

The Jews of Iraq, Zionist Ideology, and the Property of the Palestinian Refugees of 1948: An Anomaly of National Accounting

Author(s): Yehouda Shenhav

Source: *International Journal of Middle East Studies*, Vol. 31, No. 4 (Nov., 1999), pp. 605-630

Published by: [Cambridge University Press](#)

Stable URL: <http://www.jstor.org/stable/176464>

Accessed: 03/07/2013 09:16

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <http://www.jstor.org/page/info/about/policies/terms.jsp>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.



Cambridge University Press is collaborating with JSTOR to digitize, preserve and extend access to *International Journal of Middle East Studies*.

<http://www.jstor.org>

Yehouda Shenhav

THE JEWS OF IRAQ, ZIONIST IDEOLOGY, AND
THE PROPERTY OF THE PALESTINIAN
REFUGEES OF 1948: AN ANOMALY OF
NATIONAL ACCOUNTING

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 will 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.

—Moshe Sharett, Israel's Foreign Minister, March 1951

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 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."¹ It would have been only natural for Iraqi Jews in Israel to have reacted with outrage to news of the hanging. 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 document from Moshe Sasson, of the Foreign Ministry's Middle East Division, to Foreign Minister Moshe Sharett maintained that many Iraqi immigrants, residents of the transit camps, greeted the hanging with the attitude: "That is God's revenge on the movement that brought us to such depths."² The bitterness of that 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.³

Certainly this historical document, even if it does not represent the reaction of the entire Iraqi community in Israel, attests to a problematic element in the primordial

Yehouda Shenhav is Associate Professor, Department of Sociology and Anthropology, Tel Aviv University, Tel Aviv, 69978 Israel.

© 1999 Cambridge University Press 0020–7438/99 \$9.50

perspective of nationalism adopted by the Zionist movement since its inception.⁴ Nationalism is deemed by that perspective to be the awakening of an ancient ethnic force, engendered by a primeval need to belong to a national framework. Zionism, according to Anthony Smith, is a particular case of such nationalism, and more specifically a characteristic case of “diaspora nationalism.” More than a mere academic model, the concept of diaspora nationalism is also a yardstick of Zionist historiography and praxis. Through its prism, Zionism viewed the Jewish communities around the world as inherently part of the Jewish national identity in Israel. Israeli encyclopedias and textbooks describe what in the Zionist epos is known as “Operation Ezra and Nehemiah” (the bringing of Iraq’s Jewish community to Israel in 1950–51) as a “rescue *aliya*” (*aliya*, literally “going up,” is the standard Israeli term to denote immigration) that saved harassed Jews who yearned to return to their ancient homeland after enduring ethnic suppression and discrimination.⁵

The story of how Iraq’s Jews were brought to newly established Israel affords an opportunity to re-examine the essence of the connection between ethnicity and nationalism.⁶ The developments surrounding the “nationalization” of Iraq’s Jews show how problematic it is to apply the thesis of primordial Zionism to that ethnic group, and undoubtedly to other Jewish groups in Europe and the Middle East. I have chosen, from the complex sequence of events in which the Iraqi Jews were brought to Israel,⁷ to deal with one specific episode, which has not yet been told: the fate of the property of Iraq’s Jews and its connection with the property of the Palestine Arabs who were expelled or who fled in 1948.

The focus of this article is on two intersecting claims that faced the Israeli government between 1948 and 1951. One was the demand, put forward by the United Nations and by the governments of the United States and Britain, that Israel compensate the 1948 refugees for property of theirs that had been impounded by the state’s custodian-general; the other was the expectation of the former Iraqi Jews to be compensated for their property frozen by the Iraqi government in 1951. I will draw on archival sources to show that the Israeli government turned this bind into a system akin to double-entry accounting with regard to the two sets of property—of the 1948 Palestinian refugees and 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 if they sought restitution.

This accounting logic was created by exploiting circumstances; it was not necessarily a pre-planned scheme. However, when implemented as *raison d’état*, it enabled the Israeli government to absolve itself “legitimately” of responsibility for compensating both the Iraqi Jews and the Palestinian refugees.⁸ Moreover, Israel’s nationalization 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 nationality. The Jews of Iraq, this article shows, became an instrument in a decision-making process from which they were excluded and which rested on basic assumptions they did not necessarily share.

The present case shows that the transition from (Jewish) ethnicity to nationalism is neither natural nor self-evident. While naturally concerning itself with the continuum between “ethnicity” and “nationalism,” the empirical description will also shed light on

the manner in which Israel played an active role in the Middle Eastern arena. Throughout the analysis, the Israeli government is conceptualized as a political broker acting to construct “national interests” and “ethnic categories” in order to fulfil its own objectives (*raison d'état*). State political actors formed a common Zionist identity for Jews of very different backgrounds, and simultaneously formed common oppositional identity for all “Arabs.” The paper demonstrates that by symbolizing the property of each group as collective rather than individual, the state helped construct these national identity categories as antagonistic.

Structurally, the article begins with a contextual background that sets forth the major parameters within which the drama described by the empirical material took place. This is followed by an analysis of the emigration of Iraq's Jews in the context of the ongoing theoretical debate over the question of nationalism. Finally, I will present an empirical description of actions taken by the government of Israel vis-à-vis the Jewish property and the Palestinian property in question.

CONTEXTUAL BACKGROUND

In the period from 1949 to 1951—when the drama described in this article 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 Basra. Together these two cities accounted for some 75 percent of the Jews in Iraq.⁹ Three decades earlier, the supplanting of the Ottoman Turks in the Middle East by the French and the English during World War I had engendered two significant developments in the region. First, a potent Iraqi nationalism sprang up as 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 independence in 1932, and four years later the perpetrators of a military coup seized power in the country. 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 in Iraq intensive activity did not begin until World War II. The interaction between these two social forces—Zionist nationalism and Iraqi–Arab nationalism—shaped the life of Iraq's Jews and finally transformed it beyond recognition.

In June 1941, following the flight of the pro-Nazi Rashid Ali and just before British forces re-entered Baghdad, the city's Jews were brutally attacked by Iraqi nationalists. The assault, known as the *farhud*, left some 250–300 people, mostly Jews, dead or injured. The Iraqi government, under Nuri al-Sa'îd, 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.¹⁰ The Va'ad Leumi (National Council) of the Yishuv—the pre-state Jewish community in Palestine—disseminated an exaggerated and distorted account of the *farhud*, and Yishuv institutions described the event as a calamitous massacre and even as a Holocaust.¹¹ The assessment of Yishuv 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,

who became 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]." ¹² In a meeting with David Ben-Gurion, the leader of the Yishuv, in July 1941, Nuri al-Sa'īd did not ignore 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. ¹³

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. Zionist activity in Iraq owed its success to collaboration with the British and in general to the British presence there. ¹⁴ The first Zionist emissaries operated as soldiers of the British Army and as representatives of Solel Boneh, a construction company owned by the Histadrut federation of labor in the Yishuv, 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 land 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 on which Iraq and Iran were major stations. ¹⁵ The Zionist movement in Europe maintained that it was essential to establish a Zionist center in Iraq. When the leaders of the Yishuv grasped the scale of the Holocaust and realized that European Jewry was cut off, a second reason for taking an interest in Iraqi Jewry presented itself: to improve the Jewish demographic balance in Palestine. ¹⁶ Like the other Jews from Islamic countries, the Jews of Iraq were considered a key population reservoir which could tilt the demographic balance in Palestine in the Jews' favor. At a meeting in July 1943 of the Central Committee of Mapai, the dominant party in the Yishuv (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 of 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." ¹⁷

Representatives of the Labor movement within the Zionist leadership believed it was urgent to infiltrate Iraq and establish a united Zionist movement there—not least to pre-empt attempts by the Revisionist movement or the Communist Party to gain a foothold among Iraq's Jews. ¹⁸ 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.

There was no local Zionist movement in Iraq to serve as a foundation on which the emissaries could build. ¹⁹ The Jews of Iraq had not experienced a Zionist "awakening" and did not consider Palestine an attractive option. In 1941, Eliahu Epstein (Elath), from the Jewish Agency's Political Department, had already met with a group of affluent Iraqi Jews who had fled to Tehran. However, he was unable to convince them to settle in Palestine and invest their capital there. Some of them told him bluntly that they did not believe in Zionism. ²⁰ They explained that they had no intention of displacing

the Arabs of Palestine and that migration to Palestine was feasible only for Jews who were indigent or had relatives there. In like fashion, the first meeting of Yishuv emissaries with the Jewish community in Iraq, in 1942, showed how wide was the gulf that separated Iraq's Jews from the idea of political Zionism. Enzo Sireni, from Kibbutz Givat Brenner, who arrived in Iraq under cover of a Solel Boneh construction worker, but whose real mission was to organize the activity of the emissaries sent by the Mossad l'Aliya Bet (the Yishuv unit that handled illegal Jewish immigration to Palestine), said of Iraq's Jews, "They lack Zionist political awareness. Even those young people who have organized for Jewish defense 'have national and human dignity but lack a Zionist outlook and even a Zionist instinct.' . . . Hardly any of them possess Zionist political awareness."²¹

A report in the same spirit was conveyed by Aryeh (Shiel) Eshel, who was also sent to Iraq as a worker of Solel Boneh: "I was told that they are Zionists . . . and are ready to make *aliya*. . . . [But] all this is neither Zionism nor yearning for the Land of Israel nor readiness for *aliya*. . . . [It is] dreadful hypocrisy, the height of Levantism."²² 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."²³ The Jewish Agency representatives in Iraq were also cognizant of the disparity between the Yishuv's 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.²⁴

Among Iraq's Jews there was a strong sympathy toward the 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 ethnic 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, for the government to organize illegal flights from Iraq was rejected.²⁵ Since no comprehensive, authoritative plan of action had been worked out with the Israeli government, the emissaries and the local activists operated at their own initiative, without precise guidelines.

The possibility that Iraq's Jews could remain in their native land—the so-called Iraqi option²⁶—was rendered unfeasible by two not unconnected reasons. One reason that the Jews were compelled to leave was the surging of the Pan-Arabic and Iraqi nationalist movements.²⁷ Israel's establishment in May 1948 was a boost for the Iraqi nationalists. The practice of Zionism was outlawed in July 1948. Jews in the civil service were dismissed, and the entire Jewish community was placed under surveillance. The situation was aggravated by Prime Minister Nuri al-Sa'îd's co-optation into 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.²⁸

The second reason that the Jews were compelled to leave was the activity of the Zionist movement in Iraq and the establishment of the State of Israel, as a result of which Jews were identified irrevocably with Zionism. Indeed, the activity of the Halutz movement in Iraq caused many local Jews to be perceived as Zionists, and hence as fifth-columnists. The actions of the Zionist movement in Iraq forged a reality which, in retrospect, justified the movement's presence there. As Ben-Tzion Yisraeli, an emissary of the Jewish Agency in Iraq, foresaw in 1943, "[the Iraqi Jews] are liable to be among the first to pay the price for our enterprise in the Land of Israel."²⁹

Shortly after his government assumed power in January 1949, Nuri al-Sa'îd toyed with the idea of deporting the Iraqi Jews to Israel. However, the British ambassador in Palestine warned him that such an act could 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.³⁰ In February 1949, the Foreign Office instructed the British ambassador in Baghdad, Sir Henry Mack, to caution Nuri al-Sa'îd against expelling the Jews, as this would adversely affect the position of the Arab states.³¹

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.³² 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, strongly attached to its native land, uprooted, and its right—and the right of individuals within it—to decide its own fate appropriated.³³ 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 collective memory of a community was appropriated and transplanted into a different narrative—the Zionist narrative—which the Iraqi Jews had no share in creating. As the Zionist narrative tells it, Iraq's Jews were a community under virtual siege, and their transfer to Israel was a "rescue *aliya*." That narrative posits a natural, harmonious connection between (Jewish) "ethnicity" and (Zionist) "nationalism." I turn now to a brief theoretical discussion of the connection between these two categories, in which I will argue that the case of Iraq's Jews illuminates the problematic nature of the primordial approach of nationalism as it is depicted both in academic research and in Zionist historiography.

THE JEWS OF IRAQ IN THE CONTEXT OF THE DEBATE ON NATIONALISM

For some years, a fascinating debate has been conducted in the literature over the question of modern nationalism. One approach holds that the sources of nationalism are primordial.³⁴ Nationalism, the proponents of this view argue, is a result of a natural, *sui generis* process of coalescence involving collective loyalties and identities, which has always characterized human communities.³⁵ "Ethnic" identity is said to have undergone a modern reworking into national ideology. This approach finds a direct, and one-directional, relationship between ethnicity and nationalism: the renewal of *ethnie*, the desire of the group's members to return to the "ethnic" homeland. In Smith's

conception, Zionism was a form of “diaspora nationalism” which renewed its *ethnie* in the common territory of the Holy Land. Jews have survived as an ethnic group since the time of Ezra, saw themselves as belonging to the sacred soil, and have always invoked ancient symbols, such as the Torah scrolls, the menorah, fasting, and the rituals of kosher food as unifying collective emblems. Gellner dubs this model the “Sleeping Beauty syndrome,” referring to the revival of a latent, dormant, primeval force.³⁶

Other scholars, however, maintain that nationalism is a distinctly modern phenomenon, a functional substitute for pre-modern categories, and a mechanism of mobilization in the hands of political elites.³⁷ Eric Hobsbawm, for example, refuses to see a connection with the past as being relevant to modern nationalism. Thus, the bringing of Jews to Palestine has no connection with an ancient yearning for Zion among Jewish communities in the various diaspora communities. Jews, rather, came to Palestine due to the activity of Zionist functionaries and intellectuals who engaged in the “engineering of nationalism” and also “invented” the tradition of the past by overlaying it in national colors. The national symbolism of Zionism, including the appropriation of the past to serve its purposes, was forged by modern intellectuals such as Max Nordau and Ben-Zion Dinur.³⁸ History and mythology, this conception holds, are organized and tailored to meet present needs.³⁹ As Uri Ram put it succinctly, “The ‘national past’ is an image that is forged in the present, and the ‘national present’ is an image that rests on the past. . . . Nationalism is a collective consciousness of identity that refines materials from the past to meet the needs of the politics of the present.”⁴⁰ If primordialists insist on the need to trace the ancient historic bond between the heritage of Iraqi Jewry and the Zionist State of Israel, then modernists ask why and how the State of Israel adopted (or appropriated) the heritage of Iraqi Jewry into its being and its national ideology.⁴¹

The description here of the means by which Iraq’s Jews were brought to Israel shows clearly that it is essential to distinguish between Jewishness as an ethno-linguistic category and Zionist nationalism as propounded by European Jewish intellectuals from the end of the 19th century. Zionism, it should be borne in mind, was meant as a response to the distinctive conditions and problems of Eastern European Jews, not to the situation of the Jews in the Arab lands. The Zionist elite was always European, and its idiosyncratic outlook subsequently gave rise to the Jewish national ideology in Palestine. The Jewish community of Iraq preserved all the ethnic symbols across generations of existential continuity. Indeed, the Jews in Iraq expressed a primeval, albeit abstract, yearning for Zion, but they were as remote from political Zionism as east is from west. The majority refused to view themselves as Zionists and opposed the Zionist movement, which began to penetrate Iraq beginning in the 1930s for its own social, economic, and political purposes. I believe that the empirical description that follows should be seen as the concrete manifestation of the heavy price paid by an ethnic community that moved/was moved from an “ethnic” state of being to a “national” state of being.

The primordial version mobilizes the ethnic in order to create the “national.” In the case of the Iraqi Jews, the encounter of the ethnic with European Zionist nationalism illustrates the tension as well as the contradiction between these social categories. It proves that different ethnic groups are not homogeneous, and that a monolithic

perception of their national affiliation is misplaced. The nationality of Iraq's Jews was "forged" in the press of the Zionist enterprise together with the appropriation of the community's place, territory, and yearnings. The contradiction between the "ethnic" and the "national" in the creation of a "nation-state," and the question of who gains and who loses in that process, is at the center of our discussion.

The analysis that follows is based on documents that were found in the State Archive and in the Zionist Archive. I will begin by recounting the discussions held by the Israeli government about bringing Iraq's Jews to Israel; I will then go on to describe how the government maneuvered the question of the Jewish and Palestinian property. The attitudes and desires of the Israeli government with regard to both sets of property will dramatize more strikingly the gap between the primordial version of "diaspora nationalism" and the historical reality—in other words, the long road and the heavy price entailed in the transition of Iraq's Jews from ethnicity to nationalism. I hope to demonstrate that government action regarding property matters had tremendous ramifications in terms of identity construction. By defining Iraqi Jews as Israeli citizens, the Israeli government was able to deny Palestinian rights for reparations, and at a later stage denied the Palestinian rights to return to Palestine.

DISCUSSIONS OF THE ISRAELI GOVERNMENT REGARDING IRAQI JEWRY

Police Minister Behor Shitrit was the first, in March 1949, to raise the question of the "situation of Iraq's Jews" in the cabinet.⁴² Shitrit said he was worried about the condition of the Jews in Iraq after Zionism had been outlawed; at one stage he proposed that the property of Israeli Arabs be held hostage for the Jewish property in Iraq, but this idea was rejected out of hand by the Israeli Foreign Ministry.⁴³ At the end of that month (30 March 1949), the Knesset held a debate on the situation of the Jews in the Arab countries. Eliahu Eliachar, from the Sephardi list, asserted that in addressing the refugee issue the government must take into account the transfer to Israel of Jews who would want to make that move: "this bargaining chip was given to our government by Divine Providence so that we can take preventive measures."⁴⁴

In September 1949, Shitrit again raised in the cabinet what he called "the problem of the Jews in the Arab lands." He asked whether the Foreign Ministry had taken steps to assist them: "I would like to know if there is any way to abet their rescue; . . . if it is possible to arrive at some agreement on a '*transfer*' [emphasis added] in terms of both property and people, and to take up the matter with the U.N. institutions and inform the world. . . . They are our brothers, and it is our duty to rescue them."⁴⁵ To which Foreign Minister Sharett retorted brusquely, "This is actually a query and not a subject being put forward for discussion. . . . If Mr. Shitrit takes an interest in matters of immigration—he need not bother the cabinet with this—there is a special institution for it, and there they would inform him of the difficulties being encountered in getting the people here. . . . They will explain to you why it is impossible to bring Jews from Iraq at this time." In this discussion, Sharett for the first time spoke about the Jewish property in the Arab countries. He cited the absence of a peace treaty with Iraq as the reason for his negative attitude toward possible cooperation with the government in Baghdad:

To address at this time the question of transferring the property of the Jews to Israel—that would be naive. We are talking about an agreement, about establishing peace, and we are not budging—will we suddenly succeed in removing the question of the Jews from that framework and getting the Arab states to accept an agreement regarding the Jews who reside in those countries? I am not blessed with that kind of diplomatic skill! Such thinking is quixotic.⁴⁶

For the sake of balance, Sharett did not forget to point out that hundreds of families had arrived in Israel from Egypt and were being provided with housing by the government. It was apparently not by chance that Sharett linked these new arrivals with the Palestinian property in Israel: “I met one of these families which had already settled in one of the abandoned villages—people who had come from Egypt just a day or two before.” This remark, however, elicited no reactions because Ben-Gurion stopped the discussion: “Permit me to interrupt you for a minute. I would like to show you the work of a young soldier from the Engineering Corps. This little tank is hand-made, and he did it with his own hands. It is used as a lighter” (the Prime Minister shows the cabinet a miniature tank, complete in every detail, that he received as a souvenir). The discussion ended without the prime minister and the foreign minister having to address Shitrit’s question about a transfer. However, Sharett’s linkage of Jewish property and Arab property, here presented only associatively, would in time be developed into an ideological thesis and official practice of the Israeli government.

In July 1949, the British, fearing the decline of their influence in the Middle East, put forward a proposal for a population transfer and tried to persuade Nuri al-Sa‘id to settle 100,000 Palestinian refugees in Iraq. A letter sent by the British Foreign Office to its legations in the Middle East spoke of an “arrangement whereby Iraqi Jews moved into Israel, received compensation for their property from the Israeli government, while the Arab refugees were installed with the property in Iraq.”⁴⁷ The British Foreign Office believed that “the Israeli government would find it hard to resist an opportunity of bringing a substantial number of Jews to Israel.”⁴⁸ In return, Nuri al-Sa‘id demanded that half the Palestinian refugees be settled in the territory of Palestine and the rest in the Arab states. If the refugee arrangement were indeed fair, he said, the Iraqi government would permit a voluntary move by Iraqi Jews to Palestine. Under the terms of the plan, an international committee was to assess the value of the property left behind by the Palestinian refugees who would be settled in Iraq, and they would receive restitution drawn from the property of the Iraqi Jews who would be sent to Palestine.⁴⁹ Although Zionist circles at the time accepted ideas involving population exchanges as a solution to the conflict,⁵⁰ the proposal did not generate an Israeli response.

In October 1949, the world and Israeli press reported the Iraqi–British plan for a population exchange (e.g., *Davar*, 16 October 1949). The publicity embarrassed the other Arab leaders and caused a stir in the refugee camps of the West Bank and the Gaza Strip. In a message to the Foreign Office, Henry Mack, the British ambassador to Iraq, said that the Palestinian refugees would not agree to settle in Iraq.⁵¹ The Iraqi delegate to the United Nations, Fadil al-Jamali, also lost no time denying that Iraq had agreed to take in 100,000 refugees; he claimed that Zionist sources were behind the reports.⁵² Even though internal documents show clearly that the plan was known to various levels of the Israeli administration,⁵³ Israel immediately rejected it out of hand. “In my eyes,” Ben-Gurion said, “all the talk about an exchange is strange. Clearly, if the

Iraqi Jews are able to leave, we will receive them and we will not ask questions about an exchange or not an exchange; about property or about an absence of property.”⁵⁴

Israeli sources claimed that “Iraq is casting an eye on the Jewish property” and that Baghdad had floated the transfer idea as a trial balloon.⁵⁵ Nevertheless, Behor Shitrit reiterated his transfer proposal. In response to various rumors, he wrote explicitly to the finance minister: “If an official proposal is made to our government about a population exchange, we should accept the offer.”⁵⁶ Ignoring such signals, Ben-Gurion and Sharett formulated a policy based on refusal, notwithstanding the government’s apparent interest in bringing the Iraqi Jewish community to Israel. They understood the “heavy price” Israel would have to pay if it entered into concrete agreements with Baghdad: allowing the return of the 1948 Palestinian refugees and compensating them for their property. Sharett told the British ambassador to Israel that Israel would agree to take in the Jews of Iraq just as it would any other Jewish community, but would not agree to receive them as destitute displaced persons.⁵⁷ The ambassador reported that the principle of a population exchange was acceptable to Israel in principle, but that the idea of exchanging 100,000 homeless (Palestinian) refugees for 100,000 (Jewish) refugees who would leave their assets behind was read in Israel as mere extortion.⁵⁸

Excitement and expectation ran high within the Iraqi community in Israel (approximately 3,000 Jews who had immigrated prior to the establishment of the State of Israel) at the rumors of population exchange. A large demonstration of Iraqi Jews held in Tel Aviv demanded aid for their brethren in Iraq. Shitrit admonished the activists of the Iraqi community in Israel “not to seek the intervention of foreign elements on their own,” as this fell within the exclusive purview of the government.⁵⁹ The community acceded to the government’s request to leave such initiatives to the government. The Iraqi Jews in Israel were assured that the government was doing its utmost to extricate Jewish property from Iraq and accelerate the departure of the Jews from the country.

However, rumors about a possible population exchange with Iraq persisted,⁶⁰ forcing the government to clarify its stand. At a meeting, the ministers pressed the foreign minister and the prime minister for information.⁶¹

Rabbi Y. M. Levin: Is there any basis to the [reports about a population] exchange?

Sharett: . . . What does an exchange mean—we cannot solve the problem of the Arab refugees on the basis of an exchange, we do not have enough Jews to match the number of the Arab refugees. . . .

A week later, the cabinet held a special meeting on the situation of Iraq’s Jews, apparently under pressure from Behor Shitrit.⁶² The Minister of Police briefed his cabinet colleagues on the demonstration held by the Iraqi community in protest against the government’s failure truly to address the plight of the Jews in Iraq, even though it was the government that had brought about their tenuous situation:

Shitrit: These people are aware of the steps taken by the government. They know that it was only recently that Jews were sent from here to accelerate the possibility of bringing the Jews of Iraq to Israel, if possible. But they are asking themselves whether the proposal by Nuri al-Sa‘id for a population exchange is a concrete offer or only an attempt to throw sand in our eyes. . . . The Iraqis want to dispossess the Jews of the commercial and financial enterprises they

own. . . . They constantly blame the spread of communism on the Jews and view them as the bearers of the communist message in Iraq. . . . The Jewish property in Iraq is estimated to be worth 156 million pounds. . . .

Sharett: On the question of a population exchange, it was reported in the press, purportedly citing the spokesman of the Survey Group, that the Prime Minister of Iraq has allegedly made such an offer. We asked the Survey Group about the truth of this report. We received an official reply that in the course of a conversation Nuri al-Sa'îd had "thrown out" an idea along the lines of a possible exchange of Iraq's Jews for the Arab refugees. . . . Agreeing to this would mean, in my opinion, our agreement to have the property of Iraq's Jews confiscated by the Iraqi treasury in return for the Arab property we have confiscated here, and then we assume responsibility for compensating the Jews of Iraq on the account of the Arabs' property, as against the Jews' property there. That would create a dangerous precedent with regard to Egypt and other countries. It could also be construed to mean that every Arab country undertakes to accept refugees only to the extent that it has Jews.

Sharett's concern was over a possible future claim of compensation by Iraq's Jews should the Israeli government agree to a transfer deal. The possibility of extricating the Iraqi Jews together with their property was lost in the accounting logic that he developed: "This would be a dangerous precedent vis-à-vis other countries. We will be confronted by tens of thousands of people who will arrive, naked and destitute, demanding that we give them property. This could entangle us in an extricable impasse."

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.⁶³ The Israeli government's disregard of the transfer offers was thus motivated by instrumental rather than moral considerations. The government believed that by officially agreeing to a transfer—despite the opportunity it presented to bring the Jews of Iraq to Israel—it would create a "dangerous" precedent.⁶⁴ 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 Maghrib Jews to Israel had not yet arisen).⁶⁵ The government in Israel feared that by agreeing to a population exchange that rested 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 internationalized Jerusalem.⁶⁶ 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 Arab refugees in return for the Iraqi Jews could Israel contemplate accepting the transfer agreement.⁶⁷ However, that possibility was deemed farfetched. The Israeli government, fearful of having to cope with a "surplus" of Palestinian refugees, preferred to forego an agreement for the departure of Jews who found themselves trapped inside Iraq because of the activity of the Zionist underground, the 1948 war, Israel's establishment, and the rise of Iraqi 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 freezing of Jewish property could be invoked as a "successful" excuse to justify the nationalization 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.⁶⁰ 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.⁶⁹ We do know that on 8 April 1950, a fragmentation grenade exploded near a Jewish cafe in Baghdad, 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.⁷⁰ 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.⁷¹ A third version finds a reasonable possibility that the bombings were a local initiative by the Zionist underground, unknown to the leadership in Israel. According to this description of events (which is unsupported by documentation), the emissaries and the local activists wanted to bring psychological 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.

The rate at which the emigrants were brought to Israel fluctuated from month to month in accordance with guidelines issued by the Israeli government and the Jewish Agency's immigration department. The quotas were generally low, owing to the simultaneous arrival in Israel of Jews from Eastern Europe, leaving the anxious Jews of Iraq waiting their turn in a kind of limbo, having renounced their citizenship and, afterward, having also been stripped of their property. In Israel there were protests at the mere trickle of arrivals from Iraq. In November 1950, officials reported to the foreign minister that the Iraqi community in Israel was "complaining at the discrimination against the Mizrahi communities in the immigration quotas to Israel."⁷² Three stormy demonstrations against the government in Israel led to a promise to raise the figure by 5,000–6,500 Iraqi immigrants per month.

In Iraq itself, local Zionist activists had seized control of the community after the leadership lost control of events. The young militants, enthralled by Zionist nationalism, were highly critical of the community's leadership, which found their approach wrong-headed. They branded the leader of the community, Rabbi Sasson Kadourie, a "traitor and a collaborator" with the Iraqi authorities, and according to some reports beat him and boycotted him.⁷³ Under this pressure, Rabbi Kadouri and the entire community council resigned; the new leader, Heskail Shemtob, was willing to cooperate with the activists.⁷⁴ Having taken over the local leadership, the young Zionists also tried to gain control of registration for migration.

In April 1950, following the enactment of the denaturalization law, attempts were made on behalf of the State of Israel to extract the Jewish property in Iraq unilaterally. Ezra Danin, an adviser to the Foreign Ministry's Middle East division, reported that he had been asked by the prime minister to trade the property of Israeli Palestinians—those listed as “present” and “non-absentees”—who “will want to leave” because “they have not been able to adapt to the Jewish State”—for the property of the Jews in Iraq. Danin wrote to the finance minister:

I have been asked by Messrs. Y. Palmon and Z. Lief, in the name of the Prime Minister and the Foreign Minister, to try to examine whether the possibility exists to exchange property of *non-absentee* [emphasis in the original] Israeli Arabs for property of Jews in Iraq. It was emphasized that the examination will be carried out with regard to Iraq and not the other Arab states, and that no attempt should be made to involve property of absentee Arabs in this matter.⁷⁵

Danin, it should be noted, was a member of the transfer committee that Ben-Gurion had set up.⁷⁶ The proposal put forward by Ben-Gurion and Sharett constituted a program for the planned transfer of “present” Israeli Arabs. Z. Lief, an adviser on land and borders in the Prime Minister's Office, and an ardent activist in the efforts to organize a transfer of Israel's Arabs, had already moved to implement the proposal.⁷⁷ In a note to the prime minister, the foreign minister, and the finance minister, Lief wrote:

As a first means, I would advise instructing our representative in Persia to contact Jewish circles in Iraq and have them desist from the wholesale liquidation of assets at depressed prices and hint to them that the prospect exists that they will be able to liquidate their property at better terms on an exchange basis.⁷⁸

Nothing was done with Lief's request, but Danin persisted with his efforts and was able to work out an arrangement with a number of Arab families to leave Israel. Emisaries on his behalf went to Iran in order to organize a property exchange from there, but their efforts fell through because the proposals sounded suspicious to the Iraqi Jews. Reports about difficulties, discrimination, and bureaucratic obstacles in Israel deterred them from investing in the country or transferring capital there.⁷⁹ Still, it is not clear whether the attempts at a unilateral extraction of property were serious.

In September 1950, after the organized departure of Jews from Iraq had begun and with the Israeli government no longer feeling threatened by an explicit transfer agreement, Sharett acknowledged publicly that the Iraqi proposal had been a genuine diplomatic option.⁸⁰

From here we move to the heart and soul of the human and political drama surrounding Jewish and Palestinian property.

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 10 March, Prime Minister Nuri al-Sa'îd submitted a bill to Parliament and to the Senate to impound and freeze the property of the Jews, the richest in the Middle East.⁸¹ To keep transactions from 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.⁸²

The passage by the Iraqi Parliament of the freeze law on Jewish assets came as a gift from the gods to the Israeli government. It was relieved 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.”⁸³

Sharett continued to develop the government’s approach, but the implications regarding the Arabs’ property were still indecisive and inchoate:

There is tremendous excitement within the Baghdad community [in Israel]. I will 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 which 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 logic of accounting was formulated by 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 will deduct the value of this property. . . .

[Finance Minister] Eliezer Kaplan: I would not approach the United Nations, I do not see what the point of such appeals is, but I would announce—both here and to the U.N.—that in the light of the plunder there [in Iraq] we will take it into account in every reckoning that we submit. Dov Joseph: There is some danger in that.

Kaplan: But it is the truth, because if we ever get something and make a just accounting . . . whether for individual compensation or group compensation, we will enter it into the account and announce it immediately. . . .

B. Shitrit: The Iraqi Jews [in Israel] . . . are planning to go to the Foreign Ministry, and the foreign minister will have to receive them. I do not think we can make do with vague words; there is no doubt that their demand regarding the property of the Arabs in Israel is well founded. We cannot simply say that we had a windfall. Their [the Iraqi Jews’] situation is due to the creation of Israel, and we must think of a way to compensate them—compensation drawn from the property of the Arabs. Otherwise they can argue, with justification: If it were not for the State of Israel, after all we lived there for hundreds of years as free people, we engaged in commerce and crafts, we accumulated riches and property; and if we tell them that is irrelevant, we will only fan the flames. . . .

David Remez: I propose that we submit a bill to the Knesset to create a fund for the absorption of Iraqi Jews who were dispossessed by the Iraqi government when they left. . . .

D. Joseph: . . . What we all understand—that there is a difference between what we did and what they did—the gentiles do not understand. The world knows that people left this country and are not being allowed to return, and on that basis we took their property. It is not so straightforward for the gentiles, it is not as straightforward to them as it is to us. . . .

E. Kaplan: First, as regards what Minister Remez said: I think that the passage of any such resolution by the Knesset would be an unmitigated disaster, because we would be stating a priori that whenever money is plundered from Jews, it will be paid [back] to them by the government of Israel. That is a very strange form of protest. If someone does a wrong, he should pay the consequences. If Minister Remez is saying that we should help them, we are helping all new immigrants by spending millions of pounds to settle them in this country.

Kaplan's contention that vast amounts of money were being expended to bring the Iraqi Jews to Israel is groundless. Even after its assets were impounded, the Iraqi Jewish community was the only one that bore the brunt of the costs of its migration from its own resources.⁸⁴ Later in the discussion, Kaplan cautioned Shitrit against creating the impression that the Israeli government had wronged the Iraqi Jews:

To Minister Shitrit I would say that he should be wary of stating: "Actually, these Jews could have stayed quietly in Iraq, but Israel forced them to leave their country," as though they are merely victims of the State of Israel. . . . If we accept Minister Shitrit's remarks, then . . . one could go further and say that the State of Israel owes compensation to each and every person who comes here. In Poland, too, and not only in Iraq, the money of Jews who immigrate to Israel is taken from them.

On 19 March, 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 will 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.⁸⁵

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.⁸⁶ The Foreign Ministry informed the Palestine Conciliation Commission that the government of Israel was committed to contributing toward 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 will find itself having to undertake the rehabilitation of 100,000 Iraqi Jews."⁸⁷

In the debate that followed Sharett's statement to the Knesset, the Iraqi government's moves drew wall-to-wall condemnation. Tawfiq Toubi of the Communist Party termed the property freeze "reactionary," "racist," and "fascist." Some speakers drew an analogy with the "Nazi plunder." Meir Argov (Mapai) noted that the Israeli government had intended to help resolve the refugee problem, "but now, after the plunder of the Iraqi Jews, we will be exempt from that obligation." Although Baghdad was universally criticized, only three Knesset members had harsh words for the Israeli government. Eliahu Eliachar (Sephardi List) questioned the government's slow pace in bringing

the Iraqi Jews to Israel. Castigating the “quota” system, he revealed that Sharett had rejected a request he had made together with Behor Shitrit to speed up the rate of emigration. Right-wing Knesset members directly assailed the absurd logic and terminology of the accounting approach. Israel Rokach (General Zionists) stated, “We cannot accept . . . that it is possible to immediately open a system of accounting and thereby ‘cover up’ the plunder and taking of property. . . . It is inconceivable . . . that we should make do with entering from the other side of the ledger a debit against the robbery.” Also protesting Sharett’s use of the term “account” was Ya’akov Meridor (Herut). He insisted that the Arab states owed Israel compensation of “hundreds of millions of pounds sterling,” and not the reverse. Consequently, there was nothing to be gained by threatening to deduct the value of the Jewish assets in Iraq “from a sum which we are under no obligation whatsoever to pay.”⁸⁸

Sharett’s statement, which linked the frozen Jewish assets in Iraq with the Palestinians’ property and seemed to hold out the promise of compensation for the Iraqi Jews, was aimed at both the Iraqi Jews and the international community. It was necessary to send a message to the Iraqi Jews, as they had assailed the Zionist activists for doing nothing to salvage the community’s property. The statement—whose implications Sharett would later disavow—had the intended effect of assuaging the concern of the Iraqi Jews, but also of generating high expectations among them. They were now convinced that they would receive restitution from the Israeli government for the property they were leaving behind. According to a cable from the Zionist emissaries in Iraq,

Sharett’s statement in the Knesset generated a very positive response among both the Jews and the Arabs. The Jews believed that they now had something to rely on, and this went a long way to relieving their state of depression. . . . Jews whose property has been frozen are asking us whether it will be necessary to present documents in Israel proving their ownership of the frozen property, and if so how to forward these documents.⁸⁹

Yitzhak Raphael, the head of the Jewish Agency’s Aliyah department, who was also a recipient of the cable, noted with satisfaction in his diary that Sharett’s statement had mitigated the sense of discrimination among the Iraqi Jews.⁹⁰ S. Kahane of the Foreign Ministry’s Middle East division cautioned Sharett that “we have to take into account that the registration of claims may generate illusions among the new immigrants, and they are liable to demand that the government of Israel pay them compensation from the funds of the [Arabs’] abandoned property.”⁹¹ The chairperson of the Movement of the Jews of Iraq and the East in Israel insisted that the government pay compensation immediately to the Iraqi immigrants using the Arab property in Israel that was managed by the custodian-general.⁹² In a bland reply, the Foreign Ministry assured him of “the government of Israel’s consistent concern for the fate of the property of the Jews in Iraq.”⁹³ However, at the same time the ministry sent an internal memorandum to the director-general of the Prime Minister’s Office explaining that the registration of property claims had the sole purpose of creating a bargaining chip on the Palestinian issue. The memorandum added that it was crucial to uphold the principle of group compensation and not individual payments, as many of the refugees were demanding. “We will not, then,” the author of the document noted, “be able to take the opposite approach with the Iraqi immigrants without opening the gates to a flood of private claims from tens of thousands of Arab refugees who once owned any property

in the Land of Israel.” In short, the Foreign Ministry’s proposal—which was put into practice—was to make the Iraqi immigrants hostages of the Israeli government.⁹⁴

As noted, Sharett’s Knesset statement was also intended as a message to the Great Powers. Although in the past he had vehemently opposed the transfer option, the frozen property in Iraq afforded him a golden opportunity to lock the skeleton of the Palestinians’ rights into a closet. Even though Sharett himself knew that the Palestinian property that had been sequestered was vastly more valuable than the estimated worth of the Jewish property in Iraq, he nevertheless allowed the Foreign Ministry to “release” exaggerated appraisals of the respective worth of the two accounts. In a cable to the Israeli legation in Paris, Walter Eytan noted (16 September 1951): “The mutual release of frozen deposits should include Iraq. . . . The value of the frozen deposits of Arabs in Israel is estimated at five and a half million pounds, whereas the value of the frozen deposits of the Jews in Iraq is at least twenty million and perhaps even thirty to forty million.”⁹⁵

On 27 March 1951, Sharett met with U.S. Undersecretary of State G. McGhee, in the presence of the U.S. ambassador to Israel.⁹⁶ Sharett reasserted the Israeli government’s promise and enlisted the German reparations to Israel as a possible source for enabling its implementation. On 1 May 1951, the United States announced that if the Israeli government took positive action to accelerate the transfer of the frozen property of the Palestinian refugees, it would be possible to approach Baghdad with a similar request.⁹⁷ In its reply, the government of Israel rejected the comparison but reiterated its readiness to pay restitution for the “abandoned property” as part of a peace agreement.⁹⁸ Britain, too, maintained that the Iraqis’ impounding of Jewish property was not an original idea: Israel had set the precedent. No attempt to effect a settlement would be useful, the British believed, unless Israel either unfroze the refugees’ property or paid compensation.⁹⁹

The Israeli government’s creation of the linked property account was a singular act—something of a historic milepost—that constructed a zero-sum equation between the Jews of the Arab countries and the Palestinians in Israel. The political theory that underlay the Israeli government’s construction of that equation rested on a system of moral, diplomatic, and economic assumptions that resulted in a practice of nationalization and naturalization that was riddled with contradictions. The government of Israel automatically assumed that the Jewish ethnicity of the Iraqi Jews meant that they harbored a Zionist orientation. It “endowed” them de facto with that particular form of national identity before they had any intention of immigrating to Israel and certainly without having obtained their consent. The Foreign Ministry was aware that the Iraqi Jews could not be considered refugees, still less citizens of Israel.¹⁰⁰ The process of nationalizing and naturalizing the Iraqi Jews—while they were still in Iraq—was collective rather than individual. The parties in question were not consulted. As Sharett put it, “I said that we will not rely on the free choice of the refugees, but that this is a question of an agreement between states.”¹⁰¹ On the basis of this naturalization, the Israeli government “appropriated” the property of all of Iraq’s Jews in order to use it—rhetorically, symbolically, and judicially—as state property in every respect. Files in the State Archive containing the correspondence of the Foreign Ministry on the property of Iraq’s Jews bear the telltale heading “*Protection of Israeli Property*.”¹⁰²

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.”¹⁰³

Sharett’s declaration that the question of the Jewish property would be taken into account in the future was put to an empirical test three times: in 1951, in the mid-1950s, and in the 1970s, during the negotiations on the peace treaty with Egypt. In 1951, a government commission was established to document Jewish property that was left in Iraq. The documentation was held while immigrants were still in transit camps. Archival documents show that the commission was not created out of concern for the Iraqi Jews’ property; its report was to be used as a buffer by the Israeli government in the face of future claims for compensation resulting from the nationalization of Palestinian property by the custodian-general. Thus, the officials who drew up the document establishing the commission, seeking to conceal the manipulation, wrote:

It is proposed not to announce, at least for the time being, that registration of the personal claims is being carried out *with the aim of deducting the value of the Jewish property frozen in Iraq from the payment of compensation for the abandoned Arab property.*¹⁰⁴

In 1955, public pressure forced the establishment of another commission to register again the Iraqi immigrants’ claims. The commission sent a report, dated 17 December 1956, to the Foreign Ministry, where it was ignored.¹⁰⁵ The officials suggested that the registration should be done by an extra-governmental body in order to avert a situation in which the government would have to assume responsibility vis-à-vis the Iraqi Jews. On the eve of the commission’s establishment in October 1955, the prime minister ordered that Iraqi immigrants presenting their claims not be asked about movables they had left behind, since “*their registration is likely to conflict with our policy of restitution to the Arab refugees, which is confined solely to immovables.*”¹⁰⁶ Knesset Member Shlomo Hillel, who had been one of the leading Zionist activists in Iraq, was involved in making this decision, which was one of the most cynical acts of the government in its treatment of the Iraqi community in Israel.

In 1975, the newly established World Organization of Jews from Arab Countries (WOJAC) argued that Palestinian refugees should not be allowed back into Israel, since an involuntary population exchange had already taken place in the Middle East. Led by Mordechai Ben Porat—a former Zionist leader in Iraq, member of Moshe Dayan’s Rafi party, and cabinet minister—the organization adopted a resolution casting responsibility on the Arab governments. Speaking at the U.N. General Assembly in December 1977, Ben Porat stated that “the problem of the Arab and Jewish refugees in the Middle East can find its practical solution only within the framework of de facto exchanges of population which have already taken place.” WOJAC, too, held the same attitude as the state toward the property claims of the Iraqi Jews, maintaining that they should be used to enhance the bargaining power of the Israeli government, not to support individual claims. The government of Israel has used the population-exchange argument to deny the rights of the Palestinians to return to Palestine or to claim compensation for their “lost” property.

The principle of the trade-off equation adduced by the government of Israel was put to a third empirical test in the negotiations on the peace treaty with Egypt. When Shlomo Hillel, speaking in the Knesset in 1979, raised the question of the connection between the peace treaty and the Jewish property in Arab countries, Prime Minister Menachem Begin gave a noncommittal response: "The problem of the Jewish property that was plundered in the Arab states, not just in one country, has been and will be raised in all the discussions. It has also been raised and will be raised in our talks with Egypt, as we have agreed to the establishment of a claims committee in which each side will put forward its claims. When the day comes, we will submit our claim for the return of the illegally taken property."¹⁰⁷ The government of Israel created the equation but ignored its practical implications. Nor did the government assume responsibility for compensating one or more of the sides in the transfer equation. Shlomo Hillel, too, grasped the great fraud of the property equation even with respect to the Palestinians:

If the day comes when the Arab refugees will consent to accept compensation from Israel for their abandoned property, we will not be able to tell them that in fact matters between us and Iraq have already "been worked out"—in other words, that Iraq plundered the property of the Jews who lived there, and the former Iraqi Jews received in return the property of the Arabs who left the State of Israel. For Iraq is among the Arab states that did not take in refugees, and it is very doubtful that the refugees will view it as a party to any sort of deal.¹⁰⁸

CONCLUSION

Following the freeze of the Jews' assets in Iraq, the government of Israel turned that private capital into national capital. Invoking that property, the government put forward arguments and ideas for trade-offs and juridical claims.¹⁰⁹ The Jews of Iraq became hostages—and a fig leaf—of the Israeli government in its efforts to divest itself of responsibility for compensating the Palestinian refugees. Indeed, declarations voiced by Israel, combined with the registration of property carried out by various committees and the activity of the emissaries, created the impression that it intended to compensate the Iraqi Jews. The warnings against the consequences likely to ensue from such compensation are contained in internal documents of Israeli government ministries.

A condition of the trade-off equation was that the Palestinians' national identity be annulled and that they be categorized as part of a "united Arab nation," which included Iraq and other Arab countries. That approach forged one of the most pungent illusions harbored by Israel in its brief history ("There is no Palestinian people"). The trade-off equation constructed the interests of Jews and Arabs as conflicting *a priori*. 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 one nor the other was located in its territorial domain. The working of the same model is discernible in the case of the reparations received by the government of Israel from Germany in the wake of the events of World War II.

In the sociology of national movements, this model is called, following Anthony Smith, "diaspora nationalism." It holds world Jewry to be a dispersed ethnic community aspiring to return to territory which it claims is its national home."¹¹⁰ Yaron Tzur,

in his discussion of Zionism as “diaspora nationalism” or a “nationalism of dispersions,” maintains that this form of nationalism generates more acute internal conflicts and rifts than is the case among national movements that are based on a territorial model. That conclusion is undoubtedly correct, but we have to take a step back and argue that it is incorrect to assume a priori that all diaspora communities with the same ethnic origin share their nationalist feelings equally, if at all. Indeed, we can definitely assume (if only as a working hypothesis) that political elites make use of nationalism as constituting rhetoric and practice which nullify the will and the status of peripheral ethnic communities.¹¹¹ In the case of the Mizrahi Jews, such communities may confer on nationalism a different interpretation from the one preferred by the Ashkenazi hegemony.

The concept of “diaspora nationalism” locates the Jewish ethno-linguistic community within the Zionist narrative, in which it is assumed that the place of every Jewish community is in Israel. This is a retrospective conclusion. It presupposes that the outcome of the Zionist project in the 20th century is the only possible and desirable historical alternative, and it does not allow the independent existence of a counterfactual option.

However, the present case shows that the transition from ethnicity to nationalism is not self-evident, is not linear, and does not fit Smith’s “diaspora nationalism” concept.¹¹² The proof lies in the existence of historiographic evidence proving that the Jewish community in Iraq did not cooperate with the goals of organized Zionism. The Zionist leadership, intent on realizing its goals and working closely with ambitious local young people, did not hesitate to break the community leadership and replace it with a more pliable alternative. In order to “import” Iraq’s Jews to Israel, Zionism mobilized primeval ethnic sources and translated them into nationalist elements. It treated the Jews of Iraq as a primordial community, not as individuals with autonomous rights. Zionism established an unwritten covenant with the Iraqi Jews, who remained mute about their rights and yearnings. The resulting national ideology was used to silence the protests of Iraqi Jews in Israel.¹¹³

The evidence, then, reveals Israel to have been not a passive victim of historical events but an active, responsible player in the social-political arena, a player that employed manipulative rhetoric and devious practices to consummate its national goals.¹¹⁴ This analysis casts doubt on the historiographic version of events, which portrays the emigration of Iraq’s Jews as a voluntary act caused by local enmity and casts the Zionist movement as the community’s savior. That statement should not be construed as suggesting, necessarily, the existence of a deliberately planned program of action, but rather a concatenation of historical circumstances.

Turning the private capital of Iraqi Jews into “national capital” served the Israeli government as an ideological bargaining chip. During the 1948 War much Palestinian property was abandoned and plundered in the territory of British Mandatory Palestine. Estimates of the value of the Palestinian property managed by the custodian-general vary. Arab sources put it at about \$2.5 billion.¹¹⁵ In a secret cabinet meeting held in November 1951, Sharett disclosed that the U.N. Palestine Conciliation Commission had appraised the worth of the abandoned property of the 600,000 Palestinian refugees at approximately \$1 billion.¹¹⁶ 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.¹¹⁷

The linkage that was created between the Arab refugees of 1948 and the Jews of Iraq impaired the ability to address critically the political practices of the Israeli government toward both the Palestinians and the Iraqi Jews. It impaired the ability to question the basic Israeli assumption that the Palestinians are part of a united Arab nation. It impaired the ability to perceive how the freeze on the property of Iraq's Jews was made to serve retrospectively as a fig leaf for the international manipulation of the issue of compensation for the Palestinians. It blurred the attitude of the Israeli government toward the Jews of Iraq. Critical analysis obligates us as readers not only to ask why and under what conditions the linkage between the two accounts was forged, but also to disassemble the underlying assumptions of that political construct.

Along these lines, this study offers a historical junction from which alternative "objective possibilities" to Zionist historiography can be examined afresh. For example, public discourse in Israel is traditionally divided into two incommensurable domains: the "ethnic question" and the "Palestinian question." The compartmentalization between ethnic and national categories was a construct produced by the Zionist movement and its state apparatuses.¹¹⁸ As Shafir has explained, Zionism was founded "on a theory of political legitimacy, which requires that ethnic boundaries should not cross political ones."¹¹⁹ The Zionist master narrative had little place for either the Palestinians or Mizrahim (Jews from Asia and Africa). But while Palestinians possess a clear counter-narrative, the Mizrahi story is a fractured one embedded in the history of both groups.¹²⁰ The national conflict absorbed the Jews from Asia and Africa into the monolithic official memory of European Jews against their Palestinian rivals.¹²¹ The results of this study provide a vantage point from which the two perspectives and their historical realities can be reconnected. It suggests that the so called "Mizrahi" historiography should not necessarily be seen as an "intra-national" ethnic discourse. Rather, it emphasizes the role of European state elites in "Orientalizing" both Mizrahi Jews and Palestinians, in using military might to subject one group and, not less effective, in using hegemonic mechanism of silencing and exclusion for the other. The story presented in this paper provides us with an opportunity to rescue the story from its Zionist biases and to offer a new historiographical perspective.

NOTES

Author's note: I thank Shimon Balas, Orna Ben Dor, Shlomo Doshen, Frank Dobbin, Nadav Gabay, Alexandra Kalev, Esther Meir, Yosef Meir, Gershon Shafir, Shlomo Swirski, Yaron Tzur, and Yossi Yona for their useful comments, and Nadav Gabay for his meticulous help in collecting the archival material. Responsibility for the arguments put forward is mine alone.

¹Shlomo Hillel, *Operation Babylon* (Tel Aviv: Edanim, 1985), 342.

²Foreign Ministry (130)2563/6I, n.d.

³Admittedly, I never conducted a survey to find out whether this was the dominant feeling among all Iraqi Jews who immigrated to Israel. However, many of the immigrants went to Israel not because of their Zionist sentiments but, rather, because of their fears and the harsh situation in Iraq then. This situation was the outcome of the rise of Pan-Arabic nationalism on the one hand and the actions of the Zionist movement in Palestine and in Iraq on the other.

⁴D. Anthony Smith, *The Ethnic Origins of Nations* (London: Oxford, 1986).

⁵For example, Moshe Lissak, "The Waves of Immigration," *Encyclopaedia Hebraica* (Jerusalem: Sifriyat Hapoalim, 1993).

⁶Smith, *Ethnic Origins*; John Armstrong, *Nations Before Nationalism* (Chapel Hill: University of North Carolina, 1982).

⁷For detailed descriptions, see Esther Meir, *The Zionist Movement and the Jews of Iraq, 1941–1950* (Tel Aviv: Am Oved, 1993); Abbas Shibliak, *The Lure of Zion: The Case of the Iraqi Jews* (London: Al Saqi Books, 1986).

⁸Yohanan Cohen maintains in the *Encyclopaedia Hebraica* (entry on "The Arab Refugees," update volume for vols. 1–16, cols. 545–50) that "Israel released \$10 million from frozen bank accounts registered to refugees and transferred the amount to the owners in the Arab countries" (col. 548). The text does not make clear when the money was given, which Palestinians were compensated, and to which Arab countries the funds were transferred. Cohen is apparently referring to deposits of Arabs in Barclays Bank, from which the government of Israel in 1954 released 1 million pounds under British pressure (Record of the Cabinet Meetings of the Third Government, 4 November 1951). Sharett arranged with Finance Minister Levi Eshkol not to release more funds for the time being; Moshe Sharett, *Personal Memoirs* (Tel Aviv: Ma'ariv, 1978), 331. In an article published in the daily *Ha'aretz*, Yossi Melman relates that Israel received a fivefold quid pro quo for releasing the Palestinian funds: after Israel returned the money to its rightful owners, Britain agreed to return deposits of 5 million pounds dating back to the Mandate era which belonged to Jews and were being held in banks in London (Yossi Melman, "A Dunam and Another Dunam Are Worth Billions," *Ha'aretz*, 20 April 1997).

⁹For a discussion of Iraqi Jewry in late Ottoman period, see Shlomo Deshen, "Baghdad Jewry in Late Ottoman Times: The Emergence of Social Classes and Secularization," in *Jews Among Muslims: Communities in the Precolonial Middle East*, ed. Shlomo Deshen and Walter P. Zenner (New York: New York University Press, 1996), 187–96.

¹⁰Up to 1941 the Zionist activity in Iraq was mild. The cultural and political activities were concentrated mainly among the more educated circles. For a description see Meir, *The Zionist Movement*.

¹¹Daphne Tsimhoni, "The Activity of the Yishuv in Palestine for the Jews of Iraq, 1941–1948," in *Jewish National Solidarity in the Modern Era*, ed. Binyamin Pinkus and Ilan Troen (Beersheba: Publishing House of Ben-Gurion University of the Negev, 1989), 221–60.

¹²*Ibid.*, 233.

¹³*Ibid.*

¹⁴Shibliak, *The Lure of Zion*.

¹⁵Yosef Meir, *Beyond the Desert: Underground Activities in Iraq* (Tel Aviv: Ma'arakhot, 1973).

¹⁶Meir, *The Zionist Movement*.

¹⁷Quoted in Tsimhoni, "Activity of the Yishuv in Palestine," 245.

¹⁸*Ibid.*

¹⁹It is undeniable that the nucleus of a Zionist movement existed within the Jewish community. Most of the Zionist activists were youngsters who were recruited by emissaries from the Yishuv—often in the face of bitter opposition from the youngsters' parents (for a comprehensive discussion, see Meir, *The Zionist Movement*). It bears noting that despite the furor generated by Zionist activity in Iraq—especially by the brash character it assumed in 1950–51—the Zionist movement there was numerically and financially negligible as compared with its activity in Europe.

²⁰Tsimhoni, "Activity of the Yishuv in Palestine."

²¹Quoted in *ibid.*, 237.

²²Quoted in *ibid.*, 242.

²³Esther Meir-Glitzstein, "The Riddle of the Mass Immigration from Iraq: Causes, Circumstances and Consequences," *Pe'amim* 71 (1997): 25–53.

²⁴Tsimhoni, "Activity of the Yishuv in Palestine."

²⁵Daphne Tsimhoni, "The Diplomatic Background to the Operation of the Immigration of Iraq's Jews 1950–1951," in *Studies in the History and Culture of Iraqi Jewry*, ed. Yitzhak Avishur (Or Yehuda: Center for the Heritage of Babylonian Jewry, 1991), 89–113.

²⁶Nissim Qazzaz, *The Jews in Iraq in the Twentieth Century* (Jerusalem: Ben-Zvi Institute and the Hebrew University, 1991).

²⁷Shibliak, *The Lure of Zion*.

²⁸*Ibid.*, 70.

²⁹Quoted in Tsimhoni, "Activity of the Yishuv in Palestine," 236.

³⁰Tsimhoni, "Diplomatic Background," 89–113.

³¹Shiblak, *The Lure of Zion*.

³²There are different estimates of the number. According to British and American reports, 100,000 Iraqi Jews arrived in Israel. The official figures of the Israeli Ministry of Immigration show that 86,843 Jews arrived directly from Iraq and another 16,000 via Iran, for a total of 102,603. Other figures speak of 120,000 Jews (see Moshe Gat, *A Jewish Community in Crisis: The Exodus from Iraq 1948–1951* [Jerusalem: Zalman Shazar Center, 1989]).

³³Shlomo Swirski, *Seeds of Inequality* (Tel Aviv: Breirot, 1995).

³⁴For example, Smith, *Ethnic Origins of Nations*; idem, "Zionism and Diaspora Nationalism," *Israel Affairs* 2, 2 (1995): 1–19.

³⁵Smith, "Zionism."

³⁶Eric Hobsbawm, *Nations and Nationalism Since 1780* (New York: Cambridge University Press, 1983).

³⁷For example, Hobsbawm, *Nations and Nationalism*; Ernest Gellner, *Nations and Nationalism* (Ithaca, N.Y.: Cornell University Press, 1983); Elie Kedourie, *Nationalism in Asia and Africa* (London, 1971).

³⁸Uri Ram, "Those Days and This Time: Zionist History and the Invention of the Jewish National Narrative: Ben-Zion Dinur and His Time," in *Zionism: Contemporary Controversy*, ed. Pinhas Ginossar and Avi Bareli (Beersheba: Publishing House of Ben-Gurion University of the Negev, 1996), 126–60; Ilan Pappé, "Zionism in the Test of the Theories of Nationalism and the Historiographic Method," in *Zionism: Contemporary Controversy*, 223–24.

³⁹Hobsbawm, *Nations and Nationalism*.

⁴⁰Ram, "Those Days and This Time," 129.

⁴¹Pappé, "Zionism in the Test of the Theories of Nationalism."

⁴²A perusal of the minutes of cabinet meetings from 1949 to 1953 turned up only one discussion about the Jews of Iraq (25 October 1949). However, the subject was addressed and commented upon by ministers in 17 other contexts.

⁴³Tom Segev, *The First Israelis 1949* (Jerusalem: Domino Press, 1984), 96. Segev also notes that when permission was given to sell Arab property in Israel, the Mossad emissaries in Iraq protested angrily, asking, "And what will happen to the houses [of the Jews] here?" (*ibid.*, 196).

⁴⁴Tsimhoni, "Diplomatic Background," 94.

⁴⁵Minutes of cabinet meeting, 35, 6 September 1949.

⁴⁶*Ibid.*

⁴⁷Shiblak, *The Lure of Zion*, 83.

⁴⁸*Ibid.*

⁴⁹Tsimhoni, "Diplomatic Background."

⁵⁰See, for example, Shiblak, *The Lure of Zion*. For a discussion of Israel's position regarding a population exchange with the Arab states, see Han Halevi, "Another Transfer" (unpublished ms., Institute for Palestine Studies, 1995). Halevi maintains that bringing the Jews from the Arab states to Israel was in part a conscious, deliberate attempt by the Zionist leadership to provide an answer to the refugee problem.

⁵¹Shiblak, *The Lure of Zion*.

⁵²See the *New York Times*, 31 October 1949. See also B. Joseph Schechtman, *Population Transfer in Asia* (New York, 1949).

⁵³For example, a document from R. Gordon, the director of the Foreign Ministry's International Institutions division, to the ministry's director-general. It states that the chairman of the Survey Group "re-confirmed to me that the Prime Minister of Iraq indeed said this" (Foreign Ministry 2384/4, 17 November 1949).

⁵⁴Records of the First Government, 25 October 1949.

⁵⁵To be sure, fractions of the Israeli Zionist movement have toyed with the transfer idea at the same time. See Schechtman, *Population Transfer*, cited by Qazzaz, *Jews in Iraq*, 298.

⁵⁶Foreign Ministry (130)/2563/8, 26 October 1949.

⁵⁷Tsimhoni, "Diplomatic Background."

⁵⁸There were also qualms in Israel about the arrival of the Iraqi Jews. The Jewish Agency Executive was worried about the growing numbers of Mizrahi Jews in Israel and about the decline in the country's cultural level, as the matter was described. There were also exaggerated rumors about the scale of communist activity among Iraq's Jews and about the danger such Jews could pose to the Israeli government (Tsimhoni, "Diplomatic Background").

⁵⁹*Ma'ariv*, 27 October 1949.

⁶⁰See, for example, *Ha'aretz*, 17 October 1949.

⁶¹Records of the First Government, 4, 18 October 1949.

⁶²*Ibid.*, 25 October 1949.

⁶³For example, in 1937, at the World Congress of Poalei Tzion, which convened in Vienna, a senior figure in Mapam, Aharon Ziesling, urged that efforts be made to effect a population exchange between Palestine and the Arab states. Ben-Gurion, who took part in the ensuing discussion, did not reject the idea out of hand. Similar proposals were voiced by American Zionists and by local leaders of the Labor movement. Yosef Weitz, for example, wrote in his diary that there was no room for two nations in Palestine and that the only solution was the transfer of the Arabs (Shiblak, *The Lure of Zion*). In 1948, Joseph Schechtman, a member of the Jewish Agency's actions committee in the United States, published a proposal to solve the refugee problem on the basis of the Greco-Turkish model (Schechtman, *Population Transfer*; Tsimhoni, "Diplomatic Background"). Moshe Sasson, the vice-consul at the Israeli legation in Athens at the beginning of the 1950s, worked out a proposal for a population and property exchange involving Israeli Arabs and Libyan Jews. Sasson notes the importance of the plan as a "lesson" for the Palestinian refugees who were still seeking to re-enter Israel (Uzi Benziman and Atallah Mansour, *Subtenants* [Jerusalem: Keter, 1992]).

⁶⁴See an article in this spirit in the Labor movement daily *Davar*: "Is There Any Substance to the Iraqi Proposal?" *Davar*, 17 October 1949.

⁶⁵See, for example, *Yediot Ahronot*, 28 October 1949. Only after the arrival in Israel of the Maghrib Jews did the number of Jews from Arab countries in Israel match the number of Palestinian refugees. Speaking to the thirty-second U.N. General Assembly on 17 October 1977, Moshe Dayan, then Israel's foreign minister, put the number of Arab refugees at 590,000 and the number of Jewish "refugees" at 600,000, including the North African Jews.

⁶⁶Morton, from the British Foreign Office, was the deputy chairman of the U.N. Economic Survey Mission, which was headed by Gordon Clapp. The Israeli press perceived Morton's proposal for the refugees' resettlement as a "trial balloon of the Foreign Office" (e.g., *Ha'aretz*, 19 October 1949).

⁶⁷Memorandum of the director of the International Institutions Division (Foreign Ministry [130]2384/4, 17 November 1949).

⁶⁸The reasons for the law's enactment remain obscure. The justification offered by the Iraqi government was the growing rate of illegal emigration from the country, resulting in a large-scale property drain and the shrinkage of the economy. Official sources in Baghdad estimated that by the time the law came into force, some 3,000 Jews had already left Iraq for Iran, en route to Europe (Shiblak, *The Lure of Zion*). The Baghdad paper *al-Sha'ab* said the law was necessary and that its passage was "a bold and important act that would put an end to the anarchy" of illegal emigration (*Ha'aretz*, 6 March 1950). Others, though, attribute the law's passage to the pressure of the Great Powers and of world public opinion in the Iraqi government (Yitzhak Raphael, *Not Easily Came the Light* [Jerusalem: Edanim, 1981]), or even to a secret Israel-Iraq agreement (Shiblak, *The Lure of Zion*). Still others dismiss the possibility of such an agreement and argue that Baghdad believed that a large-scale influx of immigrants into Israel would cause the Israeli economy to collapse (Meir, *Beyond the Desert*). Some of these explanations are mutually contradictory, and, as noted, the true cause of the law's enactment is difficult to determine.

⁶⁹The subject is discussed in Meir-Glitzstein, "The Riddle of the Mass Immigration."

⁷⁰For example, *ibid.*

⁷¹Shiblak, *The Lure of Zion*.

⁷²Foreign Ministry 2387/4, 8 November 1950.

⁷³Meir, *The Zionist Movement*, 205.

⁷⁴*Ibid.*; Swirski, *Seeds of Inequality*; Shiblak, *The Lure of Zion*.

⁷⁵Foreign Ministry 2387/4, 20 June 1950.

⁷⁶Benziman and Mansour, *Subtenants*.

⁷⁷In 1950, for example, Zalman Lief proposed moving the residents of the large village of Kara, in Wadi Ara, across the border and compensating them for their property. Such ideas were not an isolated phenomenon (*ibid.*).

⁷⁸Foreign Ministry 2387/4, 21 June 1950.

⁷⁹Benziman and Mansour, *Subtenants*.

⁸⁰Cabinet Record 67, 7 September 1950.

⁸¹Yosef al-Kabir, one of the notables of the Iraqi community, estimated that at the start of the emigration Jewish property was worth about £90 million, or \$252 million (Gat, *Jewish Community in Crisis*, 128).

Danin's estimate was £60 million. S. Kahane, from the Foreign Ministry's Middle East division, thought the Iraqi estimate of 3 million dinars (\$7.2 million) was too modest (Foreign Ministry, [130]2387/4, 1 April 1951). Gat reports that the Iraqi custodian-general estimated the frozen assets to be worth about 5 million or 6 million dinars (Gat, *Jewish Community in Crisis*). The claims of Iraq's Jews, as recorded in the Israeli Finance Ministry in 1956, totaled \$49 million in 1950 terms (Foreign Ministry [130]2563/7, 20 February 1956). It bears noting that the value of the assets changed between the start of the migration and the legislation freezing the Jews' assets. The general estimate is that between May and November of 1950, Jews smuggled out of Iraq 8 million to 10 million dinars, an amount that represented 15 to 20 percent of the country's entire monetary turnover (Gat, *Jewish Community in Crisis*; S. Kahane, Foreign Ministry [130]2387/4, 1 April 1951). Even before the Iraqi Parliament enacted the freeze law, Teddy Kollek, the director of the Foreign Ministry's United States division, told Philip Ehrlich, the legal adviser to the Bank of America, that the property of the Jewish community in Iraq was estimated to be worth several hundred million dinars and asked for his help in finding a solution.

At the end of 1942, the Zionist emissary Enzo Sireni organized a group of wealthy Iraqi Jews to purchase 10 dunams (2.5 acres) of land in Tel Aviv and demanded that Hachsharat Hayishuv, a national corporation that purchased land in Palestine, send maps and organize the transaction (Mordechai Bibi, *The Underground Pioneer Zionist Movement in Iraq 1942–1951* [Jerusalem: Ben-Zvi Institute, 1988], 157). Similar efforts were undertaken by Sireni's successors, Aryeh Eshel and Meir Shilon. In 1948, before the State of Israel was proclaimed, they sent memoranda to the Jewish Agency requesting the transfer of Jewish property from Iraq to the Yishuv and demanded that a mechanism be established to oversee this. However, the Yishuv institutions took no notice of these efforts (Bibi, *Underground Pioneer Zionist Movement*; Meir, *Beyond the Desert*).

⁸²Gat, *Jewish Community in Crisis*.

⁸³Cabinet Records 35, March 15, 1951.

⁸⁴Meir, *Beyond the Desert*, 313.

⁸⁵Knesset Record, Third Session of the First Knesset, viii, 1358–59.

⁸⁶The director-general of the Foreign Ministry, Walter Eytan, noted in a cable dated 29 March that the decision of the Iraqi government had forced Israel to link the two accounts: of the Palestinians and of the Iraqi Jews. The following day, the Israeli government forwarded a memorandum in this spirit to the U.S. government (Foreign Ministry, doc. 88, 181).

⁸⁷Foreign Ministry (130)2387/4, 25 March 1951.

⁸⁸Knesset Record, Third Session of the First Knesset, viii, 1358–59.

⁸⁹Foreign Ministry, doc. 93, 191.

⁹⁰Foreign Ministry (130)2387/4, 21 March 1951.

⁹¹*Ibid.*, 2 April 1951.

⁹²*Ibid.*, (130)1963/1, 18 July 1951.

⁹³*Ibid.*, (130)1961/1, 20 November 1951.

⁹⁴*Ibid.*, (130)1963, 16 October 1951.

⁹⁵Foreign Ministry, doc. 388, 648.

⁹⁶*Ibid.*, doc. 99, 199.

⁹⁷*Ibid.*, doc. 150, 149.

⁹⁸*Ibid.*, doc. 240, 410.

⁹⁹Gat, *Jewish Community in Crisis*.

¹⁰⁰Document by Yosef Takoah, Foreign Ministry (130)1963/5, 24 April 1952.

¹⁰¹Record of the sessions of the First Government, vol. 30, 7 September 1950.

¹⁰²Foreign Ministry, International Institutions division, 1963/1.

¹⁰³Gat, *Jewish Community in Crisis*, 137./

¹⁰⁴Foreign Ministry (130)2563/6I, 30 May 1951. See also document of the Custodian General's Office, Foreign Ministry (130)2563/5, 9 July 1952.

¹⁰⁵Gat, *Jewish Community in Crisis*, 221.

¹⁰⁶Foreign Ministry (130)2563/7, 25 October 1955.

¹⁰⁷Hillel, *Operation Babylon*, 325.

¹⁰⁸*Ibid.*, 324.

¹⁰⁹Similar claims in the name of the property of Europe's Jews were put forward by the government of Israel and by Jewish organizations against the German government and other European governments in whose territory Jewish property was frozen or appropriated during World War II (see W. Ronald Zweig,

“Restitution of Property and the Refugee Rehabilitation: Two Case Studies,” *Journal of Refugee Studies* 6 [1993]: 56–64; Zweig 1987).

¹¹⁰Smith, “Zionism”; Yaron Tzur, “The Immigration from the Islamic Countries,” in *The First Decade: 1948–1958*, ed. Zvi Tzameret and Hanna Yoblonka (Jerusalem: Ben-Zvi Institute, 1997).

¹¹¹J. Eric Hobsbawm, *Nations and Nationalism Since 1870* (New York: Cambridge University Press, 1992).

¹¹²See also Yaron Tzur, “Diaspora Nationalism and Serious Crises in the Diasporas,” in *Between Vision and Revision: One Hundred Years of Zionist Historiography*, ed. Yehiam Weitz (Jerusalem: Zalman Shazar Center, 1997).

¹¹³Hanna Herzog, “Ethnicity as a Product of Political Negotiation: The Case of Israel,” *Ethnic and Racial Studies* 7 (1984): 517–33; idem, “Social Construction of Reality in Ethnic Terms: The Case of Political Ethnicity in Israel,” *International Review of Modern Sociology* 15 (1985): 45–62; Oren Yiftachel, “Israeli Society and Jewish–Palestinian Reconciliation: ‘Ethnocracy’ and Its Territorial Contradictions,” *Middle East Journal* 51 (1997): 505–19; idem, “The Dark Side of Modernism: Planning as Control of an Ethnic Minority,” in *Postmodern Cities and Spaces*, ed. S. Watson and K. Gibson (Oxford: Basil Blackwell, 1995).

¹¹⁴In the years that followed, too, the major parties—the Labor movement in particular—continued to manifest this two-faced approach toward the Mizrahi Jews (Herzog, “Ethnicity”). On the one hand, they encouraged the Mizrahim at the organizational level as a vote-getting ploy; on the other, they rejected Mizrahiness at the ideological level. Ethnic platforms were considered to contradict the ethos of the “melting pot,” the “ingathering of the exiles,” and the “unity of the nation.” In the 1950s, Mizrahi lists (known as Sephardim) formed to run for the Knesset were said to be associated with hostile elements. Later, the Black Panthers movement was said to pose a danger to the state. The hypocrisy of the big parties, which were Ashkenazi by character, composition, and platform, was manifested in their rejection of the Mizrahi way as an ideology but in their use of it as a means to get votes.

¹¹⁵Cohen, *Encyclopaedia Hebraica*, col. 548; see note 8.

¹¹⁶Records of the cabinet meetings of the Third Government, vol. 2, 4 November 1951, 34. See also Zweig, “Restitution,” and Melman, “A Dunam and Another Dunam.”

¹¹⁷Zweig, “Restitution.”

¹¹⁸For the construction of ethnic categories in Israel, see Eliezer Ben-Rafael, *The Emergence of Ethnicity: Cultural Groups and Social Conflict in Israel* (London: Greenwood Press, 1982); idem, *Language, Identity and Social Division: The Case of Israel* (Oxford: Clarendon Press, 1994).

¹¹⁹Gershon Shafir, *Land, Labor and the Origins of the Israeli–Palestinian Conflict 1882–1914* (Berkeley: University of California Press, 1989/1996), 8.

¹²⁰H. Ella Shohat, “Mizrahim in Israel: Zionism from the Standpoint of Its Jewish Victims,” *Theory, Culture & Ideology* 19/20 (1988).

¹²¹*Ibid.*