappe, who have argued influentially that the contrary is in fact true.

However, whether the approximately 700,000 refugees were expelled or fled is immaterial to the principle upholding their – and their descendants’ – right to return to their homes and live at peace with their neighbours should be permitted to do so at the earliest practicable date. Those who dispute the right of return often point to the qualitatively different nature of General Assembly resolutions, 194 being a recommendation and therefore non-binding. Claims and counter claims based on the Universal Declaration of Human Rights and other sources are also made by opposing sides.

But BICOM’s take on the refugee issue appears to ignore international law and UN resolutions and instead merely states the Israeli view:

Israel does not believe it is responsible for resettling the refugees, believing their plight to be the responsibility of the Arab states that rejected the 1947 Partition Plan, started the war, and then refused to resettle the refugees created by that war in their own territory. In any case, no Israeli government will accept a solution that would allow millions of Palestinians to settle in Israel. This would effectively spell the end of the Jewish majority and the viability of Israel as a democratic Jewish state. Israel proposes that refugees be compensated with the help of the international community, and be resettled either in the new Palestinian state or in their country of residence. This is the principle of two-states for two peoples.

Here BICOM, without using the phrase, touches on what Benjamin Netanyahu and others have called the ‘demographic threat’, namely the risk that population growth among Arab Israelis (let alone the return of millions of Palestinian refugees) would compromise the ethnic balance required by Zionism to define Israel as ‘the Jewish Homeland’; a Jewish majority. This underlying ethnic exclusivism, highlights the discriminatory approach of both the Israeli state and BICOM. Along with Israel’s self-professed and legally insubstantial belief that the refugees’ ‘plight…[is] the responsibility of the Arab states’ since they ‘rejected the 1947 Partition Plan [and] started the war’, it forms the basis for another of BICOM’s assertions, that ‘Israel absorbed hundreds of thousands of Jewish immigrants and refugees from Arab countries after 1948. But in
most cases, the Arab leaders made no effort to absorb Palestinian refugees. This comparison is disingenuous, since many Palestinians did not want to be absorbed into any other country, and once more illustrates BICOM’s toeing of the rejectionist Israeli government line.

Former CEO Lorna Fitzsimons has herself penned articles explicitly denying the right of return of Palestinian refugees, saying ‘there cannot be a mass return of Palestinian refugees to [present-day] Israel’. In a leaked email, Fitzsimons boasted that she had ‘briefed’ Financial Times leader writer Jonathan Ford, the day before an editorial by him on the Israeli-Palestinian issue appeared in that paper. Whether or not she influenced what he otherwise would have written is unclear, but the piece was certainly friendly to the BICOM line, suggesting for instance that Palestinian refugees should be bought off in return ‘for not exercising the right to return’.

Sins of omission

BICOM’s narrative, as well as citing international law and UN resolutions selectively, also ignores some of the systematic human rights abuses of which Israel stands accused. Its ‘Frequently Asked Questions’ web page fails to address a number of questions regularly posed a range of human rights. These include issues like Israel’s system of administrative detention which allows indefinitely renewable six month periods of imprisonment without charge or trial; land confiscation and access to water; forced evictions and house demolitions; settler violence; torture; military impunity; suppression of freedom of expression and of protest. On discrimination against Palestinians inside Israel, the closest BICOM gets is to say that ‘as in other societies, minority groups still suffer from inequalities’. BICOM states that Israel ‘has a strong legacy of independent judicial and state inquiries into the conduct of military and political leaders in times of conflict’. It cites the Israeli raid on the Mavi Marmara flotilla and killing of nine Turkish activists in May 2010 as an example of Israel holding its own security forces accountable, because in the wake of the global outrage it ordered a public inquiry called the Turkel Commission. Yet BICOM fails to mention that Amnesty International labelled this commission a ‘whitewash’ and even the Israeli newspaper Haaretz described the investigation as a ‘farce’.

Conclusions

Under the microscope, BICOM’s political positions, although very carefully worded and delivered in a tone that sounds reasonable, are far from moderate. Policies and practices it advocates or defends frequently run counter to international law and United Nations resolutions, inevitably so, given that it frequently attempts to justify actions of the Israeli state which are in contravention of international law. BICOM says it supports a two state solution but in practice opposes the elements that constitute it: withdrawal to pre-1967 borders, relinquishing control of East Jerusalem, the removal of settlements and a just resolution to the refugee question. Instead, the thrust of its arguments imply that it believes Israel should be required only to negotiate some degree of land swap, should be allowed to retain control of the whole of the city of Jerusalem, should not have to evacuate all illegal settlements – and should be able to prioritise the preservation of an ethnically Jewish majority in Israel over the rights of Palestinian refugees. These are not compatible with the two state solution as envisaged by the international community.
Chapter Eight – The Fox-Werritty scandal and the decline of democracy

When the Werritty scandal brought down Defence Secretary Liam Fox in October 2011, it exposed a complex web of political and economic connections, some with direct relevance for this report.

For almost a decade, Adam Werritty’s consultancy interests closely tracked the evolution of his close friend Fox’s career as a Shadow Secretary of State, first for Health and later for Defence, until he eventually became director of Fox’s charity Atlantic Bridge.

The scandal had three, interconnected aspects:

1. **Sri Lanka.** As Fox’s unofficial adviser, Werritty had extensive contacts in the Sri Lankan government, a regime which was heavily armed by Israel during its civil war with the Tamils. Although the Foreign Office attempted to rein in this relationship during Fox’s time in office, earlier contacts may have emboldened the Sri Lankans in resisting attempts by the previous Labour government to broker peace talks.

2. **Iran.** Of even greater geopolitical significance was Werritty’s role in a range of contacts related to the standoff over Iran’s nuclear programme.

Fox and Werritty travelled to Iran in 2007, after which Werritty continued to visit the country and to meet with opposition supporters in the Iranian diaspora. He was debriefed about these contacts by MI6 in early 2011. Around this time Fox and Werritty met on the sidelines of the Herzliya conference in Israel, with senior figures from Israel’s Mossad intelligence agency, which like MI6, was heavily involved in attempts to halt Iran’s nuclear programme.

While it has been suggested that these contacts were intended to assist preparations for an early military strike against Iran, many policymakers in both Britain and Israel were wary of this course, preferring an aggressive programme of covert action instead. While the British Government sought to distance itself from Werritty’s activities, there is some evidence that his contacts with officials were greater than initially acknowledged.

3. **Lobbying.** It was the third element of the scandal, involving the more mundane world of political lobbying, that precipitated Fox’s downfall. Venture capitalist Harvey Boulter used his contacts with Fox to attempt to pressure US conglomerate 3M in a business dispute.

Individuals linked to BICOM featured in all three strands of the Werritty affair: Boulter’s meetings with Fox and Werritty were facilitated by Lee Petar, a former BICOM communications director, while Adam Werritty’s Sri Lankan and Middle Eastern contacts were funded by Pargav, a vehicle which shared backers with BICOM. (See Figure 5.)

**Pargav’s BICOM donors**

When the Werritty scandal broke, Prime Minister David Cameron asked the head of the Civil Service, Sir Gus O’Donnell, to report on the
allegations against Liam Fox. O’Donnell’s report identified a number of donors who gave money to Pargav Ltd, a company formed in June 2010, which Werritty described as ‘a not for profit organisation which has funded his work in the Middle East’. These included two entities linked to prominent supporters of BICOM: Tamares and Oceana Investments.539

The Tamares Group links a number of companies owned by BICOM chairman Poju Zabludowicz, who acknowledged a donation of £3,000 to Pargav, reportedly from Tamares Real Estate. His spokesman told The Times:

“For many years, Poju Zabludowicz has helped fund not-for-profit organisations, not individuals, due to his passion for the promotion of peace and understanding between peoples in the United States, Europe and the Middle East,” he said.

“These organisations arrange private discussions between, sometimes opposing, parties, which are designed to promote this goal.”540

Oceana Investment Corporation, chaired by Michael Lewis, a former deputy chairman of BICOM, donated £30,000 to Pargav. Lewis had reportedly previously donated £13,832 to Fox’s Atlantic Bridge charity.541 In 2005, five Conservative MPs who accompanied Fox on a trip to the United States declared in the Register of Members’ Interests that Lewis had funded their costs. Lewis said he had made no donation for that purpose, but had donated £5,000 to Fox’s campaign for the leadership of the Conservative Party.544

Figure 5. The role of key BICOM supporters in Adam Werritty’s funding network.
A third donor named in O’Donnell’s report was Mick Davis, the chief executive of Xstrata, who donated £30,000 to Pargav in a personal capacity. Davis is linked to BICOM through the Jewish Leadership Council, which he chairs, and of which BICOM is a member organisation, represented by Poju Zabludowicz.

The Werritty blame game

Details of Pargav’s funding came into the public domain after a meeting between Michael Hintze and The Times, arranged by Lord Tim Bell. Pargav was registered at the offices of Hintze’s hedge fund CQS, and Hintze aide Oliver Hylton was its sole director. The Times revelations nevertheless demonstrated that Hintze had not funded Pargav. However by pointing to new donors, some of whom had potential conflicts of interest, they also rendered Fox’s position untenable, precipitating his resignation.

Press attention then moved on to the newly revealed donors, including those linked to BICOM, who also sought to play down their links with Werritty. A few days after The Times story broke, the Jewish Chronicle reported that the initiative for the donations came from the Conservative Party. However, the only Conservative fundraiser identified in the story as soliciting donations was Howard Leigh, himself a member of the Jewish Leadership Council.

Following the Jewish Chronicle story, a Conservative spokesperson told the Guardian: “Howard Leigh introduced donors to Liam Fox’s office during the 2005 leadership campaign. Some of them subsequently maintained contact with Dr Fox’s office. Mr Leigh had no knowledge of Pargav and has not introduced donors to Dr Fox for some time.” The Guardian also quoted a Conservative Party source as stating that rather than Leigh soliciting the donations, it was the donors who had approached him seeking to support Fox.

In the absence of any evidence as to why the Conservative Party would direct funds towards Pargav rather than itself, the Conservative version of events is more convincing. Some of the donors clearly had views about why they were supporting Pargav that went further than support for Fox or the Conservatives. The Mail reported that all three were “furious that the money was not used to promote peace and reconciliation projects as they had been led to believe but to fund Mr Werritty’s globetrotting”.

As already noted, Poju Zabludowicz’s spokesman stated in response the Pargav revelations that Zabludowicz funded non-profit organisations which ‘arrange private discussions between, sometimes opposing, parties’ to promote peace and understanding between the US, Europe and the Middle East. Werritty travelled extensively in the Middle East, but his ‘area of expertise’ was reportedly Iran and a number of his activities suggest this was a key focus of a discreet private diplomacy effort.

Before looking in detail at Fox and Werritty’s activities in the Middle East, it is worth looking at what their activities in Sri Lanka over a similar period reveals about their modus operandi.

Sri Lanka: Rajapaska’s Fox gambit

Fox’s links to Sri Lanka date back to the mid-1990s, when as a junior Foreign Office minister he brokered the ‘Fox accords’, an unsuccessful attempt to end the conflict on the island. This formed the basis for renewed contacts prompted by a chance meeting with Foreign Minister Rohitha Bogollagama in 2007. Fox visited Sri Lanka in November 2007 and March 2008, on both occasions at the invitation of the government, which paid for his flights and accommodation.

By 2009, the Sri Lankan civil war was entering its final phase, with a government offensive that saw thousands of civilians held in detention and widespread human rights violations on both sides. In February that year, Prime Minister Gordon Brown nominated former Defence Secretary Des Browne as his envoy to the country. The appointment was quickly withdrawn when it was rejected by Sri Lanka with Foreign Minister Bogollagama warning of ‘major repercussions’. As Shadow Defence Secretary,
Fox claimed the episode showed Brown was ‘making a complete mess of relations with friendly countries overseas’. 557

The Sri Lankan government paid for a further visit to the country by Fox in March 2009 and shared the cost of a second in August with an entity called the Sri Lankan Development Trust, which also paid for a visit in November 2009. 558

Lord Tim Bell, whose lobbying firm Bell Pottinger represented the Sri Lankan government until December 2010, told the Financial Times that there had been discussions with the Trust about future work in the country, but operations had not yet begun. Fox’s entries in the Register of Members Interests for 2009 listed the Trust’s address as 40 George Street, the address of a private security consultancy, Good Governance Group (GGG). 559 In June 2010, the same company would become one of the six contributors to Adam Werritty’s Pargav vehicle. A spokesman for GGG told the Telegraph that the company’s donations ‘were made in good faith that they would go to support the reconstruction work of the Sri Lankan Development Trust in the northern areas of Sri Lanka. Our involvement with the Sri Lankan Development Trust was not done for profit or at the behest of any clients.’ 560 The Financial Times noted that the chairman of Good Governance Group, Chester Crocker, sat on the US board of Bell Pottinger, but quoted an ‘ally’ as stating that he had no involvement with Sri Lanka and no knowledge of the Trust. 561

According to the Guardian, Sri Lankan journalists recall Werritty accompanying Fox on visits to the country from early 2009. ‘Others said they believe they saw him on trips earlier, possibly from the middle of the decade, but that certain identification is impossible.’ 562 In August 2009, Werritty met Sri Lankan opposition MP Ravi Karunanayake in Colombo. 563 Jason Burke reported:

The funding of Werritty’s own travel expenses is unclear. In November 2009, during a trip paid for Fox by the trust and the Sri Lankan government, Werritty is believed to have stayed at the Hilton, where rooms cost from £100 a night. 564

Fox and Werritty’s Sri Lankan activities continued after the 2010 general election returned Fox to office as Defence Secretary. Werritty was present at a meeting between Fox and Sri Lankan Foreign Minister, Gamini Lakshman Peiris during the Shangri-La Dialogue in Singapore on 4-6 June, a few weeks after the election. 565

Werritty also arranged and attended a meeting between Fox and Peiris at the Ministry of Defence on 20 October 2010. According to the Cabinet Office, an official was present but ‘no official matters were discussed and hence no record was produced’. 566

Werritty and Fox met Sri Lankan president Mahinda Rajapaksa, in a suite in London’s Dorchester hotel around early December 2010. 567 On 15 December, the Guardian reported that Foreign Secretary William Hague was ‘appalled’ at the prospect of a visit to Sri Lanka by Fox, because of human rights concerns in the wake of the offensive against the Tamil Tigers, and was considering an appeal to the Prime Minister. 568 Nevertheless, the Sunday Leader of Sri Lanka would later report that the ‘personal aide’ to Liam Fox, Adam Werritty, had arrived in the country on 16 December to...
coordinate arrangements for a speech by Fox at
the Kadirgamar Institute.

During this visit, British restrictions on arms
exports were raised with Werritty. Discussions
also included Israeli exports, responsible for
equiping a substantial portion of the Sri
Lankan navy and Air Force.\(^{568}\) One Sri Lankan
official told the \textit{Independent}:

\begin{quote}
    it was inevitable that we would turn more
towards China because that country has
supported us through bad times as well as
good. We have also good relations with
Israel as well although there have been some
difficulties over technology transfers. Mr
Werritty has many contacts in the political and
defence field in Israel and people here could
talk about mutual acquaintances.\(^{570}\)
\end{quote}

Werritty’s interlocutors included Foreign
Minister Peiris and Sachin Waas Gunawardene,
the country’s Parliamentary Monitor for External
Affairs.\(^{571}\) Gunawardene had previously been
described by the US ambassador in a leaked
2008 cable as ‘a Presidential aide and family
friend with a track record of involvement in shady
procurement deals’.\(^{572}\) After news from the UK
that Fox’s trip had been called off, Peiris and
Gunawardene asked that the cancellation be
reduced to a postponement.\(^{573}\)

According to the \textit{Guardian}, ‘Fox had been
forced to cancel his voyage as it had coincided
with the WikiLeaks release of diplomatic cables
revealing American diplomats’ concerns over
the Sri Lankan government’s human rights
record.’\(^{574}\) The \textit{Sunday Leader} reported that
the Rajapaksa administration had used Liam
Fox and Bell Pottinger to smooth relationships
between the two countries:

\begin{quote}
The failure of this strategy was seen during the
President’s recent visit to London. Public funds
are spent to meet the bills of Bell Pottinger
as well as the cost of Liam Fox’s visits to Sri
Lanka and the results of these expenses have
not yet borne fruit.\(^{575}\)
\end{quote}

On 17 March 2011, Werritty attended a meeting
on Sri Lanka at the Ministry of Defence at which
Fox was present along with officials.\(^{576}\)

Fox finally delivered the Kadirgamar Memorial
speech during another visit to Sri Lanka on
8-10 July 2011. Werritty was in the audience as
a guest of Mrs Suganthi Kadirgamar, but was
not present at official meetings.\(^{577}\) Werritty met
with former Sri Lankan foreign minister Rohitha
Bogollagama and opposition MP Wijedasa
Rajapakse at around the time of the visit.\(^{578}\)

Sir Gus O’Donnell’s report concluded:

\begin{quote}
    As the Foreign Secretary has separately
made clear publicly, Dr Fox’s relationship with
Mr Werritty did not impact on UK foreign or
security policy. That is agreed by the National
Security Council and the Cabinet. He also
said of Dr Fox that ‘If I asked him not to go
to Sri Lanka, then he didn’t go. Or if I asked
him when he went to convey messages of the
UK Government, messages from me, then he
conveyed those messages’. However, for the
future we should strengthen the safeguards
around this, making clearer who is or is not
a member of a Ministerial team/delegation,
and that official members of delegations
accompanying Ministers to meetings overseas
must respect HMG’s foreign policy positions.\(^{579}\)
\end{quote}

The Foreign Secretary’s comment underlines
that the government had to rein in Fox’s Sri
Lankan activities within months of taking
office. Yet perhaps the most disturbing
question concerns Fox’s time in opposition.
Did the Sri Lankan government’s donations to
Fox encourage the Rajapaksa administration to
reject the British Government’s peace envoy in
the belief that they had established a channel
of influence over an incoming Conservative
administration?

Although O’Donnell’s report concluded that
Werritty did not influence British government
policy, it did find that Fox’s relationship with him
was in breach of the Ministerial code.\(^{580}\) Whitehall
sources reportedly suggested that the role of
G3, (the private security company that is part of
the Good Governance Group), was the ‘smoking
gun’ that led to this outcome, according to the
\textit{Independent}.\(^{581}\)

One source in the private security industry told
\textit{Channel 4 News}: ‘It was always going to stink.
The only reason G3 would have set up the Sri Lankan trust would have been for commercial reasons. A similar source told the *Telegraph*: ‘G3 had defence clients but wanted to get more,’ adding ‘The deal with Fox was kept quiet even within the company’. A similar source told the *Telegraph*: ‘G3 had defence clients but wanted to get more,’ adding ‘The deal with Fox was kept quiet even within the company’.

G3 told the *Sunday Times* it had paid £60,000 into the Sri Lankan Development Fund and Pargav, money that had been solicited by Werritty on the basis would be used for charitable purposes in Sri Lanka. A G3 spokesman said: ‘We are doing our own investigation, working with our legal advisers [to establish] how the money paid into Pargav was spent.’

G3 was not, however, the only company whose donations to Werritty were linked to Sri Lanka. According to the *Independent* both ‘Tamares Real Estate and [G3’s parent] the Good Governance Group stressed they had paid Mr Werritty to promote peace and reconciliation between adversaries in Sri Lanka’.

Given that Fox had supported the Sri Lankan government in its rejection of Des Browne as British envoy, Tamares’ support for Pargav could be seen as counter-productive for promoting peace.

What emerges clearly from the Sri Lankan episode is that Fox and Werritty were prepared to significantly blur the line between interstate diplomacy and private lobbying. This fact may be significant for their activities elsewhere.

**Werritty’s Iranian connection**

Fox and Werritty’s activities in Sri Lanka raise serious questions about their impact on British policy towards the conflict in that country. Their activities in the Middle East raise issues of global significance concerning the regional struggle between Israel and Iran.

According to the *Independent on Sunday*, Werritty visited Iran alongside Fox in the summer of 2007, and separately on a number of other occasions, he also had meetings with Iranian opposition activists in London and Washington, during Fox’s time in opposition: ...

... an associate said that Mr Werritty, who can speak some Farsi, would act as a ‘facilitator’ and ‘take messages’ between various opposition figures, although the source insisted he was not a ‘freelance spy’.

The *Guardian* also reported that a number of Iranian exiles had meetings with Werritty, one of whom claimed to have met him in 2005-06. At some point ‘in 2009 or 2010’ Werritty organised a panel discussion on Iran in London at which BICOM chief executive Lorna Fitzsimmons was among the speakers. In February 2009, he attended the Ninth Herzliya Conference in Israel as a guest of BICOM, which paid for his flights and hotel bill. He was listed in the conference proceedings as ‘Dr. Adam Werritty, Advisor, Office of Shadow Defense Secretary; UK Executive Director, The Atlantic Bridge’. Werritty was reportedly invited by conference organiser, Tommy Steiner.

Fox also attended the conference, speaking in a session entitled ‘Can European-Israeli Relations be Decoupled from the Palestinian Issue?’ Immediately preceding this panel was a speech by Israeli Foreign Minister Tzipi Livni who argued that Arab countries shared Israel’s view of the Iranian nuclear threat.

The conference conclusions, issued by the Institute for Policy and Strategy at the Interdisciplinary Center, Herzliya, identified the ‘developing nuclear threat from Iran’ as the central strategic threat to Israel. This conclusion was also cited as the Herzliya conference series’ foremost achievement in influencing Israeli national discourse.

In New York the following month, Werritty met an Iranian exile who later told the *Guardian*:

The person who introduced me to Werritty said he was working on a report about Iran. He was introduced to me as an influential person with good access to British authorities, therefore I was asked to share my views with him about Iran and tell him what I think about the current situation.

In May 2009, Werritty reportedly arranged a meeting in Westminster between Fox and
an Iranian lobbyist for President Mahmoud Ahmadinejad’s regime. Their willingness to do so only a few weeks before an election in which Ahmadinejad retained the presidency suggests a recognition that a victory for the opposition might not in itself have helped a resolution of the nuclear issue.

Indeed, in the wake of the result, Mossad chief Meir Dagan warned that Israel would have had a bigger problem if Mousavi had been elected since he was perceived as a moderate. ‘It is important to remember that he is the one who began Iran’s nuclear program when he was prime minister’, he told the Knesset Foreign Affairs and Defence Committee.

On 8 September 2009, Werritty held a meeting with Matthew Gould, the principal private secretary to then Foreign Secretary David Miliband. Gould had previously served as deputy head of mission at the British embassy in Tehran from 2003 to 2005. In an interview with the Jewish Telegraph, Gould said of his time in Iran: ‘There is actually very little anti-Semitism on the ground in Iran and the people are much less hostile than the government. In fact, they cannot understand why they give so much money to Hezbollah rather than to its citizens.’ He added, however, that there was more hostility to Britain. ‘There is a view that the Revolution and the ascent of Ayatollah Khomeini was a British plot. I remember having lunch with various ayatollahs in Qom, which is a very holy city, and they even believed it.’

In December 2009, Fox discussed Iran with US ambassador to Britain, Louis Susman. According to Susman’s account of the conversation, later released by Wikileaks:

Fox stated that he had recently met with a group of wealthy, Iranian expatriates, most of whom expressed support for Iran’s obtaining a nuclear bomb. ‘Persian nationalism’ more than Islamic fundamentalism is the basis of Iranian popular support for a nuclear weapons program.

The US and UK need to work together to prevent a nuclear arms race in the Middle East, Fox said. He expressed support for the establishment of a US nuclear umbrella in the Middle East.

On 16 June 2010, Werritty had a second meeting with Gould, by then the principal private secretary to incoming Foreign Secretary William Hague. Gould had already been named as the next British Ambassador to Israel, and in that capacity, he again met Fox and Werritty in September 2010, this time at the Ministry of Defence. In his report on the Werritty Affair, Cabinet Secretary Gus O’Donnell said of this meeting:

I understand that this was a general discussion of international defence and security matters to enable Mr Gould better to understand MOD’s perspective of the security situation in the Middle East. Mr Werritty was invited to attend as an individual with some experience in these matters. As a private citizen, however, with no official locus, it was not appropriate for Mr Werritty to have attended this meeting. Dr Fox has since acknowledged this.

On 6-7 February 2011, Fox and Werritty attended the Eleventh Annual Herzliya Conference in Israel. During the visit, Werritty arranged a dinner at which he, Fox and the new ambassador Gould met with senior Israeli officials. The Cabinet Secretary’s report concluded that Fox’s private office should have attended this meeting, but the offer of their presence was declined by Fox.

According to the Telegraph, Israeli intelligence officers were present at this meeting, at which sanctions against Iran were discussed. The Telegraph also reported that Fox and Werritty had met the head of Mossad, although whether at this meeting or separately is not clear. The relevant Mossad chief would have been either Meir Dagan, who stepped down in January 2011, or his successor and former deputy, Tamir Pardo.

Interestingly, Fox expressed public differences with Dagan in the weeks leading up to the conference. A few days after leaving office, Dagan told the Israeli daily Yediot Ahronot that there should be no hurry to attack Iran because unspecified measures taken by Israel meant that it would not be able to acquire a nuclear bomb before 2015.
When this assessment was raised with Fox in the Commons on 31 January 2011, he responded:

Despite his long experience, I think that Mr Dagan was wrong to insinuate that we should always look at the more optimistic end of the spectrum. We know from previous experience, not least from what happened in North Korea, that the international community can be caught out assuming that things are rosier than they actually are. We should therefore be clear that it is entirely possible that Iran may be on the 2012 end of that spectrum, and act in accordance with that warning.609

Fox reiterated this position in almost the same words a week later in his speech to the Herzliya conference itself.610 This public debate was also the subject of private conversations according to Israeli officials who told The Times that in three years leading up to Fox’s resignation, ‘Werritty pressed them on how close Israel was to launching a military strike against Iran’s nuclear ambitions, while himself expressing a hawkish world view.’ As a result, the Israelis reportedly shared sensitive intelligence with him.611

Such disclosures may help explain why British intelligence was interested in Werritty. The Guardian reported on 17 October 2011 that MI6 had debriefed Werritty on his Israeli and Iranian contacts in order to obtain ‘any privileged information from foreign countries Werritty had access to’.612 While this account suggested that MI6 was more sympathetic to Werritty than the Foreign Office, later stories distanced the agency from his activities. On 23 October 2011, the Telegraph reported that Werritty had been called in by MI6 the previous February to dissuade him from his Iranian activities, which William Hague had raised with Liam Fox. The paper quoted a Whitehall source as stating:

The risk was that he was being too muscular. There was a worry that the Iranians might misunderstand that there was a British government regime-change agenda.613

Foreign Office sources appear to have tipped off Craig Murray, the ex-diplomat who uncovered many of the meetings between Fox, Werritty and Gould. Murray would later quote one such source as stating that ‘co-ordinating with Israel and the US on diplomatic preparation for an attack on Iran was the subject of all these meetings’. However, this does not necessarily imply Murray’s conclusion that Gould ‘had got himself wrapped’ in an agenda for a strike on Iran.614

Since his resignation, it has become increasingly clear that Fox’s approach to the Iranian nuclear issue was not necessarily shared by Werritty’s interlocutors, or their principals. Gould’s former boss David Miliband is a case in point.

In December 2011, the former Foreign Secretary co-authored an op-ed warning against a strike on Iran in 2012. While arguing that a nuclear-armed Iran was a serious and unacceptable prospect, the piece warned that ‘private mutterings about the best “window” for such an attack’ risked increasing ‘the chasm of distrust to new and dangerous levels’.

Among the reasons for delay, Miliband and co-author Nader Mousavizadeh suggested, ‘it is clear that sanctions, cyberwar and covert operations have impaired Iran’s progress towards a nuclear weapons capability, with most estimates holding that the regime is at least two years away from achieving it.615

In July 2012, the head of MI6, Sir John Sawers also suggested that Iran was two years away from a bomb, but added that without the freedom for MI6 to take risks, it would have achieved a weapon in 2008.616 He suggested that it was up to MI6 to ‘delay that awful moment when the politicians may have to take a decision between accepting a nuclear-armed Iran or launching a military strike’.617 Sawers reportedly visited Israel in August 2012 to dissuade Prime Minister Benjamin Netanyahu and Defence Minister Ehud Barak from an early strike.618

As already noted, senior Israeli intelligence chiefs were also opposed to a military strike. In 2009, Mossad chief Meir Dagan had his term extended for a year because of his central role in Israel’s covert campaign against the Iranian nuclear programme.619 In mid-2011, he suggested an attack ‘would mean regional war, and in that case you would have given Iran the best possible
reason to continue the nuclear program’. His views were reportedly shared by a number of former security officials critical of Prime Minister Benjamin Netanyahu, including former Chief of Staff Gabi Ashkenazi; the former head of the Shin Bet security agency, Yuval Diskin; and Amos Yadlin, the former head of military intelligence.620

The debate on Iran in the policymaking circles to which Werritty had access appears to have been divided into two camps, neither of them drawn-up along national lines. The first of these, which might be considered liberal interventionist or realist in foreign policy terms, has been predominant in the US and UK governments, and within the professional security leadership in Israel. This camp regards the Iranian nuclear programme as a serious threat that may be realised in the next few years. It sees this threat as justifying the retention of a military option, but regards war with trepidation, and favours as an alternative a combination of diplomacy, sanctions and covert action as an alternative.

The second, neoconservative, camp has sought an ultimatum for military action in a much shorter timeframe. It is most clearly represented by Israeli Prime Minister Benjamin Netanyahu, who argued in September 2012, that Iran was six or seven months away from being able to build a nuclear bomb. Former US Republican presidential candidate Mitt Romney also demanded more urgency on the Iranian nuclear issue, prompting allegations that the neoconservative position was driven by US electoral considerations.621 The two men share many of the same backers, with more than half of the major donors to Netanyahu’s 2012 Likud leadership campaign, also funding either Romney or the Republican Party.622 Liam Fox has himself been close to Romney, while his former adviser at the UK MoD, Luke Coffey, moved onto the Romney campaign via the Heritage Foundation.623

Both the realist and neoconservative camps sit within a broader interventionist consensus, within which more aggressive measures are seen as the only alternative to war. BICOM’s analysis sits firmly within this consensus. In a September 2012 briefing the organisation stated:

Israel will hope that a further escalation in sanctions, backed by the threat of force can compel Iran to change course. But how long Israel can wait before its window of opportunity for a military strike closes, is a matter of judgement that only those with access to the most sensitive of information can make. As a result, the weeks up to and beyond the US elections are likely to remain fraught with continuing speculation.624

The effect of this interventionist consensus has in practice been to promote alternatives to war that are in themselves increasingly aggressive and dangerous. The de-listing of the Iranian MEK as a terrorist organisation by the Obama administration is a notable recent example.625 Such moves have led some analysts to warn of the danger that both sides could become trapped in an out-of-control escalation.626

The clearest indication that Adam Werritty played a significant role in the debate within this interventionist consensus is his relationship with Matthew Gould. In this respect, the focus by MP Paul Flynn on Gould’s Jewish background during questions on the Werritty affair at the Public Administration Select Committee was an unjustified and unfortunate distraction.627 The Foreign Office stated in the wake of the affair that: ‘The FCO has total confidence that Matthew Gould has acted appropriately at all times and at no stage was he acting independently, or out of line with government policy.’ Thus, the real significance of Gould’s role is that he was carrying out the policy of successive governments in his meetings with Werritty, meetings that seem to have been focused on Iran. The British government’s reluctance to acknowledge these meetings underlines the sensitivity of this subject.

William Hague has ridiculed the suggestion that Fox and Werritty were running a parallel foreign policy as ‘a fanciful idea’.628 Yet Hague’s predecessor and his MI6 chief have been relatively open about British support for covert action, which is by definition a parallel foreign policy. Indeed, running a parallel ‘deniable’ foreign policy is arguably a significant chunk of what MI6
exists to do, although such operations are not always run through official intelligence agencies, as the history of parallel diplomacy exemplified in the 1980s Iran-Contra affair attests.

Covert action theorist Roy Godson wrote of that episode: "When the United States needed a human infrastructure to exert its influence in Iran in the mid-1980s, the resources were not there. The White House and CIA had to rely on the Israelis, who had their own agents in place in Iran, and on private citizens who were not experts on Iran and lacked a range of reliable connections there." Such precedents suggest that dilettantism has not always been a bar to official support.

It is unlikely that Werritty could have played the role of Iran expert without the entree provided by his Pargav backers, a fact which raises similar concerns to those about his Sri Lankan activities, albeit of wider international significance. Were Pargav's Middle Eastern reconciliation projects more substantial than its Sri Lankan development projects? Or was Pargav a vehicle for influencing British policy towards the Israeli-Iranian confrontation as well as the Sri Lankan civil war?

Tetra Strategy and the Werritty endgame

Fox and Werritty’s activities irretrievably entangled public and private interests, and it was one such thread that ultimately helped to expose the nature of Fox’s relationship to Werritty. A key figure in this denouement was Lee Petar, a former communications director of BICOM, and later a lobbyist at Tetra Strategy, a firm whose clients included Tamares, the company owned by BICOM chairman Poju Zabludowicz.

In March 2011, Petar introduced Werritty to the venture capitalist Harvey Boulter, whose private equity firm, the Porton Group was engaged in a legal dispute with US conglomerate 3M over technology developed by the Ministry of Defence. This led to a controversial meeting between then Defence Secretary Liam Fox and Boulter in Dubai in June 2011. Shortly after this meeting, Boulter sent an email to William Brewer of 3M, which read in part:

Of course a settlement might not be possible, but as a result of my meeting today you ought to understand that David Cameron’s Cabinet will very shortly be discussing the rather embarrassing situation of George’s knighthood. It was discussed today. Government’s [sic] are big and sometimes decisions in one part are not well coordinated. [Capitals in original.]

According to the Guardian, Boulter had discussed the issue of the proposed knighthood for 3M head George Buckley with Werritty, but not with Fox. In a response to the Guardian on the episode, Tetra stated:

Tetra Strategy was retained in 2010 to provide litigation PR assistance to the Porton Group in connection with its ongoing High Court claim in England against 3M. The case concerned the development of new MRSA testing technology developed by the MoD. Tetra introduced its client to Adam Werritty in March 2011, who was widely believed at the time to be an official adviser to Dr Liam Fox. The purpose of the introduction was to brief the MoD on the litigation. The suggestion by the Guardian that Tetra was paid to arrange a ‘secretive’ meeting with Dr Fox is not true and is expressly denied. Tetra is referring this matter to the PCC.

This statement begs the question why competent lobbyists would not have known the identity of Fox’s official advisers, a matter of public record, if they had wished to approach them. The Cabinet Secretary’s report concluded on the Boulter meeting: ‘Dr Fox has acknowledged that conducting this meeting without a private secretary present was unwise and inappropriate.’ According to the report, Fox had been offered and declined to have private office representation at the meeting.

Boulter’s threat to 3M led directly to the exposure of Werritty’s relationship with Fox and their other activities precipitating Fox’s resignation. It also led to the exposure of Pargav’s donors, many of whom disassociated themselves from Werritty, alleging that his extravagant spending was a misuse of their funds. It is difficult to judge how
far this is true without a clearer account of the intended purpose of the donations.

The Werritty affair shone a brief light onto the murky world of private influence over British politics, a light that was effectively snuffed out once again with Liam Fox’s resignation. The Pargav donors linked to BICOM were only one of a range of actors to emerge from the affair. Nevertheless, their role demands particular scrutiny because of Werritty’s involvement in the debate about western policy towards the Middle East, and particularly Iran.

Fox’s role in Sri Lanka provides a powerful illustration of the damaging effects that such private lobbying can have on British foreign policy. That danger can only be compounded when foreign policy is carried out through covert action, which inherently strengthens the potential influence of unaccountable private networks.

The Sri Lankan episode underlines how private networks can become proxies for state actors. The extent to which this was true of Werritty’s Iranian activities, is perhaps the most significant, but also the most obscure, question of the whole scandal. The potential consequences of a new conflict in the Middle East are too grave, to allow those demanding a more aggressive policy to escape scrutiny.

In concluding this section we can note that the entanglement of a number of BICOM personnel and funders in the Fox-Werritty affair, shows that an agency like BICOM must be examined both in its own terms and in terms of the functions that it plays in relation to the other activities of its main principals. BICOM is a kind of PR agency for Israel in the UK. But its backers, directors and staff have other interests that shape the conception of the Israeli national interest which informs BICOM’s work.
Chapter Nine – Conclusions

BICOM’s views and strategy

BICOM positions itself as the moderate mouthpiece of a badly misunderstood state. It aims to defend Israel by encouraging a skewed perception of the conflict amongst elites and insulating them from pressure to support Palestinian rights. This is done in four main ways:

- building and sustaining a network of elite supporters;
- attempting to influence media coverage of the conflict;
- attempting to undermine critics of Israel, especially activists arguing for Boycott, Divestment and Sanctions. This includes many British Jews who are discouraged from criticising Israel (at least in public);
- mobilising grass roots support for Israel – especially amongst the UK Jewish community – and, to some extent, positioning itself as a spokesperson of the UK Jewish community on Israel.

Whilst undertaking these activities, BICOM wants to suggest that it favours a fair resolution to the Israel/Palestine conflict. Our findings suggest this is a façade. Whilst its ostensibly reasonable discourse aims to appeal to the political centre ground, it masks an underlying apologism for Israeli exceptionalism. BICOM says it supports a two state solution but on each of the four main issues of the conflict – Jerusalem, borders, settlements and refugees – it endorses a position out of step with the international community and international law. It envisions a two state solution that fails to meet standards of international law or restore Palestinian rights.

The Israel lobby of conservative business interests

We have suggested that BICOM maintains the pretence of being moderate for distinct material reasons. As we have seen, the interests of Poju Zabludowicz, BICOM’s Chairman and main donor, are transnational in character, yet closely tied to the Israeli corporate-state nexus. This carries with it contradictory pressures. A close relationship with the Israeli state may present significant business opportunities, yet increasingly it also carries a reputational risk, which may impact on dealings with potential partners in Europe and elsewhere. Whilst most people are at liberty to criticise or defend Israeli policies in whatever terms they like, super-rich Zionists like Zabludowicz are more vulnerable. They are potentially threatened by a greater awareness of Israel’s policies (which could undermine business relationships), yet they cannot adopt too liberal or pro-Palestinian a position since that might undermine their relationship with the Israeli state.

We can see where BICOM fits into this picture. By seeking to present even illegal actions by the Israeli state in a favourable light, it simultaneously strengthens its backers’ relationships with state officials whilst minimising any harm that they might bring. This helps us understand its particular approach to pro-Israel advocacy, which as we have seen is intended to preserve elite support for Israel in Europe and North America, and particularly to neutralise pro-Palestinian activists advocating boycotts and sanctions against businesses. The threat from the latter to the Israeli corporate-state nexus would seem to be the primary concern of BICOM’s backers. It is a key reason why BICOM in particular, as opposed to other more conservative Israel lobby groups such as the Zionist Federation, have tried to appear more moderate and reasonable.

Whilst accepting that BICOM is dedicated to defending the reputation of the Israeli state, we have departed from other studies of pro-Israel lobbies by suggesting that BICOM should not be understood primarily through the lens of national interest. Instead, we have suggested that BICOM and other lobby groups should be understood in the context of the transnational elite networks that dominate politics in the 21st century. This is not simply a question of ‘Israeli’ power (and certainly
not of ‘Jewish’ power) but rather a nexus of interests incorporating players from big business, finance, politics, PR and the media.

The need for transparency

Thus the existence and activities of BICOM cannot be separated from issues of undemocratic governance in the UK and elsewhere, and any solution to the problems we highlight here must necessarily entail significant political reforms. The Fox-Werritty affair did not attract an independent investigation and thus a chance was lost to look at the bigger picture and address underlying problems of which the scandal was a symptom. This, and the lacklustre response from government to the damning findings of some recent official enquiries, suggests there is little appetite for any improvements to transparency and ethical standards in public life among the political class. Nevertheless, what is needed is a systematic overhaul of ethics rules in Whitehall which would at the very least strengthen the powers of the independent adviser on ministers’ interests, as well as develop much more serious rules on conflicts of interest, the revolving door and lobbying.638639 A statutory lobbying register is an essential ingredient of any such reforms.640 Such transparency however should not be limited to state officials. Lobby groups, think tanks and media organisations all wield considerable political influence and they too should be transparent and accountable to the public. BICOM, as we have seen, is highly secretive about its activities, funding and governance, and is not accountable to the UK Jewish community, let alone to the general public. We believe that the public should have the right to know how much funding groups like BICOM get, from where and for what purpose. We also believe that journalists too should be obliged to disclose gifts in kind and trips paid for or organised by agencies like BICOM which have a direct interest in managing media coverage.

It is clear that what worries BICOM’s backers most are campaigns for the boycott of settlement goods, Israeli academia or wider measures. The attempt to mobilise British Jews and to dissuade critics in the Jewish community (and elsewhere) from speaking out is also very important for them as it helps to identify Jews [en masse] with Israel and to head off criticism of Israel from non-Jews.

BICOM wants to suggest that it is in favour of a two state solution and of the peace process in the Middle East. Our findings suggest, on the contrary, that it supports the rejectionism of an Israeli state which refuses to give peace a chance.
Biographical Details

Hilary Aked is a freelance researcher and writer and a doctoral candidate at the University of Bath. She is a former editor of London Student, the student newspaper of the University of London.

Tom Griffin is a freelance writer and researcher and a doctoral candidate at the University of Bath. He is a contributing editor of OpenDemocracy’s OurKingdom blog and writes for Spinwatch. He is a former executive editor and political correspondent of the Irish World.

David Miller is Professor of Sociology in the Department of Social and Policy Sciences at the University of Bath. In 2012 he was appointed to the editorial board of the BSA journal Sociology. In 2013 he was appointed a Global Uncertainties Leadership Fellow by the Economic and Social Research Council to examine the construction, use and impact of expertise on ‘terrorism’. He has written widely on propaganda, spin and lobbying and was co-founder of Public Interest Investigations a non profit company of which Spinwatch and Powerbase are projects. Recent publications include: A Century of Spin: How Public Relations Became the Cutting Edge of Corporate Power (Pluto Press, 2008, co-author), Thinker, Faker, Spinner, Spy: Corporate PR and the Assault on Democracy (Pluto Press, 2007, Co-editor); Neoliberal Scotland (Cambridge Scholars, 2010, co-editor).

Tom Mills is a freelance investigative researcher based in London and a researcher and doctoral candidate at the University of Bath. He is a co-editor of New Left Project.

Acknowledgements

This report follows a report that three of the present authors produced in 2011 titled the Cold War on British Muslims (Public Interest Investigations, 2011). It examined the role of two key conservative think tanks – Policy Exchange and the Centre for Social Cohesion. While it was clear that the activities of these two think tanks encouraged a cold war approach to British Muslims, and that they might be described as neoconservative, it was also plain that attacks on Muslims were part of a wider set of ideas about Britain’s role in the world, the need to defend the state of Israel, attack its critics and the advocates of Palestinian rights. In turning our attention to the ‘Israel lobby’ we decided to focus, in what we hope will be the first of a number of reports, on BICOM, the most sophisticated and apparently more moderate end of the pro-Israel groups currently active in the UK.

Funding for this study was given by the Middle East Monitor (£5,000). We are grateful for their faith in our research skills. We can record that they were model funders in that they provided the cash and let us get on with it.

In undertaking this study we have accumulated a number of debts to people who have helped us with our research or given leads or advice. We thank the following: Tayab Ali, David Cronin, Tony Greenstein, Tony Lerman, Peter Oborne, Ben White, Asa Winstanley. We also thank Jamie Stern-Weiner for reading through the first draft of this report and giving us invaluable advice about content, argument and emphasis. Last, but not least thanks to all those who have contributed to our Powerbase wiki – a resource which has been invaluable in compiling the current report.

On a personal note the authors would like to thank Melissa Jones, Lucy Brown, Tamasin Cave, Will Dinan, Eveline Lubbers and Andy Rowell of Public Interest Investigations/Spinwatch.
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The Britain Israel Communications and Research Centre: Giving peace a chance? ● 87


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