

# THE IMPERIAL OVERLORDS GIVETH, THE IMPERIAL OVERLORDS TAKETH AWAY

In the US yesterday, the big press outlets were reporting on a big push to give Egypt “aid” to get its economy back on track. (WaPo, NYT) Though the NYT’s URL (and original title, I think) used the word “aid,” what we’re really planning on doing is offering Egypt debt relief.

Nearly 16 months after first pledging to help Egypt’s failing economy, the Obama administration is nearing an agreement with the country’s new government to relieve \$1 billion of its debt as part of an American and international assistance package intended to bolster its transition to democracy, administration officials said.

In addition, we’re talking an IMF loan, economic liberalization of the sort that brought about the revolution in the first place, and a dog and pony show for the American Chamber of Commerce in Egypt.

The day before, on the other side of the pond, the Guardian and some other outlets reported on the loot Hosni Mubarak’s cronies stashed in England which hasn’t been frozen (and/or wasn’t before they hid it somewhere else).

Britain has allowed key members of Egypt’s toppled dictatorship to retain millions of pounds of suspected property and business assets in the UK, potentially violating a globally-agreed set of sanctions.

[snip]

Three days after Mubarak's downfall, with popular pressure to recover Egypt's 'stolen billions' mounting in the street, the interim government in Cairo requested that western authorities freeze the assets of several former regime members who were suspected of embezzling public funds and hiding them in property and business interests.

William Hague, the foreign secretary, told MPs the request would be co-operated with, and government ministers promised "firm, decisive and prompt action".

Yet although Switzerland took only half an hour to begin freezing Egyptian regime assets following Mubarak's overthrow, the UK took 37 days to follow suit – a delay which critics say could have allowed assets to be liquidated and illicit funds to be moved offshore.

And while Switzerland has frozen almost £500m of suspect Egyptian assets, the UK has frozen less than a fifth of that and returned none of it to Egypt.

Read the whole thing—the Guardian describes how some of Mubarak's cronies are opening new businesses in London.

The Guardian also reminds that one of the things that facilitated all this looting was the kind of "free market liberalizations" that the US is now applauding more of in Egypt.

An aggressive free-market reform programme instituted by the Mubarak regime in the 1990s and 2000s saw previously state-owned companies and landholdings shift into the hands of private businessmen at an astonishing rate. Prominent "big sharks" within the ruling NDP party – including Mubarak's playboy son and assumed successor Gamal – amassed huge riches.

Now, the “news” that England has been sheltering Egyptian loot is not news. I posted this 18 months ago.

The New York Times heralds that,

#### **Swiss Locate Funds Linked to Mubarak**

But what the story really reports is that the Swiss have located just “several dozen million Swiss francs,” which works out to less than \$38 million of the up to \$70 billion Hosni Mubarak reportedly looted from Egypt. The real headline of the story ought to be...

#### **Former Western Allies Dragging Feet on Mubarak’s Millions**

... as the important news of the story, appearing in paragraphs 11 and 12, is:

On Thursday, the United States Treasury Department advised American banks to monitor movements of funds by former senior Egyptian political figures that “could potentially represent misappropriated or diverted state assets, proceeds of bribery or other illegal payments.”

European foreign ministers are scheduled to discuss the issue at a meeting on Sunday and Monday. As of Friday, no reports had emerged that assets belonging to the Mubaraks or the five associates had been frozen in the United States or other countries in Europe.

In other words, while the Swiss have found some petty cash which might be Mubarak’s, no one in Mubarak’s former patron governments has bothered to freeze his assets (though the Treasury Department decided, a full week after

Mubarak stepped down, weeks after Western intelligence services apparently listened in on urgent Mubarak family conversations about moving their loot, and almost a month since it looked like he might be forced to step down, to **start** monitoring funds that might be his or other former top Egyptian officials).

And the same magnitude problem exists in the Guardian piece: it talks about hundreds of millions tracked to London, a mere pittance of the tens of billions that Mubarak looted from his country.

Still, can't anyone do the math here? Can't anyone figure out that more loans are not sustainable, and would be entirely unnecessary if western banks had just coughed up Mubarak's loot in the first place?

One of the funny parts of the NYT article is the reported motive the US has here, for getting Egypt stuck into another cycle of debt. You see, we're worried about China gaining influence in Egypt.

But not enough, apparently, to do the most obvious things to help Egypt out.