



PERSPECTIVES

THE BEGIN-SADAT CENTER FOR STRATEGIC STUDIES

Lessons from the Failed “Gaza Initiative” of 1949

by Col. (res.) Dr. Raphael G. Bouchnik-Chen

BESA Center Perspectives Paper No. 1,134, April 7, 2019

EXECUTIVE SUMMARY: Seventy years ago, while the Arab-Israeli Lausanne peace talks were deadlocked, a pioneering and creative diplomatic initiative was aired to deal with the fate of Gaza and its Palestinian Arab refugees. This US initiative was a serious effort to bring about a settlement between Egypt and Israel while contributing to a solution to the Palestinian refugee problem. Though it ended in failure, it provided valuable lessons.

It is widely expected that one of the main issues to be addressed in Donald Trump’s impending “Deal of the Century” is the split between the PA in the West Bank and Hamas in the Gaza Strip. During the crafting of the Oslo Accords, too, attempts were made to find a way to implement the prospective Palestinian state with a terrestrial physical link enabling passage from Gaza to the West Bank. Israeli FM Shimon Peres was a principal contributor to those efforts.

That idea is not, however, endorsed by Hamas, which has set its sights on a good deal more. The violent and provocative weekly riots along the Israeli border with the Strip, organized by Hamas, are being carried out under the slogan “March of Return,” the standard Palestinian euphemism for Israel’s demographic subversion. Though categorized as a terrorist organization, the group is winning this PR campaign against Israel. International sympathy for Hamas is growing in correspondence with the rise in the number of casualties at the border.

Hamas recently escalated its belligerency against Israel through systematic, well-planned terror offensives using scores of incendiary balloons, increasing the risk of another round of hostilities. Egypt is acting as an indirect mediator between Israel and Hamas to avoid another descent into full-blown conflict.

In view of these circumstances, it is useful to consider a pioneering diplomatic initiative regarding the fate of Gaza and its refugees that was aired 70 years ago,

during the spring 1949 Arab-Israeli UN-sponsored peace talks in Lausanne. The initiative provided lessons that are relevant today.

The fundamental idea was a proposal to incorporate the Gaza Strip and its Arab population into Israel. This was the vision of David Ben-Gurion, who saw Gaza as ultimately becoming an autonomous state like Luxembourg.

The logic behind this initiative was based on two factors: 1) Egypt didn't want to annex Gaza, which it had occupied during the 1948 war, as it had no desire to absorb its Palestinian Arab refugees as fully fledged Egyptian citizens; and 2) Israel was concerned about a potential military threat deriving from Egypt's continued occupation of the Strip, in close proximity to Israeli populated areas.

In her book *Unprotected Palestinians in Egypt since 1948* (2009), Dr. Oroub el-Abed highlights Egypt's dual view of the Palestinians:

Starting from the signing of the armistice agreement in February 1949, Egypt had two "distinct" Palestinian populations under its control: the small population that had managed to remain in Egypt proper, and the population of the Egyptian-administered Gaza Strip, massively expanded by an influx of more than 200,000 refugees from elsewhere in Palestine. The premise of separateness was to have considerable influence on Egyptian policy toward both communities.

Hinting at Egypt's reluctance to embrace the refugees in the Gaza Strip, El-Abed notes:

There had been no question of granting Egyptian citizenship to Palestinians, so there was never any question of Egypt's annexing the Gaza Strip, as Jordan had done with the West Bank.

The Gaza Initiative was discussed in an academic article by Jacob Tovoy (2003) and later by Shlomo Nakdimon in *Haaretz* (July 2014), but the topic has never drawn much attention in Israel, in the Arab world, or among the Palestinians.

The most comprehensive survey of the initiative was done by Neil Caplan in his series of books, *Futile Diplomacy* (1997). Caplan considered the plan from the American, Israeli, and Egyptian perspectives. He had access to scores of official protocols and diplomatic cables and his approach was objective and balanced.

The key player behind the Gaza Initiative was Mark Erthridge, the US representative on the PCC (the Palestine Conciliation Commission), who provided the international umbrella at the Lausanne talks. The official Israeli position was that "should the annexation to the state of the Gaza Strip with all

its inhabitants be proposed, our answer will be positive." Israel made a concrete proposal to the PCC on May 20, 1949 that focused on taking over the Gaza Strip, thereby making a "notable contribution towards [a] solution [of the] refugee problem."

On June 4, the State Department informed the US delegation at Lausanne that the American government would approve the incorporation of Gaza into Israel as part of a final territorial settlement with Egypt, provided this could be achieved by negotiation with and the full consent of the Egyptian government and provided territorial compensation was made to Egypt according to the President's formula (the "Jessup principle") if Egypt desired it.

The key US idea was to link the negotiations on the fate of the refugees to territorial questions. While the Israelis placed their emphasis on territorial issues, the Arab delegation in Lausanne gave priority to the refugee problem. The Gaza Initiative was a concrete attempt to find a combined solution.

The American Charge' d'Affaires in Cairo, Jefferson Patterson, thought that "Egypt might be willing to cede Gaza," along with its "refugee burden," in the course of future bargaining. The open question was the compensation parameter – i.e., the quid pro quo. Though the Israeli and American understanding was a swap formula – the Strip for some part of the Negev – it was made clear that the Egyptians strongly opposed the plan.

A US attempt to join forces with Britain in order to put pressure on Egypt failed. Cairo insisted upon receiving as compensation a great deal of territory, establishing a line from Gaza through Beersheba to the Dead Sea. This would have entailed Israel's ceding the entire Negev – in other words, over half its overall territory, including the city of Eilat.

Notwithstanding this conflict, US Secretary of State Dean Acheson continued to subscribe to the view that the Gaza proposal was a "basis for discussion between Egypt and Israel" that would "probably pave the way for an Israeli-Egyptian final settlement and thereby constitute a decisive step towards an overall Palestine settlement." A US diplomat used stronger terms, stating that "the Gaza Strip proposal was perhaps the key which would unlock the whole problem."

The Americans believed that Egypt's firm rejection of the Gaza proposal, as expressed by FM Ahmed Muhammad Khashaba, was in fact a bargaining tactic. This was because Khashaba stated that Egypt "would not refuse to give serious consideration to any plan designed as [a] humanitarian measure and susceptible of bringing stability to an area or situation." Egypt, which feared that the Gaza refugees would be shunted by Israel into the Negev desert, expressed concern over their safety and welfare.

In order to persuade the Egyptians to cooperate, Acheson pointed to the uncertain future of refugee relief funding, most of which was coming from US charitable organizations. The idea was to hint that the economic burden of handling the refugees' welfare in the Gaza Strip would be entirely Egypt's problem, notwithstanding its own overpopulation and poverty.

Once the Americans took on the role of mediator and became enthusiastic about the Gaza Initiative, the Israelis became more cautious and hesitant as a diplomatic tactic. Abba Eban, the Israeli ambassador to the UN, stressed the need to avoid showing "any sign of eagerness for Gaza." He felt that Israel should agree to consider "territorial adjustment" on the Sinai-Israel border – provided that it did not include Eilat, which was not to be surrendered under any circumstances.

The Israeli senior delegate to Lausanne, Walter Eytan, was under no illusions about the price Israel would be asked to pay. He described the dilemma Israel confronted this way: "If Israel declines American good offices, then we are the ones who don't want peace. If we say yes, we lose Eilat."

The profound Israeli-American difference of opinion on the need for territorial compensation to Egypt, with an emphasis on the Aqaba area, in order to create a land-bridge between Egypt and Jordan signaled the fading away of the Gaza Initiative. The State Department had stated clearly from the start that territorial compensation for Egypt, and perhaps also for Jordan, would be required. Israel made known its absolute opposition to any such territorial compensation.

Moshe Sharett, the Israeli FM, indirectly criticized Washington's enthusiasm for the Gaza Initiative. In a speech before the Knesset (June 15, 1949), he asked, "Why indeed should the Arab States be considered entitled to territorial compensation?" Hinting at the American (and British) role in promoting the Gaza plan, he stated that "whoever, wittingly or unwittingly, encourages the Arab States to believe that they may succeed in squeezing territorial concessions from Israel and getting by political pressure what they have failed to gain by a war of aggression, will not be serving the cause of peace in the Middle East." Sharett added that "a special word of warning must be addressed against any renewed attempt which might be made to rob the State of Israel of the southern part of the Negev."

In parallel, an Egyptian senior diplomat vigorously criticized the Israeli desire to take possession of additional territory and expressed surprise that the US government could regard such a measure as a constructive proposal. To Cairo, the Gaza Initiative was no more than an Israeli plot to enable a "straight barter of territory against refugees."

Late in 1949, the Gaza Initiative was essentially abandoned by the US and the regional actors. It remains, however, the first and only attempt to seriously deal with the problem of Palestinian Arab refugees. The Israeli readiness to “resettle” more than 100,000 refugees as part of a bilateral deal with Egypt was never repeated. The Israeli official standpoint on the refugee problem remains firm: the refugees are to be denied the right to return to the sovereign territory of Israel.

The Gaza Initiative, though but a brief and unproductive episode in the history of the Israeli-Egyptian relationship, can still profitably inform American diplomatic efforts to find a solution to the Palestinian refugee problem. Among other aspects, attention should be drawn to these elements:

- The selective use of financial aid to the Palestinians as leverage to achieve diplomatic goals. President Trump’s decisions to cut US aid to the PA and substantially reduce the US’s annual contribution to UNRWA are means of pressing the Palestinians with respect to the emerging “Deal of the Century.”
- The assumption that Israel will not say “no” to an American diplomatic initiative. This position was well described by Walter Eytan vis-à-vis the Gaza proposal. As he put it, “I don't believe the Americans would have proposed mediation, nor could they get the Egyptians to accept it, if it were not clear from the start that we should be forced to make this territorial concession.”
- The Americans estimated that bilateral negotiations, beyond the framework of the Arab League as a collective, were feasible. That’s why Washington was fully engaged in promoting the Gaza Initiative. It predicted that the proposal would become a “basis for discussion between Egypt and Israel,” which, it believed, would “probably pave the way for an Israeli-Egyptian final settlement.”

One wonders what the demographic equation in Israel would be today had the state absorbed over 150,000 Palestinian Arabs into its tiny sovereign territory in 1949. On the other hand, had the Gaza Initiative been successful, subsequent Israeli-Egyptian rounds of war could have been avoided.

Dr. Raphael G. Bouchnik-Chen is a retired colonel who served as a senior analyst in IDF Military Intelligence.