

How the US Helped Push Lebanon to the Brink of Collapse, and Now Threatens More Sanctions

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While the media blames the crisis in Lebanon solely on corruption, the US government unleashed a "maximum pressure" campaign to push regime change and crush Lebanese resistance with sanctions and aggressive hybrid warfare.

As the people of Lebanon suffer through one of the worst economic crises in their nation's conflict-ridden history, the Donald Trump administration is exploiting the disaster to force regime change and weaken Lebanese resistance groups.

A massive explosion on August 4 devastated Lebanon's capital Beirut, killing more than 150 people, wounding thousands, leaving hundreds of thousands homeless, and ravaging a sizable chunk of the city.

The massive blast also destroyed Lebanon's most important port, where 80 percent of food was imported into the country.

Even before the apocalyptic incident, Lebanon was enduring an economic calamity that had caused hyperinflation and wiped out the wealth of much of the country, fueling widespread food shortages and 20-hour blackouts.

<u>Lebanon's economy</u> is now in a state of total collapse. The value of its national currency has plummeted by 80 percent, and more than half of the population is languishing in poverty.

Political kingpins, activists, <u>Western government-funded NGOs</u>, and international corporate media have blamed Lebanon's problems solely on corruption. And there is no question that widespread financial impropriety and outright theft was a key factor in bringing the country to such a dismal point.

But an even more important element that has been conveniently left out of this picture is the role of the United States, and its allies in Israel and Saudi Arabia, which have <u>pursued a concerted policy of destabilization</u>, or what they call "maximum pressure."

Washington has suffocated Lebanon and its neighbors with aggressive economic warfare, explicitly aimed at paralyzing the country and weakening Hezbollah, one of the most powerful and popular resistance forces in the region, which has successfully resisted US and Israeli interventionist designs, helped defeat ISIS and al-Qaeda, and even expelled the Israeli military after two decades of brutal military occupation of south Lebanon.

Hezbollah has a political arm that is democratically elected, holding 12 seats in Lebanon's parliament, and which has been a member of the country's governing coalition for a decade. Because of the resistance movement's presence in government, Washington and Tel Aviv have refused to recognize the legitimacy of Lebanese democracy, and have desperately pursued regime change.

The crushing sanctions Washington has imposed on Syria and Iran have not only devastated the economies in the area; they have produced a ricochet effect back in Lebanon, severing the country from regional trading partners.

Then there is the nine-year Western-backed proxy war on the government in Damascus, which has destabilized Lebanon's neighbor and unleashed a historic refugee crisis, putting enormous pressure on Beirut.

All of these factors have led to a catastrophe in Lebanon.

Trump administration pushes 'maximum pressure' campaign on Lebanon

The response of the Trump administration to the fateful Beirut blast was more sanctions.

The Wall Street Journal reported on August 12 that the US government was preparing to impose new sanctions "against prominent Lebanese politicians and businessmen in an effort to weaken Hezbollah's influence."

The newspaper noted that the blast "has accelerated efforts in Washington to blacklist Lebanese leaders aligned with Hezbollah." It added that US officials see the post-explosion chaos as "an opportunity to drive a wedge between Hezbollah and its allies as part of a broader effort to contain the Shiite force backed by Tehran."

Top US officials want to "turn the screws in Lebanon," the Journal reported. It quoted an unnamed official who remarked, "I don't see how you can react to this kind of event with anything other than maximum pressure" – a reference to the Trump administration's "maximum pressure" campaign to bring about regime change in Iran.

The Trump administration is preparing anticorruption sanctions against Hezbollah's allies in Lebanon, as it seeks to weaken the group in the aftermath of the Beirut explosion https://t.co/jOnnuzAayT

— The Wall Street Journal (@WSJ) August 12, 2020

Senior US officials remarked bluntly that they want Lebanon's current government to be replaced with a "technocratic" regime that shuns Hezbollah.

This demand confirmed a 2019 report in The Grayzone by journalist Rania Khalek, which detailed how <u>Western-backed NGOs in Lebanon were exploiting anti-corruption protests to advance a strategy</u> to remove Hezbollah from the country's governing coalition and install US-aligned, IMF-friendly technocrats.

The Wall Street Journal also acknowledged that the Trump "administration's existing sanction programs against Hezbollah" have already "taken an economic toll" on Lebanon.

Washington has therefore made it clear that it has no problem pushing Lebanon deeper into the economic abyss, to the edge of state collapse, in hopes of neutralizing Hezbollah.

Washington's all-out war on the 'Resistance Axis'

The crisis in Lebanon cannot be understood outside of the wider context of the overarching, obsessive US strategy aimed at crushing what is known as the "Resistance Axis," in which Hezbollah serves as a key actor.

The ongoing, nearly decade-long war on Syria looms large in this situation. When the US government and its allies in Israel, Saudi Arabia, Qatar, and Turkey initiated a regime-change war against Syria in 2011 and 2012, Hezbollah immediately recognized the proxy conflict as an attack on all resistance forces in the region, which would inevitably swallow Lebanon as well.

So while Washington and the Wahhabi Gulf monarchies poured billions of dollars into <u>arming</u> and training Salafi-jihadist rebels groups in Syria, giving <u>birth to ISIS</u> and fueling the spread <u>of al-Qaeda</u>, Lebanese Hezbollah helped to prevent state collapse in Damascus, battling Western proxies that threatened to turn the country into a failed state, as they did in <u>Libya after the 2011 NATO regime-change war</u>.

Some US lawmakers openly argued in Congress that it was a "good thing" that ISIS and other Sunni extremists were attacking "Hezbollah and the <u>Shiite threat to us</u>." And an Israeli think tank funded by the US government and NATO even insisted in 2016 that <u>ISIS should not be defeated</u>, precisely because it could "be a useful tool in undermining" Hezbollah, Syria, and Iran.

Meanwhile, as <u>Israel treated al-Qaeda militants</u> in its hospitals and Israeli officials said they <u>preferred ISIS staying in power</u>, Hezbollah played a key role in the <u>fight</u> to <u>defeat ISIS</u> and al-Qaeda, both of which had crossed from Syria into Lebanon and <u>took over Sunni-majority border towns</u>, which they subsequently used as bases to launch attacks on Shia- and Christian-majority Lebanese villages.

Hezbollah successfully expelled these extremist Salafi-jihadist groups, and defended Lebanese sovereignty, in collaboration with <u>Christian militias</u>, <u>Sunnis and Druze</u>, and the <u>Lebanese national army</u> itself.

Faced with its own failure in the military component of the war in Syria, Washington then turned to full-scale economic warfare.

US economic warfare on Lebanon, Syria, and Iran

In June, the US government imposed a crushing unilateral coercive measures regime on Syria known as the "Caesar" sanctions. The Grayzone editor Max Blumenthal detailed how the US and European sanctions on Syria effectively amount to a medieval-style siege of the entire country, and all of the millions of civilians who live inside of it.

Humanitarian experts have even warned that the Western economic warfare could unleash a famine. The United Nation Food and Agriculture Organization's Syria representative, Mike Robson, cautioned there may soon be <u>bread shortages in Syria.</u> "There is already some evidence of people cutting out meals," he stated.

The economic blockade has also damaged the economy in Lebanon, which has been virtually unable to do business with one of its most important trading partners. In 2017, Lebanon was by far the largest recipient of <u>Syrian goods</u>, receiving nearly 32 percent of its exports. Now, the sanctions have made that exchange nearly impossible.

The US ambassador in fact explicitly stated that Lebanon would not be allowed to <u>buy</u> <u>energy from Syria</u> due to the Caesar sanctions. The US-imposed severance of the two neighbors has exacerbated the electricity crisis in Lebanon, where there are often power shortages for up to 22 hours per day.

The US economic blockade of Iran has also caused a <u>fuel shortage in Syria</u>, forcing people to wait in lines for hours to get gasoline.

Moreover, Damascus had relied on the Beirut port for imports prior to the explosion. Now that its crucial economic lifeline has been destroyed, both Lebanon and Syria are facing extremely severe crises and the serious possibility of famine.

A Syrian-American economist, financial analyst, and prominent online commentator known by the pseudonym <u>Ehsani</u> told The Grayzone "there is little doubt" that the Syria war has terribly impacted Lebanon's economy.

While disastrous, fiscally unsound policies overseen by the Lebanese central bank – which is also heavily influenced by the US embassy – played an important role in pushing the nation to the economic brink, the war on Syria has also hurt the Lebanese economy "in a big way," Ehsani said.

"Economic growth clearly decelerated since 2011," the start of the war in Syria, he explained. "And it ground to a halt in the past few years, leading up to the financial crisis. Between 2016 and 2019, Lebanon's economic growth was practically zero. And it kept declining from its pre-2011 levels steadily."

While corruption is an endemic problem in Lebanon, it has plagued the country for decades. Yet a pivotal economic shift occurred with the introduction of the US policy of exacerbating the crises in the region to destabilize independent governments and weaken the Resistance Axis, explained journalist <u>Elijah J. Magnier</u>, a war correspondent who has covered the region for decades.

"The US sanctions crippled the Syrian economy due to the restriction of the flow of cash, oil, and machinery needed to re-boost the local economy," Magnier told The Grayzone. "Moreover, the US presence in north-east Syria and their control of the oil and gas prevented the country not only from vital energy but also from the rich agriculture resources the area is known for."

"The US sanctions on Syria stopped all Arab and Gulf countries from rebuilding the country and pushed back all possible financial investment," he said. "This has caused the devaluation of the local currency and prevented the Lebanese market from offering an alternative to Syria for fear of direct sanctions on the Lebanese government."

Magnier added:

"As far as it concerns Lebanon, the US asked a local bank to collect over \$20 billion in cash and to ship it abroad, creating a real thirst for foreign currency in the country. Moreover, the US imposed sanctions on wealthy Lebanese living abroad and on more than one bank, injecting real fear among the population of being accused of supporting terrorism or seeing their savings confiscated by the US authorities abroad. That has starved Lebanon of several billion dollars in cash that family members used to send back home to their relatives."

US boasts of impact of sanctions on Lebanon, and CENTCOM commander visits

While imposing de facto economic blockades on Syria and Iran, the United States has hit Lebanon with several rounds of what it calls "targeted sanctions." These <u>US Treasury sanctions on Lebanon</u> have sought to punish Hezbollah and its allies in the government and business sector.

While Washington portrays targeted sanctions as supposed humanitarian measures that do not hurt civilians, economic experts say this is patently false.

Ehsani, the Syrian-American economist, told The Grayzone,

"The effects of the US sanctions on the region is to push most business transactions underground. Lawless rogue elements typically fill the void as more legitimate businesses exit the scene. Such legitimate businesses do this because most global organizations opt to follow an 'over-compliance' posture to avoid any chance of getting entangled in such transactions."

US sanctions have also hurt Lebanon by "the loss of potential money inflows that had fallen under significantly more scrutiny from US Treasury," Ehsani added. "How much of the average \$7-8 billion yearly inflow got affected by these sanctions is hard to ascertain."

"While Western capitals speak of 'smart sanctions,' the fact is that even industries exempt from sanctions tend to quickly fall under the sanctions regime. This can be seen with importers of raw materials for medicine for example," he explained.

"What has been clear is that benign sanctions are a myth," Ehsani said. "Sanctions are akin to carpet bombing the standards of living of the average citizen."

Before the August 4 explosion, Washington itself acknowledged that its sanctions were stinging Lebanon.

Just two weeks before the Beirut blast, the US government-run media outlet <u>Voice of America (VOA)</u> celebrated the effect its coercive measures were having. "<u>US Sanctions on Syria Leave Hezbollah More Isolated in Lebanon</u>," it gloated.

The VOA report noted that Hezbollah leader **Hassan Nasrallah** had described the US sanctions as part of an "economic war" aimed at "starving both Syria and Lebanon."

The neoconservative group United Against Nuclear Iran (UANI) approvingly tweeted the VOA article, insisting that the resistance "network is vast, but it can be <u>reined in</u>."

The Caesar Syrian Civilian Protection Act introduced sanctions on the Syrian regime, which could deter Hezbollah from pushing Lebanese state institutions from assisting Assad. The network is vast, but it can be reined in. https://t.co/ttNgsio718

— UANI (@UANI) <u>July 20, 2020</u>

This VOA report came on the heels of a quiet yet important visit that the <u>commander of US Central Command</u> (CENTCOM), General Frank McKenzie, took to Beirut on July 8, to pressure the Lebanese Army to distance itself from Hezbollah and strengthen its bonds with the US military.

The <u>US embassy in Lebanon</u> reported that the CENTCOM commander met with top Lebanese political and military officials. Lebanese President Michel Aoun tweeted a photo of a meeting with McKenzie and the US ambassador, Dorothy Shea.

- Lebanese Presidency (@LBpresidency) July 8, 2020

Saudi monarchy-backed media outlet Al Arabiya reported gleefully on the CENTCOM visit, chirping, "US general affirms support for Lebanon; Hezbollah supporters burn Trump photos."

The quiet US junket demonstrated that, on the eve of the Beirut blast, Washington was already ratcheting up its pressure on Lebanon's government.

.@CENTCOM Commander General Kenneth McKenzie discussed his visit to Lebanon and U.S. support for <u>@LebArmyOfficial</u> in his interview with <u>@LBCI_NEWS_https://t.co/xBY52UoPCM</u>

— U.S. Embassy Beirut (@usembassybeirut) July 9, 2020

Western governments, NGOs, and media try to pin Beirut blast on Hezbollah

The August 4 explosion appears to have been the result of the explosion of thousands of tons of ammonium nitrate that the Lebanese government confiscated from an abandoned ship in 2013 and improperly stored at the Beirut port, violating safety protocol.

The Lebanese government, which resigned a week after the blast, officially attributed the incident to negligence. But **President Michel Aoun** acknowledged it could have possibly been the result of an attack.

Some Beirut residents told <u>Asia Times</u> that they saw and heard military aircraft flying overhead moments before the explosion.

Asia Times also reported, citing unnamed Western officials, "that Western reconnaissance craft were in the skies above the Lebanese coast at the time of the blasts," although the officials denied carrying out an attack.

A US Central Command official told Asia Times that the "cause of the first fire/explosion is still an unanswered question," adding that there is no "actual evidence to support or confirm that" it was caused by ammonium nitrate, and that "other alternatives" are possible.

Although the incident appears to have been an accident, some Lebanese analysts have suggested the blast could have potentially been an attack by Israel, which militarily occupied south Lebanon for more than 20 years and waged a devastating war in 2006, brutally bombing Lebanon and leaving more than 1,000 Lebanese dead and parts of the country in ruins.

Israel <u>violates Lebanon's sovereign airspace</u> on a daily basis. In 2019, the United Nations Interim Force in Lebanon reported an average of 96.5 violations each month. UN Secretary-General António Guterres even spoke out against the Israeli aggression, stating,

"I reiterate my condemnation of all violations of Lebanese sovereignty and my call for Israel to cease its violations of Lebanese airspace."

Despite the presence of Western aircraft during the explosion, the history of Israeli attacks, and the constant Israeli violations of Lebanese airspace, there has been a concerted campaign to try to pin the blast on Hezbollah, waged by the US and Israeli governments, a coterie of hawkish think tanks, and a sizable portion of the corporate media.

There is not even a scintilla of evidence linking Hezbollah to the explosion. In fact, the Lebanese resistance group would have everything to lose if it were involved.

But this didn't stop the <u>Atlantic Council</u>, <u>NATO's</u> <u>de facto think tank</u>, which is funded handsomely by the governments of the United States, Britain, and United Arab Emirates, along with top weapons and oil corporations. The Atlantic Council's Gulf monarchy-backed Rafik Hariri Center tried to link Hezbollah to the blast with nothing more than insinuations.

"Hezbollah is acutely aware of the danger that such chemicals—even if not of a military grade—pose to nearby civilians, perhaps more so than any other entity in Lebanon," writes oDavidADaoud in MENAsource.

Read more ↓ https://t.co/N62M3U1k85

— Rafik Hariri Center & Middle East Initiatives (@ACMideast) August 7, 2020

Then there was the <u>hawkish executive director of Human Rights Watch</u>, <u>Kenneth Roth</u>. Never one to let something like a dearth of evidence get in the way of his mindless speculation about Washington's foreign adversaries, Roth immediately implied after the blast that <u>Hezbollah was responsible</u>. He did not provide a shred of evidence; it was just his gut instinct.

Pro-Western protesters in Lebanon have also seized on the chaos to call for the dissolution of the Lebanese armed resistance.

Following the explosion, anti-Hezbollah groups took over Lebanese government buildings and unfurled banners calling for Beirut to demilitarize — an obvious demand for Hezbollah to put down its weapons and end its fight against Israel.

The US and Saudi have once again sought to capitalize on politically engineered tragedies in Lebanon using their local proxies. Legitimate fury about the Beirut blast has been channeled into a sectarian campaign to disarm Hizbullah by interventionists with neo-colonial fantasies pic.twitter.com/MI7VfOQVku

— Amal Saad (@amalsaad lb) August 9, 2020

The US embassy in Beirut openly welcomed these demonstrations, tweeting openly, "We support them."

1/2 The Lebanese people have suffered too much and deserve to have leaders who listen to them and change course to respond to popular demands for transparency and accountability.

— U.S. Embassy Beirut (@usembassybeirut) August 8, 2020

US pledges 'aid' while intentionally exacerbating Lebanon's economic crisis

Even as the Trump administration threatens to impose more aggressive sanctions on Lebanon, seeking to punish forces that support the Resistance Axis, the US government has pledged humanitarian aid to the country.

Moments after the explosion, Washington put its public relations operations into hyperdrive, seeking to portray itself as a noble protector of Lebanon.

Secretary of State Mike Pompeo – the former CIA director who quipped, "We lied, we cheated, we stole; we had entire training courses" – promised support following the blast.

Spoke this morning with Lebanese Prime Minister Hassan Diab to express my deepest condolences in the wake of the horrible explosion in Beirut. The U.S. stands in solidarity with the Lebanese people and remains committed to assist with the aftermath of this terrifying event.

— Secretary Pompeo (@SecPompeo) August 5, 2020

The <u>United States Agency for International Development (USAID)</u>, a soft-power arm that Washington uses to destabilize foreign governments it has targeted for regime change, announced it would be providing Lebanon with humanitarian aid.

John Barsa, the hardline neoconservative Trump loyalist recently installed as head of the

USAID, who has explicitly used the ostensible aid agency as a weapon to <u>overthrow the</u> <u>progressive governments in Latin America</u>, announced support for Lebanon the next day.

BREAKING: The [] is providing immediate assistance in response to the catastrophic <u>#LebanonExplosion</u> in Beirut. This aid will provide critical health & humanitarian support for Lebanon's emergency response. Follow <u>@USAIDSavesLives</u> for updates on our response efforts. <u>pic.twitter.com/jgNdgco3tN</u>

— JBarsaUSAID (@JBarsaUSAID) August 5, 2020

US Central Command revealed that they were working with USAID to distribute medical supplies to Lebanon.

.@USAIDSavesLives and @USAID provide critical medical supplies to assist the people of #Lebanon #BeirutSupport @usembassybeirut @USAFCENT https://t.co/uzdwilDaID

— U.S. Central Command (@CENTCOM) August 11, 2020

Ironically, in the weeks before the explosion, as Lebanon's government begged for an economic lifeline, Washington was dragging its feet.

As millions of Lebanese citizens struggled to put food on the table, the <u>International Monetary Fund</u> (IMF) also refused to play ball. This baffled many international observers. Left unmentioned in coverage of the IMF's behavior was the de facto veto the US holds in the organization, which it wields as a <u>neoliberal instrument of Washington's economic power</u>.

"The IMF conditions include privatization and taxes the Lebanese society can't afford," the journalist Elijah Magnier explained to The Grayzone. "Moreover, the IMF is controlled by the US administration, which is asking for a new government without Hezbollah. That is not feasible because Hezbollah represents 13 MPs and enjoys the support of the majority of the parliament."

Magnier also emphasized that when Lebanon had assembled a new government in the middle of the crisis, under Prime Minister Hassan Diab, Washington waged a destabilization campaign.

"With the formation of a new government, the US boycotted it and pressured Europe and the Gulf countries to cease any support, defining it as 'Hezbollah's government,'" Magnier said. "These measures contributed in the hectic financial situation in the country, which was also triggered by decades of corruption and mismanagement by the US friends who ruled Lebanon for all these years."

The pro-Israel lobby group the American Jewish Committee (AJC) let the cat out of the bag when it tweeted on August 9 that international assistance to Lebanon following the

explosion "must be conditioned on the long-promised, long-avoided disarmament of Hezbollah."

AJC made it clear that Western aid will be hung over Lebanon like a sword of Damocles, adding,

"Unless the malignant role of Iran's terror proxy is addressed there will never be meaningful change for the people of Lebanon."

So-called Western "aid" for Lebanon is going to be predicated on removing Hezbollah from the government (even though it was democratically elected) and disarming the Lebanese resistance to US imperialism / Israeli colonialismhttps://t.co/R3ZuMfmE1k

— Ben Norton (@BenjaminNorton) August 9, 2020

Magnier also pointed out that the amount in international aid being offered to Lebanon is relatively little.

"35 countries gathered all to offer to the UN and NGOs in <u>Lebanon \$300</u> million, the equivalent of what Hezbollah spend in less than five months in the country, only on salaries," he said.

Meanwhile, as millions of Lebanese civilians suffer, financial analysts expect the US campaign of economic warfare and "maximum pressure" to only continue going forward.

"The sanctions policy are likely to stay," Ehsani told The Grayzone. "This policy is more acceptable to the average Western electorate than direct military involvement. Policy makers are therefore likely to make more use of them post the Iraq debacle. Regional governments and average citizens will bear the brunt of this silent evisceration of their economic well being."

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