

The problem is that the Egyptian leadership has refused to take the necessary measures to deal with the crisis, which it has tried to postpone for decades. When *EIR* teams visited Egypt several times in the mid-1980s, it was obvious that there was a tremendous potential for bold political and economic initiatives. What President Mubarak finally said publicly only on Sept. 7, was common wisdom among all of the educated strata of Egypt by the late 1970s.

For those very reasons, *EIR* founder and contributing editor Lyndon H. LaRouche had planned to go to Egypt to address the issues of large-scale infrastructural programs, ranging from city-building projects in the Sahara Desert to its energy program of several nuclear power plants. But it did not take too long for Egyptian officials to be warned by the U.S. State Department that they had to choose between sponsoring a visit by LaRouche, and their monthly wheat supply. In the typical misguided thinking that confrontation should better be avoided, the choice was rapidly made. But by making such a choice, the Egyptian leaders increased the blackmail powers of the State Department and others over their country—and in recent years, they have seen these powers used.

The Egyptian leadership is learning the hard way, that concessions and compromises with those out to destroy their country, lead nowhere but to catastrophe. Yet, they are now in a situation where, whatever they do, they have nothing—or very little—to lose. They played by the international rules, like everyone else has done. Like everybody else, they have been trying to postpone the crisis and play for time; but they are finding that this does not work anymore.

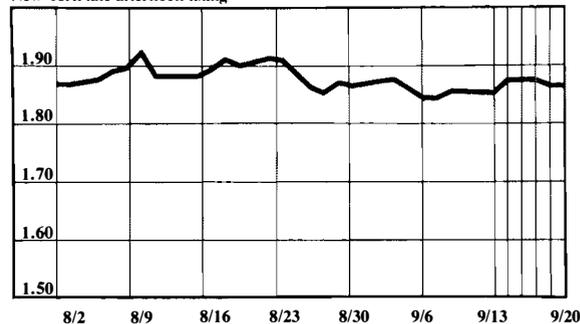
Washington does not consider itself bound by the sacrifices made by Egypt to preserve its relationship with the United States, least of all by the fact that Egypt is a co-partner in the Camp David peace treaty. Cairo cannot even attempt to play Moscow against Washington, because both are working together anyway. Moscow may be whispering sweet words to Egyptian ears, but its price is as unacceptable as the one demanded by the IMF.

Cairo can draw up as many political scenarios as it wants, but it has to face the fact that only a political offensive on the basic issues of debt, food, and survival will make any difference at this point. The Egyptians should take their own gloves off. They could provoke some interesting and healthy reactions, by making public the entire transcript of the Camp David negotiations, or the minutes of their meetings with IMF bankers. There should be more speeches like the one Mubarak gave in the Nile delta: The Egyptian leadership should put the issue directly to his people. Such an approach is also the only way to prevent the Islamic fundamentalist organizations—previously financed by Iran, and now by Libya to the tune of \$7 million—from capitalizing on the crisis. Because this is not the first time that IMF bankers and Libyan terrorists have converged in a common cause: wrecking havoc in Egypt.

Currency Rates

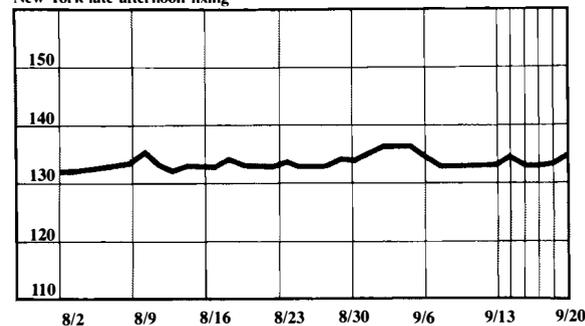
The dollar in deutschemarks

New York late afternoon fixing



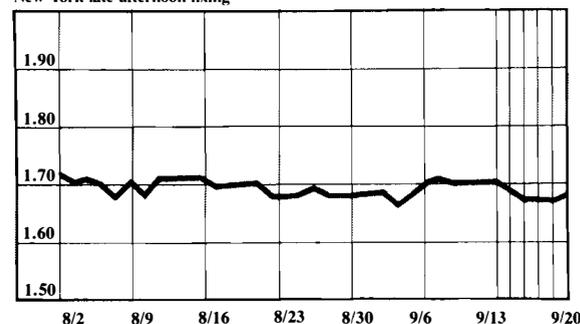
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

