It’s Not Just an ‘Egypt Crisis’; the Solution Is a Global Glass-Steagall

LPAC-TV’s Chris Landry interviewed EIR’s Arabic language editor Hussein Askary, from his office in Stockholm, Sweden, on Feb. 6, on the recent developments in Egypt. The interview took place a week before Egyptian President Mubarak’s resignation, following nearly 3 weeks of mass protests throughout the country. The discussion can be viewed at www.larouchepac.com/node/17419.

LPAC: So, what’s going on in Egypt?

Askary: Well, what’s going on in Egypt right now, is a terrible, tragic situation. What Lyndon LaRouche has been emphasizing in the last few days, is that it’s not a specific Egyptian crisis, nor was the Tunisian crisis, nor what could happen in Jordan, Yemen, or in any other place. What we see in Egypt is a result of a failure of the globalization system, which goes, actually, 40 years back, with the end of the Bretton Woods system, and the imposition of the British monetary system, and globalization on the world.

In the case of Egypt, the destruction of the Egyptian economy, which is really the cause of this crisis now, the mass protests, the anxiety of, especially, the young population, which sees that they have no future; that destruction of the Egyptian economy started more than 30 years ago, with policies imposed on Egypt through the IMF and the World Bank, by the governments of Europe, Britain, and the United States. So this is not really a specific Egyptian crisis, although it has a certain identity in Egypt. But, you can say almost the same thing about any other nation, in North Africa, or Southwest Asia, or Africa, even Eastern Europe, where countries are ripe now for social explosions, because of the breakdown crisis of the whole economy.

So, this is what the situation is. There are specific internal issues in Egypt, but they are not only specific to Egypt: like the mass unemployment among young people; the loss of productivity; the food crisis, which is a result of both the hyperinflationary policy which has been created, especially in the last few years, with the bailout policy of the British financial system, by the Obama Administration and the European Union printing fake money. This is creating a hyperinflationary explosion in basic foodstuffs, and fuel, and other goods.

But also, you have had the lack of investments in infrastructure, in water projects, in energy over many, many years, which has actually made it impossible for these nations to sustain their own populations.

This is, in a way, also a tragic indicator of what could happen, if you don’t listen to LaRouche, and if you don’t follow the universal principles which have been promoted by LaRouche for many years. Just a few days ago, we have had the Angelides Report on the failure of the bailout policy in the United States. But it also goes back to looking at the situation—how this crisis developed—the whole financial collapse, over, also more than 30 years of policy.

But you can see that, at every post, every station, in
this failure of the policy, where catastrophic decisions were taken in the United States and Europe, and worldwide, that at every step of that crisis, LaRouche and his associates were present, to warn of this crisis, but also to present the solution for the crisis, both globally, but even for specific countries like Egypt, as was done in the early 1980s by LaRouche and his associates.

**British Domination of the Region**

LPAC: Yes, on this 40-year history, basically, ever since the floating of the dollar, and what Nixon did here in 1971, by destroying the Bretton Woods system: What has been the policy towards Egypt, by the so-called British Inter-Alpha Group of banks and the United States, under the influence of that system?

Askary: The thing is, the British Empire—both the old one and the new one—have dominated that region for more than 100 years. Egypt itself was occupied by the British beginning 1882, also, as a result of the financial-economic policy, because the British took over Egypt to force them to pay debt, which was accumulated falsely from the nation of Egypt.

But the British were also active in the post-World War II period, both because of their presence in the Middle East—in Egypt and other countries—and their influence; and also to destroy everything which had to do with the ideas of Franklin Delano Roosevelt. And the emergence of the Non-Aligned Movement, which shared the aspirations of Franklin Roosevelt, that after the World War, you will not have the colonial system, you will not have imperial systems. You will have sovereign, independent nation-states which would cooperate to build their economies, with emphasis on the development of infrastructure, energy, water, agriculture, so that nations could be self-sustaining and, at the same time, work together.

Now, you had the Nixon Administration, under influence of agents of the British Empire, demolishing the Bretton Woods system. Exactly in that period, from 1971 to ’73, you had both the oil crisis, which was created by the October 1973 Mideast War, which was actually orchestrated by Henry Kissinger, the U.S. Secretary of State, and also, National Security Advisor; he orchestrated that war! And then, you had the oil crisis, which contributed to dominating the world with the Anglo-Saudi oil and petrodollar policy.

But since then, you had a situation where the British could run affairs from a very comfortable position, where their ghosts, personified by Americans like Kissinger, implemented a British policy against the world in the name of the United States. And Kissinger made no secret, publicly, of his sympathy with the British imperial system, against the ideas of Franklin Roosevelt, and the American Constitutional and national system.

So, Kissinger, especially with respect to Southwest Asia, but specifically, Egypt, was running affairs on behalf of the British Empire. But then, when the peace process started between Egypt and Israel, Kissinger himself was instrumental—but there was a bit of poison, put into that sweet taste or honey of peace, that Egypt—because also it was detached from the surrounding Arab countries, because they went and shook hands with the Israelis and accepted the peace process—Egypt was cut off from Saudi Arabia and other Arab countries’ aid, the oil-rich countries, so Egypt suddenly became totally dependent on the United States.

And to get the aid from the United States, it had to follow policies of economic liberalization, and that was the poison that was injected into the peace process, for the Egyptians. So to get American or European aid, the Egyptians were forced into what President Anwar Sadat [1970-81] called “the open door” policy of liberalization; “open door” means that domestic and foreign thieves could come in and out as they wished.
But that policy failed, and there was a backlash against it. In 1981, Sadat was assassinated by Muslim Brotherhood militants—the Muslim Brotherhood, which is also another British creation, actually—but then, in 1981-82, President Mubarak comes to power, but Egypt’s economy was based on what Gamal Abdel Nasser [President 1956-70] had established after the revolutions in 1952 and ’62, that it was a state-directed economy based on building infrastructure, agricultural reform, and industrialization. The agriculture was reformed; you had also the building of the Aswan Dam; you had the building of the steel, cement, and textile industries in Egypt. So there was still some basis for Egypt to grow as a modern nation.

And exactly at that time, you had Lyndon LaRouche and his associates presenting ideas to the Egyptian government. You had, in the LaRouche publication, Executive Intelligence Review, interviews with Egyptian ministers who would say that they “agree 100%” with the vision of LaRouche and EIR, that Egypt should become the “Japan of the Middle East.” They were talking about building nuclear power, transferring water to desert areas, transferring water from the Mediterranean to the Qattara Depression region, all kinds of very interesting projects which would make Egypt and Sudan the breadbasket for all Africa and the Arab countries.

Unfortunately, these attempts, these ideas, were sabotaged by people in the United States. You remember at that time, in 1982-83, LaRouche managed to make the SDI, the Strategic Defense Initiative, an official policy of the United States, for a certain period. But then you had a massive attack on LaRouche, because he became some sort of super-power, beside the British, the Soviet Union, and the United States—that with his ideas, the U.S. was becoming too powerful. And the attack was launched against LaRouche and the whole SDI plan in the United States, but even in Egypt and the Middle East, there was an attack on these policies.

**War, and the Debt Trap**

At the same time, the whole Middle East was engulfed in a new war, with the Iran-Iraq War in 1981...
until ’88; so the orientation of the whole region went from economic development into the war economy, and Egypt, for example, was forced to buy weapons, import weapons, with credit—instead of importing machines and nuclear power plants before—and building a huge military arsenal.

The same was the case for all the countries in the region, and international—actually British-run—weapons cartels were very active throughout the 1980s. But what that resulted in, was, that by the end of the ’80s, Egypt was in a huge debt trap, which was then, so-called “relieved” when Iraq went into Kuwait. Egypt was forced to join Margaret Thatcher’s Britain and George Bush Sr.’s forces to attack Iraq, and the prize that Egypt would get was to write off its debt!

Unfortunately, Egypt was forced to go and sit down with the IMF, to get that prize. And that was a total disaster, because, according to IMF and World Bank policy, Egypt had to devalue its currency, to privatize its industries, to lift the tariffs on agricultural products, knocking out its own economy, its own agriculture, and promoting exports to get hard currency. And then, most of the Egyptian agriculture which was left was oriented towards exports.

So, Egypt, up to this day, is exporting fruits and vegetables to Europe, but it cannot feed its own people! Because Egypt was made dependent upon aid from the United States and Europe to get bread and basic foodstuffs, while using its limited agricultural areas for exporting cash crops, including cotton and so on.

But also you had the problem that over all these years, Egypt was not able to get any credit to finance infrastructure, nuclear power plants, and so on and so forth, as was proposed to Egypt by the LaRouche associates. Egypt was supposed, by the year 2000, to have 40% of its energy from nuclear power, and that never happened. Lyndon LaRouche and his associates were actually very skeptical of the U.S. aid policy toward Egypt, and they were advising that the $1 billion in aid to Egypt to finance some stupid rural projects here and there, that this money should be used to build nuclear power plants, both in order to make Egypt able to both produce energy, and also for water desalination to reclaim new areas from the desert for agriculture.

That never happened, and Egypt became more and more deeply trapped into the economic liberalization policy, which was also imposed, at the same time, on Mexico, on Africa, and East Asia. So it’s a global policy, but Egypt was part of that policy.

So, by the 1990s, Egypt became totally dependent on exports of agriculture, but also tourism; and from ’95 to ’97, tourism was knocked out, because terrorist groups, based in London—as EIR had actually documented then—targeted tourism by shooting tourists in different areas of Egypt. So, the tourism was knocked out; and Egypt, by the end of the 1990s, was totally wiped out economically, and was forced to sign a new agreement with the United States, with an American

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Who Killed the Egyptian Dream?

_The two interviews excerpted here were published by EIR, Jan. 25, 1983. The first quote is from Maher Abaza, Egypt’s then-Minister of Electricity, from an interview with EIR, conducted in Cairo, Dec. 17, 1982:_

“At the end of the century, hydropower will be the source of 10-15% of energy; 10-15% will be gas-powered stations; 15% will be coal-powered stations and 15% will be diesel-powered stations. The rest, which is 40%, we expect to be nuclear power stations. We do not want to have all our eggs in one basket.”

_Youssef Wali, Egypt’s Agriculture Minister at the time, was asked about Egypt’s plans for reclaiming the desert, and helping Sudan and all of Africa to develop agriculturally and into a “new Japan”:_

“That’s right. It is along the same lines that your magazine has written its recent cover story: ‘Egypt’s Fight To Become the Japan of the Middle East.’ I agree with that concept. It is a very smart approach to take. We have to fight, though, to become the new Japan. It is not an easy game. Our transformation into a new Japan will not be served to us on a golden platter. We will have to work hard; we must be organized; we will have to avoid mismanagement, to avoid corruption, to avoid miscommunication, to become the Japan of the Middle East. I agree 100% with your vision.”_
called [then-Vice President] Al Gore; it was called the Competitiveness Partnership Agreement, which dictated to the Egyptians how they were going to privatize the rest of their industries: the steel industry, the textile industry, cement industry, and so on and so forth. And then, later, even the infrastructure industry.

You remember, Gore was also instrumental in the privatization process of the Russian economy, and you see what happened in Russia—that’s what usually happens, when you go immediately from a state-run economy to a totally liberalized and privatized economy; that you have a lot of people around the government structure, businessmen with ties to people in power; they take over these industries, very cheap. And, of course, they have ties to financial interests abroad, and this is what has happened, even in Egypt. That’s where the corruption comes from: That was the corruption imposed on Egypt from outside.

So, you have people around the President [Mubarak], his sons, and the elite in Egypt—many of them became very rich, like the Russian oligarchs, but more than 50% of the population were under the poverty line. And Egypt has not managed yet, to invest in any of the agricultural or power projects which were proposed already in the 1980s.

So, this is a tragedy, which has actually been 30 years in the making. But we can still reclaim that lost time, if we go with the policies proposed now by La-Rouche: going back to Glass-Steagall; going back to a process of reconstruction of the world economy, based on national credit and cooperation among nations, to build infrastructure, agricultural projects, and so on. So that’s the solution.

So, Egypt, today, is suffering from a disease which was imposed on the world, already 40 years ago, if not even earlier. That’s the source of the problem, and the Egyptian people and other people are paying the price of that, today.

Egypt’s Youth Need LaRouche’s Ideas

LPAC: Egypt is, I think, the largest importer of wheat in the world.

Askary: Yes, probably one of the four largest ones.

LPAC: Right. So, what’s happening is a lot of the ships that are bringing in food, are not allowed to dock in the ports in Egypt, because the banks are basically shut down in Egypt. They can’t do business, so you can’t even get the food—

Askary: Yes, exactly. It’s the whole vitality of the society, and the survival of society will be totally blown into the air, if people in Egypt do as Obama or the British Foreign Office, or the European Union governments are saying: that President Mubarak suddenly disappears, and then, what happens after that? You know, it’s not only irresponsible, it’s totally criminal to propose such a thing. The best possible situation, is to make sure that there’s a peaceful, organized transformation, into a new government, a new Parliament. In all these years, of course, the government of Egypt, and the elites, were complicit in these policies, but they were like junior partners in a crime.

But then, there should be an organized way of get-
thing out of that; but at the same time, what the world can offer Egypt, is to offer them LaRouche’s ideas! And also, the idea of the universal principle which governs what you call “physical economy,” how nations can prosper, how human beings can use their creativity, in building both their nations and the world generally.

But also, young people have to understand these principles, but also adopt them as part of their identity. Because a lot of the young people who are demonstrating today are enraged; they are expressing rage, but they are not expressing a clear, organized identity, an idea of their identity as individuals, in their nations, and in the universe generally, because of the lack of knowledge, because we have had a degeneration of culture and education, all over the planet, for the last 30, 40 years!

So, young people today, although they have the right to be frustrated, the problem is that they don’t have the knowledge and the identity of how to get out of this crisis. And I think the type of work which is being done in the “Basement,”1 in LaRouchePAC and the LaRouche Youth Movement, that this is key to give young people a solution to get out of this type of crisis, and not simply be enraged and just try to go with “regime change.” The British will be very happy to help you do that! But you’ve got to be careful what you are wishing for.

LPAC: Is there anything else you would like to say, before we go?

Askary: You people in the United States have a great responsibility, but it comes with being a great nation, that you have that responsibility. You have your own problems to deal with there, with the President, Obama, but I think, in any case, people around the world always look to the United States for inspiration and a leadership role.

LaRouche has explained why the United States is capable of laying down the principles for a new international monetary and economic system, because of its Constitutional structure and its history, but also its own original American System. But people around the world always have this respect for the United States: that it’s not some sort of an imperial system, and they would be happy to work with the United States, if the United States has the right leadership.

1. To find out more about the scientific work of the LaRouche Basement team, see http://larouchepac.com/basement.
And working with LaRouche, as the mediator between LaRouche, as an American, and the Arab world, I have been working with that for many years; I definitely know, that people in the Arab world, in Southwest Asia and Africa, would be happy to have a dialogue with a United States represented by LaRouche, rather than a United States represented by Barack Obama or the Bush family, or Henry Kissinger.

So, people in the United States have to work with LaRouche, because this is the best asset you have, in order to be able to both address your own problems, and also to address the problems of the world.

**LPAC:** Hussein, thank you very much for your time. I appreciate all your thoughts on this very delicate situation. We have a lot of work to do. We’ll see you later.

**Askary:** And thank you, too. And keep up the good work.

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**Kissinger’s NSSM 200**

The first person who linked “overpopulation” to U.S. national security interests was Henry Kissinger, who, as National Security Advisor, oversaw the drafting of National Security Study Memorandum 200, entitled “Implications of Worldwide Population Growth for U.S. Security and Overseas Interests,” which was a highly classified document when it was completed on Dec. 10, 1974.

On Nov. 26, 1975, with Kissinger now Secretary of State, his successor as National Security Advisor, Gen. Brent Scowcroft, issued National Security Decision Memorandum 314, which adopted NSSM 200 as official (covert) U.S. policy on population matters. Here are excerpts:

The World Population Plan of Action is not self-enforcing and will require vigorous efforts by interested countries, UN agencies and other international bodies to make it effective. U.S. leadership is essential. . .

Assistance for population moderation should give primary emphasis to the largest and fastest-growing developing countries where there is special U.S. political and strategic interest. Those countries are: India, Bangladesh, Pakistan, Nigeria, Mexico, Indonesia, Brazil, the Philippines, Thailand, Egypt, Turkey, Ethiopia, and Colombia. Together, they account for 47% of the world’s current population growth. . .

Moreover, short of draconian measures there is no possibility that any LDC [Less Developed Country] can stabilize its population at less than double its present size. For many, stabilization will not be short of three times their present size. . .

Population growth per se is not likely to impose serious constraints on the global physical availability of fuel and non-fuel minerals to the end of the century and beyond. . .

The important potential linkage between rapid population growth and mineral availability is indirect rather than direct. It flows from the negative effects of excessive population growth on economic development and social progress, and therefore on internal stability, in overcrowded underdeveloped countries. . .

The real problems of mineral supplies lie, not in basic physical sufficiency, but in the politico-economic issues of access, terms for exploration and exploitation, and division of the benefits among producers, consumers, and host country governments. In the extreme cases where population pressures lead to endemic famine, food riots, and breakdown of social order, those conditions are scarcely conducive to systematic exploration for mineral deposits or the long-term investments required for their exploitation.