

SPECIAL MEETING TO MARK SIXTY YEARS OF DISPOSSESSION OF PALESTINE REFUGEES

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CHECK AGAINST DELIVERY

Refugee properties and compensation

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Introduction

The origins of the Palestinian refugee property issue extend back to the first Arab-Israeli war of 1948 and the upheaval that it caused in Palestine¹. That war for the control of Palestine resulted in a victory for the new state of Israel and the shattering of Palestinian society. Approximately 750,000 Palestinian Arabs fled or were expelled across the borders and cease-fire lines during and shortly after the war. During their flight, the refugees left behind vast amounts of land and other property that were confiscated by the Israeli government. Israel stated it would compensate the refugees for certain categories of property they left behind, but categorically refused any large-scale repatriation. On the whole, the refugees have refused to accept compensation and permanent exile, demanding instead the right of return and property restitution. Because of this connection between property claims and the right of return, and because of the ongoing conflict after 1948, no wide scale property compensation or restitution has been undertaken in the six decades since then.

This paper examines the refugee property question, specifically studying how Israel confiscated the refugees' property; various attempts to determine the scope and value of the property; early U.N. efforts to deal with the property question; and how the question has been dealt with in Israeli-Palestinian peace talks since 1993.

The Flight of the Refugees in 1948 and Israel's Confiscation of Their Property

The 1948 Arab-Israeli war transformed Palestine. Israeli forces ended up controlling seventy-seven percent of British mandatory Palestine by the time armistice agreements were signed in 1949, areas that became the new state of Israel. If Jews celebrated the creation of their new state, Palestinians mourned the war as a disaster of the first order of magnitude. No comparable Palestinian state emerged after the war. The remaining twenty-three percent of the country that was not occupied by Israel – the areas that came to be called the West Bank and Gaza – were under the control of Jordan and Egypt, respectively, after the war. On the demographic and socio-economic levels, however, the devastation was even greater. The new Israeli state largely had been emptied of its Palestinian population during and immediately after the war. Indeed, approximately eighty percent of the Palestinians who had been living in those parts of Palestine that became Israel were gone by 1951. Approximately 750,000 Palestinians fled or were expelled by Jewish forces, to find themselves refugees in the West Bank, Gaza, and the surrounding Arab states. Even a substantial number of the 150,000 Arabs who remained in Israel were refugees living outside their homes.

During their flight, these refugees left behind homes, farmland, businesses, bank accounts, houses of worship, cemeteries and shrines, not to mention farm and business equipment, and personal property. Because Palestinian Arab society and economy largely had been based around agriculture, most of the refugees had their lives' investments tied up in homes, fields, farm animals, and tools, capital that they had abandoned and that now lay beyond their reach. Therefore, most were rendered not merely refugees, but property-less refugees who lacked the capital necessary to establish a new existence in exile as well. The scope and scale of these losses were economically catastrophic. In this lies the genesis of the Palestinian refugee problem.

The vast amount of abandoned property the refugees left behind represented a massive windfall for Israel. As they prevented the refugees' return, Israeli authorities quickly moved first to secure and later to confiscate the property. As soon as Zionist forces began taking over Palestinian villages, land, and property in the spring of 1948, before Israel's declaration of independence and the entrance of regular armed forces from surrounding Arab states, Zionist military and civilian committees were established to

secure these spoils of war. By July 1948, all such committees had been folded into a cabinet-level body, the Ministerial Committee for Abandoned Property. That same month, a Custodian of Abandoned Property was created to take control of this property. Israel quickly began utilizing the abandoned land, including by leasing it to Jewish agricultural communities to farm. It was this committee that took the decision on 20 August 1948 to adopt a plan that provided for the outright confiscation of some abandoned refugee property now under Israeli control, not merely leasing it.² The cabinet had voted just one month earlier to prevent the refugees from returning; expropriating their land undoubtedly flowed from this decision. Alongside the policy to prevent the return of refugees, this decision set in motion the entire refugee property dilemma.

During the war's first truce of June and July 1948, the provisional Israeli cabinet also adopted several measures to provide some type of legal framework for controlling this property. On 20 June, the Israeli authorities froze refugee bank accounts in Israel. The next day, they began enacting a series of laws to extend the government's authority and control over other types of property. One of these was the Abandoned Property Ordinance, which extended Israeli jurisdiction over "abandoned" Palestinian property. This was followed up on 24 June with the Abandoned Areas Ordinance, which gave the state authority not just over abandoned property, but also over "abandoned areas" in general. In order to maintain agricultural production in the face of the refugees' flight from their land, the Emergency Regulations for the Cultivation of Fallow Land and the Use of Unexploited Water Sources was enacted later on 11 October 1948, which allowed the state to cultivate refugee land and requisition crops. This law was later extended on 6 January 1949, by the Emergency Regulations (Cultivation of Waste Lands) (Extension of Validity) Ordinance.

The most important of these first Israeli laws was the Emergency Regulations (Absentees' Property) law that was enacted on 2 December 1948, which was based on laws governing the property abandoned by Hindus, Muslims, and Sikhs during the Indo-Pakistani population exchange of 1947.³ This legislation shifted the definition of refugee property from the property itself to the owner. It created a new legal definition: an "absentee." An absentee included anyone who, on or after the U.N. partition plan was adopted on 29 November 1947, was a citizen of an Arab state; was in an Arab country; was in any part of Palestine not under Jewish control; or was "in any place other than his habitual residence, even if such a place as well as his habitual abode were within Israeli-occupied territory." Under the legislation, the state could confiscate the property of any person who met the sweeping criteria of an absentee. The law replaced the Custodian of *Abandoned* Property with a Custodian of *Absentee* Property. This law laid the basis for understanding the refugees' property not as temporarily abandoned, but as permanently left behind under Israeli control. The Custodian was obliged to keep accounts into which he would pay any funds realized by the lease of the refugees' land. In the eyes of the Israeli authorities, however, the refugees no longer held legal title to the land, which was now vested with the Custodian.

One thing the Emergency Regulations (Absentees' Property) law did not do was allow the Custodian of Absentee Property to sell the land under his control. This changed with passage of the most sweeping Israeli law dealing with the refugees' property, the Absentees' Property Law of 14 March 1950. This law would govern the fate of the refugees' property for decades. It was essentially a modified version of the Emergency Regulations, although it narrowed the definition of an "absentee" somewhat. What was particularly significant about this law was that it allowed the Custodian of Absentee Property not merely to control absentee property, but to sell it to a "Development Authority," although such a body did not yet exist in Israel at that time. The Development Authority (Transfer of Property) law of July 1950 later created such a public body, which subsequently purchased a large amount of land from the Custodian in February and September 1953.⁴

The other agency that purchased a large amount of refugee land was the Jewish National Fund (JNF). The World Zionist Organization established the JNF in 1901 to acquire land in Palestine and

nearby countries, land that would be held on behalf of the Jewish people in perpetuity. The JNF's charter forbade it ever from selling its land. The charter also required that it lease the land only to Jews, who agreed that they would only employ Jewish labor in developing and farming the land. In January 1949, the JNF agreed to buy a huge amount of refugee property from the state – although legally, the state's Custodian of Absentee Property could not sell land to anyone (even after passage of the Absentees' Property Law of 1950, the Custodian could only sell land to the Development Authority). The state and the JNF signed a second purchase deal in October 1950. The state began the lengthy process of registering refugee land, having the Custodian take the legal steps of selling it to the Development Authority, which then transferred it to the JNF.⁵ By the mid-1950s, the Israeli government considered that the refugees' landed property had passed permanently into the hands either of the state or the Jewish National Fund.

Israel used the confiscated refugee land, homes, and apartment buildings to settle new Jewish immigrants who arrived during and after 1948. Hundreds of thousands of immigrants streamed into Israel starting with the declaration of Israeli statehood in May 1948, including Holocaust survivors from Europe and Jews arriving from Arab countries. From 1948-1953, the Jewish Agency, a non-government Zionist organization responsible for settlement in Israel, had established 345 new Jewish towns and villages.⁶ The vast majority of these were constructed on confiscated refugee property. By 1954, one-third of Israel's Jewish population lived on confiscated refugee property.⁷

By the mid-1950s, the lands abandoned by the refugees during their flight would have been scarcely recognizable to them. This was especially true of homes and other buildings. Israeli authorities physically destroyed the buildings in somewhere between 360 and 429 villages.⁸ In some locales, mosques were turned into art galleries and restaurants. Agricultural land was also transformed, re-surveyed and re-registered, and used to build new Jewish settlers and farmers. Household furniture and other types of moveable property were sold. Israeli authorities stated early on that while they were willing to pay compensation for certain types of landed refugee property, they insisted that the land had been absorbed permanently into the landholdings of the state and the JNF and would not be restituted. Beginning in 1960, these two types of land were called Israel Lands, and managed jointly by the new Israel Lands Administration.

In addition to land, Israel also confiscated moveable property left behind by the refugees. This included farm implements and animals, household furniture, vehicles, and factory inventory. The Custodian of Absentee Property sold most of this property in the first years after 1948.

Estimates of the Value of the Refugee Property

How much property did the refugees leave behind, and what was it worth? No two sources ever have agreed on this point. Over the years, various Israeli, Arab, and United Nations Conciliation Commission for Palestine (UNCCP) figures have surfaced purporting to indicate the total amount and value of refugee property that was abandoned. Some studies include communally owned land, while others only include statistics on individually owned land. Some include statistics on personal property such as household furniture, while others do not. The following table shows data from some of these studies of the scope and value of 1948 Palestinian refugee land and real estate (but not moveable property) losses:

Estimates of 1948 Palestinian Refugee Land and Real Estate Losses

Study	Year	Scope (dunums)*	Value (US\$)**
<i>Israeli</i>			
Weitz/Danin/Lifshits Committee	1948	2,008,114	328,445,000
Yosef Weitz	1948,	3,584,600	261,950,000
	1950		
Custodian of Absentee Property	1950	3,299,447	36,681,935
Ministry of Justice	1962	--	over 564,200,000
<i>Arab</i>			
Arab Higher Committee	1955	--	6,553,183,000
Arab League	1956	--	either 7,789,990,000
			or 5,412,400,000***
Yusif Sayigh	1966	6,611,250	1,625,702,000
Plus 173,000 buildings			954,304,000
Total			2,580,006,000
Hadawi/Kubursi	1988	19,031,012	2,131,467,000
<i>United Nations Conciliation Commission for Palestine</i>			
Global Estimate	1951	19,083,921	404,546,448
Technical Program	1964	6,057,032	824,780,808

* one dunum = 1,000 sq.m.

** in 1947-1948 dollars

*** the difference lies in the fact that the study did not indicate whether the value reflected 1947-1948 dollars (the higher amount) or 1956 dollars (the lower amount)

Sources: Israel State Archives [ISA] (138) 2445/3, "Report on a Settlement of the Arab Refugee [Issue]" (25 November 1948), appendix 9; Yosef Weitz, "le-Hanhil Adama Hadasha" [Bequest of New Land], Molad 2, 12 (March 1949), p. 325; Weitz, *The Struggle for the Land* (Tel Aviv: Lion the Printer, 1950), p. 113-114; ISA (43) 5440/1582, "Report of Custodian of Absentees' Property Office" (31 March 1950); Central Zionist Archives [CZA] A246/57, "Comments on Value Assessments of Absentee Landed Property" (12 November 1962); Arab Higher Committee, *al-Laji'un al-Filastiniyyun: Dahaya al-Isti'mar wa'l-Sahyuniyya* [The Palestinian Refugees: Victims of Imperialism and Zionism] (Cairo: 1955), pp. 81-93, and Arab Higher Committee, *Statement* (Beirut: 1961), pp. 19-24, in Yusuf Sayigh, *al-Iqtisad al-Isra'ili* [The Israeli Economy] (Cairo: League of Arab States, Institute for Higher Arab Studies, 1966), pp. 112-113; J. Khoury, *Arab Property and Blocked Accounts in Occupied Palestine* (Cairo: League of Arab States, General Secretary, Palestine Section, 1956), p. 20. Sayigh, *al-Iqtisad al-Isra'ili*, pp. 107-110; Sami Hadawi, *Palestinian Rights & Losses in 1948. A Comprehensive Study. Part V: An Economic Assessment of Total Palestinian Losses* written by Dr. Atef [sic] Kubursi (London: Saqi Books, 1988), pp. 113, 187; CZA Z6/1995, "Valuation of Abandoned Arab Land in Israel"; U.N. document A/AC.25/W.84, "Working Paper Prepared by the Commission's Land Expert on the Methods and Techniques of Identification and Valuation of Arab Refugee Immoveable Property Holdings in Israel" (28 April 1964); United Nations Secretariat Archives [UNSA] DAG-13-3, UNCCP. Subgroup: Principal Secretary. Series: Records Relating to the Technical Office/Box 16/1952-57/Land Identification Project/Jarvis Report; document: A/AC.25/W.83, "Initial Report of the Commission's Land Expert on the Methods and Techniques of Identification and Valuation of Arab Refugee Immoveable Property Holdings in Israel" (15 September 1961); *ibid*, document: A/AC.25/W.83ADD1, "Initial Report of the Commission's Land Expert on the Methods and Techniques of Identification and Valuation of Arab Refugee Immoveable Property Holdings in Israel" (10 September 1961)

Various figures also have emerged over the years about the value of moveable refugee property losses, including personal goods, household furniture, and capital goods. In 1951, the UNCCP's John M. Berncastle determined as part of the UNCCP's Global Estimate (see below) that abandoned moveable property totaled approximately \$80,600,000 in 1947-1948 dollars.⁹ In 1961, the UNCCP's Frank Jarvis secretly developed three estimates of such losses as part of the UNCCP's massive Technical Program (see below), each based on a different methodology and each reflecting 1947-1948 dollars: \$169,538,070; \$70,122,000; and \$77,073,750.¹⁰ In 1966, Syrian-born economist Yusif Sayigh came up with an estimate of \$453,375,000 (in 1947-1948 dollars) for abandoned refugee capital goods and moveable property.¹¹

United Nations Efforts to Deal with the Property Question

The first U.N. efforts to deal with the refugee property issue came when the General Assembly adopted Resolution 186 (S-2) of 14 May 1948, which created the position of a Mediator for Palestine. The Security Council chose as Mediator Folke Bernadotte. The plight of the refugees and their abandoned property soon became one of his major concerns. Bernadotte's progress report to the General Assembly of 16 September 1948 noted his firm belief that Israel should allow the refugees to return:

From the start, I held the firm view that, taking into consideration all the circumstances, the right of these refugees to return to their homes at the earliest practicable date should be established... It is, however, undeniable that no settlement can be just and complete if recognition is not accorded to the right of the Arab refugee to return to the home from which he has been dislodged by the hazards and strategy of the armed conflict between Arabs and Jews in Palestine... It would be an offence against the principles of elemental justice if these innocent victims of the conflict were denied the right to return to their homes while Jewish immigrants flow into Palestine, and, indeed, at least offer the threat of permanent replacement of the Arab refugees who have been rooted in the land for centuries.¹²

Regarding the refugees' property, he noted:

There have been numerous reports from reliable sources of large-scale looting and plundering, and of instances of destruction of villages without military necessity. The liability of the Provisional Government of Israel to restore private property to its Arab owners and to indemnify those owners for property wantonly destroyed is clear irrespective of any indemnities with the Provisional Government may claim from the Arab States.¹³

Jewish militants assassinated Bernadotte the very next day, and he was replaced by Ralph Bunche.

Several months after Bernadotte's murder, the General Assembly adopted Resolution 194 (III) of 11 December 1948, which called for refugee repatriation and property compensation, thus raising these issues to the level of international discourse. Paragraph 11 of 194 (III) states that the General Assembly:

Resolves that the refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest practicable date, and that compensation should be paid for the property of those choosing not to return and for the loss of or damage to property which, under principles of international law or in equity, should be made good by the Governments or authorities responsible.

Paragraph 11 is instructive on several points. First, it indicates that the General Assembly elevated refugee repatriation and property compensation from a matter for the belligerent parties to work

out, to a formal call from the international community. Second, the first clause in the sentence linked repatriation and compensation: refugees should either be allowed to go home, or be compensated for their abandoned property if they chose not to. Paragraph 11 is silent about whether Israel must restitute (give back) any confiscated property to returning refugees, although the phrase “return to their homes” (note: it does say “return to their country”) implies restitution at least of their actual homes. The second and lengthier clause in Paragraph 11, moreover, calls for compensating refugees for property losses and damage inflicted by governments or authorities that go against “international law” or “equity” (a reference to damage inflicted outside of normal military operations without reference to whether this applied to returning or non-returning refugees). Does this mean that in addition to non-returning refugees, even *returning refugees* were entitled to compensation (for illegal war damages)?

The UNCCP, established by the same resolution to implement its provisions (see below), said yes. It offered its interpretation of what the second clause meant in a background paper entitled “Returning Refugees and the Question of Compensation” it drew up in February 1950: that compensation should be paid *both* for the property abandoned in Israel by non-returnees *and* to repatriated refugees who returned to find that their property had been looted or destroyed *without military necessity*. The paper stated that repatriated refugees who returned to find that their property had been damaged or destroyed during the course of *normal military operations*, however, were not eligible for compensation.¹⁴ This clause in Resolution 194 (III) seems to have been written with Bernadotte’s reports of wide-scale looting and destruction of Arab property in Israel in mind. The paragraph is silent, however, about returning refugees who find that Israel had confiscated their property, and whether the Jewish state owed them compensation in such cases.

Resolution 194 (III) did something else as well. It created a three-member Conciliation Commission to take over the role of the Mediator. In addition to this, the resolution charged the new body with carrying out Paragraph 11’s specific call for refugee repatriation and compensation. The resolution:

Instructs the Conciliation Commission to facilitate the repatriation, resettlement and economic and social rehabilitation of the refugees and the payment of compensation, and to maintain close relations with the Director of the United Nations Relief for Palestine Refugees and, through him, with the appropriate organs and agencies of the United Nations;

Three nations were appointed as members of the new commission, France, Turkey, and the United States of America. They posted diplomats to the commission, who were assisted in their tasks by U.N. bureaucrats. The UNCCP commenced functioning from Jerusalem one month later, in January 1949.

UNCCP officials held separate conciliation meetings with representatives of Israel and the Arabs in the Middle East in early 1949, and later brought the parties together in Lausanne for a conference that lasted from 27 April to 12 September 1949 but that failed to bring about peace. The conference also failed to make political progress on the refugee issue generally, and the property question specifically. The UNCCP’s later peacemaking efforts at the Geneva Conference (30 January through 15 July 1950) and the Paris Conference (13 September through 19 November 1951) also failed. The General Assembly then adopted Resolution 512 (VI) on 26 January 1952, which recognized that “the governments concerned [i.e., not the U.N.] have the primary responsibility for reaching a settlement of their outstanding differences in conformity with the resolutions of the General Assembly on Palestine.” Neither the UNCCP nor any other party has made any serious progress on the refugee property issue in the years since.

After Paris, the UNCCP effectively abandoned its conciliation efforts and concentrated instead almost exclusively on more limited, focused measures to “facilitate the repatriation, resettlement and economic and social rehabilitation of the refugees and the payment of compensation” as called for in

Resolution 194 (III). Among these efforts were two studies of the scope and value of the refugee property. The UNCCP issued its Global Estimate of the refugees' losses in August 1951, and later carried out a much more thorough reckoning of Arab property in Israel from 1953-1964 called the Technical Program. Both intended to provide concrete figures for potential diplomatic use (see figures on refugee property in the table above). This second study remains the most detailed and accurate study to date on this question. The UNCCP also brokered three arrangements beginning in 1952 by which Israel returned frozen bank accounts and items in safe deposit boxes to their refugee owners.

The commission essentially ceased functioning in 1966, although it technically still exists. The records of its massive Technical Program, detailing ownership of over 458,000 individual parcels of land that were owned by Arabs as of 14 May 1948, remain locked in the U.N. Secretariat Archives in New York.¹⁵ Despite the demise of the UNCCP and the lack of progress on the refugee property issue, the U.N. General Assembly over the years has continued to issue resolutions in support of the refugees' property rights. On 16 December 1981, the assembly passed Resolution 36/146 C affirming that the refugees still retained legal title to their land, in spite of Israel's confiscation legislation. The resolution also called on the UNCCP and the Secretary-General to protect and administer the property on behalf of its refugee owners. It read in part:

Considering that the Palestinian Arab refugees are entitled to their property and to the income derived from their property in conformity with the principles of justice and equity,

Recalling, in particular, its resolution 394 (V) of 14 December 1950, in which it directed the United Nations Conciliation Commission for Palestine, in consultation with the parties concerned, to prescribe measures for the protection of the rights, property and interests of the Palestinian Arab refugees,

Taking note of the completion of the programme of identification and evaluation of Arab property, as announced by the United Nations Conciliation Commission for Palestine in its twenty-second progress report, of 27 May 1964, and that the Land Office has a schedule of Arab owners and file of documents defining the location, area and other particulars of Arab property,

1. *Requests* the Secretary-General to take all appropriate steps, in consultation with the United Nations Conciliation Commission for Palestine, for the protection and administration of Arab property, assets and property rights in Israel, and to establish a fund for the receipt of income derived therefrom, on behalf of their rightful owners...

The General Assembly has reenacted resolutions calling for creation of property fund for a number of years since then, the most recent being Resolution 62/105 of 17 December 2007, passed just weeks after resumption of the Israeli-Palestinian peace process at the Annapolis Summit. That resolution also calls on Israeli and Palestinian peacemakers to exert efforts to deal with the property issue. It:

Urges the Palestinian and Israeli sides, as agreed between them, to deal with the important issue of Palestine refugees' properties and their revenues within the framework of the final status negotiations of the Middle East peace process...

Finally, it is worth noting that the U.N., in conjunction with the Palestine Liberation Organization (PLO), scanned thousands of UNCCP records in the U.N. Secretariat Archives and created a computerized database of Palestinian property data. The General Assembly's Resolution 51/129 of 13 December 1996 included language calling for the "preservation and modernization" of the UNCCP's records. The U.N.'s Committee on the Exercise of the Inalienable Rights of the Palestinian People thereafter coordinated the project, which lasted from 1997-2000. The computer program, copies of which

are held by the Secretariat Archives and the Office of the Permanent Observer of Palestine to the U.N. in New York, also revealed some mistakes in the Technical Program's original 1964 estimates, and therefore offer more accurate statistics on the scope and value of refugee losses.

Refugee Property and the Israeli-Palestinian Peace Process Since 1993

The Oslo Accord signed by Israel and the PLO in August 1993 set the stage for the first significant diplomatic discussions about the refugee property to take place since the 1950s. The question was broached most significantly at two peace conferences in the first decade of the twenty first century, both of which ultimately failed to reach a final peaceful settlement to the conflict. The first of these was the Camp David II summit called by U.S. President Bill Clinton in July 2000. Going into the summit, the official, public PLO negotiating position called for property restitution, not compensation. This policy noted:

Moreover, real property owned by the refugees at the time of their expulsion should be restored to its lawful Palestinian owners or their successors. International law regards private ownership as sacrosanct. Accordingly, the various discriminatory laws and administrative schemes, notably the Absentee Property Law, enacted by the Israeli authorities since 1948 to seize the property of the refugees and transfer it to the state of Israel, its agencies, or to the hands of Jewish individuals must be repealed and the seized property should be restored whether the refugee chooses to return or not.¹⁶

At the summit, however, Israel discussed compensation, not restitution. It proposed creation of an international forum to deal with property compensation claims from all sides in the conflict, including the refugees. However, PLO negotiators initially rejected the idea. Clinton later claimed, however, that the Palestinians did express an "interest" in the idea.¹⁷

After the failure at Camp David, Israeli and Palestinian negotiators later met again at Taba, Egypt, in late January 2001. According to published accounts of the negotiations, the two sides came as close as they ever have to reaching a peace deal. The talks included serious discussions of the refugee property issue.¹⁸ PLO negotiators offered a detailed proposal outlining three overall approaches to refugee property: restitution of the land of repatriated refugees, compensation for abandoned movable property for repatriated refugees, and compensation for both land and movable property for non-returning refugees. In cases where it would be "impossible, impractical or inequitable" to reconstitute land to the repatriates, the PLO position called for Israel to give them other land in Israel. This position, then, did not call for restitution of legal title to the land of the majority of the refugees, that is, those who would not be returning.¹⁹ The Israelis continued to reject property restitution, and offered a written response to the Palestinian position that once again proposed creation of an international fund and an international commission for handling compensation claims.

The breakdown of the peace process from 2001 until its resumption at the Annapolis Summit in November 2007 has kept the refugee property question in continued abeyance. With the commemoration in 2008 of sixty years since the refugees' exodus and their property losses, wide-scale property compensation and/or restitution still has not occurred.

Conclusion

The 1948 Arab-Israeli war shattered Palestinian Arab society and led to wide-scale Palestinian dispossession. The war made approximately 750,000 Palestinians – one-half of all of Palestine's Arabs, and eighty percent of the Arabs living in the areas of Palestine that became Israel – refugees living outside their homes, and in some instances, outside Palestine altogether. Israel refused large-scale refugee

repatriation, and confiscated the substantial landed and moveable property abandoned by the refugees during their flight. Despite the early efforts of the United Nations Mediator for Palestine and the United Nations Conciliation Commission for Palestine, the U.N. was unable to make political progress toward large-scale refugee return and property compensation and/or restitution. To date, the bilateral Israeli-Palestinian negotiations begun in 1993 have not yielded progress on the question either.

It is not within the purposes of this paper to offer practical solutions to this problem, or propose guidelines for future peace talks. But it offers a warning: failure to take full consideration of the various dimensions of the refugee problem, including the question of property losses and compensation/restitution, will be detrimental to any lasting solution to the Arab-Israeli conflict. Despite the passage of time and the changing of circumstances, the essence of the refugee problem remains the same. Negotiators would do well to consider the full ramifications of this fact when proposing lasting peace proposals, or else such efforts will be doomed to failure.

¹ This paper is based on the author's books *Records of Dispossession: Palestinian Refugee Property and the Arab-Israeli Conflict* (New York: Columbia University Press, 2003), and *The Peace Process and Palestinian Refugee Claims: Addressing Claims for Property Compensation and Restitution* (Washington: United States Institute of Peace Press, 2006). More detailed information about the various subjects broached in this paper can be found in these two works.

² Arnon Golan, "The Transfer to Jewish Control of Abandoned Arab Lands during the War of Independence," in S. Ilan Troen and Noah Lucas, eds., *Israel: The First Decade of Independence* (Albany, N.Y.: State University of New York Press, 1995) pp. 417-418.

³ Israeli Minister of Finance Eli'ezer Kaplan stated as much to the Knesset, Israel's legislature, in 1949. Joseph Schechtman, *The Arab Refugee Problem* (New York: Philosophical Library, 1952), p. 93.

⁴ See Fischbach, *Records of Dispossession*, pp. 53-58 for details.

⁵ Ibid, pp. 58-68.

⁶ Zvi Zinger [Zvi Yaron], "State of Israel (1948-72)," *Immigration and Settlement*. The Israel Pocket Library (Jerusalem: Keter Publishing House, 1973), p. 159.

⁷ Don Peretz, *Israel and the Palestine Arabs* (Washington: Middle East Institute, 1958), p. 143.

⁸ See a discussion of the various figures in Fischbach, *Records of Dispossession*, pp. 3-5, 14-15.

⁹ U.N. document A/AC.25/W.81/Rev. 2, "Historical Survey of Efforts of the United Nations Conciliation Commission for Palestine to Secure the Implementation of Paragraph 11 of General Assembly Resolution 194 (III)" (2 October 1961), secs. 94, 95. Most public U.N. documents related to Palestine and the Arab-Israeli conflict can be found on a web site maintained by the U.N.'s Division for Palestinian Rights: <http://domino.un.org/UNISPAL.NSF?OpenDatabase>.

¹⁰ United Nations Secretariat Archives [hereafter, UNSA] DAG 13-3, UNCCP. Subgroup: Principal Secretary. Series: Records Relating to Compensation/Box 20/1961-64/Background Papers; document: "Discussion of the Value of Movable Property" (December 1961), App. I, II, III.

¹¹ Yusuf Sayigh, *al-Iqtisad al-Isra'ili* [The Israeli Economy] (Cairo: League of Arab States, Institute for Higher Arab Studies, 1966), pp. 108-110.

¹² Bernadotte's report is contained in U.N. document A/648 (16 September 1948).

¹³ Ibid.

¹⁴ UNSA DAG-13-3, UNCCP. Subgroup: Principal Secretary. Series: Records Relating to Compensation/Box 18/1948-51/ Background Information Relating to Compensation; document: W/36, "Returning Refugees and the Question of Compensation" (7 February 1950).

¹⁵ See Fischbach, *Records of Dispossession* for details, especially p. 339.

¹⁶ This policy formerly was posted on the web site of the PLO Negotiations Affairs Department.

¹⁷ See Fischbach, *Records of Dispossession*, and *The Peace Process and Palestinian Refugee Claims*, for more details.

¹⁸ Ibid.

¹⁹ Palestinian Proposal on Palestinian Refugees, cited in *Journal of Palestine Studies* 31, 2 (Winter 2002): 145148.