

tion? Is there a danger that our image of an admittedly harsh system may be stereotyped by the frustrations and disappointments of a small group of hostile critics?

Finally, hovering over all circumstances and events is the element of chance. It is a humbling thought that so much of human destiny depends not on logic and grand design but on the renal and cardiac conditions of this aging Soviet leader. That these will probably determine a large part of our history and Andropov's place in it is the ultimate irony of our political age. *WV*

THE EGYPT OF NASSER AND SADAT: THE POLITICAL ECONOMY OF TWO REGIMES

by **John Waterbury**

(Princeton University Press; 475 pp.; \$45.00/\$12.50)

Stanley Reed

Several recent articles in the Egyptian press urge that the freedom of the many American scholars doing research in Egypt be severely curtailed. The authors of these rather xenophobic pieces argue that the scholars are gathering sensitive information that would be used against Egypt should relations with the United States and Israel turn sour. This intriguing new book by a Princeton University professor who did field work in Egypt from 1971 to 1977 will probably add to the fear of security-minded Egyptians. A gifted writer, Waterbury has drawn upon exhaustive research and an exquisite appreciation of Cairo's political atmosphere to create an almost clairvoyant analysis of how contemporary Egypt functions. The reader will discover who the Egyptian elite are; how they approach important issues; and how, in several key instances, policy was actually made. Anyone with a serious interest in Egypt will find this book a unique and valuable resource.

Waterbury aims to set the record straight on the legacies of Gamal Abdel Nasser and his successor, Anwar el-Sadat. The two men have become the subject of a great deal of myth and controversy. Unlike many writers, Waterbury realizes that although both leaders won notoriety through international exploits, they can be evaluated properly only in terms of their impact on Egypt itself. Both men tinkered aggressively with the country's economy, political system, and social structure. Waterbury describes—even dissects—these experiments and attempts to assess the results.

One may measure the performance of

Egypt's revolutionary leaders by the goals they originally set for themselves. Waterbury tells us that Nasser and his cohorts aimed for no less than "the restoration of Egyptian power after an eclipse, some would argue, that had lasted millenia." That power "had to be founded on a new society in which the average Egyptian would have access to a decent standard of living, education and good health."

Whether Egypt has become powerful can be questioned. Egyptian leaders have certainly become most adept at exacting tribute from other powers. Waterbury, however, offers this scathing assessment of the "new society" at the time of Nasser's death in 1970:

"Instead of a new generation of educated, motivated Egyptians whose members would be an asset, the revolution sired a generation whose more fortunate members were poorly educated, misemployed, and unmotivated and whose less fortunate members would have a hard time discerning their lot from that of their fathers."

Thirty years after Nasser began the revolution, income distribution remains sharply skewed; there are still millions of landless peasants; and illiteracy and disease have been only marginally reduced. In addition, Waterbury observes ironically, "the bulk" of Egypt's 2.4 million bureaucrats, Nasser's living monument, "hovers on the brink of poverty if it has not fallen into the pit already."

Waterbury's intent is not so much to criticize as to perform autopsies on failed policies. He tries, as he says, to put us "in the shoes of Egypt's leaders" so that we can appreciate the plethora of concerns that may influence their action on a given policy issue. He also points out that "demographic reality" is a formidable obstacle to prosperity: Half the people are mired in an ancient peasant culture; a majority are illiterate; population density is already among the highest in the world and the population is increasing rapidly. Nevertheless, Waterbury finds inadequate the responses of the Egyptian authorities to certain problems. For instance, although production from the Nile Delta farmland was consistently Nasser's only significant domestic source of hard currency, he refused to make more than a minimal investment in improvements while pouring nearly 500 million Egyptian pounds into vast desert reclamation projects where model revolutionary communities might develop. Nearly all of these projects eventually proved failures. Likewise, both Nasser and Sadat refused to encourage birth control, and the size of the population, which has more than doubled from the 21 million

of 1952 to the 44 million of today and which could go as high as 70 million by the year 2000, need not have become such an overwhelming problem. Waterbury concludes that politics dominates economic and social policy in Egypt.

The centerpiece of Nasser's politicized economy was the public or state capitalist sector. Largely through nationalizations the regime took over most of the economy, including manufacturing, finance, and all communications media. This concentration of assets in state hands, Waterbury indicates, served several political purposes: Internationally, it enhanced Nasser's prestige by placing Egypt in the vanguard of "Arab socialism"; domestically, it deprived potential rivals of resources and, more important, created a constituency for the military regime. Dubbed "the state bourgeoisie" by Waterbury, the higher-ups of the public sector became a new dominant class, whose interest lay in expanding the state.

Nasser's political ambitions eventually wrecked his economic plans. While trying to shift the economy from agriculture to manufacturing, he launched his promised welfare state, compelling the fledgling public sector to hire tens of thousands of workers irrespective of production needs and to sell its output at cost or even at a loss. Such policies, combined with a cut-off of U.S. wheat shipments and a decline in Soviet aid, led to a prolonged foreign exchange crisis that curtailed economic expansion and made the late 1960s and early '70s the lean years they were for Egypt.

Nasser's poor performance forced his successor to tailor his policies to economics. Sadat's bold moves—the expulsion of Soviet advisors in 1972; the October, 1973, war; peace with Israel; and of course the more liberal "open-door" economic policy—were all aimed at repositioning Egypt to attract foreign aid and investment. Waterbury faults the many critics who blame Sadat for intensifying Egypt's external dependency and argues convincingly that "the seeds for the exuberant growth of Egypt's dependency linkages were planted in the sixties," that is, under Nasser.

He does criticize Sadat for spending on increased domestic consumption rather than on capital investment the bulk of the billions of dollars in new revenues and credits that he managed to locate. Sadat allowed hand-outs and price subsidies to increase to an absurd level, requiring financial resources equivalent to over 50 per cent of central government expenditures. He did nothing to reform the public sector. Waterbury also faults Egypt's creditors, including the United States, for "not insisting on a more efficient

utilization of the resources that have been unendingly poured into Egypt." Americans are likely to be paying Egypt's import bills for many years to come.

Some of Waterbury's best writing describes the tasteless manner in which the Egyptian elite scrambled to cash in. He recapitulates several notorious scandals, including a scheme to build a garish golf resort around the Great Pyramids. Most Egyptians believe, justifiably, that the open door has mainly aided the ascent of a new class of speculators, importers, fixers, and foreign sharp operators. Sadat harmed himself by marrying off one of his daughters to the son of Osman Ahmed Osman, a contractor who symbolizes this group in the Egyptian mind. Foreign investors have so far mainly been interested in industries of dubious value, such as soft drinks. The public sector that still employs most nonagricultural workers has been further weakened and demoralized. Salaries in the private sector are several times greater. Moreover, with inflation high, public officials—who make \$5,700 a year at most and usually much less—are almost forced into corruption.

What about the fate of our own huge economic and diplomatic investment in Sadat's Egypt? Waterbury thinks that Egypt is once again vulnerable to policy swings

and coups d'état because the state bourgeoisie has been weakened while the new capitalists have not yet consolidated their hold. "A growing foreign presence, ostentatious consumption and visible corruption" could set in motion forces that might topple the regime. On the other hand, Waterbury demonstrates that Egypt has become so heavily dependent on the U.S. for food and other imports that its "jugular vein runs through" the American wheat belt. For Hosni Mubarak or his hypothetical replacement to forfeit American good will might be suicidal.

MARXISM AND BEYOND

by Sidney Hook

(Rowman and Littlefield; 225 pp.; \$22.95)

A. James McAdams

The hundredth anniversary of Karl Marx's death this year has provided an ideal backdrop for a spate of new books on Marxism and its legacy, among them the latest work by the American pragmatist philosopher Sidney Hook. Although Hook long ago ceased calling himself a Marxist—I think he would now prefer the label Social Democrat—he has reigned for over a half-cen-

tury as one of Marxism's best-known interpreters in this country. Thus *Marxism and Beyond*, a collection of recently published articles on Marx and his heirs, is probably best seen as an overview of Hook's lifetime study of the field.

Hook is clearly at his strongest when discussing Marxism's appeal to American intellectuals in the 1920s and '30s, since those were the years when the doctrine meant the most to him personally. For many writers and artists at the time, Marxism seemed to provide a sound explanation for the economic ills besetting the United States as well as a convincing and scientifically informed program for social change. Hitler's rise in Europe only compounded the urgency with which many desperately sought a viable alternative to fascism. Hook chronicles this period not as a disinterested observer but as one who took an active part in the debates over what the American Left might learn from the Soviet Union, and he leaves no room for doubt about his own contempt for those intellectuals who let themselves be deceived by the false promise of Soviet communism. "The great tragedy of the American intellectuals drawn to Communism," he notes, "was that in the intensity of their faith they ceased to function as intellectuals."

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