

# EGYPT

## THE ECONOMIC SITUATION

**T**HE serious cotton crisis which Egypt has been experiencing for the past few years is having its effect on the entire economic life of the country.

The millions of cantars of cotton that are lying unsold cause a general slump in business. Egypt had always had a favourable trade balance sheet, but as far back as in 1925 it began to show a deficit.

	1922	1923	1924	1925	1926	1927
	In mill. Egyptian Pounds.					
EXPORT ...	48.7	58.4	65.7	59.2	41.8	48.3
IMPORT ...	43.3	45.3	50.7	58.4	52.4	48.7
Balance ...	5.4	13.1	15.0	1.0	-10.6	-0.4

The Egyptian Government is making desperate efforts to save the situation; it is buying up cotton from the planters in order to sell at a higher price, and it is restricting the area under cotton to one-third. The Egyptian Government cannot undertake radical measures, such as a general improvement in the methods of irrigation, on account of British interference. The shortage of water in Egypt is becoming a more urgent question daily. England, however, is transferring her orders for cotton for her textile factories to the Sudan.

1926-27 the area under cotton in the Sudan was 105,622 feddan (1 feddan = 1.038 acres); in 1927-28 this had increased to 135,000 fed.

In 1926 England bought 1,111,437 cantars (cantar = 99 lbs.) in Egypt, but in 1927 this quantity dropped to 821,754 cantars; whilst in that same year England purchased 474,738 cantars in the Sudan, or about a third more than the usual quantity.

The measures undertaken by the government, such as buying up cotton and restricting the area planted, are merely palliatives under existing conditions. The peasants are obliged to pay high rents for their land and cannot increase the area under corn as a substitute for cotton, since competition even on the home market with the cheap imported corn is out of the question. The shortage of water makes it impossible to increase the cultivation of rice. The funds in the hands of the landowners cannot be invested in industry, because the customs policy (8 per cent. duty on all imported goods) and the puppet administration hamper the development of native industry. An instance of how the present occupation hinders the development of native trade may be found in the following fact: The Ali Pasha ministry fell in 1927 because it wanted to

transfer one million pounds (from a reserve fund of 30 mill. which had been accumulated as a result of the British policy of preventing the government from using the State revenue for the economic and cultural improvement of the country) from the British Egyptian National Bank to the national bank (Bank Misa), which finances native industry.

The British occupation lies like a heavy burden over all national economy in Egypt. Notwithstanding the fact that the Egyptian Government has paid several millions to British "advisers" and specialists by way of subsidies and compensation, it is still obliged to retain them and pay them high salaries. These "advisers" swell the ranks of the native semi-parasitic State apparatus. The following figures give some idea of its dimensions: The State revenue of 1923 was 41,532,000 pounds E.; of this 13,756,000 were allotted for State officials' salaries (2,220,300 for subsidies and pensions) and 830,000 for the civil list.

The entire State revenue of this agricultural country comes from the peasantry. The usual State revenue of 37,532,000 pounds E. (on account of the cotton crisis there has been a deficit which is met by the reserve fund) accrues from the tillage of eight million feddan; thus one feddan contributes five pounds annually to the revenue. In addition to the various taxes and subsidies there is also a big rent to be paid as the following figures show: in Lower Egypt the usual rent for one feddan under cotton is 12 pounds E., whilst the income from this is only 18 pounds E. (3 cantars of cotton at 6 pounds E. per cantar).

The result of this systematic robbery of the peasantry by the landlords and the State is the increasing pauperisation of the peasants; no less than three millions (including their families) are absolutely without land. About 1.5 million holdings consist of less than one feddan, and over half a million poor farmers have holdings of from 1—5 feddan. These two categories together have a total of 1.5 million feddan tilled land. Opposed to this army of agricultural proletarians, semi-proletarians and poor peasants, there are 12,000 big landowners who possess over two million feddan (including 1,500 foreigners who have 600,000 feddan), the State, the Church, and a few tens of thousands of rich peasants and small landowners with more than half a million feddan; there are about 100,000 middle and well-to-do peasants who have one million feddan. The pauperisation of the peasantry causes an exodus to the towns or to the neighbouring Sudan, where British cotton plantations are flourishing on the basis of a still greater exploitation of agricultural workers. The censuses of 1917 and 1927 show the extent of this process; the general growth of the population during this period was 11 per cent. (12,750,918 and 14,168,716 respectively), the increase in

the towns was 27.5 per cent., and in certain towns (Port Said and others) up to 40 per cent. The town population at present is 1,932,312, or 13 per cent. of the entire population. Such an increase in the population of the towns with the slow rate of industrial development swells the ranks of the unemployed.

The usual number of manual and office workers is over half a million (of these the industrial workers constitute 50,000). Wages and working conditions have greatly deteriorated. There is no labour legislation.

### THE POLITICAL SITUATION AND THE NATIONAL MOVEMENT

The spirit of opposition has been intensified as a result of the economic crises which the country has been through. The reactionary and openly pro-British government of Enver Pasha (which succeeded the Parliamentary Government of Zaglul Pasha after the murder of the British Chief Commander Lee Stack in 1924) was forced to resign because even the constitutional Liberal Party, the party of the powerful bourgeoisie, deserted it, and the 1926 elections resulted in an overwhelming majority for the Wafd, and those parties that constituted a bloc with it: the Constitutional Liberals and the Left Nationalist Party. During these two years there were three different governments (under Ali Pasha, Sarwat Pasha and Nahas Pasha) representing a coalition of Wafds and Constitutional Liberals.

The foreign policy of these nationalist governments was marked by frequent diplomatic conflicts with Great Britain. The reasons for these conflicts were:—The British objection to any increase in the Egyptian army and the demand for its complete subservience to British instructors; the question of the foreign representation of Egypt; the British demand that Egypt should recognise the British occupation of the Sudan; interference in the internal affairs of Egypt, and the prevention of even the most elementary reforms. During the two years of the Wafd Parliament certain improvements were made including quite a considerable amount of irrigation work (the 1928 budget allotted two million pounds Egyptian for this), various measures for the development of agriculture, State support for agricultural co-operatives (comprising mainly tenant farmers), support for the development of native industry, chiefly textile, negotiations for the revision of the customs agreement, very timid attempts to reform the management of church lands, and other less drastic reforms.

But none of these measures so much as touched the basis of the British occupation; the Nationalist Government showed the same indecision and timidity in its negotiations with the British, and even on occasion completely capitulated, as in

the case of Sarwat Pasha's secret negotiations. At the same time British oppression is on the increase.

In 1928 the national movement became considerably stronger and differences began to make themselves felt within its ranks. The danger of Sarwat Pasha concluding an agreement with Great Britain caused great unrest amongst the students and big street demonstrations which ended in bloodshed. The Wafd leaders began to break with the leaders of the government and the national bourgeoisie. The opposition of this section of the national movement to British Imperialism was mainly amongst the petty traders. The Wafd leaders were definitely opposed to revolutionary forms of struggle with British Imperialism and to the development of workers' and peasants' class organisations. However, within the Wafd a Left wing developed which had contact with the Labour movement.

Watan deputies have recently made protests in Parliament against carrying on negotiations with the British and against native reaction supporting the king. The Watan Party joined the League against Imperialism. Another interesting tendency is the endeavours the Left Nationalists (both Wafds and Watans) are making to gain influence amongst the workers.

This general state of affairs forces the Wafd to try to keep in with all parties. On the one hand they allow participation in a Coalition Government, and the leaders give official support to the government (they even went so far as to support the ban on "undesirable" questions in parliament), whilst on the other hand the Wafd Press publishes articles against this government and especially against negotiations with Britain.

The Wafd has political influence in the country, though organisationally it is weak; there are only a few thousand organised in the Wafd clubs. Recently the influence of the Watan Party has been increasing; this party hitherto represented an isolated intellectual group.

### THE LABOUR MOVEMENT

The Labour movement which was crushed by the Zaglul government in 1924 after the break up of the Revolutionary Labour Conference, which comprised several powerful Trade Unions, has been experiencing a certain revival during the past two years. In 1927-28 several big strikes took place (tram, rail, tobacco, textile, etc.). A considerable number of conflicts are "settled" somehow or other by the Nationalist Trade Union leaders and the government "conciliation committees." This revival occurred spontaneously, but as yet there is organisational weakness. The workers display a great desire to become organised, but the movement has not yet succeeded in producing a sufficient number of revolutionary

leaders, and the majority of the Trade Unions are under the influence of the Nationalists and all kinds of bourgeois politicians. The total number of Trade Unions is now 100, and the total number of organised workers comprises not more than a few tens of thousands; the Trade Unions are not united, and the majority of them are very weak.

The various national groups take advantage of the weakness of the revolutionary section of the Labour movement to strengthen their influence amongst the workers. Immediately after the dissolution of the Revolutionary Labour Conference in 1924 a Zaglulist General Workers' Union was formed under the leadership of a former national terrorist, Abdel-Rekmen Bey Fahmi. The reactionary government of Eivar Pasha has disbanded this organisation also, despite the fact that it not only did not allow the development of the class struggle, but actually tried to suppress it in every possible manner. Since the Wafd has been in power again, the Zaglulites and the Watans are endeavouring to get control over the trade unions. In 1927 they again revived the General Workers' Union of Egypt which is as yet very weak, comprising only a few branches in Cairo.

The Nationalists, who constituted themselves as the ideological leaders of the Trade Unions, try to prevent strikes, and, when they do arise, they do their best to settle them with the help of the "conciliation committee," whilst all the time they act in such a way as to gain popularity as "the defenders of the workers' interests." The group of so-called "Labour" deputies plays this rôle in parliament. For two years it has been "introducing" labour legislation both in parliamentary and government commissions.

It is interesting to note that the executive of the Nationalist Trade Unions receives financial support from the king and sends him telegrams with greetings. It is further of interest to observe that the Amsterdam International is trying to get in touch with the Egyptian Labour movement with the help of these "leaders."

### THE COMMUNIST MOVEMENT

The Communist Party worked legally up till 1923, then it dissolved because of the successive splits in 1923-24; the active members were arrested and sentenced to various terms of imprisonment. One of the members of the Executive, Antun Marun died in prison as the result of several prolonged hunger strikes. After the dissolution in 1924 the Party reorganised its forces but on absolutely illegal lines. In a comparatively short time it was able to start groups in several towns. The Party published a legal daily, "Al-Hassad" (8 issues), and an illegal weekly, "Aljam-el-Achmar." Some pamphlets and

manifestos were also published. In 1925 the police succeeded in arresting the Executive, and many of the active Party workers. A few dozen were arrested; 18 were tried and sentenced to terms of imprisonment varying from six months to three years.

But the Party has not yet been able to recover since 1925. The police exercise the greatest espionage and terror. The government has a special bureau for the struggle against Bolshevism which swallows up some thousands of pounds annually, and besides this the British Intelligence Service is fighting Bolshevism. All workers suspected of Bolshevism are arrested, dismissed from their work and hunted out of the towns. The police have on occasion been able to introduce provocateurs into the Party and have thus instilled mutual suspicion amongst the Party members.

A further reason for the weakness of the Egyptian Party is the lack of experienced leaders capable of uniting the different comrades and taking charge of the entire work. On this account our comrades are not in a position to make the best use of the recent revival of the national revolutionary movement or strengthen the Trade Unions.

Notwithstanding all these difficulties our Egyptian comrades took an active part in almost all the big strikes which occurred in 1927-8. There were also some attempts made to utilise the legal Press which were more or less successful. In connection with the rise of the National movement the Communist Party of Egypt represents the only political force capable of exposing the treacherous manœuvres of the Wafd leaders, and of uniting the broad masses of the Egyptian workers on the basis of the decisive struggle for the independence of the country. The immediate tasks of the Communist Party of Egypt are the liberation of the workers from the influence of the Wafds and the conversion of the Egyptian Trade Unions into real organs of the class struggle of the proletariat.