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Reviewed work(s):
Source: *Bulletin (British Society for Middle Eastern Studies)*, Vol. 14, No. 1 (1987), pp. 25-36
Published by: [Taylor & Francis, Ltd.](#)
Stable URL: <http://www.jstor.org/stable/194452>
Accessed: 16/01/2013 10:05

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**THE SYRIAN INDEPENDENCE MOVEMENT
AND THE GROWTH OF ECONOMIC NATIONALISM
IN DAMASCUS**

Philip S. Khoury

THE nationalist leaderships which directed the independence movements in the Arab countries between the two world wars cannot be thought of as progressive forces struggling for rapid or revolutionary political and economic change. Rather, their strategy, whether it be the Wafd in Egypt, the Arab Committee in Palestine, or the National Bloc in Syria, was to secure piecemeal gains by a combination of intermittent protest and diplomacy. In the short run, they wanted greater access to the European colonial authorities and to share power with them; in the long run, they wanted to control government outright. Their strategy was not to drive out the colonial powers by prolonged armed struggle, but rather to ease them out through the mechanisms of negotiation and international appeal. On the one hand, nationalist leaderships had to shift the balance of power away from the European colonialists and the political groups and economic classes which openly collaborated with them; on the other, they had to avoid the kind of continuous upheaval and instability which might upset their own comparatively privileged positions.

In the interwar period, nationalist organizations spent most of their energy directing the nation toward the goal of political independence. Party programs purposely left vague all discussion of social and economic reform for the obvious reason that the implementation of such reform would inevitably undercut the very material interests from which nationalist leaders derived their political and social influence. The reality of foreign occupation focused the nation's attention on Britain or France or the Zionist movement; in this way, the nation was diverted, at least temporarily, from its basic internal economic and social conflicts.

Although nationalist leaderships in the Arab countries had not assumed the fundamental characteristics of a 'national bourgeoisie', devoted to uncompromising political and economic independence,¹ they were not oblivious to ideas of economic nationalism. In each country, there could be found a faction of nationalist leaders working to break the alliance of European capital and compradors which dominated the economy. The development of national enterprises, in particular modern industries, became their objective.

Because Egypt's economy was far and away the most industrialized in the Arab world, it is not surprising that economic nationalism was most advanced there. Two recent studies have detailed with great precision Egypt's economic challenge to British imperialism in the interwar period.² However, much less is known about the other Arab countries. This article, therefore, will examine the growth of economic nationalism in Syria. Special attention will be paid to the role of Damascus in the development of national enterprises and modern industry, not because Damascus was the most important economic center in

Syria, but rather because it was the center of the national independence movement.

Toward the end of the 1920s the leadership of the Syrian independence movement had coalesced into a political organization known as the National Bloc (*al-Kutla al-waṭaniyya*). With its headquarters in Damascus, the Bloc had active branches in Syria's other major urban centers: Aleppo, Hama, and Homs. In each town, the Bloc consisted largely of two urban-based and intertwined classes: absentee landowners and the wing of the commercial bourgeoisie that was engaged in local and regional trade and in small-scale industry.³

Although the economic activities of this combine were not so much dependent upon foreign imperial interests as they were directly threatened by them, the leadership was divided over what orientation to adopt. Some believed it was possible to join the dominant alliance of French capital and local minority communities engaged in trade with the West and in banking and still ease the French out of Syria. Others sought to undermine this alliance. Divided as they were, the evidence suggests that the most influential Bloc chiefs in Damascus wanted to break the alliance supporting French imperialism by laying the foundations of a 'national economy'. Modern industrial enterprise was their designated instrument.

However, the same factors which during the French Mandate caused the final extinction of many traditional handicrafts also retarded the growth of modern industry, and hence the full development of a Syrian national industrial bourgeoisie, at least before World War II. These factors are well known: the partition of the Arab provinces of the Ottoman Empire; the creation of national borders; a French-imposed monetary system which pegged the Syrian pound to an unstable French franc; the concentration of French finance capital in banking, transportation, and public utilities, which facilitated the penetration of French manufactures and the extraction of raw materials most needed by French industry; and the devastating impact of the world depression. Related to these factors were others: widespread political instability during the early Mandate years which hindered local capital accumulation by reinforcing the proclivity of the wealthy to invest in short-term projects and in immobile property (lands and buildings); the difficulty of securing loans from European banks; and the prohibitive interest rates charged by local banks and moneylenders.⁴

The development of modern industry in Syria was a response (somewhat delayed by the disruption of the Great Revolt of 1925–1927) to two general tariff increases in 1924 and 1926, which raised customs duties from eleven percent for all countries to twenty-five percent for members of the League of Nations and to fifty percent for non-members. These adjustments, which included the adoption, in 1924, of exemptions for industrial machinery from customs duties and, after 1928, the lowering of duties on imported raw materials for local industry, helped to create the conditions for industrial growth. So also did such factors as surplus labor created by the disappearance of traditional handicrafts and migration to the cities during the depression, and cheap local raw materials.⁵

Local industry in Syria centered on cement, food-processing, cigarettes, cotton-spinning, and textiles, which were labor-intensive and could, up to a point, face foreign competition. Some of these industries had attracted French capital well before the Mandate, in particular the production of raw silk and tobacco. Others, such as cotton growing and ginning, were financed during the Mandate by French capital in association with local capital. Many of the new industries, for example, cement production, food-processing and leather goods, were financed almost entirely by local capital, provided in many cases by the absentee landowning class and the Muslim section of the commercial bourgeoisie. Members of the National Bloc were involved in several of these enterprises.

The appearance of the National Bloc and the first locally-financed modern industries occurred in the same year, 1928. Among the most active leaders advocating the need to build a national economy independent of foreign control was the popular Damascus politician Fakhrī al-Bārūdī. He was greatly disturbed by the way middle and upper class Syrians squandered their money on foreign goods and, in particular, on luxury items. He reacted by initiating several nation-wide campaigns featuring songs and jingles, which he composed, to illustrate his point. One rather famous campaign concentrated on discouraging wealthy Syrians from purchasing European-made wedding-dresses, whose average cost in the early twenties was £T 50 gold, a staggering sum. Instead, Bārūdī promoted a line of 'national', locally-made dresses which were much cheaper.⁶

A more serious Bārūdī project was his national fund-raising campaign known as the 'franc plan', initiated in 1932. Individuals were encouraged to donate one franc (five Syrian piastres) monthly for the support of nationwide educational projects such as the foundation of night-schools to educate adults in modern science and national literature, the spread of elementary schools to the countryside, and the creation of recreational facilities for youth in urban areas. The 'franc plan' enjoyed considerable success before its discontinuation in 1936. But, the money collected seems to have fed only one project, the Barudi Bureau of National Propaganda and Publication (*Maktab al-Bārūdī li-l-dī'āya wa-l-nashr*), which later became known as the Arab National Bureau for Research and Information. In Bārūdī's own words, the Arab Bureau was dedicated 'to achieving a national Arab renaissance and to encouraging internal and foreign propaganda and scientific research.'⁷

The Arab Bureau opened in October 1934 and remained active until the Second World War. Located at National Bloc headquarters at Bayt al-Diyāb in the Qanawāt quarter (also the location of Bārūdī's palace), it was the first Arab research institute devoted to the systematic dissemination of Arab propaganda and information. Several researchers worked on different projects, making use of a small library, several local and foreign newspapers, a large map collection, and its own printing press to produce occasional pamphlets on burning political issues facing Syria and her Arab neighbors, such as the Alexandretta question and Palestine. But the Arab Bureau had another purpose. It could channel the discontent of the ascendant generation of radical Arab nationalists into less threatening outlets. Bārūdī saw to it that the

Bureau's advisory committee was packed with leaders of this new generation, many of whom were educated in Europe, and he filled its research section with a number of unemployed intellectuals from this elite. The Bureau was but one of several ways the National Bloc kept emergent radical forces in the 1930s from eroding its political leadership.⁸

More involved in promoting Syrian economic nationalism in Damascus was Bārūdī's close friend, Luṭfī al-Ḥaffār, the only merchant in the Damascus leadership of the Bloc. Born into a family of textile merchants of the Shāghūr quarter, Ḥaffār received his education mainly at the feet of private religious tutors in the circle of the reformist Shaykh Ṭāhir al-Jazā'irī,⁹ not an unusual way for the son of a center-city merchant to acquire learning. Inspired by his teachers, Ḥaffār and several other future nationalist leaders founded the secret Arab Renaissance Society (*Jam'iyyat al-nahḍa al-'Arabiyya*) in 1906, one of the first proto-nationalist parties of pre-World War I Syria. Although his Qur'ānic education may not have qualified him for a career in the Ottoman state bureaucracy, it did provide him with a strong command of the Arabic language, and he soon won a reputation as a respected orator and authority on classical Arabic literature. His prose style ranked Luṭfī among the most admired writers of his day.¹⁰

Apart from his early attachment to Arab nationalism, Ḥaffār took a deep interest in the history and former greatness of commerce in the Islamic world, and he wrote several articles on the subject. What impressed him most about this past was the ease with which trade flowed throughout the region, unencumbered by forbidding political frontiers and customs barriers. But, while the past offered him some lessons, what inspired him most was the German model of late industrialization, in which government planning and financing combined with private enterprise to develop the country at an accelerated pace.¹¹ Ḥaffār was convinced that if Syrians could acquire modern industrial techniques, they could eventually produce many of the manufactured goods that so far had to be imported. The know-how would have to come from the establishment of engineering and industrial schools and from regular technical missions to Germany and other European countries.¹²

One of Ḥaffār's ideas was to bring running water to Damascus both for drinking and for industry, and at the same time to free the River Baradā and smaller streams for more effective irrigation of the gardens around the city. He had had the good fortune to study the water systems of Egyptian cities in 1920 and to follow the formation of Bank Miṣr, a dynamic financial and industrial complex started by Ṭala't Ḥarb in the same year. In Egypt, Ḥaffār also came to see the importance of the joint-stock company in developing modern enterprises.¹³ Under the Ottoman Empire, such financial combinations had been discouraged because of the difficulty of getting imperial permission to form them.¹⁴

By 1922, Ḥaffār had come up with a proposal for such a combination, which would eventually pipe a regular supply of water into Damascus from a rich source at 'Ayn al-Fījān, a spring lying in the foothills to the north-west of the city. Worried that his conservative colleagues in the Damascus Chamber of Commerce (of which he was Vice-President) would balk at a public share-

holding scheme, he asked Fāris al-Khūrī, the much-trusted nationalist lawyer, to investigate all the legal angles beforehand. When Chamber members learned that a French company in Beirut was bidding on a similar project and that Ḥaffār had been offered a reported £S 10,000 by the same company to withdraw his own bid, they threw their weight behind him. They applied pressure on the governor of the Damascus State¹⁵ who, in turn, convinced High Commissioner Weygand to grant Ḥaffār the concessions. The 'Ayn al-Fījān Company was capitalized at £T 150,000 gold, and many of the biggest shareholders were merchants in the Chamber and landowners over whose land the aqueduct to Damascus was eventually to pass. By 1932, the aqueduct was complete, and running water flowed to the capital. Ḥaffār's idea was a resounding success, even though he personally landed in debt and had to take a part-time job as a waterworks inspector in the Damascus municipality to supplement his income until 'Ayn al-Fījān began to pay dividends. Not only did his project bring many advantages to the Damascus public; it was also a great source of pride to those men of land and capital who mustered the skills and resources to carry it out. The timing of its completion also enabled the National Bloc to enjoy much of the credit for 'Ayn al-Fījān.¹⁶

The first big industrial project in Damascus after the Great Revolt of 1925–1927 involving nationalists was concerned with cement production. The choice of cement was due to a combination of factors: the region around Damascus was rich in limestone and clay; during the Mandate there was a great increase in use of cement, which was rapidly replacing stone as a building material; political and economic stability made investment in urban real estate and housing construction a safer refuge for local capital; and the raising of tariff barriers allowed local cement to compete with imported cement.¹⁷ In addition, the cost of importing such a bulky product made cement production an eminently sensible import-substitution industry.

On 8 January 1930, several landowners, merchants, and National Bloc chiefs headed by Fāris al-Khūrī founded the National Cement Company on a joint-stock basis and capitalized it at £T 144,000 gold with 24,000 shares. The Director of the Company was Khālid al-'Aẓm, scion of the leading family of Damascus who, at the age of thirty-five, was at the forefront of the industrialization movement in the Syrian capital. The location of the cement factory on a 154-acre site at Dummar, to the north-west of the city, indicated a growing trend toward the concentration of modern industry on the periphery of Damascus. The site was near the raw materials and was also able to make use of waters from 'Ayn al-Fījān. Modern transport had made the movement of labor outside the capital possible.

In 1934, the first full year of operation, the factory produced nearly 30,000 tons of cement; by 1938, it produced an interwar high of 63,500 tons. In no time, Syria was producing nearly sixty percent of its cement needs. Dummar cement was considerably cheaper than foreign cement: in the year Dummar opened, foreign cement cost £T 4 gold per ton, while, by the end of the same year, the National Cement Company was producing a ton at £T 2 gold and, by 1936, the local price had dropped to £T 1 gold per ton.¹⁸ Once again, the

National Bloc stood firmly behind this project, from which several of its leaders profited handsomely.

Another successful industry was food-processing. In the Damascus region the most prized agricultural products were fruits and, in particular, the apricot (*mishmish*). Syria ranked third in world apricot production. For generations, the bulk of the crop had been processed by primitive methods into apricot paste for export.¹⁹

Among the biggest fruit orchards in the gardens known as al-Ghūṭa, which encircled most of Damascus, were those belonging to the Quwwatī family. On returning to Damascus after more than five years in political exile, the radical nationalist leader Shukrī al-Quwwatī devoted most of his time and energy to transforming fruit- and vegetable-processing into a modern industry. What encouraged Quwwatī was the rapidly rising price of raw fruit. Already the modernization of the related sugar and confectionery industries of Damascus was under-way, providing him with a good example to follow. In February 1932, only months before Quwwatī officially became a member of the National Bloc, he founded the Syrian Conserves Company. Backed by several wealthy merchants and industrialists, including Tawfīq al-Qabbānī and Ṣādiq al-Ghrāwī, the leading sugar and confectionery industrialists in Damascus and prominent nationalist supporters in their own right, Quwwatī was able to capitalize his company at £T 30,000 gold, which was to be divided into 15,000 shares.²⁰ A dedicated pan-Arabist, Quwwatī sold the shares in Damascus at Bank Miṣr and in Palestine at the recently established Arab Bank in order to keep the Company a purely Arab enterprise. By the late 1930s, 200 workers (including many women) were producing about 25 tons of dried processed fruits and vegetables (tomato paste) annually. These products were crated or canned for export to Palestine, Egypt, and Europe. The success of Quwwatī's enterprise brought him much praise and the sobriquet, the Apricot King (*malik al-mishmish*). Along with the National Cement Company, Quwwatī's enterprise was the pride of the National Bloc in the late 1930s. In patriotic circles, it became the fashion to give one or more shares of Conserves Company stock as a present to newly-weds and new-born babies.²¹

After 1928 other modern industries began to spring up in Damascus, Aleppo, and other towns. Some, like the leather tanning, weaving, and soap industries, concentrated on mechanizing dying handicrafts and on restructuring them to meet changing taste-patterns and demand. Several modern factories were built during the depression years (1930–1934) because of a decline in foreign imports and because labor costs dropped owing to the surplus labor created by the extinction of many handicrafts and the limitation of emigration possibilities. By 1934, there were reportedly sixty-three modern factories in Damascus, seventy-one in Aleppo,²² and, by the end of 1936, Damascus alone had seven registered joint-stock companies with a total capacity investment of £S 12,625,000.²³

Yet, the scale of Syrian industrialization by the Second World War was still insignificant. Indeed, Syria continued to import most of its manufactured goods in the 1930s. Many of the modern industries that grew up before the war were decidedly light-weight. Industries like fruit-preserving and flour-milling

'slightly' transformed 'agricultural products to a state better adapted for consumption' in the local or regional market.²⁴ Others, like cement, were simply import substitution industries. Finally, the size of mechanized plants and the number of workers organized in them remained fairly small, and they were unable to absorb surplus labor with any rapidity. By 1937, the total number of Syrian workers in modern industries had reached only 33,000, whereas the total number of workers and artisans employed in traditional industries and handicrafts had dropped by nearly one-half, to 171,000 from 310,000 in 1913.²⁵

A Syrian industrial bourgeoisie was in formation in the 1930s, but it was still difficult to draw a sharp line between industrialists, merchants, money-lenders, and landowners, because the same individuals or families were often in more than one branch of the economy. The Quwwatli family, for example, were primarily landowners and merchants. Their Conserves Company was possible because they possessed both raw materials and ties to the marketplace.

Ideas of economic nationalism came naturally to those already engaged in the development of modern industry and the creation of national markets. Since a number of incipient industrialists were also in the Bloc leadership in Damascus, Aleppo, and other towns, such ideas were gradually incorporated into the strategy and program of the National Bloc. By the mid-thirties, the Bloc was increasingly committed to undermining the dominant alliance of French capital and the comprador bourgeoisie through the vehicle of nationalism. But, just as industry did not take great strides forward in the thirties, neither did the Bloc make great political gains. Both would have to await the special circumstances of the Second World War to register significant victories: the former to dissolve some of the bonds impeding industrial growth, and the latter to weaken France's hold on the administration of the country.

Despite the obstacles Syrian industry faced in the interwar period, economic nationalism served the interests of the National Bloc and the classes it represented. It effectively blunted the class contradictions arising from the spread of capitalist relations by keeping the attention of other classes riveted on the question of independence from the French. Although class consciousness spread in this period, as long as France occupied Syria, national struggle took priority over class struggle.

Economic nationalism blended nicely with the brand of political nationalism sponsored by the National Bloc. It highlighted an emerging Syrian national identity which Bloc leaders embraced in the face of mounting pressures from radical pan-Arabist forces in the 1930s.

The partitions of 1920 and the imposition of political boundaries and customs barriers around Syria (and Lebanon) had already helped to reshape the country's territorial frame of reference. The specificity of French rule forced the growth of a Syrian identity and destiny which the expansion of a national market reinforced. A similar trend could be observed in Iraq and Palestine. Just as the National Bloc demanded that the French offer greater protection for Syrian industry, so nationalist organizations in Iraq and Palestine demanded the same of the British. Although the call for Arab political and economic unity continued to resound in each country, the appeal of unity grew weaker as small-state economies developed.

The most vivid example of the mounting tension between pan-Arabism and Syrian nationalism involved Palestine. For the Syrian economy, the Palestine market was of immense importance during the Mandate. Owing to its location, this was especially true for Damascus. Palestine received more Syrian exports than any other country and Syrian laborers in Palestine regularly remitted money to the families back home. Syrian manufactures, such as cement, conserves and textiles, were mainly exported to the Arab market in Palestine, where they were very successful, owing, in part, to the structural weakness in Palestinian industries and, in part, to the Arab boycott of highly competitive Jewish products. But, while Syrian industrialists profited from the Palestinian Arab boycott of Zionist goods and tried to keep them off the Syrian market as well, some, with highly competitive goods, also showed a keen interest in finding markets in the Jewish sector of Palestine.

No Syrian nationalist leader commanded greater respect in Palestinian nationalist circles than Shukrī al-Quwwatī. His commitment to the liberation of Palestine from Zionist colonization and British rule was undeniable. Yet, in October 1935, six months before the outbreak of the rebellion in Palestine, Quwwatī visited the country to explore the possibility of establishing branches of his Conserves Company 'to win Jewish clients'.²⁶ The rebellion stymied Quwwatī's plans. Nevertheless, even the staunchest of pan-Arabists in the National Bloc would not let the principle of Arab solidarity interfere with the expansion of his material interests. Indeed, Quwwatī's discreet inquiries in 1935 foreshadowed the ambivalence of the National Bloc government toward the Palestinian rebellion of 1936–1939.²⁷

When the general strike that launched the rebellion broke out in April 1936, some of the leading Damascene industrialists and merchants trading with Palestine counselled the National Bloc to apply pressure on the Palestinian leadership to end it. The economic factor contributed considerably to the reluctance of nationalist circles in Damascus to mobilize fully behind Palestine. In the first place, the Palestine strike came at the tail-end of a paralysing Syrian general strike that had severely damaged Syria's economy. Now the Palestine strike posed a serious danger by severely impeding Syria's valuable export trade to Palestine and thereby causing heavy losses to Damascus merchants. The inability of Palestinian agents to repay their bills as they fell due aggravated the situation.²⁸ For many local merchants, the timing of the strike could not have been worse: the Syrian economy had yet to recover from the Syrian strike and, to compound matters, as the rebellion spread in Palestine during the summer and fall of 1936, Syria faced an unusually poor grain harvest and a new devaluation of the Syrian pound after a decade of relative stability.²⁹ Not only was the Palestine market unresponsive, preventing Syrian merchants from taking advantage of the devaluation to boost their exports, but the Syrian cost-of-living index rose by thirty to forty percent during 1936, and doubled by the fall of 1937, when the second and longer phase of the Palestine revolt began.³⁰ In Syria, wholesalers and middlemen, who had to pay the producers of grain and other goods in gold, did not hesitate to raise their prices to retailers. Retailers of local goods and imports from other countries with non-depreciated currencies, in turn, raised their prices to the

Syrian consumer. Soon the retailers of French imports were also able to raise their prices.³¹

The inaccessibility of the Palestinian market in this period, while not the principal cause of Syria's economic plight, certainly contributed to it. And, although Syrian activities on behalf of the Palestinian Arabs escalated as soon as the general strike took hold in Palestine, these activities revealed contradictory sentiments in Syria. The natural impulse of the Syrian people to assist the Palestinians conflicted with the objective economic and political interests of Syria's intertwined commercial and nationalist elites.

Although capital investment in Syria during the French Mandate was much larger than ever before, the long years of political and economic instability meant that most investments were made to ensure maximum profit with maximum security. Therefore, the bulk of foreign investment went into infrastructure, primarily transport for the movement of Western manufactured goods into the country and raw materials out of it, industries devoted to the extraction of raw materials for export such as petrol, asphalt, and cotton and silk, low-risk public services such as electricity and tramways in the towns, and banking and insurance.³²

It is true that certain manufactured goods, in particular cement, conserves, and textiles, which were naturally suited to Syria, were bases for local industrial development. But, because banks charged extremely high interest rates, borrowing for the purpose of investment in these industries was very difficult. Moreover, the conservatism of Syria's absentee-landowning class hindered local investment in industry. It preferred to invest in urban real estate or in agricultural lands, but not to develop them; otherwise it was perfectly content to divert its capital into conspicuous consumption or to hoard gold.

Apart from a few industrialists who had begun to rear their heads in the 1930s, the Syrian economic groups that most successfully defended their economic positions between the wars were compradors engaged in the export-import trade with the West and in local banking—a class that was composed of a disproportionate number of local Christians and Jews—and the absentee-landowning class, which lived off rents from farm lands and urban real estates. Although the French initially set out to break the back of the nationalist landowning class through land reforms and increased taxation, they eventually gave up owing to inadequate financial resources and a grudging recognition that there was no substitute for this class in its traditional role as intermediary between government and society.³³

It was only with the advent of the Second World War that a significant shift in the positions of Syria's main economic groups occurred. Most noticeable was the loss of economic power which the absentee-landowning class suffered. Because the allied powers took measures to control grain and wheat production and kept prices artificially low, landowners who could not skirt these regulations or quickly diversify their agricultural production suffered big losses.

The Second World War also created a shortage of foreign imports. Industries based on the processing of local raw materials and semi-

manufactured goods prospered, while those dependent on imports suffered. Industrialists who were not completely dependent on foreign raw materials or those who could meet local demand for manufactured goods that previously had been imported from abroad enriched themselves. Textile industrialists were particularly successful during the war. At the same time, a group of entrepreneurs—many from outside the established class of absentee landowners—made vast profits expanding the amount of Syrian land under cultivation, notably in the Jazīra. This enabled them to increase the supply of scarce foodstuffs and the raw materials which fed the new modern industries.³⁴

How did these wartime economic developments translate politically? The emerging industrial bourgeoisie, made up of entrepreneurial merchants and landowners, began to pose a political challenge to the more conservative landowning and mercantile groups. This produced, in turn, a hardening of political lines within the National Bloc. Those nationalist leaders in Damascus who emerged on top of the political heap at the time of the independence were those who had forged links with the emerging class of industrialists, either as industrialists themselves or as politicians representing industrial interests in government. Even before the French left Syria in 1946, Shukrī al-Quwwatī, President of the Republic since 1943, had used his office to support the interests of influential textile industrialists and merchants in Damascus in return for their support against the challenge to press for full independence from France.

But, at the same time as Quwwatī was consolidating his political base in Damascus, a challenge to his leadership was being mounted in Aleppo. Although Aleppo had played a critical role during the interwar period in the struggle for independence, it had been subordinated to Damascus in almost every aspect of politics. The Aleppo branch of the National Bloc competed with the Damascus branch and, like the Damascus branch, it was internally divided. The imposition of the Mandate had reduced Aleppo to the status of a provincial capital cast in the shadow of Damascus and dependent on machinations there for its share of the budgets for education, public works, and the like.

Aleppo had also suffered more than Damascus from the arbitrary post-First World War partitions. Its loss of the greater part of its commercial hinterland in Turkey and Iraq forced a drastic reorientation and reduction of its economy between the wars. It was only during the Second World War that Aleppo managed to readjust and re-emerge as Syria's main economic entrepôt. The difficulties of obtaining manufactured goods from traditional foreign suppliers during the war stimulated local industrial growth. In turn, major new investments in the Jazīra expanded the margins of cultivation and increased the productivity of the region. As a result, Aleppo experienced an economic boom during the Second World War from which its merchant-entrepreneurs derived much benefit. Aleppo wanted to expand its commercial hinterland to take advantage of the agricultural potential of the Jazīra. Whereas Turkey remained hostile to this idea, Iraq was encouraging. Indeed, in the early 1940s Iraq sponsored a Fertile Crescent unity scheme which attracted Aleppine merchants and politicians in ways not appreciated by their counterparts in Damascus.³⁵

The economic boom encouraged Aleppo to challenge the political paramountcy of Damascus. The rivalry between the Aleppo and Damascus branches of the National Bloc intensified, and this in turn produced a major schism in the Bloc. Although political divisions were not cast in stone, a number of prominent nationalists in Aleppo broke away from the Bloc. This faction was closely tied to the emerging entrepreneurial group that was deeply involved in the opening of the Jazīra and in broadening commercial relations with Iraq. Just after independence, these merchant-entrepreneurs and political leaders in Aleppo formed their own nationalist organization, the People's Party (*Hizb al-Sha'b*). This party supported stronger economic and political ties to Iraq on the one hand, and challenged Quwwatī and the Damascus-based National Bloc on the other.³⁶

By independence, the growth of economic nationalism in Damascus had reduced the appeal of pan-Arabism in its very birthplace. Syrian nationalism now posed a serious challenge. At the same time, the seat of pan-Arabism had shifted to Aleppo, where a somewhat different version of economic nationalism placed much greater emphasis on the importance of economic integration with Iraq. And, although Damascus would again become the center of pan-Arab activity in the 1950s and 1960s with the rise of new elites and the spread of Ba'thism, the conflict between pan-Arabism and Syrianism and the rift between Damascus and Aleppo continues into our own times.

Notes

1. On the concept of the 'national bourgeoisie' see Alec Gordon, 'The Theory of the "Progressive" National Bourgeoisie', *Journal of Contemporary Asia*, 3 (1973), pp.192–203.
2. See Eric Davis, *Challenging Colonialism: Bank Miṣr and Egyptian Industrialization, 1920–1941* (Princeton, 1983) and Robert L. Tignor, *State, Private Enterprise, and Economic Change in Egypt, 1918–1952* (Princeton, 1984).
3. Although unpropertied members of the liberal professions played an increasingly important role in the Bloc by the 1930s, landowning and mercantile interests continued to dominate the organization into the 1940s. See Philip S. Khoury, *Syria and the French Mandate: The Politics of Arab Nationalism, 1920–1945* (Princeton: Princeton University Press, 1986), Chapter 10 (forthcoming).
4. *Ibid.*, Chapters 2, 3.
5. George Hakim, 'Industry' in Sa'id B. Himadeh, ed. *Economic History of Syria* (Beirut, 1936), pp.130f.
6. See *al-Muḏḥik al-mubkī*, no. 390 (15 October 1938), pp.13f.
7. *Al-Ṭalī'a* (Damascus, 1936), pp.812–815; Nahal Bahjat Ṣidqī, *Fakhrī al-Bārūdī* (Beirut, 1974), p.98. Petty jealousies caused the dissolution of the 'franc plan'.
8. This information comes from a pamphlet entitled *al-Maktab al-'Arabī li-l-dī'āya wa-l-nashr: al-niẓām al-asāsī* and located in the Markaz al-Wathā'iq al-Tārīkhiyya (Damascus), Fakhrī al-Bārūdī Papers. Also see Anon., 'Etude sur le fonctionnement du Bureau National Arabe de Recherches et d'Information de Damas', Centre des Hautes Etudes Administratives sur l'Afrique et l'Asie Modernes (CHEAM), no.350, pp.1–11. The advisory committee of the Bureau included a number of second generation nationalists from Syria and Palestine such as Sulaymān al-Ma'asarānī, Nāẓim al-Qudṣī, Edmond Rabbath, Farīd Zayn al-Dīn, Shawqat 'Abbās, Kāẓim Ṣulḥ, Fū'ād Khalīl Mufarrij (Bārūdī's secretary), Akram Zu'aytir, Wāṣif Kamāl, Munīr al-Rayyis, and Aḥmad al-Ṣammān. In its last year, 1939, the Bureau had sixteen full-time employees.
9. On Shaykh Tāhir see Albert Hourani, *Arabic Thought in the Liberal Age 1798–1939* (Cambridge, 1983), p.222 and David Commins, 'Religious Reformers and Arabists: The Salafiyya and Arabism in Damascus, 1885–1910', *International Journal of Middle East Studies* (forthcoming).

10. Luṭfi al-Ḥaffār, *Dhikrayāt* (Damascus, 1954), I, pp.7–14; Virginia Vacca, 'Notizie biografiche su uomini politici ministri e deputati siriani', *Oriente Moderno*, 17 October, 1937), p.483; George Fāris, *Man huwa fī Sūriyā 1949* (Damascus, 1950), pp.18–19; conversation with the late Zāfir al-Qāsimī (Beirut, 26 July 1975).
11. See, for instance, Alexander Gerschenkron, 'Economic Backwardness in Historical Perspective', B. Hoselitz, ed., *The Progress of Underdeveloped Areas* (Chicago, 1952), pp.3–29.
12. Ḥaffār, *op. cit.*, I, pp.15–36, 37, 126–133, 172–176, 204–209.
13. *Ibid.*, pp.46–53, 89–94. On Bank Mişr see Davis, *op. cit.*
14. Hanna Batatu, *The Old Social Classes and the Revolutionary Movements of Iraq* (Princeton, 1978), p.226.
15. At this time, Syria was still divided into several separate administrations, of which the Damascus State was one. See Houry, *Syria and the French Mandate*, Chapter 3.
16. Ḥaffār, *op. cit.*, I, pp.89–94.
17. See A.S. Bagh, *L'industrie à Damas entre 1928–1958. Etude de géographie économique* (Damascus, 1961); Hakim, *op. cit.*, p.157.
18. *Dalīl al-Jumhūriyya al-Sūriyya 1939–1940* (Damascus, n.d.), pp.464–465; Bagh, *op. cit.*, pp.73–76; Hakim, *op. cit.*, p.157.
19. Albert Khuri, 'Agriculture', in Himadeh, *op. cit.*, p.86. Before the introduction of modern transport, preserved foods were vital for provisioning the pilgrimage caravan, which originated in Damascus.
20. Later these figures rose to LT 49,500 gold and 22,500 shares.
21. The Conserves Company purchased one-half of the Quwwatī family's fruit crop annually. See *Dalīl*, pp.468–470; *Oriente Moderno*, 12 (1932), pp.376f; *al-Muṣawwar* (30 May, 1936), p.7; Nabīh al-'Azma Papers [Syria], File 2/10. Institute for Palestine Studies, Beirut; conversation with Nadīm Dimashqiyya (London, 25 June 1975). The latter, the son of a Beirut notable with strong family ties to Damascus, became managing director of the Conserves Company in 1941.
22. *Revue International du Travail* (Geneva, 1934), cited by Adnan Farra, *Industrialisation en Syrie* (Geneva, 1950), p.169.
23. Bagh, *op. cit.*, p.46.
24. Hakim, *op. cit.*, pp.130–35.
25. See Elisabeth Longuenesse, *La classe ouvrière en Syrie: une classe en formation*, 3ème cycle dissertation (Ecole des Hautes Etudes en Sciences Sociales, Paris, 1977), p.36.
26. Nabīh al-'Azma Papers [Syria]. File 3/119. 'Irfān Jallād to al-'Azma, 15 Oct. 1935. Jallād, a member of the Syrian Istiqlāl, which Quwwatī headed, was to be Quwwatī's agent, and 'Azma, his advertising or public relations man.
27. See Philip S. Houry, 'Divided Loyalties? Syria and the Question of Palestine, 1919–1939', *Middle Eastern Studies* 21 (July, 1985), pp.324–348.
28. PRO, FO371/6898, vol.20069. Furlonge to Eden, 22 October 1936.
29. PRO, FO371/6716, vol.20066. Ogden to Eden, 3 October 1936.
30. Haut-Commissariat de la République Française en Syrie et au Liban, *Bulletin Economique Trimestriel*, no.3 (1936), p.313 S; no.4 (1936), p.633 S; no.2 (1937), pp.135–139; graphiques, nos.1–3, pp.207–209; no.4 (1937), pp.799 S–811 S; Youssef Houry, *Prix et monnaie en Syrie* (Nancy, 1943), p.91.
31. PRO, FO371/6899, vol.20069. Furlonge to Eden, 27 October 1936.
32. See Abdul-Kader Al-Nayal, *Industry and Dependency with Special Reference to Syria: 1920–1957*, M.A. Dissertation (Institute of Social Studies, The Hague, 1974), pp.81–85.
33. As late as 1936, the landowning-bureaucratic class accounted for 15.5% of Syria's total population and 57% of her national income. See Farra, *L'industrialisation*, pp.51, 137, 139, 168, citing Ihsan Jabri, *Le Commerce du Levant*, (Beirut, 18 January 1938).
34. Al-Nayal, *op. cit.*, pp.86–88.
35. Conversation with Jubrān Shāmiyya (Beirut, 29 July 1975). Shāmiyya, a Damascene, was one of the entrepreneurs involved in the opening up of the Jazīra.
36. Conversation with Hāni' al-Hindī (Beirut, 28 August 1975).