The African drought hits Sudan, Egypt

by Thierry Lalevée

The accumulated problems which supporters of the International Monetary Fund in Washington refused to address during President Hosni Mubarak's visit on March 12 may make Ramadan a very dangerous period for Egypt this year. At the root of these problems is an increasingly acute shortage of foreign exchange, due to falling income from sales of oil whose price has declined, taxes from the Suez Canal, and remittances from Egyptians working abroad.

Bad enough in themselves, the danger of economic downfall these pose is now compounded by a severe water shortage—the Nile having reached the lowest levels since 1912—in consequence of the financial policies imposed on Egypt and neighboring nations by the International Monetary Fund and the same IMF-supporters in Washington.

An attempt in late 1984 by Minister of Economy Mustafa al Saeed to improve the foreign-exchange situation by cracking down on the black market agencies channeling much of it into the speculative economy, has met fierce resistance. Although it was a simple matter to close many of these shadowy offices, often located in backyards in the Khalili market quarter, it was another matter to handle the respectable bankers which had prospered under the *Infitah* (Open Door) policy of Anwar el Sadat. Only a few had been arrested and put on trial by mid-1984.

By January 1985, when the minister announced his new foreign exchange regulations, the banking mafia reacted sharply, playing on Egypt's financial weakness. Although regulations on the pound-to-dollar rate were necessary and proper public channels needed, such regulations cannot create more capital out of a dwindling economy starved for investments and industrial projects. Addressing such an issue in Washington, Mubarak received only blank stares of incomprehension as it was promised that his requests for aid "will be positively considered" by Congress.

The crisis is now here. Egypt has been unable to meet many interest payments due on its military and economic debt to the United States. On March 27, it was also announced that a $20 million debt payment due Spain in September had not been paid.

Almost 80% of the foreign exchange which, after much diversion, reaches the government coffers has to be used to pay the interest on back debt. Whatever is left has to be used to import food—currently requiring a minimum of $5 million a day.

However, economists and politicians are now worried that there just won't be enough to maintain the high level of consumption—at night—which generally accompanies the fasting month of Ramadan.

Just as dramatic is the way Egypt is being affected, for the first time, by the Africa-wide drought. The Nile is the crucial life-line for the Egyptian population, in terms of both everyday activity and industrial activity. According to reports in the Egyptian press, the level of the Nile inside the Aswan Dam has now nearly fallen to the level of the turbines. Any lower, and the river will go dry for the first time in memory, with devastating consequences.

Such a low level has not been reached since the drought of 1912, at which time there was no Aswan Dam, and hence no water reserve. Of the Nile River waters which flow through Egypt, 15% come from the so-called Tropical Nile originating in Uganda, but the other 85% is supplied from that branch of the Nile which originates in the Ethiopian mountains. Affected by a severe drought, Ethiopia had no rain during 1984. Rains expected in February and March 1985 never materialized.

Another instance of "natural" catastrophe? Undoubtedly, that will be the gleeful asserttion of the apologists for the genocide perpetrated against the continent by international financial institutions. A more precise look at the efforts by Egypt, Sudan, and Ethiopia to develop joint projects for water managment reveals the truth.

Just one of those water managment projects, the building of the Jonglei canal in Sudan, could have averted such a danger. In the swampy southern lands of Sudan where the canal was to have been built, millions of cubic meters of Nile water simply evaporate through the miles of swamps. Denounced by Prince Philip as endangering rare species of mosquitos, the project was finally stopped through the loan conditionalities imposed on Sudan by the International Monetary Fund, which drained all Sudanese foreign currency reserves away from such projects into debt-service.

In the process, the Sudanese economy has been cannibalized. Demonstrations in Khartoum on March 27 by several thousand people were led off with shouts of "Down With the IMF, Down With the World Bank," but ended with shouts of "Death to America." Millions of lives and the United States' strategic position in the world are at stake. Sudanese President Gaafar Numary, who has just been ordered by Washington to implement the latest IMF conditionalities by raising the price of bread by 30% and the price of gasoline by 75%, now faces serious political instability and possible overthrow.

Water shortages and lack of enough food may just provoke the same result in Cairo in the near future. Either the United States will adopt development policies for these nations, breaking links with the mass murderers at the IMF and World Bank—and thereby destroying the IMF and World Bank—or all of ravaged Africa, including the Maghreb nations, will collapse into chaos, and then, into an expanding Soviet empire.