

Egypt Versus The IMF

Will the advanced sector come down on the side of development?

I. Introduction

Egyptian leaders have made public a series of ambitious agro-industrial development plans for their country over the past few months that contradict the often-repeated pessimistic evaluations of Egypt's economic potentials and its apparently insoluble economic problems. Based on the country's supply of potentially high-skilled labor power and on the tradition of progress from the Nasser era and from the best moments of earlier Egyptian history, the plans include a project to turn vast areas of Egypt's western desert into a "New Nile Valley" and a recently announced proposal for a seven-nation organization to develop the original Nile Valley.

There are two, interlinked obstacles to the realization of Egypt's development goals, however.

The first is the International Monetary Fund. The IMF has damned all serious development proposals as "too expensive" and is instead demanding a deadly combination of labor-intensive works projects and even harsher austerity measures to guarantee payment of Egypt's huge and unpayable foreign debt.

The second obstacle is the political imperative that dictates IMF policy. Since the days of the British Empire, Egypt has been held to the "geopolitical" role of a poverty-stricken giant vulnerable to any sort of manipulation — as the activities of former Secretary of State Henry Kissinger best demonstrated in recent times. Egypt needs a durable Middle East peace settlement to achieve its development goals, but it is equally true that the Middle East will not be able to break out of its British-assigned role as an eternal war zone unless Egypt is allowed to develop a healthy, modern economy. More broadly, if Egypt successfully thwarts the IMF, other nations already chafing at the IMF's austerity decrees will not be slow to follow. The very existence of the hated IMF could be at stake.

What the IMF Opposes

In an April 9 interview with Egypt's *October* magazine, Egyptian President Anwar Sadat eloquently drew on the idea of progress in Egyptian history. "We are the manpower which can work," Sadat stressed. "Egypt is ours and we can make it a paradise for all the world. It was once the cradle of the great civilization....A great renaissance is awaiting us. Hand in hand we should march on the desert and turn it green. The United States did that when it marched to the West. It is now the richest and strongest state in the world.

Answering the zero-growth premises of the IMF and its

cothinkers, Sadat affirmed, "Then there will be no food crisis and we will not suffocate ourselves in the narrow valley" of the Nile.

Earlier in the year, Sadat and his planning advisors revived an idea from the Nasser era, that had lain dormant for more than a decade: to turn vast areas of Egypt's western desert into a "New Valley" or "Second, Parallel Egypt" through capital-intensive techniques. More recently, on July 9 at the Organization of African Unity meeting in Khartoum, Egyptian Foreign Minister Butros Ghali announced the formation of an organization of all seven states sharing the Nile River; the organization will meet soon to initiate large-scale projects for the construction of reservoirs, power plants, and canals, the repair and expansion of navigational areas in the Nile River, and the establishment of expected new irrigable agricultural areas. Arab countries and "African financial sources" are reportedly expected to provide loans to the project.

These agro-industrial "greening the desert" approaches are one aspect of the master plan for Egyptian modernization. The city-building side has been initiated in germ-form through capital-intensive aerospace and telecommunications projects in Cairo, and the building of new cities with industries and ports. At the core of the strategy are the Egyptians' efforts to unblock a program for developing a nuclear energy grid in the country through the import of reactors from the U.S., France, and West Germany.

Of course, all this amounts to only the bare beginnings of what is required to reverse years of decay and develop enormous areas of backwardness. The key to actualizing the development process on an ambitious scale will be a vastly expanded effort by the U.S., Europe, and Japan, with the aid of the petrodollar-rich Arab states. Only these nations can provide the necessary supply of initiating capital and the encouragement and training of a motivated, scientifically expert elite that can catalyze the 1.5 million educated persons embedded — and often stagnating — in the Egyptian bureaucracy and army into action for the development of the country.

2. The Austerity Imperative

Without such an effort, Egypt will be put under siege by the World Bank and the IMF. In fact, Egypt is *already* under massive attack from the zero-growth brigades.

Encouraged by the failure of the consultative group of Egypt's aid donors to unambiguously endorse Egypt's five-year development plan at last month's annual

meeting in Paris, the World Bank has successfully arm-twisted the Sadat government into revising its 1978-82 plan, to what a knowledgeable Bank official describes as a "less ambitious" program.

In particular, the official said, the Bank objects to the Sadat regime's concentration on "too-expensive" schemes for reclaiming the western desert. It would prefer that Sadat concentrate on "population control" and "Nile-centered projects" with an "emphasis on labor-intensive approaches."

The Bank also succeeded in neutralizing efforts by West German and French representatives at the consultative group meeting to win a policy of debt relief for Egypt. Instead, the group decided that debt rescheduling of Egypt's \$15 billion debt—a figure that includes \$6 billion in military-related debt to the Soviet Union but which excludes several billions in short-term high-interest debts — was "unnecessary." This decision ensured that the approximately \$3.5 to \$3.8 billion in aid allotted to Egypt by the consultative group will continue to be funneled largely into debt repayment and vitally

World Bank: 'Egypt Can't Have Everything'

In a mid-July interview, a World Bank official involved in the June Meetings in Paris of the "consultative group" of Egypt's aid donors offered this appraisal of Egypt's development plans:

The plan is definitely too ambitious. This plan for 1978-82 is the prepared plan that was worked out last year. It's the first plan ever approved by Egypt's Parliament, and it was approved in June as a whole after parts of it had been approved back in January.

We feel, and this feeling is shared by everybody we're in touch with, that while the 1982 part of the plan is realistic to some extent in projecting around 8 per cent rates of growth, the Years Two through Five of the plan are much too ambitious in projecting 12 per cent growth rates. This is too major. In fact, the government *itself* has already stated that its plan is a "rolling plan," and can be revised as time goes on. This means that already the 1979-83 plan is being drawn up, which will take into account that earlier plans were too high, too ambitious.

When it comes to talk of a comprehensive development program for Egypt, *our* answer is that *priorities* have to be set, because of the problems of local financing, necessary pay-back of credits, and so on. Egypt can't have everything!

Hopefully, the government will not push the line of some people: that economic development is the key to solving population and related problems. We at the Bank are establishing in Egypt new population control projects—this is the key to solving a lot of their problems at the present time, not too-rapid economic development.

needed commodity import maintenance, rather than into new investment.

Along similar lines, the group representatives failed to condemn IMF surveillance of Egypt's economy. This means that the IMF will, as Fund representatives have affirmed off the record, intensely monitor Egypt's willingness to impose austerity measures on the country as per the "conditions" agreed to by Egypt in return for an acceptance last month of a three-year \$720 million "tranche" granted by the Fund.

The consultative group's reticence to act against the Fund came *despite* bold moves by Sadat himself to neutralize Fund predators inside Egypt. In May, Minister of the Economy and austerity czar Abdel-Moneim Kaissouny was sacked; Sadat was unwilling to commit political suicide by following Kaissouny's suggestion that civil servants and army officers *not* be given wage increases, and that government subsidies on food purchases for Egypt's population be cut back. Recommendations by Kaissouny to this effect had provoked riots in Egypt in January 1977.

Since Kaissouny's ouster, salary increases of 20 percent have been granted, and food subsidies have been maintained. At the time Kaissouny was fired, the private evaluation of West German officials was that Kaissouny's ouster "opens the way for broader economic projects with mass participation." The West German newspaper *Die Welt* reported the slogan of the post-Kaissouny government would be "increase production, increase wages, decrease prices."

The Threat from London

But given that the IMF's surveillance has not been opposed by a consensus of advanced sector forces, an austerity push will undoubtedly be made. "This will be done quietly, without fanfare, piece by piece, unlike in January 1977," a Fund official told journalists last month. Rumors are already circulating in London that domestic credit in Egypt's banking sector will rise by a whopping 1.5 percent in the next weeks, as per the IMF's insistence. This will cut back available credit and further stifle what is already widely recognized to be an insufficient supply of domestic capital to cover key aspects of the government's \$17.5 billion in planned investments over the next five years.

Austerity pressure has been further evidenced by a string of articles in the London *Economist* wildly exaggerating the economic and political crises in Egypt, going even further in their negative assessments than insiders at the World Bank and the Fund are willing to go.

Should such austerity and budget cutbacks — including gradual import and subsidy cuts — go through, the effects on Egypt will be "self-fulfilling" from London and the IMF's standpoint. The collapse of Egypt's urban infrastructure (roads, telecommunications, sewage) is already legendary, as is the vast overcrowding in Cairo, the urban hub of the country. Austerity must inevitably make Egypt a hotbed of disease, and of terrorism and related forms of manipulated unrest, and must therefore seriously impede the evolution of the Middle East region as a whole into a successful area for advanced sector export and for development.

3. Projects For Development: A Status Report

An IMF-imposed austerity regimen cuts directly against the grain of a series of promising moves toward real national economic progress.

In the agricultural sphere, the abovementioned program for cooperative development of the western desert and regional Nile Valley holds forth the promise of vastly expanding currently existing acreage for cultivation and of increasing the proportion of agriculture developed through capital-intensive means.

On the Nile project, nothing more is currently known than Butros Ghali's OAU proposal, but Ghali's assurances of Arab financial assistance strongly imply that this project has figured in some of the more important meetings that have recently been held between the Saudi Arabian and French and West German leaderships, including the May visit of King Khaled to Paris and the mid-June visit of Prince Fahd to West Germany.

Each of these meetings elicited proposals for the development of Africa, including tens of billions of dollars of capital investment, and were key to preparing the atmosphere for the Bremen meeting's initiation of a European Monetary Fund.

The Qattara Project. Similarly in the case of the western desert project, there is no overt known commitment for the provision of the necessary outside capital to get the program off the ground, but two key factors are identifiable at this point.

First, earlier this year, the West German government selectively released the program for the development of Egypt that had been drawn up by Alex Moeller, an aide to Chancellor Schmidt who had been analyzing the Egyptian economy for months. In this report, Moeller is said to have favorably analyzed the prospects for the Qattara Depression project, a scheme whereby West German technicians would use atomic energy blasts to help transform the vast Qattara Depression region into a water-supply basin for irrigating Egypt's western desert area.

On May 9, West German officials told reporters that the Qattara project was finally "operational," and will involve U.S. cooperation. On the same date (the day the accompanying *Le Monde* article was published), the West German financial daily *Handelsblatt* reported that the Qattara project had "ended its first phase," and was entering a "joint planning stage," a "second phase" involving American, West German, and Egyptian joint collaboration.

Indicating interest aroused in the U.S. in the project, First National Bank of Chicago president Robert Abboud identified the Qattara project as a model of the types of advanced technology programs that could come effect if a Middle East Common Market were created.

But after the Paris consultative group meeting, a World Bank official confidently asserted that the Qattara project "would never get off the ground." And earlier this month a State Department Middle East officer cited the "nuclear energy factor" as militating against the

likelihood of the project winning U.S. support because of the much-publicized "nonproliferation" issue.

The actualization of Qattara and linked programs for getting the "Second Egypt" expansion off the ground represent, then, a *political fight* during the next months.

Land Reclamation. A second factor adding to the potentialities of the western desert development is Sadat's newfound commitment to ambitious land reclamation.

This commitment, publicized with the slogan of finding "food security" for the Egyptian population, was launched in April of this year. In the April 9 *October* interview cited above, Sadat called for "the invasion of the desert" and emphasized, "The western desert has millions of feddans which are suitable for cultivation." One week later, on April 16, Sadat declared that Egypt's "most difficult task" is "getting out of the circle of backwardness," and expressed hopes of "cultivating land, feeding people" through "comprehensive scientific plans" and through "efforts and studies being made by scientists all over Egypt in search of more food."

Stressing the primacy of land reclamation, Sadat affirmed his government's commitment to "serious work on the basis of the most up-to-date methods devised by world expert bright and stunning road to security against hunger....Nothing is impossible for science, but there can be no science without man and man's efforts."

Soon afterwards, Sadat began a tour of Egypt's provincial governorates to create motion in favor of the drive for "food security." This phase of Sadat's activities culminated in a major May 14 address to the Egyptian National Assembly, in which Sadat praised recently concluded areas of integrated agriculture-industrial modernization as "an operation that is a model and an integrated accomplishment which is an example of what Egypt should be in the year 2,000 in every district." Following this, Sadat dispatched People's Assembly Speaker Sayed Marei—who has been involved in planning in Egypt for more than two decades—to the U.S. for a one-month statement that Marei had discussed with American officials "the means of supporting the Egyptian development plan, especially the part related to food security."

Energy. It is widely recognized in Egypt that the energy levels necessary to develop an agro-industry urban infrastructure complex require the coming-on-line of nuclear energy projects. Egypt has recently become an oil-exporting country, and increasing oil revenues are expected to link up with added revenues from tourism, the reopened Suez Canal, and expanding workers' remittances to provide an expanded revenue base by the year 1980. But oil cannot be the sole means to provide the necessary energy throughput.

On April 26, a conference on applied nuclear science of the Egyptian Nuclear Science Association attended by various scientific research organizations and centers in Egypt supported the government's plan to "establish nuclear power stations as being more economic and better preservers of the environment than other, tradi-

tional methods, which failed to meet the country's energy needs." The conference called for a "comprehensive national program for energy research" and for the "intensive search and production of uranium and promotion of applied research in fields which serve development plans."

Earlier this year, France agreed to sell two nuclear reactors to Egypt during a visit to that country by leading Egyptian officials. Immediately before the nuclear scientists' conference, on April 8, Cairo's official Middle East New Agency announced the formation of a U.S.-Egyptian Energy Committee to "discuss and assess sources of energy in Egypt preparatory to drawing up a final and comprehensive report in its findings next August."

Since April 26, there have been persistent reports from West Germany's Economics and Development Ministries that the U.S. will soon put aside the remaining impediments to a deal arranged under the Nixon Administration for Westinghouse to sell nuclear reactors to both Egypt and Israel. Energy and Mideast officers in the U.S. State Department insist, however, that no such motion is in the works. In the words of one official, "Supply agreements consistent with recent U.S. Congressional legislation have not been worked out and are not close to being worked out."

Nonetheless, consistent with the Cairo media reports that a comprehensive American-Egyptian energy evaluation report is in the making, important investigations are underway to determine the workability of several areas in Egypt for nuclear energy. A joint commission to carry out such investigations was created earlier this month, Egypt's *Al Ahram* newspaper reports. A handful of American companies, such as the Woodward Clyde consulting firm, which specializes in geological exploration and feasibility studies, are working to determine the workability of nuclear plants along Egypt's Mediterranean coast.

Related just-concluded energy deals for Egypt include the sale by General Electric of \$67 million in turbines announced last month by GE representatives visiting Cairo, and a mid-April \$20 million deal worked out in Romania by Egyptian Deputy Prime Minister for Production and Minister of Electricity and Energy Ahmed Sultan for the provision of rural electrification projects that aim to boost electricity output in eight areas of the country.

Infrastructure and Aerospace. The elements of the solution to Egypt's apparently insoluble city infrastructure problem have begun to appear in the past weeks. Most interesting, three of the U.S.'s giant concerns involved with telecommunications — Western Electric, General Telephone and Electric, and Continental Telephone of Atlanta — announced last month that a comprehensive report for a \$3.4 billion project to totally transform Cairo's atrocious telephone system had been presented to the Egyptian government for approval as a project. The three companies intend to divide up the manpower and construction aspects of the project between them, according to the announcement, which adds that the \$3.4 billion program will solidify the

first five years of what is hoped to evolve into a telecommunications program that will solve Egypt's phone problems for 20 years. Although corporate representatives of the three concerns do not at this point express any immediate intention of coordinating their work with other potential infrastructure projects in related areas, it is a standard rule that *nothing* can be accomplished in Egypt at all until the abomination that passes for the current telephone system is transformed in its entirety. Should Egypt approve the program, and should financing be found, it is hardly to be doubted that other corporations in the U.S. and Western Europe will soon jump in with vital city infrastructure projects.

This approach would parallel small-scale State Department efforts to "create a sense of progress among the population in Cairo" — as one State policy-maker expressed it — by expediting U.S. export of buses and other inner-city transport items whose arrival in Cairo would help relieve a problem nearly as chronic and massive as the problem in phone communications.

A second promising sign that some of Egypt's capital infrastructure will be upgraded is that the Arab Military Industries Organization is likely to make a definitive breakthrough in the next weeks. The AMIO, under the impetus of Egyptian industrialist Ashraf Marwan, and with financing from the Arab Gulf States, has long figured to be a catalyst for creating a high-technology infrastructure in Egypt and for upgrading the skilled workforce, since it involves the renovation of old plant and equipment and the development of new plant for assembling sophisticated aircraft whose parts would come from France

According to the July issue of *Middle East* magazine, an official communiqué is soon to be signed between the AMIO and the Franco-German Dassault-Dornier firm to produce around 160 Alpha-jet light bombers in Egypt. Egypt's Defense Minister Mohammed al-Gamasi is thought to have reached initial agreement with the Franco-German manufacturers when he visited Europe earlier this year. Then, in late May, Saudi Prince Sultan, accompanying King Khaled to Paris, reportedly finalized the deal.

Middle East adds that some complete Alphas will be delivered to Cairo after the agreement is announced: the rest will be assembled at the AMIO plant being built south of Cairo. Later on, Dassault's Mirage 2,000 fighter bomber might also be assembled.

4. An Aid Program, or Free Enterprise?

A complaint by an official at the U.S. Agency for International Development that the AMIO is "too capital-intensive" is exemplary of the problems that Egyptian development faces.

Among the aid-donor countries to Egypt, no consensus at this moment prevails as to how, or even whether, to transform Egypt into a modern country.

The positive commitment in this regard from leading forces in France and West Germany is clear. Prominent West German industrialist Otto Wolff von Amerongen, for example, concluded a series of conclaves with

Another Nile Nation Knuckles Under

After putting up a considerable fight, the Sudanese government of President Jaafer al-Nimeiry last month capitulated to the conditions for aid imposed upon it by the International Monetary Fund, including a full 25 percent devaluation of the Sudanese pound and an immediate halt to all new development projects.

This capitulation is particularly disastrous, not only to the Sudan but for Africa and the Middle East. With both tributaries of the Nile river flowing through the country, the Sudan has enormous agricultural potential, both in highly irrigated areas in the central region and in the south, where the draining of the Sudd swamp will greatly increase the available flow of the Nile.

Economic development is also the keystone of Nimeiry's ambitious program of reconciliation both with internal rebel elements and with formerly hostile neighbors. In the last six months, Nimeiry has cooled tensions between his country and Libya to the northwest and Ethiopia on the east, on the basis of cooperation for development. He has also improved his deli-

cate relations with the Soviet Union. Internally, Nimeiry managed to peacefully end the Anya-Nya rebellion in southern Sudan on the basis of increasing development efforts in the region, and last year managed rapprochements with the right-wing Mahdist movement, the Sudanese Communist Party, and other dissident parties.

The current imposition of a severe austerity program is highly likely to destabilize this process and could cause widespread unrest in the country. This is freely admitted by the State Department and other sources, including Zionist ideologue Bernard Lewis, who recently predicted that the Sudan could be the next site of an Afghanistan-style coup d'etat — and a contingent U.S.-Soviet confrontation.

The Sudanese capitulation required more than the normal effort by the IMF. In May, Nimeiry rejected the demands and in effect told the Fund to pack up and leave, forcing them to work through agents-of-influence ("We still have people we talk to..." said one IMF official after the ouster) until they could force Nimeiry to officially resume "discussions."

leading Egyptian officials by virtually pleading with the Egyptians to be more forthright in presenting an ambitious development program for the country and for the region.

From the U.S., two incompatible attitudes exist side by side: a widespread tendency to want to help transform Egypt into a viable economic entity, combined with a "free enterprise" approach to the country that actually lessens that viability.

The first element in the American attitude is expressed in part by an ongoing commitment by a variety of American concerns to seek investment opportunities in Egypt. A recent Mideast biweekly trade newsletter, for example, itemized over 10 deals that U.S. firms are currently involved in discussing with Egypt, including projects in agribusiness, glass manufacture, paper-making, steel mills, textile chemicals, auto assembly, and agricultural training. Oceanic Trade Alliance International, a Michigan-based enterprise, is arranging a massive "floating ship" trade expedition to the Middle East that is aimed at arranging billions of dollars in trade deals, and which will begin its tour at the port of Alexandria. Other firms, like Three-D International and Allis-Chalmers, involved in construction and agricultural implements, respectively, are actively investigating possibilities of U.S. investment in Egypt on a large scale. Allis-Chalmers Chairman David Scott and American Ambassador to Egypt Hermann Eilts are two of many U.S. officials who have held meetings with Egyptian economic officials over the past three months to discuss joint programs to encourage investment from the U.S., manpower training, and so on.

What Kind of Investment?

Summing up the prevailing attitude of this trade-

oriented tendency, an Allis-Chalmers official with extensive experience in trying to arrange American investments in Egypt

a recent interview: "Without a peace settlement in the Middle East, or at least significant momentum in that direction, American corporations are simply not going to move with commitment into investing in Egypt.

"If there are signs of a settlement, however, the 'higher interest' of leading corporate executives will come into play and investment opportunities will be seriously sought after, irrespective of the problems that investment in Egypt involves."

This attitude is a counterweight to, although unfortunately not a direct assault against, the other prevailing viewpoint in American trade circles dealing with the Mideast: that Egypt must effectively become a "free market" economy before investment will become worthwhile.

It is this tendency which has consistently supported IMF austerity in Egypt under the rubric of "restructuring" and "reform," and which has always followed Henry Kissinger's lead in trying to leverage Sadat's "Open Door" policy into a call for imposing a "British liberal"-style economy on Egypt, rather than dealing with the "Open Door" on the terms intended by Sadat's advisors: expediting trade flows in an organized way from the West into Egypt.

These egregious "free market" operations — preposterous for an underdeveloped country like Egypt, which requires strong dirigist credit policies favoring development — will come to a head at a mid-September meeting at Georgetown's Center for Strategic and International Studies organized by Henry Kissinger on the subject, "The Free Market Economy in Egypt."

This conference is meant to sufficiently disorient those

serious-minded economic and commercial policy-makers who would otherwise be studying the enormous potentialities for Third World Development with the Japanese, French, and West Germans, with Egypt as a focal point. The timing of Kissinger's conference is also conveniently arranged to immediately precede an Oct. 2 meeting in Washington of the Egypt-U.S. Joint Business Council, which is responsible for coordinating information and trade discussions between the two countries.

—Mark Burdman

A French Description Of The 'New Valley'

On May 9, the French daily newspaper *Le Monde* carried a feature on Egypt's economy entitled: "Egypt Seeks Its Future in the Desert." The article, excerpted below, outlines an ambitious program, first developed under Nasser and presently in its initial stages, to turn the Egyptian desert into fertile farmland.

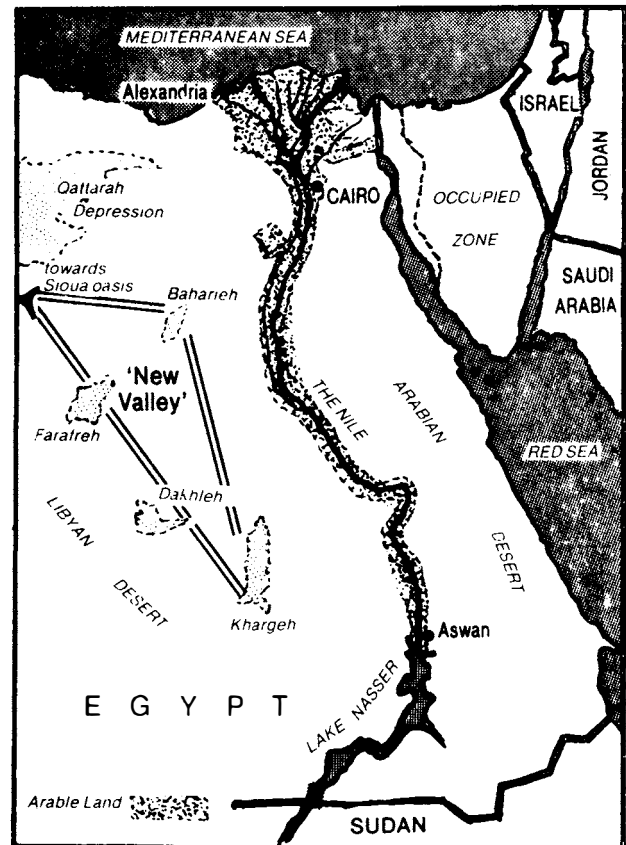
During the last two months, President Sadat has conducted the longest national tour of his career. Although the international situation has brought him to Cairo several times, he was finally able, after numerous program changes, to visit the farthest corners of the country, which do not usually figure into official itineraries, like the Red Sea province situated between Cairo and Souxh and the oases of the Western Desert, sometimes called the "New Valley."

The New Valley, "El Ouadi el Gedid." Under Nasser this was a name around which the hopes of an overpopulated Egypt were focused. To the west of the Nile, in the middle of the Sahara (which means "desert" in Arabic), Nasser wished to create a "parallel Egypt" by exploiting the underground water tables, a "second valley" which would ease the strain on the heavily populated Nile River region. Then, little by little, the propaganda of the Nasser regime stopped talking about the New Valley, concentrating solely on the Aswan Dam and the Helwan steel complex.

This project was not abandoned, however, despite the difficulties encountered. By inspecting certain agricultural and urban projects developed since then, Sadat reestablished the priority of the "New Valley" project and, in a general manner, the exploitation of Egypt's massive desert region (95 percent of Egypt's territory belongs to the immense arid zone, stretching from the Red Sea to the Atlantic). Up to the present, Nasser's successor was only interested in the desert areas surrounding Cairo, where he wished to settle, in new villages, a portion of the 9 million Cairenes.

An Artificial Dead Sea

The development program for the Western desert, begun in 1959, aimed at uniting the area by agricultural projects linking the five oases of Khargeh, Dakhleh, Farafreh, Baharieh and Siona. Certain oases, and in particular, Siona, were prosperous during the Greco-Roman era and have preserved an agrarian tradition (the Siona olives are famous throughout Egypt). The



"New Valley" would have for its delta the Qattara Depression. An 80 kilometer canal would bring water from the Mediterranean to this area and would thus facilitate both the human and economic projects in the area. A sort of "artificial Dead Sea" would in fact be realized. West German experts are currently studying ways in which to develop this Qattara zone, which was prosperous 2,000 years ago.

Using aerial photographs, the "New Valley Organization" has mapped out the areas most suitable for cultivation and irrigation. In addition to 3,000 shallow wells (100 meters in depth) already in existence, three hundred other wells which run as deep as 1,000 meters and provide 15,000 cubic meters of water per day, have been added. Nevertheless, at the beginning of the 1970s work slowed down in the area. Only 15,000 acres had been developed at great expense, while there had been plans to almost double in a few years the 1,300,000 acres of Egypt's arable land.

In 1972, the government of Anwar Sadat turned to the United Nations (Food and Agricultural Organization and the UN Development Program) to determine whether the "New Valley" program was viable. Five million francs have been devoted to this study in the last five years. International specialists came back with the grand idea of "another Egypt" — a rectangle measuring 100 kilometers in length and 250 in width and encompassing the periphery of the Dakhleh and Khargeh oases. They evaluated the underground water reserves to be 150 billion cubic meters, a figure comparable to the water capacity of Lake Nasser, formed by the upper Aswan dam.