number of factors converge to the detriment of the overall economy and the citizens' welfare. In mid-September, Lebanon was running short of fuel. With the Central Bank's foreign currency reserves at only $200 million and the state drowning in a 130 billion pound deficit (for 1986), the Minister for Economy, Industry, Commerce and Oil, Victor Kasir, ended state subsidies on gasoline, saying the government couldn't afford them. The black market had also played a role: Gasoline was being sold for as much as four times the official price.

In any case, gasoline prices rose by 133%, putting new burdens on the consumer, but severe rationing continued in West Beirut, allegedly due to distribution problems, etc. It is typical that after an extended period of government inaction, when right-wing ministers finally did something, it was against the interests of the ordinary citizens. Acting Finance Minister Hashem, who authorized the Central Bank credit to import more gasoline after the subsidy lift, claimed that this would save the treasury £45 million annually, to be used for social benefits. However, in the light of past experience of state neglect, few put their hopes on this, especially since it is a piecemeal measure, not part of an overall recovery plan. In fact, public services have been rapidly receding in both quantitative and qualitative terms.

Shortage of other fuel continued as Hashem withheld import authorization, pushing for a new subsidy cancellation. In West Beirut, bakeries were closing due to fuel and flour shortage, and severe electricity rationing. Lebanon's largest hospital, the American University Hospital in Beirut, threatened closure in late September, citing lack of fuel to run its generators to supply electricity, its fuel consumption having been doubled to make up for the prolonged power cuts.

Indeed, the complexity of the crisis is a convenience for Lebanon's magnates who would like to hide that it is their economic orientation, and the dollar mafia they have spawned, that are pushing the population to the starvation point. The interests of the big bourgeoisie lie in the continuation of Lebanon's essential economic role as financial broker between the imperialist countries and the oil-rich Gulf states. The corollaries of this role are a weak industrial sector; historical neglect of agriculture, especially in the South; minimal state intervention in the economy (even when the state is functioning), consecrated in bank secrecy laws which make it almost impossible to control the monetary market; and a host of other factors in which the current crisis is rooted.

It is not surprising that the destruction of over a decade of civil war and Israeli aggression have brought this fragile system nearly to a halt. In 1986, Lebanon's gross national product had dropped to almost half what it was in 1974. Today, Lebanon is importing about 80% of its daily needs, and six times more than it exports, making it totally vulnerable to price rises in the exporting countries. The dependent nature of the country's service-oriented, capitalist system has made it doubly vulnerable to external factors, such as the relative recession in the Gulf countries, which reduced capital inflow and remittances to Lebanon. There is now outright capital outflow with companies pulling out and specialized manpower emigrating.

Still, for all its faults, the Lebanese economy initially seemed remarkably able to survive the first decade of civil war and even the 1982 Israeli invasion and occupation. Until 1985, the pound remained relatively stable. This could be explained away by saying that it simply took a certain time for the multiple factors of the crisis to mature. However, it is also enlightening to look at the political realities which are close- ▶

Beirut's children, accustomed to playing in ruins, now face starvation.