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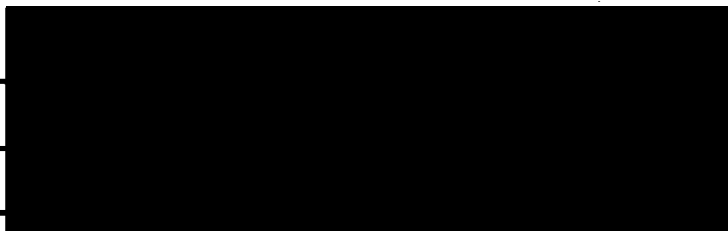
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EGYPT'S JULY REVOLUTION:
THE SOCIO-ECONOMIC FORCES WITHIN
DIFFERING MARXIST PERSPECTIVES

by

Anne-Marie Drosso

B.A., American University, Cairo, 1974

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
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of

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ABSTRACT

The Free Officers' seizure of power in Egypt was not immediately connected with a working class movement; the action was timely yet isolated. In different analyses Egyptian marxists have tried to ascertain the revolutionary content of the moment. In order to assess such analyses, reconstruct the 1952 circumstances and possibly understand today's turn of events in Egypt, we have considered two questions crucial. The first question entails a study of the pre-1952 Egyptian bourgeoisie. Was there a distinct industrial bourgeois wing trying to establish itself against the landed elite? Or did the various bourgeois strata have parallel interests? Our second question relates to the explanation of the 1952 outcome as a compromise solution. Does that fix only quantitative limits to the change?

In dealing with the first question we have tried to examine the connections and have searched for the conflicts between the agrarian, the financial and the industrial capitals. Our main sources have been Ali el Gritly's "The Structure of Modern Industry in Egypt", L'Egypt Contemporaine, Nos. 241-42, Cairo, Nov.-Dec. 1947 and Samir Radwan's Capital Formation in Egyptian Industry and Agriculture 1882-1967, London, 1974. We have tried to pose and to develop our second question in a Gramscian frame, juxtaposing three different marxist approaches, namely, Anouar Abd El Malek's Egypt: Military Society, New York, 1968, Hassan Riad's L'Egypte Nasserienne, Paris, 1964 and Mahmoud Hussein's Class Conflict in Egypt: 1945-1970, London, 1973.

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The existence of an autonomous industrial bourgeois wing is difficult to substantiate. In fact, the various capitals appear to have been interconnected; the analysis of the Free Officers as arbitrators acting ultimately on behalf of a modernist tendency within the bourgeoisie is questionable. We can retain however the idea of a compromise and envisage the synthesis between the old bourgeoisie as a whole and the new groups in power.

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Anne-Marie Drosso

INTRODUCTION

Some of the Marxist literature on contemporary Egypt raises interesting issues in relation to the Free Officers' seizure of power in 1952. This thesis reviews three Marxist works: Anouar Abd El Malek's Egypt: Military Society;¹ Mahmoud Hussein's Class Conflict in Egypt: 1945-70;² and Hassan Riad's L'Egypte Nassérienne.³ While the underlying purpose is to reconsider this particular moment in Egyptian socio-economic history within these different Marxist perspectives, a further point is at issue. When opposed to the 1960's statist option, does the government's present attempt at regenerating the private sector and at encouraging foreign investment indicate a sudden, an unexpected reversal? Or could we perhaps insert today's apparent inclination toward economic liberalism into a general perspective that would link the initial conditions under which the Free Officers seized power and the subsequent developments in their course of action? We are suggesting that the analysis of the situation culminating in 1952 may be pertinent if we are to envisage the possibility of a capitalist mode of development reasserting itself in Egypt. The question of why the Free Officers in 1952 also involves the question of why 1952 concerns us today.

The outcome of a situation of crisis, the 1952 event has been approached by the literature under review in a distinctive manner: the Free Officers succeeded faute de mieux; they

succeeded for want of any other ultimately positive alternative. The measure of their rise is negative. The question of why the Free Officers in 1952 amounts to asking: which were the other alternatives open to Egyptian society then? It implies considering the alternatives to eliminate them. Hence each of the pre-1952 ruling class, the Wafd or Egypt's then dominant political movement, and the forces of the Left are examined.

The analysis of the ruling class entails a number of issues.

Given its structure, did this class come close to leading the process of development? In other words, were there possibilities for improvements within existing socio-economic relations?

Can we unambiguously speak of a progressive fraction of the ruling class halted in its progress by the conservative elements? How strong a case can be made that acting to rescue the existing system the Free Officers were at first functionally related to this fraction? This type of argument has a certain tinge. It determines the latitude of the changes the Free Officers could bring about and excludes from the outset the possibility of qualitative changes.

Finally, by 1952, what positions had national capital acquired? What was the range of its activities? In part the relation between the new state power and the national bourgeoisie depends on the latter's relative significance.

Examining the pre-1952 private capital and the national bourgeoisie, we look into these questions but do not present final answers.

There seems to be little evidence for hypothesizing a distinct progressive fraction of the ruling class - namely, in Egypt, a distinct industrial wing of the big bourgeoisie in opposition to the big landowners. To understand the Free Officer's initiative as one involving initially some measure of arbitration in favour of such a group is questionable. On the other hand, to pursue the idea that all apparent alternatives constituted ultimately no alternatives - that neither the ruling class, nor the Wafd, nor the forces of the Left seemed capable of taking the initiative in 1952 seems suggestive. Thence the Free Officers' rise can be seen as "arbitration" over a specifically static equilibrium of forces with - however - no necessary link to any one force.

Once in power, the Free Officers will wrest important positions from private capital. The state sector and its cadres will supplant - for a while - the private sector and the old bourgeoisie. Engels notes that "Force (that is state power) is also economic power!"⁴ Yet if the process of assimilation, if the synthesis between the new cadres and the old bourgeoisie in an unfolding capitalist system becomes the next phase, one may want to ask: how free were the Free Officers?

FOOTNOTES

1 Anouar Abd El Malek, Egypt: Military Society (New York: Vintage Books, 1968).

2 Mahmoud Hussein, Class Conflict in Egypt: 1945-70 (London: Monthly Review Press, 1973).

3 Hassan Riad, L'Egypte Nasserienne (Paris: Les Editions de Minuit, 1964).

4 A letter of Engels to Conrad Schmidt published in Marx's and Engels' Selected Correspondence, trans. by I. Laska and ed. by S.W. Ryazankaya (Moscow: Progress Publishers, 1975), p. 402.

CHAPTER I: PRE-1952 PRIVATE CAPITAL AND THE
PRE-1952 BOURGEOISIE

The Pre-1952 Egyptian Bourgeoisie: The Issues at Stake

We intend to examine - in this chapter - the question of the pre-1952 bourgeoisie in Egypt; it entails the study of the then existing private capital. We shall try to focus on the main features of private capital but do not pretend thereby to give a picture of the total economic structure.

According to Hassan Riad, whose account is the best documented of the three and the most explicit, one small group of families cumulated landed, commercial, financial and industrial interests.¹

Describing the commercial and industrial, big bourgeoisie in the wake of World War II Mahmoud Hussein writes

The big bourgeoisie was made up of two historically distinct branches. The older branch was not originally Egyptian but European or Levantine ...and it became subsequently Egyptianized
The newer branch, the strictly Egyptian commercial bourgeoisie was essentially rural in origin.... Later on, especially as a result of World War II, a number of speculators and functionaries of non-rural origin succeeded in becoming part of this bourgeoisie. This bourgeoisie developed without breaking with the big landowners.²

Hussein also recognizes "a modernist tendency [which] appealed to those sections of the big bourgeoisie who were committed to

urban investment and who were historically more detached from traditional big landed property."³

Anouar Abd El Malek specifies

The 'modern' industrial and technocratic wing of the Egyptian bourgeoisie was not born out of private enterprise, following the classic path (commerce-manufacture-industry) but... was formed so to speak within the very womb of the imperialist invasion of Egypt by foreign capital as the ally and junior partner of that investment.⁴

Abd El Malek later emphasizes that "every effort was made by the big landowners, who continued to dominate the political scene, to curb industrial production and consequently, the political power of the industrial and technocratic group of the Egyptian bourgeoisie."⁵

There is possibly an ideological nuance in presenting the industrial group as somewhat autonomous yet unable to express itself politically and held in check by the big landowners. One can assume the industrial group's tacit welcome of the 1952 change and see compromises lurking; in a sense, the Free Officers are introduced as intent on solidifying the social power of the industrial fraction within the ruling class.⁶ In fact, a number of questions accompany the study of the various strata of the bourgeoisie. The temptation is to analyze the situation according to Marx's The Eighteenth Brumaire, to speak readily of a split ruling class and rush to characterize the Free Officers as arbitrators acting on

behalf of the existing system.⁷ Marx underlined clearly that

what kept [landed property and capital] apart,... was their material conditions of existence, two different kinds of property,... the old antagonism of town and country, the rivalry between capital and landed property.⁸

Crucial is thus the extent to which objective and mainly economic developments in modern Egypt fostered distinct interests. The question need not commit us to an Eighteenth Brumaire type of analysis. It arises inasmuch as we wish to discover the alternatives for development open to Egyptian society prior to 1952 and specifically to decide whether the Free Officers' action constituted at the outset a compromise in favour of a somewhat autonomous industrial wing within the Egyptian big bourgeoisie. Charles Issawi⁹ and Tarek El Bishri¹⁰ describe this wing as having been ultimately dominated by its fears of the radical and democratic trends in the 1940's; it therefore stopped short of challenging the supremacy of the landowning élite.

Riad's Thesis: The Exclusive Character of the Owing Bourgeoisie

We shall begin by outlining Riad's thesis on the pre-1952 Egyptian bourgeoisie. The big bourgeoisie was a homogeneous group and had developed as the younger branch of the landed aristocracy with which it had remained tightly connected. The picture emerging from the analysis of the industrial and commercial structure shows

two opposite clusters: at one end some ten big enterprises as the collective property of the Egyptian aristocratic families associated with local foreign capital and with European capital, at the other end poor artisans. In between Riad does not situate a middle bourgeoisie based on middle-sized enterprises; the few existing middle-sized enterprises were foreign owned.¹¹

As early as 1917 the "Commission du Commerce et de l'Industrie" - appointed by the government in response to the call for industrialization¹² - had distinguished between the "Petite Industrie" and the "Grande Industrie"; a traditional sector with small "ateliers" coexisted with a modern sector comprising large scale industries.

The Petites Industries covered such activities as building, textile, dying, metals, wood, tanning, shoes, flour-milling, chemical (soap, or C...) and objet d'art (jewelry...). While these industries were generally scattered all over the country, some centres retained their traditional reputation which accounted for a degree of localisation in towns such as Cairo (the main centre), Mehalla (cotton, silk, textiles), Damietta (silk), Kalioub and Akhmim (shoe-making), Kenah (pottery), Makhada (cotton textile for Sudan). The production unit was the workshop "warsha", run by the owner, "usta", who in most cases, worked on his own, assisted by one or more apprentices, "sabi"

[The Grande Industrie] included such important enterprises as the Filature Nationale de l'Egypte (consuming annually 50,000 cantars of cotton to produce 3.5 m. lbs. of yarn and 8.9 yards of cloth), La Société des Sucreries (producing 100,000 tons and employing 17,000 workers), alcohol (11 m. kilos annually), oils (consuming

25% of the total production of cotton seed to produce 140,000 barrels of oil and 100,000 tons of cotton seed cake).¹³

At one end small workshops using old production techniques, at the other end large scale mechanical industries mostly owned by foreigners.

This dichotomy which was the starting-point of the industrialization process in Egypt will - according to Riad - characterize the process throughout. The modern sector into which the Egyptian big bourgeoisie introduced itself around the 1920's - remained highly concentrated and exhibited all forms of monopoly organization.¹⁵ Riad traces the absence of an Egyptian middle class - which could have assumed the industrialization process - back to 1882 and to the subsequent European immigration. Up to that moment urban categories of merchants, of artisans, and of clerks had stood between the peasantry - then deprived of all political rights - and the ruling landed élite. Riad does not maintain that this particular urban stratum was about to become an industrial bourgeoisie following the European model; quite the contrary, he sees no evidence for this. What can be said though is that whatever economic vitality these urban categories had, they lost... as soon as the foreign immigrants who were protected by the Capitulations¹⁶ engaged in commerce. Faced with an indigenous élite which monopolized land, which cooperated with the British and provided them with the needed state cadres, the foreigners

seized all activities related to the export of cotton and to the import of various goods consumed by the rich communities, opened big stores and established banks and insurance companies; the Egyptian urban groups did not withstand the competition and were relegated to minor public functions.¹⁷

Thus to the question of which Egyptian bourgeois elements could have participated in industrialization, Riad discerns only one group - of landowners, of politicians and civil servants - who came from big landowning families and had a secure position in the countryside.¹⁸ In his examination of the modern capitalist sector, in its high degree of concentration and of monopoly, Riad sees the shared interests of a few families which are not at all to be distinguished from the landed élite; he deduces the unity of the pre-1952 Egyptian-owning bourgeoisie.¹⁹

To measure the extent to which the same men ruled over both the countryside and the modern sector one would have to delimit that which constituted big landed property in Egypt - indicating its owners - as well as study the historical records of the industrial, the financial and the commercial companies. L'Egypte Nassérienne is rich in information on the ownership and the boards of the various companies, on the connections between them. Riad has included in his privileged rural strata all owners of more than 20 feddans; furthermore, he has recognized as the upper level group the owners of more than 200 feddans.²⁰ The problem, however, in determining who was a big landowner is not only in the choice

of adequate criteria (the area of the lands owned or their quality etc.). It has been difficult to identify big landowners because properties were dispersed and because the lands were registered separately in each "Nahia" or district.²¹ Now whether Riad reflected on this particular problem is not clear; whether he chose to focus on the owners of 200 feddans and above, then systematically followed their relations to the various companies, is not clear either.

Pre-1952 Private Capital: Main Developments

At this point it becomes essential to look into the structures enclosing and supporting the pre-1952 Egyptian capitalists. On the basis of his study of the long-term trends in capital formation and other historical evidence, Samir Radwan has distinguished between three phases of development: "the export economy phase extending from the 1850's to the 1920's; the phase of import-substitution industrialization which began in the 1920's and 1930's, gathered momentum during World War II and reached its peak in the 1950's; and finally the phase of 'planned' development covering the 1950's and the 1960's."²²

Another writer, Ali El Gritly describes the developments as follows: "Little industrial progress was registered during the second half of the nineteenth century despite the opening up of the country by an efficient network of railroads and the

unprecedented influx of foreign capital
.

A study of the distribution of foreign investment at the beginning of the 20th century shows that the bulk of the imported funds found employment in banking, land and urban developments, transport and public utilities and other amenities necessary for the commercialization and urbanization of the country."²³ There was some industrial development during the first two decades of the 20th century.²⁴ The First World War and the inflation caused by the expenditure of foreign troops fostered local enterprise, especially because imports were reduced. After the war some of the industries disappeared. During that period industrial and commercial concerns based on purely Egyptian capital were begun.²⁵ With the tariff reform of 1930,²⁶ investment in some fields, e.g. the textile industries, increased.²⁷ Accumulation and production were tied to the substitution of home-produced goods for imports of consumer non-durables. Industrial investment was further encouraged during the Second World War;²⁸ its effects were different from those of the First World War, for industrial conditions were now protected.

Thus, similar outlines of development appear in Radwan and El Gritly with - however - one difference. Radwan identifies an initial phase of industrialization during an earlier period; his measurements of gross and net fixed capital formation and capital stock in Egyptian industry indicate an upswing between 1899 and

1907.²⁹ The capital invested in the industrial concerns came - for the most part - from foreigners resident either in Egypt or abroad.³⁰

The evidence of Radwan's series on this early phase of industrialization is interesting; the upswing took place during Lord Cromer's administration as British Consul-General (1883-1907). Lord Cromer was known for his unfavourable attitude to industrial development. According to Owen a good case could be made that Lord Cromer and the other British officials were not opposed, in principle, to industrialization but that they were, above all, Free Trade adherents. To take one particular example, Lord Cromer's 8 per cent excise duty levied on all local cotton products could be considered a means to secure the rules of Free Trade since imported cotton cloth had to pay a customs duty of 8 per cent. Still, Owen concludes that "whatever the real beliefs of the officials, there can be little doubt that their policies did much to discourage potential entrepreneurs." Radwan does not question the negative attitudes of British administrators to Egyptian industry nor the negative effect of the British occupation on industrialization in Egypt. "This, however, does not imply that no industrial development took place in Egypt during this period... But the type and extent of this industrial development conforms to Levin's description of the pattern of development of an export economy with investment mainly centered around foreign trade."³²

In 1899 the 'modern' industrial sector included: "(a) the processing of raw cotton for exports (ginning and pressing)... (b) industries protected by high transport cost of bulky or perishable inputs or outputs such as sugar, beer, cement, bakeries, salt and caustic soda, and (c) industries traditionally established in Egypt because of their comparative advantage such as Turkish cigarettes, cotton-seed, oil and soap."³³

From 1899 to 1907 "new investment in industry followed the established pattern."³⁴

During World War I some items - wood products, carpets, and certain items of textile and clothing - were for the first time manufactured at home.³⁵ The industrial expansion did not last; in 1919-20 imports under free trade flowed into the country again.³⁶

The export phase realized the interests of the Egyptian large landowners and those of the foreign capitalists. The former did not invest much in industry, trade or finance except for "the occasional purchase of stock in existing companies."³⁷ The latter penetrated the country as merchant bankers having strong connections with European and British private banking houses, especially with the French Banques d'Affaires; they thus channeled European capital into the Egyptian public debt.³⁸ "When the era of lucrative lending to the Khedives drew to a close [they turned towards] the development of industry and trade."³⁹ In the meantime - throughout the second part of the nineteenth century - "they [had] succeeded in acquiring extremely lucrative concessions to built water and gas

works, tramways and provincial railways and to exploit mineral resources. They [had] also bought factories and water-works from an impecunious government anxious to ease its immediate financial troubles at any cost. Once secured, the right to exploit the concession was usually transferred to a company especially floated for the purpose."⁴⁰ In the beginning French capital and entrepreneurship predominated to be quickly joined by British and Belgian capital.⁴¹

A quick look at the sources of the funds which local financiers invested in industry shows that

Profits from commerce, private banking and money-lending in its multifarious forms enabled the syndicate of Messrs. Menasce, Cattaoui, and Saures to invest in narrow gauge railways, and later on, to merge their interests with those of an English firm. The fabulous profits realized in the cotton trade enabled merchants such as Yehia, Farghaly, Begerli, Salvago, Lascaris, Rolo, Pinto, Reinhart, Larver, Peel, Rossano etc., to invest in industries ancillary to their main pursuits such as inland transport, cotton ginning and pressing, and later on, in shipping, insurance and cotton spinning and weaving. They combined their industrial activities with an extensive export trade in cotton, and their names figured on the prospectuses of all companies of importance

.....
Other examples may be cited. Profits from high-grade retailing and cigarette manufacture enabled Messrs. Lappas, Gianaclis, and others to start in the soft-drink and wine industry. Monopoly-profits realized by Mr. Cozzika, the Alcohol magnate, were invested in the paper industry. The brothers Empain, who made huge profits out of the success of their suburban venture in Heliopolis, near Cairo, were among the leading promoters of electricity and transport undertakings.⁴²

The only Egyptian names mentioned are Yehia and Farghali.

Clearly it is not in the early years of industrialization that the Egyptian capitalist class developed but later in the transition from the phase of the export economy to the import-substitution decades.

Converging circumstances characterized this transition during the 1920's and 1930's, a period conventionally regarded as marking the beginning of industrialization in Egypt. The national government of 1919 stressed the need to industrialize. A long-term stagnation of the agricultural exports which reached its peak during the Great Depression brought into question the dependence on agriculture. In 1930 Egypt regained her fiscal autonomy. At the recommendation of the Fédération Egyptienne des Industries⁴³ the government then introduced a mildly protective tariff system. But more significant was the emergence of the Bank Misr as the expression of specifically Egyptian financial and industrial capital. Hence the 1920's and 1930's witnessed an important shift in the pattern of accumulation. Yet how much of a qualitative shift was it in relation to the capitalist base? How consistent would Riad's thesis be with an examination of the Bank Misr's developments?

Pre 1952 National Private Capital: The Bank Misr

In 1920, the first all-Egyptian bank - the Bank Misr - was established. Until 1957⁴⁴ - except for the Bank Misr - the banks

operating in Egypt, land or mortgage banks and deposit banks, were "either branches of foreign establishments or joint stock companies registered locally with foreign capital or under foreign management."⁴⁵

Even the National Bank of Egypt - which had some of the functions of a central bank but which also acted as a deposit bank - even that bank "had a dual management and the board of directors in Cairo had to refer to the so-called 'London Committee' all transactions involving amounts exceeding L.E. 100,000."⁴⁶ In 1940 certain measures of reform and Egyptianization became, however, inevitable. Egyptian political circles felt that because of the foreign character of the National Bank's shareholders, directors, and staff, it did not fully serve the interests of the country. In particular, it was felt that the bank strengthened the link with sterling and had thus exposed the internal market to the economic fluctuations and crises in Europe - namely, to the depression of the 'thirties and to the inflation of the 'forties. Further, the money market lacked the services of a central bank which would fulfil the function of lender of last resort. On this point Bank Misr had been quite insistent because most concerned, since the other local banks did their re-discounting abroad and relied on the parent institution for short-term accommodation.⁴⁷ The National Bank agreed "to increase the number of Egyptians on its Boards of Directors until an Egyptian majority is attained."⁴⁸ It also agreed to abolish

the "London Committee", to encourage local recruitment of staff and to concentrate on the functions of Central Banking.⁴⁹

In a 1931 catalogue of the most prominent administrators of the joint stock companies, foreign names by far overshadow Egyptian names.⁵⁰

In 1937 the President of the Alexandria British Chamber of Commerce declared: "the market value on December 31, 1929 of public loans, stocks and shares quoted on this Stock Exchange totalled nearly LE.200,000,000 and it is no exaggeration to say that 90% of the amount is held by foreigners in and out of the country."⁵¹

Such was the foreign-dominated environment in which Bank Misr had to operate. Bank Misr started with a modest capital of LE.80,000 contributed by 125 Egyptian shareholders who were important figures in the country's economic, political and social affairs.⁵² El Gritly specifically identifies big landowners as well as men from politics and from the civil service.⁵³ In accordance with its initially declared policy the bank soon launched the first companies financed and managed exclusively by Egyptians.⁵⁴ Henceforth it "persistently pursued a policy of active participation in industry and trade"⁵⁵ and of active intervention in the management of the companies comprising the Misr Group;⁵⁶ "the managing directors of the bank were, in almost all cases, the managing directors of the associated companies [i.e. the

Bank Misr companies]."⁵⁷ Thus Bank Misr acted as a deposit bank, financed a substantial part of the cotton crop, extended loans to local industry - in the nature of lasting participations - and floated new companies.⁵⁸

Begun during a period of war in which the country was struggling for self-government,⁵⁹ Bank Misr appeared as the expression of national enterprise and of economic autonomy or, as the outcome of what an Egyptian historian has called "an economic nationalism."⁶⁰ Its founders - Talaat Harb and Youssef Aslan Cattaoui - were the first to emphasize the dangers of monoculture and the need to diversify production. As early as 1879, Talaat Harb (then a young employee in Daira Sanya)⁶¹ had published a book entitled "Egypt's Economic Remedy; or a project of a Bank for the Egyptians" in which he expressed his belief in Egyptian entrepreneurial abilities, in the availability of Egyptian funds, and in the necessity to create a bank to finance industrial development. In 1917 serving on the "Commission du Commerce et de L'Industrie" Harb explicitly cited Germany's example of long-term industrial financing and pressed for development along similar lines.⁶²

The significance of Bank Misr - Radwan writes - "has been due not merely to the amount of funds the bank mobilized, but perhaps more to the qualitative change it brought about in attitudes and institutions. Bank Misr represented Egypt's new national entrepreneurial class."⁶³ Its success reflected an important shift in the investment behaviour of Egyptian large landowners and big

merchants, i.e. a transformation of Egyptian landed and merchant capital into industrial capital.⁶⁴

But how does Bank Misr fit into Riad's general thesis which stresses the connections between industrialists, landed aristocracy, and foreign capital? According to Riad, industrial capital was complementary to the older forms of capital; it did not have an independent class existence. Similarly, he argues that the Misr Group blended harmoniously with foreign capital and with the foreign bourgeoisie resident in Egypt; it did not stand against the foreign interests.⁶⁵ We note that Riad includes in the Misr Group both the Misr companies proper and the companies which various members of the Misr boards independently owned.⁶⁶ The Group embraced the firms created in common and managed collectively; it thus synthesized the common interests of the few exclusive families constituting the Egyptian upper bourgeoisie and was also connected to Levantine and to foreign capitalists.

The question we face is whether Riad's analysis is really consistent with other descriptions which underline the national and independent character of the Misr Group. It would be difficult to ignore the national dimension of Bank Misr's first moment; it then certainly "created a framework for the support of Egyptian enterprise"⁶⁷ and encouraged a change in the behaviour of Egyptian investors "who [hitherto] preferred land and property to investment in industrial companies."⁶⁸ That this could not - and did not - result in economic independence constitutes a further point.

What had appeared to be the potential independence of Bank Misr was seemingly jeopardized. During the 'thirties the bank started several new companies in partnership with powerful foreign interests, and "in one case, participation was agreed to after the foreign interests had threatened to start new concerns in competition with those developed by the bank. Thus, Misr Insurance was formed with the help of the British firm of Bowring and the Assicurazioni Generale di Trieste, Misr Shipping S.A.E. was founded in partnership with Cox and Kings and the two complementary firms for the spinning and dyeing of fine cotton (Kafr El Dawar and Beida) were the result of a working agreement modelled on the German 'interessen gemeinschaften' with the all-powerful Bradford Dyers Association."⁶⁹

On the eve of World War Two, following rumours about the imminent outbreak of hostilities, depositors hurriedly withdrew their money from the Bank Misr and "from the Post-Office savings banks which had large deposits with the bank."⁷⁰ They possibly felt it wiser to invest in essential consumer goods of which shortages were anticipated. We know that the bank's investments were substantially in long term industrial undertakings; there was no central bank in Egypt in 1939; furthermore the National Bank of Egypt refused some of the securities in the portfolios of the Bank Misr as collateral for a large loan.⁷¹ The crisis persisted. Talaat Harb Pasha, founder and managing director of the Bank resigned. In 1941 the government intervened and "guaranteed the

present and future deposits of the bank"⁷² in return for which it acquired 1000 founders' shares.⁷³ Henceforth the Minister of Finance could veto appointments to the boards of directors⁷⁴ and a government commissioner was appointed "to attend boards' meetings in an advisory capacity, and to draw the attention of the management to any acts likely to jeopardize the interests of the bank. If his view remain[ed] unheeded, he...[could] report to the Chancellor of the Exchequer."⁷⁵ In most cases, the government discouraged the bank's "practices of excessive direct participation in industry."⁷⁶

Radwan interprets the particular situation of the Bank Misr crisis to be the turning-point in the bank's history.⁷⁷ The government mediated the interests of the foreign industrialists, of the Egyptian representatives of foreign commercial interests and of the conservative landowners who controlled both the government and parliament.⁷⁸ Accordingly "it was...easy for these factions to take over the Bank Misr following the 1939 crisis, and to make sure that the Bank and its companies do not grow beyond the requirements of a dependent economy. The Group's activities centered around cotton, and no new investments were made until 1946."⁷⁹

In Radwan's interpretation of the Bank Misr's developments there is a possible answer to the problem we posed earlier. The bank gradually lost its independent character to be ultimately absorbed by its foreign-dominated adversaries. During a first moment Bank Misr and its group were truly "committed to the principle of 'economic independence'".⁸⁰ They were soon neutralized.

This argument presupposes the difference and opposition between the Egyptian industrialists and the Egyptian big landowners - which Hassan Riad in L'Egypte Nassérienne precisely questions.

Instead of thinking in terms of a gradual change - of a gradual absorption of the Bank Misr and its group - we could understand their development as the reflection of the group's own limitations. Bank Misr expressed demands for greater Egyptian participation in the country's economy - in particular, in the modern sectors. Consequently it insisted on a more diversified economy which could contain both new Egyptian interests and existing foreign interests. Its first moment of self-assertion was realized in initiating strictly Egyptian enterprises. Not only did this line of action correspond to the then dominant national aspirations but - in retrospect - it appears as perhaps the only way for Egyptians to insert themselves amidst foreign capitalists. The latter had entered the sphere of production at the turn of the century. The commitment of the Misr capitalists to the principle of economic independence was thus derived from the process of Egyptianization and did not go beyond it. The process itself involved a restricted number of Egyptians, mostly well-established, within the existing socio-economic relations. It could be argued that they believed their special interests to be the general interest, i.e. the general conditions under which Egypt could develop into a modern society.⁸¹ They succeeded in introducing themselves into the financial merchant and industrial sectors of

the economy and their consciousness did not lead them further - not to mention their interests which, if one follows Riad, were also those of the ruling landed élite.

Our tentative explanation of Bank Misr is not at all meant to depreciate its role. Rather it should be emphasized that the bank symbolized real national aspirations and - as Radwan maintains - it formed the Egyptian entrepreneurial spirit.⁸²

The monopolistic character of Bank Misr and its subsidiaries reflected the general circumstances of pre-1952 capital in Egypt. The bank was "itself a party to a bankers' gentlemen's agreement for fixing interest rates and bank charges... [and it] encouraged monopolistic action for its subsidiaries."⁸³ Of course, most of its loans went to the Misr Group.⁸⁴ The other large financial institutions were well-connected abroad and provided large industrial companies, "especially those which [were] foreign owned and administered,"⁸⁵ with adequate credit facilities.⁸⁶ Within such compact structures the essential principles of organization were those of concentration and monopoly.

Before concluding our sketch of general capital we would like to touch upon these two aspects of concentration and monopoly. On this point Ali El Gritly's sectorial study of Egyptian industry fully confirms Hassan Riad's analysis. Rather than serving as cost-reducing devices, concentration,⁸⁷ excessive integration⁸⁸ and monopoly⁸⁹ were the means through which powerful financial interests gained control of Egypt's modern economy. El Gritly's survey reveals

that "the typical monopoly form [was] the cartel, a form which does not offer many opportunities for cost-reductions. Moreover, some mergers...paid high prices for the acquisition of the constituent firms, some of which had to be subsequently closed down, and the resulting capital-watering deprived them of sorely needed funds and weighed heavily on their financial structure, sometimes necessitating drastic scaling down."⁹⁰

A few firms thus accounted for most of the output of particular industries, such as the cotton industry, sugar refining, cement, soap, paper, and milling, not because of considerations of efficiency but because their owners were concerned to reap monopoly profits. In cotton spinning and weaving, for example, where the optimal technical unit is small, the growth of a few firms reflected their financial success, i.e. their attainment of positions of leadership. Further, lateral and vertical integration grew out of the desire to invest retained profits, and the persistence of excess capacity throughout the post-war period indicates that some Egyptian plants were beyond their optimum scale. To conclude, El Gritly notes that mechanization, or the techniques and combinations of factors of production introduced within the large firms tended not to suit the factors or prices ruling within the country. Methods were too mechanized. The scarcity of capital and the abundance of labour did not result in the establishment of small-scale decentralized industries which could have possibly displaced the decaying crafts of the village, reduced unemployment, and avoided excessive urbanization.⁹¹

This digression involves questions related to both the character of the industrialization process in Egypt - to its limitations or the limitations of Bank Misr, and to the pattern of development of the capitalist mode of production in underdeveloped countries, in general.

How easy was it for Egyptian firms below a certain size, even though efficient and suitable for local conditions, to finance their operations? El Gritly notes that the need for adequate financing was most acutely felt by small and medium firms, that lack of such adequate financing was "undoubtedly one of the reasons for the remarkable reduction in the number of firms employing ~~5-9~~ workers, which has taken place during the 'thirties."⁹² A study of the relative significance of such firms as well as their relationship to the group of monopolistic industrialists, and especially to the Misr group, could be interesting. Further one might want to explore how the 1960's predominance of the public sector as against the private sector, and in particular, as against the monopoly groups, affected small and medium firms - i.e. whether it was ultimately to their advantage - as well as follow up the connections between these firms and the public sector.

A more general issue concerns the adoption of highly mechanized techniques in underdeveloped countries where labour is plentiful. One argument has been that such techniques are imposed on these countries; since they do not produce their own equipment

they will have to import it from the developed world whose exports embody highly mechanized techniques. On the other hand, Geoffrey Kay⁹³ in Development and Underdevelopment: A Marxist Analysis raises the question: do firms in underdeveloped countries really want relatively simple equipment and to use more labour? Or is it most efficient from their point of view - from the point of view of capital even where labour is plentiful to adopt highly mechanized methods? The issue is critical but beyond the scope of this thesis.

The point to emphasize is that the Bank Misr experience was limited to the Misr group and that by mid-century what it had not achieved became evident. It had "succeeded in breaking up the monopoly of foreigners on business" but it did not alter the monopolistic tendency of the industrialization process. Under the aegis of the Misr group the process failed to include, or to foster potential alternative capitalist groups. The experience "established the long-delayed cotton textile industry"⁹⁴ but it was partial - that is to say, it was restricted to processing agricultural products and some consumer goods for the local market and it offered limited employment opportunities to the working-class. Content with their monopoly profits and enjoying protection, industrialists failed to diversify this structure whereas "expansion involved the broadening of the scope of import-substitution towards intermediate and capital goods."⁹⁵ Import-substitution of consumer non-durables had reached an impasse within a stagnant economy.

Total product was not stationary. In fact, agricultural and industrial output continued to rise but not rapidly enough to raise real per capita income. In agriculture "yields per hectare of most crops were already among the highest in the world."⁹⁶ This suggests that further development would depend on the industrial sector which however appeared to have exhausted its energies.

There are two sides to the capitalist situation characterizing Egypt prior to 1952. First, foreign interests were certainly predominant; to that extent Egyptian capital appeared overwhelmed, subdued and adjunct to local foreign capital in general. And yet in the sense of capital being allotted a determinate circuit, concentrating only in certain fields, national capital was not complementary to foreign capital and to the local capital held by foreign residents. National capital moved within both spheres of production and of circulation - as industrial capital, as merchant capital and as bank capital. Independently of whether it acted in opposition to or in collaboration with foreign interests, we consider that national capital then acquired the dimensions and habits of full-fledged capital in its practices and its consciousness. The possibility of a national capitalist way of development lay in that initial situation of private capital and yet by mid-century a blockage became manifest.

Egyptian Capitalism in the 1940's: A Reformist Tendency?

The vulnerability of the nascent capitalist mode of production in Egypt and of the total socio-economic relations became apparent

in the midst of a period of reconstruction and expansion. The six years following World War II, 1945-1952, represent a distinct upswing in the rates of growth of industrial output and capital.⁹⁷ Industry, which enjoyed protection since 1930, retained its local market and - to some extent - retained the demand conditions created by the War.⁹⁸ The inflationary process of the war years persisted⁹⁹ and accumulated war profits were invested in industry.¹⁰⁰

The effort of these six years, seems to have brought forth the awareness of several deficiencies. The pattern of trade entailed significant imports of luxuries while machinery, spare parts and essential raw materials were very much needed. During the war years, the growth of industrial output had been achieved "by more intensive use of the existing capital stock in modern industry, and [by] the proliferation of small workshops"¹⁰¹ which could prosper alongside the capital-intensive firms. Capital had to be replaced just when "a great part of Egypt's foreign exchange resources remained frozen in the accumulated sterling war balances.... Even when the sterling assets problems was settled, repayment allotments were too small to allow any sizeable investment and Egypt had to depend on her exports to replenish her productive capacity."¹⁰²

In the second place, what has often been referred to as the 'agrarian mentality' of the Egyptian investing class seemed to be preponderant. The post-war years saw landowners and merchants investing heavily in land and middle-class housing.¹⁰³ We do not, however, know the extent to which this investment pattern involved

Misr group capitalists - a point which would be worth pursuing. Moreover, whether the behaviour of the Egyptian investors mainly denoted an attachment to traditional and deeply entrenched patterns of investment, or rather reflected differences in relative profitability between sectors and risk considerations, is a further question. Radwan attempts to reconstruct, with the help of available historical data, the spectrum of investment opportunities open to the investor round about 1890 in terms of profitability and risk. He infers ex post that "neither profitability criterion nor risk considerations are sufficient to explain the behaviour of Egyptian investors who preferred land and property to investment in industrial companies, and we have to look for other factors that might have influenced their investment decision."¹⁰⁴ The other suggested factors are the emergence throughout the 19th and early 20th century, of a social-political élite dependent almost exclusively on land-ownership, the privileged position of foreigners protected by the Capitulations, and the government policy of laissez-faire.¹⁰⁵ With the establishment of Bank Misr, the abrogation of the Capitulations, and the adoption of protectionist policies by the government these circumstances changed. Yet the preference for real estate ownership persisted. Does this indicate changing profitabilities in favour of investment in land, both the demographic pressures and the consolidated power of landowners having steadily raised ground-rent? (Riad's analysis gives evidence for such a rise¹⁰⁶). Once more we are only raising a question, leaving it for the time being, open.

Finally, in a long-run perspective, given the existing income distribution and the patterns of consumption, the local market was insufficient.¹⁰⁷

The formulation of these problems by conscious capitalists, their plans for land reform proposed as from 1944,¹⁰⁸ their schemes to tax income from agricultural exploitation and to decrease taxes on industrial profits¹⁰⁹ - all these elements could be, and have been, brought forward as instances of the antagonistic relations between the industrialists and the big landowners.¹¹⁰

The 1940's were agitated years. Social unrest culminated in an unprecedented wave of strikes lasting from September 1947 to April 1948.¹¹¹ The social and political thought of the capitalist reformers - mainly Mirrit Ghali's,¹¹² Mohammad Khattab's and Ibrahim Madkur's, was influenced by these tensions as much as by the immediate problems facing industrial production. In 1949, during the electoral campaign, seventy-two independent candidates grouped around the reformist ideas and demanded the limitation of landed property.¹¹³ The reform was regarded as the means through which capitals would be channelled into industry rather than accumulating unproductively in the purchase of land.¹¹⁴ (Following the Bank Misr crisis the bank was wary of participation in industry). Besides, Mirrit Ghali warned, an agrarian reform program had become politically necessary seeing that the social malaise was spreading to the countryside.¹¹⁵

We notice that this capitalist reformist current did not consider the simple expropriation of large estates feasible. The proposed means of limiting property would consist in preventing the formation of large estates in the future whereas division through inheritance would gradually eliminate existing large estates.¹¹⁶

One issue was whether the reformist current really represented a stage in the consciousness of Egyptian industrialists as a whole or whether it proceeded only from the consciousness of a select few. Tarek El Bishri underlines that, in practice, Egyptian capitalism of the 1940's was far from the reformist views then voiced.¹¹⁷ In practice Egyptian industrialists were constrained to combine with the landed élite. The constraints were twofold: the very state of social unrest made them cautious and their connections with foreign interests isolated them, i.e. detached them from the leading national movements. Egyptian industrialists had thus ultimately very few points of support and would not venture on challenging the landed élite's supremacy.¹¹⁸

Nevertheless, however the 1940's developed as a particular stage of capitalist consciousness does not - in our mind - establish the existence of two distinct groups: the industrialists' and the big landowners'. Riad's thesis that one and the same group was connected to both industrial and agrarian capitals would be equally consistent with that moment of consciousness. Riad's thesis does not imply the static coexistence of the two forms of capital. Nor

does it negate the tendency of industrial capital to expand. Nor does it preclude the growing capitalist consciousness of the limits to the movements of industrial capital in the Egyptian circumstances of the 1940's. The specific limit may have been precisely in the intertwine between the industrial and the landed interests while the more general limits lay in the conditions of underdevelopment in which industrialization started - conditions which the older forms of capital, i.e. the merchant and agrarian capitals, had created.

FOOTNOTES

- 1 Hassan Riad, L'Egypte Nasserienne (Paris: Les Editions de Minuit, 1964), p. 75.
- 2 Mahmoud Hussein, Class Conflict in Egypt: 1945-70 (London: Monthly Review Press, 1973), p. 22.
- 3 Ibid., p. 66.
- 4 Anouar Abd El Malek, Egypt: Military Society (New York: Vintage Books, 1968), p. 11.
- 5 Ibid., p. 38.
- 6 In Mahmoud Hussein, op. cit., p. 130: "This group was, in fact, attempting to preserve that mode of production by reestablishing order and the authority of the state in the streets."
- 7 Mahmoud Hussein, op. cit., p. 106.
- 8 Karl Marx, The Eighteenth Brumaire of Louis Bonaparte (New York, 1972), p. 40.
- 9 In Egypt: An Economic and Social Analysis (London, 1947), Charles Issawi likens the Egyptian capitalists' group in 1947 to the Russian bourgeoisie in 1917. Both found themselves impeded in their progress by the big landowners' elite; both compromised with the latter because of social unrest. pp. 150-1.
- 10 Tarek El Bishri, The Political Movement in Egypt: 1945-1952 (Cairo, 1972; in Arabic), pp. 181-208. A summary of El Bishri's views are in "Egypt and the Social Revolution: 1947-1948", Megalet El Kateb, (January, 1968), pp. 101-120.

11 Riad, op. cit., p. 205.

12 Samir Radwan, Capital Formation in Egyptian Industry and Agriculture 1882-1967 (London: Ithaca Press, 1974), pp. 179-82.

Radwan has dealt with the commission's report and has partly translated it. We have referred to him. The Commission was appointed in March 1916 and submitted a "rapport" in 1917 which described the conditions of Egyptian industry. "Members of the Commission represented the government, the business community in general and emerging Egyptian capitalists in particular. It was presided over by Ismail Sidky, later Prime Minister, and included people like Talaat Harb and Youssef Aslan Cattaoui, founders of Bank Misr." The information is footnoted in Radwan, op. cit., pp. 223-24, footnote 39.

13 Ibid., pp. 180-1.

14 Ibid., p. 181.

15 Riad, op. cit., pp. 75-6.

16 The Capitulations were "a system of extraterritorial privileges under the Ottoman Empire which gave European (Christian) residents immunity from Ottoman laws. In Egypt this meant that Europeans could not be sued or tried other than in their own consular courts, until Ismail [the then Khedive] created the Mixed Courts in 1867", in Anouar Abd El Malek, op. cit., p. 204n. Now "no legislation affecting the [European] interests could be enacted without the concurrence of the general Assembly of the Mixed Courts. The Capitulations were interpreted in such a way that foreigners could not be made to pay a new tax or an increased rate

of an existing one without the consent of the capitulatory powers, and the refusal of any one of them was sufficient to jettison any proposed fiscal measure", in Ali El Gritly, "The Structure of Modern Industry in Egypt," L'Egypte Contemporaine, Nos. 241-42 (Nov.-Dec., 1947), p. 366. The Capitulations were finally abolished in 1937 (Montreux Treaty).

17 Riad, op. cit., pp. 74-5, 198-200.

18 Ibid., p. 200.

19 Ibid., p. 75.

20 Ibid., p. 25.

1 fedden = 1.038 acres = 0.42 hectare = 4201 sq. meters.

21 Assem El Dessouki with whom we had a talk stressed the particular problem of identifying big landowners. He is the author of Large Landowners and their Role in the Egyptian Society 1914-1952 (Cairo: Dar El Thakafa El Gedida, 1975).

22 Samir Radwan, op. cit., p. 233.

23 Ali El Gritly, op. cit., p. 366.

24 Ibid., p. 369.

25 Ibid., pp. 369-70.

26 As a dependency of the Ottoman Empire, Egypt was bound by the same customs regime and the same commercial conventions. This had meant that Egypt could not adopt protectionist policies. Further, it had to grant extraterritorial privileges to foreign Christian minorities according to the Capitulations. The tariff reform was introduced in 1930. "The new tariff, while still predominantly

fiscal in character, afforded some protection to certain branches of agriculture and industry. The 8% and valorem duties were replaced by specific duties which weighed lightly on raw materials and coals; the rates were a little higher (6-8%) on semi-manufactured goods, and still higher, ranging at first from 15-30% on manufactured articles." El Gritly, op. cit., p. 557.

27 Ibid., p. 370.

28 Ibid., p. 372.

29 Radwan, op. cit., p. 169.

30 A.E. Crouchley, The Investment of Foreign Capital on Egyptian Companies and Public Debt, Ministry of Finance, Technical Paper, No. 12, (Cairo 1936), pp. 53 and 73, in Radwan, op. cit., p. 171.

31 Roger Owen, Cotton in the Egyptian Economy: 1820-1914 (Oxford, 1969), p. 302. Other writers have expressed more extreme views on the issue and have argued that British administration especially under Lord Cromer was really destructive of Egyptian industry. See Theodore Rothstein's Egypt's Ruin; a Financial and Administrative Record (London, 1970), pp. 307-8.

32 Radwan, op. cit., p. 174; Radwan refers to J.F. Levin, The Export Economies (Harvard University Press, 1960), pp. 1-24.

33 Ibid., p. 169.

34 Ibid., p. 171.

35 R. Maunier, "L'Exposition des Industries Egyptiennes," L'Egypte Contemporaine, No. 28 (Nov. 1916), pp. 434-435, in Radwan, op. cit., p. 178.

- 36 Crouchley, The Economic Development of Modern Egypt (London 1938), pp. 190-4; in Radwan, op. cit., pp. 178-9.
- 37 Radwan, op. cit., p. 172.
- 38 El Gritly, op. cit., p. 374. David Landes' Bankers and Pashas; International Finance and Economic Imperialism in Egypt (London, 1958) portrays the seventies and eighties of the nineteenth century beautifully.
- 39 El Gritly, op. cit., p. 374.
- 40 Ibid., p. 373.
- 41 Ibid., p. 374. Gritly's source is the historical records of the companies set up in the 1850's, 60's, 70's, 80's and 90's.
- 42 Ibid., pp. 374-5.
- 43 The Federation Egyptienne des Industries was created in 1924 by a group of industrialists and financiers, most of them Europeans. See Anouar Abd El Malek, op. cit., p. 10.
- 44 On January 15, 1957, commercial banks, insurance companies and foreign commercial agencies were egyptianized, i.e. "would have to become Egyptian corporations owned by Egyptian capital and under Egyptian management", in Abd El Malek, op. cit., p. 108.
- 45 El Gritly, op. cit., p. 423.
- 46 Ibid., p. 423.
- 47 Charles Issawi, Egypt at Mid-Century (London: Oxford University Press, 1954), p. 228; El Gritly, op. cit., p. 425.
- 48 El Gritly, op. cit., p. 425.
- 49 Ibid., p. 425.

50 E. Politi, Annuaire des Sociétés Egyptiennes Par Actions (Alexandria), pp. 437-50. We have specified "foreign names" in case one objects: Why list families which have resided in Egypt for generations as foreigners? The question raises a number of important points. Yet let us just say that the literature has not generally considered this a problem or - at least - has not dwelt upon it.

51 The Economist (January 23, 1937), p. 174.

52 Abdel Razik Hassan, "Bank Misr; Half a Century of Work to Build a National Economy," Al Talia'a (June, 1970, in Arabic), p. 131. The founders of Bank Misr were Ahmad Medhat Yakan Pasha, Youssef Aslan Cattaoui Pasha, Mohamad Talaat Harb Bey (recognized as the bank's first founder), Abd El Azim Al Masri Bey, Doctor Fuad Sultan, Iskandar Messiha Effendi, Abbas Bassiouni El Khattib Effendi.

53 El Gritly, op. cit., p. 376.

54 Radwan, op. cit., p. 184.

55 El Gritly, op. cit., p. 433.

56 Ibid., pp. 439-40.

57 Ibid., p. 439.

To have an idea of the influence of a few individuals acquired within the Misr Group one can look-in Politi's catalogue - at the functions listed under the following names: Ahmed Medhat Yeghen Pasha (p. 438), Cattaoui Pasha a former Minister (p. 432), Choucry Mahmoud Pasha a former Minister (p. 440), Dr. Sultan Fuad (p. 499), and Talaat Harb (p. 449).

58 El Gritly, op. cit., p. 433 and Radwan, op. cit., p. 185.

59 In Egypt: Military Society, Abd El Malek describes vividly Egypt's revolution of 1919-23. "The year 1919 had seen the peasants go into action by whole regions, cutting lines of communication, seizing land...proclaiming ephemeral 'republics' in several areas" (p. 17). And in the city a unanimous movement for national unity developed (p. 18). But the revolution ended in partial defeat. The formal declaration of independence was subject to the four "Reserved Points" (1922): (1) the security of communication of the British Empire; (2) the defense of Egypt against foreign aggression; (3) the protection of foreign interests and of minorities; (4) control of Sudan (p. 18 n). Also the proclamation of the Constitution of 1923 gave excessive powers to the king (p. 18).

60 Jean et Simone Lacoufure, Egypt in Transition (New York: Criterion Books, 1958), p. 90.

61 E.R.J. Owen, Cotton and The Egyptian Economy; 1820-1914 (Oxford: Clarendon Press, 1969), p. 387.

62 Radwan, op. cit., p. 184.

63 Ibid., p. 186.

64 Ibid., p. 245.

65 Riad, op. cit., pp. 76-7 and p. 205.

66 Ibid., p. 77.

67 Radwan, op. cit., p. 186.

68 Ibid., p. 240.

69 El Gritly, op. cit., pp. 435-6.

- 70 Ibid., p. 441.
- 71 Ibid., p. 443, and Abd El Razik Hassan, op. cit., p. 137.
- 72 El Gritly, op. cit., p. 443.
- 73 Ibid., p. 444.
- 74 Ibid., p. 444.
- 75 Ibid., p. 444.
- 76 Ibid., p. 347.
- 77 Radwan, op. cit., p. 245; A similar argument is in Abd El Razik Hassan, op. cit., pp. 136-7.
- 78 Radwan refers us here to Assem A. El Dessouki, op. cit.
- 79 Radwan, op. cit., p. 245.
- 80 Ibid., p. 245.
- 81 Marx, The Eighteenth Brumaire of Louis Bonaparte (New York, 1972), p. 43.
- 82 Radwan, op. cit., p. 186.
- 83 El Gritly, op. cit., p. 439.
- 84 Ibid., p. 459.
- 85 Ibid., p. 428.
- 86 Ibid., p. 428.
- 87 Ibid., pp. 483-98.
- 88 Ibid., pp. 498-502.
- 89 Ibid., pp. 502-528. El Gritly gives a very careful description of concentration, integration and monopoly; he first deals with industry in general then turns to particular industries.
- 90 Ibid., p. 525.

- 91 Ibid., passim.
- 92 Ibid., p. 454.
- 93 Geoffrey Kay, Development and Underdevelopment: a Marxist Analysis (London: The Macmillan Press Ltd., 1975), pp. 130-1.
- 94 Radwan, op. cit., p. 245.
- 95 Ibid., p. 246.
- 96 Patrick O'Brien, The Revolution in Egypt's Economic System, (London: Oxford University Press, 1966), p. 31.
- 97 Radwan, op. cit., p. 199.
- 98 Ibid., p. 199.
- 99 Ibid., p. 199.
- 100 Ibid., p. 199.
- 101 Ibid., p. 198.
- 102 Ibid., p. 202. On this point see to S.J. Abdel-Rahman, A Study of the Foreign Trade of Egypt in the Postwar Period with Special Reference to its Impact on the National Economy, (unpublished Ph.D. Thesis, Cairo University, 1959).
- 103 O'Brien, op. cit., pp. 32-3.
- 104 Radwan, op. cit., p. 240.
- 105 Ibid., p. 240.
- 106 Riad, op. cit., pp. 166-71.
- 107 Anouar Abd El Malek, op. cit., p. 38, cites 3 documents stating the problems: the Preface to the Yearbook of the Egyptian Federation of Industries for 1951-52; the Yearbook of the National Bank of Egypt for 1950; and the Federation's Yearbook for 1952-53.

108 Tarek El Bishri, The Political Movements in Egypt, 1945-1952, pp. 181-208, and Anouar Abd El Malek, op. cit., pp. 66-7.

109 El Gritly, op. cit., p. 571; El Bishri, op. cit., p. 198.

110 Anouar Abd El Malek, op. cit., pp. 38-40, tends to argue along these lines.

111 Tarek El Bishri, op. cit., follows the series of strikes, which shook the Egyptian society in 1947 and 1948.

The first month of 1947 witnessed a first series of strikes; the workers of the Fayoum Weaving Company in Shubra El Kheima struck when the company decided to close down their plant; the police interfered. The workers of Bata - a shoe company - struck. The workers of the electricity company in Alexandria voted for strike action; their leaders were put under arrest. In January 1947 the Shell workers and those of the Nile Weaving Company and others struck asking for higher wages and shorter working hours. In February 1948 workers of the oil companies struck. The most important strike was that of the workers of the Misr Spinning and Weaving Company in Mehalla El Kobra; the number of workers in the Company was about 26,000; the dismissal of workers following the adoption of capital-intensive techniques set the strike; the clashes with the police proved bitter. A state of emergency was declared in Alexandria when the workers of the National Spinning Company struck in September 1947. So did the 1500 nurses of Cairo's most important hospital 'Kasr El Aini' in April 1948. Finally, the police forces struck; this last event left the government completely disoriented.

- 112 Mirrit Ghali, "Un programme de reforme agraire," L'Egypte Contemporaine, No. 236-237 (Janvier-Février 1947), pp. 3-66.
- 113 Anouar Abd El Malek, op. cit., pp. 66-7.
- 114 Dr. A. Abdel Hamid Nazmy, "The Land is a Bottomless Sink for Egyptian Capital," L'Egypte Contemporaine, Nos. 218-219 (1944).
- 115 Mirrit Ghali, op. cit., pp. 9-11.
- 116 Ibid., p. 114.
- 117 Tarek El Bishri, op. cit., p. 186.
- 118 Ibid., p. 223.

CHAPTER II: THE PRE-1952 SITUATION: A COMPROMISE SITUATION?

The representation of the Free Officers' rise as specific arbitration on behalf of the industrial wing of the bourgeoisie seems doubtful, since the questions of who the industrialists were and how cohesive a group they formed are yet unsettled. And yet the very idea of arbitration has relevance - arbitration meaning the solution of a situation in which the contending forces face each other, hamper each other without any being able to gain the upper hand.

Taken together, the Egyptian Marxist analyses¹ bring out the dual crisis of the moment leading to the 1952 change: the crisis of the ruling class which is "the crisis of hegemony or the general crisis of the State"² and the crisis of the forces which had seemed to be the likely alternatives to the existing ruling class. The latter (mainly landowning) had failed to enlarge the capitalist base. Neither had it initiated a program of reform to ease social tensions, nor had it satisfied national sentiments to whom the continued British presence was an intrusion on Egyptian sovereignty. On the other hand, the two important movements of the Wafd* and of the Left had appeared ultimately incapable of taking over within the framework of a national front. Instead of an evolution within that framework - an evolution "in a national democratic direction with a socialist orientation of the Indian type, but more radical"³

*See below.

(as was to be expected) - the static equilibrium between the traditional dominant group, the Wafd movement and the leftist forces ended in the Free Officers' rise, and then, for a while, in the Nasser episode.

This particular situation of conflict can be conceived of as an instance of what Gramsci described as Caesarism: "a situation in which the forces in conflict balance each other in a catastrophic manner, that is to say, they balance each other in such a way that a continuation of the conflict can only terminate in their reciprocal destruction."⁴ The idea is embedded in Marx's and Engels' reflections on the temporary independence of the state in "countries where no one section of the population can attain control over the others"⁵ or during periods "in which the warring classes [nearly] balance each other."⁶ We believe that Gramsci was well-acquainted with this aspect of Marx's and Engels' thought. The utility of his own approach, which some may criticize as indeterminate, is specific in two respects. There is no necessary or inner logic to the development of Caesarism per se. Furthermore, Caesarism has more than one measure. The Caesarist situation may find the solution of the charismatic leader.⁷ But, in different degrees, there are various possible mechanisms of mediation, i.e. of arbitration over the static equilibrium of the forces in conflict.⁸ Similarly, depending on the initial situation, Caesarism can bring about either of quantitative and quantitative/qualitative changes.⁹ Within this perspective Caesarism is clearly not a fixed category but a

hypothesis and it is only as such that we wish to apply the concept to the specific Egyptian circumstances.

Hence we intend to explore each of the Wafd's significance, the Left's potential and finally turn to Hussein's treatment of the rural and urban proletarianized masses. On this last point, Hussein's position is extreme but let us not anticipate. Our attempt at reconstructing some of the superstructural realities of the moment leading to 1952 will mainly involve Abd El Malek's, Hussein's and Riad's interpretations.

The Wafd

Within the superstructural system of political relations the Wafd was, in some sense, equivalent to the bank Misr. But let us avoid confusion: it was equivalent to the bank Misr as a symbol and not as a representative of Egyptian industrial interests. In fact, Abd El Malek identifies it with a "national bourgeoisie" distinct from the big bourgeoisie and its industrial component¹⁰ - a point which we shall, in a moment, pursue.

In the early 1920's, the Wafd emerged as the dominant political party, would henceforth stand for parliamentary democracy, would promote reform in the fields of education and of labour legislation, and also try to improve the very deficient, almost non-existent system of credit to smaller landowners.¹¹ Between 1923 and 1952 the Wafd was in power for only seven years (namely, from '24 to '26, '42 to '44, and during brief periods in the mid-thirties and early

fifties). Other parties attached to the Palace, to the big landowners, and to the industrialists controlled the country in tune first with London, then, starting in 1945, in tune with both London and Washington.¹²

Beneath these very crude contours, i.e. beneath this general appearance, on which historical classes¹³ did the Wafd base itself? The issue involved here is that of the national bourgeois content of the Wafd, of the character of this "national bourgeoisie" and, more definitely, of its economic dimension.

Hussein mentions a nationalist tendency which "included the ruling-class members of Egyptian origin (rural and urban, Moslem and Coptic) who were discriminated against due to the hegemony of the aristocrats and Westerners in the state apparatus."¹⁴

Abd El Malek's description is as follows:

Essentially the Wafd remained a representative of the autochthonous forces of the Egyptian bourgeoisie - these included a section of the big landowners which was to become preponderant only after the Second World War; the average rural middle class, the urban middle class, the professionals, the intellectuals, the lower middle class and especially the government employees and the merchants, to whom must be added a substantial number of agricultural workers and a certain category of urban workers, especially those employed by the State. The Wafd brought together forces whose ties with the occupant were not organic, but resulted essentially from the entanglement of the whole of the Egyptian economy with the dominant British interests; and that is why it was to be the genuine expression of the entire nation, asserting itself as the authentic, disturbing, tenacious, noisy and steadfast representative of the national will to be.¹⁵

The economic base of the Wafd appears diffuse. Abd El Malek's "national bourgeoisie" embraces different strata; we need to search its content further and perhaps retrace Riad's thesis on the Egyptian bourgeoisie. The initial and lasting configuration of Egyptian capitalism was the strong concentration and the monopolistic tendency of industrial and merchant capitals - capitals which were not significantly represented in the Wafd. Banks, big industry and big commerce had their own parties.¹⁶ The family-type enterprises, which can support a middle bourgeoisie, were mostly owned by foreign residents. An Egyptian middle bourgeoisie, based on such enterprises, had never come into being. Accordingly, apart from some agrarian capitals, the Wafd (Abd El Malek's "national bourgeoisie") did not involve significant Egyptian capitals. It did not express distinct economic class interests.¹⁷ Riad states the point. He explains the Wafd as an association combining ruling class elements and politicians who had gained the support of the rural middle classes as well as that of the urban petty bourgeois strata. Their relation was a common opposition to the monarchy; the historical motives were non-economic.¹⁸

The designation of the Wafd as a "national bourgeoisie" is then to be understood in terms of the liberal, reformist, and patriotic ideas it expressed. In the Wafd, we have the instance of a party, without a definite economic base, and yet generating a major political movement. A glance at the Egyptian dialectics of the first half of the century will help us visualize this development. The process which connected intellectuals, some big landowners,

so-called petty bourgeois, and rural middle class elements, was central to Egyptian developments and, as such, needs to be followed.

The formation of a liberal trend in Egypt, was in two phases.¹⁹ Abd El Malek traces the liberal trend back to the cultural renaissance introduced by Mohamed Ali's envoy to Europe, Rifa'a Rafe'el-Tahtawi (1801-73).²⁰ Toward the end of last century, the trend was revived in two directions. A group of Lebanese émigrés became the centre of socialist thinking.²¹ An Egyptian intelligentsia, whose members increasingly travelled to Europe for higher studies (to France, in particular), returned home with democratic ideas. It was to found the Nationalist Party (1900-19)²² whose liberal-modernist ideology reflected the European bourgeois tradition. In 1919, the Nationalist Party disappeared. Among the intelligentsia, a few then took the communist line of action; most were to join the Wafd. Parliamentary and national aspirations did not belong exclusively to a certain intelligentsia's world view. The Nationalist Party seems to have involved an intelligentsia²³ only, whereas the Wafd was to coalesce some of the forces which converged in the 1919 revolution and, in its broader base, the Wafd was to give the liberal trend a fuller expression.

The large landed elements of the Wafd may appear, at first, unusual. One may wonder why large landowners would join a party which could disturb, even if only slightly, the established political system - unless they were dissidents. Now the argument could be that their entrance into the Wafd gave the landed élite

some control over the party; in other words it was a means to tone down the party's demands and to direct it toward social conservatism. Thence the rise of one of Egypt's largest landholders, Fuad Serag Eddine, in the Wafd's leadership seems to have been the natural course. By the end of the 1940's, Serag Eddine very much determined the official line of the leadership which kept aloof from any agrarian reform program, i.e. from any program involving redistribution of lands. The tendency toward social conservatism was to become more pronounced.²⁴

We do not question that this tendency was the outcome of large landholders' involvement in the Wafd. We would like, however, to point out that the liberal and national aspirations, expressed by the Wafd, were not as alien to the Egyptian landed élite as may be thought.

In its first stage - in what was to be modern Egypt's first revolution (1879-82) - the constitutional movement was led by a "multiple élite" whose dominant component was the Egyptian landed élite.²⁵ This landed élite was formed with the gradual development of the pattern of private land ownership over the 19th century.²⁶ During the decade of the 1870's, Egyptian big landholders felt strong and secure enough to translate their economic power into political influence, in other words, to seek to curtail the absolute power of the Khedive and obtain legislative participation. It is then that they temporarily combined with "the constitutionalists and the civil and junior army officers of the Egyptian state."²⁷

The British Occupation in 1882 would defeat this alliance; it would favour the large landholder to obtain his cooperation and would thus "alienate [him] from his earlier partners."²⁸ There is, here, a clear break in the development of constitutional efforts.

For another brief moment, during the struggle for independence in 1919, an important part of the large landholders as well as the urban rich would join a national alliance among diverse forces including the Wafdist and socialist intelligentsia, the workers, the liberal professions, the university and high school students, and the peasantry.²⁹ From that moment, some large landholders would become Wafdist. The Wafd's national claims appealed to those among the Egyptian landed élite, who felt slighted by the "Turco-Circassian and European circles" surrounding the King; its religious liberalism reassured the wealthy Coptic families.³⁰

Beginning this century, the movement of foreign capitals and emigrants into the country politicized the urban lower middle classes, "composed of ruined merchants, minor officials and chiefly, lawyers, engineers and physicians."³¹ Egypt became British Protectorate in 1914; the First World War brought about mass requisitioning of labour, the presence of foreign forces, the growth of industry and a needy proletariat. Then came a cotton boom which resulted in a redistribution of income and a rise in the cost of living - tensions which all contributed to exacerbate the feelings of the urban lower middle classes against foreign

domination. They were to be a vital force in the 1919 movement. As soon as the movement subsided, their political choice would tend towards the Wafd which was then reviving the ideas of the Nationalist Party; or else, some would side with the socialist forces.

The year 1919 created the conditions for a unique front. The countryside integrated into the national movement and, in the process, the Wafd would enlist rural support - particularly among the strata including holders of 7 to 20 feddans.³² We can easily see why the anti-monarchism of the Wafd appealed to these strata. However moderate in the expression of their resentment against the landed élite, the average rural strata were eager to acquire their own share of large landholdings.³³ Of this élite, "the most important nucleus was made up of Faruk and the royal family."³⁴ On the other hand, in choosing the Wafd, the average rural strata were siding with a movement which consistently avoided the agrarian reform question. It would thus seem that the antagonism between these strata and the landed élite was only secondary and that the demographic pressures, as suggested by Hassan Riad, established, in effect, the principal contradiction of the Egyptian countryside between the rural popular masses, i.e. the landless, and owners of less than 1 feddan, and all the other rural strata.³⁵

To conclude, how are we to understand a movement, the Wafd, which never detached itself from large landowning interests, which did not specifically represent industrial interests nor express a vital middle bourgeois force? The focus of national, ideological,

and political practices, the Wafd appears to have had an influence as a movement essentially containing Egypt's superstructural contradictions. To see in the Wafd only a mechanism which neutralized the essential economic contradictions, ensured the status quo, and scattered possible revolutionary energies would be one-sided. In a broader sense, Egyptian developments were dominated by the conditions of national and political revival - a dominance which materialized in the Wafd's character. The failure of the Wafd - the Free Officers' rise instead of an evolution in a Wafdist direction - could be examined in terms of the Marxist assertion that the economy is determinant in the last instance or in Engels' words, "the economic movement is bound to assert itself."³⁶ If, given its composition of forces, the Wafd could not join the Left, it did not either seem likely to enlarge the capitalist base. The passage from the monopolistic elite crystallizing in the Misr group to a larger bourgeoisie³⁷ - a passage that might be considered as qualitative - could not be effected by the Wafd. This passage was actually outside the scope of the Wafd whereas some of the post-1952 developments could suggest that the Free Officers' consequence was, perhaps, ultimately in this direction.

The Left

Mahmoud Hussein's assessment of the 1952 outcome involves two points. According to his central argument, the outcome resulted in the transformation of the "transitional petty bourgeoisie"

into a ruling class within the framework of a state bourgeoisie - an only quantitative change of the existing relations of production. But also, defining the 1952 situation as one which required a proletarian solution, he - at once - condemns the Free Officers' rise.³⁸ Hussein considers the Egyptian proletariat to have been "objectively qualified to become a ruling class"³⁹ in the wake of World War II. It was relatively numerous, had a tradition of political struggle, and - what is perhaps more important to Hussein - "in this same period, the Chinese proletariat, which constituted a small minority of the Chinese people... was in the process of taking over."⁴⁰ Why did not the Egyptian proletariat follow the same path? Hussein's principle is that "an intrinsic understanding of the forces making for revolutionary social change...does not exist today in anyone's head. It can crystallize only through revolutionary mass struggles, proletarian organization of these struggles, and the systematization of the lessons to be drawn from these struggles."⁴¹ Instead of waging struggles, the Egyptian Communists resorted to tactics within the established structure. Dominated by petty-bourgeois intellectuals, their movement remained entrenched in petty-bourgeois positions - to some extent isolated from the proletariat and totally isolated from the "proletarianized masses."⁴² In short, Hussein asserts that the Egyptian Communists did not provide the proletariat with effective means of leading the patriotic and democratic movement after the war; they failed to harness the revolutionary potential

of the labouring classes. Thus even according to Hussein's perspective the Left did not constitute a concrete alternative in 1952.

We shall, in a moment, review some of the aspects - some of the apparent weaknesses - of the movement. Meanwhile, we would like to take up two points of contention in Hussein's argument concerning the revolutionary potential of the Egyptian proletariat and "proletarianized masses". Unlike Hussein, Hassan Riad sees in the Egyptian proletariat an essentially reformist political consciousness - one excluding the urban "popular masses".⁴³ This he attributes to the far better, quasi-privileged conditions which the Egyptian proletaires enjoy relative to the urban "popular masses."⁴⁴ In his evaluation of the degree of self-awareness and politicization of both urban and rural "popular masses", Riad concludes negatively. Conditions of massive unemployment, of very rapid - absolute and relative - numerical increase have dehumanized these masses, i.e. have excluded them from the general life of the country. The "popular masses" neither wish nor consider being able to shape their own history.⁴⁵ Hence, according to Riad, a collective political consciousness that would be shared by the proletariat and the "popular masses" is absent; the very idea of conscious "popular masses" is an unfounded postulate.

In Hussein, the politicization of the "proletarianized masses" appears precisely as a constant. His "proletarianized masses" are beyond the hegemonic attempts of the ruling classes. During "periods of relative social stability...they become an immense

negligible quantity, ready as they are to accept any job for a pittance."⁴⁶ But fundamentally they never consent; they "are absolutely hostile to all exploiting classes....theirs is a potentially revolutionary force harboring an extremely profound capacity for revolt and revolutionary destruction."⁴⁷ Theirs is a vanguard role in periods of social unrest and "since they represent a majority of the population...their class strength is the only effective popular foundation for a radical revolutionary movement."⁴⁸ Hussein really translates their negative attitudes, their hostility toward "the other" - be he a civil servant, a small landowner or a big Pasha - into positive class qualities. Does he argue that spontaneity⁴⁹ is the essential method of the historical process? No, since he considers the "proletarianized masses" incapable of integrated action unless allied to the industrial proletariat.⁵⁰ Nevertheless, when positing self-organizing, self-directing labouring masses, Hussein fails to develop the theory-practice interrelationships and thus shelves the problem of conscious leadership⁵¹ which reflects his introductory words, i.e. his basic principle: struggles are first waged; their study "cannot go beyond the present state of consciousness and organization of the revolutionary struggle of the Egyptian masses."⁵²

We do not intend, nor would we be able, to recount the history of the Left in its numerous divisions. As already mentioned we shall only try to present the limits of the movement - those aspects which call in question the ultimate significance of

the Left in the pre-1952 situation. The main work on the history of Egyptian Communism is Walter Z. Laqueur's Communism and Nationalization in the Middle East.⁵³ Tarek El Bishri and Hassan Riad have used it as a reference. They however suggest that the work involves inaccuracies; on the other hand, little information can be obtained elsewhere.⁵⁴ Our short presentation will thus rest on El Bishri, Riad, and Laqueur.

The Socialist-Communist movement in Egypt started in the early 1920's and brought together some of the most progressive elements among the country's intelligentsia - foreigners and Egyptians. Laqueur estimates that the Socialist-Communist Party did not, at the time, have more than a few hundred members who - according to him - were mainly (80-90 percent) foreigners.⁵⁵ Initially, the party did not include working-class elements.⁵⁶ It soon tried to organize trade-unions and penetrate the few existing ones but the task was difficult since "few party members spoke and wrote Arabic, and fewer still knew how to approach the Egyptian worker, who was generally a fellah on seasonal work in the city."⁵⁷ The effort at gaining a mass basis among the urban workers lasted till the mid-twenties when, following an important strike movement, the government adopted repressive measures. In 1924 the police closed the main office of the Communist Party;⁵⁸ in 1925 "the party became illegal and, in fact, ceased to exist."⁵⁹

Two decades later, in the early 40's, "Marxist study circles" founded in Alexandria and Cairo were to form a new Left movement.⁶⁰

Until then the Egyptian Left had worked almost exclusively among urban workers. Would the new Left succeed in gradually reaching the countryside, in setting out the agrarian question, and in building up the party itself?

Throughout the 40's, the immediate factional disputes concerned the issues of "Egyptianization", "proletarianization", and the Palestine question.⁶¹ In an attempt at reconciliation, the major factions which had emerged out of the Marxist study circles - the M.E.L.N.⁶² and Iskra⁶³ - joined forces in 1947, formed the M.D.L.N. (Movement Democratique de Liberation Nationale) and split again in 1948.⁶⁴ During the following two years martial law and a wave of arrests put a stop to overt Communist activity and dislocated the various organizations. But, on the other hand, the period of imprisonment spent in Huckstep and Abukir brought together a number of Communists, Wafdists, and Moslem Brothers. It is there that the idea of the "national Front" of 1951-52 took shape.⁶⁵ The project was to absorb a great deal of Communist energies at the expense of their work in trade unions which Laqueur explains as also reflecting the attempt of the Communists to maintain fair rapports with the Wafd. Extending their hold over the trade unions "would have caused a deterioration in the relations with the Wafd, and would have 'split the united anti-imperialist front'. As a result, the Communists failed to exploit all the possibilities open to them in the trade-union field in 1951-52."⁶⁶ El Bishri points out that the possibilities were all the more present

especially as no other organization was significantly active among the urban workers.⁶⁷ Thus, up to a certain point, the forces of the Left were to divert from their traditional field of action without however ever concretizing the "National Front". To achieve a cohesive popular-national movement, the different political organizations should have - according to El Bishri - actually combined through "popular unions". And yet such units were sparse. On the one hand, many of the political organizations remained isolated; but also the creation of popular associations was a recent development in Egypt. Initiated at the beginning of the century, the trade-union movement was officially recognized only in 1942. Students' and women's associations were weak and divided and peasants' associations were lacking.⁶⁸ Now, if in organizing a rural population "the peasant party generally is achieved only as a strong current of opinion, and not in schematic forms of bureaucratic organization",⁶⁹ the Egyptian countryside had definitely experienced some forms of organization, i.e. some currents of opinion. The Wafd and - to a larger extent - the Moslem Brotherhood had influenced the various rural strata whereas the forces of the Left had much less success in going beyond their urban bases. In its 1950 (or 1951) platform, the M.D.L.N. demanded the confiscation of the great rural properties and stressed that "the property of medium and rich peasants should be protected"⁷⁰ - the property of those peasants who mostly sympathized with the Wafd or the Moslem Brotherhood. The platform included the mention of the

necessity of an alliance between the urban bases and the peasantry in general.⁷¹ But there is no indication that the Left directly envisaged the problems posed by the landless peasantry. Hence, in 1952, the Left - an urban-centered movement - was mainly trying to establish national fronts with the different political organizations. In the process it neither extended its activities to the countryside nor strengthened its immediate hold over trade unions, nor ultimately succeeded in overcoming its internal divisions and in thus building up a party structure which would have reflected its urban character.

FOOTNOTES

1 To Abd El Ma'lek's Egypt: Military Society, Hussein's Class Conflict..., and Riad's L'Egypte Nasserienne, we should add here Tarek El Bishri's Political Movements..., op. cit.

2 Antonio Gramsci, Selections from the Prison Notebooks, ed. and trans. by Quintin Hoare and Geoffrey Smith (New York: International Publishers, 1971), p. 210. The concept of hegemony is the pivot concept in Gramsci's analysis of the various super-structural levels. The most lucid summary of the problems in translating the Italian "egemonia" is, perhaps, Quintin Hoare's and Geoffrey Smith's long footnote on pp. 55-6, in the Prison Notebooks, op. cit. Key passages on hegemony are quoted below:

"What we can do, for the moment, is to fix two major superstructural 'levels': the one that can be called 'civil society' that is the ensemble of organisms commonly called 'private', and that of 'political society' or 'the State'. These two levels correspond on the one hand to the function of 'hegemony' which the dominant group exercises throughout society and on the other hand to that of 'direct domination' or command exercised through the State and 'juridical' government." From the Prison Notebooks, p. 12.

"...a class is dominant in two ways, i.e. 'leading' and 'dominant'. It leads the classes which are its allies, and dominates those which are its enemies. Therefore, even before attaining power a class can (and must) 'lead'; when it is in power it becomes dominant, but continues to 'lead' as well...there can and must be a 'political

hegemony' even before the attainment of governmental power, and one should not count solely on the power and material force which such a position gives in order to exercise political leadership or hegemony." From the Prison Notebooks on p. 57n.

3 Anouar Abd El Malek, op. cit., p. 380.

4 Gramsci, op. cit., p. 219.

5 Marx, Excerpt from The German Ideology in Writings of the Young Marx on Philosophy and Society, ed. and trans. by Lloyd Easton and Kurt H. Guddat (New York: Anchor Books, 1967), p. 470.

6 Engels, Excerpt from The Origin of the Family, Private Property and the State in Marx and Engels: Basic Writings on Politics and Philosophy, ed. Lewis S. Feuer (New York, 1959), p. 392.

7 Gramsci, op. cit., p. 211 and p. 219.

8 Ibid., p. 220. Gramsci remarks that "every coalition government is a first stage of Caesarism, which either may or may not develop to more significant stages." p. 220.

9 Ibid., pp. 219-222. A quick note: if the Caesarist moment is also the state capitalist phase of an underdeveloped country, its development will be much less tied to the initial situation. We previously put forth Szentes' ideas on the state capitalist relation in an underdeveloped country - a relation which has no definite character, which is very much determinant of the socio-economic developments.

10 Anouar Abd El Malek, op. cit., p. 10. In the differentiation between the "national bourgeoisie" and the big bourgeoisie,

Abd El Malek follows Fawzi Guergues' analysis in Studies in the Political History of Egypt Since the Mameluk Era (Cairo, 1958; in Arabic), pp. 139-40.

11 Abd El Malek, op. cit., p. 19.

12 Ibid. The Palace parties were Hilmy Issa Pasha's Ittihad and Ismail Sidky Pasha's Shaab (1930); the party of the great landed proprietors was the Liberal-Constitutional party (1923); the Saadist party founded in 1937 by Mahmud El Nokrashy and Ahmad Maher as well as the "Independents" represented particularly banks, big industry, and big commerce.

13 The general problem arising in the study of the period of transition and, all the more so, in the study of the so-called blocked transitions of underdeveloped countries is: can we justifiably analyze already formed societies and societies in formation with the same conceptual tools? In a social formation with a clearly dominant mode of production basic classes proceed from that particular mode; the hierarchy and the coexistence between the different modes have been established which, in turn, establishes the concepts of "class" and of "social movement". Will the concepts equally apply in the study of the conditions of passage from one socio-economic form to another, from one mode of production to another? Under these conditions the emphasis on the political group and the various forms of ideologies - explicit and implicit - proves suggestive. Both Abd El Malek and Riad have incorporated this dimension with their Marxist perspective. On the other hand,

the concepts of "class" and "social movements" recur. The problem remains, is part of our argument, is part of the literature on the forms of transition. For the statement of the problem, see Maxime Rodinson, "L'Egypte Nasserienne au miroir marxiste," Les Temps Modernes, No. 203, and Alain Tourraine, "Mouvements sociaux et ideologies dans les societes dependantes," Tiers-Monde, No. 57 (1974).

14 Hussein, op. cit., p. 66.

15 Abd El Malek, op. cit., p. 12.

16 See footnote 12.

17 Riad, op. cit., pp. 203-8.

18 Ibid., p. 208. In our translation of that passage, we have not followed exactly Riad's wording; we hope, however, that the idea is intact. A further note on Riad's rural middle classes: they include both tenants and owners of 1 to 5 feddans; see pp. 16-17 and pp. 23-26. Perhaps worth mentioning is that in Mirrit Ghali's "Un Programme de reforme agraire", op. cit., pp. 20-1, the peasant holding, which was estimated adequate for the sustenance of a peasant family of five members, ranged between a lower limit of 3 feddans and an upper limit of 10 feddans.

19 Our very short summary of the Egyptian intellectual situation rests on three of Abd El Malek's works: Egypt: Military Society, op. cit., XXIII-XXIV; La Pensee Politique Arabe Contemporaine (Paris: Editions du Seuil, 1970), pp. 12-16; Ideologie et Renaissance Nationale, L'Egypte Moderne (Paris: Editions Anthropos, 1969), pp. 506-9.

20 El Tahtawi's works try to relate the age of the liberal Revolutions in Europe to the 19th century Egyptian Renaissance. During his five years' stay in France (1826-31), El Tahtawi was under the influence of the ideas of 1789, those of Saint-Simon, and the 1830 Revolution. On El Tahtawi, see Abd El Malek's La Pensée Politique..., pp. 45-9 and Idéologie et..., pp. 407-418.

21 Its prominent figures were S. Schumayyil and F. Antoine. In 1920, Salama Moussa founded the Socialist Party.

22 Its founders were Mustafa Kamel and Mohamed Farid. On the Nationalist Party, see Riad, op. cit., pp. 200-203.

23 Can the intelligentsia be considered a social class? Much as we would like to dwell on the issue, we think that, in the analysis of the Nationalist Party, we can use the term simply in Riad's sense (i.e. Nicolas Berdaiev's) to mean a group of individuals with possibly different social experiences but united in their critical attitudes. In this sense, the intelligentsia is not a social class. See Riad, op. cit., p. 201n.

24 Abd El Malek, Egypt: Military Society, pp. 59-60 and Tarek El Bishri, The Political Movements..., op. cit., p. 33 and pp. 304-5. El Bishri's analysis of the Wafd is interesting. He explains the Wafd of the 1940's as an increasingly dichotomized party, showing few points of contact between its conservative, centralizing leadership and its bases, particularly with its young membership whose progressive tendency had become evident. This progressive tendency was expressed in the Wafd's papers - namely, in "El Wafd El Masri" (The Egyptian Wafd), "Saut El Oma" (The Voice of the People), and

"Rabetat El Shabab" (The Youth-Link).

25 Ibrahim Abu-Lughod, "The Transformation of the Egyptian Elite: Prelude to the Urabi Revolt", The Middle East Journal, (Summer, 1967), pp. 325-45.

26 A comprehensive work on the development of the pattern of private land ownership, following the policies of Mohamed Ali (1800-1848) and his successors, is Gabriel Baer's A History of Land-ownership in Modern Egypt, 1800-1950 (London, 1962). An aperçu of the main developments is in his article "Land Tenure in Egypt and the Fertile Crescent, 1800-1950", The Economic History of the Middle East, 1800-1914, ed. Charles Issawi, (Chicago: The University of Chicago Press, 1966), pp. 79-97.

27 Abu Lughod, op. cit., p. 326.

28 Ibid., p. 344. "Nowhere was this more clearly evident than in the series of taxation measures repealed or revamped within successive years in the mid-eighties, all of which were calculated to assuage the grievances of the landed component of the indigenous elite."

29 Abd El Malek, Egypt: Military Society, pp. 17-9.

30 Riad, op. cit., pp. 204-5.

31 Abd El Malek, Egypt: Military Society, p. 78. Riad calls them a "petty bourgeoisie". According to him (pp. 74-6), they constituted those strata which could have, perhaps, developed into an Egyptian middle class but which were hampered by the foreign influx. In Radwan, op. cit., p. 170, from the Population Census 1927

(Cairo: Department of Statistics and Census, 1929): "the number of Europeans increased from 109,725 in 1897 to 147,063 in 1907, an increase of 35% in 10 years." In 1927, there were 210,000 foreigners in Egypt. Given the total population figure of 14,215 millions the number of foreigners may appear insignificant. The point to note is that there was no agricultural colonization in the country; the foreigners mostly filled in urban occupations, in Riad, *op. cit.*, p. 199 n. and p. 135. Riad's population figures are from the Annuaire Statistique de Poche de la R.A.U. 1961.

32 Riad, op. cit., p. 206; Abd El Malek, Egypt: Military..., p. 60. Riad's classification (p. 21) of the rural population is as follows:

The "population masses" (the landless and the owners of less than 1 feddan): 80% of the total population.

The "intermediary strata" (cultivators - owners and tenants - of 1 to 5 feddans): 15% of the total population.

The "privileged" (cultivators - owners and tenants - of 5 to 20 feddans; tenants of more than 20 feddans; large owners of more than 20 feddans): 5% of the total population. The figures are late 1950's figures.

Abd El Malek's owners' categories (pp. 58-60) are: the "rural lower middle class" composed of small holders of 1 to 5 feddans.

The "medium landowners" (five to fifty feddans) were composed of men who worked the land themselves with the help of a small number of farm hands. There was an upper level group (owning twenty to

fifty feddans) of relatively comfortable proprietors. There was a lower level (five to twenty feddans), whose conditions were deteriorating. The "landed upper bourgeoisie" (More than fifty feddans) also consisted of two groups. The first group consisted of those largest owners which leased their properties to third parties. The second group was that of the rich cultivators who themselves worked their land.

33 Riad, op. cit., p. 206.

34 Abd El Malek, Egypt: Military..., p. 59.

35 Riad, op. cit., p. 206.

36 A letter of Engels to Joseph Bloch published in Marx's and Engels' Selected Correspondence, trans. by I. Laska and ed. by S.W. Ryazanskaya (Moscow: Progress Publishers, 1975), p. 395.

37 The idea of the importance of such a passage is in Gramsci, Prison Notebooks, p. 260. In Gramsci, this passage is the bourgeois revolution.

38 Mahmoud Hussein, op. cit., p. 88.

39 Ibid., p. 88.

40 Ibid., p. 88.

41 Ibid., pp. 11-2.

42 Ibid., pp. 89-92. Hussein's proletarianized masses "constitute an absolute majority in the countryside as well as in the cities.... They are, first, the landless peasants, totally deprived of the possibility of working for themselves and having no other means of subsistence than the sale of their labor power. They

become agricultural workers or migrant rural laborers (tarahil) and work very irregularly. They constitute three-fourth of the rural population. There are also the peasants owning a few irat (1/24 of a feddan)...they, too subsist essentially from the sale of their labor power. They constitute about 6% of the rural population.... [In the cities] they constitute an urban disinherited mass deprived of all material resources and access to regular work... They are not integrated into urban life - two-thirds of them are unemployed - but here their situation is somewhat better than in the countryside since the city offers more opportunities for marginal employment.... Altogether they constitute more than half of the urban population. Their class position is comparable to that of the rural proletarianized masses to whom they are tied by kinship or feelings of solidarity, or with whom they share a common region of origin." in Hussein, p. 37-8.

43 Hassan Riad, op. cit., p. 214. Riad's "popular masses" are Hussein's "proletarianized masses" with - however - a different psychology.

44 Ibid., p. 214 and p. 44.

45 Ibid., p. 21 and p. 23.

46 Ibid., p. 40.

47 Ibid., pp. 40-1.

48 Ibid., p. 41.

49 Gramsci points out: "it may be said that spontaneity is therefore characteristic of the 'history of the subaltern classes'

and indeed of their most marginal and peripheral elements; these have not achieved any consciousness of the class 'for itself', and consequently it never occurs to them that their history might have some possible importance, that there might be some value in leaving documentary evidence of it"; in Gramsci, op. cit., p. 196. On spontaneity in relation to conscious leadership, see Gramsci, pp. 196-200.

50 Hussein, op. cit., p. 41-3.

51 Ibid., p. 358.

52 Ibid., p. 12.

53 Walter Z. Laqueur, Communism and Nationalism in the Middle East (London: Routledge and Kegan Paul, 1956).

54 Tarek El Bishri, The Political Movements..., p. 81 and Hassan Riad, op. cit., p. 213n.

55 Laqueur, op. cit., p. 34.

56 Ibid., p. 34.

57 Ibid., p. 35.

58 Ibid., p. 36.

59 Ibid., p. 37.

60 Ibid., p. 42.

61 Ibid., pp. 42-7; Tarek El Bishri, The Political..., pp. 419-22.

62 Mouvement Egyptien de Liberation Nationale.

63 "The Spark" (Ash-Sharara, in Arabic).

64 Laqueur, op. cit., p. 45. M.E.L.N. "saw the party cell as a fighting unit (cellule, unite de lutte), while Iskra put the

stress on preparing cadres and preferred a cellule, unité d'études. M.E.L.N. stood for "egyptianization" and "Proletarianization" of the party, while Iskra maintained that under present conditions most cadres would have to belong to the "intelligentsia", and frequently to the national minorities, and no artificial attempt should be made to attract to the movement elements which would lessen the Communist character of the party." in Laqueur, p. 42. When the two factions merged Iskra reported 900 members and M.E.L.N. 500; according to Laqueur "the estimates were somewhat exaggerated, especially the figure given by Iskra." p. 44. Other less important factions were Tahrir ash-Sha'b (People's Liberation), At-Tali'a (The Vanguard), the Marxist League, Citadelle, and Al Fagr al Gadid (The New Dawn).

65 Ibid., pp. 45-6. The "National Front" was meant to embrace the Communists, the Wafdists, the Moslem Brothers, and Ahmad Hussein's followers. First known as "Misr Al Fatah" (Young Egypt), Ahmad Hussein's party was to become in 1950 "the Socialist Party". Misr Al Fatah and the fundamentalist Moslem Brotherhood were often treated by the Left as the "fascist front".

66 Ibid., pp. 53-54.

67 El Bishri, The Political Movement..., p. 425.

68 Tarek El Bishri, The Political..., pp. 526-7.

69 Gramsci, Prison Notebooks, p. 75.

70 Laqueur, op. cit., p. 60.

71 Ibid., p. 61.

CHAPTER III: THE FREE OFFICERS AND AFTER: A SYNTHESIS UNDER WAY?

At this stage, a few summary remarks are intended to link what has preceded with the rise of the Free Officers in 1952 and its possible significance.

A narrow perspective could explain the 1952 change as mainly an expression of "the influence and weight of the military in the technical sense,"¹ in other words, the influence of the military in the national life of the country following the 1948 Palestine war. Herein lies the limitation of Hussein's statement that "the Palestine defeat thus gave rise to a force capable of replacing the monarchy within the framework of the established relations of production."² The statement could lend itself to such a simplistic conclusion. A closer approximation might be one probing the social stratum from which the Free Officers emerged.³ It is within the perspective of this question that the emergence of a new power élite, in the post 1952 formation, has been advanced, i.e. the transformation of the petty bourgeois military and technocratic cadres of the new state into a bourgeois bureaucratic caste which first coexisted with the older foreign and aristocratic bourgeoisies, then absorbed them, eliminated foreign capital and became the new ruling class.⁴

In the Egyptian instance, as analyzed by Riad⁵ and Hussein,⁶ the consequence of the state capitalist phase has been the embourgeoisement of limited groups in their assumption of powers

by means of state functions, followed by their detachment from their petty bourgeois origins; tight patron-client relationships have produced and reproduced this new owning class. Within this system each individual seeks "to consolidate his class privileges irrevocably, that is, to transcend the civil service status, which gives access to power and wealth only insofar as it is retained....Therefore, networks of personal relationships, collusion, and complicity necessarily develop."⁷ Corruption is the means through which the new ruling cadres are capable of maintaining a support clientèle. Hence corruption is explained as an essential part of the system, an objective necessity and not a symptom of temporary difficulties and deviations.

The possible merging of the few groups in power with the older bourgeoisie - in an economy which reorganizes itself along capitalist lines - could mean the quantitative enlargement of the capitalist base. From a different point of view, the state capitalist phase could be thought of as a moment during which the petty bourgeoisie has expressed itself and has asserted itself - that moment during which it has constituted itself as a "class for itself", i.e. the petty bourgeoisie's political moment.⁸ From this point of view, the possible merging of the new bourgeoisie with the old bourgeoisie could be qualitative; it could result in a broader - both ideologically and technically - capitalist class.

But to develop the argument in relation to Egypt we would have to establish the prior existence of her petty bourgeoisie,

i.e. we would need to substantiate the concept. Riad discerns the rise of a petty bourgeoisie over this century. In his analysis this social stratum is characterized by distinct critical attitudes which become the source of divergent ideological currents. Hussein notes "the particular place and role of the petty bourgeoisie within the Egyptian social structure.... Its situation [i.e. its interests] partakes of both...the distintegrating feudal mode... and the developing capitalist mode.... In periods of relative social stability...the petty bourgeoisie plays a conservatizing role.... In a period of crisis...it may revolt against the aggressive forces."⁹ The image corresponds to Marx's description in The Eighteenth Brumaire of the petty bourgeoisie as "a transition class in which the interests of two classes are simultaneously deadened."¹⁰ Clearly the analogy does not constitute a criterion. The emphasis could be on the income position of the so-called petty bourgeois strata which "included all those who possessed a small amount of capital, a small plot of land, specialized training, or a level of culture which enabled them to live from their work by utilizing their own financial, technical or intellectual instruments of labour without having to sell their labour power and without buying the labour power of others, except marginally."¹¹ One could see in both the similar income positions of the various strata and in their equally deteriorating conditions - in particular after 1945 - the basis of a class formation.¹² We do not consider this a sufficient criterion.

However tempting it would be to explain 1952 and its consequences as the petty bourgeoisie's political moment we feel that the homogeneity of the various strata is yet to be determined.

Apart from the problems which arise in ascribing a petty bourgeois class origin to the new cadres, the formation of this new élite raises the specific issue: how likely is such an élite to develop into an independent ruling class and reproduce itself within its closed system? This question is to be inserted in the framework of Abd El Malek's and Riad's analyses. Abd El Malek views the recurrent statist military tendency as fundamental for an understanding of Egypt, i.e. as specifically¹³ Egyptian. Riad describes the new cadres as a virtual oligarchy supported by a disparate clientele.¹⁴ The two analyses thus approach the concept of the "Asian mode of production."¹⁵

The main stages of the 1952 regime are usually recognized as follows:-

1. The first stage (1952-56) was a period of search during which capital, Egyptian and foreign, was encouraged but held back.
2. The second stage (1956-1961) started with the Suez crisis and witnessed the emergence of a public sector and planning agencies as well as the Egyptianization of Banks and Insurance.
3. The third stage (1961-1967) started with the July 1961 nationalizations. The key sectors of the Egyptian economy became public sector.

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Having followed this evolution, Abd El Malek asserts that socialist criteria were not at issue but rather "the heart of the matter was the power of decisions in the economic and social sphere."¹⁶ The purpose was to eliminate all eventuality of economic hegemony by the former big bourgeoisie. Once this power of decision was secured and, given the insufficient economic development, the new state bourgeoisie would find its equilibrium - according to Riad - within quite exclusive relations and would fail to expand in any sense.¹⁷ The point in question is whether - or to what extent - this socio-economic form proves viable.

In The Political Economy of Underdevelopment Tamas Szentes argues that the particular socio-economic form suggestive of the Asian mode of production is bound to dissolve. The ruling state bourgeoisie of an underdeveloped country will be unable to reproduce itself in isolation for long since the two preconditions of the Asian mode - external isolation of the society as a whole and internal isolation of the élite itself - are lacking.¹⁸ In other words, because of the open character of the economy but mainly because of the social mobility entailed by "the inevitable development of industry and education...the very preconditions for the formation and isolation of an élite will gradually cease to exist."¹⁹ Developing his argument, Szentes explains: "a social stratum, which is not the owner of the means of production and cannot ensure its privileged material position but only by regulating the distribution relations by non-economic (political), exogenous

means contradicting the actual production relations...and whose objective social function does prescribe, after all, to develop the productive forces and to increase social mobility, this social stratum is bounded (sic) to lose sooner or later the political power which could maintain, beyond the effect of the temporary factors, the inequalities of income distribution."²⁰ Consequently, Szentes contemplates the possibility of a capitalist mode of development reasserting itself given the initial conditions under which the state élite emerged, i.e. given the conditions of local private capital under which the state capitalist phase started in an underdeveloped country.²¹

The economic analysis of the bourgeoisie, which was part of the explanation of the 1952 outcome, has perhaps further significance. Throughout the seventies, the government has been taking measures somewhat liberalizing Egypt's economy.²² State capitalism, i.e. the system of State intervention initiated in 1961 and aiming at throttling private capital²³ has been called in question. The apparent change of direction may be attributed to the failure of state capitalism. It may be pertinent though to connect the changes occurring today to the pre-1952 framework and system of relations. We are not assuming a totally reversible situation, i.e. a return to the former capitalist way. Still, the state capitalism of the sixties is at stake; private local and foreign investments are being encouraged and the debates whether the public sector ought to be partially contracted continue.

The possible dissolution of state capitalism - at this stage - into some capitalist form reflects its peculiar dialectics in underdeveloped countries.

It [state capitalism] is not simply the means of strengthening and preserving an already established social system but it is also a determinant - to a great extent - for the type of social system to come. Consequently, the inner logic of its development is much less tied to the actual state of the social forces. Thus it may occur that a relatively slight shift in the political power relations - even within the same political group, ...brings about such quantitative changes in the mechanism of state capitalism as lead directly to a qualitative change determining more or less the direction of further social development.²⁴

The ways in which a capitalist mode may reassert itself depend upon the initial situation of local capital and the position of a national bourgeoisie. In the absence of national private capital the bureaucratic élite within the state capitalist structure could "turn into a bourgeoisie in conjunction with the state capitalist sector being reprivatized."²⁵ According to Szentes, the process would be unusual.²⁶

Alternatively, the state could be thought of as subordinated to national private capital; the only reason for state capitalism would be the liquidation of foreign capital and precapitalist remnants; once strengthened the national bourgeoisie would take over. Such a possibility is remote for "it will hardly be possible for the national capital of any country to hold its own,

however developed productive forces it may have in the future, unless it enjoys the support of its own state capitalism."²⁷

Besides, this possibility veils the problems posed by the existence of bureaucratic cadres, since the power they have acquired has to be reckoned with.

A third possibility exists in the synthesis between the previously existing national bourgeoisie and the state cadres - a process which could produce an expanded capitalist form. State capitalism would thus appear as the parenthesis between the conditions of a technically and ideologically closed capitalist caste - i.e. a highly monopolistic group incapable of significant reform - and the conditions of an enlarged capitalist class.²⁸

Hence, if on the one hand Abd El Malek and Riad have closely circumscribed the emergence of a state élite, they have, however, given perhaps too much weight to the immobile character of this élite rather than examine its system as a transitory moment of a changing state capitalist relation. It is true that in retrospect it is easier for us to thus weigh and judge their analyses. As we earlier mentioned, today's developments in Egypt possibly indicate a departure from the system of an exclusive state bourgeoisie.²⁹

In fact, the question poses itself whether the 1952 change - characterized by Ibrahim Abu-Lughod as the anti-bourgeois revolution in contrast to the 1919 bourgeois uprising³⁰ - is not likely to become the bourgeois revolution in an enlarged sense. Now this depends in part on how much of a change in the ownership relations

can take place, on how much the private sector will be allowed to displace the public sector. Within the limits set by the process of the formation of the state élite following 1952 and the consolidation of its power, the state capitalist relation brought about some merging of the old with the new ruling classes. The structures which contained this relation in the 1960's were clearly those of a state bourgeoisie acting through a predominant public sector.

The subsequent - still uncertain - movement toward private capital need not be thought of as contradicting the 1960's moment of the state capitalist relation. As a continuation of the relation between the state bourgeoisie and the pre-1952 owning class, this preliminary movement perhaps denotes that the state bourgeoisie's framework has come close to saturation. Outside of this framework - and to the advantage of both, further possibilities of interaction between the old and the new forces may yet exist. Whether this synthesis in a capitalist direction can bring about qualitative changes, i.e. a qualitative enlargement of the capitalist base, is an open question. Once more, our only point is that the possibility of such a synthesis does not, of itself, determine the changes produced to be necessarily quantitative.³¹

FOOTNOTES

- 1 Gramsci, Prison Notebooks, p. 214.
- 2 Mahmoud Hussein, Class Conflict..., p. 79.
- 3 See Gramsci's analysis on "the influence and weight of the military" in the Prison Notebooks, pp. 212-7.
- 4 See Anouar Abd El Malek, Egypt: Military Society, p. 369 and Hassan Riad, L'Egypte Nasserienne, p. 8, and pp. 223-237. In Abd El Malek the term "lower middle class" substitutes Riad's "petty bourgeoisie." See also Mahmoud Hussein, op. cit., p. 77.
- 5 Hassan Riad, op. cit., p. 8, p. 76 and p. 227.
- 6 Mahmoud Hussein, op. cit., p. 195-202.
- 7 Ibid., p. 195.
- 8 Marx uses the expression, "class for itself", meaning the stage of the self-conscious political struggle in the process of class evolution. He develops the idea in The Poverty of Philosophy (Moscow: 1948, Foreign Language Publishing House), p. 195. Nicolai Bukharin dwells on the particular passage in Historical Materialism (Ann Arbor: The University of Michigan Press, 1969), p. 293. Gramsci's thought proceeded essentially from - and developed - the question of the passage from the structure to the superstructures. The "Analysis of Situations. Relations of Force" in Selections from the Prison Notebooks, op. cit., reveals Gramsci's framework, pp. 175-85.
- 9 Hussein, op. cit., pp. 35-36.
- 10 Marx, The Eighteenth Brumaire of Louis Bonaparte, p. 47.

11 Hussein, op. cit., p. 28.

12 The approach is embedded in Hassan Riad, op. cit., p. 45 and p. 216.

13 Abd El Malek explains that Egypt: Military Society "revolves around a central thesis: the military experiment in Egypt is a specific one; i.e., the path followed by Egypt to win back its independence, break the chains of archaism and move forward to modernity since 1952 is fundamentally, historically Egyptian

.

The guideline, throughout, has been the search for the Marxian principle of historical specificity in the case of Egypt;" in Abd El Malek's preface to Egypt: Military..., XXXIV-XXXV. Accordingly, Abd El Malek sums up Egyptian specificity in a "tendency to unity, to centralism, to concentration, to pyramidal hierarchy" (p. 354) and in a tendency to military hegemony (pp. 355-61). As for Hassan Riad, op. cit., p. 231, he suggests the expression of "immobile Pharaonic statism" to characterize the Nasserist society.

14 Riad, op. cit., pp. 85-131, pp. 223-7, and pp. 240-3.

15 On the "Asiatic mode of production" see Marx's discussion of the "Forms Which Precede Capitalist Production." in the Grundrisse; Foundations of the Critique of Political Economy translated with a Foreword by Martin Nicolaus (London: Penguin Books, 1973), pp. 471-74. In Tamas Szentes' The Political Economy of Underdevelopment, p. 275, the Asian mode of production embodies "a specific form of coexistence

of communistic and exploiting relations in which the communal ownership as the basic production relation and the horizontally effective communistic relations are supplemented by and subordinated to the vertical relations of exploitation operating through and by state power."

- 16 Abd El Malek, Egypt: Military..., pp. 141-2.
- 17 Riad, op. cit., p. 243.
- 18 Szentes, op. cit., p. 275.
- 19 Ibid., p. 275.
- 20 Ibid., pp. 275-6.
- 21 Ibid., p. 276 and p. 320.
- 22 The October Working Paper presented by President Anwar El Sadat in April, 1974.
- 23 A detailed account of the nationalizations of July 1961 is in Anouar Abd El Malek's "Dismantling of the old Bourgeoisie," Egypt: Military Society, pp. 151-7.
- 24 Tamas Szentes, The Political Economy of Underdevelopment (Budapest: Akademiai Kiado, 1971), p. 318.
- 25 Ibid., p. 318 n.
- 26 Ibid., p. 318.
- 27 Ibid., p. 316.
- 28 Antonio Gramsci, Selections from the Prison Notebooks, p. 260.
- 29 From the October Working Paper presented by President Mohamad Anwar El Sadat, April 1974: "the role of the public sector.

in the coming stage is of great importance. In the light of the outward-looking policy and the encouragement of the private sector as well as Arab and foreign investment, the public sector will remain the primary instrument of carrying out any development plan and will undertake the basic projects that none other will embark upon." (p. 58) "The public sector is a well-known phenomenon in all countries. In our country it is our strong mainstay on which we depend for an outward-looking economy, without complexes and in full and free action." (p. 59).

"The successive contradictory decisions and acts have neutralized the private sector as a productive agency, led it into parasitic investments and induced its owners to adopt patterns of extravagant consumption when they did not find a way of investing on stable production." (p. 60-1).

"It is time for these conditions to disappear altogether and for the private sector to find real stability and encouragement towards maximum production to meet the needs of the society." (p. 61).

30 Ibrahim Abu-Lughod, "The Transformation of the Egyptian Elite," p. 326.

31 Gramsci, op. cit., p. 221.

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Note: Works in Arabic have an asterisk.