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U.S. assistance to Cairo breaks American law, is hurting Egypt

By: Doug Bandow, Senior Fellow at the Cato Institute – July 31, 2013

Egypt is a disaster veering toward catastrophe. The Obama administration's decision to ignore the law by continuing U.S. assistance is making the situation worse. Indeed, the administration's main achievement has been to make America the target of both sides in Egypt.

Cairo has been a top aid recipient since Anwar Sadat made peace with Israel. It was a simple geopolitical bargain since foreign "aid" there, as elsewhere, did more to hinder than advance economic progress.

Nevertheless, the stability hopefully purchased appeared to be a good deal. No longer.

First, the law requires that the funds be halted. If the administration doesn't want to obey it should urge Congress to amend the law. Only by using a Clintonesque definition can what happened in Cairo — arresting the president and top aides, prosecuting opponents, shutting television stations down and shooting demonstrators — be called something else.

Second, Washington's influence dissipated long ago when Cairo realized it could count on receiving the money no matter what. Washington's lack of leverage was evident when the administration successively declared itself for Hosni Mubarak, for a negotiated exit and an exit. No one in Cairo listened.

Nor did continuing assistance under President Mohammed Morsi improve anything. His government pursued exclusionary political and incompetent economic policies. The security services undermined the elected government.

No one seems to be listening to Washington today. Egypt's military is shooting demonstrators, setting political schedules, appointing civilians friendly to the military and planning to rewrite the constitution.

Worst, contra to Washington's plaintive pleas, the military appears to have reverted to the traditional policy of suppressing the Muslim Brotherhood. The latter survived before, and if it resorts to violent resistance there will be neither stability nor democracy in Egypt.

Third, America's money — about \$1.55 billion this year — is small change compared to the cash promised by Saudi Arabia and other Gulf States, \$12 billion at last count. There's no need for the Egyptian military to listen to Washington if it has other sources of funds.

Fourth, cash for the military will achieve nothing positive. The military already is well-funded domestically, controlling as much as 40 percent of the Egyptian economy; a cynic might suspect that the generals are more interested in preserving their power and privileges than in promoting democracy.

Some money is slated for advanced U.S. weaponry, such as F-16s — a boon for American manufacturers, no one else. As for Israel, the military more than anyone else knows that conflict would be suicidal. Especially since the generals appear to have decided on a showdown with the Brotherhood, which could keep their troops very busy.

Fifth, America's reputation is on the line. Democracy is necessary, but not sufficient for development and preservation of a liberal society. However, to believe that the latest coup will yield a free Egypt ignores reality.

The Brotherhood may be no friend of liberty, but political Islamists are far more dangerous if excluded from the political process. For Washington to violate American law in order to support a coup, which excludes a large segment of Egypt's population — whose candidate won the first free presidential election in that country's history — will make a mockery of any future American pronouncements about democracy.

Washington's best hope is to disentangle itself from the current imbroglio. It should do so by pointing to U.S. law. A coup has occurred, so aid must be halted. Doing so would respect the rule of law in America. It also would restore a degree of leverage. If the military values Washington's cash, then it would need to create an inclusive political process moving back to democracy. Unless that understanding takes hold, Cairo faces the prospect of violent instability no matter how it resolves the present crisis.

And if that happens, Washington definitely does not want to be permanently entangled. The best chance for a better outcome is to halt American aid.