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Memorandum dated 28 July 1949,
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by Mr. G. Moron of the Government of Israel

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M E M O R A N D U M

on Principles guiding the resettlement
of Arab Refugees.

1.

1. The economy of the Arab population of Palestine under the mandatory regime was essentially of an agricultural nature. Statistical figures on the occupation distribution of Arab earners in Palestine before 1947 show that 60% were rural earners, 3% industrial earners while another 3% of Arab earners were employed by Jews, particularly in citriculture. These figures need no further comment. Today, an Arab economy in that sense does no more exist. That part of Arab economy based on citriculture has to a large proportion lost its basis of existence, a fact which has been ascertained by the survey of the Palestine Conciliation Commission. Similarly, Arab urban economy, relying mainly on retail trade and artison professions the centres of which were the towns of Jaffa, Acre and parts of Haifa, belongs entirely to the past. Arab industry, as far as existent under the Mandatory Government and engaging chiefly in the manufacture of textiles, soap and oil, is in the main situated outside the State of Israel (Nablus, Gaza, etc.).

2. The Jewish population of Palestine numbered 600,000 at the end of 1947. Today, 1½ years later, it has risen to 900,000. The total number of inhabitants, including Arabs and other non-Jews, is at present 1,065,000. These figures alone give proof of the decisive, almost revolutionary transformation of the economic life of the country.

The economic planning system of the Israeli Government provides for the creation and expansion of a highly developed, modern and progressive economic entity, based, as in all Middle Eastern countries, on agriculture, but complemented by all attributes of modern economy, namely industrialization and expanding building, commercial and financial activities. It is obvious that the economic success so far achieved is in no mean measure due to the homogeneity of the Jewish population, which is responsible for a sociological structure quite unique in the Middle East, a structure entirely lacking in the sharp contrasts between rich and poor so usual in this part of the world.

3. The conclusions to be drawn from these facts for the method of tackling the Arab refugee problem are obvious. The clock cannot be put back. Since this problem first arose, the Jewish population has increased by 50%. The question of housing the newcomers was partly solved by placing them into habitable houses in abandoned Arab towns and villages. Immigration continues at an average rate of 800 per day. These figures alone give clear indication that the individual return of Arab refugees to their former places of residence is an impossible thing. Not only can the whole Arab economic system not be simply restored because its basis has practically disappeared; but also the physical return of the Arab middle-classes such as shopkeepers, tradesmen, free professions, has become a physical and geographical impossibility. Their houses have gone, their jobs have gone. Their previous means of livelihood have vanished with the disintegration of their economic organization. Instead, an entirely different kind of progressive agricultural, as well as urban and industrial, economy has made its appearance in the same area.

4. The Government of Israel is aware of the utter impossibility of resettling the refugees who have already returned and those who might still return to this country, in the very places from which they have come, the more so as such a resettlement would by no means enable them to become economically self-supporting. They would only continue their two years' experience as destitute camp inmates, fed by humanitarian organizations. The principles of agricultural resettlement in Israel should therefore be the following:-

- a) No individual return of refugees to their previous places of residence can take place unless in the shape of homogeneous groups of families, or based on tribal ties, with a proper village organization or organized along cooperative principles.
- b) The Israeli Government lays particular stress on the necessity that wherever resettlement is effected, it must be provided with the means to become, within a reasonable time, self-supporting and also gain a certain measure of autonomous self-administration fitted to the general administrative setup of the country.
- c) Resettlement will be economically desirable only if preceded by proper re-parcellation of lands in order to avoid the accumulation of splinter parcels which, as is well known, made many farmers a hopeless prey to wealthy absentee land-owners and was also one of the obstacles standing in the way of all endeavours to raise the standard of life of the Arabs.
- d) Land reclamation and irrigation envisaged for the whole country will, as a matter of course, also benefit the Arab centres of resettlement, and scientific progress, particularly in the field of agriculture, which is made available through the Israeli Government Research Stations, will assist the Arab farmer in even measure as the Jewish, the more so as it is in the interest of the country as a whole to avoid by all means the formation of under-developed areas.

- e) The Arab refugees thus resettled in Israel will, also economically speaking, be treated on the same footing as Jewish repatriates coming from abroad. Any discrimination would be detrimental to the whole economy because it would result in the creation of heterogeneous elements with serious consequences for the whole organizational set-up. Arab citizens in the State of Israel enjoy the same rights and privileges and are subject to the same laws as any other inhabitant of the country. They are represented in Parliament, they have their own administrative bodies, their schools, they have the advantage of all Government services, particularly health service, to the same extent as the rest of the population.

II.

1. It is obvious that this scheme can be applied only to a very limited number of refugees, for physical, geographical and economic reasons as set out earlier in this survey. The whole problem cannot of course be solved by Israel alone. It can only be effectively handled by international bodies who by wisely tackling it on the highest political and economic level, could thereby find a lasting remedy against the poverty and squalor of the population of vast areas in the Middle East, and avoid its corollaries--under-development and political unrest. Problems of similar magnitude were being solved by international bodies 25 years ago.

2. The difficulties presented by the problem of resettling in the 1920's about 1.3 million Greeks in their home country, were much heavier than those of settling 500,000 to 600,000 Arab refugees in our time. Then, the population to be resettled consisted to a large extent of towns-people scattered over comparatively large areas, while in our case it is in the overwhelming majority one of agricultural labourers, small holders and tenants, an almost homogeneous class whose resettlement involves few sociological or economic problems. That despite the great difficulties in its way the Turco-Greek resettlement was a success, is first and foremost due to the fact that shortly after the whole problem came up (1923), the feeding of the refugees by the American Relief Committee and by its special organization, the Near East Relief, was replaced by the activities of an economic body, the Refugee Settlement Commission, set up under the auspices of the League of Nations.

The financial side of the problem was equally solved on an international level. For financing the Greek refugee settlement a 7% loan was issued under the auspices of the League of Nations, in the amount of 12.3 million pounds (7.5 millions in London, 2.5 millions in Athens and 12.3 million dollars in New York). The net yield of this loan amounted to 9.97 million pounds which were used for resettlement of 650,000 individuals (170,000 families) in over 2,000 agricultural colonies and urban or semi-urban districts; in addition 400 schools were established, a large number of hospitals, dispensaries, nurseries, model-farms and bull-stations constructed and a fair-sized irrigation scheme executed. Moreover, small industries were set up, along co-operative lines, in urban and semi-urban areas.

3. If we draw a general balance sheet of the activities in connection with the resettlement of Greek refugees in the 20's, we find that the success achieved was largely due to the following facts:

Feeding of the refugees through humanitarian organizations was discontinued in the earliest stages and replaced by constructive resettlement measures;

Resettlement was carried out by an autonomous body solely responsible to the League of Nations;

Adequate financing was provided through the means of international loans under the auspices of the League of Nations;

New sociological units were formed aiming at a certain degree of self-sufficiency and mostly organized on co-operative principles.

4. These remarks furnish the guiding elements for the solution of the Arab refugee problem in the Middle East. In fact, prospects for their successful resettlement area much more promising than they ever were before in similar ventures, particularly so because:

- a) the Arab population forms a homogeneous mass with almost identical cultural, sociological and political background;
- b) all refugees originate from the same country;
- c) settlement could be carried out immediately and not in successive waves which, for example, had hampered the Bulgarian resettlement scheme after World War I;
- d) the means for financing the scheme could be made available because all countries organized in the U.N.O. are conscious of the fact that peace in the Middle East is fundamentally a matter of economic betterment and rehabilitation;
- e) and finally, because the form of economically self-supporting units, mainly through organization on co-operative lines, is no strange feature for the bulk of Arab refugees who have witnessed the success of this system during the past 30 years of Jewish colonization.

5. Vast areas adjoining Israel are under-populated and in consequence economically under-developed. There is no economic or political reason why these territories should not be included in the general resettlement scheme of Arab refugees, to the benefit of the whole Middle Eastern economic frame-work.

Transjordan is a typical example. Its present population, in an area of 34,740 square miles, amounts to about 340,000, of whom only 190,000 are settled, the balance being nomads or semi-nomads (as against Mandated Palestine's area of 10,157 sq. m., most of which is desert, with a population of 1,910,000 by the end of 1946). It is obvious that the settlement of refugees in Transjordan undertaken along the lines described above, would mean a very remarkable economic and sociological rehabilitation of the whole country.

The influx of refugee settlers in Transjordan would undoubtedly be followed by a considerable increase of the country's productive capacity, provided of course that settlement is effected in an orderly and well-considered manner under the supervision of experts of the highest standing. Transjordan's economy, so far entirely based on extensive farming, could thus be improved by a system of mixed farming; cattle breeding and raising of live stock would soon show considerable expansion, small and medium-sized industries would come into existence, in particular those availing themselves of natural resources. The latter applies to tanning, fruit and food processing, but chiefly to large-scale exploitation of mineral deposits of which phosphates especially constitute a highly valuable, though still hidden, treasure of the country. The next step would be a gradual reduction of imports of essential commodities, which could by then be manufactured in the country (soap, olive oil, vegetable oil, textiles, shoes), and an increasingly balanced trade and import system. The transport system, at present entirely inadequate, would in the course of time be considerably expanded; by a slow disappearance of the nomad way of life, and by the introduction of proper health and education systems, the population would finally reach a sound economic level and a high degree of self-sufficiency.

The situation with regard to Syria is quite similar. The country has at present a population of 3.4 millions, almost entirely composed of farmers and agricultural labourers whose vast majority are Sunni Moslems. They live in an area of about 100,000 sq. m. i.e., ten times the size of Mandated Palestine with less than double its population. Industrial development is still on a very primitive level, restricted mainly to the manufacture of edible oil, flour and silk. Natural resources are hardly exploited and exports are restricted almost exclusively to agricultural produce, wool, tobacco, olive oil and the like. Settlement of a fair number, say 200,000 to 300,000 Arab refugees in Syria would have a favourable effect on the country's economy and introduce an active element which has already acquired in Palestine a much higher standard of life than in any of the neighbouring countries.

The settlement of a certain number of refugees in Iraq would in a like manner develop the country's economic capacity. Iraq's population amounts to only 4.8 millions on an area of 116,000 sq. m. (i.e., two and half times the population of Mandated Palestine on more than 10 times its area). The influx of a homogeneous mass of mainly agricultural settlers would obviously contribute largely in solving the problem of economic disequilibrium from which Iraq is suffering so heavily. This additional labour force would furthermore be the prerequisite for the execution of the long overdue irrigation scheme. Tobacco growing, horse and cattle breeding, date cultivation and fishing, all these lines would experience considerable development to the benefit of the whole country. The unsatisfactory situation of Government finances would thus improve in the long run, the more so since the refugees would be settled in strict accordance with their agricultural professions and in consequence be able to increase the country's productive power almost immediately without requiring temporary subsidies.

6. This survey can, of course, offer no definite figures on the financial aspect of the scheme. Without a clear, especially an occupational, census of the present number of the refugees, and without comprehensive statistical studies of the economic planning possibilities in the neighbouring countries, no well-defined settlement budget can be set up. But it is obvious that a plan of such tremendous size requires vision and boldness and can only be financed on an international level. A clear indication in this direction can be seen in the Greek refugees' loan and in the way the Western Hemisphere tackled the development of certain areas in various countries of the world. If the Greek settlement problem, at that time of so overwhelming a size, could be solved 25 years ago, under much less favourable conditions, there would seem to be no reason why the same principle should not be successfully applied for a smaller, homogeneous group under much easier conditions.

The guiding principles for the realization of a resettlement scheme for all Arab refugees should be the following:-

- a) An international, autonomous resettlement body with wide powers should be set up under the auspices of the United Nations Organization.
- b) A census should immediately be taken of the entire bona-fide refugee population, excluding internal migrants attracted by the prospect of free aid.
- c) A precise survey should be made of the occupational background, and consideration also be given, on the basis of the results of the census, to existing family, tribal and village groupings.
- d) An international loan (at low interest, with a minimum life-time of 30 years, redemption to begin not earlier than after 10 years) should be floated by the appropriate bodies of the United Nations, especially by the International Bank for Reconstruction and Resettlement, but also by the other agencies such as the Export-Import Bank. The cooperation of the Middle Eastern countries in all operations of an economic character should be required, both by guarantees and by subscription to the loan.
- e) Irrigation and electrification schemes as required by Iraq, Transjordan-Israel and Lebanon-Syria, should be financed separately by special bodies under active participation by Israel and the Arab Governments concerned.
- f) The Resettlement Commission should be in charge of strictly supervising the use of the proceeds of the loan. As a matter of principle, only equipment, commodities and special services should be placed at the disposal of the beneficiaries in order to ensure proper channeling of means and adequate use of the equipment.

The rough scheme outlined above would, incidentally, wipe out the century-old curse of under-development in the Middle East; unrest and its corollary; smouldering war. It seems the only means to achieve lasting peace in this part of the world. It is the basic element for the return of normal economic conditions. It will pave the road from poverty, squalor and disease to well-being, prosperity and peace.

Israel is prepared to take her share in the execution of this scheme, not only with advice and technical assistance, but also in terms of financial participation.

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Hakirya
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