AJT-13 MIDDLE EAST

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Dear Steve:

Hope you are well. Attached is a draft of an op-ed piece I have spent the last week putting together about how the United States could engage Syria. Relations between Damascus and Washington are rapidly deteriorating. To make matters worse, both sides are equally defiant, demanding one party submit to the other before negotiations of any kind can start.

I think it is unrealistic for Washington and Damascus to embrace each other in the near future. Each government's agenda in the region defines the other as "the enemy." I believe that the best way the United States can promote democracy in the region and weather the effects of the Israel-Hezbollah war is for Washington to engage Syria's private sector. U.S. economic assistance to Syria has been forbidden since Syria was added to Washington's list of State Sponsors of Terrorism in 1979. Almost every other trend in the Arab World (Islamism, Iranian influence, etc.) is gaining ground as anti-American sentiment swelled. Most Syrians doubt American intentions because of daily reports of carnage flowing out of Iraq. As the world focused on the war in Lebanon last month, over 3500 Iraqis were killed in sectarian fighting — the highest monthly total since the U.S.-led coalition invaded Iraq in March 2003.

As I wrote this piece, I knew in the back of my mind that it was doubtful the Bush Administration would engage Syria anytime soon. There are plans to "wedge" Syria away from Iran, but these originated out of the Department of State. Other foreign policy loci in the Bush Administration, most notably vice-president Dick Cheney's office, are set against talking to Syria, feeling it would reward Syria for bad behavior. They are concerned, and rightfully so, that Damascus would use the engagement process with Washington to reassert its influence in Lebanon.

Dealing with an authoritarian regime is a lot like dealing with a mentally-ill patient. Redlines have to be used to make sure the encounter does not consume the engaging party. Ignoring such people is an option. But defying an entire country of 18 million people is something else. Syria is rife with economic and social problems and has growing Islamist sentiments influence. The country borders Israel, Washington's closest ally in the region. It seems a risky bet.

Please give my best to Hanover, and I look forward to seeing you at the Washington meeting in December.

> Best regards, Andrew

To Help Israel, Help Syria

T is hardly surprising that when discussing the Lebanon crisis, President Bush tends to couple Syria's role with Iran's. After all, Damascus and Tehran have spent the better part of the last year deepening their ties, culminating in a June military cooperation agreement. But the United States may well have leverage in Syria that it lacks in Iran. If it is true, as it is reported to be,

that Washington seeks to drive a wedge between Hezbollah's two backers, the Bush administration would do well to modify its democracy agenda to include support for Syrian reform.

Syria has long used its influence to make or break political deals in Lebanon, and the proposed international ceasefire plan will be no exception. In all

LETTERS Dear

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Institute of Current World Affairs

The Crane-Rogers Foundation Four West Wheelock Street Hanover, New Hampshire 03755 U.S.A. likelihood, the Israeli offensive in southern Lebanon will not disarm Hezbollah, which, even under the noses of vulnerable peacekeepers and a weak and untested Lebanese army, could easily redeploy its long-range rockets north and into the Bekaa Valley, near the Syrian border. From there the missiles could still reach Israel, and Hezbollah could be re-supplied through the smuggler's den that is the 233-mile-long Lebanese-Syrian frontier.

Only an Israeli pullout from the Golan Heights would entice Damascus to help seal off Hezbollah-controlled areas and ensure that the fighters are eventually disarmed. But negotiations for that could take years. Meanwhile, hard-liners, buoyed by Syria's recent alliance with nuclear-hungry Iran, are now in favor in Damascus, while reformers scramble for cover and hope that the assistance their programs receive from the European Union, the United Nations and the World Bank won't cast doubt on their loyalty.

If Washington wants to break President Bashar al-Assad from Tehran, it should promote economic liberalism as the thin end of the wedge. It should support efforts to combat corruption, cut red tape, and promote transparency and the activities of nongovernmental organizations. Germany has already adopted a similar approach. And here is why an American version might work.

Syria's economic future — and that of the Assad regime — is in jeopardy. The country is weighed down by old-style state socialism and plagued by issues that breed Islamic extremism, including high birth rates, growing unemployment and one of the lowest productivity rates in the world.

State expenditures — most notably military spending — are financed by oil production, which is in rapid decline. High oil prices have given the regime a temporary lease on life, but the reprieve won't last: Syria will be a net importer of oil within four years. That is likely to change the state's relationship with its growing private sector.

At the moment, tax rates are high, but the private sector

seldom pays them, and in return accepts not having a say in how it is governed. When oil revenues dry up, the state will need to spread its tentacles into the private sector in search of cash, at which point it will undoubtedly face a trade-off that will force it to cede some political rights to its citizens.

Unlike in Iran, with which the United States does not have diplomatic relations, there is an American Embassy in Damascus that can coordinate assistance to Syria's reformers. Given the mistrust between the two governments, however, America's vibrant private sector should lead the way. It can do this by sharing its expertise in building a strong and transparent market economy.

This would increase American credibility in Syria without violating American sanctions, which ban American exports, certain banking transactions and direct flights to Syria, but not the exchange of knowledge. If Damascus demonstrates its ability to rein in and disarm Hezbollah, American economic aid could follow.

Yes, American support for Syrian reform might perpetuate President Assad's grip on power in the short term, but over time it would erode Syria's reasons for backing Iran and Hezbollah. It would undermine the widespread and increasingly corrosive suspicion in the region that Washington's democracy agenda is a cover for an Israeli-inspired plan to spread chaos in the Arab world, so as to break up Arab states and neuter their threat to Israel. And it would finally demonstrate that the United States is committed to spreading liberty, even in the face of great adversity.

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