

**Opening Statement of the Honorable Ed Royce (R-CA), Chairman
House Foreign Affairs Committee
Hearing on "Next Steps on Egypt Policy"
October 29, 2013**

(As Prepared for Delivery)

Today we look at the very challenging U.S-Egypt relationship. Since President Hosni Mubarak's fall, Egypt has been in political, economic and social turmoil. This has seriously strained - some suggest imperiled - our very important relationship. It has certainly put our considerable interests in the region at risk.

Like many Arab countries, Egypt is struggling to overcome a lack of democratic traditions. While the Muslim Brotherhood-led government was democratically elected, it governed autocratically. Yet the U.S. Administration was perceived as passive as President Mohamed Morsi grabbed power – squashing individual rights, sidelining the courts and declaring himself above the law. Coptic Christians in particular were left vulnerable, facing frequent deadly attacks. Today, it is critical that the U.S. use its influence to help guide the new government toward a democratic constitution that respects individual liberties, including those of women and minorities.

Maybe enough Egyptians have realized that their proud and historic country could become violent and ungovernable if they refuse to move ahead in a peaceful and positive way. This will require that the government reach out to responsible opposition members, instead of vilifying them with a broad brush. But it also demands a determined and sustained campaign against those Brotherhood activists who are deeply committed to violence and tyranny. The fact that these extremists are actively hostile to American interests binds us with the Egyptian government. That is why I support a continued and robust military relationship with Egypt. Today, we'll hear what the Administration has planned in this area.

A too-little noted reality is that Egypt has little chance of becoming a stable democracy given its destructive economic policies. The revolt against Mubarak was largely inspired by economic grievances. Renowned Peruvian economist Hernando de Soto testified to this Committee earlier this year that Egyptian entrepreneurship suffers from a systematic lack of property rights. Unfortunately, the current government is perpetuating the stagnant and corrupt Mubarak economic model, complete with price controls on market vendors – it was market vendors who sparked revolts throughout the region in 2011 through self-immolation.

Our decades of economic aid to Egypt - in the tens of billions - propped up an economy that produced great unemployment and popular discontent. Development aid without fundamental economic reform in Egypt is sure to be wasted. To date, the Administration has had often-meaningless consultations with Congress on its aid plans. That will have to change.

Of course, Egypt is a crisis decades in the making. We should learn from our mistakes. More importantly, Egyptians must learn from their mistakes. It is they who'll determine their nation's future, not us. Hopefully they'll reject the form of extremism that will only lead to the rights of women being eviscerated, minorities under attack and a gutted judicial system. As one Egyptian recently told the *Economist*, the Muslim Brotherhood was implementing a plan to "burn down Egypt" and destroy its foundation.

While we would like a democratic partner for our many security interests in the region, we need a partner. We should push and pull with what influence we have.