America's Egypt: Discourse of the Development Industry

Tim Mitchell


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Open almost any study of Egypt produced by an American or an international development agency and you are likely to find it starting with the same simple image. The question of Egypt’s economic development is almost invariably introduced as a problem of geography versus demography, pictured by describing the narrow valley of the Nile River, surrounded by desert, crowded with rapidly multiplying millions of inhabitants.


Although the country contains about 386,000 square miles, ... only a narrow strip in the Nile Valley and its Delta is usable. This area of 15,000 square miles — less than 4 percent of the land — is but an elongated oasis in the midst of desert. Without the Nile, which flows through Egypt for about a thousand miles without being joined by a single tributary, the country would be part of the Sahara. Crammed into the habitable area is 98 percent of the population ... The population has been growing rapidly and is estimated to have doubled since 1947."

The visual simplicity of the image, spread out like a map before the reader’s eye, combines with the arithmetical certainty of population figures, surface areas and growth rates to lay down the logic of the analysis to follow: “One of the world’s oldest agricultural economies," a report written for the US Agency for International Development (USAID) begins.

Egypt depends upon the fruits of the narrow ribbon of cultivated land adjacent to the Nile and to that river’s rich fan-shaped delta. For more than 5,000 years agriculture has sustained Egypt. During the first half of this century, however, ... the growth of agriculture failed to keep up with the needs of a population which doubled, then nearly tripled. It is a matter of simple arithmetic ..."

The popularity of this image of space and numbers is summed up in the World Bank report. “These two themes — the relatively fixed amount of usable land and the rapid growth of the population — will be seen as leitmotifs in the discussion of Egypt’s economic problems.”

Fields of analysis often develop a convention for introducing their object. Such tropes come to seem too obvious and straightforward to question. The somewhat poetic imagery favored by writers on Egyptian development seldom lasts beyond the opening paragraph, and the text moves quickly on to the serious business of social or economic argument. Yet the visual imagery of an opening paragraph can establish the
The entire relationship between the textual analysis and its object. Objects of analysis do not occur as natural phenomena, but are partly constructed by the discourse that describes them. The more natural the object appears, the less obvious this discursive construction will be.

The description that invariably begins studies of Egypt’s economic development constructs its object in two respects. In the first place, the topographic image of the river, the desert surrounding it, and the population jammed within its banks defines the object to be analyzed in terms of the tangible limits of nature, physical space and human reproduction. These apparently natural boundaries shape the kinds of solutions that will follow: improved management of resources, and technology to overcome their natural limits. Yet the apparent naturalness of this imagery is misleading. The assumptions and figures on which it is based can be examined and reinterpreted to reveal a very different picture. The limits of this alternative picture are not those of geography and nature but of powerlessness and social inequality. The solutions that follow are not just technological and managerial, but social and political.

In the second place, the naturalness of the topographic image sets up the object of development as just that—an object, out there, not a part of the study at all. The discourse of international development constitutes itself in this way as an expertise and intelligence that stands completely apart from the country and the people it describes. Much of this intelligence is generated inside organizations such as the World Bank and USAID, which play powerful economic and political roles within countries like Egypt. International development has a special need to overlook this internal involvement in the places and problems it analyzes, and to present itself instead as an external intelligence that stands outside the objects it describes. The geographical realism with which Egypt is so often introduced helps establish this deceptively simple relationship.

**Too Many People?**

We can start with the basic image of overpopulation and land shortage. Whenever you hear the word “overpopulation,” Susan George suggests, “you should reach, if not for your revolver, at least for your calculator.” It is seldom clear, as she points out, to what the prefix “over” refers. What is the norm or the comparison to which it relates? “Egypt has the largest population...in the Middle East,” notes the World Bank’s report, *Trends in Developing Economies*. “Its 52 million people are crowded into the Nile delta and valley...with a density higher than that of Bangladesh or Indonesia.” Why Bangladesh and Indonesia? The World Bank might equally have mentioned Belgium, say, or South Korea, where population densities are respectively three and four times higher than Indonesia—but where the comparison would have a less negative implication.

It is true that Egypt’s level of agricultural population per hectare of arable land is similar to that of Bangladesh, and about double that of Indonesia. But Egyptian agricultural output per hectare is more than three times that of both Bangladesh and Indonesia. So it is not clear that Egypt is overpopulated in relation to either of these countries.

Perhaps it would be more realistic to gauge Egypt’s land shortage by comparing it not with poorer countries but with places that have a similar total population and per capita GNP, combined with far greater areas of cultivated land. The Philippines and Thailand are the two closest examples in population size and GNP, and have cultivated areas respectively three times and eight times that of Egypt. Yet despite the enormous difference in usable land, Egyptian agricultural output per worker is perhaps 8 percent higher than that of the Philippines and 73 percent higher than that of Thailand.

Despite the visual power of the image of 50 million Egyptians crowded into the valley of the Nile, then, there is no prima facie evidence for the assumption that this population...
is too large for its cultivable area. Perhaps it might be argued in more general terms that the world's population exceeds some "equilibrium" in relation to its resources. In that case, however, there is no reason to single out Egyptians. On the contrary, Egyptians make very modest demands on the world's resources compared with inhabitants of Western Europe, Japan and North America. One inhabitant of the United Kingdom, for example, requires more of the world's energy per year than six Egyptians, and one American is more expensive in energy terms than a dozen Egyptians. So it can hardly be the latter who are threatening the world's limited resources.

Perhaps having 50 million inhabitants does not, after all, make Egypt "overpopulated." Development experts might still insist that the problem is not the size of Egypt's population but the rate at which it is growing. A US Department of Agriculture report asserts that the country's "exploding population is the most serious problem facing Egypt today." The rapid growth in population appears to have outstripped the country's ability to feed itself, and since 1974 Egypt has been a net importer of agricultural commodities. Food today accounts for about a quarter of Egypt's merchandise imports, a higher proportion than for all except one of the world's 78 middle-income and high-income countries (for whom, on average, food accounts for only 10 percent of imports). It would appear from these figures that the case for an imbalance between population figures and agricultural resources has been established after all.

Not Enough Food?

But before accepting this conclusion we should reach, once again, for the calculator. Between 1965 and 1980, according to World Bank tables, the population of Egypt grew at an annual rate of 2.2 percent. Yet during the same period, the World Bank also shows, agricultural production grew at the even faster rate of 2.7 percent a year. During the 1980s, when the population growth rate increased to 2.7 percent a year, agricultural growth continued to keep ahead. In 1987, food production per capita was 11 percent higher than at the beginning of the decade. So it is not true that the population has been growing faster than the country's ability to feed itself.

Then why has the country had to import ever increasing amounts of food? Let's look at the kinds of food being eaten, and at who gets to eat it.

Official statistics suggest that Egyptians consume relatively large amounts of food. Although Egypt falls near the bottom of the World Bank list of middle-income countries, the country's daily calorie supply per capita is estimated to be higher than all except four of the other middle-income countries, and indeed higher than a majority of the world's high-income countries as well. The daily protein supply per capita also far exceeds the level of most middle-income countries and rivals that of many high-income countries.

Despite these figures, Egyptians suffer from high levels of malnutrition. A 1979 study by the Massachusetts Institute of Technology and Cairo University found that in Lower Egypt 83 percent of children up to five years old were malnourished.
including 27 percent suffering from third-degree (severe) malnourishment. A study of anemia (probably caused by the interaction of malnutrition and infection) in Cairo found the condition in 80 percent of children under two years old and in 80 percent of pregnant women. Clearly the high figures for calorie and protein supply per capita do not reflect actual food consumption of very many Egyptians.

What the calorie supply figures probably reflect is high levels of food consumption among the better off, a shift in what they consume towards more expensive foods, especially meat, and a significant diversion of food supplies from humans to animals. Jean-Jacques Dethier notes that “the aggregate income elasticity of demand for food is extremely high in Egypt.” In other words, there is an extremely high variation in the value of the food consumed by the rich and that consumed by the poor.

The 1974-75 consumer budget survey showed that among the urban population, the richest 27 percent consumed almost four times as much meat, poultry and eggs per year as the poorest 27 percent. In the subsequent oil-boom years, income growth, together with massive US and Egyptian government subsidies, encouraged a broader switch from legumes and maize (corn) to less healthy diets of wheat and meat products. From 1970 to 1982, while crop production grew in real value by 17 percent, livestock production grew almost twice as much, by 32 percent. In the following seven years, crop production grew by 10 percent, but livestock production by almost 50 percent. To produce one kilogram of red meat requires 10 kilograms of cereals. Feeding these animals has required an enormous and costly diversion of staple food supplies from human to animal consumption. Protein in the form of animal products costs Egyptians in real terms (discounting subsidies) about 10 times the price of eating it in the form of beans and lentils.

**Fodder for Peace**

This switch to meat consumption, rather than the increase in population, has required the dramatic increase in food imports, particularly of grains. Between 1966 and 1988, the population of Egypt grew by 75 percent. In the same period, the domestic production of grains increased by 77 percent, but total Egyptian grain consumption increased by 148 percent. From 1974 onwards, Egypt began to import enormous and ever increasing quantities of grain, becoming the world’s third largest importer after Japan and China. A small proportion of the increase in imports reflects an increase in per capita human consumption, which grew by 12 percent in this 22-year period. The bulk of the new imports was required to cover the increasing use of grains to feed animals. Grain imports grew by 5.9 million metric tons between 1966 and 1988; non-food consumption of grains (mostly animal feed, but also seed use and wastage) grew by 5.3 million tons, or 258 percent.

The massive dependence on grain imports since 1974 owes not to population growth, but to a shift to meat consumption. Rather than importing animal feed directly, though, Egypt has diverted domestic production from human to animal consumption; human consumption of maize (corn) and other coarse grains (barley, sorghum) dropped from 53 percent of domestic production in 1966 to 8 percent in 1988. Human supplies were made up with imports, largely of wheat for bread making. So it appears as though the imports were required because people needed more bread. USAID has supported the massive shift to meat consumption among the better off since 1975 by financing over $3 billion worth of Egyptian grain purchases from the United States. Yet the agency claims that the purpose of these subsidies has been “to help the poor.”

Subsidized American loans have financed only a part of the grain imports. The rest have required further borrowing, contributing to a total external debt that by the end of 1988 reached $50 billion, equivalent to 142.5 percent of the country’s GNP or five times the value of its exports of goods and services. Egypt now requires large loans just to keep up interest payments on its earlier loans. As a condition of this refinancing, the International Monetary Fund (IMF) and USAID insist on a further shift towards export crops, away from staple foods, to produce more hard currency to pay off the debt.

The transformation in food consumption habits has affected not only agricultural imports and the balance of payments but also domestic agriculture. It is no longer accurate to write that Egyptian capitalist agriculture “still is to a large extent the cultivation of cotton.” In terms of the commitment of land and labor the priority is now the production of meat, poultry and dairy products. Cotton, a year-long crop, today occupies only about one million of Egypt’s six million feddans (acres). The other major year-round industrial crop, sugar cane, occupies a little over a quarter of a million feddans. Of the remaining four and three-quarter million feddans, more than half is used to grow animal fodder—principally Egyptian clover (berseem) in the winter and maize and sorghum in the summer and autumn. As a result, Egypt now grows more food for animals than for humans.

The shift to the production of meat and other animal products has two principal causes. First, as Ikram puts it, “effective demand has been modified by a change in income distribution.” In other words, the growing disparity in income between rich and poor has enabled the better off to divert the country’s resources from the production of staples to the production of luxury items. Second, the Egyptian government, supported by large American loans, has encouraged this diversion by subsidizing the import of staples for consumers, heavily taxing the production of staples by farmers, and subsidizing the production of meat, poultry and dairy products. Livestock raising is particularly concentrated on large farms, those over 10 feddans, where there are three to four times as many cattle per feddan as on farms of 1 to 10 feddans. Yet as a result of government food policy even the smallest farmers have been forced to shift from self-provisioning to the production of animal products and to rely increasingly on subsidized imported flour for their staple diet.

The image of a vast, overbreeding population packed within

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* One feddan = 1.038 acres or 0.42 hectares.
analyses of Egyptian economic development to move very quickly past the problem of access to land. With so many people occupying so little space, the problem appears to be already explained. "The present picture is not bright," concludes a 1978 study for USAID discussing the "Economic Status of the Farmer," "mainly because there is just not enough land to go around."

The average size of a holding is two feddans, 94 percent of all owners have less than 5 feddans each, and only 0.2 percent have at least 50 feddans each.

This picture of a countryside made up of millions of tiny parcels of land persuades us once again that if Egyptian farmers are finding things difficult, it is because there are just too many of them for the space available. We should ignore the image and check the figures. First of all, holdings of less than 5 feddans are not as small as they may seem. With Egypt's fertile soils, year-round sunshine and permanently available irrigation water, the country is like a vast open-air greenhouse; high yields can be obtained from two or even three crops a year. A 5-feddan holding, in other words, produces between 10 and 15 feddans of crops a year. In fact, 5 feddans is reckoned to be the maximum area a family of 5 can cultivate on its own, working full time, without hired labor.

The minimum farm size required for such a family to feed itself, assuming an annual consumption of 250 kilograms of grains (or equivalent) per head and a state tax of 30 percent of production, was estimated in 1982 to be 0.8 feddan, or just over 19 qirats (1 feddan = 24 qirat).

The increase in yields since then, the minimum area required by 1988 would be only 0.625 feddan, or 15 qirats.

The USAID report mentioned that 94 percent of landholdings were of less than 5 feddans. What it failed to mention is that the remaining 6 percent of landholders, with holdings from 5 feddans up to the legal limit of 50 feddans per individual or 100 feddans per family with dependent children, controlled 33 percent of the country's agricultural area. Since the mid-1970s these large landholdings have increased in number; by 1982 they represented 10 percent of holdings and controlled 47.5 percent of the country's cultivated area.

The official figures underestimate the concentration of landholding, for they are based on village land registers. Actual studies of landholding in individual villages frequently reveal a much greater concentration of ownership, with the largest farms being registered under several different names to stay within the legal limit. The official limits also do not apply to the large holdings of agribusiness corporations. Bechtel International Agribusiness Division, for example, manages a 10,000-feddan estate in Nubariyya owned by a Gulf investor. The Delta Sugar Company, 50.3 percent owned by the Egyptian state sugar company and 49.7 percent by a group of Egyptian and international banks, owns a 40,000-feddan estate on irrigated land in the north-central Delta.

The official limit of 50 to 100 feddans should be compared with the limit of around 7 feddans (3 hectares) achieved in the early 1950s by the land reform programs of Taiwan and South Korea. In Korea, less than 20 percent of the land in 1975 was held in farms of 2 hectares or more (approximately 5 feddans),

**The Land Question**

The image of a narrow strip of fertile land crammed with so many millions of inhabitants enables most contemporary
while in Egypt almost half the land (47.5 percent) is in holdings above this limit. On the other hand, almost one third of landholders in Egypt (32.3 percent) have holdings under one feddan, amounting to only 6 percent of the agricultural area. A significant but unmeasured proportion of the agricultural work force, which totalled 4.3 million workers in 1985, still remains without any land at all.

If Egypt were to carry out land reform measures comparable to those of South Korea and Taiwan, the problem of landlessness and near landlessness would be eliminated. By placing the ceiling on landholding at 3 feddans (almost 5 times the minimum required to support a family), at least 2.6 million feddans of land would be available for redistribution. If distributed to the landless and near landless, no agricultural household in Egypt would have less than the 15 qirats required to feed itself. Total agricultural production might also increase, as there is evidence that small farmers produce larger yields per feddan than large farmers.

The discussion of land holding usually ignores the large proportion of land held in amounts over 5 feddans, and refers to such holdings as merely “medium” sized. Only holders of more than 50 feddans are labelled as “large” landowners. This 50 feddan threshold, incorporated into the 1969 land reform law, was the definition of “large” landowner formulated in 1894 by the British Consul-General in Egypt, Lord Cromer, in accordance with British political and fiscal interests. It takes no account of the contemporary interests of most Egyptian farmers. Nor does its continued use reflect the fact that crop yields have increased by a factor of 4.5 over the last 100 years. A 50 feddan farm today produces as much output as a 225 feddan farm of the 1890s, or perhaps a 500 feddan farm if one takes into account the spread of perennial irrigation and the introduction of double and triple cropping.

The question of additional land reform is simply never raised in studies of the obstacles to Egypt’s further economic development. Thanks to the powerful image of millions of Egyptian peasants squeezed into a narrow river valley, we accept the assumption that holdings are already as small as is practicable, and move quickly on to other sorts of solutions.

**Development Industry Solutions**

Once the problems Egypt faces are defined as “natural” rather than political, questions of social inequality and powerlessness disappear into the background. The analysis can then focus instead on how to overcome these “natural” limits of geography and demography.

The international development industry proposes and funds two complementary sets of methods for the solution of Egypt’s problems, the technological and the managerial. The productive limits set by nature, in other words, will be overcome by the forces of technology, while existing natural resources will be made more productive by more efficient management—in particular by dismantling the bureaucracy of the Egyptian state.

The geographical determinism of the image of the River Nile and its inhabitants often introduces a certain construc-
tion of history implying an agricultural order that remains in essential ways unchanged since antiquity. Only recently, it seems, has this ancient world discovered the West—or its synonym, “the 20th century.” “The Nile Delta and its lifeline, the Nile River Valley extending southward some 600 miles,” began the 1976 US Department of Agriculture (USDA) report, “is one of the oldest agricultural areas of the world, having been under continuous cultivation for at least 5,000 years…”

With this in mind we are ready to accept a few lines further down the strange idea that, “In many respects, Egypt entered the twentieth century after the 1952 Revolution.”42 A 1977 USAID report baldly states that “The transformation of the Egyptian village started twenty-five years ago with the agrarian reform measures.”43

The implication of these statements and images—that until the latter half of the 20th century life in the Nile Valley had remained essentially unchanged for centuries if not millennia—is, of course, highly misleading.44 It ignores hundreds of years of far-reaching economic and political changes, such as the growth in the Middle Ages and subsequent decline of a network of world trade passing through the Nile Valley. The consolidation in the 18th century of a system of export-oriented agricultural production based on the new institution of private landownership involved transformations in Egyptian villages arguably at least as important as that of 1952.45

Ignoring such developments creates the impression that the Nile Valley poverty that exists today is the “traditional” poverty of a peasantry that has not yet or has only recently joined the “20th century”—rather than very much a product of the political and economic forces of this century.

This image of a traditional rural world implies a system of agriculture that is static, and cannot change itself. If Egypt “is to fully enter the modern world,”46 the impetus and the means must come from outside. These external forces must carry out a “qualitative transformation” of Egyptian agriculture.47 New capital investment, new irrigation methods, improved seed varieties, mechanization, and the switch to export crops such as vegetables and cut flowers to bring in the foreign capital required to finance such technologies—these are the principal means to achieve this transformation.

The Agricultural Mechanization Project, funded by USAID in Egypt between 1979 and 1987, used just this image of a “traditional” agricultural system to justify technological solutions to the problems of rural Egypt. The project’s stated aim was to encourage the mechanization of Egyptian farming by purchasing equipment from the United States for field trials and demonstration programs in Egypt, financing the construction of service centers for the machinery, and sending Egyptians to the United States and other countries for training in “the techniques of technology transfer.”48 The contract for this $38 million project was awarded to Louis Berger
International Inc. of East Orange, New Jersey. In their Final Report, the contractors introduced the “underlying philosophy” of the mechanization program:

To ensure that the project serves the purposes of development, it is necessary to relate mechanization to development theory so that mechanization does not conflict with, but rather is supportive of, development objectives.63

To this end, they drew on the ideas of T.W. Schultz, whose Transforming Traditional Agriculture was an early classic of economic development theory. Schultz argued that farmers in "traditional" agriculture make efficient use of their resources within the limits of the expertise and technology available to them. Through long years of trial and error, he claimed, they have eliminated inefficiencies and wastage and reached "a particular type of equilibrium" in which the agricultural economy is "incapable of growth except at high cost." Only massive inputs of new technology and capital from outside this equilibrium can enable the farmer "to transform the traditional agriculture of his forebears."64 "In other words," Louis Berger Inc. explain,

the continued investment in traditional inputs will produce very little in terms of an additional income stream. Consequently, the transformation from traditional agriculture is an investment problem dependent on a flow of new high-payoff inputs: the inputs of scientific agriculture.65

There has probably never been a "traditional" agriculture resembling Schultz’s description. Certainly no such system has existed in Egypt in recent historical memory, still less in the 1980s when Louis Berger Inc. arrived there from New Jersey. What is missing most of all from Schultz’s account of individual farmers making rational decisions to maximize their income is any concept of social and economic inequality. For example, poor farmers in Egypt usually cannot afford sufficient fertilizers for their crops and get lower yields as a result. The most “efficient” allocation of resources in Schultz’s terms, as Polly Hill points out, would allocate no land at all to the poorest farmers.66

Despite the lack of firm evidence for Schultz’s rather dated argument, it supplies the “philosophy” to justify US funding for the mechanization of Egyptian agriculture. Mechanization has also been heavily funded by the World Bank and by the Japanese Agency for International Cooperation.67 These external funds required large additional contributions from the Egyptian government, which was already providing farmers with subsidized loans and fuel. Consultants hired by USAID claimed that this “high-payoff” solution to Egypt’s problems would shorten the interval between crops and increase crop yields by as much as 55 percent.68 This claim contradicted evidence from other countries, which suggested that higher crop yields occur with mechanization only in exceptional cases, and certainly not under conditions of intensive land use as in Egypt.69 It also contradicted existing experience in Egypt.
where, as Alan Richards reported, "there is no evidence that tractor farms have higher yields or cropping intensities than unmachined farms." A subsequent study showed that indeed no increase in yields had occurred.

The demand for mechanization had grown among large landowners in the later 1970s due to a supposed shortage of agricultural labor which lasted into the early 1980s. This "shortage" took the form of a temporary rise in the wages of male agricultural laborers, particularly in regions close to large cities, caused by the higher wages available for urban construction work during the building boom of that period and by labor migration to the Gulf. Agricultural wages, having averaged only one third of the average real wage for all economic sectors during the first half of the 1970s, for a while began to catch up with urban wages. Large farmers, given the artificially low prices they received for their crops, were unable or unwilling to pay the higher wages. The true cause of the labor "shortage," in other words, was the unequal distribution of land into large farms requiring hired labor, and the low agricultural prices imposed by the state. Rather than addressing these problems, the state, large farmers and international development agencies turned to the "high-payoff" program of mechanization. The high-payoffs did not increase yields, but did bring higher profits to the new machine owners and their foreign manufacturers. The demand for rural male labor was reduced once again and the inequalities between agricultural laborers and landowners were kept in place. It is these inequalities that mechanisation and other "high-payoff" inputs consolidate, and that accounts of the Nile Valley and the need to transform its "traditional" agriculture keep from view.

### Inequality and the State

There is a second dimension to rural inequality in Egypt, and a second aspect to the historical image of the Nile Valley that tends to naturalize it. The rural poor have suffered not only from local inequalities in distribution of land and other resources, but also from the inequality of central government policies that transfer wealth from the rural population to the state. The state has come to play a major role not just in maintaining inequality but in producing it. This is a political question: whom does the state represent and who benefits from the wealth it appropriates? International development depoliticizes this issue and transforms it into a question of proper resource management. The solutions that follow are those that are supposed to increase efficiency: decentralizing the state and transferring some of its powers to the "market."

Before the 1952 revolution, large landowners extracted wealth from the farming population and transferred it elsewhere. Since 1952, although significant landholding inequalities have continued, the majority of farmers have come directly under the control of the central government and have been subject to its compulsory cropping requirements, requisitions and price policies. Even if one takes into account state investment in irrigation and subsidies of farm inputs, Dethier has calculated, the net effect of government policies between 1960 and 1985 was to appropriate 35 percent of agricultural GDP.

Small farmers, moreover, have suffered more than larger landowners, who have had greater opportunity to invest in more profitable areas such as fruit, vegetable and dairy farming. Since the mid-1970s, and particularly in the late 1980s, the compulsory cropping and price fixing policies have been gradually altered to reduce the disadvantages to the rural population. But the changes have been carried out in a way that benefits primarily larger landowners. Smallholders continue to be disproportionately involved in cotton, rice and sugar cane production, where fixed prices and compulsory deliveries to the state have been retained.

This system of appropriating wealth from the countryside needs to be examined as a political process, in which state policies have reflected a complex of dominant (although not always coherent) social interests—those of the state bourgeoisie, the state-supported private sector, and larger rural landowners. The image of the Nile valley, its population, and a 5,000 year old agriculture makes it possible to ascribe this appropriation instead to a "tradition" of "strong central government" determined by the geography of the Nile Valley and stretching back to Pharonic times. Thus the coordinator of a USAID-funded program at Eastern Kentucky University
providing management training to Egyptian local government officials explains:

For centuries Egypt has been governed as a political system with a highly centralized decision-making process. Although there have been a few minor exceptions, this statement is valid for the period since the unification of Upper and Lower Egypt was accomplished late in the fourth millennium B.C.—i.e., for at least the past 5 thousand years.33

Drawing on familiar imagery, the author goes on to explain this centralized power in geographical and demographic terms:

Integral to the question of administrative structure of the Arab Republic of Egypt is its principal social and economic problem—over-population—and the Nile river. Although the land mass area of the ARIE includes 385,000 square miles, over 50 percent of the population resides on the 4 percent of the land area adjacent to the Nile valley and its delta.34

Depoliticized in this way, the state’s role in agriculture ceases to be a question of power and control over people’s resources and lives. It becomes instead a problem of management. The intervention of the state has resulted in “disequilibrium.” Some natural balance between forces of agricultural supply and demand (“the market”) has to be restored by processes of “readjustment.”35

To restore this equilibrium, USAID has tried to promote in rural Egypt a gradual dismantling of the role of the state, under the slogans of “decentralization” and “privatization.” By increasing the role of local officials and involving elected village councils, USAID claims to be encouraging “democracy and pluralism.”36

To weaken the power of the central bureaucracy might be a positive step for rural Egyptians; the actual political outcome will depend on the distribution of resources and power at the provincial, district and village levels to which authority and funds are transferred. Local government or the private sector is not necessarily more democratic, or even more efficient, than the central government. Popular village councils, if they have any role at all, are frequently controlled by powerful village landowners and local officials. Decentralization may do no more than shift exploitation from one agency to another.

A review of decentralization projects in eight different villages found that funds had gone to improvements in infrastructure and to income-producing projects such as milk refrigeration units, animal husbandry, poultry, bee and silkworm raising, date packaging, olive canning, carpentry and furniture making, and the purchase of trucks, tractors and taxis. The report, written for USAID, notes that “naturally, not all villagers have savings that enable them to invest in these projects; the profits accrued to those in “middle to upper bracket income groups more than poor folks.”37 An olive pickling and canning project in a village in Fayyum, for example, provided employment for 200 villagers but served the marketing needs of just five wealthy farmers, for only wealthy farmers can afford to grow olive trees. Likewise, only the wealthy villagers can hope to raise bees, because the economic success of such an enterprise requires raising at least 20 beehives, which is a large investment. Village officials such as agronomists often enter into partnership with such farmers and undertake such projects on their own.38

In other words, when it transfers resources to an existing system of inequality, “decentralization” is liable to reinforce that inequality. The profits go to large farmers and local state officials and the poor receive, at best, only certain opportunities for wage labor. The USAID report acknowledges that “the better off, the more educated and expert officials benefit more than ordinary villagers,” but argues that this is “developmentally advisable.” The relationship between rural capitalists and wage earners should not be called exploitation, the report says, but is termed instead “differential advantage,” meaning “the variable ability of individuals or groups to make better use and reap greater benefits than others from available opportunities.”39 A sure way to “reap greater benefits” from an investment, of course, is to pay lower wages to those one employs. This “ability” is based on a distribution of land that leaves many villagers with no resources besides their labor, on the absence of a set minimum wage, and on a system of patronage, policing and surveillance in rural Egypt that prevents “poor folks” from protesting or organizing to change their condition.

Object of Development

A final aspect of the geographical image of the Nile Valley is
the way it removes from sight the participation of development agencies in the dynamics of Egyptian political and economic life.

By portraying the country and its problems as a picture, laid out before the mind’s eye like a map, the image presents Egypt itself as something natural. The particular extent of space and population denoted by the name “Egypt” is represented as an empirical object. Development literature reproduces the convention that Egypt exists as a sort of free-standing unit, lined up in physical space alongside a series of similar units. The workings of this unit—its economic functions, social interactions, and political processes—are understood as internal mechanisms. They constitute the unit’s inside, to be distinguished from economic and political forces that may affect it from outside.

This convention of imagining countries as empirical objects is seldom recognized for what it is—a convention. The relations, forces and movements that have shaped people’s lives over the last several hundred years have never, in fact, been confined within the limits of nation-states, or respected their borders. The value of what people produce, the cost of what they consume, and the purchasing power of their currency depend on global relationships of exchange. Movements of people and cultural commodities form international flows of tourists, television programs, information, migrant workers, refugees, technologies and fashions. The strictly “national” identity of a population, an economy, a language or a culture is an entity that has to be continually reinvented against the force of these transnational relations and movements.

The apparent concreteness of a modern nation state like Egypt, its appearance as a discrete object, is the result of recent methods of organizing social practice and representing it: the construction of frontiers on roads and at airports; the attempt to control movements of people and goods across them; the production of maps and history books for schools; the deployment of mass armies and the indoctrination of those conscripted into them; the representation of the nation-state in news broadcasts, international sports events and tourist literature, the establishment of a national currency and language; and, not least, the discourse of “country studies” and national statistics of the American-based international development industry.

These essentially practical arrangements of language, imagery, space and movement are mostly of very recent origin. We tend to think of them as processes that merely mark out and represent the nation-state, as though the nation-state itself had some prior reality. In fact, the nation-state is an effect of all these everyday forms of regulation and representation, conjured up by them in the appearance of an empirical object. The geographical imagery of the Nile and its inhabitants that introduces so many studies of Egyptian development invokes and reproduces this effect.
Model Answers

There are two consequences of the way development economics takes for granted the nation-state as its object. The first is the illusion of the “model.” Portrayed as a free-standing entity, rather than as a position within a larger arrangement of transnational economic and political forces, a particular nation-state appears to be a functional unit—something akin to a car, say, or a television set—that can be compared with and used as a model for improving other such units. This supposed comparability is emphasized by the annual volumes of statistics produced by international development agencies. Economic features of one state appear to be neatly transferable to other states, regardless of their different position in larger economic and historical networks.

In Egypt’s case, agencies like the IMF and USAID promote the growth of exports as the solution to the country’s economic problems. Egypt is to develop the export of winter vegetables and cut flowers to markets in Europe and the Persian Gulf, along with textiles and possibly other light manufactured goods, in order to earn the hard currency to keep up interest payments on its foreign debts. The idea is that Egypt and similar countries should follow the path of the so-called economic miracles of East Asia—Singapore, Hong Kong, Taiwan and South Korea.

This notion that solutions from East Asia provide a model for other Third World states is curious. Egypt’s merchandise exports in 1987 amounted to less than one-fifth of one percent of world trade. More than two-thirds of this merchandise consisted of oil, the supply of which will decline in coming decades. To match the per capita level of exports of Singapore, Egypt would have to expand its exports to capture 23 percent of world trade—or significantly more than the merchandise exports of Japan and the United States combined. Even the far more modest goal of matching South Korea, whose exports were worth $1,120 per capita in 1987, would require Egypt to capture a massive 2.35 percent of world trade. This would involve a 40-fold increase in non-oil exports, from the present annual level of about $1.25 billion to more than $52 billion.

There is no evidence that Europe’s demand for airlifted shipments of Egyptian cut flowers and winter tomatoes might grow by even a fraction of this amount. In the absence of the kind of far-reaching land reform carried out in South Korea, there is also no evidence that such export policies would be of any benefit to the landless and near-landless majority of rural Egypt. Finally, this export-oriented solution is supposed to occur in a period of economic retrenchment—and in a period when half a dozen large Third World economies are adopting similar remedies and competing for the same market.

Agencies Above and Outside

There is a second consequence of the way the imagery of the Nile Valley and its people constitute Egypt as a self-contained object. The geographical metaphor that introduces the reports of an organization like USAID in Cairo evokes an entity “out there.” The organization itself, the metaphor suggests, is not
an aspect of this object. It stands above the map of Egypt to measure and make plans. USAID is not marked, so to speak, on the map.

Development discourse thus practices a self-deception—what Partha Chatterjee calls “a necessary self-deception, for without it it could not constitute itself.” A discourse of rational planning, to plan effectively, must grasp the object of its planning in its entirety. It must represent on the plans it draws up every significant aspect of the reality with which it is dealing. A miscalculation or omission may cause the missing factor to disrupt the execution of the plan. Its calculations must even include the political forces that will affect the process of execution itself.

This calculation has a limit, which is where the self-deception is required. As Chatterjee points out, the political forces which rational planning must calculate affect not only the execution of plans but the planning agency itself. An organization like USAID, which must imagine itself as a rational consciousness standing outside the country, is in fact a central element in configurations of power within the country. Yet as a discourse of external rationality, the literature of development can never describe its own place in this configuration of power.

Consider the case of USAID’s decentralization program, designed to reduce the role of the state and encourage “democracy and pluralism” by channeling funds to private initiatives at the village and district level. Yet the report from which I quoted suggested that among the principal beneficiaries of these funds were local government officials, state agricultural engineers, and other members of the state apparatus. The other main beneficiaries, wealthy farmers, often entered into partnership with such officials. Far from encouraging a “private sector” in opposition to the state, such programs make the state an even more powerful source of funds and site of patronage. The new accumulations of wealth are never more than semi-private, for they are parasitic on this strengthened state structure.

This is not simply some fault in the design or execution of the programs. USAID itself is a state agency, a part of the “public sector.” By its very presence within the Egyptian public sector it strengthens the wealth and patronage resources of the state. USAID is thus part of the problem it wishes to eradicate. Yet because the discourse of development must present itself as a rational, disinterested intelligence existing outside its object, USAID cannot diagnose itself as an integral aspect of the problem.

Subsidized Deception

This difficulty reflects a much larger deception. The prevailing wisdom of organizations like the World Bank, the IMF and USAID is that the problems of a country such as Egypt stem from the restrictions placed on the initiative and freedom of the private sector. The program of “structural adjustment” these organizations have attempted to impose on Egypt aims to dismantle the system of state subsidies and
controls. Prices Egyptians pay to consume, or receive for producing, food, fuel and other goods, are to reflect prices in the international market.

Yet it hardly needs pointing out that world prices for many major commodities are determined not by the free interplay of “private” market forces but by the monopolies or oligopolies organized by states and multinational corporations. Oil prices are determined by the ability of producer states to coordinate quotas and price levels. The price of raw sugar (a major Egyptian industrial crop), whose volatility is more than twice that of any other commodity monitored by the World Bank, is determined largely by US and other government price support programs. Only about 14 percent of world production is freely traded on the market. The international market for aluminum, one of the major heavy industries in Egypt, also operates under extensive state controls.

Perhaps the most significant example is the world grain market. One of the arguments against Egypt producing the staple foods it needs is that it cannot compete in the world market against the low grain prices of US farmers. Yet these prices are the product of subsidies and market controls. American agriculture, operating under an imperative of constant growth, has come to be dominated by giant corporations that supply the inputs to farming and process and market its products. Over three-quarters of the American farm supply industry is controlled by just four firms. Six corporations, all but one of them privately owned, control 95 percent of US wheat and corn exports and 85 percent of total world grain trade. Squeezed by these monopolies on both ends, inputs and marketing, American farmers have found themselves having to grow ever larger quantities of crops merely to survive, investing constantly in new technologies and getting increasingly into debt.

To mitigate the system’s effects, the state has instituted massive subsidies—the price supports and crop controls of the New Deal programs, the subsidized exports of the post-war Marshall Plan, the Public Law 480 program (which financed up to 58 percent of US grain exports during the 1950s and 1960s), and President Nixon’s 1972 New Economic Policy (which further subsidized exports and boosted prices by paying farmers to take 62 million acres out of production, an area equal to ten times the total cultivated area of Egypt). As a result of these policies, by 1982 American grain was being sold at prices 40 percent below estimated average production costs, and keeping farmers afloat was costing $12 billion a year in state subsidies. Despite the low producer prices, moreover, consumer prices remain so high that 40 million Americans require government subsidies to purchase food, costing a further $20 billion to $24 billion a year in Federal funds. Government export subsidies pay for middle- and upper-class consumers in non-Western countries to shift to a meat-centered diet and thus expand the market for American feed grains. The largest site in the world to be incorporated into this system of state-subsidized American farming has been Egypt. The arm of the state that has organized this incorporation is USAID.
The self-deception of USAID discourse is not just that it sets up an object called Egypt in which it cannot recognize its own internal role. It is that this supposed object is caught up in a much larger configuration of power, a network of monopolies and subsidies misleadingly named the “world market,” of which USAID itself is but a subsidiary arm. An agency devoting itself to the cause of dismantling subsidies and promoting the “private” sector is itself an element in the most powerful system of state subsidy in the world.

Almost every penny of the $15 billion budget for “Economic Assistance” to Egypt since aid operations began there in 1974-75 (Figure 2) has actually been allocated to US corporations. Just over half the total represents money spent by Egypt to purchase American goods: the PL480 Food Aid program and the Commodity Import Program, totalling about $7.7 billion up to 1986, enable Egypt to purchase grain, other agricultural commodities, agricultural and industrial equipment, and other US imports. About half the commodities are paid for in dollars, with the US providing low-interest long-term credit. The other half are paid for immediately or on short-term credit, in Egyptian pounds.

A further $1 billion of the total aid is also paid directly to the US, by the US government itself, in the form of so-called Cash Transfers used to keep up payments on Egypt’s military debt. United States law stipulates that all aid except food must be stopped to a country that falls more than a year behind in military debt repayments, as Egypt began to do in the winter of 1983-84. The US government responded to this threatened collapse of the entire system of subsidies to its own private sector by converting all subsequent military loans to grants, allocating the bulk of those grants for progress payments to itself on earlier Egyptian arms purchases, and instructing USAID in the meantime to circumvent the law by setting aside about $100 million a year from economic development funds as Cash Transfers, to be deposited in the Federal Reserve Bank of New York and then returned to Washington as Egypt’s monthly interest payments on its military debt. When Congress discovered this illegal diversion of economic development funds for military purposes, USAID denied it was happening—but continued the practice. The law, a USAID lawyer later admitted, “was an academic question, since actual CT [Cash Transfer] expenditures were untraceable.”

So a total of $8.7 billion, or 58 percent of all US economic assistance, has been spent directly in the United States rather than on development projects in Egypt, and most of this “American aid” in fact represents money paid by Egypt to America.

The remaining 42 percent of US economic assistance funds to Egypt, totalling $8.3 billion, were earmarked for development projects within the country (Figure 3). Yet the entire amount, as far as one can tell, has been spent in the US, or on American contractors in Egypt—corporations like General Electric, Westinghouse, Bechtel, Ferguson International, Caterpillar, John Deere and International Harvester. And hundreds of millions of dollars went to American universities and research institutes to provide training in agricultural sciences, management and technology transfer.

Many of these projects have also required local payments within Egypt in Egyptian pounds. In 1988 such local implementation costs were said to amount to about LE200 million (LE = Egyptian pounds) annually, equivalent to just over $100 million, or about 10 percent of annual US dollar aid for development projects. Such payments are not made from US dollar funds. Local currency funds, paid by the Egyptian government to purchase American imports under the Commodity Import Program, are used by USAID in Cairo to pay for all local costs.

**Policy Leverage**

Many millions of Egyptians, needless to say, have benefited from this economic assistance, at least in the short term. The supply of power stations, sewage networks, telephone exchanges, drinking-water plants, irrigation systems and numerous other basic infrastructure projects and services has improved the deteriorated physical fabric of the Egyptian economy. At the same time, these benefits have come at the price of a dependence on imports of American food, machin-
ery and technology. In the 1980s the US became the largest supplier of Egyptian imports. This dependence, and the levels of debt that go with it, has given the United States a powerful position of influence within the Egyptian state. USAID conducts what it terms "cabinet-level dialogue" on macroeconomic policy with the Egyptian government. At times, USAID reports, when this "dialogue" has not been "completely successful"—meaning that the Egyptian government has rejected or delayed implementing American demands—"annual releases of funds have been delayed."49 Acquiring at every level of the Egyptian bureaucracy this sort of "policy leverage," as it is called, has now become the principal criterion according to which USAID development projects in Egypt are evaluated.49 And all this is achieved by a program whose larger effect is to provide vast subsidies to the so-called private sector in the United States—both directly by the purchase of billions of dollars of its products and indirectly by converting Egypt into a future US market.

Thus USAID operates as a form of state support to the American private sector, while working in Egypt to dismantle state supports. None of this is explained in the discourse of USAID itself, which pretends to stand outside Egyptian politics, conducting merely a "dialogue" at the rational, detached level of "policy." Yet there is even more that is missing from the discourse of development on Egypt. The $15 billion of AID spending analyzed just above covers only about one half of US aid to Egypt. A roughly equal amount takes the form of economic assistance to the Egyptian military—largely grants to purchase American weapons. Since 1985 alone, military aid to Egypt has provided a further $7.7 billion of subsidies to US industry.

The Egyptian military, with the support of US funds, has developed into a major presence within the country's economy. Its arms industries, which receive state subsidies but whose income goes into military rather than national accounts, comprise the country's largest manufacturing sector. Production is estimated to be worth about three times the total of all other non-textile manufacturers.50

The army has also moved into civilian manufacturing, symbolized by the deal negotiated with General Motors in 1986 to manufacture passenger cars. Under pressure from the US Embassy, AID pledged $200 million from its aid budget to subsidize this project.57 Agriculture is another sector in which the military has become a dominant presence, through the acquisition of reclaimed land and the development of food processing industries, particularly in meat, fruit and vegetables. Its Food Security Division represents by far the largest agro-industrial complex in the country, producing in 1985-86 LE488 million worth of food, or almost one-fifth of the total value of Egyptian food production.58 The military has also played a major role in constructing bridges, roads, telephone systems and other infrastructure projects. All these activities have provided plentiful opportunities for patronage and personal profit-making. Together with the construction of its own housing, hospitals, shops, resorts and elite training colleges, such developments have transformed the military into what Springborg calls "an almost entirely autonomous enclave of middle-class modernity in an increasingly impover-

Barley harvest, Western Desert. Cida Abo-Taged/Audem Photo

ished and marginalized Third World economy."59

Despite its massive presence in the Egyptian economy, the large proportion of government funds it consumes; and its even larger proportion of total US support, the military receives almost no attention in the literature of organizations like USAID and the World Bank. Given the supposed objectives of developing the private sector and pluralism, the silence of this discourse is astonishing. A systematic inquiry into the economy and power of the Egyptian military would reveal its relations to US military industries, to the system of state subsidies on which those industries depend, and thus to the larger object of American aid programs. In the same way, a proper analysis of Egyptian agriculture, examining the causes of the shift to meat production and the resulting shortages of food and growing indebtedness, would reveal the connections between these events and the crisis of American farming and the remedy of subsidized food exports. Such analyses would serve as a reminder that the discourse of development is situated within, not outside, such global relationships.

That is the reason for the silence. Development discourse wishes to present itself as a detached center of rationality and intelligence. The relationship between West and non-West will be constructed in these terms. The West possesses the expertise, technology and management skills that the non-West is lacking. This lack is what has caused the problems of the non-West. Questions of power and inequality, whether on the global level of international grain markets, state subsidies and the arms trade, or the more local level of landholding, food supplies and income distribution, will nowhere be discussed. To remain silent on such questions, in which its own existence is involved, development discourse needs an object that appears to stand outside itself. What more natural object could there be, for such a purpose, than the image of a narrow river valley, hemmed in by the desert, crowded with rapidly multiplying millions of inhabitants?
Footnotes


3 On the World Bank, see the World Bank Development Report, World Bank, 1989, p. 120.

4 For a comprehensive analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

5 For a detailed analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

6 For a detailed analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

7 For a detailed analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

8 For a detailed analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

9 For a detailed analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

10 For a detailed analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

11 See also George, p. 10.


14 For a comprehensive analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

15 For a comprehensive analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

16 For a comprehensive analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

17 See also George, p. 10.

18 See also George, p. 10.

19 See also George, p. 10.

20 For a comprehensive analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

21 For a comprehensive analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

22 For a comprehensive analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

23 For a comprehensive analysis, see John W. Cochrane, Trade and Development in Egypt, 1984, p. 9.

24 See also George, p. 10.

25 See also George, p. 10.

26 See also George, p. 10.

27 See also George, p. 10.

28 See also George, p. 10.
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**Footnotes, from page 34**

- Published in Egyptian pounds. The Commodity Import Program (CIP) provides over $3 billion worth of imports purchased in Egypt and about $300 million in dollars, excluding commodities and equipment represented one-third of CIP purchases. USAID, Status Report, p. 1-8, figure 3.
- 81 US Congress, House Committee on Foreign Affairs, Subcommittee on Europe and the Middle East, Hearings on Agency for International Development Policy in the Use of Cash Transfers: The Case of Egypt, 99th Congress, 1st session. December 16, 1984, p. 78. A cable leaked to the Washington Post (February 8, 1982) recorded a conversation in Cairo in which the埃及使馆 at USAID asked a high Egyptian official "if the $100 million [in cash transfers] would be sufficient for the GDR (Government of Egypt) to meet the FMS (Foreign Military Sales) debt servicing obligations in the elections." Despite repeated Congressional requests, USAID professed no accounting of how the Cash Transfers were actually spent. See US Congress, Foreign Assistance Legislation for Fiscal Year 1985 (Part 3), pp. 110-173, 148-50, and Foreign Assistance Legislation for Fiscal Year 1986-87 (Part 3). Economic and Military Aid Programs in Europe and the Middle East. 99th Congress, first session. February-March 1986, pp. 175-76. In 1987 new Congressional accounting requirements were finally imposed, which immediately revealed that the Cash Transfers to Egypt were being used extensively to pay FMS debt. The administration now reversed itself and argued that such military use of economic aid was legal, on the grounds that (i) military debt, once incurred, became "military" and not a "military" question, and (ii) in the case of Israel, Congress had repeatedly since 1979 repaid the US Treasury Israel's annual military debt out of economic assistance funds.
- 82 USAID, Status Report.
- 84 USAID, Status Report, p. 8.
- 86 Ibid., p. 111. See also the essay collected in Ahmad Mubarak, ed. Al-Jaish wa-l-dunyawa ilayhi fara' (Cairo: Dawr Shura 1371) Nasser 1990).
- 87 Springborg, Mubarak's Egypt, p. 110.
- 88 Ibid., p. 111.
- 89 Ibid., p. 107.