

THE LEBANON REPORT

November 1992



HARIRI: HOPES AND REALITIES

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Hariri Appointment Raises

The appointment of the Saudi-Lebanese businessman, Rafiq al-Hariri, to the post of Prime Minister came as something of a surprise to local observers, but raised widespread hopes that the country may finally be on the road to recovery. Mr. Hariri's appointment was welcomed by most leaders, while public confidence was reflected in a rise in the national currency from LL2,205/\$1 on October 22 to LL1,950/\$1 on November 3.

Through his prestige, contacts, and influence, Mr. Hariri is expected to be able to secure a significant amount of foreign aid from Arab and international sources; he is also expected to provide enough confidence to encourage private Lebanese, Arab, and Western investors to become return to Lebanon. Finally, Mr. Hariri has his own reconstruction projects in downtown Beirut, Beirut's suburbs, and the mountains, which, it is hoped, will inject new life into the Lebanese economy.

Some see in Mr. Hariri's appointment a desire by Syria to cooperate with Saudi Arabia both in Lebanon and in the region. They argue that Damascus's realignment is, in part, a recognition of a new regional balance-of-power since the collapse of the former Soviet Union. In addition, Syrian-Saudi cooperation in Lebanon is likely to provide Syria with both financial and political support, regionally and internationally. These analysts continue that a greater Saudi role might be welcomed by the Syrians in order to counterbalance Iranian influence in Lebanon, which gained a new level of legitimacy through the success of Hizballah in the recent parliamentary elections.

Other observers argue that Mr. Hariri's appointment was primarily

aimed to appease the United States. Mr. Hariri is viewed as a generally pro-American figure and his appointment may be a sign that Damascus is prepared to be more cooperative with the U.S. Syria is already under considerable pressure to work towards a settlement in the ongoing Arab-Israeli peace talks, and the victory of Bill Clinton in the American elections may well make Damascus uneasy, but at the same time encourage it to compromise. These observers fear, however, that the appointment of Mr. Hariri may be part of a bargain in which he is allowed to handle pressing economic issues, while the larger political and military issues, such as the redeployment of Syrian troops and the disarming of Hizballah, are



Hariri presiding over his first cabinet session

postponed to a later stage.

Mr. Hariri is certainly working with a number of handicaps: First, the 30-man cabinet that he is heading does not constitute a cohesive and manageable working group, and it is not the cabinet of national unity and reconstruction that most Lebanese have expected. It is unwieldy in size, leaves many important segments of the population unrepresented, and does not appear likely to chart a startlingly new political course for the country.

Second, Mr. Hariri is assuming power with a mandate which seems limited to economic affairs. He is supposed to stabilize the national cur-

Hopes and Some Questions

rency, revive the public sector, begin reconstruction, and revive the private sector. It is not clear, however, whether the political situation will permit him take control over questions with larger regional implications such as Hizballah, the South, and questions relating directly or indirectly to the peace process. Although the economy has some autonomy from the political situation, it is difficult to imagine that profound progress can be made in economic affairs without some change and progress in the political field.

Third, Mr. Hariri's margin of maneuver within the country is circumscribed by a Shi'a leadership wary of growing Sunni power, and a Christian community largely confined to the opposition. While relations between Prime Minister Hariri and President Hrawi are very close--indeed the President lives and works

in a Beirut apartment owned by Mr. Hariri--relations between the Prime Minister and the new Speaker of Parliament, Nabih Birri, are not as solid. Mr. Birri has already expressed dissatisfaction with not being sufficiently consulted in the formation of the cabinet, and with Mr. Hariri's assuming the portfolio of Finance, which for the past three years has been held by a Shi'a. While the new cabinet is expected to ask to be granted temporary special powers by Parliament to deal with reconstruction and economic and administrative reform, Mr. Birri will probably take the lead in limiting their scope.

With regard to the predominantly Christian opposition, it is not represented in the legislature and is sticking to its position of not recognizing the new parliament and the government issuing from it. The fact that Mr. Hariri heads the government has mod-

erated this opposition but has not eliminated it. The opposition complains that with the election of Mr. Birri and the appointment of Mr. Hariri, a serious imbalance has been introduced at the top of the political system; while Mr. Birri and Mr. Hariri are probably the strongest figures in their respective communities, President Hrawi, who represents the Maronite community, has a very narrow power base, while the most influential Maronite leaders are kept out of the system or are in exile.

To bring the country back to some form of normalcy, Mr. Hariri will have to find a way to mend what has become a serious national schism. This is a difficult task, but if this division can be bridged at all, the goodwill which greeted Mr. Hariri's appointment gives him a better chance than most to succeed in this.

The New Cabinet

The New Ministers

Rafiq al-Hariri: (Sunni) *Prime Minister, Minister of Finance.* Born in Sayda in 1944. At twenty-two, he moved to Saudi Arabia where he became a teacher and then an accountant in a construction company. In the 1970s he established a subcontracting firm, and gained the confidence of then-Crown Prince Fahd when he built the Taif Massara Hotel in only six months to host the Islamic Summit. In 1978 he was given Saudi citizenship, and in 1979 he took control of the Oger company, establishing Oger International. Mr. Hariri now controls a large network of business interests including banks and real-estate companies. Since the early 1980s, his Hariri Foundation has granted over 20,000 scholarships to Lebanese students. Mr. Hariri is also a member of the Board of Trustees of the American University of Beirut.

Mahmoud Abu Hamdan: (Shi'a), *Minister of Housing and Cooperatives.* Born in Shtaura (Biqā') in 1957. Degree in Political Science from the Lebanese University. Member of the Amal Movement, and the organization's chief official in the Biqā'. Elected to Parliament from the Western Biqā'-Rashayya in 1992.

Mikhaïl al-Daher: (Maronite), *Minister of Education and Fine Arts.* Lawyer born in Qobayate (Akkar) in 1928. Elected deputy from Akkar in 1972. Educated in Philosophy and Law at St. Joseph University and the Lebanese University. Was compromise candidate for presidency in 1988, but was rejected by an alliance of Christian leaders including General Awn and Samir Ja`ja`.

Hagop Demerdjian: (Armenian), *Minister of Commerce and*

the Economy. Born in 1941. Degrees in Civil Engineering and Economics from the American University of Beirut. Taught economics at the AUB for five years. Member of the Council for Development and Reconstruction.

Michel Eddé: (Maronite), *Minister of State for Cultural Affairs and Higher Learning.* Born in Beirut in 1928. Studied at the St. Joseph University, and received a degree in Law from the French Law Institute in 1948. Former minister, and Chairman of the Board of the French-language daily *L'Orient Le-Jour*.

Nicholas Fattoush: (Greek Catholic), *Minister of Tourism.* Born in Zahleh in 1943. Practicing lawyer, and member of the Zahleh Municipality. Elected deputy from Zahleh in 1992 on the Skaff list.

George Frem: (Maronite), *Minister of Electricity and Water Resources*. Born in 1934 in Haret Sakhr (Jounieh). Entrepreneur and former minister. Chairman of the Industrial and Development Company (INDEVCO), which has branches in Saudi Arabia, the U.S., and Brazil. Philatropist and founder of the Frem Foundation which sponsors a variety of civic-minded and public interest projects.

Muhammad Ghaziri: (Sunni), *Minister of Post and Telecommunications*. Born in 1926 in Beirut. Degree in Engineering from the St. Joseph University. Former Director-General for Roads and Buildings at the Ministry of Public Works. Appointed Chairman of the Board of the Executive Council for Major Projects in Beirut (CEGPB). Since 1992, President of the Beirut Municipality.

Hasan Izzidin: (Sunni), *Minister of State for Professional and Technical Training*. Born in Hasnieh in the Akkar. Studied Arabic Literature at the Lebanese University. Member of the Syrian Social Nationalist Party since 1968. Elected deputy in 1992 from the Akkar.

Anwar al-Khalil: (Druze), *Minister of State*. Born in Lagos, Nigeria, in 1938. Degree in Law from the University of London. Between 1972-74, President of the ULCM, the main organization grouping Lebanese emigrants internationally. Close to the Progressive Socialist Party. Elected deputy from the South in 1992 for Maja'youn-Hasbayya.

Bishara Merhej: (Greek Orthodox), *Minister of the Interior*. Born in Beirut in 1946. Degree in Economics from the American University of Beirut. Member of the Command Council of the National Movement (1975-77), and one-time member of the pro-Iraqi Ba'ath Arab Socialist Party. Head of the Union of Popular Committees as well as member of numerous other organizations. Director-General of the Dar al-Nadweh intellectual group founded by Salim al-Hoss.

Omar Miskawi: (Sunni), *Minister of State for Transportation*. Born in Tripoli in 1935. Lawyer with degrees from the University of Cairo

and the al-Azhar University. Former member of the Superior Islamic Law (Shari'i) Council, and former member of the Mufti's Consultative Council. Currently head of the Association of Islamic Noble Deeds in Tripoli.

Samir Moqbil: (Greek Orthodox), *Minister of State for the Environment*. Born in 1939. Degree in Civil Engineering from the American University of Beirut. Owner of the Banque du Crédit Commercial pour le Moyen-Orient, and Member of the Board of the Chamber of Commerce and Industry.

Muhammad Bassam Murtada: (Shi'a), *Minister of Public Works and Transportation*. Degree in Law from the Lebanese University, and degree in Political Science and Public Administration from the American University of Beirut. President of the Appellate Court of Ba'albak.

Adil Qortas: (Greek Orthodox), *Minister of Agriculture*. Born in Zahleh in 1931. Degree in Agricultural Engineering from Grenoble University; doctorate in Law and Economics from the St. Joseph University in Beirut. Former employee of the Food and Agricultural Organization.

As'ad Rizk: (Greek Catholic), *Minister of Industry and Petroleum*. Born in Beirut in 1931. Degree in Medicine from the Faculté de Paris in 1954, where he taught for twelve years. Practiced medicine in Beirut at the Rizk Hospital, founded by his father, Dr. Toufiq Rizk. Former minister in Salim al-Hoss's cabinet of 1976.

Fuad Sanioura: (Sunni), *Minister of State*. Born in Sayda in 1943. Degree in Business Administration from the American University of Beirut. Taught at the AUB and the Lebanese University. Chairman of the Board of the Saudi-Lebanese Bank, and Vice President of the Board of Trustees of the Hariri Foundation.

Bahije Tabbara: (Sunni), *Minister of Justice in Charge of Administrative Reform*. Born in Beirut in 1929. Received a Doctorate in Law, and a degree in Political and Administrative Economy in Paris. Taught law at the St. Joseph Uni-

versity and the Lebanese University. Former minister.

Ali Usayran: (Shi'a), *Minister of State*. Born in Sayda in 1947. Son and political advisor to former minister Adil Usayran. BA in political science and economics from the University of Maryland. Elected deputy in 1992.

Rida Wahid: (Shi'a), *Minister of State for Emigrant Affairs*. Born in Tyre in 1920. Degree in Medicine from Montpellier University, and degree in Literature from the St. Joseph University in Beirut. Practicing physician in Tyre, he served as Director-General of the Ministry of Labor and Social Affairs. Elected deputy from Tyre in 1957, and appointed minister a number of times in the 1960s.

Ministers from the Previous Cabinet

Abdallah al-Amin: (Shi'a) *Minister of Labor*

Shahé Barsoumian: (Armenian Orthodox) *Minister of State*

Faris Buwayz: (Maronite) *Minister of Foreign Affairs*

Muhsin Dalloul: (Shi'a) *Minister of Defense*

Sulayman Tony Franjiyyeh: (Maronite) *Minister of State for Municipalities and Villages*

Marwan Hamadeh: (Druze) *Minister of Health and Social Affairs*

Elie Hubayqah: (Maronite) *Minister of State for Social Affairs and the Handicapped*

Walid Junblat: (Druze) *Minister of State for the Displaced*

Michel al-Murr: (Greek Orthodox) *Deputy Prime Minister*

Michel Samaha: (Greek Catholic) *Minister of Information*

Birri New Parliament Speaker

Legislature Faces Difficult Agenda

On October 21, Amal leader Nabih Birri was elected Speaker of the new Lebanese parliament. Mr. Birri defeated his only rival for the position, Mr. Muhammad Yusuf Baydoun, by a vote of 105 to 14 in the first-round. Elie Ferzli was elected to the post of deputy Speaker, while Akram Shuhayyib and Camille Ziadeh were elected parliamentary secretaries. Those elected to the posts of parliamentary commissioners were Abd al-Rahman Abd al-Rahman, Joseph Mghayzil, and Hagop Jokhadarian.

The election of Mr. Birri was significant inasmuch as he is the first of Lebanon's former militia leaders to head one of the three principal institutions of state since the adoption of the Taif Agreement in 1989. In addition, the agreement amended the constitution so that the speaker's term of office lasts four years, the duration of the parliamentary term.

The ease with which Mr. Birri won, however, hid a more complex situation. Mr. Husayn al-Husayni, the previous Speaker of Parliament, had hoped to secure re-election as head of the new parliament, but according to reports, his efforts were dashed after a visit to Damascus in mid-October, where he sensed that support had shifted towards Mr. Birri. On October 15, Mr. Husayni announced that he had decided to pull out of the race, and he did not participate in the opening session of parliament which elected Mr. Birri. Observers note that Mr. Baydoun's late candidacy was a symbolic effort to make it appear that Mr. Birri's election was the result of a democratic process.

In his acceptance speech, Mr. Birri defined his priorities for the new parliament. He called for a dialogue on national reconciliation in the wake of the recent contested parliamentary elections, "in order to dispel the apprehension and fears that

have been voiced." Mr. Birri went on to quote former president René Mu'awad, when he added, "No one can be excluded from national reconciliation, not even those who seek to exclude themselves."

Observers note, however, that the main item on the parliament's new agenda will be the question of deconfessionalism. According to article 95 of the new constitution, the new parliament is "to take the appropriate measures to realize the abolition of political confessionalism according to a transitional plan." Article 95 also



Birri: sitting at the top now

calls for the convening of a national committee "to realize the abolition of political confessionalism," which is to include the President, the Speaker of Parliament, the Prime Minister, and "leading political, intellectual, and social figures."

While the constitution does not specify a time frame for deconfessionalism, Mr. Birri declared that he hoped that "within four years legislative elections could take place on a national, non-confessional basis." In doing this, Mr. Birri is taking the first aggressive step in a process which is viewed with great uneasiness by most communities in Lebanon. In the past, few national reconciliation agreements between Lebanese parties have attempted to specify a fixed date for deconfessionalism; by setting an informal deadline, Mr. Birri is sig-

naling to opponents of deconfessionalism that this period has come to an end.

As Mr. Birri begins his mandate, he will preside over a parliament which, due to the boycott of elections by many Christian figures, is arguably less representative, yet more cohesive than past parliaments. A quick examination of the distribution of parliamentary seats shows that there are very few opponents to, what has become the rallying cry for the opposition in recent months, namely the great influence exercised by Syria in Lebanon. Indeed, a large number of deputies recognize their closeness to Damascus, and argue that the new Lebanon can only be based on strong ties between Syria and Lebanon as outlined in the Taif Agreement.

Among the new blocs in parliament, very few can be expected to play a major oppositional role to government policy, whether on deconfessionalism or other issues, largely because they are headed by individuals who will likely remain in power, or close to it: these include blocs headed by ministers Sami al-Khatib (4 deputies), Michel al-Murr (4 deputies), Abdallah al-Amine (3 deputies); ministers of state, Elie Hubayqah (2 deputies), Walid Junblat (10 deputies), Sulayman Tony Franjiyyeh (6 deputies), and Nabih Birri (17 deputies). To this can be added a pro-Hrawi bloc (11 deputies); a pro-Hariri bloc (3 deputies); a Syrian Social Nationalist Bloc (6 deputies), and a bloc from the North presided over by former prime minister, Omar Karami (9 deputies). The remaining blocs and independent deputies, while they may be more inclined to challenge the government on specific policies, are also generally considered close to Lebanon's current leadership.

The question mark in the new parliament will be the Islamist vote. Hizballah appears to have a cohesive

bloc of eight deputies, and can probably count on the votes of four other non-Shi'a deputies. The Jama'ah al-Islamiyyah, which includes four deputies, brings the Islamist vote to sixteen. These numbers are far too small, however, to expect any major Islamization efforts to be pushed through parliament. Moreover, the Jama'ah and Hizballah are quite different organizations. Yet both blocs could, for example, provide a solid core around which opposition to any sort of arrangement with Israel could coalesce. One can probably expect both groups to vote along with the majority on most issues, but to stand firm on a number of principles important to them individually. Hizballah, for example will probably not compromise on continuing resistance against Israel, and will actively back

deconfessionalism, which was part of its election platform.

The 10-deputy bloc presided over by former prime minister, Salim al-Hoss, can also be expected to play a more independent role in parliament. Nevertheless, as a man of compromise and a member of the political mainstream in Lebanon, Dr. Hoss will also be unlikely to rock the boat if he can avoid it. In addition, his bloc was open to participation in the Hariri government, and is fairly solidly behind deconfessionalism. There is another obstacle to the bloc becoming a focus of opposition in the future: Dr. Hoss is a perennial candidate for the post of prime minister, and if ever he were to be appointed to the post, this would likely further neutralize the independence of the majority of his bloc and any of its allies.

Deconfessionalism, however, is one of many priorities which will occupy the new parliament. Given the high expectations which greeted Rafiq al-Hariri's appointment as prime minister, the parliament will be under great pressure to grant his government exceptional powers, at least as relates to socio-economic and administrative reform. Negotiations with Israel will also be a matter which will doubtless be discussed, particularly if there is any kind of breakthrough in the Arab-Israeli negotiations in Washington. Opposition figures also suggest that the parliament will discuss a new nationalities law, although the controversy which would surround such a debate will likely not make it a priority at the present.

Kisirwan Elections Complete Parliament

Local Stakes Determine Outcome of Vote

The 1992 legislative elections were completed on Sunday, October 13, when the Kisirwan region voted for candidates to the five remaining Maronite seats in Mount Lebanon. The five victorious candidates were Faris Buwayz (10,007 votes), Mansur al-Bone (8,970), Elias al-Khazen (8,624), Rshayd al-Khazen (8,472), and Camille Ziadeh (7,346).

The Kisirwan was to have voted on August 30 when elections were held in Mount Lebanon, but because of the boycott of elections by a large portion of the Christian leadership and population in the area, there were fewer candidates than seats to fill. As a result, the government decided to reschedule elections in the Kisirwan to October 13, two days before the end of parliament's mandate on October 15.

In a move designed to pressure the leadership in the Kisirwan into participating in the elections, the state unofficially threatened to present an alternative list of Maronite candidates made up of members of the Syrian Social Nationalist Party and the al-Wa'ad Party of Elie Hubayqah. Nei-

ther party has a base in the Kisirwan. This put the local leaders in a dilemma: if they persisted in boycotting elections, then they would lose their parliamentary seat and, by extension, their power of patronage in the Kisirwan; moreover they would be allowing the rise of an alternative lead-



The Patriarch and Henri Sfayr: family plot

ership there with no strong ties to the area. On the other hand, if they participated, the decision would be difficult to justify before their supporters, given that only two weeks before they had called for a boycott of elections.

Former foreign minister, Faris Buwayz took the lead in justifying participation, arguing on October 4 that "if we are participating in the vote it is to bring back to the Kisirwan its freedom of decision-making, so that intruders will not be able to create an area of influence here." If Mr. Buwayz's statement seemed to be directed at the SSNP and al-Wa'ad candidates, it was equally directed at the opposition which continued to back a boycott, against the tendencies of the local leadership in the Kisirwan which, even on August 30, had been reluctant to withdraw from the elections. Mr. Buwayz characterized the opposition's strategy as suicidal, and accused it of "being responsible for the grave imbalance in the new parliament."

Mr. Buwayz's arguments failed to convince Maronite Patriarch Nasrallah Sfayr, who continued to support a boycott. He declared, also on October 4, that "the people of the Kisirwan who said 'no' to elections [on August 30]...will not change their minds from one day to the next, even

if some candidates have done so."

One key factor had changed since August 30, however, which tended to weaken the opposition's strength: with the third round of elections in the South having been completed on September 6, it became clear by October 13 that the new parliament was there to stay whether the opposition was represented in it or not. This contrasted sharply with the mood at the end of August, when there was still a widespread belief within the opposition that elections could be aborted if their legitimacy was brought into question through low candidate and voter participation.

Once it became obvious to voters in the Kisirwan that there was little they could do at the national level

to turn the tide of elections, the vote in the area became almost strictly local, with personal ties and allegiances determining voter turnout and which candidates would win seats to parliament. While only about 20% of the electorate participated on election day, this was far higher than anticipated, and was interpreted by some as a defeat for the opposition, and in particular for Patriarch Sfayr.

Initially, the state had hoped to back a list including Mr. Buwayz, Mr. Elias al-Khazen, Mr. al-Bone, Mr. Ziadeh, and Mr. Rshayd al-Khazen. Because of personal differences, however, Mr. Rshayd al-Khazen formed a rival list with minor figures from the region, while Mr. Buwayz added Mr. Henri Sfayr to his

list.

Observers remark that once the two lists came into being, there was little doubt as to who would win: namely Mr. Buwayz, both Khazens, and Mr. al-Bone, all of whom are from influential Kisirwan families. The only real race was for the fifth seat, between Mr. Ziadeh and Mr. Sfayr. Mr. Sfayr is from the same family as Patriarch Sfayr, and the observers note that the Patriarch's opposition to elections may have lost Mr. Sfayr some 100 votes from within the family; this apparently was decisive, since he lost the seat to Mr. Ziadeh by only eighty-three votes.

Members Of The 1992 Parliament

We present the second series of biographical profiles of the deputies elected to the Lebanese Parliament from Mount Lebanon and the South. We also present profiles of deputies from the other regions for whom information was not available in our last issue.

NORTH

Fayiz Ghosn: Greek Orthodox journalist and businessman born in Kousba (Koura district) in 1950. Son-in-law of former deputy Bakhos Hakim. Bachelor's degree in journalism from Lebanese University and Master's degree in Politics from the St. Joseph University.

Salim Habib: Greek Orthodox economist from the North.

As`ad Harmoush: Sunni lawyer from Tripoli. Secretary of the Jama`ah al-Islamiyyah in Tripoli.

Muhammad Kabbara: Sunni from Tripoli, born in 1944.

Mahmoud Tibbo: Sunni lawyer from Dinniyeh. Bachelor's degree in Law from Cairo University. Close to Arab Nationalist circles in the early 1970s, he is a strong supporter of political de-confessionalism.

BIQA`

Abd al-Rahim Mrad: Sunni businessman and lawyer from the West Biqa`. Secretary General of the Arab Socialist Union. Founder of the Omar Mukhtar Educational and Cultural As-

sembly. Although he was on the list of Interior Minister Sami al-Khatib, he is considered to be part of the Hoss bloc in Parliament.

Faysal Dawud: Druze from Rashayya district. Son of former deputy Salim Dawud. Trained in Arabic literature and founder of the Arab-Lebanese Struggle Movement. Represents an independent third pole in the Druze community. Appointed to Parliament in 1991.

BEIRUT

Muhammad Birjawi: Shi`a originally from one of the seven villages in the qada' of Tyre annexed by Israel in 1948. Hizballah member and organization's sole candidate for elections in Beirut.

Yeghye Djerdjian: Armenian Orthodox born in 1957. Studied dentistry at Yerevan University. Entered politics in 1974, and heads the Executive Council of the Hentchag Party. First representative of the party in Lebanese Parliament.

MOUNT LEBANON

Khalil Abd al-Nour: Sixty-five year old Greek Catholic from Joun in the

Shouf. Brother of former deputy Salem Abd al-Nour, whose seat he took over. A chemical engineer and well-known industrialist. Head of Joun municipality from 1963-65. Among those currently responsible for return of Christian displaced to Shouf.

Marwan Abu-Fadel: Greek Orthodox entrepreneur from Aley, born in 1958. Son of former deputy speaker of Parliament Munir Abu-Fadel. Degree in law from University of Paris, Sorbonne, and Master's degree in Political Science, also from France. Member of the Unified Front of Ras Beirut.

Riyad Abu-Fadel: Greek Orthodox lawyer from Beit Meri (Metn), born in 1930. Studied at the St. Joseph University. Unsuccessful candidate in the 1968 elections.

Talal Arslan: Druze from Aley. Appointed to parliament in 1991, taking over the seat of his father Emir Majid Arslan. Minister of Tourism in the Karami government.

Ghassan Ashqar: Maronite from Deek al-Mahdi (Metn district). Member of the Syrian Social Nationalist Party, and son of Asad al-Ashqar, a former official in the party. Brother of Lebanese actress Nidal al-Ashqar.

Mahmoud Awad: Shi'a surgeon from Almat (qada' of Jubayl), born in 1946. Without political affiliation, candidate of one of the Shi'a families in Jubayl.

Samir Awn: Maronite from Damur. Son of deceased deputy Aziz Awn, who was member of the Struggle Front headed by Kamal Junblat.

Auguste Bakhos: Seventy-year old Maronite lawyer from the Bawshriyyeh suburb of Beirut. Educated at St. Joseph University. Elected to Parliament as representative of the Metn district in 1972.

Shahé Barsoumian: Armenian Orthodox from Beirut. Lawyer and member of the Central Committee of the Tashnag Party. Appointed to Parliament in June 1991. Minister of State in the Hariri cabinet.

Nabil Boustany: Maronite businessman from Debbyeh in the Shouf. Resident of Monaco, where he owns a hotel. Represents Boustany family which has traditional ties to the Junblats. With Walid Junblat, was responsible for return of tens of Christian displaced families to Debbyeh in mid-September.

Mansur al-Bone: Maronite businessman and landowner from Kisirwan, born in 1953. President of the Fouad al-Bone Social Foundation, and honorary president of the Al Ghanem Association.

Faris Buwayz: Maronite from Kisirwan. Foreign minister in Solh and Hariri cabinets. Appointed to Parliament in 1991. Son of former Deputy Nuhad Buwayz and son-in-law of President Hrawi.

George Deeb Ni'meh: Maronite head of the municipality of Dayr al-Qamar in the Shouf. Close to the Chamoun family, he was instrumental in maintaining Christian presence in Dayr al-Qamar in 1983. Known as a partisan of Christian-Druze coexistence.

Jean Ghanim: Maronite candidate from Ba'abda. Former member of the Kata'ib Party. Close to Elie Hubayqahh, on whose behalf he participated in the Tripartite negotiations in Damascus in 1985.

Habib Hakim: Maronite from Sin al-Fil, born in 1927. Head of the Sin al-Fil municipality since 1963. Elected president of the Federation of Metn Municipalities in 1980.

Marwan Hamadeh: Druze from the Shouf. Minister of Health in the Solh and Hariri cabinets. Degrees in Law and Economy from the St. Joseph University.

Appointed to Parliament in 1991, and subsequently Minister of Economy and Trade in cabinet of Omar Karami. Lawyer and close advisor to Walid Junblat.

Pierre Helou: Maronite deputy, businessman, and former minister, born in Beirut in 1929. Elected to Parliament in 1972 for Aley. With Fuad al-Sa'ad vowed to resign from 1992 Parliament by Christmas unless substantial progress was made in returning displaced Christians to Aley and Shouf.

Elie Hubayqah: Maronite from Beirut. Minister of State for Social Affairs and the Handicapped in the Hariri cabinet. Joined Kata'ib Party in 1977, appointed head of LF intelligence in 1982. Became head of LF in 1985. Overthrown by Samir Ja'ja' as LF chief in January 1986; established pro-Syrian breakaway LF in Zahleh. Founded al-Wa'ad Party in 1989. Appointed to Parliament in 1991.

Walid Junblat: Druze from the Shouf. Minister of State for the Displaced in the Hariri cabinet. Appointed to his father, Kamal Junblat's seat in June 1991. Head of the Progressive Socialist Party and the Druze community since his father's assassination in 1977. Headed Shouf list in elections.

Antoine Khalil: Maronite from Dbayyeh. Member of the Syrian Social Nationalist Party; was official responsible for the party's finances.

Zahir al-Khatib: Forty-eight year old Sunni from the Iqlim al-Kharroub. Elected deputy for Shouf in by-election after the death of his father in 1970, and reelected in 1972. Member of the Progressive Socialist Party. One of only two deputies who voted in Parliament against the May 17 Agreement between Lebanon and Israel.

Elias al-Khazen: Maronite deputy and businessman born in Ajaltoun in 1926. Elected to parliament for Kisirwan in 1964 and 1972. Served as Minister of the Interior in Salim al-Hoss's cabinet of 1990-91.

Rshayd al-Khazen: Maronite businessman and landowner born in Ghadir near Jounieh. Member of the influential Khazen family from Ghosta in the Kisirwan, he is the cousin and rival of deputy Elias al-Khazen. President of the "Alka" contracting firm.

Maha Khuri As'ad: Maronite from Qartaba (qada' of Jubayl). Sister of assassinated former Kata'ib head in Jubayl, Ghaith Khuri. Heads a small business office. Friend of Lebanon's first lady Mrs. Muna Hrawi.

Michel al-Khuri: Maronite from Amshit. Retired army general, formerly in military intelligence. Brother of former Army commander Victor Khuri.

Nassib Lahoud: Maronite from Ba'abdat in the Metn district. Appointed to Parliament for Metn district in 1991, replacing his relative Fuad Lahoud. Electrical engineer trained in the U.K. Appointed Ambassador to Washington in 1990. Despite candidacy, one of five Maronite deputies who called for re-scheduling of elections until more favorable circumstances existed for holding them.

Michel al-Murr: Greek Orthodox politician, engineer, and entrepreneur from Bteghrine in the Metn. Deputy Prime Minister and Minister of Defense in Karami and Solh cabinets, and Deputy Prime Minister in the Hariri cabinet. Represented the Metn in Parliament in 1968-72. Played an important role on behalf of Elie Hubayqahh in negotiating Tripartite Agreement in 1985.

Fuad al-Sa'ad: Maronite from Aley. Appointed to parliament in 1991, taking over the seat of Aziz Awn. Trained in law, politics, and history at the St. Joseph University. Practices law. Relative of Habib Basha al-Sa'ad, former President of the Republic during the French Mandate. With Pierre Helou, vowed to leave Parliament if there was no substantial progress on return of Christian refugees to Aley and the Shouf by Christmas.

Basim al-Saba': Shi'a journalist born in Burj al-Barajneh (qada' of Ba'abda) in 1951. Degree in journalism from the Lebanese University. Secretary of the Press Syndicate; worked for the *Al-Safir* newspaper, among other publications. Assistant secretary-general of the Union of Arab Journalists since 1983. Member of the board of Télél-Liban. Media advisor to Saudi-Lebanese businessman, Rafiq al-Hariri.

Michel Samaha: Greek Catholic from Jouar (Metn). Minister of Information in the Solh and Hariri cabinets. Degree in Business Administration from the St. Joseph University in Beirut. Former member of Kata'ib Party. Represented Elie Hubayqah at Damascus Tripartite talks in 1985.

Akram Shuhayyib: Druze from Aley. Head of Aley list. Trained in history at the Lebanese University and the University of Cairo. Member of the PSP politbureau and close advisor to PSP leader Walid Junblat since 1982. Appointed to Beirut Druze parliamentary seat in 1991. Elected Parliamentary Sec-

retary.

Ayman Shqayr: Druze from Ar-soun in the qada' of Ba'abda. Appointed to parliament in 1991. Businessman trained in economics and business administration in Lebanon and Europe. Close to Walid Junblat. Son of the late Shawqat Shuqayr, politician and general in the Syrian Army.

Ala'iddine Tirro: Thirty-nine year old Sunni from Barja in the Shouf. Member of the Progressive Socialist Party led by Walid Junblat, he was the party official responsible for the Iqlim al-Kharroub region.

Camille Ziadeh: Maronite lawyer and businessman born in Beirut in 1943, yet registered in the Kisirwan. Degrees in Law and Political Science from the St. Joseph University in Beirut. Practicing lawyer, he is also a director of the Société Générale Bank and the Prismic department store. Elected Parliamentary Secretary.

SOUTH

Ahmad Ajami: Shi'a from Ab-basiyyeh (qada' of Tyre), born in 1931. Former teacher in the Ja'fari School in Tyre (1950s). Moved to Liberia, before returning to Lebanon in 1975 and working as a businessman. Business partner of Nabih Birri's.

Hasan Alawiyyeh: Shi'a lawyer from Aytaroun (qada' of Bint Jubayl). Member of Amal, chief of staff of Nabih Birri's private office.

Abdallah al-Amin: Shi'a born in Sawwan (South). Minister of Labor in the Solh and Hariri cabinets. Former journalist and teacher. Appointed to Parliament in June 1991. Regional Secretary of the pro-Syrian wing of the Ba'th Party in Lebanon since 1990.

Sa'id al-As'ad: Sixty-four year old Shi'a doctor and diplomat from the South. Studied medicine in Montpellier, France. Chief surgeon at the Maqassid Hospital in Beirut. Former Lebanese ambassador to Iraq, Jordan, Morocco, Switzerland, and Belgium. Married to the daughter of former prime minister Riyad al-Solh.

Samir Azar: Maronite lawyer, born in Sayda in 1939. Vice-President of the Council of the South. Studied law at the St. Joseph University. Political heir of the former Chehabist deputy from Jizzin, Jean Aziz.

Muhammad Baydoun: Shi'a from Beirut. Minister of Water and Electricity in the Solh cabinet. Appointed to Parliament in 1991. Doctorate in Mathematics from Lyon University. Member of the Amal Movement since 1980; represented Movement at 1985 Tripartite talks in Damascus. Headed Council of the South.

Nabih Birri: Shi'a born in Free-town, Sierra Leone, originally from Tebnine in the South. Took over as Speaker of Parliament from Husayn al-Husayni. Degree in Law from the Lebanese University. Leader of the Shi'a Amal Movement since 1980, and minister in a number of cabinets. Appointed to Parliament in June 1991. Headed winning list in South.

Muhammad Fnaysh: Shi'a from Ma'roub (qada' of Tyre). Under the nom de guerre Abou Yasser, one of the heads of the Islamic resistance in South Lebanon. Heads Hizballah political bureau; was one of the organization's two candidates in the South.

As'ad Hardan: Greek Orthodox, born in Rashayya al-Fuqhar in 1951. Member of the Syrian Social National Party (SSNP) since 1968. When the party split in 1986, he sided with Issam Mahayri and the SSNP-Emergency Council. Official responsible for defense and resistance operations in the SSNP. Minister of State in Omar Karami's government of 1991, and appointed deputy the same year.

Bahiyya al-Hariri: Sunni born in Sayda in 1952. Sister of Prime Minister Rafiq al-Hariri, and member of the board of the Hariri Foundation. Degree from the National Teachers Institute in Sayda; until 1979 taught in a number of schools in Sayda and the South.

Ayyoub Hmayyid: Shi'a from Bayt Lif (qada' of Bint Jubayl), born in 1954. Former Director General of the Ministry of Information. Member of the Amal Movement since 1973, he is President of the Executive Committee of the organization.

Imad Jaber: Fifty-eight year old Shi'a agricultural engineer from Nabatiyyeh. Director general of the National Tobacco Régie. Unsuccessful candidate in the 1968 and 1972 elections, he is considered an independent.

Sulayman Kan'an: Maronite cardiologist from Jizzin, born in 1955. Educated at St. Joseph University and in France. Grandson of Sulayman Kan'an and nephew of Maroun Kan'an, both former deputies.

Ali al-Khalil: Shi'a deputy from Tyre, born in 1934. PhD in Political Science. Elected deputy for Tyre in 1972. Minister of State in 1973 cabinet of Taqieddine al-Solh. Minister of Finance in Omar Karami's government of 1991.

Anwar al-Khalil: (See biographies of new cabinet members.)

Michel Musa: Greek Catholic doctor from Magdousheh, born in 1949. Has been a practicing doctor in Sayda since 1980. Studied at the University of Montpellier in France.

Muhammad Ra'ad: Shi'a from the South. Founding member of Hizballah organization in Jba'a in the Iqlim al-Tuffah (qada' Jizzin).

Mustapha Sa'ad: Sunni agricultural engineer born in Sayda in 1951. Son of the late Ma'rouf Sa'ad, deputy from Sayda assassinated in 1975. Educated in the Soviet Union. Lost his sight in an assassination attempt in 1985. Heads the Popular Nasserite Movement.

Habib Sadiq: Shi'a writer and poet from Khyam (qada' of Marj'ayoun). Studied in public schools and received diplomas in Economic and Administrative studies from the Lebanese University. Unsuccessful candidate in the 1972 parliamentary elections, he is considered close to the Communist Party. Founding member of the Cultural Council of South Lebanon; became its Secretary General in 1975. Member and former secretary of the Lebanese Writer's Union.

Nadim Salem: Greek Catholic engineer from Kfar Falous, born in 1936. Son of late deputy Nicolas Salem. Elected deputy for Jizzin in 1972. Former Minister of Public Works in the government of Omar Karami.

Ahmad Suwayd: Sixty-three year old Sunni lawyer and writer from Kfar Hamam (qada' of Hasbayya). Degrees in Law from the Syrian University and the St. Joseph University. Former Nasserite, was an official in the Lebanese Writer's Union. Unsuccessful candidate in the 1972 elections.

Ali Usayran: (See biographies of new cabinet members.)

Abd al-Latif al-Zayn: Shi'a deputy, former minister, and lawyer born in Kfar Remmane (South) in 1932. Educated at the American University of Beirut and St. Joseph University. Elected deputy in 1960, and reelected deputy from Nabatiyyeh in 1964, 1968, and 1972.

Clinton and Lebanon

What Might a New Administration Do?

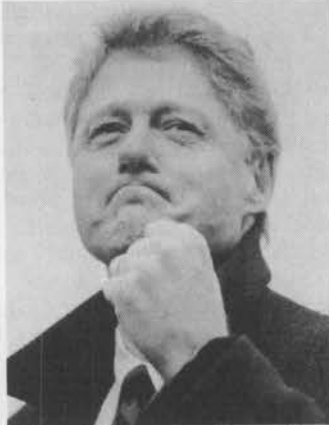
Governor Bill Clinton's victory in the American elections set observers speculating on how this would affect the situation in Lebanon. In his pre-election statements, Mr. Clinton and his running-mate, Senator Al Gore, attacked Bush administration policy on Lebanon. Mr. Clinton accused President Bush of being "willing to sacrifice Lebanon to curry favor" with Syria, and described the recent parliamentary elections as illegitimate.

Part of this position can be attributed to campaign rhetoric to appeal to the small, but significant, Lebanese-American vote. It is recognized, even by opponents of former army commander General Michel Awn, that large numbers of Lebanese-Americans are sympathetic to the general and hostile to Syria. However, Mr. Clinton's opinions also fit into a wider regional view which he shares with Senator Gore, one in which Syria does not figure favorably. Mr. Clinton does not appear to have the hardened realpolitik approach to international relations that President Bush gained as a former ambassador and former CIA director; nor does Mr. Clinton carry the baggage of having negotiated an agreement with Syria in return for its cooperation in the Gulf War. In addition, Mr. Clinton and Mr. Gore are members of a Democratic Party which traditionally has a more pro-Israeli tilt than its Republican counterpart.

Local observers conclude that these factors will probably lead to a worsening of American-Syrian relations in the near future; opinion is divided, however, on how this might affect Lebanon.

Optimists argue that American-Syrian differences will not escalate into harmful tensions, and will be re-

solved through negotiation. Thus, with regard to Lebanon, differences over the implementation of the Taif Agreement will be handled through diplomatic channels. These observers argue a Clinton's victory will help convince the Syrian government to be more understanding of the American interpretation of Taif and to begin a redeployment of its troops to the Biqa' and other locations sooner rather than later. These observers argue that cooler American-Syrian relations will impel Syria to be more flexible and more attentive to American concerns. They cite the recent appointment of Rafiq al-Hariri to the post of Prime Minister as proof of Syria's decision to be more accommodating to the U.S., or at least to its main Arab ally, Saudi Arabia.



Will Clinton act tough?

Other analysts paint a darker picture: worsening American-Syrian relations could lead to a breakdown of international cooperation and understanding regarding Lebanon. This, in turn, could lead to a weakening or collapse of the present post-Taif political system and a degeneration into political--and perhaps military--instability. These analysts fear that an American-Syrian tug-of-war, regardless of whether it is over Lebanon or the Arab-Israeli peace process, will be played out in Lebanon. They fear a return to the same situation that plagued Lebanon throughout its war, in which Syria, Israel, and other regional players played out their larger political conflicts by arming and encouraging proxy armies and organizations in the country.

Which view will prove correct will depend largely on the Middle East policy that Mr. Clinton will delineate and on early contacts between Washington and Damascus.

The South

On October 25, five Israeli soldiers were killed by Hizballah guerrillas in Israel's self-declared "security zone" in South Lebanon. In retaliation Israel bombed a number of localities in southern Lebanon, and for the first time in years, the Israeli navy bombed Palestinian refugee camps near Tripoli in the North. Hizballah also fired rockets into northern Galilee and Jizzin. The round of violence came as Mr. Rafiq al-Hariri was putting together his ministerial team, and according to observers, was a clear challenge to him that Hizballah would seek to maintain its margin of maneuver against Israel in the South, whatever official Lebanese policy is on the Washington negotiations. How this will square with Hizballah's representation in the new parliament will be something to watch in the future.

Diplomas: Up 35%

The President of the American University of Beirut, Dr. Frederic Herter, called on students to understand the reasons why the university had raised fees by 35%. He argued that the increase was the result of the nearly 200% depreciation in the Lebanese Pound since the beginning of the year, increasing costs, and delays in payment to both the University and the AUB Hospital. Dr. Herter also noted that outside funds were awaited to help rebuild College Hall, destroyed by a car-bomb last year, and to reorganize the university library, also damaged in the explosion.

Kidnapped

It has been nearly two months since lawyer Nasri Khoury Sader was kidnapped in southern Lebanon, and six weeks since Boutros Khawand was kidnapped at his residence near Beirut. Mr. Khoury Sader had just attended an election for former speaker of parliament, Mr. Kamil al-As'ad, when he was abducted on August 2. Observers believe he is in the hands of Amal or Hizballah, both of which opposed Mr. al-As'ad's re-election bid to parliament. Mr. Khawand is a member of the Kata'ib politburo, and it is unclear who is responsible for his abduction on September 14. Observers note, however, that the episode is likely a warning to the Kata'ib Party that its role in the opposition should not go too far.

Taken Downtown

Eddé Suspends Participation in Reconstruction

At its last meeting on October 14, the Solh cabinet approved by decree the master plan for the reconstruction of Beirut's old city center. Following this, the main author of the plan prepared by the Dar al-Handasah firm for the official Council for Reconstruction and Development (CDR), Mr. Henri Eddé, announced that he would suspend his participation in the project.

Mr. Eddé declared that the plan approved by the Council of Ministers differed substantially from his project. He pointed out that on the initiative of the Ministry of Public Works, thirty-two buildings of thirty-five stories each had been added to the initial plan, thus increasing the density of construction downtown beyond what had been intended. He also noted that other changes had been

made to his plan, and that they deformed it.

While Mr. Eddé did not elaborate further, specialists familiar with the situation note that the decision to add buildings in the city center was to compensate for another change in the original project: according to Mr. Eddé's plan, an offshore island was to be created from debris and trash deposited across from what was, before the war, the seaside Avenue des Français. This island was to be built up with high-rises. When it became clear that such major construction would also require a costly effort to solidify the foundations of the island because of the proximity of an offshore underwater canyon, the proposal to build up the island was changed. Instead, the promoters of the project sought to compensate for

this loss of building space by expanding constructing in the center of the old city.

This is reportedly what disturbed Mr. Eddé. According to the specialists, the change in the master plan will likely lead to the demolition of a large number of buildings located west of Martyrs Square, dating from the period of the French Mandate. Mr. Eddé had intended to salvage these buildings, many of which were damaged by the war. Recently, his idea of building a canal to surround the future island was also dropped because of the great expense involved. Opponents of the plan will have a difficult time stopping the demolition: the CDR has already been given governmental approval to destroy many of the remaining buildings in the area.

Inter-Palestinian Fighting in Camps

Twenty-Three Killed in Past Three Months

On October 21, Palestinians in the refugee camp of Ain al-Hilweh staged a general strike to protest against the continuing conflict between members of the mainstream Fatah organization headed by Yasir Arafat, and members of Fatah-Revolutionary Council (RC) headed by Sabri al-Banna, better known as Abu Nidal. In the past three months, twenty-three partisans of both organizations have been assassinated in the internecine conflict in the different Palestinian refugee camps throughout Lebanon.

The rift between Fatah and Fatah-RC goes back to 1974, when Abu Nidal, at the time Fatah's representative in Iraq, was removed from

his post because of differences between him and the Fatah leadership. According to the British journalist Patrick Seale, in retaliation, Abu Nidal plotted the assassination of Fatah official Abu Mazin; but when the plot was discovered, Abu Nidal was sentenced to death in absentia by the organization. In October 1974 he established his own organization, Fatah-Revolutionary Council, in Baghdad, having rejected final efforts at reconciliation.

In 1982, according to Seale, Abu Nidal began infiltrating men into Lebanon under the cover of a small Lebanese offshoot of the Popular Front for the Liberation of Palestine, the Party of Socialist Action. While Leb-

anon was a Fatah stronghold, the 1982 invasion of the country by Israel weakened the organization and facilitated the entry of Abu Nidal's men into the country. When a revolt against Yasir Arafat sprang up within Fatah in 1983, Abu Nidal's men fought alongside the rebels. As a result, Syria, which backed the opposition to Arafat, permitted Fatah-RC to establish an official presence in Lebanon. Although Fatah and Fatah-RC fought alongside each other against the Amal Movement in the Camp's War between 1985 and 1987, this was apparently done on the initiative of local commanders. Abu Nidal, who was outside Lebanon at the time, sought to end this collaboration, for

fear that it would limit his control over his organization.

In 1991, in Tunis a member of Abu Nidal's group assassinated Abu Iyad, the number two man in Fatah, and at one time Abu Nidal's main sponsor in Fatah. Among the more significant victims of the retaliatory assassinations in Lebanon in the past few months have been Walid Khalid and Anwar Madi. Khalid, according to Seale, headed Fatah-RC's Political Relations Committee since 1987, and was a member of its Central Committee. The Political Relations Committee was responsible for overseeing

relations between the organization and other Palestinian and Lebanese factions. Colonel Madi, in turn, was the head of Fatah forces in Lebanon.

On October 5, the Fatah official in charge of the Rashidiyyeh refugee camp near Tyre, Sultan Abu al-Aynaine, publicly accused the Lebanese government of "protecting members" of Fatah-RC and of issuing them permits to bear arms. He also accused the government of allowing Fatah-RC to set up a training camp in Alman in the Shouf, and demanded it be closed down. In a press communiqué the next day, Fatah-RC de-

nied both charges, and denied that it was responsible for the assassination of Fatah officials.

In a public effort to stop the bloodshed, the four organizations making up the Palestine Liberation Organization, issued a joint communiqué calling for "a pact of honor forbidding assassinations and internal infighting in order to establish inter-Palestinian relations based on dialogue, and popular arbitration to resolve conflicts."

Hammered and Sickled

The Lebanese Communist Party in Crisis

On September 16, the General Secretary of the Lebanese Communist Party (LCP), George Hawi, resigned from his post. Mr. Hawi headed the LCP since 1979, and had been the leading figure in the party since the early 1970s.

As has been the case in many communist parties in the world recently, the crisis in the LCP appears to be the result of internal divisions, combined with the impact of the collapse of the former Soviet Union. The divisions within the LCP came to light at the party's Sixth Congress held in January 1992, but according to party activists, long predated it.

At a press conference in January 1991, the LCP presented a draft manifesto outlining changes in the party's political outlook. The manifesto noted that the LCP aimed to be a "party for the masses," and praised President Mikhail Gorbachev's efforts at Perestroika. It stated that nationalization was not the only way to share public wealth, and outlined a new concept of Socialism. The party noted Lebanon's Arab identity, but affirmed that this should not jeopardize the country's sovereignty and independence. The manifesto went on to plead for national reconciliation, and did not rule out political alliances with its traditional enemies. It also recognized the importance of religion

in Lebanon, and stated that the LCP was not an atheist party.

By the time the Sixth Congress began in 1992, however, the Communist Party of the Soviet Union no longer existed. Reports noted that a split in the LCP had developed between supporters of Hawi who wanted to follow the party's traditional policies, and an opposing group which wanted to introduce sweeping changes in the party, including a change of name. Other observers, however, have suggested that the split in the party is much more complex than this, and is the result of personal, confessional, ideological, and other rivalries.

Probably the major obstacle faced by the LCP since the beginning of the war in Lebanon in 1975, has been its alliance with confessionally-based parties. Throughout the war, the LCP fought on the side of predominantly-Muslim, leftist organizations, and maintained close ties to the Druze-based Progressive Socialist Party of Walid Junblat. In a confessional system like that existing in Lebanon, however, the LCP was always at somewhat of a disadvantage. As a secular party, it never represented any particular confessional group, and its membership and appeal consequently remained limited.

The LCP's position toward the

recent parliamentary elections was ambivalent, and apparently further damaged the party's reputation. According to reports, prior to elections in the South, Mr. Hawi and Karim Mruwweh, a member of the LCP's politburo, informed Amal leader Nabih Birri that they were withdrawing the names of two communist candidates from his list because of the opposition of a majority of party members to elections. A day later, however, Mr. Mruwweh told Mr. Birri that the LCP decided it would continue to participate in the elections. In the end, the two LCP candidates, Sa`adallah Mazra`ani and Ahmad Mrad, were absent from the Birri list and did not win a seat to parliament. The defeat in the West Biq'a of the man who would replace Mr. Hawi as General Secretary of the LCP, Faruq Da`hrouj, further shows how limited was the party's support in the elections.

The LCP was founded in October 1924 as a cell within the larger Hizb al-Sha`ab (Party of the People). Until 1944, the party was united with the Syrian Communist Party. In 1970, the LCP was legalized by Interior Minister Kamal Junblat, and by 1972, its five candidates in the legislative elections collected, between them, a total number of 35,000 votes.

THE ECONOMY

The Hariri Factor

With the appointment of Rafiq al-Hariri as Prime Minister, the Lebanese financial markets went haywire. Small investors, spurred by the optimism surrounding Mr. Hariri's appointment, rushed to sell their dollars in the hope of getting their hands on Lebanese pounds. The Central Bank was only too eager to exploit this. Since most of the pound liquidity is tied up in T-Bills, the Bank was the only seller when the events unfolded. By carefully and methodically buying dollars, the Bank boosted its hard currency reserves to nearly \$1.6 billion in a two week period, a rise of about \$900 million! The pound was allowed to rise to about LL1,900/\$1 from LL2,500/\$1



Buying many pounds of pounds

in the same period. The initial euphoria having since subsided, the pound seems to have stabilized at a level of LL1,900/\$1.

In response to this pound buying, the Treasury announced vastly lower T-Bill rates in a clear attempt to lower its interest burden. Rates were reduced by as much as 13% to 18.25% for three-month bills, 19.25% for six-month bills, and 20% for twelve-month, eighteen-month, and twenty-four month bills. The reductions were applied immediately at the auction of October 29. The auc-

tion produced the greatest ever surplus for the Treasury in a single session. The Treasury sold LL652 billion in new issues with only LL72 billion bills maturing, for a surplus of LL580 billion! The purchases were spread out as follows: LL315 billion for three-month bills; LL144 billion for six-month bills; LL113 billion for one-year bills; LL12 billion for eighteen-month bills; and LL68 billion for twenty-four month bills

Commercial banks also took a series of measures, in coordination with the Central Bank, to encourage the use of pounds within Lebanon's business community. The banks reduced pound overdraft rates from 60% to 37% while simultaneously raising dollar overdraft rates by 2%. They also imposed an additional 4% penalty on overdue dollar loans in their bid to reclaim some of their reduced dollar balances with their New York correspondents.

The banks also set one-year pound deposit rates at 17% and abolished interest on pound checking accounts.

The crisis sent many banks scrambling to cover their short dollar positions with their U.S. correspondents since a large portion (up to 55%) of their dollar deposits are tied up in loans. The Central Bank is considering temporary bridge financing for some banks short of dollars.

On the cash side, some estimates put the amount of dollar banknotes in the banking system at nearly \$750 million, dumped mostly by small investors in a fervent effort to get

ECOBRIEFS

Another Bank Failure

Banque Nasr Libano-Africaine has been ordered closed by the Central Bank, although it effectively halted its operations as of 26/7/92. The bank had originally applied to the Central Bank for auto-liquidation, but its request was turned down because its owners could not come up with a viable rescue plan to close shop and pay off its creditors at the same time. The court had ordered the freezing of all assets of the responsible managers, auditors, and other signatories associated with the bank 18 months prior to its July closing date.

Bank FX Positions

In a meeting with Central Bank Governor Michel Khoury, a delegation of Lebanese bankers have asked for increased leniency from the Bank concerning the size of foreign exchange positions they are allowed to carry. Current regulations limit these positions to 15% of paid-in capital, which is especially low given the steep depreciation in the pound. Mr. Khoury seems to have worked out a temporary agreement with the bankers while bringing their attention to the new capital adequacy ratios that will begin to take effect this February. The Basle Accords, that call for 8% capital ratios, will only gradually be applied in Lebanon, starting with 4%, and climbing to 8% by 1995. This measure will force banks to increase their capital and, therefore, carry more significant FX positions.

The Kuwaiti Protocol

As indicated in an earlier edition of TLR, the Kuwait Development Fund recently signed a \$35 million loan package with the Lebanese government to repair and upgrade the telephone sector. The KD10.3 million twenty-year loan has a four-year grace period and is priced at 3%. Repayment is to be made in thirty-two semi-annual payments to begin on May 15, 1997. The agreement was signed by Badri Al-Humaidi, the Fund's general manager, and Michel al-Murr, the Minister of Post and Telecommunications. Requests by former prime minister Rashid al-Solh to have Kuwait place a sizable dollar deposit at the Central Bank in support of the pound were turned down. The subsequent surge in the Bank's reserves, however, no longer necessitate such a request.

pounds. Because of the somewhat high cost of shipping these notes back to New York to credit their accounts (roughly 0.5%), the commercial banks asked the governor for permission to deposit this cash at the Central Bank in return for their dollar deposits. They are basically trying to avoid shipping this money back to New York in return for the Central Bank directly crediting their U.S. accounts. It is doubtful, however, that Mr. Khoury will go that far in helping out the banks.

The Central Bank has gained in its struggle to control the exchange markets, by being the only player in the game. It alone sets the buy/sell rates for the pound and chooses at what level it wishes to close the day's

trading. The banks, out of liquidity and constrained from taking any sizable positions themselves, have effectively been removed from the market.; they can only buy or sell to one entity, the Central Bank This monopoly has enabled the latter to replenish its hard currency reserves and push up the pound 23% for the month of October alone.

An interesting result of the pound buying has been the extremely short supply of pound banknotes now available in the country and the crisis this has caused. Public employees are being paid in smaller denominations like LL250 and LL100 pound notes due to the scarcity of the more widely used LL1,000 and LL500 banknotes. This shortage has created an addi-

tional, albeit small, demand for the pound for daily transactional purposes. In addition to the fact that pounds are being hoarded at home, it is believed that a large portion of the cash was transferred overseas by foreign speculators, most notably Gulf banks and their clients.

The Hariri team, with the Prime Minister himself acting as Finance Minister, may be a good omen for the country because it includes non-political technocrats who can instill some lost confidence in their public offices. Only time will tell whether the initial euphoria surrounding Mr. Hariri's appointment can be translated into real long-term progress, however.

The 1993 Budget

The discussions on next year's budget have begun based on highly inaccurate data. The anticipated deficit of LL773 billion is likely to be much lower than the real thing since government borrowing from the Central Bank for the period July through September 1992 has far exceeded the LL85 billion limit set for the second half of 1992. In this period alone, borrowing, or debt, was LL288 billion. The total budget should total approximate LL2,640 billion not including the budget annex totaling about LL368 billion. As usual, the biggest items in the budget are debt servicing (26.3%), defense (22.9%), education (9.6%) and interior (8.7%). The new government will have to take on the task of holding down expenses and raising revenues, while keeping a watchful eye on the alarming rise in public debt.

	1992 Budget (LL)	%	LL1200/\$1	1993 Budget (LL)	%	LL2000/\$1
A- GENERAL BUDGET						
Presidency	489,600,000	0.03	\$408,000	580,100,000	0.03	\$290,050
Parliament	9,825,700,000	0.63	\$8,188,083	12,131,500,000	0.53	\$6,065,750
Prime Ministry	7,622,047,300	0.49	\$6,351,706	93,739,124,000	4.13	\$46,869,562
Justice	1,038,678,300	0.07	\$865,565	1,244,239,400	0.05	\$622,120
Foreign Affairs	37,167,621,000	2.4	\$30,973,018	40,773,810,000	1.79	\$20,386,905
Interior	149,384,663,000	9.64	\$124,487,219	198,412,725,000	8.73	\$99,206,363
Finance	16,925,754,000	1.09	\$14,104,795	232,211,716,000	10.2	\$116,105,858
Defense	400,742,150,000	25.9	\$333,951,792	520,653,300,000	22.9	\$260,326,650
Education	206,603,316,000	13.3	\$172,169,430	217,573,906,000	9.58	\$108,786,953
Health	89,258,451,000	5.76	\$74,382,043	95,091,018,000	4.19	\$47,545,509
Labor	2,089,983,000	0.13	\$1,741,653	28,179,908,000	1.24	\$14,089,954
Information	6,202,742,000	0.4	\$5,168,952	8,394,893,000	0.37	\$4,197,447
Public Works	62,689,151,000	4.04	\$52,240,959	7,539,553,000	0.33	\$3,769,777
Agriculture	34,205,864,000	2.21	\$28,504,887	32,480,207,000	1.43	\$16,240,104
Economy	15,688,700,000	1.01	\$13,073,917	126,047,000	0.01	\$63,024
Post & Telecommunications	3,276,040,000	0.21	\$2,730,033	10,114,500,000	0.45	\$5,057,250
Water & Elect. Resources	35,724,010,000	2.3	\$29,770,008	47,259,610,000	2.08	\$23,629,805
Tourism	4,221,098,000	0.27	\$3,517,582	5,757,424,000	0.25	\$2,878,712
Industry and Oil	307,600,000	0.02	\$256,333	310,936,000	0.01	\$155,468
Housing and Cooperatives	11,191,936,000	0.72	\$9,326,613	15,208,740,000	0.67	\$7,604,370
Debts due	421,591,000,000	27.2	\$351,325,833	597,000,000,000	26.3	\$298,500,000
Reserves	33,943,900,000	2.19	\$28,286,583	107,008,163,000	4.71	\$53,504,082
Subtotal	1,550,190,004,600	100	\$1,291,825,004	2,271,791,419,400	100	\$1,135,895,710
B- ANNEXES						
Telecommunications	90,000,000,000	50.1	\$75,000,000	225,000,000,000	61	\$112,500,000
National Lottery	20,660,000,000	11.5	\$17,216,667	31,740,000,000	8.61	\$15,870,000
Office of Grains	68,986,000,000	38.4	\$57,488,333	112,047,000,000	30.4	\$56,023,500
Subtotal	179,646,000,000	100		368,787,000,000	100	\$184,393,500
TOTAL	1,729,836,004,600		\$1,441,530,004	2,640,578,419,400		\$1,320,289,210

CHRONOLOGY OF EVENTS: OCTOBER 1992

Thursday 1: President Elias Hrawi appoints Christian Jean Leon new director of the Electricité du Liban, replacing Muslim Hassan al-Tawil.

- U.S. Assistant Secretary Edward Djerjian states that although sixth round of Arab-Israeli talks did not lead to substantial progress, it nevertheless laid the groundwork for future progress.

- Kata'ib politburo accepts resignation of four members who decided to run in Kisirwan by-elections, including Kamal Medawwar; dismisses fifth.

Friday 2: Gunmen clash with members of UNIFIL Fijian contingent in village of Qana east of Tyre.

- In a speech to the UN General Assembly, the secretary general of Lebanon's foreign ministry, Suhayl Shammās, declares Lebanese government is prepared to assume its responsibilities in the South; adds that Lebanon is "categorically opposed" to the implantation of Palestinians on its territory.

- Minister of Post and Telecommunications, Michel al-Murr, announces a three-year plan to modernize Lebanon's telephone network; cost of plan is set at \$900 million, and is to be self-financed.

Sunday 4: Minister of the Economy Samir Maqdissi signs economic agreement in Amman providing for increase in commercial exchanges and reduction of customs duties between Lebanon and Jordan.

- Hizballah delegation led by Secretary General Shaykh Hassan Nasrallah meets in Tehran with Iranian foreign minister Ali Aqbar Velayati.

- Islamic Resistance in Bayt Yahoun kills Husayn Abd al-Nabi, chief of South Lebanon Army (SLA) military intelligence.

Monday 5: Army commander General Emile Lahoud reshuffles commanders of the army's twelve brigades.

- Former foreign minister Faris Buwayz announces his list for Kisirwan by-elections.

- Prime Minister Rashid al-Solh meets with Syrian Vice President Abd al-Halim Khaddam in Damascus.

- Public transportation workers in Beirut and its suburbs go on strike to demand improved working conditions.

Tuesday 6: German police arrest two Lebanese asylum-seekers on suspicion that they were involved in the killing of four Kurdish politicians, including leader of the Iranian Democratic Party of Kurdistan, in a Berlin restaurant in September.

- President of Beirut's Criminal Court, Dr. Munif Hamdan, resigns, cites irregularities in judiciary system, and low pay.

- Confederation of Trade Unions (CTU) confirms the call for a two-day general strike on October 13 and 14 to protest against the declining socio-economic conditions in the country.

Thursday 8: French court sentences five Hizballah members to life imprisonment for Paris bomb attacks in 1985-86; among them, Abd al-Hadi Hamadeh, older brother of Hamadeh brothers serving prison terms in Germany on terrorist charges.

- Head of Kata'ib Party's Consultative Council, Antoine Jaz-

zar, beaten up by Army troops in Ashrafiyyeh reportedly because of dispute over right of way; Jazzar files complaint with criminal authorities, party denounces incident.

Friday 9: Opposition groups, at end of two-day rally, announce birth of "Lebanese Opposition Front", call on government to correct elections-related constitutional disorders; Kata'ib Party stays away.

- U.S. Vice President Dan Quayle says Washington will not compromise on Lebanon nor cede Biqa' Valley to Syria.

Sunday 11: Hizballah guerrillas ambush SLA patrol in village of Bayt Lif in Israel's self-declared "security zone" killing one farmer and wounding one SLA soldier; Israeli gunners shell villages north of zone.

- While on visit home, Lebanon's ambassador to U.S., Simon Karam says Lebanon's future is linked to outcome of peace talks which will be long and strenuous, says international aid depends on stability of economy; speaks in interview with daily *al-Nahar*.

- Exiled General Michel Awn calls for holding international conference on Lebanon in which Syria and Israel would participate, to find alternative to Taif Agreement and schedule simultaneous pullout of foreign troops from country.

- Former foreign minister Faris Buwayz's list largely victorious in Kisirwan by-elections, wins four of five seats; Buwayz garners 10,007 votes.

Monday 12: In statement to religious leaders in South, chiefs of villages bordering Israel condemn as provocative resistance activities.

- Schools close as teachers observe one-day strike to press for demands for better salaries and fringe benefits.

- In Beirut, interim Minister of Post and Telecommunications, Michel al-Murr, and Secretary General of Kuwaiti Fund for Arab Economic Development, Badr al-Houmaidi, sign long-term 35-million-dollar loan to restore telephone network.

- Former Fatah-Revolutionary Council (FRC) officer, Ahmad Antar, killed in southern port city of Sayda.

Wednesday 14: Two-day strike called by Confederation of Trade Unions (CTU) which was cut down to one-day, observed throughout Lebanon.

- Former American hostages, Joseph Cicippio and David Jacobson, sue Iran for \$600 million claiming their release was part of a money-for-hostages deal.

- Hizballah Secretary-General Shaykh Hassan Nasrallah, says his group is seeking to secure release of more detainees in return for liberation of two Israeli soldiers.

- Israeli army says it captured three guerrillas "security zone," members of Damascus-based Democratic Front for the Liberation of Palestine.

- Israel Navy commander Maj. Gen. Emmanuel Ayalon, says Hizballah is seeking to infiltrate "security zone" by sea, says Navy warned about possible "terrorist operations" targeting Israeli port of Eilat on Red Sea.

Thursday 15: Prime Minister Rashid al-Solh's cabinet resigns as new Parliament begins mandate.

- Speaker of Parliament Husayn al-Husayni announces that he is pulling out of race to be speaker of the new parliament,

move virtually assures Amal leader Nabih Birri of being next speaker.

- Hizballah team returns from Tehran with full backing of Iranian authorities, says ready to swap two Israeli prisoners for Arab captives.

- In statement, exiled general, Michel Awn, says that the "trio of Syria, Israel, and the U.S. is responsible for Lebanon's problems."

Friday 16: In an interview with the magazine *al-Mostaqbal*, President Hrawi states that "whatever is stipulated in the Taif Agreement, Lebanon is the responsibility of the President above all others"; adds that Maronite Patriarch Nasrallah Sfayr should have imposed participation in the legislative elections on Maronite candidates.

- More than 100 journalists meet in Beirut for four-day congress of the International Union of French-language Journalists and Members of the Press (UIJPLF).

Sunday 18: Two Palestinians, Riyad Kawash and Ihab al-Rifai, both members of Abu Nidal's Fatah-Revolutionary Council, are assassinated in Sayda in retaliation for the killing of Muhammad Huwaydi, a military official in the mainstream Fatah organization led by Yasir Arafat.

Monday 19: Head of National Bloc, Raymond Eddé, says new Parliament is illegitimate, calls for national struggle until sovereignty is returned.

- Army command issues communiqué explaining enrollment in Military Academy, comes after criticism in daily *al-Diyar* of admission of large number of former militiamen.

Tuesday 20: French-language daily *L'Orient Le-Jour* says Syrian troops to withdraw from upper and lower Metn districts by October 28; Lebanese Ambassador to Washington, in interview with *Al-Safir*, says Lebanon assured of role in future formula for Middle East.

- Amal leader Nabih Birri elected Speaker of Parliament by 105 votes; announces that the priorities for the new parliament include national reconciliation, deconfessionalism, improved relations with Syria, and support for the liberation of the South, while backing diplomatic efforts to implement resolution 425.

Wednesday 21: Israeli warplanes attack Hizballah targets in South Lebanon wounding one.

- Palestinians demonstrate in camp of Ain el-Hilweh to protest mutual assassinations between members of mainstream Fatah organization and Fatah-Revolutionary Council, headed by Abu Nidal; twenty-three partisans of both organizations have been killed in three months.

Thursday 22: Lebanese-Saudi billionaire Rafiq al-Hariri designated to form a new cabinet; announces that his first priority will be to rebuild the state.

- Three fisherman from Tyre are detained by Israeli navy for half a day.

Friday 23: In comments made to the daily *al-Nahar*, Syrian Vice President Abd al-Halim Khaddam says redeployment of Syrian troops is a Syrian-Lebanese matter, reiterates his country's commitment to Taif Agreement.

- Washington, Paris, welcome Hariri's appointment; US State Department declares that it will give impetus to the implementation of the Taif Agreement.

- State Department source says U.S. to grant Lebanese Army \$2 million in military assistance.

Sunday 25: Islamic Resistance attacks Israeli troops in South Lebanon, five Israelis killed.

- Vice President of Shi'a Higher Council, Shaykh Muhammad Mahdi Shamseddine, says he is ready to oppose any political system favoring the Shi'a at the expense of other communities, stresses importance of national coexistence.

Monday 26: In retaliation for the October 25 attack, Israel launches artillery, air, and sea attacks against southern, southeastern and northern Lebanon killing nine; SLA-controlled town of Jizzin also bombarded, two people killed; U.S. State Department condemns violence, says it harms peace process.

- Prime Minister-designate Rafiq al-Hariri begins consultations with deputies on structure of new cabinet; rate of exchange drops from above LL2205/\$1 to LL2000/\$1 as result of Hariri's designation.

Tuesday 27: Israeli forces sporadically bombard South Lebanon, northern regions under Syrian control also raided by Israeli Air Force; Israeli forces move reinforcements into self-declared "security zone."

- Hariri ends consultations with MPs, promises to achieve national reconciliation; Hizballah says it will not take part in cabinet, and asks that Lebanon withdraw from the Washington bilateral talks with Israel.

Wednesday 28: Army arrests twenty-seven members of the Lebanese Forces in East Beirut.

- Hariri in Damascus before announcement of new cabinet.
- Indian ambassador to Lebanon meets with the president of the Beirut Chamber of Commerce and Industry, Adnan Qassar, informs him that Air India will soon resume its flights to Lebanon.

Thursday 29: Four SLA militiamen wounded in Muslim guerrilla attack inside security zone.

- Head of Israeli delegation in negotiations with Lebanon, Uri Lubrani, declares that Israel intends to maintain self-declared "security zone" in South Lebanon since all other alternatives are worse.

- LF leaders Samir Ja'ja` declares that it is senseless to liberate the South or the North or improve socio-economic conditions in Lebanon if individual liberties are curtailed; speaks after arrest of twenty-seven LF members.

Saturday 31: New cabinet of Rafiq al-Hariri is announced; ministry of thirty includes twenty new ministers, many of them technocrats with close ties to the Prime Minister; notably absent from the new government are former ministers Sami al-Khatib and As'ad Hardan.

- Five civilians injured by Israeli shelling in South Lebanon, while another seven are abducted by the Israeli army and its ally the South Lebanon Army (SLA).

ERRATA

* On page 8 of our August issue, note that deputy Abd al-Latif al-Zayn was re-elected to parliament in 1992.

* On page 9 of the same issue, note that deputy Yeghyé Djerdjian was mistakenly referred to as Yeghyé Demerdjian.