

# Will Washington Give Arms To Ukraine?

**WASHINGTON** – Back in February 2014, right after a popular rebellion ousted pro-Russian President Viktor Yanucovych, this way taking over political control in Kiev, the then Obama administration was long on promises of aid and support; but very short on delivering almost anything of real value to the new supposedly pro-American and pro-European Ukrainian government.

## **Economic basket case**

On the economic front, Ukraine was then (and still is today, by the way) a virtual basket case: an impoverished, non competitive, underperforming economy, poisoned by systemic corruption. On the military side, whatever your political preference on who is to blame for the ongoing fighting between government forces and pro-Moscow ethnic Russians in Eastern Ukraine, back in 2015 it became obvious that Washington was not going to support the new anti-Russian Kiev government in any meaningful way.

## **Non lethal military aid**

President Obama offered some non lethal equipment, (such as radar, night vision goggles), MREs, (military food rations), blankets, uniforms, and socks, (yes, socks), to the Ukrainian army –but no real weapons.

## **New Trump approach?**

Now, with Trump in the White House, most recently the noises have been changing. It is no accident that U.S. Secretary of Defense Mattis recently made a high-profile visit to Kiev on that country's Independence Day. During public celebrations which included a military parade, Mattis stood at the side of

Ukrainian President Petro Poroshenko. Mattis trip to Kiev followed another important visit to Ukraine by Secretary of State Rex Tillerson in July.

In public remarks in Kiev Mattis stated that the Pentagon is reviewing options that could include supplying real weapons to Ukraine; including anti-tank Javelin missiles, and possibly anti-aircraft missiles.

Of course, Mattis insisted that this American hardware—assuming a US Government decision to send it to Kiev—falls under the category of defensive weapons. America's stated goal—again, assuming a green light on this—would be to give Ukraine the tools to defend itself from Russian attempts to unilaterally change borders in the East.

Mattis justified any possible U.S. policy shift regarding weapons sales to Ukraine by pointing out that Russia is not living up to its commitments under the Minsk agreements aimed at solving through peaceful means all issues related to the future of ethnic Russians in Eastern Ukraine.

### **Policy shift**

Well, should these supplies of U.S. weapons to Ukraine actually take place, this would indicate a major policy shift from the “do nothing” Obama years. For several years, Obama's deeds (forget his speeches in support of Ukraine) indicated that America would not get involved, even indirectly, in any conflict involving Russia in Eastern Ukraine, a region with deep historic, ethnic and religious ties to the Russian state. With Obama in the White House, Ukrainian President Petro Poroshenko realized that he was on his own.

Now Donald Trump is President. So, a new more muscular approach to Ukraine in Washington vis-a-vis Russia? We shall see. Despite what Secretary Mattis just said in Kiev, I am inclined to believe that the Trump administration does not want America enmeshed, even if indirectly, in yet another,

almost impossible and probably endless conflict, far from home.

### **A crowded national security agenda**

Let's look at the long "to do" list for the U.S. military, when it comes to hot spots. Washington is and will be engaged in the Middle East, (Iraq and to a lesser extent Syria) for quite some time. The President just announced a more muscular and open-ended policy towards Afghanistan, with the stated goals of defeating the Taliban insurrection. And then you have creeping and potentially explosive crises with North Korea, Iran, and may be with China on the South China Sea. Based on recent Washington moves and public pronouncements, we may also have to add Venezuela to this already long and challenging national security agenda.

Does Washington want to add an insoluble conflict in Eastern Ukraine to the headaches list, while cash strapped America has a hard time keeping up with existing and potential commitments? I do not think so.

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## **Will NAFTA Be Fixed?**

**WASHINGTON** – It is not a bad idea to look at ways to improve NAFTA, the Free Trade Agreement linking Canada, the U.S.A. and Mexico that came into force in 1994. Back then, we had a different world. The Internet was just beginning to blossom; the on line giant Amazon did not exist, and Apple's future was uncertain. Energy production and possible new cross border investments within North America did not even remotely resemble what we have now. Think of the incredible shale oil and gas revolution in the U.S., large scale oil extracted in Canada from oil sands in Alberta, and then exported to the

United States, and the recent liberalization of the energy sector decided upon by Mexico, simply because they are shipped from Mexico.

### **Make it better?**

What is not entirely clear at this early stage in the process is the spirit animating the American negotiators. As a presidential candidate, Donald Trump argued that NAFTA is a horrible arrangement that hurt the U.S. economy and workers, a key item within a long list of fatally flawed trade agreements.

So here is the question. Is the goal here to improve NAFTA or to try to kill it? We shall soon find out.

### **Key issues**

Among the many issues that will be addressed by the U.S., Mexican and Canadian negotiators, “rules of origin”, “dispute resolution” and “government procurement” stand out.

### **Rules of origin**

In order to qualify for the NAFTA free trade preference, (this means no customs duties within the free trade area), goods coming into the United States –say from Mexico– must qualify as “made in Mexico”. For example, they cannot be sneakers or T-shirts made in China, exported to Mexico and then re-exported tariff free to the U.S.A., pretending that they are made in Mexico.

However, in this global economy sustained by global supply chains, how does one establish clear rules aimed at determining the origin of complex products? Think for a moment of automobiles assembled in Mexico. Almost by definition they contain many foreign made parts –parts not originating from other NAFTA countries.

Well, here is the question. What is the limit of foreign (non

NAFTA) made components (in terms of value of the components, and in terms of overall percentage of parts) beyond which the car assembled in Mexico no longer qualifies as “originating in Mexico” and therefore not qualifying for the NAFTA preference?

### **How strict?**

How high do you set the bar? Is a car with 30% non NAFTA components still qualifying for tariff-free NAFTA status? Or can the NAFTA negotiators be more lenient and set the bar at 40%? This is a big deal.

More or less stringent rules of origin will affect established trade relations with a global web of suppliers. No wonder the Japanese are following the NAFTA renegotiation issue very closely. The Japanese brands assemble cars in Mexico. Ostensibly those cars are “made in Mexico” and so they can be exported to America customs free, as they benefit from the NAFTA trade preference.

### **Components made in Japan**

But here is the thing. Everybody knows that these cars contain a large amount of components made in Japan. If adopted by the three partners, more stringent NAFTA rules of origin will inevitably disrupt established supply chains created by the Japanese brands to export components that end up in cars that until today met the minimum NAFTA origin criteria to be considered as “made in Mexico”.

So, here is the issue that will affect the negotiations. America wants much stricter rules of origin, because it does not want what the U.S. considers to be essentially Japanese cars, disguised as “made in Mexico”, to come into the USA tariff free, (because of the NAFTA preference),

Can a compromise be reached regarding what percentage of a finished product must be made of components made in Mexico, Canada or the U.S.A. in order to give this product “NAFTA

origin”?

### **Dispute resolution provisions**

The Americans also do not like the “dispute resolution” mechanism included in the original NAFTA Treaty. Many in the U.S. look at it as a binding arbitration process which amounts to an infringement of US sovereignty. Americans do not like to be bound by a process whereby non-U.S. judicial bodies decide the outcome of trade disputes. The other two NAFTA countries would like to preserve this dispute resolution mechanism. Is compromise possible?

### **Public procurement**

Public procurement is another sticky issue. The three countries would like to have free and equal access to public procurement bids (think of government contracts which may include IT services, or infrastructure projects) put out by their NAFTA partners. Except when they do not.

Especially with President Trump pushing for an “America First” general approach on all trade and non trade issues, when it comes to public procurement, Washington wants to privilege U.S. companies through “Buy American” policies.

And this would include all or most government contracts. This is obviously against the spirit of wide open procurement with a bidding process open to all firms within NAFTA.

### **Uncertain outcome**

In the final analysis, all these are very complex and technical issues –on a good day. If the parties are willing to compromise, there is an opportunity to improve NAFTA.

But if there is a negative bias against NAFTA, it is relatively easy to tear apart this free trade area linking the 3 economies of North America.

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# Is There A Democratic Party Policy Agenda?

**WASHINGTON** – If you watch most of the cable news channels these days you get a steady diet of endless, in fact almost obsessive, commentary on what President Donald Trump said or twitted today, and what the seasoned analysts around the table think about it.

## **Endless coverage**

As President Trump relishes being unconventional and breaking all the established “Washington rules”, plenty for the experts to talk about. Fine. Except that this –Trump– is all they talk about. Which is to say that if you watch CNN or MSNBC what passes as “the news” is the endless effort to score the latest Trump outrageous tweet. And as different talk shows follow each other on the same cable news channel, the new anchor picks up exactly where his/her colleague left it and repeats the very same tweet of the day, and asks a different panel of supposedly savvy experts what we should make of it. The variations in all this are limited to the degree of (feigned I believe) amazement and/or outrage.

Again, this is not happening on occasion. This is now the standard offering throughout the 24/7 news cycle. Look, I do understand that the media has a duty to report on what the

President of the United States says or tweets. And certainly, since Mr. Trump enjoys being unconventional and controversial, his statements give fodder for talk shows.

### **Is there a Democratic Party agenda?**

*Still, my point here is that there is practically nothing else in the news. The one thing that is missing, probably because it does not really exist, is a thoughtful alternative policy agenda coming from the Democratic Party. Cable news shows do not report on it because most likely there is nothing to report.*

And this is truly astonishing. We have an entire news media apparatus supported by scores of pundits who keep telling us that we have a strange President sitting in the White House who says and occasionally does unpredictable things, while the Republican majority in Congress is in (terminal?) disarray. And yet no alternative vision to this (apparently) unsatisfactory state of affairs is presented by the Democrats and discussed by the media.

### **Sit back and watch the Republican Party implosion**

Are we to conclude that the Democratic Party strategy is just to sit back and watch the hoped for Trump implosion and the eventual dissolution of a Republican Party torn apart by incurable internal ideological battles? This may be a clever tactical approach.

But this is not a strategy for a national political force aspiring to govern the United States of America. Let us not forget that the Democratic Party in 2016 lost its momentum and ability to connect with millions of voters. It lost the White House to a complete outsider with zero political or campaign experience, and it failed to regain control of the Senate even though the odds favored it. Some party!

### **No compelling message in 2016**



In 2016 the Democrats best hope was Hillary Clinton, a shop worn, uninspiring candidate who represented a retread of the tired Clinton Brand. And, notwithstanding the Clinton machine open effort to game the system via the guaranteed support of the super delegates at the Democratic Party Convention, Clinton had to fight until the end against Bernie Sanders, a feisty old socialist whose astonishingly outdated policy agenda was all about redistributing (ill gotten) wealth accumulated by the demonized 1% in a more equitable way. That's all the Democrats had to offer: Clinton and Sanders.

### **What's the alternative?**

Today, precisely because the Republican Party policy program seems confused and confusing, the American voters need to hear about a credible and thoughtful Democratic Party alternative agenda. It is OK for the late night comedy shows to use the latest Trump outrage as material for their jokes. This is fine. Political satire is healthy in a vibrant democracy.

### **Show America how the Democrats will govern**

But the news media should stop this obsessive Donald Trump saturation coverage, while the Democratic opposition, instead of relishing the Republicans' self-inflicted wounds, should rise to the occasion and offer a new and inspiring vision on how they intend to govern America.

As of now, I have seen none of that. And the reason for this, I suspect, is that the Democrats do not have anything new to say. And this is sad. A healthy republic needs a healthy debate on policy alternatives. Right now we have mostly noise.

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# America Needs Ballistic Missiles Defenses

**WASHINGTON** – The news of North Korea's successful test of an Intercontinental Ballistic Missile, (ICBM), a missile that could theoretically hit the United States mainland is bad enough. But it gets much worse when combined with a just released assessment compiled by U.S. intelligence stating that North Korea may have also mastered the ability to miniaturize a nuclear warhead so that it can be fitted on the tip of its new ICBMs. Taken together, all this means that North Korea could soon have the capability to launch a nuclear armed intercontinental missile that could reach Seattle, Minneapolis, even Chicago or New York City. A very unpleasant prospect, given the paranoid leanings of North Korea's leader Kim Jong-un.

## **No defenses**

But it gets worse. These unexpected developments from North Korea reminded all Washington policy-makers that America does not have real defenses against missile attacks. Yes, you got it right. America lacks meaningful defensive systems capable of neutralizing even a small scale missile attack originating from a third rate rogue state like North Korea. In simple language: we cannot be assured that we can shoot down and incoming missile before it hits America.

Yes, believe it or not, America has essentially no missile defenses. To be precise, America has some systems. But they are rudimentary and probably not accurate.

Regarding a possible nuclear attack from the Soviet Union, (later on Russia) or China, Washington relied and relies on its massive nuclear deterrent, that is on the power of dissuasion embedded in a guaranteed retaliatory strike against

an attacker. Which is to say that deterrence –a credible threat of massive retaliation against an attacker– is in essence our only protection.

## **Deterrence**

The conventional wisdom has been and still is that no “rational” foreign leadership would consider attacking the United States with nuclear weapons, knowing that the U.S., even if mostly destroyed, would still retain a lethal retaliatory force consisting of many nuclear missiles carried by its fleet of submarines. No “rational actor” would attack America knowing in advance that America, even if mortally wounded, would retain the capability to inflict intolerable damage on the attacker.

That said, deterrence applies only to “rational actors”. However, when North Korea and soon enough Iran will have nuclear weapons and ICBMs to deliver them on target, we enter a completely new dimension. A dimension we are currently not prepared for. These are not “rational actors”. Therefore deterrence may not apply to them.

## **The Strategic Defense Initiative**

So, what do we do? Well, a few years ago the U.S. Government articulated a revolutionary “Grand Plan” aimed at neutralizing not just some, but all nuclear weapons. Way back in the 1980s, then President Ronald Reagan was sold on the idea that we could render all nuclear weapons “impotent and obsolete” by developing a variety of anti-missile systems which could hit incoming ICBMs before their warheads could reach their targets on U.S. territory.

Reagan’s Strategic Defense Initiative, (SDI) –the Pentagon program created with the objective of developing the necessary anti-ballistic missiles technologies and weapons systems– was launched with much fanfare and a great deal of hype.

President Reagan promised that U.S. technological prowess soon enough would allow America to deploy layers of fully functioning systems able to protect America from any nuclear attack by hitting missiles and warheads before they could reach their targets on U.S. soil. These systems would render all nuclear weapons "impotent and obsolete". No point in developing nuclear weapons if they could be destroyed before they could be detonated.

### **It did not work**

But SDI did not work out as advertised. The technological challenges were and still are immense. The task of hitting literally thousands of small targets traveling at fantastic speed, with absolute accuracy, seemed too daunting. After Reagan left the political scene in January 1989, Washington's focus shifted elsewhere.

Nonetheless America kept investing, albeit only modestly, in new anti-ballistic missiles technologies that could deliver effective systems down the line. Following this trend, at the beginning of his new administration, (January 2001), President George W. Bush made ballistic defense one of his national security priorities.

### **Renewed efforts in the new millennium**

With the objective of pursuing more modern systems, the Bush administration in 2002 decided to withdraw from the Anti-Ballistic Missile (ABM) Treaty that the U.S. had signed with the Soviet Union in 1972, (and still enforced by the Russian Federation). By withdrawing from the ABM Treaty, an agreement which limited the numbers and types of anti-ballistic missiles that both the USSR and the US could deploy, Washington gained the latitude to test and eventually deploy new systems in line with the goals set forth by the National Missile Defense Act.

Unfortunately, 9/11 and its aftermath dramatically changed American national security priorities. Because of the two long

and costly wars, first in Afghanistan and then Iraq, the Bush administration did not devote meaningful resources to its anti-ballistic missiles programs.

### **Insufficient resources**

The Obama administration which followed 8 years of Bush in January 2009 certainly did not recognize the urgency of this defensive program. It funded some work on anti-ballistic missile systems, but only very modestly in the ensuing 8 years.

As a result today, as we face an increasingly real North Korean nuclear threat, we have almost nothing in place to defend America against incoming nuclear armed missiles. As indicated above, we have some systems. But they are small in terms of the number of deployed interceptors, and not necessarily accurate. Therefore they are unreliable.

### **No military or diplomatic solution**

As many have already concluded, there are no good options when it comes to eliminating the North Korean nuclear threat through military means. Attacking North Korea's missile sites and other facilities connected with its nuclear programs, while possible, most likely would trigger a general conflagration in the Korean peninsula, with the almost inevitable direct involvement of South Korea, China, and possibly Japan.

Non military solutions do not exist. Diplomacy will not convince Kim Jong-un to scrap its nuclear program, simply because this is the only asset he has that gives him international standing. Without nuclear weapons North Korea is just a grotesque aberration: an impoverished police state run by a crazy despot.

The recent new round of UN sanctions imposed against North Korea, should not create false hopes. The Security Council

unanimous vote has been applauded because it may lead us to believe that China is finally coming to our side. But it is not so.

### **China will not help**

As long as China keeps the North Korean economy and state above water –and there is no sign that Beijing will cut all economic ties with its old ally– North Korea will continue to have the financial and technical means to continue its nuclear weapons programs. Therefore, do not count on more UN sanctions as the tool that will make this emerging nuclear threat against America and its allies go away.

### **Redouble our efforts**

All in all, even recognizing that Washington wasted at least 10 years doing almost nothing when it comes to creating defensive systems against nuclear armed ballistic missiles, now is the time to redouble our efforts and invest in state of the art interceptors and other devices that some day will neutralize the threat posed by rogue nuclear states.

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## **OPEC Defeated By US Shale Oil?**

**WASHINGTON** – It seems that American shale oil producers, an assorted group of small and medium-sized firms which gained strength in the last decade and are now operating in many states, have become the swing producers in a position to influence global oil prices. How did that happen?

## **Cutting costs**

U.S. shale oil production is relatively new. At the beginning of the “shale revolution” the cost of extracting oil from shale formations was quite high. But now they have come down significantly, mostly because of aggressive cost cutting measures adopted in response to OPEC imposed low prices. (More on this below). On account of this incredibly fast makeover, today a large number of the shale companies, especially those operating in West Texas, are profitable even with oil well below \$ 50 per barrel.

Most interestingly, shale oil producers now have the ability to ramp production up and down with relative ease, this way adjusting to global market conditions, without causing major disruptions to their operations. They can increase output when prices are higher and cut back when prices are too low. Conventional oil producers do not have this option.

With crude around \$ 50 per barrel, it is good news to have a substantial number of U.S. based oil producers supplying the domestic market, while making a profit even in this new era of low prices. This is a big plus for the American energy sector, and for all American consumers of energy products.

## **OPEC reactions**

With good cause, OPEC saw the spectacular increase of U.S. production caused by the large scale exploitation of abundant shale oil reserves (an additional 4 million barrels a day in just a few years) as a threat to its market dominance.

Hence a very simple strategy aimed at eliminating the American shale oil threat. The plan was to deliberately over produce, this way causing a global glut and consequently falling oil prices. The bet was that a long stretch of low prices would kill the U.S. high cost shale newcomers who –according to all analysts– could not survive with oil below \$ 60 per barrel.

After having eliminated the U.S. menace, OPEC would go back to business as usual, reaffirming its position as the oil cartel which alone has the power to dictate prices by manipulating supply.

### **The strategy failed**

But it did not work out this way. Not by a long shot. And this is because the U.S. shale producers, surprising everybody, managed to quickly adopt major technological improvements which increased well productivity, while aggressively cutting other production costs, this way staying profitable even with oil below \$ 50 per barrel.

All in all, the Saudi/OPEC plan failed. While several marginal U.S. shale producers could not make the adjustments fast enough and went bankrupt, most of the shale sector survived the OPEC imposed squeeze on profits.

### **The high cost of low prices**

In the meantime, the extended period of low prices hurt OPEC producers very badly. They saw their precious oil based revenue dwindle rather dramatically. It soon became clear that most OPEC countries could not sustain an extended period of low prices.

Therefore, led by Saudi Arabia, the OPEC cartel, (this time working in concert with non OPEC Russia), tried to change strategy and jack up prices by cutting production, this way eliminating the oil glut they had created.

But this new approach is also failing. As oil prices go up on account of OPEC/Russia production cuts, the U.S. shale companies ramped up production, this way offsetting the OPEC/Russia cuts. As OPEC imposes cuts on its members, the U.S. shale sector produces more, while Saudi Arabia is denied the revenue gains that should have resulted from production cuts. So, the OPEC strategy aimed at eliminating the U.S.



shale threat to its market dominance did not work.

### **Loss of precious revenue**

That said, the sustained “attack” against US shale has been horribly expensive for the OPEC cartel members. Years of low prices hurt major Middle Eastern oil producers, (not to mention Nigeria and Venezuela, and non OPEC Russia, among others), in a significant way.

Most of these countries rely heavily on oil revenues to finance all or most public spending. Many of them had adopted national spending programs and budgets which assumed oil prices at \$ 90, or \$ 80 per barrel.

This means that all of them are facing fiscal problems or outright crises. Lacking oil revenue in the expected amounts, they have to cut spending and borrow more in international financial markets. But this is not an easy adjustment.

For example, in Saudi Arabia major spending cuts caused by declining oil revenue could lead to unprecedented political problems down the line. Almost the entire Saudi population depends one way or the other on direct or indirect government subsidies funded entirely via the oil revenue.

### **Reforms will take time**

We know that the Saudi Monarchy is now openly committed to a major economic and fiscal transformation which will (hopefully) reduce and eventually eliminate all state subsidies, while promoting plans aimed at diversifying the economy. But, even in the best of circumstances, this is going to be a long journey. Cutting government largesse too much too soon could be politically dangerous.

Bottom line; U.S. shale wins; OPEC cartel and its new allies lose.

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# US Enacted Sanctions Against Russia

**WASHINGTON** – It should not come as a surprise that Russian President Vladimir Putin decided to retaliate in kind, after the US Congress passed a bill (subsequently signed into law by President Trump) that includes tough economic sanctions against Russia, as retribution for Russia's alleged interference in the US 2016 elections, and for unrelated issues pertaining to its meddling in Ukraine and more.

## **Punish Russia**

Back in 2016, then US President Barack Obama ordered punitive measures against Russian diplomats stationed in the USA based on US intelligence findings that Russia had actively attempted to interfere in the U.S. elections via hacking and other cyber attacks. The sanctions included the expulsion of a number of Russian diplomats. These sanctions were included in a presidential directive issued by Obama. As such they could have been rescinded by the new president. But now the tougher sanctions have been enacted by the Congress and therefore President Trump will not be able to eliminate them or modify them unilaterally.

## **Putin's reaction**

After the US Congress passed this law containing sanctions, by a huge margin in both houses, Putin decided to get even, as he realized that these are "veto proof" majorities. In other

words, even if he wanted to, a more conciliatory President Trump could not have blocked this legislation.

Putin's objective seems to get even. In order to bring the number of US diplomatic personnel in Russia down to the same level of what Russia is allowed to have in the United States, (455), 755 American diplomats will have to leave Russia. This is a major cut.

### **Impact**

Will this move affect Washington Moscow based diplomats' ability to engage Russia in a meaningful way? Probably yes, even though it is not clear at this time which sectors of the bilateral relationship will be mostly affected by these significant cuts.

Most of all, this sequence of tough actions and counter actions indicates that US – Russia relations are in very bad shape, without any signs of improvements.

### **No Ambassador**

To make things worse, keep in mind that the U.S. currently has no Ambassador in Moscow. Former Utah Governor and now Chairman of the Atlantic Council Jon Huntsman has been nominated by President Trump to fill that post, but he has not yet been confirmed by the Senate.

Once confirmed, will Huntsman, an astute businessman who also served as U.S. Ambassador to China, be able to help turn things around? There are at least some areas in which Washington and Moscow can find common ground. At some point, there will have to be some kind of agreement on the future of Syria. There is also an opportunity to convince Russia that it is not to its ultimate advantage to be on the same side of Iran in the Middle East.

### **Common front on North Korea?**

And finally there is the looming threat of North Korea's long-range ballistic missiles, soon to be armed with nuclear warheads. North Korea's threat is clearly aimed at the USA and its allies, South Korea and Japan. But Russia cannot be too happy with the idea of an unstable regime capable of launching nuclear armed Intercontinental Ballistic Missiles, (ICBMs) at its door step.

### **The Russia probe cloud**

That said, for the bilateral relations climate to improve, the whole "Russia probe" now led by former FBI Director Robert Mueller must be concluded in Washington. Indeed, whatever the outcome of Mueller's investigations, only after he is done it will be possible to go back to a "normal" dialogue between Moscow and Washington.

That said, in the end, both sides must know that there is nothing to be gained when the two most important nuclear powers on earth do not engage with each other. Nuclear war between Russia and America is a very, very remote possibility. But such a possibility may be increased by misunderstandings and misperceptions.

Notwithstanding the sharp differences between the two countries, open lines of communication are an essential tool that will help prevent fatal errors. And both sides should know that they need competent diplomats in each other's capitals to keep those lines open.

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## **America Cut Funds to Syrian**

# Rebels

**WASHINGTON** – After the fall of Aleppo, I concluded that the Syrian opposition to Assad had been essentially defeated. Sure, some resistance still exists. But the chances of overthrowing Assad via military actions is a dream. Americans (half-hearted, in my view) efforts to force regime change in Damascus by supporting the domestic Syrian opposition through military assistance have failed.

## **No more US aid to the opposition**

Now we learn that the Trump administration about a month ago decided to stop helping the Syrian rebels via a CIA operation code-named “Timber Sycamore”. I call this cutting one’s losses and moving on.

Of course, some analysts immediately argued that cutting off the rebels is a big Trump favor to Russian President Putin. A big favor without getting anything in return. They argue that arming the Syrian rebels was smart policy, because it created a pressure point against the Assad regime that could have been used at a later date as a bargaining chip during negotiations about a future settlement of the conflict in Syria.

## **It did not work**

May be so. But, while the details about how much money was spent and how cost-effective this operation has been are not publicly available, the truth is that the Syrian opposition aided by the US and several Arab countries was never very effective; and now it has been essentially beaten. Not completely destroyed. Still, after the fall of Aleppo, it lost any chance of overthrowing the Damascus regime, or even inflicting serious damages to it.

## **Accept defeat**

The Trump administration seems to have accepted this; while it is keen on focusing on the ongoing fight against the Islamic State, or ISIL. Therefore: *“Let’s cut or losses, concentrate our efforts on beating ISIL, and stop throwing good money after bad”*.

### **New consensus**

There seems to be a new consensus within the US Government that removing Assad from power is no longer a priority. (Obama instead repeatedly declared that Assad “had to go”, because of his violations of human rights and other crimes against the Syrian people). Secretary of State Rex Tilllerson and others actually said publicly that the removal of President Assad is no longer a precondition for any serious talks about the future of Syria.

### **Waste of money**

Given all this, continuing a CIA funded operation aimed at arming a few Syrian rebels who do not have any realistic chances to achieve much against regular pro-Assad forces backed by Russia, Iran and Hezbollah, seems like a waste of time and money.

### **Betrayed**

Of course, if you were part of a Syrian rebels group that had been included in this CIA funded program and you were counting on continuing American military and financial support, you have every right of feeling betrayed. But this would not be the first time in which allies of America have been dropped by Washington, on account of larger strategic considerations.