

PAPERS ON LEBANON

4

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IN THE POLITICAL
ECONOMY OF THE
FRENCH MANDATE
1919-39

BY

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BEIRUT'S ROLE IN THE POLITICAL ECONOMY OF THE FRENCH MANDATE: 1919-39

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The primary objective of this paper is to examine the development of Beirut as a regional trade and cultural centre under the French Mandate and some of the conflicting perceptions of the city's economic prospects in the wake of dramatic transformations in the map of the Levant brought about by the Franco-British partition of the Ottoman Empire's Arab provinces. It comprises six sections: first a brief survey of Beirut's meteoric rise to pre-eminence among the ports of the Eastern Mediterranean between the years 1840 and 1914; second, the important transitional year of 1919 when Lebanese Francophiles analysed the future economic prospects of Greater Lebanon; third, the French Mandate's contribution to the modernisation of Beirut through programmes of urban planning and infrastructural investments designed to encourage the services sector and promote the city as a showpiece of the Mandate; fourth, the challenge posed by the growth of Haifa; fifth, the political and economic fears of *Ahl al-Sahil* (the people of the Coast) who represented the opposition to the Mandate, and their attitude towards *Ahl al-Jabal* (the people of the Mountain) — the long-standing allies of France; and in conclusion, sixth, a few remarks on the Mandate's performance and legacy.

1. The Rise of Beirut 1840-1914

Even as late as 1825 there was little indication that Beirut would become the most important city in Lebanon. In terms of population size, construction activity, artisanal production and trade, the cities of Sidon and Tripoli were probably more important. Yet in the short span of one generation Beirut surpassed her rivals to become the leading port of the Eastern Mediterranean seaboard. Then in 1888 the city became the administrative capital of a new Ottoman *wilaya* bearing its name which encompassed, in addition to the Lebanese coastal regions, the northern half of Palestine including the ports of 'Akka and Haifa, and a considerable stretch of Syria's coastline and hinterland including the port of Latakia (Ladhqiyya). Finally, in the first decade of the French Mandate, Beirut became the capital of the Lebanese Republic.

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To account for this remarkable growth is beyond the scope of this paper. Briefly, the military campaigns of Ibrahim Pasha in geographical Syria and the intervention of several European powers to check Egyptian expansion in the late 1830s stimulated the economy and attracted an influx of money, goods and consumers. Beirut served as a quarantine station, military headquarters and garrison during the decade of the Egyptian occupation. Following Ibrahim Pasha's defeat and his return to Egypt in 1841, the city's growing stratum of traders and entrepreneurs took full advantage of a favourable conjuncture of events and factors including: the Industrial Revolution and especially the advantages of the new Manchester cottons, the expansion of steamship navigation, the growth of security on the Syrian coast, the stimulation of sericulture by the introduction of new French techniques and investors, and the intense competition for influence between Protestant Anglophone and Catholic Francophone missionaries.¹

Most accounts of Beirut's surge in the nineteenth century stress external, generally Western, inputs. Yet even among the latter, the importance of military garrisons and expenditures as stimulants to growth have often been neglected though they are clearly a recurring dimension in the palmy but also stormy affluence of the city in both the nineteenth and the twentieth centuries. Recently, however, Leila Tarazi Fawaz has provided a more accurate analysis of Beirut's rise to prominence by demonstrating the significance of the relationship between migration and urbanisation, and by giving equal attention to local and regional determinants.²

A branch of the Ottoman Bank was established in Beirut in the 1850s and the Beirut-Damascus carriage road was constructed by a French company in 1858, introducing rapid communications with the hinterland. In the same year, the first newspaper of the city, *Hadiqat al-Akhbar*, was published and within 20 years there were a dozen newspapers in circulation together with an equal number of journals — the pillars of the *nahda* or cultural renaissance. The city had become the intellectual and informational centre of the country, the port of the hinterland and the principal entrepot of goods and political currents.³

During the last quarter of the nineteenth century, Beirut witnessed the occidentalisation of lifestyle and manners among its privileged classes: a social

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1. Charles Issawi, 'British Trade and the Rise of Beirut, 1830-1860', *IJMES* 8 (1977), pp. 92-93; Dominique Chevallier, *La société du Mont Liban à l'époque de la révolution industrielle en Europe* (Paris: Paul Geuthner, 1971), pp. 182-184; and Roger Owen, *The Middle East in the World Economy, 1800-1914* (London: Methuen, 1981), pp. 165-167.
 2. Leila Tarazi Fawaz, *Merchants and Migrants in Nineteenth-Century Beirut* (Cambridge, MA: Harvard University Press, 1983), pp. 2-4.
 3. The *nahda* or cultural renaissance finds detailed treatment in Albert Hourani, *Arabic Thought in the Liberal Age, 1798-1939* (London: Oxford University Press, 1962).

process of transformation recently analysed by Nada Sehnaoui in *L'Occidentalisation de la vie quotidienne à Beyrouth, 1860-1914*.⁴ Christian and Muslim merchant notables from such families as the Sursock, Bustros, Trad, Beyhum and Daouk gradually moved to newly created suburbs and lived, in Kamal Salibi's words, 'in large Italianate mansions furnished and decorated mostly in European style,'⁵ providing the principal impetus to the creation of a distinctive 'Beirut Baroque' atmosphere and sensibility.⁶

At this time the city also experienced a marked expansion in banking, money-lending, and allied services to take care of emigrants' remittances, sericulture, the import and growing transit trade, speculation in international stocks and shares, and ventures in real estate and agricultural land. Likewise, a scramble for concessions developed between local and foreign entrepreneurs, with French investors leading the hunt, in railways, tramways, waterworks, port construction, and communications.

With a newly-constructed port, a railway line (D.H.P.) serving the Syrian interior, an ever-expanding market place, and a sophisticated network of economic, cultural, and political relations with Europe and America, Beirut on the eve of WW I was indeed the proud capital of a prospering *wilaya* which dominated its Palestinian, Lebanese, and Syrian maritime rivals: Haifa, 'Akka, Tyre, Sidon, Tripoli, and Latakia. French influence in the economic sphere, particularly in infrastructural investments and in the link between Lyon and local silk producers, as well as in the spheres of education, language, and political patronage was paramount. To an influential portion of its occidentalised merchant notables and professional middle class, Beirut by then was Ottoman only in the sense that the foreign-owned Ottoman Bank was Ottoman, that is, in name only.

2. The Year 1919: Transition and Examination of Future Prospects

In the crucial year of 1919 the fate of the Arab provinces of the Ottoman Empire was decided. As the transition from Ottoman to French rule for Lebanon and Syria was made, some Lebanese Christian intellectuals wrote about their future prospects from the standpoint of political economy. Lebanese Francophiles including Bulus Nujaym, Albert Naccache, Charles Corm (editor of *La Revue Phénicienne*), Michel Chiha, Emile 'Arab, Jacques and Ibrahim Tabet, Jean de Freige, and Fuad al-Khoury argued that their

4. Nada Sehnaoui, 'L'occidentalisation de la vie quotidienne à Beyrouth, 1860-1914', MA Thesis, University of Paris X, 1981.

5. Kamal Salibi, *The Modern History of Lebanon* (London: Weidenfeld and Nicolson, 1965), p. 142.

6. Marwan Buheiry, 'Beirut: Baroque, 1850-1914'. A lecture given in the 'Frontiers of Learning' series at the American University of Beirut, November 1983, mimeographed.

economic future depended largely on the creation of an expanded Lebanon in its 'natural frontiers' — the *Grand Liban* (a term which they were probably the first to introduce in 1919), and in what may be broadly described as a service-oriented economy with trade, transit, banking and tourism as its main features. The example of Switzerland was evoked and appears to have served as an inspiration.⁷

Albert Naccache, in an article entitled 'Notre avenir économique' (August 1919) remarked that the 'all-important economic question has been relegated to an inferior position and yet it should form the basis of Lebanese demands.' He added: 'Lebanon's economic future is intimately linked to the political economy in store for it.'⁸ The 'economic equilibrium' of 'smaller' (ie. Ottoman Mutassarifate) Lebanon presented the following picture according to Naccache:

Income	Million Piastres	Expenditures	Million Piastres
Gold transfers by emigrants	100	Wheat imports	40
Silk production	50	Other cereals	40
Textile manufactures	20	Cattle import	10
Income from tourism	20	Building material	10
Agricultural industry	20	Foodstuffs	10
Agricultural products	<u>20</u>	Skins	5
	240	Textile thread	5
		Clothing	70
		Others	<u>10</u>
			200

Thus for him the 'economic equilibrium' of Lebanon had depended on three principal factors, all of which were external: 1) the unimpeded transfer of gold from the Americas; 2) the freedom to import silkworm eggs from France and Italy and to export, in return, silk in various forms; and 3) the unrestricted import of wheat and other cereals from the Syrian interior.⁹ A serious blow to any one of the three factors would be fatal to the economy of 'smaller Lebanon' and lead, as in WW I, to famine. An expansion of Lebanon to its 'natural' borders could, on the other hand, constitute a more viable economic and national unit. Thus, the concept of '*Grand Liban*'.

The country was evolving in the direction of light industry despite the blockages of the Turkish regime. Hydraulic power was available and *Grand*

7. *Revue Phénicienne* editor Charles Corm, July to December, 1919.

8. Albert Naccache, 'Notre avenir économique', *Revue Phénicienne*, July 1919, p.2.

9. *Ibid.*, p. 4.

Liban could emulate Switzerland and Piedmont.¹⁰ In the same issue of the journal, Amin Mouchawar contributed a study entitled 'Nos ressources agricoles, industrielles, commerciales et minières' in which he drew attention to the fact that 'for some time, our country has been attracting the attention of the West.'¹¹ He estimated that 90 per cent of Beirut's merchants were importers: 'Ce sont des commissionnaires, représentants de fabriques, agents transitaires, grossistes, pour leur compte propre, ou traitant les marchandises en consignation.'¹² Exporters on the other hand were few. Beirut remained the general import entrepot for Syria serving its cities and regions in the following proportions:

20 per cent for Aleppo and its interior
15 per cent for Palestine
35 per cent for Damascus, Homs and Hama
30 per cent for Beirut and Mount Lebanon

There was, he felt, little danger of competition from the ports of the Eastern Mediterranean seaboard with one exception, Haifa.

L'on se demande si après la conclusion de la paix et la delimitation de la frontière syrienne le port de Beyrouth gardera sa preponderance antérieure ou bien, concurrencé par Caïfa, il ne sera plus le grand port de la Syrie, mais uniquement celui du Liban et de la Bekah. L'avenir peut nous réserver des surprises désagréables.¹³

The Swiss example is also clearly revealed in Fuad al-Khoury's article on 'L'industrie hôtelière au Liban' (August 1919). Nature and climate, he affirmed, were the true riches of the country. Lebanon's future rested on the development of summer resorts and transit facilities for the city dwellers of Syria, Palestine, Anatolia, Egypt, and even Europe. He did not deny the possibility of progress in commercial, industrial and agricultural enterprise but believed the process to be slow, painful and requiring enormous capital investments from Europe and America which he doubted would be forthcoming.¹⁴ The answer was to emulate the Swiss and become the 'Switzerland of the Orient':

10. *Ibid.*, p. 6.

11. Amin Mouchawar, 'Nos ressources agricoles, industrielles, commerciales et minières', *Revue Phénicienne*, July 1919, p. 21.

12. *Ibid.*, p. 24.

13. *Ibid.*

14. Fuad al-Khoury, 'L'industrie hôtelière au Liban', *Revue Phénicienne*, July 1919, p. 37.

Le peuple suisse a donc trouvé dans ses montagnes même la source de profits abondants, et l'argent que laissent chaque année les troupes d'étrangers qui visitent la Suisse ou y séjournent, n'a pas peu contribué à la mise en valeur de leur sol si pauvre soit-il.

Espérons que ce rêve sera bientôt réalisé dans notre pays. Si nous n'avons pas du capital-argent, nous avons un capital-beauté et un capital-climat uniques au monde. Mettons nous à l'oeuvre pour les faire valoir et fructifier, et nous verrons le Liban devenir avant longtemps la Suisse de l'Orient.¹⁵

This theme finds further elaboration and a more comprehensive treatment in Jacques Tabet's *Pour faire du Liban la Suisse du Levant: aperçu sur les conditions politiques, économiques et touristiques des deux pays* (Paris: Imprimerie Ramlot, 1924).

Similar conclusions on the importance of tourism and summer resorts were also drawn by Albert Naccache in 'L'industrie de la villégiature au Liban' (December 1919) in which he pointed out the attractions of various locations. Beirut merchants favoured Aley because of its relative proximity and rapid communications with the city. The summer resort of Sofar, on the other hand, with its elegant villas and prestigious Grand Hotel-Casino, attracted a different clientele: wealthy Lebanese and Egyptian families, the rentiers of Syria and the well-heeled amateurs of the card tables: 'L'absence de bois et de verdure semble pour les habitués, avantageusement remplacés par le tapis vert où la dame de coeur et le valet de pique se prélassent amoureusement.'¹⁶ The immediate task, as he saw it, was to complete the network of roads in Mount Lebanon, to bring a sense of order and public purpose in the rural municipalities, and to establish an overall plan for the development of tourism and summer resorts in the country.¹⁷

As to the future of Beirut, Ibrahim J. Tabet (in 'L'avenir de Beyrouth', December 1919), invited the French authorities to enlarge its port and improve the railway network while 'maintaining the city as terminus for all interior lines', and giving up plans to develop the harbour of Tripoli. This, he felt, was

15. *Ibid.*, p.39.

16. Albert Naccache, 'L'industrie de la villégiature au Liban', *Revue Phénicienne*, December 1919, p. 209.

17. *Ibid.*, p. 213.

all the more necessary for the French because Beirut constituted the centre for French action in Syria.¹⁸

Among the large group of Francophone and Francophile intellectuals and members of the professional middle classes who pondered the political and economic future of Lebanon in the pages of the *Revue Phénicienne* in 1919, perhaps the most articulate defender of the *Grand Liban* thesis was Bulus Nujaym.¹⁹ The expansion of Smaller Lebanon (Mutassarifate Lebanon) to its natural borders, he affirmed in 'La question du liban: étude de politique économique et de statistique descriptive' (August 1919), was of greater priority than the nature of the regime or the form of government placed over the country. Drawing liberally on Albert Naccache's statistical data and analysis of Lebanon's economic equilibrium, Nujaym argued that Smaller Lebanon's chances of survival were in doubt. 'Natural' Lebanon (*i.e.* the inclusion of the coastal cities, the Biqa' valley, the Anti-Lebanon range, and South Lebanon) would, on the other hand, constitute a viable economic and national unit.²⁰ This would mean of course, the addition of roughly 150,000 Sunnis and 100,000 Shi'a to the population of Mutassarifate Lebanon, with the Maronites eventually forming only about a third of a total population of 900,000. Yet, unlike many of his coreligionists, Nujaym did not view this prospect with alarm, believing the Lebanese to be 'mature for a democratic regime' and to have formed an organic whole 'united by a glorious past, common tradition, national history, with everyone belonging to the same race.'²¹

Viewed in retrospect, the general outlook of these intellectuals was substantially in harmony with the economic perceptions and policies of the French Mandate as they developed. However, this general outlook, which emphasised a *Grand Liban* independent from Syria under French tutelage and with an orientation towards tourism and a service economy, was not shared by the equally influential Arab Nationalist, Syrian Nationalist, and pro-Faysal Muslim options, represented for instance by the powerful Municipal Council of Beirut and by a political alliance known as the Conference of the Coast (*Mu'tamar al-Sahil wal Aqdiya al-Arba'a*) about which more will be said below, who wanted to maintain their close economic and family ties with the cities of the hinterland and the political unity of Syria.

18. Ibrahim J. Tabet, 'L'avenir de Beyrouth,' *Revue Phénicienne*, December 1919, p. 253.

19. Bulus Nujaym, 'La question du Liban': étude de politique économique et de statistique descriptive', *Revue Phénicienne*, August 1919, pp. 66-81.

20. Marwan Buheiry, 'Bulus Nujaym and the Grand Liban Ideal: 1908-1919' in Marwan Buheiry, ed., *Intellectual Life in the Arab East: 1890-1939* (Beirut: American University of Beirut, 1981), p. 80.

21. Nujaym, 'La Question du Liban', *op. cit.*, p. 75.

3. The Modernisation of Beirut

In geo-strategic and geo-economic terms the French envisioned two main parallel axes for the Mandate territories and their neighbours: 1) in the north, the *Transarménien* (to use Dechâtel's terminology and thesis) beginning at Alexandretta and serving Aleppo, Mosul, Southern Turkey (particularly Diarbakir and the mining region of Arghana), Armenia, Northern Persia and Tabriz, and Azerbaijan; 2) in the south, the *Transdésertique* beginning at Beirut and serving Syria, Palestine, Iraq, Southern Persia, and Arabia.²² In addition to this regional role, Beirut was the general headquarters for the French Mandate, and, having been selected as a showpiece of French accomplishment and her *mission civilisatrice*, it received a great deal of attention from the administration.

Deeply impressed by the material and human losses caused by WW I, the French Administration wasted little time in implementing a crash programme of relief and reconstruction. As soon as the Turks departed, the harbour was cleared of wartime wrecks, some of which dated back to the Turkish-Italian War of 1912. Dredging operations were begun with the help of heavy equipment rented from the Suez Canal Company.²³ Emergency supplies were brought in to feed a decimated population reduced by an estimated one-third by wartime and post-wartime famine.²⁴ Health clinics were set up for the sick. Haut Commissariat statistics indicate that 10,000 children were hospitalised in Beirut in the space of 12 months, while 138,000 adults received intensive care in emergency clinics. The number of hospitals tripled in the short space of two years following the French arrival.²⁵ Equally important was the French contribution to the restoration of confidence in the market. In fact, a successful international fair was organised in Beirut as early as 1921.²⁶ The merit and scale of this early French effort in all the fields outlined above can scarcely be over-estimated. The impact on Lebanese opinion was positive, and, despite political controversy and disenchantment, the Mandate began on an auspicious note.

Next, the French Administration took up an item of high priority in its economic policy: the modernisation of Beirut. An elegant quarter, adjacent to the harbour, and bounded by three newly-created principal avenues, (Foch,

22. Duchâtel, 'Une grande voie internationale: L'avenir d'Alexandrette', *Bulletin de l'union économique de Syrie (BUES)*, vol. 7, 1982, pp. 97-99.

23. Haut Commissariat de la République Française en Syrie et au Liban (HCRFSL), *La Syrie et le Liban en 1922* (Paris: Emile Larose, 1922), pp. 127-8.

24. *Ibid.*, p. 4.

25. *Ibid.*, p. 5.

26. HCRFSL, *La Syrie et le Liban en 1921: La Foire-Exposition de Beyrouth* (Paris: Emile Larose, 1922), pp. 1-3.

Allenby and Weygand) was founded as the new business centre. A second quarter, in the familiar *étoile* pattern, incorporating some traditional sites and elements, was built next to it, with a parliament house occupying the central *Place de l'Etoile*. Administrateur Poupon in Beirut, who contributed so much to the embellishment and modernisation of the capital, wrote two important articles entitled 'La modernisation de Beyrouth' in the *Bulletin de l'union économique de Syrie (BUES)* in 1928 and 1929 in which he pointed to the widespread boom in real estate brought about by this urban planning (prices doubling or nearly tripling in five years), not to mention the greatly augmented receipts and taxes of the Beirut municipality.²⁷

Likewise, considerable effort went into building public squares and gardens, widening streets, and paving old and new roads. Plans for a national museum were finalised, and to crown this urbanisation activity which transformed Beirut, a comprehensive network of sewers was laid. Mechanised equipment totalling over 40 items replaced the mules of the municipality, and more electric power and street lighting was made available.²⁸ Finally, Radio-Orient was founded as a modern communications centre with powerful transmitters at Khaldeh and receivers in Ras-Beirut, linking the capital with Paris and New York, and rendering obsolete the British cable link via Egypt. In fact, the *BUES* claimed that Beirut became the communications centre for places as far away as Persia and that demand from Palestine for the services of Radio-Orient was always high. In the early years of the Mandate, the Haut Commissariat also planned to turn Beirut into a broadcasting centre for the 'rayonnement de la pensée française à travers tout ce Moyen Orient si fidèle à notre langue et si attentif à toutes les manifestations de notre culture.'²⁹

The capital of Lebanon responded very quickly to this surge of infrastructural investment and modernisation. This is indicated in the following three tables of growth, population increase and construction activity.

Thus the population of Beirut doubled in the 11 years between the census of 1921 and 1932 with the Sunni, Maronite and Greek Orthodox population growing by just over 50 per cent, while the Shi'i more than tripled and the Druze nearly tripled. There was also an additional 28,000 newcomers composed of Armenians (Gregorians, Catholics and Protestants) and Syrians (Orthodox and Catholics).

27. Poupon, 'La Modernisation de Beyrouth', *BUES*, vol. 7, 1928, pp. 23-29 and vol. 8, 1929, pp. 18-22.

28. *Ibid.*

29. 'Le Centre de T.S.F. de Beyrouth', *BUES*, vol. 9, 1930, pp. 10-11.

I. MISCELLANEOUS INDICATORS OF THE GROWTH OF BEIRUT
BETWEEN 1923 AND 1929³⁰

	(1889)	1923	1929
Hotels	(15)	35	62
Restaurants	(6)	21	32
Cafés		22	26
Travel agencies		6	10
Travel goods shops		6	11
Advertising agencies		2	7
Clearing agencies (customs)		14	24
Insurance companies		26	45
Banks		244	52
Credit and exchange houses		20	43
Lawyers	(12)	86	111
Real estate brokers		17	21
Doctors	(31)	164	239
Architects-Engineers		13	57
Negotiators (industrial)		210	324
Negotiators (commissionaries)		164	194
Printing presses	(13)	23	27
Cinemas		6	10

(Sources: Amine Khouri's *Al-Jami'a* for 1889 and Gedeon's *Dalil* (Guide) for 1923 and 1929)

30. Indicators for 1889 are from Amine Khouri, *Al-Jami'a aw dalil Bayrut* (Beirut: al-matba'a al-adabiyya, 1889), pp. 46-63; for 1923 and 1928: Ilyas wa Jurji Jad'un (Gedeon), *Al-Dalil al-Suriy* (Beirut: matba'at Jad'un, 1923) and the 1928 edition for that year (henceforth referred to as Gedeon, *Dalil*.)

II. POPULATION OF BEIRUT³¹

	1921 Census	1932 Census
Sunni	32,884	51,906
Shi'i	3,274	11,379
Druze	1,522	4,225
Maronite	17,763	28,995
Greek Orthodox	12,672	19,943
Greek Catholic	4,256	8,347
Protestant	544	3,684
Armenian Gregorian	—	18,604
Armenian Catholic	—	4,385
Syriac Orthodox	—	1,745
Syriac Catholic	—	2,169
Jews and others	4,907	6,000
	<u>77,820</u>	<u>161,382</u>

(Statistics do not include foreign military personnel and foreign civilian residents or visitors.)

III. CONSTRUCTION PERMITS DELIVERED (1929-31)³²

	1-2 Rooms	3-4 Rooms	Complete House
1929	541	246	334
1930	614	768	315
1931	674	341	466

31. Statistics for the 1921 census as cited in Gedeon, *Dalil*, 1923, p. 184; statistics for the 1932 census as cited in *BUES*, vol. 11, 1932, p. 162.

32 *BUES*, vol. 11, 1932, p. 238.

Other sectors also received attention. In industry and agriculture, silk was granted special consideration. A promising revival was in progress before adverse developments in the world silk market, competition from artificial silk, and changes in taste forced a collapse of Lebanon's sericulture, which, it must be recalled, was a Christian (and Mount Lebanon) dominated activity. Official policy aimed, with mixed success, at encouraging the formation of a class of small and medium property owners, potentially loyal to the Mandate, through such measures as cadastral survey and the extension of agricultural credit. Under the capable direction of C. Duraffourd, the cadastre surveyed, delimited plots, settled disputes of ownership and made proper registration possible.³³ But this widely-praised initiative worked better in areas close to the capital than in remote regions such as the 'Akkar in north Lebanon. Michael Gilson has recently argued that such reforms paradoxically served to reinforce *iqta'iyya* or feudality in the 'Akkar:

When the French instituted a cadastral survey in order to rationalise land ownership (in their view), regulate private property in land, and aid in the creation of an independent landholding peasantry as the motor of agricultural change and progress it was actually the lords who benefitted. Collective holdings and rights were indeed fragmented, and often acquired by the beys, but the *latifundia*, to use the term employed by French officials, were expanded and strengthened rather than also broken up into smaller units as had been intended.³⁴

Finally, in the tourism sector, the Société des Grands Hotels du Levant affiliated to the Banque de Syrie et du Grand Liban provided Beirut in 1932 with the prestigious Hotel Saint Georges, a shining symbol of the French Mandate's interest in infrastructural promotion.

4. The Challenge of Haifa

By the end of the Mandate's first decade the Beirut-transdesertic axis was

33. C. Duraffourd, 'Cadastrale et amélioration foncière des Etats du Levant sous Mandat français', *BUES*, vol. 7, pp. 103-8; S.H. Longrigg, *Syria and Lebanon Under the French Mandate* (London: Oxford University Press, 1958), p. 280.

34. Michael Gilson, 'A Modern Feudality? Land and Labour in North Lebanon, 1858-1950', in Tarif Khalidi, *Land Tenure and Social Transformation in the Middle East* (Beirut: American University of Beirut, 1984), p. 459.

under pressure and the city's future as the *porte de L'Orient* was in jeopardy by developments in Palestine. In particular, Haifa posed a double-edged threat as a modern port offering better facilities and as a terminal for the Iraq Petroleum Company pipeline from the Kirkuk and Mosel oilfields. In addition, Palestine's industrial development was proceeding at a much faster rate than Lebanon's. Opinion in Beirut expressed the apprehension that a momentous struggle was in progress between two competing economic zones, Syria-Lebanon and Palestine-Transjordan-Iraq, each controlled by a rival Mandatory power. 'The beautiful dream,' as one writer put it, 'of Beirut — as the only important port of the whole region — becoming in no time the port of transit of Mesopotamia, Persia, Afghanistan, and even India, was close to being shattered.'³⁵ Nearly twice the size of Beirut's harbour, and with the prospect of better communications with Iraq through a projected railway, Haifa was widely perceived in Beirut as a formidable threat. One writer suggested that the struggle between the two Mandatory powers had shifted from politics to economics, and that the British had embarked on a vigorous press campaign in Iraq aimed at undermining Beirut's pre-eminent position by allegations that the transdesertic axis through Damascus was insecure.³⁶

An editorial by Karam Milhim Karam in *Al-'Assifa* (1934) entitled '*Bayrut Tamut!*' ('Beirut is Dying') placed the blame squarely on the Sykes-Picot agreement because it had segmented an integrated region in which Beirut held a privileged position of trade and commerce. The British Mandate, in his view, appeared more cognisant and decisive in economic matters than its French counterpart. And one of the consequences of the disastrous Sykes-Picot agreement was that 'Britain constructed a modern port in Haifa to combat Beirut while France merely looked on.'³⁷ Britain's policy was to promote and defend its long term interests while France was content to focus attention on the immediate and the temporary.³⁸

Amin Abu Izzudin expressed substantially similar views about Haifa, less stridently and more comprehensively, in a series of three articles in the weekly *Al-Ma'rad* (early 1935) entitled 'Trade Routes and Communications in the Near East'. Again the economic struggle between the two Mandate powers was stressed as was the strategic importance of the oil port and the projected railway to Iraq for the British Empire, a second route to India, as he saw it. Abu Izzudin estimated that Beirut was still holding its own in the lucrative Iraq and Iran transit trade, but that it would have to face increasing pressure in the future not only from Haifa but also from the port of Mersin whose

35. X.X., 'La lutte économique dans le Proche-Orient', *Correspondence d'orient*, 1929, pp. 9-10.

36. *ibid.*, pp. 10-11.

37. Karam Milhim Karam, 'Bayrut Tamut!', *Al-Assifa*, III, 15 April 1934, p.1.

38. *Ibid.*

projected expansion appeared to be an item of high priority in Turkish planning, also in response to Haifa's ascendancy.³⁹

As he had done earlier in connection with the Iraqi pipeline, Omar Daouk, president of the Beirut Chambre of Commerce, campaigned vigorously for the protection of the city's trading link with the interior, the transdesertic axis, and for the expansion and modernisation of harbour facilities in response to Haifa's growing challenge. In early 1933 he petitioned the Haut Commissariat to take effective action:

Beirut is threatened by the large modern port of Haifa. The construction of a railway linking Haifa to Bagdad has also been decided. Turkey, for her part, is bent on gaining the commercial traffic with Persia.

The Lebanese economy is on the decline, the re-exportation trade is inhibited by newly imposed customs duties, agricultural output is falling, and the transit trade is seriously jeopardised. Such palliatives as the construction of additional warehouses and the signing of commercial agreements are without effect. Iraq and Persia are both looking for an outlet on the Mediterranean, and transdesertic traffic is increasing.⁴⁰

In conclusion Omar Daouk urged the immediate establishment of Beirut as a free port or at least the creation of a free zone — measures that French economic interests led by the Beirut Port Company supported. Other proposals included the construction of a railway linking Tripoli with the Palestinian border at Naqura and the reduction of customs duties. The Mandate authorities responded positively by establishing a comprehensive free zone which included the possibility of certain forms of industrial production within its precinct.

On the basis of a preliminary survey, it would appear that the double threat posed by Haifa as modern port and pipeline terminus (and the reaction in Alexandria and Mersin) were recurring themes in the Beirut press. On these issues there was a broad consensus which was echoed by both French and Lebanese economic interests as well as by the Haut Commissariat.⁴¹ From

39. Amin Abu Izzuddin, 'Al-Turuq al-barriya lil naql al-tijari wal muwasalat fil sharq al-adna', *Al-Ma'rad al-Usubu'i*, 6 Feb. 1935, pp. 25-6.

40. As quoted in Raoul de Lega, *La Zone Franche du Port de Beyrouth* (Beirut: 1957), pp. 23-24.

41. Compare, for instance, the views of Omar Daouk, the *BUES*, Karam Milhim Karam, and Amin Abu Izzudin.

about 1929 onward, Haut Commissaires, particularly Ponsot and de Martel, found it useful to concentrate on economic matters, not only because of the deepening world depression, but also as an antidote to politics. Ponsot had declared in 1929 that he wanted above all to be an economic High Commissioner.⁴² President Bishara al-Khuri, in his memoirs, also credited de Martel for the energetic pursuit of infrastructural development, including the construction of the harbour's 'Second Basin' and the Beirut airport.⁴³ It is perhaps interesting to note that the challenge of Haifa served as a catalyst for the convergence of French and Lebanese economic interests, not least those of the Muslim merchant community of Beirut, during a troubled period of political divergence and disenchantment.

5. The Opposition of *Ahl al-Sahil* and Other Areas of Friction

It has been suggested above that Francophile Christian interests and their intellectuals found early expression in the 1919 debates in the *Revue Phénicienne* on the future political economy of Grand Liban, and that their equally influential Muslim Francophobe and Arab Nationalist (or pro-Faysal) counterparts did not share their vision of an economy emphasising services and tourism modelled on the Swiss. Let us look closer at these early divergences. About 12 months later, in January 1921, the *Parti Progressiste (Hizb al-Teraqu)*, having as motto 'Pour le Liban avec la France', was created with a 15-member directing committee composed, according to the *Correspondance d'orient*, of the following Christian personalities:

Marquis Jean de Freige, propriétaire, Président; Naoum Bakhos, avocat, Vice-Président; Emile Eddé, avocat, Secrétaire; Emile Achou (Khashu), Directeur de la Banque de Syrie, Trésorier; Emile Arab, médecin; Selim Asfar, propriétaire; Michel Chiha, banquier; Chucri Cardahi, avocat; Béchara El Khoury, avocat; Alfred Naccache, avocat; Alfonse Zénié, avocat.⁴⁴

To the above list, President Bishara al-Khuri added in his memoirs the name of Yusef Gemayel.⁴⁵ Two of the party's three-point programme underlined 'the maintenance of the political independence of Grand Liban with the French Mandate' and the 'the defence of national traditions and religious liberties.' But the third point was altogether more controversial. It proposed

42. X.X., 'Lettre de Beyrouth: Politique économique', *Correspondance d'orient*, 1929, p. 250.

43. Bishara al-Khuri, *Haqa'iq Lubnaniyya* (Beirut: 1960), vol. I, p. 184.

44. *Correspondance d'orient*, 1921, pp. 126-7.

45. Bishara al-Khuri, *Haqa'iq Lubnaniyya*, vol. I, p. 115.

'electoral representation for the country, under a system yet to be determined, and its organisation, taking into account only the factors of competence and merit.'⁴⁶ In the environment of a Mandate struggling to consolidate its hold, the third point would give the French-educated Christian communities an early and considerable advantage in the political organisation of Mandate Lebanon. The opposition to the Mandate, centred for the most part in the Muslim urban communities, would presumably be ruled out on grounds of merit.

Muslims were grouped around institutions dating from the Ottoman period when Beirut was a *Wilaya* (or provincial) capital. These were the Maqassid Association, the Beirut Chambre of Commerce, the Beirut Municipal Council and the Beirut Reform Committee (a platform for the extension of Arab rights in the Ottoman state). But new political formations such as the Syrian Congress, the Conference of the *Sahil*, the Association of Muslim Youth, and the National Muslim Congress had also emerged. The leadership of these bodies was provided by a relatively small group of the Muslim Sunni urban-notable families. For example, the names of Beyhum, Daouk, Salam, and Yafi (for Beirut); Karami, Ahdab, and Jisr (for Tripoli); Sulh and Bizri (for Saida) were prominent. But equally important for the development of Lebanese political pluralism, a significant number of influential Shi'a and Greek Orthodox leaders had joined the Conference of the *Sahil* from its inception.

While the politics of the Sunni Muslims have been adequately studied, much less attention has been devoted to their economic thought and experience under the Ottomans and the Mandate. Direct self-perception, as found for instance in the *Revue Phénicienne* for the Christian Francophiles, is rarely available and the evidence remains fragmentary. The fact that leading Sunni intellectuals and politicians were in active opposition to the Mandate and therefore under constant threat of imprisonment, exile and economic reprisal — the examples of Riad al-Sulh, Salim Ali Salam, Salah Beyhum, Salim Tayyara, and Hassan al-Qadi come to mind — may have acted as a powerful constraint.⁴⁷ One Sunni personality interviewed on this subject suggested that the pressing issues which held the attention of his community were political and ideological. The economic unity of Syria was not at stake, but its political and territorial dismemberment was. He also recalled that he was not as fascinated by western socio-economic models as some of his Christian colleagues were in the thirties.

To understand the basic cleft which existed at this time in political points of departure, it is necessary to consider an important socio-political rift which

46. *Correspondance d'orient*, 1921, pp. 126-7.

47. Hassan Hallaq, ed., *Muzakkarat Salim Ali Salam* (Beirut: 1982), p. 62.

was based in simple geography. Muslim urban communities formed the largest portion of the *Ahl al-Sahil*, or people of the coast, in distinction to *Ahl al-Jabal*, the people of the mountain. Both terms were in frequent use in the literature of the Mandate. As far back as the 1880s the Muslims of *Ahl al-Sahil* had provided the political and administrative leadership of the *Wilaya* of Beirut: an experience they recalled with fondness and also with pride in having helped in the joint creation, with Christian (mostly Greek Orthodox and Greek Catholic) merchant notables, of a distinctive 'ideology of the city' marked by a degree of openness to the outside world and of internal coexistence. This phenomenon has been analysed, with great perception, in Albert Hourani's 'Ideologies of the Mountain and the City'.⁴⁸ An expression of this ethos is to be found in one of the sample interviews of a Sunni engineer recorded by Claude Dubar and Salim Nasr in their groundbreaking study *Les classes sociales au Liban*:

...nous sommes des habitants de la côte; ceux-ci n'émigrent pas. Ils sont plus ouverts. Plutôt que de faire la guerre aux civilisations qui nous sont venues, nous leur avons ouvert nos ports. Ce sont ceux de la Montagne retranchés dans leurs villages et leurs châteaux forts qui sont fanatiques et émigrent. Ce que je vous dit peut vous paraître bizarre; c'est le fruit de mon expérience et de ma réflexion; je suis marié à une chrétienne de la Montagne. Il y a une très grande différence de mentalité. Et pourtant sa famille n'est qu'à 15-20 km de Beyrouth. Plus loin, c'est plus accentué encore.⁴⁹

The allegiance of the Muslims of the coast, supported by their Christian allies, was to Arab nationalism and Faysal, in opposition to the French Mandate. Emphasis was placed on the unity, sovereignty, independence, territorial integrity, and cultural specificity of Syria, including Lebanon, Palestine, and Cilicia, albeit with a special status reserved for Mount Lebanon. Traditionally, they saw the mountain as a physical and perhaps psychological obstacle, as something to cross over hastily on the way to the Bija', Damascus, the hinterland, and the centres of Islam. However after 1936, the stress of Syrian political unity gradually evolved into a grudging

48. Albert Hourani, 'Ideologies of the Mountain and the City', in Roger Owen, ed., *Essays on the Crisis in Lebanon* (London: Ithaca Press, 1976), pp. 33-41.

49. Claude Dubar and Salim Nasr, *Les classes sociales au Liban* (Paris: Presses de la Fondation Nationale des Sciences Politiques, 1976), p. 125.

recognition of the reality of the Lebanese Republic. But the idea of economic union with Syria persisted until the 1950s.

As mentioned earlier, one of the most important expressions of Muslim political activity in Beirut was a regular forum called the Conference of the *Sahil* and of the Four *Qadas* — i.e. the districts of Hasbaya, Rashaya, Ba'albak, and 'Akkar — which convened under the presidency of Salim Ali Salam. The proceedings of the 1933 meeting and the list of grievances submitted to the Mandate authorities contain valuable insights into the economic perceptions of Lebanese Muslims: first, that the dismemberment of Syria and the concomitant expansion in administrative budgets and personnel had placed a heavy burden on both countries, and secondly, that 'whereas the *Ahl al-Sahil* (as they were called in the memorandum) contributed 82 per cent of revenue for the treasury, 80 per cent of the same revenue was spent in Mount Lebanon on salaries, road construction, tourist promotion, and assistance to municipalities, schools, and hospitals.'⁵⁰ In the third place it was noted that the 'sons of Old Lebanon' (i.e. the inhabitants of the Mutassarifate of Mount Lebanon) occupied the senior positions in the administration in violation of the constitutional clause specifying the proportional distribution of posts among the various religious communities. Fourthly, the Mandate authorities were blamed for their failure to deal with the unending economic malaise. Finally, the memorandum stated that French control over the economy, and especially over custom tariffs, had been very detrimental to the prosperity of the country; the Mandate was invited to refrain from subsidising foreign companies.

Similar overtones and undertones were reflected a decade later in the course of a meeting between Riad al-Sulh and Geoffrey Furlonge, a senior official of the Foreign Office. The Muslim leader requested that Furlonge transmit his views to General Edward Spears as representing the views of his community:

He [Riad al-Suhl] complained that the Moslems, who after all form nearly one-half of the total population of the Lebanon, are still suffering from twenty years of systematic discrimination, practiced against them by the Mandatory authorities, whose policy was to back the Christians and to regard the Moslems as potential enemies. The Christians were, moreover, very largely favoured in the educational field. The Christian communities not only had a much larger number of private schools than the Moslems, but had much freer access to the numerous French-supported

50. Hassan Hallaq, *Mu'tamar Al-Sahil...* (Beirut: 1982), pp. 176-7.

schools. The standard of education and of European culture was therefore far higher amongst the Christians. As a result, a much greater proportion of Christians spoke good French and could get on social terms with foreign officials. The Christian point of view was therefore put much more prominently than the Moslem before the occupying authorities; furthermore, the number of Moslems occupying State posts was much inferior to the number of Christians. The Moslem community was thus resentful as they felt that they were being unfairly treated.⁵¹

This sense of structural and institutional injustice remained profoundly ingrained in Muslim consciousness. Ten years after Riad al-Sulh's message to Edward Spears, Shaykh Shafiq Yamut read from the pulpit of the Grand 'Umari Mosque of Beirut a critical manifesto sponsored by a dozen Muslim Sunni and Shi'a associations grouped under the Permanent Conference of Muslim Organisations of Lebanon. The 13 points of this 1953 manifesto called for various urgent reforms and initiatives including: a census of Lebanon's inhabitants, a statistical study of the allocation of state posts by sect, an end to the Department of Tourism campaign which sought to present Lebanon to tourists as an exclusively Christian country, and economic unity between Lebanon and Syria.⁵² Concurrently with the manifesto, Dr. Mustafa Khalidi's controversial pamphlet, *Muslim Lebanon Today*, outlined the essential grievances of his community in a bitter attack on Maronite hegemony.⁵³

Finally, as one of the interviewed Sunni intellectuals put it, together with the sense of injustice there was a 'sour grapes' element in the attitude of Muslim merchants, urban politicians, and '*ulama* towards the frenetic energy and sophisticated performance of Christian entrepreneurs engaged in the fiercely competitive areas of international trade, finance, the services sector, and modern education.

6. Concluding Remarks

To be sure *Ahl al-Sahil* and *Ahl al-Jabal* are meant to represent trends rather than archetypal categories. Geography was preponderant not exclusive. To cite an example, the *Sahil* of Jounieh and of Jubayl related much more to the ideology of the Mountain than of the City. And again the Shi'a of Jabal

51. Great Britain, Foreign Office, FO 226/223 Furlonge to Spears, Beirut, 8 June 1942.

52. Mustafa Khalidi, *Muslim Lebanon Today* (Beirut: Beirut Arab University, 1977) Second Edition, pp. 46-7.

53. *Ibid.*, pp. 38-40.

'Amil were deeply involved in the politics of the Conference of the *Sahil*, offering armed insurrection against the Mandate on many occasions. In the *Ahl al-Jabal* and *Ahl al-Sahil* divide, Jabal 'Amil remains a special (and much neglected) case, deserving much more scholarly research and assessment. One recent contribution, however, does delineate some of its social and intellectual horizons and self-images: Tarif Khalidi's 'Shaykh Ahmad 'Arif al-Zayn and al-'*Irfan*'.⁵⁴

Returning to more typical examples, *Ahl al-Jabal* included three main constituencies based on allegiance, religious affiliation, and political economy: Grand Liban nationalists, Petit Liban nationalists, and Druze nationalists. Grand Liban nationalists, it is recalled, owed their allegiance to an enlarged Lebanon defined in terms of natural frontiers (including northern Galilee), Christian historical development with secular overtones, and a general western political and economic orientation. They remained, with some important exceptions, the most enthusiastic supporters of the French Mandate between 1919 and 1939. The Petit Liban nationalists, on the other hand, believed in a smaller territorial unit, thus ensuring Maronite demographic, political and economic supremacy. Populist in expression and tradition, they remained suspicious of the Vatican's doctrinal influence and of the French Third Republic's policy of integrating large numbers of Sunni and Shi'a Muslims in an enlarged Lebanon. Their political fortunes suffered a steady decline from 1926 on. Also understudied as far as the Mandate era is concerned, the Druze nationalists are not easy to assess. Deeply loyal to their religious tradition, social organisation, and lines of authority, and on the decline demographically and economically in comparison with other communities, they nevertheless displayed great skill and determination in retaining the political initiative. Significantly, some of their powerful leaders supported the Mandate.

By and large the French Mandate has been the subject of severe, often unwarranted, criticism. Nonetheless it did make a distinct contribution to Lebanese politics and national life by providing a controlled forum in Beirut for a rapprochement between *Ahl al-Jabal* and *Ahl al-Sahil*, provoking in some degree the Beirutisation of the 'Old Lebanese' and the Libanisation of Beirutis (or the *sahilisation* of the *Jabal* and the *jabalisation* of the *Sahil*). In this process, which helped pave the way to the National Pact of 1943, the Maronites emerged as self-appointed spokesmen of the Christian communities and the Sunnis as self-appointed spokesmen of the Muslim communities. Yet it is clear that the phenomenon of atavistic and reciprocal phobias of

54. Tarif Khalidi, 'Shaykh Ahmad 'Arif al-Zayn and al-'*Irfan*' in Marwan Buheiry, ed., *Intellectual Life in the Arab East: 1890-1939* (Beirut: American University of Beirut, 1981), pp. 110-124.

hegemony persisted. Muslims continued to look to the days of the *Wilaya* of Beirut — cradle of Liberal Ottomanism and Arab Nationalism — with some nostalgia. For Beirut was then the capital of a growing maritime, trading, and largely urban *wilaya* of the *sahil* which provided them with a large majority of lucrative posts in the expanding bureaucracy and municipal councils where their rank, self-esteem, and social status *vis-à-vis* other communities remained particularly high. The Mandate, on the other hand, had favoured the ‘sons of Old Lebanon’, their rivals of the Mountain, who now appeared to be lording it in the City as relative newcomers. For their part, the Maronites feared that their refuge would be swamped by Muslim populations and Arab Nationalist ideologies.

Another observation concerning the Mandate’s performance and legacy is in order. Despite Christian and Muslim opposition to the Mandate policies on the tobacco monopoly, the regulation of the currency following repeated falls in the value of the Franc, taxation and tariffs, and the clear bias in favour of French enterprise and personnel in Lebanon, the economic performance of the Mandate was more appealing (and met with perhaps less overall criticism) than its heavy-handed and often insensitive politics. By enhancing Beirut’s role as an entrepot and a cultural centre, by expanding the scope of secondary, professional and university education, and by actively pursuing a policy of modernisation, the Mandate found increased support in a wide spectrum of rising middle class interests and traditional political notables from every community. Yet, paradoxically, this phenomenon also heightened future expectations which could only be realised under national independence. Thus, it worked against the Mandate in the long run.⁵⁵

Finally, Charles Issawi has suggested that the Middle East is ‘overurbanised’.⁵⁶ This is certainly true for Beirut. In favouring the urban areas, particularly, and neglecting the rural countryside and its agrarian population, the Mandate Authority helped to precipitate massive migration to an unprepared city, and the concomitant social and political problems. While Beirut on the whole prospered, albeit unevenly, in the sectors of trade, real estate, communications, education, and the services generally, the rest of the country received only scant and begrudging attention. Or, in the words of Roger Owen, ‘by splitting off Grand Liban from its natural hinterland the French not only confirmed the financial and commercial hegemony of Beirut over the Mountain, but also strengthened a pattern of economic activity in

55. The role of Britain in exploiting this rift especially during WW II is yet another important factor to be kept in mind.

56. Charles Issawi, *An Economic History of the Middle East and North Africa* (New York: Columbia University Press, 1982), p. 102.

which agriculture and industry had become more and more subordinate to banking and trade.⁵⁷

In retrospect, the price paid in national terms for the modernisation of Beirut and its projection as a seductive advertisement for French administrative achievement may have been too high. Yet while some blame could be placed on the Mandate Authority for helping to create a Leviathan (or a Young Frankenstein-*sur-mer*), it is also a sad fact that the Lebanese in the aftermath of independence did not seem to mind nurturing it very much.

57. Roger Owen, 'The political Economy of Grand Liban, 1920-1970' in Roger Owen, ed., *Essays on the Crisis in Lebanon*, *op. cit.*, p. 24.