

ISRAELI HISTORY, POLITICS AND SOCIETY

# Israel and the Palestinian refugee issue

The formulation of a policy,  
1948–1956

Jacob Tovy



ROUTLEDGE

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# Preface

In the fall of 1999, a new stage in the Israeli-Palestinian political process began. After six years of focusing on interim agreements, the two parties embarked on negotiation of a permanent status agreement that was supposed to resolve the core problems that divided the two sides: the country's borders and the status of Jerusalem (a legacy of the 1967 war) and the refugee problem (the result of the 1948 war). At first glance, this seemed to be a mission impossible since the gulf between their positions was very deep. The Palestinians demanded that an independent Palestinian state be established in all of the West Bank and Gaza, a polity whose capital would be East Jerusalem. They also demanded that Israel recognize its moral, legal, and political responsibility for creation of the refugee problem and accept the principle of repatriation. Their spokespersons hinted that, in practical terms, Israel would have to absorb several hundred thousand refugees, particularly those situated in Lebanon. In addition to this, Israel, it was claimed, must compensate the refugees for their abandoned assets and the lost income they could have accrued from them, as well as compensation for decades of hardship they suffered as refugees. Israel, by contrast, refused to commit *publicly* to the idea of a Palestinian state and expressed its readiness to hand over to the Palestinians only approximately two-thirds of the West Bank and Gaza, although under no condition would it hand over any part of the Jerusalem metropolitan area. Israel refused to take responsibility for the creation of the refugee problem or accept the principle of repatriation; it did, however, agree to transfer monetary compensation to an international body that would engage in rehabilitation of the refugees (in this context, Israel sought to raise the issue of abandoned Jewish property in Arab countries) and expressed willingness to absorb a very limited number of Palestinian refugees, but only on humanitarian grounds or for the purpose of family reunification. Officially, Israel refrained from enumerating how many refugees would be allowed to return, but according to unofficial utterances by Israeli representatives Israel was talking about 20,000 to 40,000 refugees who would be permitted to return over a generation. The Palestinians viewed this as a mockery, since they held that there were 4 million refugees and their offspring throughout the Middle East and elsewhere.

In late January 2001, after a number of rounds of talks, attempts by Israel and the Palestinians to reach a permanent accord came to naught. During the entire period of negotiations, Israel's leaders conceded and retreated from their principles on most of the issues on the agenda. They agreed to the establishment of a Palestinian state on 95 percent of the West Bank and Gaza whose capital would be East Jerusalem, and even agreed to limited Palestinian control of the Old City. On the refugee issue, however, Israel was unwilling to compromise at all. Israeli negotiators explained to their Palestinian interlocutors that if Israel would take upon itself responsibility for creation of the Palestinian tragedy, Israel would be marked as a "nation born in sin" and the Jewish state's moral legitimacy would be put in question. The Israelis further argued that if Israel would accept the principle of repatriation, millions of refugees could try to seek redress to their "Right of Return" in international courts, and should they succeed in realizing "their rights" through such channels, Israel as a Jewish-Zionist state would cease to exist.

Hence, Israel's leaders believed that should they respond positively to Palestinian demands on the refugee question, in contrast to territorial questions including Jerusalem, it would shake both the moral foundations and physical underpinnings of the Jewish state as it exists, and lead to its collapse.<sup>1</sup> The majority of the Jewish public in Israel supported their leaders' position, an attitude reflected in public opinion polls at the time.<sup>2</sup> The Palestinian picture was the inverse of the Israeli one – sanctifying the right of all refugees to return to their former places of residence before the war.<sup>3</sup>

Deliberations on the Palestinian refugee problem during permanent status talks were the most prolonged and most substantive on this matter held to that point by official Israeli and Arab parties of any kind since the creation of the problem in the closing years of the 1940s. The roots of Israel's position on this issue, as expressed in the course of the years 1999 to 2001, can be found in the 1948 war and the first years of statehood when Israeli policy crystallized on its variant aspects: repatriation, resettlement, compensation for abandoned Arab property, blocked bank accounts, family reunification, and the internal refugees ("present absentees").<sup>4</sup>

The research at hand is designed to share with the reader how Israeli policy on the refugee question took form, with all its components and twists and turns, as policy took shape in the years 1948 to 1956. When existing research literature deals with Israeli refugee policy it does so fragmentarily from a thematic and chronological standpoint, only citing limited or isolated instances; moreover, most of the research raises the issue of the refugees in its Israeli context, doing so merely as a side issue to a much broader discussion of other topics. Only a handful of studies focus on Israeli policy towards the refugee problem, and those, as noted above, address merely some of the issues or deal only with very limited time slots.

The work at hand, by contrast, examines all the historical junctures when the Palestinian refugee problem was raised on the State of Israel's diplomatic

and security agenda, during which Israeli policy on this issue took form. The volume also presents other junctures that to date have not been mentioned in the research literature at all or have been given marginal attention. Both have been combined in the research, enabling me to draw a clear and coherent composite picture of the emergence of refugee policy as it developed in Israel.

## Notes

- 1 The talks between Israel and the Palestinians regarding a permanent arrangement, and in particular those that took place at Camp David (in July of 2000) and at Taba (in January of 2001), generated numerous news reports, substantial amounts of press and internet website commentary, published interviews with participants, memoirs (most of which were written by Israelis and Americans), and research publications (based primarily on non-classified material). The following is a list of the sources that were relied upon here: Yossi Beilin, *Manual for a Wounded Dove*, Tel Aviv: Yedioth Ahronoth, 2001 (Hebrew); Shlomo Ben Ami, *Scars of War, Wounds of Peace: The Israeli-Arab Tragedy*, Oxford: Oxford University Press, 2007, pp. 240–84; Yossef Bodansky, *The High Cost of Peace: How Washington's Middle East Policy Left America Vulnerable to Terrorism*, Roseville, CA: Prima Publishing, 2002, pp. 309, 408; Bill Clinton, *My Life*, New York: Alfred A. Knopf, 2004, pp. 911–6; Chris Doyle, *Camp David II – A Synopsis: What Was Discussed at the Camp David Summit, July 2000*, London: Council for the Advancement of Arab-British Understanding, 2000; Akram Hanieh, “The Camp David Papers”, *Journal of Palestine Studies* 30(2), 2001, pp. 75–97; Martin Indyk, *Innocent Abroad: An Intimate Account of American Peace Diplomacy in the Middle East*, New York: Simon and Schuster, 2009, pp. 288–376; Bruce Maddy-Weitzman and Shimon Shamir (eds), *The Camp David Summit: What Went Wrong?*, Brighton and Portland: Sussex Academic Press, 2005; Itamar Rabinovich, *The Lingering Conflict: Israel, the Arabs and the Middle East 1948–2011*, Washington, DC: Brookings Institution Press, 2011, pp. 87–127; Dennis Ross, *The Missing Peace: The Inside Story of the Fight for Middle East Peace*, New York: Farrar, Straus and Giroux, 2004, pp. 591–758; Gilead Sher, *The Israeli-Palestinian Peace Negotiations, 1999–2001: Within Reach*, London: Routledge, 2006; Jacob Tov, “Negotiating the Palestinian Refugees”, *Middle East Quarterly* 10(2), 2003, pp. 44–50; Tim Youngs, *The Middle East Crisis: Camp David, the “Al-Aqsa Intifada” and the Prospects for the Peace Process*, London: UK House of Commons Library, 2001; Robert Malley and Hussein Agha, “Camp David: The Tragedy of Errors”, *New York Review of Books*, 9 August 2001; PLO Negotiations Affairs Department – Negotiations Process, see [www.nad-plo.org](http://www.nad-plo.org); Le Monde Diplomatique, “The Middle East: How the Peace was Lost”, available at [http://mondediplo.com/2001/09/01/middleeastleader?var\\_recherche-camp+david](http://mondediplo.com/2001/09/01/middleeastleader?var_recherche-camp+david); articles in the American Press on the Camp David talks: *USA Today*, 21, 28 July 2000; *The Washington Post*, 26, 29, 30 July 2000 and 16 August 2000; *The New York Times*, 2 August 2000; on President Clinton’s proposals and the responses of the two parties: *USA Today*, 27 December 2000; *The Washington Post*, 22, 23, 27 December 2000 and 4, 6, 7 January 2001; *The New York Times*, 26, 28 December 2000; on the Taba Conference: *The Washington Post*, 29 January 2001.
- 2 <http://spirit.tau.ac.il/socant/peace/peaceindex/2000/data/july2000d.doc>.
- 3 <http://www.jmcc.org/publicpoll/results/1999/no.34.htm>; <http://www.jmcc.org/publicpoll/results/2000/no.37.htm>; for additional surveys of Palestinian public

opinion regarding the refugee problem, see Isabelle Daneels, *Palestinian Refugees and the Peace Process: An Analysis of Public Opinion Surveys in the West Bank and the Gaza Strip*, Jerusalem: Jerusalem Media and Communication Centre, 2001.

- 4 The subject of the refugees was discussed at length at the Lausanne Conference held in the summer and spring of 1949, but, as this study will show, Israel had not yet formulated a completely coherent position on the issue at that time.

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# Israel and the Palestinian refugee issue

Examining the development of Israel's policy toward the Palestinian refugees, this book spans the period following the first Arab-Israeli War (in 1947–1949) until the mid 1950s, when the basic principles of Israel's policy were finalized.

*Israel and the Palestinian refugee issue* outlines and analyzes the various aspects that, together, created the mosaic of the “refugee problem” with which Israel has since had to contend. These aspects include issues of repatriation, resettlement, compensation, blocked bank accounts, internal refugees, and family reunification.

Drawing on extensive archival research, this book uses documents from Israeli government meetings, from the Foreign Affairs and Defense Committee, and from the office of the prime minister's advisor on Arab affairs to address the many diverse aspects of this topic, and will be essential reading for academics and researchers with an interest in Israel, the Middle East, and Political Science more broadly.

**Dr. Jacob Tovy** is specializing in the political history of the Jewish community in Palestine during the British Mandate period and the State of Israel during the first decade following its establishment. To date he has published three books in Hebrew; this is his first book in English.

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**This book is dedicated to my parents, David and Malka Tovy,  
inspiring in their knowledge and love of the written word**

# Contents

<i>Preface</i>	xiii
<i>Acknowledgements</i>	xvii
Introduction: the evolution of the Palestinian refugee problem during the 1948 Arab-Israeli War	1
1 Israel's policy towards the emerging refugee problem, spring–winter 1948	13
2 The Lausanne Conference and the refugee problem	36
3 Shifting the emphasis for solving the refugee problem: from a political approach to an economic one	72
4 The refugee problem and Abdullah's Jordan	87
5 An exchange transaction: paying compensation in exchange for the resettlement of the refugees	107
6 Israel and the compensation issue prior to the Paris Conference and during its proceedings	136
7 Two political matters linked to the compensation issue	160
8 The resettlement question following the 6th United Nations General Assembly	170
9 Toughening Israel's position: compensation policy since the winter of 1952	200
10 The Alpha Plan	219

xii *Contents*

11 Three secondary aspects of the refugee problem where progress has been achieved	242
Conclusion	272
<i>Bibliography</i>	282
<i>Index</i>	297



# Introduction

## The evolution of the Palestinian refugee problem during the 1948 Arab-Israeli War

On 29 November 1947, the United Nations General Assembly passed Resolution 181 terminating the British Mandate in Palestine (*Eretz Yisrael* in the Jewish terminology) and partitioning the country into two states: one Jewish, one Arab.

Upon hearing the results of the vote on the radio, masses of Jews filled the streets of their cities and towns to dance and celebrate. The heads of the Jewish community in Mandate Palestine rushed to publicly declare their readiness to accept the international community's decision. By contrast, the Palestinians, who believed an Arab polity should be established in all of Mandate Palestine, responded with fury and the following day embarked on acts of violence to block the resolution's implementation. A bus with Jewish passengers was attacked near Lod airport, killing five passengers. The Arab Higher Committee (the organization of Palestinian Arab political leadership) called a general strike, and following this the Jewish commercial district adjacent to Jaffa Gate in Jerusalem was ransacked and set aflame. Anti-Jewish riots also took place in Beirut, Damascus, Cairo, and Baghdad. From his residence in Beirut, the political-religious leader of Palestinian-Arabs Haj Amin al-Husseini declared that the Arabs viewed Resolution 181 as null and void, and therefore the Palestinian people had no intention of honoring it. Similar declarations were heard among member states of the Arab League.<sup>1</sup>

Thus, the foundations were laid for a bloody confrontation that lasted until the beginning of 1949 between the Jewish community in Mandate Palestine (and afterwards the State of Israel) and the Palestinian people (and neighboring Arab countries). In this violent campaign one of its core ramifications was the Palestinian refugee problem.

The official Israeli narrative regarding the refugee issue took shape in the second half of 1948 and crystallized into a coherent treatise the following year. According to this narrative, had Arab leaders not decided to oppose by force the establishment of a Jewish state in blatant violation of the UN decision – first by activating local Palestinian forces and the Arab Liberation Army,<sup>2</sup> afterwards through direct military intervention – the flight of refugees would not have taken place. According to the Israeli version, this flight was accelerated at various stages of the war as a result of several actions taken by