

The Arab Jews  
*A Postcolonial Reading of  
Nationalism, Religion, and Ethnicity*

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## CHAPTER 4

### What Do the Arab Jews and the Palestinians Have in Common?

#### *Population Exchange, the Right of Return, and the Politics of Reparations*

An account already exists between us and the Arab world: the account of the compensation that accrues to the Arabs who left the territory of Israel and abandoned their property. . . . The act that has now been perpetrated by the kingdom of Iraq . . . forces us to link the two accounts. . . . We shall take into account the value of the Jewish property that has been frozen in Iraq when calculating the compensation that we have undertaken to pay the Arabs who abandoned property in Israel.

— Israel's Foreign Minister Moshe Sharett,  
March 1951

In July 2000, the president of the United States, Bill Clinton, announced that an agreement had been reached at the Camp David second summit meeting to recognize the Arab Jews as “refugees”; and that an international fund would be established to provide compensation for the property they had left behind when they immigrated to Israel during the 1950s.<sup>1</sup> The immediate political significance of this declaration was to help Israel's prime minister at the time, Ehud Barak, to mobilize Shas Party voters (the majority of whom are Jews of Arab descent) in support of the so called “peace process.” However, the underlying logic of the announcement—defining the Arab Jews as refugees—responded to a deeper political theory that was developed in Israel in the 1950s to counterbalance the collective rights of the Palestinian refugees. It is not surprising, therefore, that Palestinians around the world reacted with rage to this announcement. In its contemporary garb, the

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theory — known as the “population exchange” theory — was proposed with the aim of denying Israel’s responsibility for the expulsion of Palestinians from Palestine in 1948 and 1967, to alleviate demands to compensate the Palestinian refugees,<sup>2</sup> and to serve as a bargaining chip against the so-called right of return. For all practical purposes, the population exchange initiative was used to legitimize Israel’s wrongdoing with regard to the mass exodus (not to say expulsion) of the Palestinian refugees in 1948. In the following two chapters, I lay out the political history of the population exchange theory, focus on the alleged nexus between the Palestinian refugees and the Arab Jews, and challenge the validity of the theory by critically examining its logic, historical ramifications, and moral standing in contemporary Israeli political culture.

I argue that while the state of Israel has put together a clear theory of exchange regarding the property of Arab Jews and Palestinian refugees, its position regarding the adoption of the population-exchange theory was, at least until July 2000, rather ambiguous.<sup>3</sup> Whereas the government endorsed the idea in practice, it formed an official position that can be described as “constructed ambiguity.”<sup>4</sup> The Israeli government was fearful of opening a Pandora’s Box and decided neither to consolidate nor to formulate an explicit policy on the subject. To be sure, population management and the “need” to achieve a Jewish majority in Israel were the highest priorities of the state under construction, and the outcome was highly unpredictable. Whether Jewish leaders assumed responsibility for the expulsion or not, the majority of them were relieved to learn about the exodus of the Palestinian population in 1948. At this point, however, nobody could reliably have predicted the arrival of hundred of thousands of Arab Jews to offset the Palestinian mass exodus.<sup>5</sup> It was only with the immigration of Arab Jews from Iraq in the 1950s that the Israeli government partially entertained the use of the population exchange theory to further its national accounting strategy. However, for reasons specified below, the state of Israel never admitted, or explicated, its *raison d’état*. As with its nuclear policy, it remained vague about its position on the population exchange question. The Jews of Iraq were the first to arrive en masse after the establishment of the state of Israel. I start with two historical anecdotes that challenge the Zionist narrative regarding this immigration and show how they were manipulated by the state of Israel. I then show how the state of Israel seized the moment and used this immigration to counterbalance the claims of the Palestinian refugees.

In January 1952, about half a year after the official conclusion of the operation that brought Iraq’s Jews to Israel, two Zionist activists, Yosef Basri and

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Shalom Salah, were hanged in Baghdad. They had been charged with possession of explosive materials and throwing bombs in the city center. According to the account of Shlomo Hillel, a former Israeli cabinet minister and Zionist activist in Iraq, their last words as they stood on the gallows were "Long live the state of Israel" (Hillel 1985: 342). It would have only been natural for Iraqi Jews in Israel to have reacted with outrage to news of the hangings. But on the contrary, the mourning assemblies organized by leaders of the community in various Israeli cities failed to arouse widespread solidarity with the two Iraqi Zionists. Just the opposite; a classified communication from Moshe Sasson of the Foreign Ministry's Middle East Division to the then Foreign Minister Moshe Sharett said that many Iraqi immigrants, residents of the transit camps, had greeted the hanging with the attitude: "That is God's revenge on the movement that brought us to such depths."<sup>6</sup> This bitter reaction attests to an acute degree of discontent among the newly arrived Iraqi Jews. It suggests that a good number of them did not view their immigration as the joyous return to Zion depicted by the community's Zionist activists. Rather, in addition to blaming the Iraqi government, they blamed the Zionist movement for bringing them to Israel for reasons that did not include the best interests of the immigrants themselves.<sup>7</sup>

Three years later, in May 1955, an urgent meeting was called at the Israeli Foreign Ministry. Among the participants were the office's general manager and the head of Mossad, Isser Harel. Those at the meeting were concerned with the fact that Jews who were arrested in Iraq in the late 1940s for membership in the Communist Party (and who did not make it into the mass immigration of Iraqi Jews to Israel in 1950–51) had now been released from prison and sent via Cyprus to Israel. The meeting's minutes, classified as "top secret," stated that Israel would notify the Iraqi government that it was not ready to accept every Jew from Iraq automatically, "unless we receive individual information beforehand, and we consider each potential candidate separately."<sup>8</sup> In other words, it was a decision to employ the Law of Return selectively.

As these two anecdotes suggest, the story of how Iraq's Jews were brought to the newly established state of Israel affords an opportunity to reexamine Zionist historiography's theory about the relationship between the Arab Jews and the Palestinian refugees who were expelled or who fled in 1948. Certainly, these anecdotes challenge the official immigration narrative and attest to the biases associated with Zionist historiography, which describes the Iraqi immigration — which is known in the Zionist epos as "Operation Ezra and Nehemiah" — as a "rescue *aliyah*" (*aliyah*, literally, "going up," is the

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(standard Israeli term to denote immigration) that saved harassed Jews yearning to return to their ancient homeland after enduring ethnic suppression and discrimination.<sup>9</sup>

The Zionist historiographical bias can also be discerned through the analysis of the population exchange theory. I start with its ramifications to the compensation and reparation issue. In 1948–51, the Israeli government was faced with two intersecting claims: the demand of the United Nations and the governments of the United States and Britain that Israel compensate the 1948 Palestinian refugees for property impounded by Israel's Custodian General of Absentee Property, and the former Iraqi Jews' expectation that they be compensated for their property frozen by the Iraqi government in 1951 (see also Shenhav 1999, 2000). I shall draw on archival sources to show that the Israeli government turned this dilemma into a system akin to double-entry bookkeeping with regard to the two sets of property — that of the 1948 Palestinian refugees and that of the Iraqi Jews — and thereby neutralized the claims of both. The government of Israel cited the injustice that the Iraqi government had done the Jews of Iraq to explain its refusal to compensate the Palestinians but told the Iraqi Jews in Israel to apply to that same Iraqi government for restitution.

This accounting logic was propounded by exploiting circumstances; it was not necessarily a deliberate scheme. However, when treated as a *raison d'état*, it enabled the Israeli government to absolve itself "legitimately" of responsibility for compensating the Palestinian refugees.<sup>10</sup> Moreover, Israel's appropriation of the identity and property of Iraq's Jews in the relentless drive to articulate Jewish nationalism served as a bargaining policy with which to deny Palestinian claims regarding the "right of return." The Jews of Iraq, as this chapter shows, became an instrument in a decision-making process from which they were excluded, and that rested on basic assumptions they did not necessarily share.<sup>11</sup> First, some historical background.

### Historical Background for the Immigration of Iraqi Jews

In the period from 1949 to 1951 — when the drama described in this chapter was played out — about 130,000 Jews lived in Iraq, constituting 3 percent of the country's population. The largest community was in Baghdad, followed by that of Basra; together these two cities accounted for some 75 percent of the Jews in Iraq.<sup>12</sup> Three decades earlier, the supplanting of the Ottomans in the Middle East by the French and the British after World War I had engendered two significant developments in the region. First, a potent Iraqi na-

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nationalism sprang up when the Iraqis realized that the British had not come as liberators. The immediate result was an Iraqi uprising against the occupation in 1920. Iraq gained qualified independence in 1932. Until 1941, when the revolt of Rashid Ali al-Kilani failed, Iraq was under the sway of a powerful nationalism that did not balk at forging ties with Nazi Germany in order to throw off British influence. Second, Zionist activity in the Middle East became more extensive, although intensive activity did not begin in Iraq until World War II. The interaction between these two social forces — Zionist nationalism and Iraqi Arab nationalism — particularly over the question of Palestine shaped the life of Iraq's Jews and finally transformed it beyond recognition (see Kedourie 1989 for discussion).

In June 1941, following the flight of Rashid Ali and just before British forces reentered Baghdad, the city's Jews were brutally attacked by Iraqi nationalists. The assault, known as the *farhud*, left some 250 people, mostly Jews, dead or injured. Prime Minister Nuri es-Said's government did not shirk responsibility: eight of the assailants, among them army officers and policemen, were condemned to death. Following the 1941 attack, the Zionist leadership began contemplating means to "Zionize" Iraq's Jews and perhaps organize the immigration of part of the community to Israel.<sup>13</sup> The Va'ad Leumi (National Council) of the pre-state Jewish community in Palestine disseminated an exaggerated and distorted account of the *farhud*, describing it as a massacre (see Chapter 5). The assessment of Jewish leaders was that the impact of the *farhud* would be to intensify Zionist feelings among Iraq's Jews and that the momentum should be exploited to bring the community to Palestine. Yitzhak Ben-Zvi, later Israel's second president, said at the time: "The sense of agitation being experienced by the Jews of Iraq should be exploited to transfer the young people and train them for productive work in Palestine, where they will serve as the pioneering vanguard for all the Jews of Babylon [Iraq]."<sup>14</sup> In a meeting with David Ben-Gurion, the leader of the Jewish community in Palestine, in July 1941, Nuri es-Said did not deny the severity of the riots. However, he claimed that the root of the troubles was "the problem of Palestine" and added that he would not accept Jewish immigration to Palestine as a solution (Tsimhoni 1989).

The first Zionist emissaries (after the *farhud*) arrived in Iraq in 1942. They immediately began to organize the Halutz (Pioneer) movement and Hashura (The Column), an organization for Jewish defense. As I described in Chapters 1 and 2, Zionist activity in Iraq owed its success to collaboration with the British and in general to the British presence there (Shiblak 1986). The first Zionist emissaries operated as soldiers of the British Army and as

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representatives of Solel Boneh, the construction company owned by the General Federation of Labor, which had won public tenders in Iran and Iraq.

Although the Zionist movement's immediate interest in Iraqi Jewry was triggered by the *farhud*, it had other causes as well, which were not necessarily related to the well-being of the community. Iraq was an important station in the overland transfer of Jewish refugees from eastern Europe who had reached the Soviet-Iranian border. To get them to Palestine, it was essential to have permanent assistance along a route that ran through Iraq and Iran (Yosef Meir 1973). The Zionist movement in Europe maintained that it was essential to establish a Zionist center in Iraq. When the Jewish leadership grasped the scale of the Holocaust, a second reason for taking an interest in Iraqi Jewry presented itself: to improve the Jewish demographic balance in Palestine (see Chapter 1). Like the other Arab Jews, the Jews of Iraq were considered a key population reservoir that could help tilt the demographic balance in Palestine in the Jews' favor. At a meeting in July 1943 of the Central Committee of Mapai, the dominant Jewish party (and forerunner of the Labor Party), one speaker put it this way: "We can define our role with regard to this Jewry in one sentence: Zionist conquest of these Diaspora communities in order to liquidate them and transfer them to the Land of Israel. . . . We do not know how many Jews will remain in Europe following the campaign of annihilation [being waged by the Nazis] against them." The geographical proximity between Iraq and Palestine was considered an exploitable advantage: "It is easier [for us] to get there . . . and for them, too, it is easier to reach the Land of Israel."<sup>15</sup>

Representatives of the Labor movement in the Zionist leadership believed it was urgent to infiltrate Iraq and establish a united Zionist movement there — not least to preempt attempts by the Revisionist movement or the Iraqi Communist Party to gain a foothold among Iraq's Jews (Tsimhoni 1989). The Zionist activists who set up the Halutz movement in Iraq were ruthless in their efforts to oust emissaries who were not under the control of the Jewish Labor movement. Note that there was no local Zionist movement in Iraq to serve as a foundation on which the emissaries could build.<sup>16</sup> The Jews of Iraq did not experience a Zionist "awakening" and did not consider Palestine an attractive option. As early as 1941, Eliahu Epstein (Elath) of the Jewish Agency's Political Department met with a group of affluent Iraqi Jews who had fled to Tehran. However, he was unable to persuade them to settle in Palestine and invest their capital there. Some of them told him bluntly that they did not believe in Zionism (*ibid.*). They explained that they had no intention of displacing the Arabs of Palestine, and that migration to Palestine

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was feasible only for Jews who were indigent or had relatives there. In like fashion, the first meeting of Zionist emissaries with the Jewish community in Iraq in 1942 showed how wide the gulf was that separated Iraq's Jews from the idea of political Zionism. Enzo Sereni, from Kibbutz Givat Brenner, who, as may be recalled from the previous chapters, arrived in Iraq in the guise of a Solel Boneh construction worker, but whose real mission was to organize the activity of the emissaries sent by the Mossad l'Aliyah Bet (the unit that handled illegal Jewish immigration to Palestine), said of Iraq's Jews that "they do not think like Zionists or even have a Zionist instinct."<sup>17</sup>

A report in the same spirit was conveyed by Aryeh (Shiel) Eshel, who was also sent to Iraq as a Solel Boneh worker: "I was told that they are Zionists . . . and are ready to make *aliyah*. . . . [But] all this is neither Zionism nor yearning for the Land of Israel nor readiness for *aliyah*. . . . [It is] dreadful hypocrisy, the height of Levantism."<sup>18</sup> Even in 1950, two Quaker emissaries who visited Iraq reported that "the Jews we spoke to do not consider present-day Israel the realization of the biblical prophecy. . . . We understood that they do not believe in political Zionism" (Esther Meir 1997: 37). The Jewish Agency representatives in Iraq were also cognizant of the disparity between the socialist ideology and the way of life of the local Jews. In internal meetings of the Jewish Agency, disappointment was voiced at the "unproductive" character of the Iraqi Jews who had settled in Palestine, as contrasted with the Jews of Yemen, who were considered productive and useful (Tsimhoni 1989).

Among Iraq's Jews there was a strong sympathy toward the local Communist Party, and many of the community's young people were members of the party or of the Anti-Zionist League (AZL). For the most part consisting of well-to-do families, the Jews of Iraq understood the damage affiliation with Zionism could wreak on their social, economic, and political status; they drew a distinction between their Jewish identity and a Zionist identity. Those Jews who did leave Iraq settled mainly in Europe and North America, not Palestine. Another difficulty faced by the emissaries of the Halutz movement in Iraq, in addition to the reluctance of the local Jews to cooperate, was that they received little assistance from their home base. In 1950, for example, a request by a key Zionist emissary, Mordechai Ben Porat, that the government organize illegal flights from Iraq was rejected (Tsimhoni 1991). Since no comprehensive, authoritative plan of action had been worked out with the Israeli government, the emissaries and the local activists often operated on their own initiative, without precise guidelines.

It was unfeasible for Iraq's Jews to remain in their native land — the so-



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called Iraqi orientation (Kazzaz 1991) — for two interrelated reasons. One reason was surging Arab and Iraqi nationalism (Shiblak 1986). The situation was aggravated by Prime Minister Nuri es-Said's co-option to the government of the right-wing nationalist party Istiqlal. The Iraqi Foreign Ministry informed the State Department in Washington that the government of Iraq was concerned about the inroads being made by Communism and Zionism among the Jews (*ibid.*: 70). The other reason that the Jews were compelled to leave was the activity of the Halutz movement in Iraq, which caused many local Jews to be perceived as Zionists and hence as fifth columnists. The establishment of the state of Israel in May 1948 was a boost for Iraqi nationalists, and Jews were identified irrevocably with Zionism, which was outlawed in Iraq in July 1948. Jews in the civil service were dismissed, and the entire Jewish community was placed under surveillance. The actions of the Zionist movement in Iraq thus forged a reality that retroactively seemed to justify its presence there. As Ben-Tzion Yisraeli, an emissary of the Jewish Agency in Iraq, had foreseen in 1943, "They [the Iraqi Jews] are liable to be among the first to pay the price for our enterprise in the Land of Israel"<sup>19</sup>

Shortly after his government assumed power in January 1949, Nuri es-Said toyed with the idea of deporting the Iraqi Jews to Israel. However, the British ambassador in Palestine warned him that this might have serious unanticipated repercussions. Israel, the ambassador explained, would welcome the arrival of cheap Jewish labor and would demand that in return the Arab states assimilate Palestinian refugees (Tsimhoni 1991). In February 1949, the Foreign Office instructed the British ambassador in Baghdad, Sir Henry Mack, to caution Nuri es-Said against expelling the Jews, on grounds that it would adversely affect the position of the Arab states (Shiblak 1986).

In March 1950, Iraq enacted a denaturalization law — valid for one year — that enabled the Jews to leave the country after renouncing their citizenship. All told, more than 100,000 Jews were brought to Israel from Iraq in the period between May 1950 and June 1951, all of them by air.<sup>20</sup> Some 60,000 of them were brought to Israel in the last three months of the operation, between March and June 1951, but only after their property had been impounded by the Iraqi government. Thus was an entire community uprooted and its right — and the right of individuals within it — to decide its own fate appropriated (Swirski 1995). Moreover, the community was deprived of its economic rights and of the right to decide where to live and what nation to be a part of. More acutely, perhaps, the memory of a community was appropriated and transplanted into a different narrative — the Zionist narrative — which the Iraqi Jews had had little share in creating (see Chapter 5).<sup>21</sup>

x      x      x      x      x      x

The transfer idea, it should be noted, was not alien to Zionist thinking; it was manifested in both praxis and ideology before and after the Iraqi Jews were brought to Israel.<sup>35</sup> Thus, it can be said that the Israeli government's disregard of the transfer offers was motivated by a strategy of "constructive ambiguity." It kept its position vague, since it believed that officially agreeing to

a transfer — despite the opportunity it presented to bring the Jews of Iraq to Israel — would create a "dangerous" precedent.<sup>36</sup> In the government's estimate, there were three times as many Palestinian refugees as there were Jews in the Arab states: there were thought to be no more than 200,000 Jews (the possibility of bringing the Maghreb Jews to Israel had not yet arisen).<sup>37</sup> The Israeli government feared that by agreeing to a population exchange on a numerical basis, Israel might have to repatriate the "surplus refugees." Indeed, the Morton plan under the auspices of the United Nations called for the settlement of thousands of such "surplus" refugees in an internationalized Jerusalem.<sup>38</sup> This possibility, combined with the information that Egypt was refusing to take in Palestinian refugees, deterred the Israeli government. The Foreign Ministry maintained that only if Iraq agreed to absorb 300,000 to 400,000 Palestinian refugees in return for the Iraqi Jews could Israel contemplate accepting the transfer agreement.<sup>39</sup> However, that possibility was deemed far-fetched.<sup>40</sup> Fearful of having to cope with a "surplus" of Palestinian refugees, the Israeli government preferred to forgo an agreement for the departure of Jews who found themselves threatened in Iraq because of the activity of the Zionist underground, the 1948 war, Israel's establishment, and the rise of Iraqi and Arab nationalism. At the same time, by spurning the transfer, Israel gained economically. The Palestinians' abandoned

property remained in the hands of the state's Custodian General, while Iraq's freeze of Jewish property could be invoked as a "successful" excuse to justify the confiscation of Palestinian assets. The property of the Iraqi Jews, if brought to Israel in exchange for Palestinian property, would have remained in the possession of its individual owners and would not have been taken over by the government as "national capital."

The agitation over the possibility of a population exchange faded only in March 1950, with the enactment of the denaturalization law in Iraq, enabling Jews to leave Iraq after renouncing their citizenship. Pressure for the law's enactment was exerted by Prime Minister Tawfiq al-Suwaidi, a graduate of the French-Jewish Alliance network of schools. His many Jewish friends included the leader of the community, Yeskail Shemtob, and the Zionist emissary Mordechai Ben Porat, who were also instrumental in getting the law passed. In addition to giving up their Iraqi nationality, those who left under the law waived the right to return to Iraq ever again. The law was to remain in force for one year; it said nothing about property.<sup>41</sup> However, the passage of the law itself did not induce Jews to register for emigration. Indeed, the question of what motivated the Jewish population to leave en masse remains unresolved.<sup>42</sup> We do know that on April 8, 1950, a

fragmentation grenade exploded near a Jewish café in Baghdad, and that in the wake of that incident, there was a huge rise in the number of candidates for emigration, from 150 to about 23,000. Over the next year or so, until June 1951, four similar explosions occurred at sites associated with Jews. The pro-Zionist version of events holds that the bombs were thrown by Iraqi nationalists (see, e.g., Esther Meir 1997). A different account finds a direct connection between the five bombings in Baghdad and the rate of registration by Jews to leave the country from March 1950 to June 1951. According to this view, we cannot rule out the possibility that the Zionist emissaries made use of the incidents to frighten hesitant Jews and prod them to register (Shiblak 1986). A third version finds a reasonable possibility that the bombings were a local initiative by the Zionist underground, unbeknownst to the leadership in Israel. According to this account of events (which is unsupported by documentation), the emissaries and the local activists wanted to bring pressure to bear on the Israeli government, which was delaying the removal of the Jews from Iraq because of priorities given to immigration of Jews from Romania and Poland. To date we do not have clear evidence that would support any of these versions.

### Jewish Property, Palestinian Property, and Raison d'État

By March 1951, a year after Iraq's Jews had been given the opportunity to leave, about 105,000 Jews had registered to emigrate, though only 35,000 had actually left. The rest, having renounced their citizenship, were waiting. On March 10, Prime Minister Nuri es-Said submitted a bill to impound and freeze the property of the Jews, the richest in the Middle East.<sup>48</sup> To prevent transactions being carried out in the period between the bill's enactment into law and its implementation, the Finance Ministry shut down the country's banks for three days and the police moved to ensure that the legislation was carried out. Stores owned by Jews were sealed, vehicles and other items were confiscated, and the homes of merchants and jewelers were searched (Gat 1989; Rejwan 1995).

The law freezing Jewish assets came as a gift from the gods to the Israeli government, which was relieved by it of the need to make a formal declaration of support for a population exchange, with all that this entailed; henceforth it would be possible to refer to any such exchange of property and people as a spontaneous occurrence. Sharett briefed the cabinet on the law and its implications: "The question that arises is what we can do. Approaches to England and France are possible, of course, but . . . they could say: You took the property of the Arabs who left Palestine and entrusted it to a custodian; they are doing the same."<sup>49</sup> Sharett continued to develop the government's approach, but the implication regarding the Palestinian property was still indecisive and inchoate: "There is tremendous excitement within the Baghdad community [in Israel]. I shall probably receive a delegation from them today. They will undoubtedly advise that we confiscate the property of all the Arabs in Israel, and that we give these people the property of the Arabs that is in the possession of the state. I do not have to explain to you — you understand the problem this gives rise to." Neither Sharett nor Ben-Gurion viewed this as a realistic option. In its place a double-entry bookkeeping logic was formulated:

SHARETT: "There is another possibility: a declaration on our part that all this will be taken into account in the payment of compensation in a final settlement, etc. Let us say that if for the time being we have not abandoned the principle of payment of compensation, we declare that we shall deduct the value of this property."

On March 19, Sharett apprised the Knesset of the government's reaction to the decision by the Iraqi parliament to freeze Jewish property. In his statement, Sharett officially and unequivocally fused the two accounts into a single equation, as he had already proposed to the cabinet:

The government of Israel . . . views this episode of plunder in the spirit of the law as the continuation of the malicious regime of dispossession that has always prevailed in Iraq vis-à-vis defenseless and helpless minorities. . . . By freezing the assets of tens of thousands of Jews who are immigrating to Israel — today stateless but citizens of Israel immediately upon their immigration — the government of Iraq has opened an account between it and the government of Israel. We already have an account with the Arab world, namely, the account of the compensation that accrues to the Arabs who left the territory of Israel and abandoned their property. . . . The act now committed by the kingdom of Iraq . . . forces us to link the two accounts. . . . We shall take into account the value of the Jewish property that has been frozen in Iraq with respect to the compensation we have undertaken to pay the Arabs who abandoned property in Israel.<sup>50</sup>

With this decision — which in one fell swoop turned the private capital of Iraq's Jews into "national capital" — the Israeli government nullified any possible alternative for their independent compensation.<sup>51</sup> The Foreign Ministry informed the Palestine Conciliation Commission that the Israeli government was committed to contributing to a resolution of the refugee problem, but added: "It will be unable to honor that commitment if in addition to its other commitments to absorb new immigrants, it finds itself having to undertake the rehabilitation of 100,000 Iraqi Jews."<sup>52</sup>

AS soon as the immigration of Iraqi Jews was concluded, the Israeli government turned its back on the new arrivals. The Foreign Ministry objected to the establishment of a special ministry to register their claims deriving from their frozen property. Sharett maintained that his statement in the Knesset had not been a commitment to compensate the Iraqi Jews. What he had meant, he explained, was that "the value of the Jewish property that was frozen in Iraq will be taken into account when the time comes to discuss compensation. That time has not yet come, there is no knowing when it will come, and the entire matter will be worked out in due course" (Gat 1989: 137).

### Population Exchange and the Palestinian "Right of Return"

The Jews of Iraq became hostages of — and a fig leaf for — the Israeli government in its efforts to divest itself of responsibility for compensating the Palestinian refugees. The conceptual model that guided the Zionist leadership vis-à-vis the Jews of Iraq, as with other communities, held that Jewish identity and Zionist identity were one and the same. The national leadership assumed a monopoly over the community and its property, even though neither the one nor the other was located in its territorial domain. The working

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of the same model is discernible in the case of the reparations received by the government of Israel from Germany after World War II (Barkan 2000).

A condition of the trade-off equation was that the Palestinians' national identity be annulled, and that they be regarded as part of a "united Arab nation" that included Iraq. That approach forged one of the most pungent illusions harbored by Israel in its brief history ("There is no Palestinian people," as Israeli Prime Minister Golda Meir used to say).<sup>69</sup> The trade-off equation cynically constructed the interests of Arab Jews and Palestinian as conflicting a priori.

During the 1948 war, much Palestinian property was abandoned and plundered in the territory of British Mandate Palestine. Estimates of the value of the Palestinian property managed by the Custodian General vary. Arab sources put it at about \$2.5 billion.<sup>70</sup> In a secret cabinet meeting held in November 1951, Sharett disclosed that the U.N.'s Palestine Conciliation Commission had appraised the worth of the abandoned property of the 600,000 Palestinian refugees at approximately \$1 billion.<sup>71</sup> The government of Israel did not compensate the 1948 refugees. Its argument was that the Jews from the Arab countries were also refugees. Yet at the same time, the Israeli government was drawing up its claims for reparations and restitution from Germany (Zweig 1993). As argued throughout the chapter, the linkage that was created between the Arab refugees of 1948 and the Arab Jews was used also to block any Palestinian claim for the right of return.

Approximately 700,000 Palestinians were expelled from or fled Palestine in 1948.<sup>72</sup> It is yet to be determined to what extent this was the outcome of a planned and systematic expulsion or a combination of other factors, including uncoordinated assaults of local Jewish commanders (Morris 1986a, 1986b, 1987; Pappé 1999). It is uncontested, however, that the war resulted in the destruction of approximately 400 Palestinian villages and a huge refugee problem, which amounts today to more than 4 million people,<sup>73</sup> most of whom are scattered in Lebanon, Jordan, Syria, Egypt, and the West Bank and Gaza (Said 2001). With the consolidation of the Palestinian national struggle in the past three decades, the displaced Palestinian refugees became a living symbol of the 1948 catastrophe known as al-Nakba, and the "right of return" its quintessential emblem. "The issue in the by now notorious peace process finally has come down to one issue, which has been at the core of the Palestinian depredations since 1948: the fate of the refugees who were displaced in 1948, again in 1967 and again in 1982 by naked Israeli ethnic cleansing," as Edward Said put it (2001: 1).<sup>74</sup>

Said denounced the attempt to forget the "question of 1948," in which the

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right of return is most salient: "That is a sentiment that I can neither share nor, I hasten to add, easily forgive" (ibid.). Likewise, a statement issued by the Popular Organizations of the Refugee Camps in the West Bank anticipating the Camp David meeting stated unequivocally that the negotiators should not bother to return unless they brought back the right of return. "We are going home—home to Palestine. Our olive trees and oranges await us. We will not accept anything less no matter who signs the next . . . agreements" (*News from Within*, September 2000, 20).

Naturally, no one can determine the extent to which the refugees' "right of return" would be realized if the opportunity were given them. Some Palestinian scholars argue that the claim is much more of symbolic than realistic value.<sup>75</sup> Furthermore, it is also not completely clear what the term "right of return" means. Does it mean that refugees are entitled to go back to their places of origin, irrespective of who lives there now? Does it mean the building of new Palestinian cities within historical Palestine? Does it apply to a limited number of people of the first generation or to all refugees? One way or another, the issue of the Palestinian refugees cannot be swept away without an open discussion, not to speak of a serious solution.

To Israeli Jews, however, the "right of return" is considered a deadly threat to Israel's existence as a Jewish state. Irrespective of their political position within the Zionist fold, whether Right or Left, Israelis treat "the right of return" as a black box, a sealed-off package, and are unwilling to consider the many ways in which it might be discussed, interpreted, negotiated, and perhaps solved. This was manifested clearly in Ehud Barak's negotiation strategy in Camp David in July 2000, where he and his underlings refused to conduct any serious discussions about the return or repatriation of refugees.<sup>76</sup>

However, Jewish refusal to engage in political dialogue regarding the "right of return" is not uniform and can be roughly separated into three categories. These categories are neither exhaustive nor mutually exclusive but capture most discursive strategies used in Israel today. First, there is the mainstream response that denies any Israeli responsibility for the refugee problem. Zionist historiography gives ample example of this response, insofar as it attributes the Palestinians' mass exodus not to Jewish atrocities but to orders ostensibly issued by Arab leaders calling on the Palestinians to flee their homes and villages (see Morris 1986a and 1987 for extensive discussion). Second, there are those (mainly on the Zionist Left) who acknowledge Israel's partial moral and political responsibility for the refugee problem but reject the "right of return," arguing that it will put an end to Israel's existence as a Jewish state. Third, there are those who brush off Israel's responsibility and

### What Do the Arab Jews and the Palestinians Have in Common?

invoke the "population exchange" argument, suggesting that there was a de facto population transfer, in which the Palestinian refugees "fled" Palestine and Jews "fled" Arab countries.<sup>77</sup>

My intention in this discussion is not to offer a solution to the "right of return." I rather seek to expose the fallacies associated with this third discursive strategy. As I have shown, the "population exchange" theory remained dormant until the mid 1970s, when the Palestinian Liberation Organization was established. It was then conjured up and used again in the political discourse, mainly by WOJAC.<sup>78</sup> For all practical purposes, the Israeli Foreign Ministry contracted out its discursive practices regarding "population exchange" to WOJAC. However, as I show in the next chapter, WOJAC never succeeded to reach a sound conclusion about the usefulness and the astuteness of the theory. The Israeli Foreign Ministry was fearful that such claim would provoke the Palestinians to intensify their talk of return, encourage Jews to file individual claims against their former Arab countries, and in turn lead Palestinian refugees to file individual claims against the state of Israel. Furthermore, the population exchange theory, which necessitated the definition of Arab Jews as refugees, ran counter to the official Zionist history and required considerable changes in its epos. As a result, the Israeli Foreign Ministry called on WOJAC to halt all activities and tried to redraw the boundaries between itself and that organization. The analyses put together highlight the inconsistency, contradictions, and disruptions that the population exchange initiative generated before it resurfaced during the Camp David meeting in July 2000.