

THE BROOKINGS INSTITUTION
Saban Center for Middle East Policy

LEBANON: THE FORGOTTEN CRISIS

Washington, D.C.

Thursday, January 24, 2008

Moderator:

MARTIN S. INDYK, Director
Saban Center for Middle East Policy
The Brookings Institution

Presentations:

BILAL Y. SAAB, Senior Research Assistant
Saban Center for Middle East Policy
The Brookings Institution

NADIM SHEHADI
Associate Fellow, Chatham House

DAVID SCHENKER, Senior Fellow, Director
Arab Politics Program
Washington Institute for Near East Policy

* * * * *

P R O C E E D I N G S

MR. INDYK: Ladies and gentlemen, welcome. Please take your seats. First of all, welcome to the Saban Center for Middle East Policy at the Brookings Institution. This is a rather strange room. I gather you can see up here on television which is an innovation. Please begin your lunch and we will talk through it.

I hate to begin with an apology, but I have to. As you are aware, we had planned a larger program with a keynote address from the U.S. Ambassador to Lebanon Jeffrey Feltman. Jeff is very upset that he could not come and be here for this event. As many of you will know, his assignment there had ended and he had gone through all the farewell parties, and anyone who has been in Lebanon for a farewell party will know what a delight that is, and even packed out, and then got a call from the Secretary of State who told him that he had to stay in Lebanon for the time being. Therefore, it is not clear when he will be coming out, but when he does, and it should be in weeks rather

than months, we will invite you all back to hear his presentation at another luncheon forum. He himself was very upset that he could not make it and asked me to send his apologies to all of you.

But we still have a very exciting program and I will introduce our panelists today in the order in which they will speak. First is Bilal Saab who is Senior Research Assistant at the Saban Center at Brookings. He joined us at the beginning of 2006. His work here at the center is on terrorism and Middle East security. He is quite a prolific writer. His articles and studies have appeared in a number of academic journals and policy magazines and he is a frequent commentator on Middle East affairs for U.S. and international media outlets. Prior to joining us he worked as the Chief Middle East Desk Officer at the Center for the Study of Terrorism and Political Violence at the University of St. Andrews in Scotland, and prior to that he worked at the Lebanese Center for Policy Studies in Beirut, working on Arab reform issues. He has a B.A. from the American University of

Beirut and an M.A. from the University of St. Andrews in Scotland.

We are very pleased to have as our second speaker Nadim Shehadi. Nadim made a special trip from London to join us today and we are very grateful to you for doing that, Nadim. He is an Associate Fellow of the Middle East Program at the Royal Institute for International Affairs, also known as Chatham House. He headed that program in 2005. He was formerly director of the Center for Lebanese Studies which was affiliated to the Middle East Center at St. Anthony's College in Oxford. He is an economist by training and his vocation is the history of ideas, particularly economic ideas and thought in the 1930s. He has written a number of Chatham House papers, his most recent one on the U.N. Special Tribunal for Lebanon, and he is working now on European Policy in the Mediterranean and the Middle East.

Finally, David Schenker. We are very pleased to have David join us here. This is his first time but hopefully not his last time as a panelist at

the Saban Center. He is a Senior Fellow and Director of the Arab Politics Program at the Washington Institute for Near East Policy, a think tank that I know quite well. Previously he served in the Office of the Secretary of Defense as the Country Director for the Levant and the Pentagon's top policy aide on the Arab countries of the Levant. In that capacity he was responsible for advising the secretary of defense and other Pentagon leadership on the military and political affairs of Syria, Lebanon, Jordan, and the Palestinian Territories. For his work there he was awarded the Secretary of Defense's Medal for Exceptional Civilian Service in 2005. Prior to joining the government he was a Research Fellow at the Washington Institute focusing on Arab governance issues. He has a master's from the University of Michigan and a B.A. from the University of Vermont.

Welcome to all three of you. Bilal is going to start by discussing developments in internal Lebanese politics. As all of you know, internal Lebanese politics have regional and international

dimensions, otherwise it would not be Lebanon, and that is what Nadim and David will focus on in their presentations. Bilal, please.

MR. SAAB: Thank you, Martin. Thank you, Reed for organizing this. It is nice see familiar faces in the audience, friends, and former colleagues, and people from the Lebanese embassy. Thank you all for coming.

It is very easy to get lost in the details of Lebanese politics. We all know that these are not exactly the most progressive politics. There is a lot of nothingness in Lebanese politics, and as proof of that is that the crisis we are having today started 2 years ago and we are back to square one. It all started in the cabinet when, if you remember, six Shiite ministers resigned from the cabinet because they did not want to endorse the issue of the International Tribunal to try the killers of former Prime Minister Rafik Hariri. Then came the issue of the presidency. But like I said, it was never the root cause of the problem.

The root cause is political representation and power sharing amongst communal groups in Lebanon, and this is what I am going to focus on today, the roots of the political crisis from a domestic perspective, and I will leave the important regional ramifications to Nadim and Dave if you want to talk more about Syria.

What has this crisis meant and why is it so difficult to solve? Why is it different from any of the previous crises we have seen in Lebanon so far? I will try to propose a few ways to get out of this crisis from the long-term perspective, and I am going to say right from the start that it is going to be very difficult and it is going to take a long time.

Let me start off by reminding you of what happened in 2007 and what sort of baggage Lebanon has inherited into 2008. The country is limping into 2008 amid chaos, political violence, terrorism, government paralysis, and a damaged economy. There are not very good memories we can remember from 2007. The assassination of two parliamentarians; an army general

who was supposed to be head of the army in case Michel Suleiman were to be president, and I am talking about Francois Hajj; a 3-month battle with a terrorist group in the north in Nahr al-Bared; street politics resulting in sectarian clashes in the streets of Beirut which were quite scary, actually, and reminded most Lebanese of the days of the civil war, and the list goes on. The bad news is, if this was not enough, that none of this is actually going to go away in 2008, and not a single issue is going to be solved in my judgment at least unless Lebanese political factions, the opposition and the governing coalition, start adopting a mentality of win-win instead of zero-sum.

If there is one positive element we can take out from this crisis, it is the fact that Lebanese are experts in crisis management. I am really surprised how a situation like this has not led so far to civil war. This is as bad as it can get. Some people have described the crisis most famously as that pitting Sunnis against Shiites. Prime Minister Fouad Siniora

is Sunni and the Lebanese parliamentary majority leader Saad Hariri is also Sunni, leading a coalition, which is called the March 14th which includes all sects of society, against the opposition mainly led by Hizballah which is a Shiite group. Like I said, there are cross-communal alliances in both camps, but this is how experts have actually perceived it as mostly a crisis pitting Shiites against Sunnis, a mirror of what is actually happening in the region and the larger Sunni-Shiite divide, I hate to say it, if you want to call that. By the way, Moshe Maoz has just published an analysis paper for us in which he talks about the Sunni-Shiite divide, and he cleverly tries to debunk that perception.

Another perspective of the crisis is that the problem is that between people who want independence, freedom, and sovereignty for Lebanon, basically the March 14th camp, and the others, Hizballah, whose national agenda is tied to foreign powers, Iran Syria.

Perspective number three is that there is a moderate and pro-US camp, and an extremist one, Hizballah, again allied with the extremists, the Islamic Republic and Syria. All three views in my opinion are wrong. The way I see the conflict today, just like I said in my introduction, the essence of the conflict for almost 2 years now has to do with the fact that the Lebanese political system has reached the point where it can no longer ignore the political aspirations of one large unit in that system which is the Shiite community. I do not have the numbers to prove it, but it is like a known fact in Lebanon that the Shiite community actually has the biggest numbers, that they constitute a majority in Lebanon. Again, I cannot prove it. The last time we had a census was in 1932.

The problem is that these aspirations of the Shiite community will not be seriously addressed by the government and the other communal groups as long as Hizballah remains the unchallenged patron of the Shiite community. Why is that? Because in the eyes

of the Sunnis, the Druze, a segment of the Christian community, and the other groups, more political representation to the Shiites automatically means more power to Hizballah and this is something they are going to object to. Why? Because of what Hizballah represents. It is a militia in their eyes that poses a serious security threat to them. It also is in their minds trying to undermine the project of state building in Lebanon and the project of democracy and sovereignty that started after the assassination of former Prime Minister Hariri.

Members of the Shiite community, having always felt that they have been neglected and abandoned by their government, found no choice but to support Hizballah. Why? Because Hizballah sends their kids to school, pays their bills, repairs their roads, employs them, and offers them social services. That is pretty obvious. They have been doing that since the creation of the group in the early 1980s. The void that the Lebanese state has been responsible for creating in the south and in the Dahiya, the

southern suburbs of Beirut, was filled by Hizballah and the Shiite group smartly exploited that void. What we are going to end up with is that the Shiites' aspirations are denied because of the indirect, I stress on indirect, hijacking of such aspirations by Hizballah and what this group represents in the eyes of its adversaries. Again I say indirect because the reason why those members of the Shiite community support Hizballah is because the government has not been responsive to their legitimate demands. It is not that Hizballah has actively hijacked those aspirations, but it has done that by default.

In this regard, the struggle for Lebanon, if you want to call it that way, did not end with the ceasefire last year in the summer war between Hizballah and Israel. The struggle actually started then. This fierce battle that we are seeing today between the opposition and the governing coalition is that between supporters of the status quo, keeping the Lebanese system as it is, and those, if you want to call them revisionists, the opposition and Hizballah,

who want to change the regime. They feel like this is the right time for it and they are definitely going to pursue it with all means possible. When I say that the governing coalition wants to keep the system as it is, that does not mean that they do not want to implement any reforms, but they are not ready for radical changes. They want to keep the system as it is maybe under new auspices, not Damascus but Washington, but they want to keep it mainly as it is.

I am going to focus on Hizballah, not to undermine the influence of Michel Aoun and his party, but I believe that the drive for changing the regime is primarily being led by Hizballah. The summer war of last year was quite instrumental in helping Hizballah embark on a course of regime change in Lebanon. Hizballah has a vision and project of resistance in their minds in defiance of the U.S. project or U.S.-Zionist coalition in the Middle East or whatever you want to call it, and not Hizballah as an organization, came out of the war actually victorious. Israel fell into the trap. And, yes,

Hizballah provoked Israel, yes, Hizballah should be blamed for triggering the war, but the excessive use of force and the extension of the conflict by Israel reminded most Lebanese that Israel was still a huge threat and that Hizballah's weapons at least viewed by the Shiia community are still needed. We also had the international community and the United States fail to protect Lebanon and fail to end the war. And I would even add that the United States endorsed the extension of the conflict in order to wipe out once and for all Hizballah, and they were wrong, and we all know that.

So far, Hizballah is conducting the battle for regime change through democratic and political means. How long is this going to last and how long until it switches into more aggressive political tactics and even actually using its weapons? I have no idea. Hizballah is relying on the increasing demographic weight of the Shiite community and that is actually its biggest weapon. It is not the arsenal that it has, it is demographic politics. One day this group might use like I said more aggressive means, and

in my opinion I do not think it is going to use its weapons because the leadership of Hizballah whom I have been talking to for the past 6 years understands that the usage of such weapons against fellow Lebanese will automatically lead to the group's demise. So what am I thinking about? More demonstrations, more street politics, more resignations from the cabinet, from the parliament perhaps, all the other techniques they can think of that are actually peaceful but will always have negative consequences and backfire because everything has sectarian ramifications in Lebanon.

This is where my policy recommendations start. The key to decoupling the Shiites from Hizballah, which is easier said than done, obviously, is to provide the Shiites with an alternative to Hizballah. This is the biggest challenge in my opinion that Lebanon will be facing in the next coming years. In other words, the way in which Lebanon as a polity, sects, government, society, approaches the Shiite community whether by supporting it and integrating it more fully into the system, or by

disregarding its rights, will determine the direction the Shiite community is going to take. If Lebanon goes down the first path which is obviously preferable, it will require open-mindedness and serious concessions from the other communal groups, and significant but I would say not radical changes of the Lebanese system, and if they go the second path, you can expect a civil war to take place.

Assuming that the first path is taken, helping the Shiite community politically distance itself from Hizballah and giving it an alternative to Hizballah, what changes of the system would actually have to take place? To put the country on a course toward durable political stability, Lebanon would have to implement reforms that actually already exist in the Taif agreement. I am not a big fan of the idea that Lebanon needs a new Taif agreement. I really feel like there are a lot of clauses in the Taif agreement that have not been implemented, and if we were to implement those, Lebanon is going to be in much better shape. It is not about coming up with a

new constitutional document, it is about political behavior, and in my opinion, the root causes of Lebanon's problems do not come from the structure of the system, but largely from political behavior. The system works and has worked in other countries, the consociational model I am talking about. It has its flaws, I am not saying it is perfect. So I would say that political behavior rather than structural issues are the main impediments to Lebanese political stability.

The four clauses of the Taif agreement that should be implemented whether in the near term or medium term are the decentralization of administration of municipalities, something that has not been done yet and devising a new and fair electoral law, something politicians have talked about a lot but obviously they have not been able to sit down together and start working on this. We have an electoral law commission that is made up of very serious people who are friends of mine and Nadim. One of them is Paul Salem who is not here with us today. But we still do

not have a new electoral law, and this is key to really starting to change the system, starting to get new blood into the system, get rid of this really old political class that is just bankrupt. I am not going to talk about the abolition of confessionalism because that is needless to say something we need to do, but it is going to be really for the longer term, but there are two issues that I just mentioned that could be done in the near term that could change a lot of issues on the ground in Lebanon. Also the strengthening of the judiciary and its independence.

Taif was never perfect, like I said, and it reflected the balance of power of internal and regional forces then, yes. But Lebanon, like I said, is not in need of a new Taif. If Syria would let Lebanese implement the remaining clauses of Taif, we would have fewer problems. Syria has been obstructing the implementation of Taif since the end of the civil war.

I said I was not going to talk about the regional aspects of the crisis. I think I lied. I am

just going to say a few words in concluding remarks on Syria, and I hope I do not duplicate information that David is going to talk about. What American diplomats and Amr Musa and the other Arabs do not seem to grasp is that Lebanon is much more crucial to Syria than they think it is. This is something that the Lebanese opposition understood early on, but the governing coalition has not, or at least still hopes that Syria will eventually let go and let the Lebanese rule themselves for once. I am telling you that this is the Syrian regime's fight for survival. They will not let Lebanon go for whatever carrots you can offer them, and if they lose Lebanon, the survivability of the Syrian regime is really at stake. France has wiped its hands clean from the Lebanon crisis after extensive attempts to get Damascus to end Lebanon's presidential vacuum. The Syrian regime maneuvered a great deal in its negotiations with the French and this was evident in the stern message which Sarkozy, the President of France, passed on to Syria in December when he said Paris will no longer converse

with Damascus over Lebanon. Damascus still believes Lebanon to be an extension of it, and you can argue with me on this, and that what is happening on Lebanese soil is strictly a Syrian affair that affects the regime and its prevalence. At the same time, Damascus fears any regime change in Lebanon because of how this could affect politics in Damascus. If the anti-Syrian governing coalition wins in Lebanon, this might embolden the Syrian opposition. Syria will always be watching very closely what happens in Lebanese politics because of the effects these politics could have on the Syrian interior.

This feeling of a change in the Syrian regime is driving Damascus to tip the balance on the military, security, and intelligence levels in Lebanon. The International Tribunal to try the killers of former Prime Minister Hariri is also the driving force behind Syria's conduct. The Syrian regime is fighting for its survival the same way that the ruling majority is battling for Lebanon, and I am just going to end it here. Thank you.

MR. INDYK: Thank you, Bilal. Nadim?

MR. SHEHADI: Thank you, Martin and Bilal.

Thank you for inviting me.

I have been asked to speak about the regional ramifications and Bilal has very clearly shown that it is very difficult to separate them, but if we stand back for a while and examine what is happening in the region, the whole region is in a sense at a turning point. We have had in the last 7 years three major shocks to the regional system, the first one being of course 9/11, the second the invasion of Iraq, the third which is what we are now paying the price for is the summer war, not the summer war, the summer wars in the plural, of 2006 which was really a regional war rather than a Lebanese-Israeli one. Part of it was on Lebanese soil, but you had in sequence an eruption in Gaza on June 25, 2-1/2 weeks later Lebanon blows up, July, August, September, Iraq becomes 10 to 20 times worse with also regional input. So I think we are in a sense recovering from a broader regional confrontation in which there were losers and

winners and in which the United States and its allies came out much worse than they were before that summer. In a sense the region is also divided, it is not only Lebanon that is divided, and if you take it a bit further, every single capital in the world including Washington, Paris, Madrid, and all the powers that have UNIFIL troops in South Lebanon, are also divided almost along the same lines on how to deal with the future of the region, and what actions would effect the direction that that region will take. When you are at a crossroads, it is not a matter of going in one direction and discussing how you would go in that direction, it is a matter of going in two different directions and if we look at quick snapshots of how the region changes over the past century, after the collapse of the Ottoman Empire, Ata Turk was an extreme case in Turkey dropping all the Ottoman past and institutions, adopting European institutions and the rest and laws and imposing secularism on the Turks, this was in a sense emulated throughout the region.

If you went to Beirut, Cairo, Damascus, Baghdad, Tehran, at the time you would find people trying to emulate the West because they thought it was the winner and that its values would promote a better life for them. They were building opera houses and they were in a sense pro-Western, and in 1948 that system also received similar shocks and that earthquake if you like which represented for the people of the region the complete failure of the regional regimes and the Western orientation of these regimes.

If you take another snapshot of the region 10 years later you would find that most of the centers of power are wearing military dress, they are socialists, they are pro-Soviet, they are building armies with very authoritarian structures. You can go on, and 1967 produced what you would find flicking through "Time" magazine 15 years later, men with beards and turbans and Islamic movements rising, the assassination of Sadat, the Iranian revolution, the Taliban, all of that. So the region does change after

major shocks like that, and this is not particular to the region. Europe changed after 1870, so I think we are in such a time and the division in Lebanon reflects this regional crisis, and so does the division in most opinions on the country and on the region.

What I would like to drive to is that Lebanon is a divided country and I would like to put forward the premise that this is a healthy phenomenon. The Lebanese disagree. They have different political opinions. Any solution that tries to create a consensus on which the Lebanese will always agree on everything is doomed to failure. What is required is a solution where the system can manage these divisions, manage these differences of opinions, of visions, of political orientation, and that system exists as Bilal told us, that the system should be allowed to operate, and in the past 3 years in which Lebanon has been through the crisis we are seeing now the system has not been allowed to operate or at least circumstances in which the system has tried to operate

included the assassination of six MPs, of journalists, of a former prime minister, it included two wars fought on Lebanese territory, one of them last summer which was quite devastating for the Lebanese army, and of course the summer of 2006. It includes terror attacks, it includes an economic siege and a blockade. So we cannot say that the Lebanese system however weak or strong it is is operating in a normal circumstance and we cannot ascribe the failure of the system to resolve these issues to internal developments.

Lebanon in that sense is a normal country with mediocre politicians. Most elected politicians except those in this room tend to have narrow interests and are not the greatest visionaries. The great visionaries of this world are the Saddam Husseins and the Mussolinis which we do not have, or at least we hope they will not come to power in Lebanon. In fact, the paralysis of the system is the proof of its resilience because had the system not had so many checks and balances, it would have been taken over in the first week of the crisis and we would have

had our great visionary leader supported by a god or somebody, so maybe the continuation of the crisis is a positive thing, the paralysis is a positive move, because the alternative would be a completely different direction which I would like to venture would affect the direction of the whole region it is going on, not just the way Lebanon is.

The question, and I reject the answer to this question which is being put forward, that the Arabs can only operate with authoritarian dictatorships that gain elections with 97.6 percent and that the people are not mature enough to run their own affairs. So what is at stake in the region is a battle between these two visions, one wanting to take the region in a fundamentalist Islamic direction, and the other one wanting to create a more liberal and reformed economic system in the region. We have a temporary glitch in that which is best described in a Saban Center paper of course by Steve Heydemann about upgrading authoritarianism, how the regimes in the region are resisting the change and have found a way,

helped by the oil boom to maintain their authoritarian structures while changing some of their economic policies. That is enough about the region.

There is an international policy toward the whole region and there is an international policy toward Lebanon. There is a difference between United States policy in the region and United States policy in Lebanon, and also between European policy in the region and European policy in Lebanon. The way in which the policy toward Lebanon is unique in a sense is probably symbolized, if you like, by UNIFIL, the United Nations forces in South Lebanon. If the forces present in Iraq are the coalition of the willing, then the forces present in Lebanon are the coalition of the unwilling, and they unrepresent the U.N. in a sense because policy in Lebanon which started in 2004 was a Franco-American understanding that pushed for Security Council Resolution 1559 and that was done when, shame on you, you were throwing good burgundy down the drains in American cities and stopped eating French fries. So it is in a sense a transatlantic

cooperation which at a time when transatlantic relations were at their worst. The American policy in Lebanon does not follow the path of unilateralism, the Bush doctrine, as it does in other parts of the region.

It is also very strongly European led with strong European interest and intervention, and it is also completely under the cover of U.N. Security Council resolutions. You have had something like 14 to 15 U.N. Security Council resolutions on Lebanon. All of them were unanimous in that sense, and only one had some abstentions which is the one for the extension of the tribunal and there were good reasons for the abstentions on technical grounds as well as on political grounds. So if one looks at policy toward the region, probably Western policy is at its strongest in Lebanon. It is the place where international cooperation, under international legality, under transatlantic collaboration, together with regional collaboration, the Arab League backing except for one country, is at its strongest.

But at the same time you have, if you like, the other side, with also a lot of strength in Lebanon which makes it more of a place of very intense confrontation for the region. The assets of the other side, i.e., the Iranian-Syrian front, in Lebanon are quite strong. You have Hizballah, a project which Iran has invested in for 25 years and which is bearing good fruit and served very good purposes in 2006. You have the opposition. You have the Palestinian armed factions that are sponsored by Syria. You have terrorist groups also sponsored from outside as in the Nahr al-Bared war of last summer. You have strong opposition in Lebanon and this strong opposition has legitimate popular support and is discussing real issues to do with the system in support of, or in opposition if you like, to the Western policies and American policies in the region which is as we speak today becoming less and less popular with what is happening in Gaza.

So Lebanon is a place where the confrontation is at its highest, where the assets

against the policy are the strongest, and where the policy itself is the strongest. This has produced the deadlock. The deadlock is both internal and international. The internal deadlock for me at least is not the major one, in a sense, that Lebanese politics is probably quite simple rather than complicated because all internal politics if you get into the nitty-gritty of it is complicated. The simple answer is whether there is a process that manages these complications. We have had a civil war, been there, done that. You have had one here in the United States. You are still divided amongst red states and blue states roughly along these lines. Spain still runs its elections also along the lines of divisions caused by its civil war which was about a hundred years ago. So division does not mean that there is going to be a civil war. There has been a lot of provocation for a civil war in Lebanon in the past 3 years and it has not happened.

Just in the last 3 minutes I have I want to put forward to you an idea of the kind of thinking

that is happening now to resolve the Lebanese crisis. I do not have an answer, but the question is whether this kind of thinking can work and whether it can work for Lebanon only or whether we go back to it only able to work for the whole region. There is an idea that this deadlock is very dangerous, it is not resolvable through internal politics, and there are too many stakeholders in the region, the major ones, Iran, Syria, Saudi Arabia, Qatar, the Arab League, and of course the U.S. and Europe have high stakes in this, the idea is to find a way of extracting Lebanon from these regional conflicts, isolating it, protecting it, from the regional conflicts and allowing it to resolve its problems on its own and for the process to operate inside the country.

I think this is a very nice idea. I have heard it discussed both in Lebanon and outside. But I have also heard the idea mentioned about Iraq, about Syria, and about other Arab places, in the sense that I will refer to my friend Dr. Ali Alawi who was Minister of Defense and Trade and Finance in economy

during the Bremer period. He published in London a proposal to resolve Iraq and the proposal was more or less the same as what is being discussed now for Lebanon, which is that you hold a regional conference, you create a regional security regime which takes care of the interests and the fears of all the regional players, and you isolate Iraq from the region. So if you isolate Iraq from Iranian, Saudi, Turkish, Syrian, and international interests, you can probably solve it as well.

I think the same applies to Palestine, if you can isolate the internal situation in Palestine from the Iranians, Syrians, Saudis, in a sense trying to isolate one problem would not really resolve it. The Syrians also had a similar proposal in 2003 and 2004 which was the discussion of a Helsinki type agreement for the region which would guarantee state security and noninterference in internal affairs and borders. So I think everybody is moving toward that sort of an arrangement but that it is impossible to isolate any single theater and an opting-out clause in

the regional conflict is not an option that is easily achievable, and I will stop here.

MR. INDYK: Thank you, Nadim. We will come back and ask you what is achievable. But for now let's go to David Schenker.

MR. SCHENKER: Martin and Ken, thanks for the invite. It is a little daunting looking at how many Lebanon hands and experts in the room, so you will have a chance to correct me during Q and A.

"Tishrin" last week ran an article which pointed out with some glee the irony that during the president's most recent visit to the region that he could not visit Lebanon, the only policy success of the U.S. in the region. The Bush administration has in fact presided over tremendous gains in Lebanon in the past 3 years. Lately though the administration is presiding over what appears to be a reversal of these gains.

The U.S. policy in Lebanon today is informed by our historical experience in Lebanon, in particular I think 1958 and the period of 1982-1983. In these

two cases like today in the post-2005 era, the democratically elected government has requested U.S. assistance. So like in 1958 in the aftermath of the 2005 Hariri assassination when Lebanon was threatened by Syria, the U.S. stepped in. They delivered an aid package in excess of \$250 million to the Lebanese armed forces, with commitments totaling in excess of a billion dollars. In 2006 in fact, Lebanon surpassed Jordan as the second-largest recipient FMF per capita.

During the spring of 2007, Lebanese armed forces campaigned against Fatah Islam. The U.S. expedited flights via dozens of C-130 flights, a tremendous accomplishment for those of you who know the types of obstacles there are to getting this type of thing by the U.S. government. And the U.S. of course as was already mentioned has played a pivotal role in pushing through the U.N. Security Council several key resolutions, 1559, 1701, and 1757, in particular.

More recently though, and particularly during the election period in Lebanon, the U.S. policy

more closely resembled that of the 1980s. A day after the attack on the U.S. Marine barracks which resulted in the deaths of 241 Marines, President Reagan declared that the U.S. had "vital national security interests in Lebanon," and 4 months later the U.S. forces withdrew from Lebanon, or as then Secretary of Defense Caspar Weinberger spun it, the U.S. forces redeployed to the sea.

The assassination attempt last week on Ambassador Feltman is a reminder of just how close we are coming to full circle. This past November a virtual parade of March 14th leaders descended on Washington to see senior administration officials including the president, Walid Jumblatt, Nayla Moawad, and Saad Hariri. They all asked the president to pressure Syria into ending its meddling in the Lebanese presidential elections. March 14th had also pressed the administration for support to employ the 50 percent plus 1 option if needed to elect a president. In response, the administration reportedly told March 14th that if it was okay with the

patriarch, it would be okay with the United States. Of course, we already knew what the patriarch's position was on that, that the answer was no. The lack of support for the 50 plus 1 option I think really undermined March 14th's leverage against its political enemies.

As for the request to pressure Syria, in this period we saw the administration absent itself from the Lebanon file for a few months, giving the French and President Sarkozy a shot at diplomacy, while Washington pursued and eventually secured Syrian attendance at Annapolis. Annapolis was a crushing blow to Washington's allies in Beirut. For them it suggested (inaudible) in 1991 and it effectively changed momentum on the presidency. The day after Annapolis, March 14th collapsed and agreed to the consensus presidency of Michel Suleiman. The bar moved. March 14th had prior to then said it is either (inaudible) that is it. Then they moved the bar. They drew the line saying we are not going to have a government of national unity, no veto power for

Hizballah and that is where it stands essentially today. True to form though, Syria and its Lebanese allies pocketed this concession and today are looking for an even better deal.

So what exactly is U.S. policy on Lebanon now? In the aftermath of Annapolis, it appears the administration is trying to do some damage control, trying to fortify March 14th to withstand the Syrian onslaught. Damascus, President Bush said, was "thwarting the will of the Lebanese people in choosing a president." And on the eve of his trip to the Middle East, President Bush urged Syria and Iran to stop interfering in Lebanon's internal affairs. Now Washington is backing the Suleiman presidency. On January 4 Bush told Al Hurra, and forgive the broken English, it is not mine, "We are making it awfully clear publicly and privately that Suleiman who was elected by the, by a lot, who was selected by, by a lot of players there inside Lebanon is the right choice. If that's what they want, that's who we

support and that the obstacle in the presidency going forward is Syria."

Post-Annapolis, Washington has also shifted its policy on the 50 plus 1 election for president. President Bush said shortly after Annapolis or right about that time that, "My position has been that the March 14th Coalition should be allowed to go forward with the 50 plus 1 option." The U.S. will continue of course its significant financial assistance to Lebanon and Washington will continue to support Lebanon in the U.N., but for the time being absent some sanctions, some financial designations, and some diplomatic pressure, the administration does not appear poised to take any bold policy change toward Lebanon. In fact, as you know, the Syria Accountability Act sanctions have been ineffective, the trade between the U.S. and Syria has actually increased, the effect of the second tier designations of Syrian lackeys in Lebanon, people like Waim Wahab, does not appear to be having a great effect. And I would say that the executive order on Lebanon has dried up some U.S. funding for General

Michel Aoun emanating from the United States. People are concerned that their assets will be attached, but this is also having little apparent effect on Aoun's unproductive behavior.

The U.S. government does support the Arab League Initiative or the Amr Mussa Initiative, whatever you would like to call it, which focuses on three points. One is the election of Michel Suleiman, the formation of a national unity government where the language is, subbing in English, that no party can impose or block a cabinet decision, and it supports a new elections law for the 2009 election. Where is Syria on this? Damascus initially accepted the Amr Mussa Initiative. Now it is saying that this agreement is really what the Syrians had agreed to with the French. But a close look at what Syria's allies in Lebanon are saying suggests that the Syrians are less than enthusiastic. The Marada Party head, a former minister in the Lebanese government and the dean of the pro-Syrians in Lebanon, Suleiman Franjieh, said, "There is no confidence in Michel Suleiman who

does not represent a guarantee as he cannot assure me of a determining or blocking third in the cabinet." So there is a whole lot of haggling about what the cabinet will look like. As we said, the Syrians pocketed the presidency and are now going for determining what the actual government of Lebanon will look like. As Franjieh said, the notion of 10 ministers, and this is one of the deals in question, there are 30 total cabinet ministers, the opposition would have 10, the majority would have 10, and the president would get to select 10. This is the arrangements under question and there are a whole lot of different ones out there. As Franjieh said, the notion of 10 ministers for Suleiman is equivalent to a bad deal or the opposition getting shafted, as he said in colloquial Arabic. He said (Arabic) for those of you who speak Arabic. Franjieh told Al Akbar on January 17 that the opposition will not accept a solution that does not give it 11 ministers, a blocking third, in the coming government.

In particular, the opposition is concerned that they want the defense minister and the interior minister and they have already named people who would not be acceptable in those positions. As for Amr Mussa, Suleiman Franjeh says, "Amr Mussa is not the secretary general of the Arab League but, rather, the foreign minister of Egypt, and he is acting like that." This hardly compares to what the Syrians themselves have been saying about Amr Mussa. In "Tishrin" on January 21, they wrote on Amr Mussa, "He revealed the official Arab position and that he cannot take any position that the U.S. administration does not give prior consent to and therefore his initiative to fail." Damascus is clear in any event what they will find as an acceptable solution in the presidential crisis. Syrian Foreign Minister Walid Muallem held a press conference after his meeting with German Foreign Minister Steinmeier on January 18. He said, "Diplomatic relations with Lebanon would be reestablished when the current crisis in Lebanon is solved and a consensual president is elected and a

national unity government is formed, the national unity government which reflects representation according to the ratio of parliamentary blocs and when this government adopts a policy that interests of the Lebanese people."

If you look at what the ratio is of parliamentary blocs, this means that the Syrians not only want a blocking third, they want 45 percent of the cabinet seats for the opposition. The Syrians may have gotten cold feet on Michel Suleiman though. Indeed, it is possible that the assassination of the Lebanese armed forces chief of operations, Hajj, may have been a message to Suleiman that everybody is vulnerable. The Syrians do not want Lebanese presidents who have allusions of independence. Alternatively, the Syrians may be feigning ambivalence on Suleiman to increase their leverage vis-à-vis March 14th. The Syrians and their allies also may be hinting that another candidate would be better than Suleiman. There is a lot of buzz in Beirut now about two particular candidates, one being Fares Buez a

former foreign minister and reliably pro-Syrian figure, and Riad Salameh, the head of the central bank who is also known for his connections to Syria.

In any event, Suleiman himself is at best a mixed bag. He was good on March 14th, 2005, when President Emile Lahoud gave the order to fire on the 1.5 million Lebanese who descended on Beirut to protest the Syrians. He did not open fire and allowed the protests to proceed. But in the Nahr al-Bared campaign we hear from many ministers in the government mostly aligned with March 14th that General Suleiman resisted deploying forces to take on Fatah al Islam. Then there is the issue of what he said about Shaker Abssi and Fatah al Islam. When asked whether Fatah al Islam had any connection to Syria he said flatly "no" which is a remarkable answer given the open source basis of Shaker Abssi's connections to Syria. Then of course it is widely reported that Shaker Abssi was eventually let go, the head of Fatah al Islam. Most disturbing perhaps is what Suleiman told me about what is widely accepted that the ongoing Syrian rearmament

of Hizballah. I asked him about Terje Larsen's report that this is ongoing and constitutes a problem and he said to me that it was not ongoing, in fact, he had not seen any Syrian rearmament of Hizballah. And when pressed he said you are going to just have to talk to Terje Larsen about that.

What of Washington's allies? I could skip the allies maybe. All I will say is about Sarkozy. Sarkozy was in Cairo on December 30 and made this great statement I think that Bilal Saab referred to, that Syria has to stop speaking and start proving; I and my team will break off all contacts with the Syrians as long as we have no evidence of their role to allow Lebanon to elect a consensus president. Of course, today the opposition newspaper in Lebanon "Al Akbar" reported that the French had resumed contacts with the Syrians on the presidency. So what is Syria's strategy? It looks like what they are trying to do is heat up the situation in Lebanon. We saw just 2 weeks ago the third attack against UNIFIL in the past year. They will of course continue to back

and arm Hizballah. They are also out obviously to undermine March 14th, in particular, their number one target in March 14th being Fouad Siniora who they have already secured a reported commitment that he going to leave the premiership after a president is elected. If he does leave it likely means that either Saad Hariri will become prime minister or another political March 14th figure which really implies a political cabinet which is very good for the Syrians and the opposition. I hate to guess at the future here, but it seems to me that they are going to try and delay the selection of a president until after the Damascus summit, the Arab summit in Damascus. In the meanwhile they will frustrate the Arab Initiative and the Saudis in particular and seek to engage the West, the Germans and the French, the United States, perhaps even the Israelis, to slowly erode support for the International Tribunal.

So what should the United States government be doing? As I mentioned a second ago, the Syrians are apparently very concerned that their pernicious

role in Lebanon will somehow affect Arab states' turnout at the Arab summit in Damascus. They want this to be a great success and show it as a welcoming back into the Arab system of Syria. In the lead-up to Annapolis it was widely reported that Jordan's King Abdullah told Assad that if he did not come to Annapolis, Arab states would boycott the Arab summit in Damascus. Now the concern is whether the Saudis will boycott and tank the conference. The Syrians have responded to this. In "Al Hayat" on January 8, Walid Muallem said, "Syria will not sacrifice its own interests and positions for the sake of the success of the summit," but we should be talking as the U.S. government with our Arab friends about whether they should in fact be attending the Arab summit. The U.S. government should also be working once again to raise the profile of the International Tribunal. As you know, our friends in Lebanon are in despair over the status of the tribunal. They are fearing it is stalled, derailed, or that there is a general lack of enthusiasm for the tribunal now in the international

community and these concerns are understandable. In favor of the tribunal, I would say it is really not as bad as it looks. There are a lot of difficult procedural issues that have to be worked out in the tribunal, the facilities, what to do with prisoners, people who are indicted, how you indict people without getting them killed. The Syrians kill people so it is very dangerous and nobody wants to host Syrian prisoners or other prisoners who can implicate Syria. But the tribunal despite appearances is moving, and the U.S. government without in any way taking ownership for the tribunal should be making some efforts to reinvigorate or raise the profile of the issue. Not only would this increase pressure on Syria, it would perhaps stem the demoralization of our allies.

In the same vein, if it has not already done so, the U.S. really should be encouraging the U.N. to follow through on a complete and thorough investigation of the attacks on UNIFIL. This is a very bad precedent. Already UNIFIL contingents are

asking the U.N. to beef up their defensive capabilities. The Spanish contingent has reportedly asked the U.N. if it would be okay to deploy UAVs. Hizballah is not going to be pleased with that I am sure. But continued attacks with no accountability will ultimately result in the end of the U.N.'s Security Council Resolution 1701.

Finally, and perhaps this goes without saying, but given Syria's behavior on Lebanon, Iraq, and the Palestinian Authority, this behavior should confirm to us that Syria in no way is going to be interested in being split from its strategic alliance with Iran. As Walid Muallem told Al Arabia TV in early January, "We are an independent country and we can choose our foreign relations based on our national interests and no one can compel us who to befriend or who to oppose." Or better yet, what Syrian President Assad said in December during an opening ceremony for a joint Iranian-Syrian car factory in Syria, the fact, " -- was a 'new block' in the big building of strategic relations between Syria and Iran and is a

response to all that that some tried to peddle at different stages regarding a convulsion in the relations between the two countries. And I assure you this occasion that the relations will not be shaken for any reason and under any circumstance." We should probably take these guys at their word and we should be talking about this as a realistic possibility. It is not productive on our part and it really I think muddies the waters. With that I will stop.

MR. INDYK: Thank you very much, David, and thanks to all three of you. Let me begin the Q and A session, we have about 45 minutes for this, first of all by asking people to indicate to me if they would like to ask questions, I will call on you but many of you down at the other end of the table I cannot recognize from this distance with my bad eyes so you will have to identify yourselves when I call upon you. But I want to ask the first question if I might and it is really for David and Nadim I think. It is about the dog that didn't bark in just about anything that either of you had to say, and I am talking about

Israel here. Nadim describes the regional and international forces at play here and you did not mention Israel, strikingly. David mentioned Israel in passing. But I wonder if you could address the role here, and let me suggest a way in which Israel is strangely in coalition with Syria these days which really may be the explanation for why American policy is screwed up. David, you mentioned how the run-up to Annapolis seemed to result in the United States taking its eye off the ball, but that is not all that is going on here. The Syrians and the Israelis have made clear, they make clear in statements at least once a month, that they want to engage in negotiations. This is not something that the Bush White House is particularly keen on or wants to promote, but there is no question that these two regional parties who happen to be neighbors of Lebanon want to negotiate with each other. And it is no secret that Israel has preferred a situation where the Syrians were held responsible for Hizballah activities in Lebanon, that the days in which Syria was occupying Lebanon were days in which

Israel could find an address, which is the way they put it, for ensuring that what happened in Lebanon did not spill over the northern border into Israel. And I think it is also no secret that the Israelis were not at all keen on the penchant of some in the Bush White House for regime change in Damascus and once they took out the nuclear reactor in Syria they then pressed the administration to invite the Syrians to Annapolis. Indeed, I think it was the Israeli urging in that regard that tipped the balance between those who in the administration strongly opposed Syria being invited and those who thought it was a good idea because the Saudis wanted them invited. In fact, when the Israelis let's not put them in the corner, let's have them here, suddenly they were here, and as I think David said, this gave the Syrians the kind of oxygen that enabled them to play an even more aggressive role in Lebanon.

So I wonder if you could just kind of comment on that, and in particular the question is what if the Syrians and Israelis actually get into

negotiations this year as both of them want to do?
How will that impact on Lebanon?

MR. SCHENKER: This is a really I think important issue. Lebanon is not an area where the U.S. and Israel have a lot of common ground. I think Israel has a lot of fond memories of the good old days that Syria occupied Lebanon. I do not think they have a very clear memory of it. The Katyushas were falling from the north, there were a steady stream of dead Israelis in Israel and in the security zone in the south, the grapes of wrath. It was not so good those good old days. Nevertheless, there was an army with static targets that punishment could be meted out if things got out of hand and I think they liked that as you point out.

There are two things about Israeli-Syrians negotiations. First I will say that the Israelis do not really have any regard for the issue of democracy in Lebanon. I think that is pretty clear. But on negotiations, the first casualty of negotiations I think necessary would be the International Tribunal.

There is not I think going to be any international stomach for pursuing a course of action that would ultimately likely shake the very foundations of the Syrians, that is, the implication of the very senior officials in the Assad regime in the killing of Rafik Hariri, that this would be viewed as something that would be on the table, a Libya deal or some other type of deal without regard to either justice or the desires of many or most of the people in Lebanon. There is that.

Second, and I think this really has to be questioned, what is the strategic utility of a peace agreement between Israel and Syria. For all intents and purposes, this is Israel's quietest border, the border with Syria. There has been I think in the past in 1983-1983 you had some engagements, you had the Syrian government sponsored (Arabic) the Popular Syrian Front for the Liberation of the Golan that the regime established that planted a roadside bomb in Israel, sorry, in the occupied Golan against Israeli soldiers just in 2006. Other than that it has been

quiet. So the question is what is the value of a treaty and the only value is if there was any realistic possibility of ending the Syrian relationship with Tehran.

If you cannot accomplish that, and the relationship with Hizballah and the pernicious relationship between Syria and Hamas and the undermining of independence and stability in Lebanon, and it goes on, you could talk about Iraq, et cetera. If you cannot do any of these things, then any peace treat is really I think a marginal gain to the Israelis and to the United States. So I do not see any utility in it.

Frankly, if you look at everything that is being provided by Iran to Syria whether it be commitments of \$3 billion in foreign direct investment, whether it be Iran wiping out Syria's debt to Moscow and purchasing for it \$750 million worth of the most advanced anti-aircraft weapons, the Pantsyr system. If you look at a broad range of issues, cooperation on WMD weaponization, et cetera, with

Iran, it is hard to see how Damascus would risk giving up this 30-year strategic relationship for what at best would be the prize which is decent relations with the United States. They would never be good relations of course because at the end of the day Damascus is not going to change its strips. It is a brutal dictatorship. We are always going to have a democracy problem with them. So I do not see how they are going to give up what soon will be a nuclear umbrella and swap that for an unreliable U.S. ally. So I just do not see it.

MR. INDYK: Nadim, did you want to say anything or we will go to other questions?

MR. SHEHADI: I will just say a very quick comment on what Dave said. This is the first time I hear that the U.S. has a problem dealing with regimes when they have a democracy problem in the region. But the issue of Israel I think is exemplified in the summer war, in Gaza, and in Lebanon. The fact that Israel can get away without international sanctions with destroying Gaza and destroying a large part of

Lebanon is the strongest vitamin you can give to radicalism in the region and I do not think the United States is doing Israel any favor by allowing it to get away with this kind of action.

The summer war of 2006 in Lebanon in particular was a reason why Hizballah gained most of its political argument inside the country. If you had to have a discussion between a Hizballah person and say one of the majority in parliament in Lebanon, the argument would have been about whether the international community, the U.N., the U.S., the Arab allies, are enough to protect Lebanon and whether Lebanon can open up to the international system as a country, or whether it should become a resistance, whether you need armed resistance, and whether you cannot trust the U.S. because the U.S. is really part of the problem, it is the enemy as Hizballah and Tehran see it, and whether you can rely on international legality and the U.N. So the failure of summer 2006 of the international community, of the U.N., and of the Arab countries to put an end to what

Israel did in a sense collapsed most of the arguments against Hizballah's weapons and that is why it is an important factor.

MR. INDYK: Thank you.

MR. MAALOUF: Walid Maalouf, director of public diplomacy at USAID. I just want to ask a question about Hizballah and Israel. I have heard it not here but somewhere else that we should give Hizballah a price to give up their arms. Why should we give Hizballah when we did not give the Palestinians certainly anything in 1982 when they were asked to leave Lebanon? The only thing we were giving was Tunis refuge. Why do we want to give to Hizballah when we did not give the Lebanese forces militia anything when they gave up their arms? So why do we want to give to Hizballah? And what do you want to give Hizballah?

My second question, David, is why is Israel every time negotiating its Lebanese prisoners? They go to Hizballah and negotiate and not with the

Lebanese government. Isn't this also jeopardizing Lebanese sovereignty for example?

MR. INDYK: Bilal, do you want to answer? I might want to add onto that question. Is there a way to get Hizballah to disarm?

MR. SAAB: Is there a way to get Hizballah to disarm? Obviously, yes, there is, but it has regional ramifications like Nadim has just said, just to answer his question, for the simple reason that Hizballah is a major part of Lebanese society. You cannot ignore them. You cannot wish them away. My argument has been that if you provide the Shiites, the majority of which actually support Hizballah today, an alternative to Hizballah, that would solve that problem and that would actually answer your question. How you give Hizballah and what you give them, we have to really decide on what we are talking about here. If you give them political participation that is commensurate with their size, I think it is a legitimate demand. But what they are asking which is

a blocking third and all those other things I really think it is impossible for us to give that to them.

MR. SHEHADI: One of the reasons why there is a difference between the PLO and Hizballah is that Hizballah is part of the fabric of Lebanese society so that it cannot be asked to leave or move somewhere else. I have not heard the suggestion that Hizballah should be compensated for giving up its arms and I do not think Hizballah would accept compensation for giving up its arms. Where I disagree with Bilal slightly which makes it more fun when we go out for a drink is that I do not think the support for Hizballah is clearly Shiite or can be characterized as this. I know Maronites and Armenians and even Sri Lankans in Lebanon who support Hizballah after the last summer's war and it is a matter of political argument. Hizballah represents a very small minority but a minority whose agenda has gained the upper hand because of circumstances. It is a bit like Ariel Sharon after Kadima getting 65 percent of the middle

ground in Israel because all the other options had failed so it is the only game in town.

Getting Hizballah to give up its arms is not a new problem. It is decommissioning. We have seen it in Ireland. It has taken years. It is doubtful whether it is successful completely yet. It is part of the political process. It is not done with international pressure, certainly not militarily as the Israelis tried to do in 2006. And it is a long-term issue which can be resolved internally in Lebanon through the political process through negotiations and it is very much dependent on regional developments, the support Hizballah gets from Iran and the arms that get passed through Syria, the justification, and that is even more important than the arms and the support, that Israel gives for Hizballah's existence. It is like the mafia who wants to protect you from the danger that it creates originally. If it feels that there is no more danger, it will create the danger in order to protect you from it.

MR. SCHENKER: Two things. One, I think that increased representation is not going to do it, nor is Israeli withdrawal from Shebaa Farms going to do it. All the different religious and ethnic factions in Lebanon's communities feel threatened. It is not only Hizballah that wants to maintain their arms. We saw during the national dialogue in Lebanon before this whole thing blew up right after the Hariri assassination that even the Sunni in Lebanon did not want to see and did not go as far as demanding that all Palestinians in Lebanon be disarmed. They said only disarm them outside of the camps and the Palestinians said we will move our arms into the camps and everyone said fine. The Sunni also feel threatened and they want a reservoir of weapons. I think everybody feels under threat there, so who goes first?

As for why Israel is negotiating with Hizballah directly, I think it raises their stature to that of state and that it should not be done. I think it is counterproductive.

MR. INDYK: Gary?

MR. MITCHELL: In a room full of experts on this subject, I would like to speak for the minority. To do that I want to engage in a kind of fairytale which is to imagine that instead of having us meeting on January 24, 2008, it is January 24, 2009, nothing has changed. It is a fairytale. And in an election that historians are going to be writing about forever, the former First Lady of Arkansas was narrowly defeated by the former Governor of Arkansas, who as you know is a little thin in the area of foreign policy, so instead of meeting with this group here today you have 15 minutes with President Huckabee and you have been asked to address three questions and they go in this order. The first is to finish the sentence, what happens in Lebanon is important because; what needs to happen in Lebanon is; and what the United States should do to make that happen is.

MR. INDYK: When you started talking about fairytales I was sure you were going to predict President Obama, and then when you talked about the

ex-Governor of Arkansas, I thought you were talking about a different ex-Governor of Arkansas who managed to defeat his wife which might not be a fairytale. Anyway, there were three questions and three people to answer them and it will take all of the time we have left. So since David has taken on responsibility for analyzing U.S. responses, I will ask him to brief the next president, please.

MR. SCHENKER: The first one is easy. What happens in Lebanon is important because it represents regional trends. Lebanon is the battleground of ideas between, for lack of better words, democracy, independence, and actually pro-Western democratically elected governments and authoritarian militant Islamic governments or secular militant governments. It is I think a bellwether of trends so that is why it is important. It is also that the U.S. is invested there. If the U.S. does not stand by its allies, it only undermines U.S. credibility in the region further.

What needs to happen? I think the U.S. has to take some more dramatic steps in conjunction with the international community on those who meddle in Lebanon and interfere externally. I think the Lebanese as was pointed out have a lot of ability, a resilient system, and many people or most people in Lebanon I think are concerned about the potential of civil war. They do not want to do it. They have shown remarkable restraint to date. We only have to look at what happened last year when bodies of two dead Sunni Muslims who were affiliated with Walid Jumblatt's organization wound up and were found in in Dahiya in Hizballah's territory and they did not break out in war or violent clashes. People are very measured in their responses. They know what is at stake here. But what needs to happen is to take these outside actors who are influencing things on the ground every day out of the equation. To do so is going to require a serious international effort. The U.S. cannot do it unilaterally. Unilateral sanctions against Syria do not work certainly. But if you could

somehow form some sort of international consensus for the Europeans to stop trucking with Syria, to get our Arab allies like Kuwait, Qatar, and other unproductive states who are heavily investing in Syria and enabling them to weather any type of financial sanction, that would be key and you would really be able to torque the pressure on them to back out. I think absent that, the Syrians have diversified their economy. It used to be 60 percent Europe. They have reached out after the Hariri assassination and it is now only like 40 percent Europe. They have gone to China and they have gone to Russia. They are also getting together this huge as I said foreign direct investment from the Gulf States. Without that I think that they would pay a lot more attention to what we want and what the international community wants. So I think that answers probably two and three.

MR. INDYK: Thank you. There are two up in the back there. We will take the two of you together, please. Please identify yourselves.

MR. HUSSEIN: Hussein Abu Hussein with -- newspaper. First, Bilal raised the question of demographics and the weight of the Shia in Lebanon and even though there has been no census in Lebanon since 1932 but the government issues lists of eligible voters and over the past four elections, that is, 1992, 1996, 2000, and 2005, these lists have shown that the Sunnis stood at 29 or 30 percent, where the Shia stood at 28 or 29 percent, and this suggests that the Sunnis are the majority even though there is a myth that the Shia are the majority.

My second point is about power sharing. After the 2005 elections, Hizballah said that the speaker which is a designated Shia should get the word in naming the speaker and then everybody else should just vote for the speaker and the other communities in Lebanon just accepted that arrangement. It seems to me that Hizballah is the one that wages wars and is the one that talks to Israel, whereas the government tries to follow suit and if someone is going to share power, it will be Hizballah sharing power with the

government and not vice versa. About what America has to do with Lebanon, I think that there are clear U.N. Resolutions, 1559 and 1701, among other resolutions, and that is a matter of principle. If Hizballah is saying that 1559 does not mean anything to us and if we allow any organization or militia to maintain its power and keep its arms, then maybe March 14th, instead of coming to President Bush and seeking international power, then maybe it is better for them to get their arms and we let every militia have their own arms.

MR. INDYK: Let's take the other one, please. Please identify yourself.

MS. KARAM: My name is Joyce Karam. I am with "Al Hayat" newspaper. Hi, David. The view in the region and Lebanon that President Bush has turned into a lame duck and there is not much he can do either in Lebanon or in even helping securing (inaudible) border in the Palestinian Territories, and many in Lebanon are simply just waiting for the next president in the U.S. to see if they can have a

president (inaudible) how do you address this issue? Do you think that this administration still has the political capital or will to make a change in Lebanon? And given that the priority seems to have shifted to the peace process post-Annapolis, where does this leave Lebanon in this new equation?

MR. INDYK: Let's have Bilal and Nadim respond to the first point and David to the second question.

MR. SAAB: On numbers? I do not think there was a question, but I will address the numbers issue. I think I mentioned that I do not have proof or hard data to actually verify that the Shiites are the majority, but that is not the point. The point is that for the size of the Shiite community, they are not getting enough power that is commensurate with that size. You might be right, maybe the Sunnis are the majority, but that is the point that I was trying to make, so we are not going to quarrel about numbers here. And I do not know if there was a question after that. I am sorry.

MR. SHEHADI: Some people will be happy to know that size is irrelevant because the Taif agreement specifically says that the political arrangement in Lebanon is power sharing between communities, equal power sharing between Muslims and Christians, even if there is one Maronite left in Lebanon, he will be president. So it is not power sharing that reflects demographics on the ground, otherwise we would have to change it and fine-tune it every season. It is power sharing on the principle that there are insecurities within different communities and that there should not be a situation where one community will dominate over another. Once you resolve this, the principle is that you leave the sectarian issues outside and you can deal with other things.

One perfect example of how this did not happen is the first Iraqi elections where the elections did not take account of the sectarian balance, so the sectarian balance was determined by the ballot which meant that the number one issue was

that of sectarian share. It means that only sectarian parties had a relevant agenda and it made the situation worse. So what we have done in Lebanon is resolve this issue, put it on the side, in order to get on with other business.

A lot of people play with the sectarian card in Lebanon and threaten that if Syria withdraws the Lebanese will get at each other's throats and they will kill each other. But I think that sectarianism is largely in the eye of the beholder rather than a reality on the ground. My very esteemed colleagues at Chatham House describe a place like Iraq as a Sunni-Shiite war plus a Kurdish-Sunni war plus inter-Shiite and inter-Sunni and inter-Kurdish. So in a sense the label becomes more a description of how the person looks at it because an inter-Shiite war is a political war, it is a political difference, and there are Sunnis and Shiites who agree with each other and disagree with their own. That is the situation in Lebanon everywhere you go. At every party it becomes very boring, it becomes a political argument sometimes

within the same family and these are genuine political issues that have nothing much to do with sectarianism unless we decide to describe it as such.

MR. INDYK: Tribalism? More tribal than sectarian?

MR. SHEHADI: I come from a very tribal country called Great Britain where you have two tribes who eat different food, play different sports, listen to different music, wear different clothes, and they even very rarely intermarry. They have different marriage rituals in the seasons and they coexist.

MR. INDYK: David?

MR. SCHENKER: Joyce, I think you are right about the regional perception of the president as being on his way out and having very little political capital. Of course, this is what the Syrians wanted from the very beginning. They play a very good waiting game. How many presidents did Hafez Assad live to see come and go, and this is of course what Bashar is doing. If the overriding strategic goal is regime survival, every day is a small victory and as

soon as Bush is gone I think they will celebrate. Anything for them I think will be better than what they have now and I think that is how they perceive it.

Certainly I think in the past year or two the administration has done something that they said they would not do which is implement every recommendation of the Iraq Study Group. We saw certainly that on Iran, we saw it with engagement with the Syrians, and now we are seeing it with this move on the peace process. What the Iraq Study Group does not really talk about is political reform and democracy and I think given the president's experience and the administration's experience with that in the region and the low level of political capital, it has really gone on the back burner and I think that Lebanon along with that is in a sort of maintain mode regrettably.

MR. INDYK: Melissa?

MS. : Just following-up on that same thought, in characterizing the problem here I

heard two different things. One was that perhaps there is overengagement by the U.S. and somehow by implication that you need to isolate Lebanon from these regional dynamics. Then there is also the idea that David spoke to that March 14th came to town and asked for the U.S. to increase its engagement in very specific areas and yet somehow fell short of that effort for a variety of reasons. So this brings up what is the nature of the engagement that the U.S. should have toward Lebanon? Should we be focused on internal institution-building issues inside Lebanon? In other words, democracy and political reform. Or is the more effective role and the force that the United States could and should bring on the regional level, and that is playing our role with Israel to leave Shebaa or to leave overflights, or with Syria to have a different political posture toward Lebanon?

MR. SHEHADI: I think previous experience of U.S. disengagement can be taken as a lesson. In 1983 the U.S. withdrew leaving behind an Israeli occupation, a Palestinian problem, a Hizballah problem

at its very beginning, a reaction to a suicide bomber that killed 241 Marines, and gave a lesson to the world that if you can hurt the United States enough it will just pack up and leave. And 20 years later the U.S. came back with France to deal with exactly the same problems, the Palestinian armed presence, Israeli occupation, Syrian involvement, and Hizballah, but these problems became much bigger and had become almost spread in the region as a result of the U.S. disengagement at the time.

I think the crucial question is whether the received wisdom from this whole episode is that there is such a thing as an international community and an international legal system that works. So in a sense it is the international community, the U.N. which is on trial in Lebanon, and the lesson that will be learned from that will trickle down to the whole region. So disengagement is a luxury that the United States cannot afford unless it is looking at a very short-sighted view of the problem which I know

upcoming presidential elections and internal domestic circumstances link into that.

As for institution building in Lebanon, if you add together the results of international intervention in Lebanon from 1559 to 1757, the indirect results of these and the indirect results of the U.N. institutions that have been introduced into Lebanon as a result of this U.N. action is in itself going to help a lot with institution building. The U.N. investigation will at least teach our security services that there are other ways than beating up a person to get the presence of a dozen or so international teams with forensic knowledge, interacting with the internal security services in Lebanon and with the whole security sector is a positive matter even if they do not discover the truth in the end.

The International Tribunal will also assist in making sure that the Lebanese judiciary will at least reform or operate in a transparent manner to make the whole process credible. The interaction with

the international legal system will produce that kind of result.

UNIFIL has already helped restore Lebanese sovereignty in the south and the European action in that sense is helping restore border security with Syria, but you have another multilateral initiative which is the Paris Three Conference. To comply with the Paris Three conditions for the aid, Lebanon will have to reform its administration and do fiscal reform. So all these elements of international intervention will help on the internal level. What is required is to maintain the credibility that the solution not only in Lebanon but in the whole region is by going through international legality and that you cannot get away with assassinations, terror attacks, the promotion of al-Qaeda type organizations in order to get your way in any of the conflicts in the region and not just in Lebanon.

MR. INDYK: Bilal, quickly because I want to get to one last question.

MR. SAAB: I think we tend to forget that the biggest dilemma that the United States has always faced when it comes to implementing or formulating its policy toward Lebanon is simply the following: the number one ally that the United States has in the region is Israel. That country happens to be at war with Lebanon. So it really limits what the United States can do to Lebanon because US policy will always be informed by the US-Israeli relationship. It is tempting for me to say that the best thing that the United States can do is apply a hands-off policy toward Lebanon, but that would leave the theater open to Iran and Syria. So the best policy, if the United States really cares about Lebanese democracy, it could pursue is create a credible and durable balance of power between it and its adversaries over Lebanon, because so far, over-engagement the way we describe it has only been in rhetoric and the biggest proof of that is the summer war when we saw how the United States sided with Israel and forgot about Lebanon.

MR. INDYK: And make peace between Israel and Lebanon presumably. That would square the circle, but we will deal with that at another date. Grant?

SPEAKER: I have a question on the balance of power within Lebanon. In order to reach any political decision in Lebanon, three communities have to be satisfied that their interests are not being sacrificed to somebody else's good, the Christians, the Sunnis, and the Shia. Both the Christians and the Sunnis in any government of Lebanon have sufficient blocking power to preserve their interests. The Christians have the presidency and the chief of staff of the army. The Sunnis have the prime ministership and the head of the internal security forces. The Shia have none of those within the government. The speaker of the parliament cannot block an executive branch decision. That is their highest-ranking official. There is no military force with a Shia commander. Therefore, what is it that will convince the Shia that they should not support Hizballah which has become the defender of their interests both

militarily and politically? Isn't that the question you have to ask yourselves, how you get the majority of the Shia into the process and let them believe that their interests are protected by the governing system?

MR. SAAB: I would actually disprove that. The speaker of the parliament and we are seeing it today can actually shut the doors of parliament and block everything.

SPEAKER: That is right. He can stop them from forming a cabinet, but once a cabinet is formed and they do not have a blocking third in the cabinet, the executive branch can make decisions that undermine the Shia influence and interests. Unless they can be assured that they have some way to block decisions by the executive branch, they will be driven into the hands of Hizballah and that is why of all of the communities, Christian, Sunni, and Shia, Hizballah has more support in the Shia community than the leadership does in either the Christian or the Sunni communities because the community feels more under stress.

MR. INDYK: We have one minute to answer because we are going to finish at 2 o'clock. Nadim, do you have a quick answer?

MR. SHEHADI: Yes, a very quick answer, which is that if you ask Christians in Lebanon, they will tell you that we are underrepresented and marginalized, if you ask Sunnis in Lebanon, they will tell you we are underrepresented and marginalized, and if you ask the Shia, they will tell you we are underrepresented and marginalized, and what you want to prevent is the situation where at least one of them does not say that. But I would dispute the categorization of the conflict as Sunni-Shia-Christian. Some sources exploit it by taking hegemony over a problem. I can give you many examples globally where people can claim to represent the nation and god and all that in order to deny access to others. As Dr. Johnson said, patriotism is the scoundrel's last resort and so is sectarianism I think and that is the way we are seeing some of the politicians behave in Lebanon.

MR. INDYK: Thank you, first of all, to Bilal, Nadim, and David for a lively, provocative, and fascinating session. Thank you all for coming, and we will see you with Ambassador Feltman. Thanks very much.

* * * * *