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REVIEW OF U.S. ASSISTANCE PROGRAMS TO EGYPT

HEARINGS

BEFORE THE

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OF THE

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REVIEW OF U.S. ASSISTANCE PROGRAMS TO EGYPT (PART I)

WEDNESDAY, MAY 17, 2006

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE MIDDLE EAST
AND CENTRAL ASIA,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2 o'clock p.m. in room 2200, Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (Chairman of the Subcommittee) presiding.

Ms. ROS-LEHTINEN. The Subcommittee will come to order, and I am so pleased to recognize my good friend, Congressman Schiff from California to make an opening statement.

Mr. SCHIFF. Madam Chair, I really appreciate you calling this hearing, and the extraordinary job you do by chairing our Subcommittee, and I very briefly just wanted to raise an issue that I have raised with the Egyptian Government in the past. In fact, the Chair helped me with a resolution that passed out of our Committee some months ago concerning the arrest and continued detention of Ayman Nour.

Recently Chairman Wolf and I wrote a letter to President Mubarak asking him to release democracy activist and opposition politician Ayman Nour from jail. mr. Nour is serving a 5-year sentence for forgery. He is the leader of the Alagad party, ran for President of Egypt against Mr. Mubarak on a platform that called for greater democracy and freedom in Egypt. His prosecution on forgery charges has been seen by many independent observers as an attempt by the government to enhance its political position by discrediting a secular democratic opponent.

This letter, again, follows on the resolution that our Chair Ros-Lehtinen and I worked on last year, and also called for Mr. Nour's release that was passed unanimously by the House International Relations Committee. And I think if we look at what is going on around the Middle East, those authoritarian regimes that marginalize the secular democratic opposition find themselves with no opposition and no viable opposition except radical Islamist parties, and I think the judges in Egypt have demonstrated great courage in speaking out and acting out on behalf of fair elections in Egypt, and I think the crack down on both the judiciary and on Mr. Nour is a step backward for Egypt, and I want to use this opportunity, Madam Chair, to continue to press the Egyptian Government to move forward, not backward, on democracy and human

rights, and it can take an important first step by the release of Ayman Nour.

With that, Madam Chair, I yield back

Ms. ROS-LEHTINEN. Very good. Thank you so much for that excellent opening statement, and I associate myself with those sentiments as well.

As President Bush has said, the great and proud nation of Egypt has shown the way toward peace in the Middle East, and now should show the way toward democracy in the Middle East. Our policy and our assistance programs must help ensure that Egypt leaves its authoritarian past and present behind, and implement reforms that will help this great nation to continue to flourish.

We have been working on this hearing for some time, as part of the Subcommittee as well as the Full Committee's oversight responsibilities and efforts to increase the efficiency and the impact of U.S. assistance programs in promoting U.S. national security concerns and foreign policy priorities.

We have been advised that there will be a series of eight votes starting at 2:45, covering anywhere between 1½ hours to 2 hours, so I had opening remarks to frame the discussion, but I ask that without objection they be included in the record. I will ask my colleagues to submit their statements for the record as well so that we can proceed directly to the testimony of our first panel.

I apologize very much to our private panel witnesses in advance as we will have to divide this hearing into two parts due to votes, and we will receive the testimony from Panel I, and postpone Panel II for another day, and my Subcommittee staff will be in contact with each of you to find a mutually acceptable time to reschedule your valuable appearance before this Subcommittee on this important issue, and many thanks and apologies for your assistance and cooperation.

C. David Welch is the Assistant Secretary of State for Near Eastern Affairs. Prior to obtaining his current post, Assistant Secretary Welch served as a United States Ambassador to Egypt, and is a career foreign service officer; played a leading role in implementing United States foreign policy toward Iran, Iraq, Libya, and has also served in various diplomatic posts in Saudi Arabia, Jordan, Syria and Pakistan.

James Kunder is serving as the Assistant Administrator for Asia and the Near East at the USAID, and he provides great leadership in USAID's Middle East and Asia program.

Michael Coulter is the Deputy Assistant Secretary of State for Political-Military Affairs, which serves as the principal link between the Departments of State and Defense. He is responsible for the U.S. Government's security assistance programs, policy, budgets, as well as the management and analysis of bilateral arms transfers.

After our panelists speak, we will begin the questioning with our Ranking Member and Co-Chair of our Middle East Subcommittee, Mr. Ackerman.

So thank you very much. Secretary Welch, we will begin with you.

STATEMENT OF THE HONORABLE C. DAVID WELCH, ASSISTANT SECRETARY, BUREAU OF NEAR EASTERN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. WELCH. Thank you, Madam Chairperson

Ms. ROS-LEHTINEN. Thank you, sir.

Mr. WELCH. I welcome the opportunity to be before our Committee, if I may call it that, in support of the Administration's request for assistance to Egypt

Ms. ROS-LEHTINEN. Move it closer to you. Thank you.

Mr. WELCH. No light on it. It seems to be working now.

Ms. ROS-LEHTINEN. Thank you.

Mr. WELCH. Our strategic partnership with Egypt is the cornerstone of United States policy in this region. We share a vision of Middle East that is at peace and free of terror. The relationship has been marked by Egypt's leadership on many issues, most notably on the issue of relations between Israel and the Arabs, including the Palestinians.

Egypt has been a partner with us in the global war on terrorism, and it has been itself a target of terrorism, including recently. Egypt has also demonstrated leadership on other issues of critical importance in the area. For example, Egypt voted positively in the IAEA to report Iran to the Security Council. President Mubarak has taken a very forthright position on serious responsibilities with respect to its presence in Lebanon and its influence on Lebanon.

Also, Egypt provided the first endorsement of the May 5 Abuja agreement on Darfur, the first by an Arab state, and also in its announcement indicated a commitment to provide troops to future peacekeeping forces in Darfur should that come about.

Having led the way in peace, as you have noted, President Bush has mentioned that Egypt can now show the way toward democracy in the Middle East. We look forward to seeing Egypt move ahead on a reform agenda that President Mubarak himself laid out last year in his Presidential campaign.

Last year's Presidential election, the first ever contested multicandidate election in Egypt, was a major step forward. However, the relatively peaceful Presidential election was followed by parliamentary elections that were marred by irregularities and incidents of violence, some serious. We have expressed our deep disappointment over the conduct of these elections, as well as the sentencing of Mr. Ayman Nour to 5 years of imprisonment in late December.

This year we have continued to express our interest in and our concern about the pace of political reform during the course of these first months of 2006. We were concerned by the postponement of municipal elections, by the extension of the Emergency Law, albeit for 2 of the 3 normal years by which it has been extended in the past. We are also concerned about the persecution of judges who have pointed to irregularities in some of the electoral processes, and by recent violence against people who were demonstrating, exercising their right to peaceful assembly, and a round up of activists on democracy.

Our view is we would like to see the same progress on political reform as the Government of Egypt has made on economic reform

where Prime Minister Nazif's cabinet has been working to implement, with some success, ambitious economic reform agenda.

The Nazif Government has cut income taxes. It has significantly reduced tariffs, and some fuel subsidies. It has made the budget more transparent. It has privatized some state-owned companies. The Egyptian currency has been stabilized. Management of the Central Bank has been overhauled, and one of the four large state-owned banks has now been put up for sale for privatization.

We have urged the Egyptian Government to enact political reforms that President Mubarak outlined during last year's campaign. Specifically, these include: Replacement of the Emergency Law with a more modernized counterterrorism statute; revision and modernization of the law governing the judiciary; revision of the media law to expand further press freedoms; new legislation to strengthen local councils and decentralized governments; and revision of the Penal Code to narrow the power of authorities to hold people without charge. We are also interested in seeing more parliamentary input to broader constitutional reform.

As Secretary Rice indicated during her testimony on the budget earlier this year where we requested assistance to Egypt, overall we have seen progress toward a more democratic society in Egypt, and we strongly believe that this level of assistance should continue.

With a new generation of leadership preparing to emerge in Egypt, it is critical to American interests and to the lives of ordinary and any Egypt that the United States remain fully engaged in this critical partnership.

Madam Chairperson, thank you for your time. Happy to address your questions

[The prepared statement of Mr. Welch follows:]

PREPARED STATEMENT OF THE HONORABLE C. DAVID WELCH, ASSISTANT SECRETARY, BUREAU OF NEAR EASTERN AFFAIRS, U.S. DEPARTMENT OF STATE

Thank you Madame Chairman and other distinguished Members of the Committee, for inviting me here today. I am joined by my distinguished colleagues from AID and State's Bureau of Political-Military Affairs. We welcome the opportunity to discuss the U.S. relationship with Egypt and our assistance programs with this critical ally in the Middle East.

Our strategic partnership with Egypt is in many ways a cornerstone of our foreign policy in the Middle East. The United States and Egypt share a common vision of a Middle East that is at peace and free of the scourge of terror. The United States greatly values our strategic relationship with Egypt, one that has been marked by moments of great courage such as when Anwar Sadat made peace with Israel. We have looked to Egypt as a regional leader on the issue of relations between Israel and the Palestinians and they have not let us down. Egypt played a critical role in facilitating Israel's unilateral withdrawal from Gaza last August and September and the historic opening of the Rafah crossing. After obtaining Israeli agreement to an exception to limits established by the 1979 Treaty of Peace, the Egyptians deployed a 750-man border guard unit along the Gaza-Egyptian border and took concrete steps to curb the smuggling of weapons into Gaza. Following the inauguration of the Hamas-led Palestinian Authority government, Egypt publicly called upon the new Palestinian leadership to accept the Quartet principles: recognize Israel, renounce violence, and respect previous agreements.

Like the United States, Egypt has witnessed first-hand the brutal effects of terrorism and has suffered three waves of terror attacks in the Sinai over the last 18 months. These attacks are only the most recent in Egypt's long struggle with violent extremism. Egypt worked as a close partner with the United States in the global war on terrorism and has greatly assisted our efforts aimed at eradicating this scourge.

Egypt has demonstrated leadership on other regional issues—from their IAEA Board of Governors' vote to report Iran to the UNSC for its non-compliance with its international obligations to President Mubarak's personal efforts to hold the Syrian regime responsible for its destabilizing behavior in the region. We welcomed Egypt's early endorsement of the May 5 Abuja agreement, which was a significant step forward in ending the genocide in Darfur, and Egypt's public commitment to providing troops to future peacekeeping forces there.

As President Bush said in his February 2, 2005, State of the Union address, "the great and proud nation of Egypt, which showed the way toward peace in the Middle East, can now show the way toward democracy in the Middle East." The United States looks to Egypt to uphold its proud tradition of regional leadership in moving forward on the reform agenda that President Mubarak himself laid out in last year's presidential campaign and we intend to continue our work with Egypt in pursuit of these goals.

Last June, Secretary Rice delivered an historic address at the American University in Cairo calling on Egypt to make a generational commitment to democratization and asking the Egyptian leadership to put its faith in its people. We welcomed President Mubarak's decision to amend Egypt's constitution and hold multi-candidate elections. In September of last year, Egyptians went to the polls in the country's first-ever contested presidential elections in which the president had to ask for the consent of the governed. This was a major step forward and we recognized it as such. The relatively peaceful presidential elections were followed by parliamentary polls that were marred by irregularities and serious incidents of violence in the last two rounds. We expressed our deep disappointment with the conduct of these elections as well as with the late December sentencing to five years imprisonment of opposition politician Ayman Nour, who had challenged President Mubarak in his run for re-election last year.

We have continued to express concern about the pace of political reform in Egypt during the course of this year. We have been concerned by the postponement of municipal polls, the extension by two years of the Emergency Law, the prosecution of whistleblower judges, and the recent violence against peaceful demonstrators and round-ups of democracy activists. We would like to see Egypt make the same kind of progress on political reform that it has made on economic reform, where gains have been impressive. We were pleased that Prime Minister Nazif's Cabinet appointments in December 2005 included a strong team of reformers to steer the key economic and social portfolios. The new cabinet is working to implement an ambitious economic reform agenda designed to generate jobs and attract foreign investment.

The Nazif Government, which first took office in July 2004, has built a solid record of economic reform: it cut income taxes in half, significantly reduced tariffs and fuel subsidies on diesel fuel, made the budget more transparent, privatized 81 state-owned companies, stabilized the Egyptian pound, eliminated the black market for hard currency, overhauled management of the Central Bank, sold all the government's shares in the largest joint venture banks, and is putting one of the "big four" state-owned banks up for sale. It has also signed a Qualifying Industrial Zones agreement, which has increased economic cooperation and trade with Israel significantly. We will continue to strongly support the Government of Egypt's very positive and ambitious steps on economic reform.

As President Bush noted in this year's State of the Union Address, elections are but one step on the road to political reform. Raising up a democracy requires the rule of law, the protection of minorities and vulnerable members of society, and strong, accountable institutions that last longer than a single vote. Since the new Egyptian government took office in December, Egyptian leaders have reiterated that political reform and democratization are their top priorities. We have urged the Egyptian government to enact the political reforms outlined by President Mubarak during last year's Presidential campaign, namely: replacement of the emergency law with a modern counterterrorism law; revision and modernization of the law governing the judiciary; revision of the media law to expand press freedom; new legislation to strengthen local councils; revision of the penal code to narrow the power of authorities to hold people without charge; and obtaining parliamentary input on broader constitutional reform.

The United States remains committed to continue discussion of a bilateral Free Trade Agreement with Egypt. However, as Secretary Rice explained during her visit to Cairo in February, "the timing is not right just now, but we want to have an FTA with Egypt because we believe it will make a difference to economic reform and ultimately to the economy here in Egypt." We believe that an FTA can make a positive difference to the economic reform process underway in Egypt and that it would ultimately benefit ordinary Egyptians as well as the United States.

As the Secretary also indicated during her testimony on the Administration's foreign affairs budget earlier this year, overall we have seen progress toward a more democratic society in Egypt and we strongly believe that U.S. aid to Egypt should continue. Egyptians themselves—from our government interlocutors to the democracy activists who have courageously taken to the streets—want a process of reform. We believe that it is in the U.S. national interest for us to remain involved and partnered with Egypt in what will be a generational challenge. With a new generation of leadership preparing to emerge in Egypt, it is critical to American interests and to the lives of ordinary Egyptians, that the United States remain fully engaged in this crucial partnership.

Thank you for your time. I would be pleased to address your questions.

STATEMENT OF THE HONORABLE JAMES KUNDER, ASSISTANT ADMINISTRATOR FOR ASIA AND THE NEAR EAST, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

Mr. KUNDER. Madam Chair, in light of the time I will be very brief. We went through in my testimony a pretty detailed description of what the U.S. Foreign Assistance Program has accomplished over the years.

Certainly that Foreign Assistance Program, which has amounted to nearly $25 billion since the Camp David Accord, has significantly changed the life of every Egyptian. The infant and material mortality rates have dropped more than 65 percent in Egypt. Ninety-nine percent, 99 percent of Egyptians now have access to reliable electricity. Domestic food production has gone up 119 percent, and those kind of statistics that dramatically impact every Egyptian are scattered throughout the testimony.

I just want to emphasize, because I know the Committee and the Congress are very interested in this issue of democratization and the opening of Egyptian society. We also believe that the U.S. Foreign Assistance Program has contributed broadly to opening the society, in the sense that the school enrollment rates have increased dramatically in this time period.

We have been working on supporting democratically-elected school boards, and working through the teacher training institutes to change Egyptian education from rote learning to more interactive processes. We have supported the very popular Sesame Street program in Egypt that speaks to young children about accepting other kinds of people in their society. We have increased the number of telephones in the society dramatically by almost 10 times in the last 25 years. We are working to open the judicial system as Assistant Secretary Welch has talked about, and certainly on the economic side there has been a new openness in the Egyptian economy, and we believe that the totality of these interventions has not only improved the lives of average Egyptians but made a significant contribution to opening up the society and some of the increased participation we see in democratic processes, and certainly and finally we supported the election process itself, including the support of thousands of election observers to make sure the elections were as open and free as possible.

So we believe that this trend is significant. We believe U.S. foreign assistance dollars has contributed to it, And looking forward, we have begun the discussions with the Egyptians on carrying the Foreign Assistance Program forward if the Congress provides the funds, and certainly increased openness and democratization would

be part of that program going forward as well. I am prepared to answer any questions you have. Thank you.

STATEMENT OF MR. MICHAEL W. COULTER, DEPUTY ASSISTANT SECRETARY, BUREAU OF POLITICAL-MILITARY AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. COULTER. Thank you, Madam Chair. I too also ask that my testimony be accepted into the record, and in the interest of time I will just make a few comments.

I welcome the opportunity to be here to discuss United States policy, and in particular, the security and military assistance programs that we provide to Egypt.

Our security partnership with Egypt is one of the pillars of our foreign policy, as my two colleagues have mentioned, and our military assistance is a key element of that strategic partnership, totaling $1.3 billion in FMF and approximately $1.2 million in IMET funds each year.

United States military assistance has helped to modernize the Egyptian military, creating a defense force that is capable of supporting U.S. security goals in the region. We pursue an active dialogue with the Government of Egypt on the use of these grant military assistance funds. We do this regularly, we do this at all levels, and we do this in both political and in defense channels.

While much of the focus is on FMF because of the size of the pot, I would like to spend just a few seconds to note the IMET program.

IMET funds allow Egypt to send military officers to professional military education courses here in the United States. Since 1995, over 6,600 Egyptian military students have participated in United States-based training. Overall, it is clear that Egyptian attendance at United States training fosters mutual understanding, exposure to U.S. values, doctrines and concepts, and relationships that ultimately improve United States-Egyptian military interoperability and capacity to perform.

U.S. military funding and training is reenforced by joint exercises like Bright Star, which has become our U.S. largest multinational exercise. Over 30,000 participants from 12 countries participated in Bright Star 2005.

Military assistance is critical to the development of a strategic partnership with Egypt, and has contributed to a broad range of United States objectives in the region. Cooperation is increasing with each year, and is often difficult to quantify in one single observation. I will highlight just a few.

First and foremost, as Assistant Secretary Welch has mentioned, is Egypt's steadfast commitment to resolving the Israeli-Palestinian conflict. In addition, Egypt supports the United States and coalition forces during Operation Enduring Freedom and Operation Iraqi Freedom has been invaluable. It has included hundreds of expedited canal transits and thousands of clearances for air traffic for overflights.

In Afghanistan, Egypt donated tons of humanitarian supplies and weapons to the Afghan National Army that we are training.

In addition, Egypt has provided a crucial humanitarian service to the operation of a hospital at Bagram Air Base. When I served, I served at Bagram in 2004, and can testify the hospital is pro-

viding high quality, badly needed medical services to the local population every day.

We have discussed before in this forum Egypt's strong efforts on behalf of the stabilization and reconstruction of Iraq by supporting the political process. Further to this, Egypt has also trained Iraqi police, soldiers, and diplomats, and Egypt's support, I should not, has not been without cost. After Egypt took the bold step of being the first Arab nation to send an Ambassador to Iraq, the Egyptian Ambassador was assassinated in July 2005.

Finally, Egypt has recently made efforts to ameliorate the humanitarian crisis in Sudan. Egypt sent an 800-person peacekeeping force as well as a mobile medical team, military observers, and police officers to Darfur.

These are just several examples of the many benefits reaped by the provision of security assistance to Egypt, benefits that are felt as far away as Afghanistan, and as near as the Sinai. These benefits illustrate that our assistance to Egypt contributes positively to United States goals in the region.

Thank you.

[The prepared statement of Mr. Coulter follows:]

PREPARED STATEMENT OF MR. MICHAEL W. COULTER, DEPUTY ASSISTANT SECRETARY, BUREAU OF POLITICAL-MILITARY AFFAIRS, U.S. DEPARTMENT OF STATE

Thank you Madame Chairwoman, and other distinguished Members of the Committee. Thank you for inviting me here today. I welcome the opportunity to discuss U.S. policy and assistance programs to Egypt. Our strategic partnership with Egypt is one of the pillars of our foreign policy in the Middle East, and our military assistance is a key element of that strategic partnership.

Totaling $1.3B in FMF and approximately $1.2M in IMET funds each year, U.S. military assistance has helped to modernize the Egyptian military, creating a defense force that is interoperable with, and capable of supporting, U.S. security goals in the region. We will continue to work with Egypt to build their capacity to defeat terrorism, particularly after the most recent attacks on its terroritory.

We pursue an active dialogue with the Government of Egypt on the use of U.S. grant military assistance, both in political-military and Defense channels. In venues such as the bilateral military coordination committee meetings, we are able to talk constructively about the future of the Egyptian program. Political-Military Affairs Assistant Secretary John Hillen just returned from a trip to Egypt, where he engaged directly with Egyptian Ministry of Defense leadership on the topic of military assistance.

We agree with the overall premise of the recent GAO report that the FMF program in Egypt should be subject to periodic program level evaluations. In fact, we monitor the program on a constant basis to ensure that our overall strategic objectives are being met, and we are working on ways to improve our evaluations. As you are aware, Secretary Rice has begun the process of restructuring U.S. foreign assistance. One of the goals is to ensure that planning, budgeting and reporting set clear targets that directly contribute to U.S. policy goals. While some goals of our military assistance to Egypt are clearly more qualitative than quantitative, we are working within the State Department to define appropriate and meaningful benchmarks for this program. The Administration continues to support full funding for Egypt.

While much of our focus is necessarily on FMF, I would like to also say a few words about the IMET program in Egypt. IMET funds allow Egypt to send military officers to professional military education courses in the United States. Since 1995, over 6,600 Egyptian military students have participated in U.S.-based training, supported with FMF and IMET funds. IMET training goes beyond professional training. IMET funds support technical, maintenance, logistics, and specialist training which enables Egyptian military personnel to gain the skills needed to maintain Egypt's stocks of U.S.-origin equipment, as well as enhances their ability to participate with the U.S. as a training and coalition partner. Overall, it is clear that Egyptian attendance at U.S. training fosters mutual understanding, exposure to U.S. values, doctrines and concepts, and one-to-one relationships that ultimately improve

U.S.-Egyptian military interoperability and capacity to perform, for example in international peacekeeping operations. Egyptian officers attending training at U.S. military schools learn about U.S. professional military organizations and procedures, how military organizations function under civilian control, about military justifice systems, and the development of strong civil-military relations. These essential concepts and skills will contribute to Egypt's stability, and reinforce the concept of civilian rule.

U.S. military training is reinforced by joint exercises. Egypt continues to host CENTCOM's largest multinational military exercise—Bright Star. In 2005, Iraq and Afghanistan were invited to participate as observers to the exercise for the first time. Over 30,000 participants from 12 countries participated in Bright Star 2005.

Military assistance is critical to the development of a strategic partnership with Egypt and has contributed to a broad range of U.S. objectives in the region. Egyptian cooperation and assistance have supported numerous U.S. and international operations and foreign policy goals both in the Middle East and further abroad. Cooperation is increasing each year, and is often difficult to quantify in a single observation. Without going into too many details, I would like to briefly mention a few areas in which our partnership with Egypt has paid high dividends.

- First and foremost is Egypt's steadfast commitment to resolving the Israeli-Palestinian conflict. Egypt has actively engaged with both parties, and recently worked with Israel to support the Israeli withdrawal from the Gaza Strip through the reorganization and training of the Palestinian security forces, and through the placement of border guards on the frontier with Gaza. Israeli officials have said publicly that they appreciate Egypt's efforts to secure the border and have also acknowledged the success of Egypt's counter-smuggling operations. Following the inauguration of the Hamas-led Palestinian Authority government, Egypt publicly called upon the new Palestinian leadership to accept the Quartet principles: recognize Israel, renounce violence, and respect previous agreements.
- Egypt's support to U.S. and coalition forces during Operation Iraqi Freedom and Operation Enduring Freedom has been invaluable and has included hundreds of expedited canal transits and thousands of clearances for aircraft overflights. For example, Egypt provides us immediate access to the Suez Canal, sending U.S. ships to the front of the queue and providing extra security at no cost during transits. This facilitation and cooperation to ensure the safe passage of our vessels is invaluable.
- In Afghanistan, Egypt donated 65 tons of humanitarian supplies and 16,000 weapons and associated ammunition to the Afghan National Army in 2003 and 2005. In 2006, Egypt sent two engineers to Bagram Air Base to assist with Afghan reconstruction efforts In addition, Egypt has provided a crucial humanitarian service through the operation of a hospital at Bagram Air Base. Since the opening of the Egyptian Hospital in July 2003, Egyptian medical personnel have treated over 215,000 Afghan patients. The hospital is providing high quality and badly needed medical services to the local area around Bagram and currently treats approximately 300 patients per day. In addition to the direct provision of humanitarian care, the hospital staff is actively engaged in in-service training of Afghan medical personnel from the surrounding areas. They provide training and continuing mentoring in modern techniques such as CAT scanning, radiology, and maintenance of sterile environments.
- We have discussed before in this forum Egypt's strong efforts on behalf of the stabilization and reconstruction of Iraq, by supporting the political process, endorsing the elections, ensuring Iraq's seat in the Arab League, hosting and interacting on a high-level with senior Iraqi officials, and training approximately 400 Iraqi police and soldiers and 25 Iraqi diplomats. Egypt's support has not been without cost. After Egypt took the bold step of being the first Arab nation to send an Ambassador to Iraq, the Egyptian Ambassador was assassinated in Baghdad in July 2005.
- Egypt recently has made efforts to ameliorate the humanitarian crisis in Sudan. Egypt sent a 800-person peacekeeping force to South Sudan, as well as an 18-person mobile medical team, which has treated over 250,000 patients, and 34 military observers and 50 police officers to Darfur. Egypt has also sent 22 C–130 plane loads of humanitarian goods to Sudan.

These are just several examples of the many benefits reaped by the provision of security assistance to Egypt—benefits that are felt as far away as Afghanistan and

as near as the Sinai. These benefits illustrate that our assistance to Egypt contributes positively to U.S. goals in the region.

Thank you for your time. I would be pleased to address your questions.

Ms. ROS-LEHTINEN. Thank you so much. Thank you for your service as well. Thank you. Excellent testimony, and we will begin our question with my friend, Mr. Ackerman.

Mr. ACKERMAN. Thank you very much, Madam Chair, and I would ask unanimous consent that my statement be placed in the record which as it is I am sure for the first time will make that journal a best seller.

Ms. ROS-LEHTINEN. I will be the first one in line to buy it.

Mr. ACKERMAN. I will autograph it.

Secretary Welch, I have an overriding question on how we proceed in the Middle East and possibly even elsewhere.

Last year the Administration unwisely, I thought, pressured Israel to allow Hamas, despite the agreement signed by Israel and the Palestinian Authority to allow a terrorist organization to participate in the election, and Israel, even more unwisely, I thought, acquiesced to the Administration's concerns. The results that occurred, of course, were the election of a Hamas terrorist organization dominated government in the Palestinian Authority.

This caused the other day of all people, the Chinese foreign minister to observe that democracy is a beautiful mother that sometimes gives birth to ugly children.

Keeping in mind that if we encourage political participation in some parts of the world, specifically this region where there are so many people who are either belonging to terrorist organizations or sympathetic to them for whatever the reasons, that such participation may in other places yield the kind of results that are unsavory to most democracies.

Mr. Mubarak's last attempt at electorial reform was an unseemly process to most of us. His goal, I presume, is not only staying in power but keeping the terrorists from advancing in the political process. We, of course, objected, and rightfully so, to the tactics that were used.

How do we deal in the future with instances where terrorist organizations vie politically and get themselves democratically elected, which is not what the real goal is, not just the exercise of participation, but the resultant democracy, how do we deal with this?

Mr. WELCH. Thank you, Congressman.

My first observation would be that while it is difficult to generalize across the board in the Arab world about the participants in electorial processes in the democratic process, because each case is different. There are some instances where groups that the United States recognizes as terrorist groups have participated in the political process, for example, in Lebanon and in the Palestinian territories, and other cases where there is participation on the part of groups that are running as independents, but seem to be representing the Moslem brotherhood, such as Egypt, are also participating in the political process.

The first thing I could say about that is elections are not the only part of democracy. Our effort, and including in this assistance program that we are here to discuss today is not just to support an election, but also to support the political environment, the institu-

tions, the civil society, the rule of law that makes a clean, transparent, and accountable election possible. Education is also a big part of this.

In the instance that you mentioned at the outset of your remarks, sir, the participation of the Hamas political party, which is regarded under U.S. law and under United States policy as a terrorist group, in the elections in the Palestinian territories, you know, as distasteful as that prospect was to us, and weighed against the alternative of having an election that was not seen by Palestinians and by the region as free and fair, that was more problematic to us.

Just because we support the election doesn't mean we have to like the result, however, and we have a definite and strong policy against the Hamas Government in the Palestinian Authority right now, about which I have testified to you before, sir.

Mr. ACKERMAN. No, I understand that, but the point that I am making is not respecting the process. Of course we respect the process. But do we encourage countries, including Egypt, or Egypt specifically in the case today, to allow terrorist organizations to participate in the election, or should terrorist organizations by their very nature, being undemocratic and seeking an undemocratic results if they attain power, a result that is pretty much the antithesis of human rights, do we allow them to participate from the outset knowing that they are terrorist organizations?

Mr. Mubarak has a dilemma. I do not sympathize with his tactics. They are abhorrent. I do not agree with beating people or preventing them or putting rules in that legitimate parties, and what he should be doing is he should be encouraging and allowing the expansion of more legitimate voices of opposition, which would give people real choices. He is not doing that.

But nonetheless, I don't think it is in the interests of us or the region or peace to seek terrorist organizations come to power. What is our advice to President Mubarak? To allow their full participation or not?

Mr. WELCH. Sir, we, the United States, have not advised and would not advise any of the governments in the region to allow terrorist groups to participate in the political process.

In the case of Egypt, I don't know where you are referring to as the Moslem Brotherhood, sir, but Moslem Brotherhood is not under our law a terrorist group. Under Egyptian law, it is not recognized as a political party, and therefore it doesn't participate as the brotherhood pre se in the political process.

We respect Egyptian law. We would like to see it improved in some cases when it comes to the democratic process, but we didn't take a position on this issue per se.

For those independents elected to the new Egyptian parliament as part of their electorial process, the United States respects them as legitimately elected, and does not take a position on their affiliation. That is a matter for the Egyptians to decide.

Mr. ACKERMAN. We will revisit this

Ms. ROS-LEHTINEN. Okay, thank you so much.

Mr. Fortenberry.

Mr. FORTENBERRY. I will yield to Mr. Issa.

Ms. ROS-LEHTINEN. Thank you. Mr. Issa.

Mr. ISSA. I appreciate, Madam Chairman. I am sorry I am going to have to go to another hearing, so I appreciate being heard out of order.

Ambassador, it is very good to see you again and particularly when the subject includes Egypt. As you know, the GAO study came back and basically said that although experts said that the aid, both economic and military aid to Egypt was important for goals, it said that neither the State Department nor DOD was very good at measuring them, at least that is what I took out of it in a nutshell.

You were there. You saw what the effects were. You have met with the military leaders. You have seen what they have done for us and with us, and what they are willing to do and capable of doing.

Regardless that the GAO study needs to be heeded and we need to have a way of measuring that in the future, from your time on the ground both as the Ambassador and now as the assistant secretary for the region, what do you believe a significant reduction in military assistance to Egypt would do as a practical matter to their military capability and as a political and stability matter, and if it tends to destabilize the area, what would be the potential loss to the United States if Egypt became unstable?

Mr. WELCH. Mr. Issa, thank you for asking these two questions on the goals of our program on military assistance and the potential effect of any reduction were that to be decided by the United States.

With respect to your first question, I think the strategic importance of this relationship generally is considerable for the United States and proven over two and a half decades. Egypt is, as I said earlier, sir, before you came in, the cornerstone of our policy for regional peace and security. They have been a formidable partner for the United States in every enterprise to sustain peace and security throughout the area for over two decades.

They are an important regional partner in other respects too. Geo-politically, they are well centered so if we wish to exercise any of our military options in the area, in an area that has seen considerable trouble in recent years, it is very hard to foresee doing it at a responsible cost for the American Government without the ability to cooperate with Egypt.

Finally, this is a program that we embarked on to sustain and build peace after Camp David. Before Camp David there were no Arab countries at peace with Israel, and Egypt was—I don't mean to put it bluntly.—on the wrong side of every conflict that had trouble in the area.

Since then they, as I said, have been a responsible partner for peace. The Egyptian army has been professionalized. It has been downsized. I think probably are 50 percent equipped with United States equipment now. That means that we have a significant experience of dealing with it. That is hugely important.

Sometimes there are also things that come up from time to time where their role is either irreplaceable or critical. Irreplaceable would be in working out arrangements with Israel to protect the frontier along Gaza, or critical say to sustain these difficult peace arrangements that are being arrived at in Sudan, and Egypt has

the credibility that goes well beyond its borders to not just in Africa and the Middle East, but internationally in peacekeeping efforts.

So if it wasn't already clear, speaking on behalf of the Administration, we do support this full request. We think that the effect of any reduction, first, I hope none is contemplated, would be damaging to our national interest. We believe that there is a lot of head room for continued partnership here, and we would like to see the request passed.

Mr. ISSA. Thank you. Madam Chairwoman, I appreciate being taken out of order.

Ms. ROS-LEHTINEN. Thank you, Mr. Issa.

Mr. Schiff.

Mr. SCHIFF. Thank you, Madam Chair.

My concern, as you probably gathered from my opening comments, was that Egypt is doing a good job of atomizing the secular opposition, and that if there were full and free and fair elections, and you have run the secular opposition in the ground, then all that is left is the Moslem Brotherhood, and I think we see this pattern being played out in other places in the Middle East where the secular opposition is made marginal. The Islamacist movements by their social service networks build a base of support in the population, and then when you liberalize the elections they are all that is left standing.

Last year we had an amendment to withdraw some of the assistance to Egypt until certain benchmarks were met in the financial sector. We have had some efforts to reprogram military into economic assistance. These are very blunt instruments.

But my question is are you having any success with Egypt's political reform, because it seems to be moving in the wrong direction, and if not, then what alternatives do we have other than the blunt instrument of withholding some of the considerable economic and military assistance that we give Egypt?

Mr. WELCH. I think the picture in 2005, Congressman, was sort of mixed in these early months of 2006, indicate about this year. In 2005, there was a constitutional amendment to change the character of Presidential elections in Egypt. That was a significant step forward. Of course, it would have been nice to see a wider range and more robust opposition in that election, which in the event was conducted peacefully. But in terms of the kind of election, it was very unique in Egyptian history—a step forward.

The parliamentary elections were more open and more supervised by Egyptians than before. Regrettably, as they went on in several successive rounds, there were more difficulties. I mean, I don't know exactly why the authorities would have presented the kinds of problems in those elections that they did, but one can speculate that as the results became a little more clear that those being elected were a problem, they sought to interfere. So again, a step forward, a step back.

In terms of our own ability to support a——

Mr. SCHIFF. And would you say in 2006 it has all been a step back?

Mr. WELCH. In 2006, I mean, there is less of the obvious political benchmarks. The only ones at the beginning of the year were the

municipal elections, and those were postponed. That was a step back, in our judgment.

The problem that we see in 2006 is more in the general political environment: Incarceration of people whose jailing would appear to have a political motivation; bringing some of the judges who were involved in the review process of the elections into some sort of judicial scrutiny is also a problem. There is a continued problem with the right of peaceful assembly.

Interestingly though, there are also continued steps forward in the media environment in Egypt which is, as you know since I worked there, I have a little bit of experience with that, there are more free medias today than there was 4 or 5 years ago, and that is a step forward. Sometimes the media operates in ways that we don't like, which is a different matter.

In terms of our own ability to support the steps forward in addition to criticizing the things that we don't like, we have been able to work with the Egyptian Government and to support democracy directly in a way that we weren't able to several years ago.

As you probably recall, we set aside certain monies to be able to support democratization without having to get the specific approval of the Government of Egypt, which was an issue before. We have now set aside about, I think, $50 million for that purpose. I don't believe that the Government of Egypt, to the best of my knowledge, has objected to any of the activities we are doing.

So I do consider that there are alternatives other than withholding, and the principal of those alternatives is to have a robust program to support greater political participation in democratization.

Mr. SCHIFF. What do you think the impact of withholding would be?

Mr. WELCH. Well, sir, I am here to try and advocate the Administration's position in favor of the full request. I do not favor any withholdings. I think on the economic reform side, we have ambitious and important objectives that can be facilitated by ESF, and as I have just mentioned in response to Congressman Issa's question, on the military side I believe that this partnership is of strategic importance to the United States, and withholding anything in that area would have consequences

Ms. ROS-LEHTINEN. Thank you so much.

Mr. KUNDER. Just to comment briefly on Mr. Schiff's question. Certainly within our program now and within the successful economic reform, financial sector reform and so forth, liberalization of banks and so forth, there is conditionality on some of the programs. That is to say that the funds appropriated by the Congress are not released until reforms are forthcoming, and certainly this such conditionality always has been and would continue to be part of our program going forward, and certainly such conditionality could be applied in the area of opening Egyptian society and greater democratic reform. So that is certainly a middle ground between just making the money available and reducing the appropriation itself

Ms. ROS-LEHTINEN. Thank you.

Ambassador Welch, in your testimony you referred to the success of Egypt's counter-smuggling operations in Gaza. So within this context, please comment on the report indicating that weapon

smuggling has been on the rise despite the deployment of more Egyptian troops on the border, and that as recently as May 6, just a few days ago, Hamas has received its biggest arms transfer yet.

Mr. WELCH. Congresswoman, this border has historically been a problem for smuggling. Weapons smuggling is a feature of that. Our judgment is that in the areas in the Gaza-Egypt border area, the patrolling of which has been strengthen by the deployment of 750 Egyptian border guards after agreement between Egypt and Israel, our judgment there is overall the smuggling is down.

This doesn't mean that there are no arms going into Gaza, undoubtedly there area, and I think the Egyptians have their own security concerns about possible activities in the reverse direction.

I would point out that this deployment is costly in physical terms to the Egyptians. Last fall three Egyptian soldiers lost their lives to violence, not from Israelis, but from Palestinians in Gaza.

We believe that it is the responsibility of all the countries in the area to control weapons smuggling across their borders, and that particularly pertains to those countries abutting Israel and the Palestinian territories, Jordan and Egypt in particular.

I think they are doing a better job. They are not doing a perfect job. And finally, I would just observe that this is a matter that the Egyptian and Israeli Governments discuss quite actively and regularly, and that flow of information and mutual confidence, I think, has grown since the Gaza deployment.

Ms. ROS-LEHTINEN. Thank you.

If I could ask any of our panelists to comment on the objective of the FMF program worldwide. It lists support for democratically-elected governments as an objective. And given that the Egyptian leadership does not legitimately qualify as a true democratic government, on what grounds do we provide FMF to Egypt, or is there prioritization of objectives that ranks democracy variable lower than the modernization of the military, for example? How do we reconcile the over-arching foreign policy initiatives and priorities that have been articulated by both President Bush and Secretary Rice regarding freedom, promotion of democracy with out FMF program that seems to have other objectives?

Mr. COULTER. Thank you, Madam Chairman. I might defer to Secretary Welch on the democracy piece. A couple of points on that.

Democracy is one of the key objectives of our FMF program. We do not have a hierarchy. It is a critical pillar of the FMF program, and continues to be. When we make decisions in the bureau through our secretary, they are done in close coordination with other agencies in the U.S. Government, with other bureaus in the U.S. Government, with our host, and in close contact with our colleagues here, our friends here on the Hill.

The FMF program, if we were to lose the FMF program, it would have a devastating effect on all of the pillars of our security assistance and our strategic relationship

Ms. ROS-LEHTINEN. Should we link FMF on progress on democracy? Is that linkage there——

Mr. COULTER. Yes, ma'am

Ms. ROS-LEHTINEN [continuing]. That that is——

Mr. COULTER. Yes, ma'am, it is——

Ms. ROS-LEHTINEN [continuing]. Verifiable and with concrete steps.

Mr. COULTER. I am sorry I didn't have a chance to address this with Congressman Issa. One of the findings of the GAO report, and I would note that the State Department particularly agrees with many of the pieces of that GAS report, is that we have not articulated clearly what the strategic objectives of the security assistance relationship with Egypt are.

We are in the process right now, not specific to Egypt but across the board for our security assistance, and even more largely, our foreign assistance programs, of re-looking at the mechanics of how that is done. Secretary Rice has nominated and the Congress has confirmed Ambassador Tobias to be the new coordinator for foreign assistance. I am chairing a working group within State Department and U.S. Agency for International Development to define the objectives of our peace and security accounts.

I believe those consultations have already begun with Congress. We will continue to work with you closely. We believe we do meet the strategic goals of the FMF process through FMF, but I also would agree that we do not articulate them clearly, and we look forward to working with you on doing that a little bit better

Ms. ROS-LEHTINEN. Thank you, sir.

Congresswoman Berkley, for a statement.

Ms. BERKLEY. Actually, I don't have a statement

Ms. ROS-LEHTINEN. I am not used to that.

Ms. BERKLEY. I know.

Ms. ROS-LEHTINEN. It doesn't feel right.

Ms. BERKLEY. No, I do have a couple of comments and I am not quite sure this would be an opening statement in the category of, but up until the Palestinian elections and the emergence of Hamas as the dominant political party, for lack of a better word in the PA, I think I took a much—I had a line of thinking that was very strict when it came to Egypt, and I was very much in favor of an amendment to transfer the Egyptian military aid to economic aid, and I know that the Administration was very opposed to that.

But I need to know, and this may not be the appropriate time, but I am rethinking what the spread of democracy means in a part of the world that there are no democratic institutions or traditions. Are we not in fact setting ourselves up for a huge failure and coming back and having our own laudatory goals come back and be more of a detriment to the security of the United States and the Western world than had we left well enough alone?

Now, I never would have said this before, but it has been preying on my mind, and I am wondering if I need a change in the way I think about the Middle East and about democratizing nations that are no more ready for democracy than the man on the moon, and this is not saying that democracy isn't the best possible political system, but maybe we are pushing our friends too hard to attain an ideal situation in our mind that simply is not ideal for them, and will ultimately overthrow at least regimes, for lack of a better word, that are relatively friendly to the United States in favor of terrorist organizations like Hamas that are taking over in quite legitimate democratic elections. That is just random thoughts

and not certainly an opening statement, but that is something that is plaguing me.

Mr. ACKERMAN. I concur and I opened that door a little bit, and I think that one of the things we have to do is keep exploring this. The last thing that I would want to do is to see Egypt fail. Egypt must not fail. They are a large secular society that has done much good. Our relationship with them is very important. They have achieved many, many critical things, not just the 750 people on the border in Gaza, but the cooperation on the war on terror, et cetera.

I think the best thing we can do is to try to help the Government of Egypt put down the foundations of democratic institutions which are so lacking, because when people resist the pushback that they are getting from their own government, and the government acts in a thuggish fashion to eliminate the legitimate voices of dissent that we like to see in a democracy, the only thing they will have left is a very bad alternative around which all opposition will then rally.

I have a question on the military side and the GAO report that you referred to, Deputy Assistant Secretary Coulter. In FMF funds, we have given Egypt $60 billion since 1979, and we have no idea of what we have achieved with that $60 billion.

First, I don't know who the enemy is for military equipment that Egypt needs to defend itself against. I know that terrorists, but terrorists don't get beat with what we are giving Egypt. That is military stuff. We kind of know that because of Iraq, if for no other reason.

The measurement is not there. There is no testing. There are no standards. The Administration insists that everybody should be held accountable, and I agree with that. We talk in terms of uniform testing standards for our schools and our school children, and yet there is no test for the Egyptians. We rely on them to tell is whether they have achieved the modernization or anything else that we want to do.

I was thinking maybe if we called it the "No Egyptian Military Man Left Behind Act," then maybe we could find a uniform test to impose to figure out if we are getting value for our investment.

Ms. ROS-LEHTINEN. We would eliminate the soft bigotry of low expectations. [Laughter.]

Mr. ACKERMAN. Yes, we must do that

Ms. ROS-LEHTINEN. Low ammunition.

Mr. COULTER. Thank you very much, Congressman. Two points on your points.

First, on the measurement. We have struggled with measurement on this account, and frankly, security assistance more at large, because it is hard to put into a single document a one-pager, if you will, qualitative vice quantitative answers. I mean, how do we quality a strong stable force that is a factor for peace and stability in the region? How do we qualitatively account for the hundreds of ship transits and the protection that the Egyptian military provides for United States vessels going in and out, and the overflight rights that they provided during OIF and OEF?

But your point is well taken, and we agree with you that we need to do a better job of that, and that is the process we are undertaking.

Mr. ACKERMAN. Just as critical, this is since 1979. This is not all on your watch, so this is policy we are talking about, which is very important. We don't even have a definition that we have agreed upon between us and the Egyptians, a mutual definition of interoperability that we are trying to achieve, and we don't know what it is, and they don't know what we are talking about

Ms. ROS-LEHTINEN. Thank you so much. We appreciate your willingness to appear——

Mr. COULTER. I look forward to continuing.

Mr. ACKERMAN. Do come back

Ms. ROS-LEHTINEN [continuing]. Before us. [Laughter.]

And we will have some private witnesses as soon as possible, and we hope to talk with them about the free trade agreement with Egypt where Secretary Rice is saying it is too early designating Moslem Brotherhood as a FPO, and all kinds of other issues.

Ms. BERKLEY. And Madam Chairman, I would love to engage in a dialogue and get some feedback from my queries

Ms. ROS-LEHTINEN. Absolutely.

Ms. BERKLEY. It is important issues that we are discussing.

Ms. ROS-LEHTINEN. That it is.

Mr. ACKERMAN. Thank you very much

Ms. ROS-LEHTINEN. Thank you very much. The Committee is now adjourned.

[Whereupon, at 2:55 p.m., the Subcommittee was adjourned.]

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REVIEW OF U.S. ASSISTANCE PROGRAMS TO EGYPT (PART II)

WEDNESDAY, JUNE 21, 2006

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE MIDDLE EAST
AND CENTRAL ASIA,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:05 p.m. in room 2200, Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (Chairman of the Subcommittee) presiding.

Ms. ROS-LEHTINEN. The Subcommittee will come to order. Thank you, all of you, for being here today. I would like to start by thanking the members of the panel for being with us to testify on these important issues. This hearing serves as a supplement to the May 17 hearing where the Administration panel testified on the issues regarding United States assistance programs to Egypt.

For years Egyptian leader Hosni Mubarak has promised to implement substantial democratic and economic reforms to meet the requirements set forth by the United States for the provision of U.S. assistance. The recent crackdown of pro democracy activists, many of whom were brutally beaten by the Egyptian right police, would appear to indicate unwillingness by the Egyptian Government to deliver on the promises of true democratic reform.

The conviction of opposition leader and runner up in the last year's Presidential election as well as the decision to subject two judges to a disciplinary panel for accusing the government of election fraud also raises concern.

Concurrently, a recent Government Accountability Office, GAO, report states that for over two decades Egypt has received $60 billion in United States funding primarily through military aid, yet according to the GAO the relevant agencies have not properly defined the necessary benchmarks on judging how well United States aid has furthered United States security related interest with respect to Egypt.

It is therefore incumbent upon us to assess United States aid to Egypt, and find effective solutions to resolving the freedom deficit there while providing for our security priorities and ensuring regional stability.

In his written testimony from part I of this hearing, Assistant Secretary of State for Near Eastern Affairs Ambassador David Welch stated:

> "On the issue of reforms that although the ever contested, multi-candidate Presidential in Egypt was a major step forward. The parliamentary elections were full of irregularities and violence."

He underscored that the State Department had expressed disappointment over the conduct of the elections, of the imprisonment of the candidate, the extension of emergency laws and the persecution of judges who alleged fraud in the elections.

With respect to a free trade agreement with Egypt, Ambassador Welsh said that the United States remains committed to a discussion of a bilateral FTA with Egypt but that the timing is not just right yet for such an agreement.

On the issue of security, Ambassador Welch's testimony asserted that Egypt has been a strong United States ally in the war against terrorism, and he praised the Egyptian Government for its efforts to curb smuggling of weapons into Gaza.

In his written testimony at the last hearing, James Conder, the Assistant Administrator for Asia and the Near East of the U.S. Agency for International Development, described the challenges facing Egypt and highlighted some of the achievements the United States foreign assistance programs have had on the achieving of the United States foreign policy goals in Egypt.

Mr. Conder also indicated that it is time to take a bold new approach to the way America structures assistance to Egypt, and that the newly designed program must be targeted and concentrated with a focus on key areas where funds can have the greatest impact such as democratic, economic and education reform.

In his testimony, Deputy Assistant Secretary of State for Political Military Affairs, Mike Colter, said he emphasized the importance of United States military assistance to Egypt in achieving United States security goals in the region, and stated that democracy progress is one of the key factors taken into consideration when evaluating United States foreign military financing programs.

Within this context, we would like our panelists today to address some of the assertions made by our previous witnesses regarding the accomplishments and the goals of our assistance program here in the United States. We would greatly appreciate your insight on how best to support, to encourage and expedite the reform process in Egypt without inadvertently empowering Islamics extremists and Gihadist.

What are your recommendations on the best way to avoid a repetition in Egypt of what occurred with Hamas and the Palestinian Authority or how to avoid to make legitimate a foreign terrorist organization as has occurred with Hezbollah in Lebanon?

In sum, we look forward to receiving your testimony on how we can properly balance United States security and freedom promotion interest in Egypt, and how we can maximize the impact of our assistance programs to ensure that they do indeed further United States foreign policy priorities. With that, I would like to turn to my friend and Ranking Member Congressman Ackerman of New York.

Mr. ACKERMAN. I want to thank you, Madame Chairwoman, for scheduling today's hearing, and I thank the witnesses for their patience and return to us again here today.

Madame Chair, as you well know, the House 2 weeks ago narrowly defeated an amendment to the Foreign Operations bill which would have redirected $100 million in economic support funds for Egypt and sent that money instead to the global HIV/AIDS fund and to assist refugees in Darfur. Although the amendment was defeated, I hope the message was not lost on our Egyptian friends, and that message is Congressional patience is not endless.

Clearly there was a great deal of concern expressed by both proponents and opponents of the amendment. Clearly anyone who wishes that democracy in Egypt were flourishing rather than being strangled but the bottom line is that increasingly the United States expects more from Egypt than simply help on regional security, as important as that is.

To be sure, I have been among those who have openly and loudly proclaimed the importance of Egypt's assistance on peace in the Middle East. Egypt's central role in the Israeli-Palestinian conflict has been absolutely crucial. Most recently Egypt played a very important part in Israel's successful disengagement in Gaza.

With regard to the war in Iraq, Egypt has facilitated United States ship transits through the Suez Canal and provided over flight rights for United States planes in support of coalition efforts but my concern remains that Egypt's lack of democratization not only sends the wrong signal to other Arab states that may pursue political reform but will in fact produce precisely the outcome that the Egyptian Government professes to avoid.

If the Government of Egypt continues to prevent legitimate secular opposition political parties from operating freely and openly in Egypt, then the next Government of Egypt will not be moderate or secular but will in fact be a government composed of the Muslim Brotherhood.

The results of the parliamentary elections tell the story of the future. The Muslim brothers did well precisely because there was no place else for those Egyptians who might have lost faith in the ruling party to turn.

I know there are those led by Gama Mubarak within the NDP who want to change the status quo but what they are offering seems to me to be too little of what the Egyptian public wants, and I fear maybe too late as well. In addition it seems to me that the Egyptian public may have a high degree of skepticism if the political and economic reforms they are being offered come from the party that had previously objected to such reforms.

Madame Chair, I believe that recent events in Egypt such as the conviction of Ayman Nour on flimsy charges of forgery, the arrest of judges and journalists, the beating of pro reform demonstrators and the extension of the emergency law for another 2 years and oblique warnings to demonstrators from the Egyptian interior ministry all indicate to me that the brief Cairo spring is over, and that repression of legitimate political position has resumed.

It does not have to be this way, Madame Chair. I just hope the Egyptian Government will come to understand that. I thank you

for persisting in having this hearing which is of such great importance, and I look forward to hearing from today's witnesses.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Ackerman. I would like to introduce our panelists this afternoon. Dr. Jon Alterman joined the Center for Strategic and International Studies in 2002 as Director of the Middle East program. Previously he served as a member of the policy planning staff at the U.S. Department of State and as a Special Assistant to the Assistant Secretary of State for Near Eastern Affairs.

Prior to entering government, he was a scholar at the U.S. Institute of Peace and at the Washington Institute for Near East Studies. From 1993 to 1997, Dr. Alterman taught at Harvard where he received his Ph.D. in history. He also worked as a legislative aid to Senator Daniel Monahan, responsible for foreign policy and defense. Dr. Alterman has lectured widely in the United States and abroad. He is the author of Hopes Dashed: Egypt and American Foreign Assistance, 1952–1956; New Media, New Politics? From Satellite television to the Internet in the Arab World and is the editor of Sadat and His Legacy: Egypt and the World, 1977–1997.

In addition to his academic work, he is a frequent commentator on United States policy in the Middle East in print, on radio and on television and we appeared on CNNBC just last week as panelists. It was good to see you.

Next we will hear from Dr. Michele Dunne who is an expert on Arab affairs and Visiting Assistant Professor of Arabic at Georgetown University. Formerly a specialist at the State Department and White House on Middle Eastern Affairs, Dunne's research includes political and other public discourse in the Arab world, trends regarding political, economic and social reform in the region, and United States policy and public diplomacy toward the Middle East and the Muslim world.

Her recent publications include Integrating Democracy Promotion into U.S. Middle East Policy in October 2004, and Evaluating Egyptian Reform in January 2006. Dr. Dunne holds Ph.D., master's and bachelor's of science degree from Georgetown University. Thank you.

Next we will hear from Raffi Vartian. Mr. Raffi Vartian is a Director of the Leadership Council for Human Rights which he joined in January 2005. Previously he worked for Congressman Frank Pallone of New Jersey, our good friend, handling various domestic and international issues.

In his Congressional position, he ran the Congressional caucus of Armenian issues, helped maintained Armenia's status as the second highest per capita recipient of United States foreign aid and worked to pass permanent normal trade relations between the United States and Armenia. Mr. Vartian graduated from James Madison University in 2001 with a social work degree focusing on community activism and organization.

Dr. Thomas Melia, the Deputy Executive Director of Freedom House, was scheduled to testify at the hearing today but my staff was advised several hours ago that he will be unable to attend due to a trustee meeting this afternoon.

You are welcome to enter your testimony for the record and feel free to make your remarks as brief as possible.

STATEMENT OF MR. JON B. ALTERMAN, DIRECTOR, MIDDLE EAST PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Mr. ALTERMAN. Thank you very much, Madame Chairwoman and Congressman Ackerman. I have submitted a full testimony which I would like to be entered into the record, and I appreciate the opportunity to testify to you on United States assistance to Egypt.

As you may know, the United States has been providing some assistance to Egypt for most of the last half century. It is remarkable to consider just how consistent U.S. goals have been over this extended time. Promoting economic development and political reform and securing the country's regional orientation are themes that go back to the early 1950s.

Current frustrations with our aid program are not new. It is hard to be a long time donor and see so little progress on a wide range of issues into which we have put an effort for so long. Similarly, it is hard to be a long time aid recipient and not come to treat that aid as an entitlement.

The plain fact is that we have long seen Egypt as a country worth courting, and they have long seen themselves the same way. Many in the United States have long complained that we get too little for our money from Egypt, and many in Egypt have complained that we get too much. It is partly because our agenda with Egypt is so broad and so deep that there are always areas of dissatisfaction but it seems to me that there is also a degree to which this is a relationship which has not shared a forward looking common project for many, many years.

For a half century, Americans have looked at Egypt and they have seen much the same picture, a country with highly centralized power run by an urban elite with disdain for the peasantry, a system in which relationships often matter more than competence and access to capital remains difficult, an economy in which investments flow into real estate speculation rather than productive capacity, creating a weak industrial base, of political systems with some of the trappings of democratic governance but that in reality is fundamentally centralized and authoritarian.

Even so, Egypt has evolved in many ways since intensive American involvement began in the early 1950s. Literacy has sharply increased and the country has become more urbanized. Millions of acres of land have been reclaimed from the desert, electricity and portable water reach most citizens and population growth is under control. Much of Egypt's progress has been achieved in partnership with the United States but still Egypt has not evolved according to an American model.

Tens of millions of U.S. dollars spent on deconcentration of political power, democratization and capacity building has vanished into the sands. The business class remains largely reliant on the political leadership for protection and support.

Increased U.S. Government emphasis on democratization in recent years has exacerbated tensions in this relationship. Many in the United States and in the Middle East as well say that Egypt is a test case for how serious the United States Government is about pursuing democratic reform, even at the expense of short-term interests with allies. Our record here is quite frankly mixed,

and we bear the burden of delegitimatizing many whom we embrace.

Persistent problems that Ayman Nour has had—and the Chairwoman referred to this—are in my judgment symptomatic of conditions prevailing in Egypt. Freedom of speech over the last 5 years has expanded tremendously but freedom of action has not. Ayman Nour sought actively to fill space in the middle of the Egyptian political spectrum, as Congressman Ackerman suggested.

It was not a surprise that after turning in a weak but respectable showing in the Presidential election he lost his local seat in Parliament and now sits in prison. I do not know the facts of his case to challenge his imprisonment. I know enough to suggest that his treatment by the Egyptian Government represented selective prosecution and his principle crime was to challenge the status quo.

It is worth recalling in this context that in order to help protect its prerogatives the Egyptian Government has relied on an emergency law first enacted in 1981 to help stem domestic violence. Not only has the current President never ruled Egypt except under that emergency law, some form of emergency law has been in place in Egypt since 1967 with only a brief interruption in 1980–1981.

I am disturbed by persistent and credible reports of Egyptian Government brutality toward peaceful protestors in recent months. Journalists appear to have been especially singled out. According to these reports, both traditional reporters and bloggers have been arrested, beaten and in some cases tortured for their activities covering peaceful protests and advocating peaceful political change. I cannot fathom any reason for their treatment other than as a pure effort in intimidation.

All this being said, I am not persuaded that any amount of United States pressure can fundamentally change the Egyptian Government's actions here for reasons I laid out in a *Washington Post* Op-Ed which I asked the staff to distribute to you that ran last week. We should continue to make clear where we stand, and yet we should refrain from efforts to condition our aid to Egypt on political reform.

What seems most important to me is that we have a relationship and an aid program that reflects our level of interest in Egypt and our level of partnership with the country, not our aspirations for how we can use that aid to change Egypt. Thank you.

[The prepared statement of Mr. Alterman follows:]

PREPARED STATEMENT OF MR. JON B. ALTERMAN, DIRECTOR, MIDDLE EAST PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Madam Chairwoman and distinguished members of this committee, I thank you for the opportunity to testify before you on U.S. assistance to Egypt.

As you know, the United States has been providing some economic assistance to Egypt for most of the last half century. It is remarkable to consider just how consistent U.S. goals have been over this extended time: promoting economic development and political reform, and securing the country's regional orientation are themes that go back to the 1950s. The aid has continued, and people on both sides continue to remark just how far we remain from our ultimate goals.

Over the years, the Egyptian American relationship has provided numerous benefits for each side. On peace with Israel, Egypt blazed a trail that many others have since followed, with varying degrees of commitment and energy. In the Cold War, Egypt was the first major Arab power to abandon the East Bloc for an alliance with the United States. The Middle East used to be peppered with governments that

were politically and ideologically opposed to the United States, and now we are down to two: Syria and Iran. Egypt's played a role in this change, and our aid package helped make that shift possible.

In more recent years, Egypt has continued to do a great deal, as Assistant Secretary of State Welch told you on May 17.

FRUSTRATION IS NOT NEW

The U.S. relationship with Egypt has been mutually beneficial, but it has rarely been easy. Egyptians have been sensitive to any whiff of condescension or dependency, and Americans who rotate through Cairo have often complained about Egyptian obstruction, delay, and obstinacy.

Current frustrations with our aid program are not new, nor are they likely to vanish. It is hard to be a long-time donor and see so little progress on a wide range of issues into which we have been putting effort for decades. Similarly, it is hard to be a long-time aid recipient and not come to treat the aid as an entitlement. We will need to manage this relationship for some time to come, for the plain fact is that we have long seen Egypt as a country worth courting, and they have long seen themselves the same way. We are very likely to continue an aid relationship far into the future, although both sides have an opportunity to change its shape if they so wish.

For years, many in the United States have complained that we get too little for our money in Egypt, and many in Egypt have complained that we get too much. It is partly because our agenda with Egypt is so broad and so deep that there are always areas of dissatisfaction. At the same time, this relationship clearly lost its spark many years ago.

For a half-century now, Americans have looked at Egypt and seen much of the same picture. We have seen a country with highly centralized power largely run by an urban elite with disdain for the peasantry. We have seen a political and economic system in which relationships often matter more than competence, and access to capital remains difficult. We have seen an economy in which investments flow into real estate rather than productive capacity, creating an industrial base that is dominated by small workshops rather than large private manufacturing companies. Politically, we have seen a system that features some of the trappings of democratic governance, but in reality is fundamentally centralized and authoritarian, with extraordinary powers vested in the Executive and with few checks on the Executive's power.

Egypt has evolved in many ways since intensive American involvement first began in the early 1950s. Literacy has sharply increased, and the country has become more urbanized. Millions of acres of desert land have been reclaimed, and electricity and potable water now reach most of the countryside. Much of Egypt's progress has been achieved in partnership with the United States, which has poured tens of billions of dollars into Egypt's economic development.

Still, Egypt has not evolved according to an American model. Tens of millions of dollars spent on de-concentration of political power, democratization, and capacity building has vanished into the sands. While a business class has been emerging for two decades, it is still largely reliant on the political leadership for protection and support.

All of the U.S. aid has not made the United States popular in Egypt. Indeed, support for the United States is remarkably low, according to recent surveys. According to a Gallup poll released earlier this month, 72 percent of Egyptians believe that the United States is not serious about improving economic conditions in the Middle East, U.S. assistance notwithstanding. In a recent Pew Poll, 69 percent of Egyptians had an unfavorable view of the United States. President Carter retained some popularity into the early 1990s for helping Egypt regain the Sinai Peninsula from Israel, but U.S. policy—toward the Israeli-Palestinian conflict, toward Iraq, and beyond—has long been a source of complaint.

On a popular level, it seems to me that Egyptians have often been frustrated as well, feeling that the United States takes them for granted. As the most populous country in the Arab world, with some of the most able diplomats, located in the heart of the Middle East and containing one of its most strategic waterways, Egypt feels itself vital to any country that aspires to global leadership. In addition, Egypt believes its role as the first Arab country to sign a peace treaty with Israel, and as a consistent interlocutor with Palestinians through good and bad times, makes its partnership essential to much of what the United States wants to do in the Middle East.

The United States often feels Egypt takes it for granted, and that the billions of dollars in assistance that the U.S. gives Egypt annually is often treated as an enti-

tlement, regardless of Egyptian behavior. The increased U.S. government emphasis on democratization in recent years has exacerbated this tension. Many in the United States—and in the Middle East as well—say that Egypt is a test case for how serious the United States government is about pursuing democratic reform, even at the expense of short-term interests with allies. The Egyptian government has taken much of the U.S. push for democracy as an insult to its capacity, its intentions and its judgment, and it has sought to strengthen nationalist sentiment in response. In my judgment, it does so partly to discredit some democratization advocates as foreign agents, and partly to gain domestic credit for defending the nation against foreign intrigue.

FALL 2005 ELECTIONS

It seems to me that the elections of last fall were unfortunate for a number of reasons. They were not as free and fair as many Egyptians had expected, nor as the Egyptian government had promised. The disappointment was even more acute in the United States. Many American commentators had been far too optimistic about the likely consequences of those elections and the progress they would represent. Eager for victories for the President's policy of promoting democratization in the Middle East, some commentators proclaimed that U.S. pressure had opened the floodgates of political participation in Egypt. Nothing of the sort had happened, and when those expectations were not met, many observers overreacted—yet their expectations had been inappropriate to start with.

The elections had several important outcomes, not least was to demonstrate the paltry support the traditional opposition parties enjoy, and the strong support that exists—at least in some areas—for the Muslim Brotherhood. Equally importantly, the elections demonstrated that most Egyptians see few alternatives to the status quo. Disturbingly, the increasing violence of subsequent rounds of elections demonstrated the willingness among the security services to use force against peaceful demonstrators, and the reluctance of the political leadership to allow itself to be challenged in a serious way.

The elections were not all negative, however, and in many cases the judiciary acquitted itself with honor. In particular, the emergence of Egypt's judges as unbiased arbiters of truth, even when it contravenes the explicit desires of Egypt's executive branch, is a promising development. The judiciary has many problems, but over the last decade it has burnished its reputation for independence and moral authority, and that bodes well for the future of the country.

INTERESTED IN CHANGE, CAUTIOUS ABOUT REFORM

It is my sense that the Egyptian government is seriously interested in positive change, but cautious about the notion of thorough reform. It surely wants better results, and much of the cabinet has been selected from a younger cadre of results-oriented managers. When it comes to fundamentally changing the way Egypt works, however, there is more resistance. Elites have a deep distrust of the broader population, and this distrust has been a recurring theme in Egyptian history. On a practical level, many government workers and public sector employees worry that reform will jeopardize their livelihoods, and the corruption that is embedded in a wide variety of enterprises in Egypt would be endangered by a system promoting full transparency and a complete meritocracy.

The persistent problems that Ayman Nour has had are, in my judgment, symptomatic of conditions in Egypt. In the last five years, freedom of speech has expanded tremendously, but freedom of action has not. When Ayman Nour ran for president, he sought actively to fill space in the middle of the Egyptian political spectrum: somewhat liberal, nationalist, and respectful of Islam. He also actively challenged the status quo. I have received numerous credible reports that his political rallies were disrupted, other candidates were warned to avoid him, and he was harassed. It was not a surprise that after turning in a weak but respectable showing in the presidential election, he lost his local seat in parliament and now sits in prison. While I do not know the facts of his case to challenge his imprisonment; I know enough to suggest that his treatment by the Egyptian government represented selective prosecution, and his principal crime was to challenge the status quo.

We also see the government's strong reaction to the critical statements of Hisham al-Bastawisy and Mahmoud Mekki, two respected senior judges who have been outspoken in their criticism of Egypt's elections. Where they crossed the line, in my judgment, was not because they proved too radical. Their problem, instead, was that they are not radical enough. With their mainstream and moderate critique of the status quo, they hold the prospect of gathering public support and constraining government management of politics.

There are persistent and credible reports of Egyptian government brutality toward peaceful protesters in recent months. Journalists appear to have been especially singled out. According to these reports, both traditional reporters and bloggers have been arrested, beaten, and in some cases tortured for their activities covering peaceful protests and advocating peaceful political change. I cannot fathom any reason for their treatment other than as a pure effort at intimidation.

THE STATE OF EMERGENCY AND COUNTERTERRORISM

This kind of aversion to peaceful protest is, in my judgment, completely different from the government's response to the April bombings in Dahab. There is no question that the Egyptian government has been conducting an armed campaign against armed militants throughout the country for more than fifteen years. This campaign ebbs and flows, and the terrorists' attacks ebb and flow. The government reportedly uses extrajudicial detention, torture, and lethal force in order to contain this violence, although it has been unable to end it. In this regard, the government has relied on a declared state of emergency that has been in place since 1981. Not only has the current president not ruled Egypt except under the emergency law; Egypt has been under a state of emergency since 1967, with a brief interruption from 1980–81. The Dahab bombings gave cover to the government extending the emergency law for another two years, after years of promising to replace the state of emergency with a PATRIOT ACT—like law that would extend discrete powers to the state for purposes of counterterrorism.

THE POSSIBILITY OF CHANGE

I am not persuaded that any amount of U.S. pressure can fundamentally change the Egyptian government's actions here, for several reasons. First, for the current leadership, controlling the political space is a vital component of its own survival. It has demonstrated a notable reluctance to experiment in this regard, and many consider its relatively lax approach to the early rounds of the parliamentary elections—which resulted in unprecedented gains for the Muslim Brotherhood—as a failure. Many in the Egyptian government appear to see democratization as an avocation or fleeting interest of the United States, but it is all that stands between them and the sword.

Second, Egyptians feel they have a much clearer understanding of the threats posed by local radical groups than Americans do. While this is true in some respects, I would argue that their intimate relationship to the problem is not only illuminating, but sometimes obscuring. There is an Egyptian proclivity to see opposition to the established order as a desire to bring chaos, which strikes me as an unfair reading.

Third, Egyptians have a long history of resenting foreign influence in their own country. By some accounts, when Gamal Abdel Nasser came to power in the 1950s, he was Egypt's first truly native leader in more than two millennia. Egyptians have lived under empire after empire and they often resent it; they have a keen resentment of U.S. efforts to shape their government.

Ultimately, what is likely to be most decisive is their view is a combination of all these points; their very strong view that they need to live with the results of whatever happens politically, and we do not. They feel there are ways to compensate for a diminution of U.S. aid, but if the country spins out of control, there is no way to recover.

I should add that an examination of the academic literature on conditionality would leave us similarly cautious. Efforts to elicit change through conditionality have been most successful when they target the objectively measured actions of a small group of people. There are few instances of it effectively promoting systemic political change.

In addition, it would be hard to impose strict conditionality credibly, for two reasons. First, there is just so much that the United States asks Egypt for on Arab-Israeli issues, counterterrorism, military transport through the Suez Canal, and so on, that American diplomats are unlikely to sacrifice near term needs for uncertain long-term reward. Second, the Muslim Brotherhood's success in recent elections, combined with Hamas' victory in the Palestinian Authority, will lead many in the United States to question just how quickly we want democracy to take hold in such a vital ally.

None of this is to say that the United States government should not speak out on issues of freedom and political participation. This administration has done so clearly, and I believe it has had a positive effect, albeit a limited one. They should continue to do so. Overall, I believe U.S. officials are more effective indicating their seriousness to the Egyptian government than they are at inspiring the Egyptian

people. As friends of Egypt with shared interests, we should not shirk from telling our friends when they are harming our interests, as well as their own, and we should not be complicit in abuses that they commit.

CONCLUSION

I am cautiously optimistic about the route Egypt is on. I have met some very impressive young people who are tuned in to the outside world and eager to engage with it on their own terms. The government has been moving slowly but surely on economic reform, after almost a decade of mostly giving it lip service. Freedom of speech is expanding, and the press is unimaginably freer than it was even three years ago.

It seems to me that the most important things happening in Egypt are happening because the world is changing, and because Egyptians want them to, rather than because of pressure from the United States. I am not persuaded that our efforts to impose conditionality have won us significant Egyptian concessions or spurred purposive Egyptian action. We are not without influence in Egypt, but we are surely without control. In my judgment, we have an insufficient understanding of the country or the levers of power within it to force the Egyptian government to do what it does not want to do.

At the same time, I would not write Egypt off as either hostile or useless. The United States derives enormous benefit from its relationship with Egypt, no matter how difficult it often is for both sides. It is hard to imagine a serious U.S. policy in the Middle East that does not seek a strong relationship with Egypt, and it is equally hard to imagine a serious Egyptian policy that does not seek a strong relationship with the United States. But we should aid Egypt because it is in our interest—and aid Egypt on a scale that is commensurate with that interest—and not because we think we can use such aid as a tool to transform the country.

STATEMENT OF MS. MICHELE DUNNE, EDITOR, "ARAB REFORM BULLETIN," CARNEGIE ENDOWMENT FOR INTERNATIONAL PLACE

Ms. DUNNE. Madame Chair and Congressman Ackerman, thank you for inviting me to testify. In my assessment, Egypt made some progress in political liberties in 2005 over the course of Presidential and parliamentary elections despite many flaws. There was, in my view, sort of a net positive but the developments of 2005 did not put Egypt firmly on a path toward democracy nor did they demonstrate a clear commitment to such a path on the part of the ruling establishment.

In addition, there have been significant setbacks to political liberties in late 2005 and in the first half of 2006, including some of the things that have already been mentioned here: The conviction of opposition politician Ayman Nour; the cancellation of municipal elections; renewal of the state of emergency; disciplinary measures against judges; beating and detention of peaceful demonstrators, journalists and political activists.

It seems that the ruling establishment decided to apply the brakes to what had been a fast moving political scene in 2004 and 2005. The central problem for Egypt and for the United States-Egyptian relationship now, in my view, is that there is no clear sense of where Egypt is going.

In the last few years, the Egyptian leadership has taken a few steps toward political reform and more toward economic reform but at no time has President Mubarak sketched out for Egyptians his vision for the country and how he hopes to transform the polity and economy over a defined period.

Instead, reform measures have been introduced piecemeal within the framework of only vague goals such as "expanding the scope of liberties and enhancing the participation of citizens in political

life." That is a quote from one of President Mubarak's campaign speeches last summer.

The failure to show Egyptians what their political and economic system might look like say in 5 years or 10 years creates suspicion that what they are headed for is not a truly open competitive system but rather consolidation of authoritarian rule through limited liberalization.

When the United States-Egyptian relationship blossomed in the mid 1970s, President Sadat had a clear and compelling vision of where he wanted to take his country: Peace with Israel; military cooperation with the United States; economic liberalization and development, and it was in support of this idea that the United States extended a large assistance package, and the two countries built a broad and deep relationship.

Egypt has indeed maintained peace with Israel, worked with the United States in modernizing its military and at least partially reformed the economy but as the years have worn on, the rationale for the bilateral relationship has begun to fray around the edges as demonstrated by recent debates held here in the House of Representatives.

What is needed to renew the United States-Egyptian relationship is exactly what Egyptians themselves are asking for: A clear plan for political and economic reform and from that plan can proceed a new understanding about how the United States can support Egypt in its chosen path.

Since the election of Hamas in Palestine and the strong showing of the Muslim Brotherhood in Egypt, legitimate concerns have arisen about whether United States advocacy of political reform plays into the hands of Islamists. Indeed, democratization in the Middle East will not be possible without Islamists playing a significant role. Once the political space is opened it will be populated by the political forces that are present in the society, among whom Islamists are often the most organized.

But opening the political space in a country like Egypt also offers the possibility of rectifying a longstanding problem which is that the Muslim Brotherhood has flourished underground while opposition forces who have tried to organize legal parties have been coopted or harassed by the ruling establishment.

Egyptians need to work out the rules of their own political game so that all political forces—and this will include Islamists as well as secularists—can compete on a level field within a system that provides stability and guarantees the rights of all citizens.

A process of informal but dynamic dialogue among various political forces has begun in Egypt about the kind of changes that would need to be made to the Egyptian Constitution, to various laws, electoral laws, political party laws, et cetera in order to establish this kind of level playing field, and this can bear fruit if it is allowed to do so.

As the United States considers how best to support constructive change in Egypt, it is important to bear in mind several principles. First, whatever hesitation the United States might have about the repercussions of reform, it is not possible to turn back the clock. Due to the rise of a new generation in Egypt and several other factors, change is afoot in Egypt, and it will come one way or another.

Second, the United States should be realistic about the degree of its influence in Egypt but also realize that United States influence and assistance cannot be neutral. If the United States does not use its influence to support constructive, meaningful change, then by default it supports continued authoritarian rule.

Third, over the last few years Egyptians have begun to formulate their own agenda for change. In contacts with the Egyptian Government and in assistance programs, the United States should keep its focus on the issues that Egyptian reform advocates themselves are stressing which at this point are strengthening judicial independence, lifting the state of emergency, instituting Presidential term limits and redistributing some powers from the Executive to the Legislative Branch.

How exactly should the United States employ its influence to encourage constructive change in Egypt? The United States has a wide range of tools at its disposal. Policy decisions are made everyday about Egypt regarding senior official visits to and from the country, military relations, trade relations as well as the military and economic assistance packages, and all of these decisions have leverage built into them.

It might well be necessary to condition military or economic assistance on political reforms at some juncture although it will be difficult to carry off successfully but at this moment while Egypt is facing a leadership transition, what the United States should be doing is conveying the message in private, as well as in public, that it is time to reach a broad new understanding within which to renew this relationship, an understanding that must include the political reforms that are demanded by the Egyptian people.

Thank you for this opportunity to address the Subcommittee. I would like to also leave a copy of this paper, Evaluating Egyptian Reform, which has much more detailed analysis and policy recommendations.

[The prepared statement of Ms. Dunne follows:]

PREPARED STATEMENT OF MS. MICHELE DUNNE, EDITOR, "ARAB REFORM BULLETIN," CARNEGIE ENDOWMENT FOR INTERNATIONAL PLACE

Madame Chairman and Members of the Subcommittee, thank you for inviting me to testify. Egypt made progress in political liberties in 2005 over the course of presidential and parliamentary elections, despite many flaws. The developments of 2005 did not, however, put Egypt firmly on a path toward democracy nor did they demonstrate a clear commitment to such a path on the part of the ruling establishment. In addition, there have been significant setbacks to political liberties in late 2005 and the first half of 2006, including the conviction of opposition politician Ayman Nour, cancellation of municipal elections, renewal of the state of emergency, and disciplinary measures against judges. It seems that the ruling establishment decided to apply the brakes to what had become a fast-moving political scene in 2004 and 2005.

The central problem for Egypt and for the U.S.-Egyptian relationship now is that there is no clear sense of where Egypt is going. In the last few years the Egyptian leadership has taken a few steps toward political reform and more toward economic reform, but at no time has President Mubarak sketched out for Egyptians his vision for the country and how he hopes to transform the polity and economy over a defined period. Instead, reform measures have been introduced piecemeal within the framework of vague goals such as "expanding the scope of liberties and enhancing the participation of citizens in political life."[1] The failure to show Egyptians what their political and economic system might look like in five or ten years creates sus-

[1] Campaign speech by President Mubarak, July 28, 2005.

picion that what they are headed for is not a truly open, competitive system but rather consolidation of authoritarian rule through limited liberalization.

When the U.S.-Egyptian relationship blossomed in the mid 1970s, President Sadat had a clear and compelling vision of where he wanted to take his country: peace with Israel, military cooperation with the United States, and economic liberalization and development. It was in support of this idea that the United States extended a large assistance package and the two countries built a broad and deep relationship. Egypt has indeed maintained peace with Israel, worked with the United States in modernizing its military, and at least partially reformed its economy. But as the years have worn on, the rationale for the bilateral relationship has begun to fray around the edges, as demonstrated by recent debates held in the House of Representatives. What is needed to renew the U.S.-Egyptian relationship is exactly what Egyptians are looking for from their leadership: a clear plan for political and economic reform, from which can proceed a new understanding about how the United States can support Egypt in its chosen path.

Since the election of Hamas in Palestine and the strong showing of the Muslim Brotherhood in Egypt, legitimate concerns have arisen about whether U.S. advocacy of political reform plays into the hands of Islamists. Indeed, democratization in the Middle East will not be possible without Islamists playing a significant role. Once the political space is opened, it will be populated by the political forces that are present in the society, among which Islamists are often the most organized. Opening the political space in a country such as Egypt also offers the possibility of rectifying a problem of long standing, which is that the Muslim Brotherhood has flourished underground while other opposition forces who tried to organize legal political parties have been co-opted or harassed by the ruling establishment. Egyptians need to work out the rules of their own political game, so that all political forces—Islamists as well as secularists—can compete on a level field within a system that provides stability and guarantees the rights of all citizens. A process of informal but dynamic dialogue among various political forces has begun in Egypt and can bear fruit if it is allowed to do so.

As the United States considers how best to support constructive change in Egypt, it is important to bear in mind several principles. First, whatever hesitations the United States might have about the repercussions of reform, is not possible to turn back the clock. Due to the rise of a new generation and several other factors, change is afoot in Egypt and will come one way or another. Second, the United States should be realistic about the degree of its influence in Egypt, but also realize that U.S. influence and assistance cannot be neutral. If the United States does not use its influence to support constructive, meaningful change, then by default it supports continued authoritarian rule. Third, over the last few years Egyptians have begun to formulate their own agenda for change. In contacts with the Egyptian government and in assistance programs, the United States should keep the main focus on issues that Egyptian reform advocates are stressing: strengthening judicial independence, lifting the state of emergency, instituting presidential term limits, and redistributing some powers from the executive to the legislative branch.

How exactly should the United States employ its influence in Egypt to encourage constructive change? The United States has a wide range of tools at its disposal, from policy decisions about senior official visits to and from Egypt, military relations, and trade relations, to the military and economic assistance packages. It might well be necessary to condition military or economic assistance on political reforms at some juncture, although it will be difficult to carry off successfully. At this moment, when Egypt will soon be facing a leadership transition, what the United States should be doing is conveying the message in private that it is time to reach a broad new understanding within which to renew the relationship, an understanding that includes the political reforms demanded by the Egyptian people.

Thank you for this opportunity to address the Subcommittee. As a supplement to my testimony, I would like to leave a copy of my recent paper, "*Evaluating Egyptian Reform*" (Carnegie Endowment for International Peace, Working Paper 66, January 2006), which contains more detailed analysis and policy recommendations.

Ms. ROS-LEHTINEN. Thank you, Dr. Dunne. Mr. Vartian.

STATEMENT OF MR. RAFFI VARTIAN, DIRECTOR, LEADERSHIP COUNCIL FOR HUMAN RIGHTS

Mr. VARTIAN. Madame Chairwoman, thank you. Members of the Subcommittee, on behalf of Kathryn Cameron Porter, the President of the Leadership Council for Human Rights, thank you all for the

opportunity to testify today on the human rights situation in Egypt. She apologizes greatly for not being able to be here today, and expresses her appreciation for allowing me to testify on her behalf.

As you know, Ms. Porter was a driving force behind the creation of the Congressional Human Rights Caucus, and she has been a long time human rights activist. More recently, Kathryn traveled to Egypt earlier this month, spending 10 days in the country, and the conditions that she found on the ground during her visit to Cairo, Alexandria, Khorsad and other outlying regions proved more acute and volatile than has been widely reported by international news organizations or recognized by the United States Government.

The world seems to be unaware of how tenuous life is for every day people in Egypt. Relying on Ms. Porter's recent experience, I will attempt to address several topics in today's testimony including the plight of Coptic Christians and other ethnic and religious minorities, the still fledgling democracy movement and the endemic poverty in Egypt despite generous United States assistance in the approximate aggregate of $60 billion.

Members of the Subcommittee are certainly aware of the recent attacks against Coptic Christian churches and other parishioners in Alexandria. Ms. Porter met with individuals who were the victims of acid and knife attacks who were targeted for the simple act of expressing their faith but there are other equally serious problems facing the Coptic community. Over the years, many deliberate strategies have been put in place to deny Copts economic, educational and social opportunities, governmental representation, due process in legal matters and basic civic rights.

She also met with Dr. Saad Eddin Ibrahim of the Ibn Khaldun Center during her trip. As Members of the Subcommittee may recall, Dr. Ibrahim along with 27 of his staff was jailed in June 2000 for his human rights advocacy. Ms. Porter worked extensively with the Congressional Human Rights Caucus for his release, which was achieved in May 2001. Selections of his excellent analysis of the current human rights situation in Egypt are included in the full testimony.

Copts seemingly minor amendment to the state constitution in 1980 is the legalization of their repression. It originally read, "Islam is the religion of the state. Arabic is the official language, and a principle source of legislation is Islamic Jurisprudence or Shari'a's law" as it is most commonly known. Now as of this law, Shari'a law is the principle source of legislation trumping all other laws.

Other communities as well are under very serious threat. The 500 remaining Baha'is in the country and also the Bedouins are not even recognized as full citizens, and therefore are perhaps even more marginalized than the Coptic Christians.

During Ms. Porter's trip, she was given a letter smuggled out of prison from Ayman Nour who asked us to personally deliver the letter to Congressmen Wolf, Obey and Schiff, and we would like to thank Congressman Wolf's office for providing the translation. We have included the translation and also the original copy of the Arabic text for your review.

In his letter, Mr. Nour describes the Executive's interference into the Judiciary. He refutes the charges against him, and he recounts how the Mubarak regime is legally authorized to issue a full pardon of him despite claims to the contrary. He also goes on to describe the rough treatment in prison which is triggering a worsening health condition relating to his diabetes and heart disease.

Intractable poverty is the single most important factor in our view that fuels the persecution of Coptic Christians and other ethnic and religious minorities, simultaneously fueling the rise of Islamic extremism. The billions of dollars in U.S. aid, misused by the Mubarak regime in our opinion, have done nothing to alleviate this problem.

Finally there needs to be a frank and open conversation with the Egyptian Government about systemic problems being poverty, poor health care and adequate education and corruption and their predictable consequences, the lack of basic freedoms and institutionalized discrimination.

This should take place in a form and matter that is open and transparent to the American and Egyptian people, and we would like to see these last few decades of aid that has not benefitted the Egyptian people benefit them more directly in the future. I have more of course in testimony but that could be for your review.

[The prepared statement of Mr. Vartian follows:]

Human Rights in Egypt:
Furthering the Mutual Interests of American and Egyptian Citizens

Madam Chairman, distinguished members of the Subcommittee, on behalf of Kathryn Cameron Porter, I thank you for the opportunity to testify today on the human rights situation in Egypt.

Ms. Porter, the President of the Leadership Council for Human Rights, is sorry that she cannot be here in person today, and expresses her great appreciation for allowing me to testify on her behalf. As you know, Kathryn Cameron Porter was the driving force behind the creation of the Congressional Human Rights Caucus, and she has been a lifelong human rights activist. My name is Raffi Vartian, and I am staff director of Ms. Porter's organization.

The Leadership Council for Human Rights is currently focused on Egypt, Iraq, Afghanistan and Vietnam to help establish and sustain civil society in those countries. Our work is made possible by funding provided by Congress through the National Endowment for Democracy (NED) and augmented by private donors. In furtherance of our common mission, Ms. Porter has conducted fact-finding missions to the organization's countries of focus, observing human rights conditions on the ground and working with local people.

Most recently, she traveled to Egypt in early June, spending ten days in country. The conditions she found on the ground during her visit to Cairo, Alexandria, Khorsad and other outlying regions proved more acute and volatile than has been widely reported by international news organizations or recognized by the United States government. The world seems to be unaware of how tenuous life is for everyday people in Egypt. Relying on Ms. Porter's recent experience, I will address several topics in today's testimony, including the plight of the Coptic Christians and other ethnic and religious minority groups, the still fledgling democracy movement and the endemic poverty in Egypt despite generous US assistance in the approximate aggregate of $60 billion.

Coptic Christians: An Ancient People Facing an Ancient Dilemma

Egypt's population includes the largest Christian minority in the entirety of the Middle East. It is estimated that 8-12 million Coptic Christians - or Copts as they often refer to themselves – live in a country of some 80 million people. The 1,950 year old Coptic Church has survived despite waves of repression and persecution throughout its history. Copts consider themselves descendants of the Pharaohs. Periodic moments of intensified discrimination under a succession of Arab rulers have been the rule, not the exception. Indeed, based on Ms. Porter's observations, the situation is so precarious that it reminded her of the Soviet Union in 1980. For real reasons, people are afraid for their lives.

Members of the Subcommittee are certainly aware of the recent attacks against Coptic Christian churches and their parishioners. This violence resulted in the deaths of several individuals, including an elderly nun. While the sectarian mob violence shocked the international community, it did not surprise the Coptic Christians. During Ms. Porter's assessment mission to Egypt, she witnessed the immediate aftermath of anti-Copt violence and the typical repressive experience of being Coptic in Egypt today. She visited a church in Khorsad, where workers conducting maintenance on a local church were arrested and held for their activities. Ms. Porter visited the church where the men were arrested, which had been surrounded by security officials who prevented her from taking pictures and made her feel threatened to the point of leaving the area.

Ms. Porter met with many Coptic individuals who told of horrific conditions experienced because of their faith. She met with Muslim converts to Christianity who lived clandestine lives to avoid detection by security forces because they would be punished by having their throats slit if their conversion were discovered. She also heard multiple stories from the parents of young girls who were kidnapped, forced to convert to Islam and marry their captors. These girls are taken as early as age 14 and prevented from contacting their families until age 18, after many have given birth to at least one child. While these frightening tales may sound hard to fathom, Ms. Porter sat with the parents, looked at old family pictures and wept with them for their very real and tangible loss.

Ms. Porter met with individuals who were the victims of acid and knife attacks, who were targeted for the simple act of expressing their faith. For a Coptic woman, any infraction in the eyes of Islamic extremists can trigger a violent attack, including not wearing a head scarf, being in the vicinity of a church or daring to wear a crucifix. She met one man who was stabbed in a recent church attack and survived, unlike his unfortunate friend and fellow parishioner, an elderly man who died from his wounds.

Ms. Porter also met Dr. Saad Eddin Ibrahim of the Ibn Khaldun Center during her trip, whom she has worked with extensively in the past. As Members of the Subcommittee may recall, Dr. Ibrahim, along with 27 of his staff, was jailed in June, 2000 by the Mubarak regime. Ms. Porter worked extensively with the Congressional Human Rights Caucus for his release, which was achieved in May, 2001. The Center recently published an article Dr. Ibrahim wrote describing the plight of the Copts, and I quote from that report:

> *"Copts are the original Egyptians; and were the majority till the tenth century. However, as Egypt has become Arabized and Islamized, the Copts have become a numerical minority in their original homeland. That has happened elsewhere in other times and places. But at minimum equal citizen rights have and should always be stipulated and respected, as was the case in liberal Egypt, i.e. the mid 19th to mid twentieth centuries. In the Mubarak's Egypt, however, equal rights to all citizens are stipulated in the constitution but not respected or observed, especially with regard to the building and protection of Coptic churches."*

In particular, Copts point to a generation ago, where in 1980 an amendment of the state constitution legalized their oppression. The original Article 2 read:

> "Islam is the Religion of the State. Arabic is its official language, and ***a* principle** source of legislation is Islamic Jurisprudence (Shari'a)"

After the Amendment of May 22, 1980, Article 2 now reads:

> "Islam is the Religion of the State. Arabic is its official language, and ***the* principal** source of legislation is Islamic Jurisprudence (Shari'a)"

It is clear that this seemingly subtle change has had a huge impact, and the constitution contradicts itself. Article 40 of the constitution states that "*all citizens are equal before the law. They have equal public rights and duties without discrimination due to sex, ethnic origin, language,* ***religion or creed.***" This is clearly at odds with Shari'a law, under which most traditional Islamic scholars assert that non-Muslims need not be afforded the same rights as Muslims.

Baha'i Community in Egypt

Ms. Porter did not meet with any members of Egypt's threatened Baha'i community during her trip as she believed doing so could potentially put them in harm's way; in fact, many of the individuals she did speak with were later detained and questioned by Egyptian security services. Although Ms. Porter was unable to hear firsthand the plight of Egypt's 500 estimated remaining Baha'is during her trip, the Leadership Council for Human Rights can attest that their situation is extremely precarious. They live under ongoing police surveillance; they are denied identification cards and effectively made non-citizens, as the only government recognized religions are Islam, Judaism and Christianity; and they cannot legally marry unless they denounce their faith.

The Egyptian government has created a thoroughly hostile, even dangerous environment for members of the Baha'i community and has refused to respect their right of religious freedom. In May, 2006, an Egyptian Administrative Court ruled that Baha'is have the right to obtain identification cards noting their religion; however, the Supreme Administrative Court subsequently suspended the implementation of the ruling following an appeal by the Ministry of the Interior. This resistance to grant the Baha'is basic rights and freedoms comes from the highest level, and it must be challenged in order to ensure that all of Egypt's citizens are equal under the law.

Egypt's Disenfranchised Bedouins

While in Alexandria, Ms. Porter traveled to the surrounding desert region and visited a small enclave of Bedouins, whose sparse existence is further compounded by the discrimination they face. The Egyptian government has granted Bedouins 'right of use,' but not explicit ownership of the lands they inhabit. Dr. Ibrahim wrote that Egypt's Bedouins are treated as "third-class citizens in their own ancestral lands." While money

flows into the development of Egypt's infrastructure and tourist destinations, and those close to Mubarak profit from it, these indigenous tribes are overlooked and pushed deeper into the desert, where forging a life is often a matter of simply trying to survive. A proud and independent people, Egypt's Bedouins deserve to be recognized as citizens with the same rights as all other Egyptians.

Democracy in Egypt

The democ ent in Egypt ıe victories, yet it has also suffered great setbacks over the last 30 years. Some recent examples of setbacks include the following. On June 3, 2002 the Egyptian government amended laws covering NGOs t Ministry of Social Affairs authority to dismantle an NGO without judicial ı addition, the Emergency Law that consolidates power in the Executive braı been in place since 1981 was extended for another two years just last montı. Local council elections have also been postponed for another two years, and hundreds of activists from across the political spectrum are in jail.

As the members of the Subcommittee are well aware, there has been some room for optimism in recent years. The Mubarak regime's announcement that the 2005 presidential election would be open was a welcome indicator. The state's promise of a free and fair process was undermined, however, by credible claims of widespread voter fraud and intimidation. This failed election process culminated in the incarceration of the only candidate that enjoyed near double-digit electoral support. This candidate, Ghad party leader Ayman Nour, was jailed on dubious fraud charges. In addition, Nour's social services office was burned to the ground while Ms. Porter was in Cairo.

During Ms. Porter's trip, she was given a letter smuggled out of prison from Mr. Nour addressed to Congressmen Wolf, Obey and Schiff. The Leadership Council for Human Rights would like to thank Congressman Wolf's office for securing an accurate translation of this letter. It reads as follows:

(INSERT LETTER HERE)

The State Department released a statement protesting the egregious arrest and imprisonment of Nour. It read, in part:

> *The United States is deeply troubled by the case of imprisoned opposition leader Ayman Nour. The Egyptian Government's handling of this case represents both a miscarriage of justice by international standards, and a setback for the democratic aspirations of the Egyptian people.*
>
> *We are also deeply concerned by the repeated instances of police violence against peaceful demonstrators in Cairo and other places. Both Mr. Nour's ongoing detention and the Egyptian Government's handling of dissent raise serious concerns about the path of political reform and democracy in Egypt, and are incongruous with the Egyptian Government's professed commitment to increased*

> *political openness and dialogue within Egyptian society. We urge the Egyptian Government to respect the rights of citizens to express their views peacefully.*

Much remains the same since Egypt's rigged presidential election and the imprisonment of Ayman Nour. Egypt's democracy movement has stalled, but has not died. Ms. Porter found a clear example of this when she attended a democracy rally put on by Nour's political party. It took place in the burned remnants of the Ghad party's social services office in Cairo. Three of the young men who had been arrested for participating in recent demonstrations supporting an independent judiciary came forward and told the crowd of the horrific conditions of their imprisonment. In their heart wrenching remarks, they said that they were given almost no food or water, and they were viciously sodomized by prison guards. Disturbingly, their story is not a rare case, and both males and females alike have shared similar testimony of undergoing such inhuman treatment. During this rally, Nour's wife, Gameela Ismail, pointed out an internal security mole in the crowd, broadcasting the evening's events through his cell phone.

These young men who were arrested and treated so poorly for supporting the independence of Egypt's judiciary raise an important constitutional issue. Again, as reported by Dr. Ibrahim:

> *On May 12, the Center of the Egyptian Capital was virtually a war-zone, as two senior judges were ordered to stand for a disciplinary trial for having blown the whistle on several incidents of fraud in last autumn's parliamentary elections. Obviously the Mubarak regime had not expected such embarrassing public exposure of vote rigging. After all, Egyptian judges have a long-standing tradition of discretion and propriety. But an increasing number of these judges have lost patience with the Executive branch encroaching on their jurisdiction. They felt used by the government to sugarcoat the rigging of election after election through the public claim that the voting is supervised by judges.*

Poverty in Egypt: Fuel for the Fire

Intractable poverty is the single most important factor that fuels the persecution of Coptic Christians and other ethnic and religious minorities, simultaneously fueling the rise of Islamic extremism. It would be reasonable to expect that billions of dollars of U.S. aid to Egypt would improve the lives of ordinary Egyptians over time. Tragically, millions remain mired in desperate poverty.

The alarming economic situation in Egypt is also linked to illiteracy. The World Bank estimates that nearly 45 % of Egypt's poor are illiterate, with women being the most affected. Illiteracy rates for female-headed households in select rural regions are estimated to have reached a staggering 85 %.

These statistics are only part of the story. Ms. Porter's trip illuminated the real human suffering behind the numbers. She was particularly alarmed upon seeing many young

children, especially boys as young as age 4 or 5, who lived on their own near the rail stations in Cairo and Alexandria. These children had been abandoned and have no one to care for them. The living conditions were so miserable, that Ms. Porter described them as worse than what she saw when she spent time with Mother Theresa in Calcutta.

The United Nations Development Programme released its most recent report on human development in February 2006. According to this report, out of the 173 countries included, Egypt ranks an abysmal 119th. This ranking stems largely from the significant rich-poor gap between rural and urban areas. This was incredibly clear to Ms. Porter when she was in Cairo and visited the garbage collectors. These individuals, Coptic Christians, use their bare hands to transport and sift through garbage for anything that can be salvaged. They live on top of the landfill that provides their livelihood.

Perhaps the most disturbing statistic related to poverty is the percentage of Egyptians who will not live to see their 40th birthday. According to the 2002 UNDP Human Development Report, an estimated 44.7 % will not live to this target age. Expressed differently, almost 38 million people will not see the age that most members on this Subcommittee were themselves when they were first elected to the House of Representatives.

Maintaining the aid status quo in the face of such indicators is not an option. There must a another approach, linking our assistance with reform and fiscal accountability

The Third Way

One of the most telling encounters of Ms. Porter's trip occurred when she met a group of young Egyptian men in Alexandria, some of them Islamists, who dreamed of a future without the repression they know under Mubarak's regime. They shared with Ms. Porter their sense of abandonment – they felt as if the world, and in particular the U.S., had left them behind. Because the U.S. has propped up the Mubarak regime and lacks understanding of the real situation on the ground, they told her, they are in despair. They also expressed the need for an alternative to both the current regime and the Muslim Brotherhood. There are moderates in Egypt from all segments of society who realize that the only viable future for their country requires them to be able to work together to develop civic society and democracy programs without fear of persecution, arrest or torture. Only when they can work on the development of fundamental democratic principles will their prospect for the future improve.

When officials from the State Department testified before this Subcommittee last month, they strongly advised against any reduction in the annual funding package for Egypt. It was important, they noted, to maintain our close and strategically important relationship with Egypt. The Leadership Council for Human Rights is not suggesting that the U.S. reduce its aid to Egypt, but it is critical to thoroughly examine the way these funds have been allocated. As noted in today's testimony, the vast majority of Egyptian people are in many instances no better off today then they were 30 years ago. Where has US

assistance gone? Is the primary return on the American people's investment of some $60 billion the denial of basic freedoms and desperate poverty?

There needs to be a frank and open conversation with the Egyptian government about its systemic problems (poverty, poor health care, inadequate education and corruption) and their predictable consequences (lack of basic freedoms and institutionalized discrimination). This should take place in a forum and manner that is open and transparent to the American and Egyptian people. The last 30 years of U.S. aid to Egypt has not benefited the Egyptian people. The next 30 must.

The Leadership Council for Human Rights humbly suggest the following:

- That members of this Subcommittee should demand immediate release and complete amnesty for Ayman Nour;
- That members of this Subcommittee should demand visitation and access to Ayman Nour as long as he remains a prisoner, as the Egyptian government has failed to allow parliamentarians from any country to meet with him. Mr. Nour suffers from serious health problems including diabetes, and his physical health must be ensured;
- That an Ombudsman, mandated by Congress, should be stationed in Egypt to investigate where U.S. foreign aid goes and what impact it has on the Egyptian people;
- That aid funds should be redistributed, with military and economic assistance levels flipped. The Egyptian government has enough tanks and guns. The Egyptian people need better access to education and healthcare;
- That the U.S. government should demand accountability for the development of civic society programs, helping to alleviate the triggers for the problems that Egypt faces. By building the civic society of Egypt through improved health care, education and infrastructure, Egypt will make significant progress in the years to come;
- That a center for the promotion of democracy and civil society, based on the model of the Ibn Khaldun Center in Cairo, but with a greater focus on grassroots development, should be opened in Alexandria to support the efforts of the courageous activists in that city. It should be a place where any person can come to learn more about tolerance, understanding and ways to work together to build a stronger Egypt from the ground up;
- That the Egyptian government must be encouraged to invest more resources, time and long term strategic thought to basic health care and education. The ever widening gap between the haves and have nots is a serious threat to the long-term stability of the Egyptian society and the Middle East in general.

١

أيمن نور – سجن طره – جنوب القاهرة

تحريرا في ٢٠٠٦/٦/٣

عزيزي النائب المحترم..

أكتب لك هذه الرسالة من سجني ، ولا أعرف كيف ومتى يمكن أن يصلك صوتي هذا المحاصر والمحروم من أبسط حقوق الإنسان في التعبير والكتابة بعد أن حرمت من حقي في الحرية ظلماً في أكبر فضيحة تكشف فداحة الثمن الذي يمكن أن يدفعه من يصدق دعاوى الإصلاح في مصر .. أو يتورط من خلفية ليبرالية في تقديم نفسه كبديل لنظام قرر أن يحتكر كل شيء في الماضي والحاضر والمستقبل..

عزيزي النائب المحترم..

أكتب لك بوصفك نائبا عن أمة عظيمة تعشق الحرية وتقدس حق الإنسان في أن يسعى إليها أكتب لك بصفتك نائبا عن شعب لا يقبل ويكره أن يشارك بالصمت تجاه انتهاك حقوق الإنسان واغتيال حقوقهم المشروعة أكتب لك بوصفي نائبا سابقا لعشر دورات برلمانية حتى تم انتزاعي من مقعدي بالقوة واعتقالي احتياطيا لمنعي من خوض الانتخابات الرئاسية الأولى والأخيرة في مصر حتى الآن .. أكتب لك بصفتي زميلا سابقا في الحياة البرلمانية لم يكن هناك ما يسعدني أو يشرفني أكثر من انحيازي المطلق لقضايا الحريات واحترام حقوق الإنسان بغض النظر عن موقف الحكومات التي قد تغلب المصالح على المبادئ .. و التوازنات على المواقف والثوابت الأخلاقية ..

٣

لم أشعر باليأس أن الحملة فقط ١٨ يوما استهلتها السلطة بإطلاق النار عليّ وعلى كل أنصاري في أول مؤتمر بمدينة كفر صقر يوم ٢٠٠٥/٥/٥ حيث أصيب من أصيب ولم يتم اتخاذ أي إجراء قانوني حتى هذه اللحظة..

لم أشعر بالإحباط عندما أعلن الرئيس مبارك في اجتماع مع الكتاب أني حصلت على ٧٠ مليون دولار من أمريكا لأخوض الانتخابات ضده بينما لم أتمكن بالفعل من إنفاق أكثر من ما قيمته ١٠٠ ألف دولار في كل الحملة في مواجهة عشرات الملايين التي أنفقها الرئيس!!

وما أن انتهت الانتخابات إلا وأعادت السلطة اعتقالي قبل أن يصدر الحكم من المحكمة وتحديدا في يوم ٥ديسمبر يوم مولدي وما أن تحرك الأحرار والشرفاء دفاعا عني إلا ولم تحويل هذا الدفاع إلى مزيد من الاتهامات الباطلة والعمالة والخيانة ليصدر حكم شاذ بسجني خمس سنوات مع الأشغال الشاقة!! وذلك في ٢٠٠٥/١٢/٢٤ .

وقد تقدمت بطعن ضد الحكم الباطل والظالم والذي صدر من قاضي حكومي تخصص في مثل هذه المهام حيث حكم على سعد الدين إبراهيم قبلي والعديد من النشطاء الليبراليين والسياسيين والإسلاميين ..

ويوم ١٨مايو .. تحدد موعد نظر الطعن المقدم مني ومن داخل سجني وبعد ستة اشهر قضيتها في السجن وإذ بالدولة تضع طعني أمام القاضي المكلف بالتحقيق مع القضاة الذين فضحوا ما حدث من تزوير في الانتخابات الرئاسية والبرلمانية !!

بل أنهم وضعوا موعد ومكان القضية في نفس محاكمة القضاة ١٨مايو بل وفي نفس المحكمة التي حاصرها الأمن بشكل كامل فلم أمكن من الحضور من سجني كما

٥

ثانيا: الحديث أن تهمتي جنائية هو شئ مضحك ولغة تعودتها كل الأنظمة المستبدة فلم يكن مانديلا من وجهة نظر النظام العنصري في جنوب أفريقيا إلا سجين جنائي وغيره من الأمثلة كثيرة.

ثالثا: ادعاء أن الرئيس والنظام لا يتدخل في أمور العدالة هو حديث يعلم الكافة أنه هزل غير مقبول فالقضية ملفقة من الأمن المصري رغم شدة سذاجتها وأحالها النائب العام الذي يختاره الرئيس وتم اختيار المحكمة التي ستصدر الحكم والمحكمة التي سترفض الطعن بطريقة تتناقض مع الحد الأدنى من قواعد عدالة المحاكمات .

رابعا: إذا قيل أنه لم يعد هناك سبيل لإطلاق سراحي فهذه أيضا مغالطة مفضوحة إذ ما عرفتم أن الدستور المصري أعطى حق العفو عن العقوبة ووقف أثارها لرئيس الجمهورية شخصيا دون قيد أو شرط أو لمجلس الشعب والذي يملك هو فيه أغلبية حاكمة وذلك وفقا للنص المخصص للعفو عن العقوبات ورقمه ١٤٩ من الدستور الحالي..

خامسا: إذا ادعت الحكومة أنها لم يسبق للرئيس أو للدولة تفعيل هذا النص فهذا ؟ أيضا كذب فقد صدر هذا الدستور عام ١٩٧١ واستعملت هذه المادة في إصدار عفو في العديد من القضايا أذكر منها فقط على سبيل المثال قضية الكاتب مصطفى أمين الذي اتهم بالعمالة لأمريكا في عهد ناصر وأفرج عنه وفقا لذات المادة .

عزيزي النائب المحترم..

٧

رابعا: التضامن مع حزب الغد الليبرالي الذي يتعرض بعد سجني لعملية تصفية من خلال اعتقال عدد كبير من شبابه بدعوى تضامنهم معي ومع مطالب القضاة كذلك تعرضه لمؤامرة لمحاولة إلغاء رخصته وتعطيل صحيفته بعد أن سمحت الدولة لبعض العناصر التابعة لها بإصدار صحيفة بدون ترخيص تحمل نفس اسم صحيفة الغد ولكنها تروج لنجل الرئيس كوريث قادم للحكم في مصر في الوقت الذي تمنع فيه الدولة تصدير أي نسخة من صحيفة الغد الحقيقية وتضغط على مواردها المحدودة بتهديد أي رجل أعمال يقوم بالإعلان فيها .. كذلك بمعرفة مؤسسات حكومية تحتكر الطباعة والتوزيع لمزيد من المعوقات .

عزيزي النائب المحترم

هناك إجراء جوازي للسلطة قبوله أو عدم قبوله وقد سبق قوله مئات المرات وهو التماس الرجوع وإعادة النظر وفيه سلطة مطلقة من النائب العام فإذا صلحت النوايا يمكن أن يتم هذا غدا وهو وفقا لأحكام المادة ٤٤١ من قانون الإجراءات الجنائية ..

لقد نشرت صحيفة الفجر – نصف الحكومية– في عددها رقم ٥٢ بتاريخ ٢٠٠٦/٥/٢٩ تفاصيل صفقة بين جمال مبارك وواشنطون في زيارته لها بتاريخ ٢٠٠٥/٥/١٢ وأكدت الصحيفة وفقا لمعلومات مسربة من جمال أن هناك إجماع أن ايمن نور ليس هو الشخص المناسب كبديل الآن وأن واشنطون اقتنعت بهذا منذ عدة اشهر ولا شك أن هذا الكلام له انعكاسات على أرض الواقع من التصريحات الرسمية الأخيرة التي تكشف صحة هذا الذي نشر ومن هنا أؤكد لسيادتكم أن هناك ما يخطط له الآن في الخفاء وأن هناك تهديدا خطيرا لحياتي نفسها وهذا انعكس

Ms. ROS-LEHTINEN. Thank you so much. I would like to tell the panelists and the audience that we have two votes pending on the Floor so we will momentarily suspend, and then when we come back we will start with the question and answer segment of the hearing. Thank you so much.

Mr. ACKERMAN. We will be back before the week that we took last time.

Ms. ROS-LEHTINEN. Thank you, Mr. Bozman.

[Recess.]

Mr. ACKERMAN [presiding]. The Subcommittee will come to order. We will resume with our witnesses. At the Chair's insistence, we will begin promptly. The Chair is resolving some issues for some people, and will be here shortly, and with her indulgence we will begin.

Dr. Dunne, if we might begin, your statement notes that political developments in 2005 did not put Egypt firmly, this is a quote, "on a path toward full democracy nor did they demonstrate a clear commitment to such a path on the part of the ruling establishment." Question, how can we help to put Egypt on that path?

Ms. DUNNE. Thank you. Well, I think first of all that it is a question of the United States encouraging Egyptians. Egyptians themselves have to get themselves on that path, and I think that what has been very positive is in the last couple of years is an agenda for reform really has emerged. Sort of a consensus agenda for reform across a pretty broad political spectrum in Egypt has emerged, and it centers on the principle idea I think is that up until now in Egypt the power of the Executive Branch has been excessively strong.

Up until last year, the President was unelected, had no term limits which there still are no term limits, and really enjoyed a great deal of power. The Egyptian legislature is relatively weak, and the Egyptian judiciary, there are a number of problems related to the independence of the judiciary even though the judiciary enjoys an excellent reputation in Egypt.

The main thrust of reform has been to try to diminish the power of the Executive Branch and to increase——

Mr. ACKERMAN. When you say the judiciary has a very good reputation, is that reputation that is good with the Administration or——

Ms. DUNNE. No, within Egypt. Egyptians generally respect their judiciary, and the judges have become one of the principle advocates of reform in Egypt over the last couple of years. The Judges Club, which is sort of a professional association of judges, has taken some very firm public positions on behalf of both the independence of the judiciary as well as electoral reform and so forth. So they have become one of the leading voices of reform inside Egypt.

Mr. ACKERMAN. Just on the judiciary, what happened to Ayman Nour? Was that regarded as a just outcome? A fair trial among the populous or was that looked upon as heavy hand of the Administration? How did that get read?

Ms. DUNNE. First of all, I think Dr. Alterman said something along the lines that there was sort of a selective prosecution. I forget the exact words you used, Jon. I think there certainly is a feel-

ing in Egypt among a lot of people that the charges against Ayman Nour were trumped up. Neither I nor do I think any of us here have actually had a chance to see the evidence in the case and so forth and to attest that there is nothing to it but at any rate, there is certainly a sense that the ruling establishment sort of turned the system on Dr. Nour in order to eliminate him politically. There is that sense, and——

Mr. ACKERMAN. Forgive me. And nor to the good reputation of the judiciary.

Ms. DUNNE. No. Within the judiciary, there were——

Mr. ACKERMAN. That was an anomaly?

Ms. DUNNE [continuing]. Individual judges that are seen as tougher judges, and I know that many people feel that Ayman Nour's case was deliberately assigned particularly on the upper court, in the Court of Cassation, to a very, very tough judge who had a long history of ruling in favor of the government consistently.

There is a sense that there is some playing around with the judicial system but in a larger sense I think people feel that overall the judiciary in Egypt is a force for reform and a positive force within the political system.

Mr. ACKERMAN. Thank you. Dr. Alterman, I think you indicated—maybe you can comment on this—that it was your belief that it is the democratic reforms that led to the success of the Muslim Brotherhood in the recent parliamentary elections. Is that what you think or is it that there is no political space for legitimate non religious Islamic parties in which to organize and work?

Mr. ALTERMAN. It is not only a question of space but also the lack of energy outside of the Muslim Brotherhood directed toward political organization. Most of the so-called opposition parties in Egypt are run by quite frankly old men who have no real interest in political organization. They do this as a business.

They play the game with not very much energy. It served the government's interest to have politics run that way, and what the Muslim Brotherhood does is it is very creative, reaching out, being relevant to people's lives, providing services the government will not or cannot, and it is more a question of the energy that they exhibit rather than sort of reforms let them sneak in.

Mr. ACKERMAN. I am not sure I understand that. You are saying that the legitimate reform opposition is less than energetic in their agenda?

Mr. ALTERMAN. There are two different kinds of opposition in Egypt. There are the opposition parties that Anwar Sadat basically created in 1976 in his own version of political reform in Egypt. They do not have a mass base at all. They are not relevant, and they did remarkably poorly, gaining only 12 seats in the parliamentary elections.

There is the Kafaya movement which has several hundred people engaged. It is my perception that the Kafaya movement remains very much an elite movement without much relevance to people on the grassroots level, and quite frankly Kafaya falls into this old elitist politics that have characterized Egypt for some time.

Where I think Ayman Nour crossed the line was because he started to explore becoming a genuine populist movement, and that is where he crossed the line where you are not allowed to. You are

allowed to play in the salons. You are allowed to even demonstrate in the street, and I saw street demonstrations in Egypt that I guarantee would not be allowed in Washington, DC.

But when you start to go beyond the American University in Cairo graduates, typing manifestos and start reaching to average Egyptians outside of the neighborhoods in Cairo, that is where the government feels deeply threatened, and that is where the government changes the game.

Mr. ACKERMAN. But would that not argue for the fact that the government is not allowing legitimate space for legitimate reform? If you cross the line and the government clamps down on you, the only people who are going to pursue after that are going to be the people who are more zealotosious.

Mr. ALTERMAN. Zealotosious.

Mr. ACKERMAN. Write that down.

Mr. ALTERMAN. That is a problem for the court reporter, sir.

Mr. ACKERMAN. Yes.

Mr. ALTERMAN. I am not sure that I would characterize the Muslim Brotherhood's campaign as part of zealousness. There certainly are people far more extreme in Egypt who are agitating and organizing. It seems to me that the Muslim Brotherhood is a party which basically adopts a whole new premise for house society should be organized, and they work from the bottom up rather than from the top down, and I think through that they have been able to create some space for themselves.

Mr. ACKERMAN. So that the choice that Egyptian voters have in the end is either the government party or the Muslim Brothers?

Mr. ALTERMAN. I think my sense of what the government was seeking to do in opening up the election to Parliament last year was to have a fractured but diverse opposition which would perhaps occupy a third of the Parliament, and that the government could then talk about how it has a growing opposition movement but actually retain control. What happened instead was the Brotherhood revealed itself to be really the only alternative to the government, won 61 percent or so.

Mr. ACKERMAN. That is exactly my point as well.

Mr. ALTERMAN. The government miscalculated because it thought that this sort of traditional opposition would be part of a diverse opposition, and in fact the opposition has become this Islamist opposition which the government also does not want to have as the concerted opposition. I think the government fears that a number of people may in fact choose but I would not draw the conclusion that if there were free elections the Muslim Brotherhood would win. The Muslim Brotherhood was careful to run the candidates they had that were good in strong districts. They were cherry picking, and they only ran in a third of the districts in the country.

I think if they ran nationwide, they would not have a majority but it does, as you suggest, set up that choice which is a choice many Egyptians do not want to make and should not have to make.

Mr. ACKERMAN. Mr. Vartian, you cite in your prepared statement violence and discrimination against Copts and Baha'is and Bedouins. My question is: Is it your belief that that is the policy of the

Government of Egypt or do they merely tolerate that kind of discrimination, and if that is the answer, is that a policy?

Mr. VARTIAN. It is a difficult question to answer, and I will attempt to do so. Not being an Egyptian expert per se, I can only rely on Kathryn's experience when she was in-country. From what we have seen, there is not necessarily explicit written laws that are persecution but there are subtleties within the law that people use to exploit to enact violence upon minority members of the community.

Whether that is a direct relationship and whether that is directly associated with governments prodding people along to do that, I simply cannot answer that. I am sorry.

Mr. ACKERMAN. Does anybody want to chime in? Are there groups in society in Egypt that instigate violence and discrimination or the government policy or government tolerated?

Ms. DUNNE. I will add a word on this as well. I think it is primarily government tolerated. I do think there is some discrimination against non Muslims that is built into the system but it is mostly socially based, and it is mostly a matter I think of the government not prosecuting or not pursuing those who carry out this kind of violence the way they should.

Mr. ALTERMAN. There are also issues of employment discrimination, lack of protection of non Muslim citizens from employment discrimination. People have said I will not hire a Christian and really nothing happens. I should add though that Egypt as a sort of core value that does not regard its Coptic citizens as a minority, and goes to some length to talk about how all of its citizens are citizens as citizens of Egypt. We do not have minorities in Egypt, and Copts have a full right of citizenship that Muslim citizens do. They have been quite straightforward.

Mr. ACKERMAN. A minority is determined not by ethnicity but by math.

Mr. ALTERMAN. Right. And their argument is that the factor is not a factor. That is not a basis of distinction any more than you having grayish hair and my having graying hair.

Mr. ACKERMAN. I thank you for noticing what hair I have left.

Mr. ALTERMAN. I will be there too, sir.

Mr. ACKERMAN. Take your time. Madame Chair, thank you.

Ms. ROS-LEHTINEN [presiding]. Thank you so much, Mr. Ackerman. If linking or conditioning United States aid on Egypt's democratic process would not be helpful as some have suggested, what other concrete specific methods can the U.S. implement for achieving U.S. security and democracy building goals? For example, Dr. Dunne mentioned a wide variety of tools and to hold for now on conditioning military or economic assistance. What specific benchmarks and timeframes should the United States be requesting from the Egyptian Government, and what can we do differently to ensure that those reforms are implemented? How can we empower the civil society in Egypt so that the Egyptian people themselves are the ones who drive the reforms?

Related to that are partners such as the EU. How can we engage the EU partners to support us in these endeavors and how we can engage civil society in reforming Arab countries throughout the region to work with the Egyptian civil society elements?

Ms. DUNNE. Thank you, Madame Chairwoman. I will start with that. As I mentioned, I think it is important that the United States have with Egypt a discussion at a very high level, and I am not privy to all the conversations but I am not sure that this has actually taken place where the United States speaks to the Egyptian leadership and says, where are you going? Where is Egypt going? We have been your partner for a long time. We want to continue to be your partner but we need a sense of where you are going because your people are asking for change, and we do not see that kind of change happening.

I think it is important first of all that—and as I mentioned, Egypt is in a period of transition already. It is well known that it will not be that long until there is a new leadership in Egypt. So, it is a particularly important time I think leading up to that transition, and when that transition happens that the United States have this conversation with the Egyptian leadership about where their country is going and what is the new understanding between the two of us going to be in terms of where Egypt is going and how we support them. That is in a very broad sense.

I also think the United States has to look carefully at all the decisions that come its way, and to send a clear message to Egypt that political reform and these democracy related developments are going to be part of it. For example, I thought it was important that the Administration chose not to proceed with talks toward a free trade agreement earlier this year. It was important to send Egypt that message that while this is something positive and something we hope we will be able to do in the future, the way things are right now we just cannot go there in our relationship because of freedom related issues.

I think it is important to keep doing that, and this is going to be I think a rolling situation that is going to have to be a strategy that is going to have to be reassessed all the time. Opportunities that arise the United States should take advantage of, and as I said, there may well come a point when it comes time to reexamine the aid package and to either withhold or condition parts of it if necessary.

Ms. ROS-LEHTINEN. Thank you.

Mr. ALTERMAN. If I may add, it seems to me that the reform movement in Egypt is something like a plant, and if all the light and all the nutrients come from one side, it does not grow up tall and strong. We run a problem if we try to nurture this movement, if we try to pick, if we try to protect, we try to do too much.

We may end up inadvertently hurting the very people we are trying to help. I am cautious, and I think this is one of the things that happened to Saad Eddin Ibrahim is that he became marginalized in Egypt because he spent so much of his attention where he was getting protection which ultimately was not a way to change what happens in Egypt.

I think one very discreet and important thing that we need to do is we need to have our security people talk to their security people, and take seriously the fact that there are bad people in Egypt who want to take this country in a very dangerous direction, and we accept that. That is something we agree on, and they agree on.

But if we agree on that, what kinds of steps can the government take to help ameliorate that threat? What kinds of political activities should be allowed because the fact is that it is the security services that are calling many of these shots in coordination with the President and the presidency, and we have to have an agreement based not on what we think you should and we think you should and we think you should construction but we are all trying to get to the same place.

What can we safely allow that would not threaten everything, and if things were to go wrong, how would we know, and how could we walk back together? I think that kind of discussion rather than the demanding discussion that we have been in too long I think would be much more constructive.

I think the other thing, as Michele has mentioned a couple of times, is that this is a place that is changing. It is changing partly because the President is 78 and increasingly ailing, and I think people are feeling that change is imminent. It is changing because it is a place where people are increasingly literate. They have access to more than 200 satellite television stations, people are swapping DVDs and videos and faxes and photocopies. I mean this is not a country whose information you can control anymore.

I will tell you when you meet, as I know Michele has, these sort of 30 something kids who have grown up with the assumption that you have multiple streams of information, and you choose between them, you just do not say I am loyal to this strand and ignoring all else. I think there is something going on there. Some very, very promising things going on in Egyptian society which ultimately are going to be more important for the success of Egyptian democratic transition than what the United States can do.

We should carefully plant seeds. We should nudge. We should prod. We should have discussions where we try to build common interests but I am afraid that if we come in, if we give a list you have to do these six things, I can guarantee you five of them will not get done out of spite, and that is not where we need to go.

Mr. VARTIAN. If I could follow up. As a human rights organization, we think more of the bottom up approach as opposed to the top down approach. All of these things are very interesting as far as top level people talking to top level people, but there are millions and millions of poor people that will be the next generation of leaders in Egypt, given if they got the proper nutrients and the proper light and all those kinds of things.

If we could focus a little bit of the aid on direct assistance to individuals, to people that can be creative within their own community, and knowing how to serve the poor and create more economic opportunity in the country, the structure of that I would not be able to comment on, but that seems to be the next logical step. You have got millions and millions of young people in poverty. You really need to drain that swamp of poverty in order to eliminate the rise of Islamic extremism, which I think is a very real possibility for the next generation.

Ms. ROS-LEHTINEN. In terms of the international partners, whom can we count on to help us with trying to get those reforms?

Mr. ALTERMAN. In point of fact, because our aid package is so large, we are the overwhelming international voice in Egypt, and

European countries quite frankly look at Egypt as our baby. The European Union has been trying for more than a decade to try to engage in dialogues to promote some of this. I think we can count on some help, but the world looks to us for leadership on this, and I think will continue to do so as long as our aid package is of the nature that it is.

Ms. DUNNE. I would note that the EU overall is a larger trading partner with Egypt than we are, at least at this point. That is where their leverage lies, and they do have assistance programs and so forth but I agree that I think that the Europeans look to us to sort of take the lead in this, and that they will be willing to work with us and to coordinate messages and everything to some extent.

Ms. ROS-LEHTINEN. You had mentioned the problem with poverty and many would argue that some of the greatest challenges that Egypt faces are social and economic problems. Would it be in our strategic interest to focus then the bulk of our assistance programs to try to ameliorate that problem in Egypt?

Mr. VARTIAN. Well, it depends on what you define as your strategic interests. It seems as though for the last few decades that strategic interest means short-term gains, and I think what is being lost in these yearly appropriations discussions about short-term gains is the medium and long-term gains.

I mean Egypt's population has increased by tens of millions in the last 15 years. That is a revolutionary thing that is happening within the country, and if you do not figure out a way to get people out of poverty and to get young people engaged and look at America as a partner instead of a hindrance in that way, you will just reinforce some of the unfairly negative feelings that they have about America.

Ms. DUNNE. I think that in Egypt the debate about a lot of these issues including poverty, job generation and even human rights has changed over the last 5 years or so. There used to be a lot of people looking at these individual things, and NGOs and organizations focusing on them. What I have seen is a lot of them turning their attention to political issues now because they have come to the conclusion after many years of working on all these specific discreet problems that indeed are real and compelling that they are not going to be able to fix those problems with the political system the way it is now.

That the political system as it is impedes improvements in human rights, take off of the economy, et cetera. So a lot of people have really started to turn their attention explicitly to political issues with a view I think to resuming attention to those other issues once they have made some headway.

Mr. ALTERMAN. I think it is actually not merely politics but really a management problem. It is a country that suffers under command management which we know from our experience does not work very well. I wish we were better at poverty alleviation as a broad theme. We are not. We have been trying to do it for 60 years. I am sure you have read Bill Easterly's things and other things. We are not really good at it, and Egypt is not really all that poor compared to a lot of countries in the world. It has got about $1,350

per capita income. It is not the poorest of the poor. We certainly see poor countries that are extreme.

It seems to me, as Michele suggested, that it is partly about the way politics are managed but I would argue the way society is managed. That kind of transition is not a transition you can impose from outside. It takes a long time but it seems to me that as we look toward building common projects—and I think this is a relationship which is desperate for new common projects to build together—that part of what we have to look at is how do you create that change in a culture which is partly happening through the media now but helps bring these management techniques of the political and economic side and everything else down to people where they matter, and I think that should be a priority in the way we provide assistance.

We have been trying to do community development since 1953 in Egypt. We have been trying. We keep trying.

Ms. DUNNE. The Constitution, how important is it to make constitutional reforms in Egypt in order to move it to be a true democracy, and if so, what recommendations would you have in a perfect world or in a practical world that Egypt would be likely to make the Egyptian leaders to their Constitution in order to move into the direction of a true democracy?

Mr. ALTERMAN. In my judgment, the Constitution can be a useful indicator of where other discussions have gone but merely having the words on the document or getting words into the document do not solve the problem. Michele pointed out I think quite helpfully that this issue of checks and balances restrain on Executive power. It seems to me it is the most important thing.

The reason that Egypt had three rounds of parliamentary elections last fall was so that there could be a judge in each polling station, and she is absolutely correct that the judges have been establishing a reputation for independence, for probity. We heard about it when Saad Eddin Ibrahim was first arrested that Egyptian diplomats would come and say, you know people really trust the judiciary. It is a kernel of good governance in Egypt, and it seems to me that over the last 5 years that has been growing, and it is something that we should seek to nurture but if we embrace it we also run the risk of suffocating it. So, we have to be very careful how we do it.

Ms. DUNNE. On the issue of the Constitution, I think constitutional reform is extremely important in Egypt, and I think it is a central question right now. Egypt has a proud legal heritage. It has one of the strongest and oldest judicial establishments in the region. They actually went out and helped to set up the judiciaries in many of the other Arab countries. So, they have a proud tradition, and Egypt is the sort of country in which law is taken reasonably seriously.

I think constitutional reform is an important question, and there are specific articles of the Constitution that are being raised now, that are being debated now by reform activists, and they do have to do in the main with this idea of redistributing power. Taking some power away from a too powerful Executive Branch and redistributing it to the legislative and judicial branches, and there are many specific instances of that. Specific articles of the Constitution.

It is a live issue. President Mubarak actually promised during his Presidential campaign last year that there would be further amendments to the Constitution. They amended of course last year one article of the Constitution to allow for direct election of the President. He has promised there would be more. Nothing was introduced in the present parliamentary session. I understand there is a committee that has been set up to look at this but it is sort of on the slow-track, on the back burner.

Ms. ROS-LEHTINEN. Thank you.

Mr. VARTIAN. Do you mind if I defer the Constitution question?

Ms. ROS-LEHTINEN. No, no problem. Just one last question. You have been talking about the judges and the polling station and the judiciary, and based on recent demonstrations we have seen the judiciary in Egypt seems to be well respected, defended strongly by the public. How confident are you that Mubarak will listen to that, will cede to the pressure and give greater power to and autonomy to the judicial system?

Ms. DUNNE. This is very much a live question in fact this very day because what the Egyptian Government has done now is put forward a new draft law of the judiciary. The Judges Club, a professional association of judges, has been pushing for many years, and had their own new draft law of the judiciary.

What they are seeking is greater independence from the Executive Branch, and after consultations and demonstrations, everything that has gone on over the past year, the Egyptian Government announced a couple of weeks ago, this has been a failure. There is no agreement, and therefore, we are going to put forward our own draft law of the judiciary.

That has been passed by the Egyptian cabinet, and it is now going to the Egyptian legislature, and the Egyptian judges are very concerned about this. I think we are going to see a lot of political activity over the next week or 2 about this but you know the ruling party has the votes in the Parliament to pass a law of the judiciary, and I think that what we are headed for is a situation where they will pass a law of the judiciary that will make some minimal concessions to the judges but will hold onto the main lever of power.

In this case, what we are talking about is something called the Supreme Judicial Council, and I think as long as the Egyptian ruling establishment is able to maintain control of that and appointments to that body which decides many things in the judiciary, then it will effectively maintain a great deal of control over the overall judiciary.

Mr. ALTERMAN. I do not see any signs that the Egyptian Government is interested in changing the rules of the game right now. If anything, after the Hamas elections in January, their interest is not changing the rules of the game. So, I would expect to see some tinkering around the edges, and ultimately a deferral of these issues until a new leadership comes into office some time in the next several years.

Now, some Egyptians tell me that the National Democratic Party is having its convention in September, and there are reformists who are saying if we do not get the NDP to reform this September, we are out of here. Whether that is real, whether anything will

happen in September I do not know. I do not know anything about the White House meeting that Gamal Mubarak had several weeks ago. I hope you have more information than I do.

What might have been conveyed, certainly the way it was portrayed in the Arab media is the sense that the United States was somehow anointing Gamal Mubarak, and it was perceived that the U.S. would be anointing Gamal Mubarak without insisting on change. If that is not the case, then I think the U.S. has to go out and make that clear.

Ms. ROS-LEHTINEN. Thank you very much. Thank you for excellent testimony, and to paraphrase President Bush, Egypt has been a model for peace, and let it move now to be a model for democracy in the region. Thank you very much, and thank you to the audience for being here. The Subcommittee is now adjourned.

[Whereupon, at 3:35 p.m., the Subcommittee was adjourned.]