

THE EGYPTIAN PLANTATION

By

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7-11-2013 – GCNnews - Today the Egyptian Economy seems to be in shambles. Due to several major upheavals the society has entered into chaos and several factors such as a rising foreign debt service, decline in tourism, trade deficits, consumer inflation and other factors have diminished economic viability. Since the large demonstrations and overturn of Former President Hosni Mubarak ([while Mubarak was in power Egypt participated in America's rendition flights](#)) who had violated the basic freedoms of many Egyptians using [The Emergency Law](#). Egypt has been in turmoil and when societies are in turmoil economies suffer. President Morsi was removed on July 3, 2013 by the military suspending the constitution, which is a demonstration of similar tactics of the past.

[Economic Problems Article – US Today](#)
[Economic Statistics](#)

The Plantation Prior to 1952

The Overseer of The Egyptian Plantation prior to 1952 was **King Farouk I of Egypt** who had the support of the landed rich, the secret societies and the wealthy. King Farouk led a life of excess and opulence that his subjects resented. The land ownership before 1952 was concentrated in few hands. The reference information below sets out the major problems with land ownership in Egypt prior to Nasser's reforms.

Problems prior to 1952

Prior to the 1952 coup that installed [Naguib](#) as President, less than six percent of [Egypt's](#) population owned more than 65% of the land in [Egypt](#), and less than 0.5% of Egyptians owned more than one-third of all fertile land. These major owners had almost autocratic control over the land they owned and charged high rents which averaged 75% of the income generated by the rented land. These high rents coupled with the high [interest rates](#) charged by banks plunged many small [farmers](#) and [peasants](#) into [debt](#). Furthermore, [peasants](#) who worked as laborers on farms also suffered, receiving average wages of only eight to fifteen [piastres](#) a day. The combination of these circumstances led [historian](#) Anouar Abdel Malek to call the pre-reform Egyptian peasantry "an exploited mass surrounded by hunger, disease and death". Another [historian](#), Robert Stephens has compared the state of Egyptian peasants before land reform to that of French peasants before the [French Revolution.....wikipedia](#)

Nasser For The People

The deposing of King Farouk by The Free Officers led by **Gamal Abdel Nasser Hussein** - in 1952 set a pattern through present times of the military acting through coup d'états to install or remove political leaders from power. The Egyptian military has always portrayed itself as carrying out the will of the people in protecting Egypt. During the 1950s Nasser acting through President Naguib as his Deputy enacted land reforms that lasted up to the mid 1980s and were finally abolished under Anwar Sadat. The land reform laws brought about by Nasser were as follows:

Law Number 178

On September 11, 1952, Law Number 178 began the process of [land reform](#) in Egypt. The law had numerous provisions that attempted to remedy the Egyptian land problems:

- Land owners were prohibited to possess more than 200 [feddans](#) of land. However, fathers with more than 2 children were allowed to own 300 feddans.
- A limit on the rental rate for land was set at seven times the land tax value of the plot of land.
- All land leases were given a minimum duration of three years.
- The government established cooperatives for [farmers](#) holding less than five feddans. The members of these cooperatives worked together to obtain supplies such as [fertilizers](#), [pesticides](#), and [seeds](#) as well as cooperating to transport their products to market.
- A minimum wage for [agricultural](#) workers was set at 18 [piastres](#) per day.

Additionally, the law provided for the redistribution of any land that owners held over the limits it established:

- Each affected owner would receive compensation for his excess land in government [bonds](#) worth a total of ten times the rental value of the land. These bonds would pay three percent [interest](#) and mature in thirty years.
- All land bought by the government would be sold to peasants though no person could obtain more than five feddans from the government. Peasants who bought land would pay the government the cost of the land and a 15% surcharge over a period of thirty years.

Law 178 initially met opposition from Prime Minister [Ali Maher Pasha](#) who supported a limit of 500 feddans for land ownership. However, the [Revolutionary Command Council](#) demonstrated its power by forcing him to resign, replacing him with [Muhammad Naguib](#) and passing the law.

Modifications to Land Reform

In 1958, three provisions of the land reform law were revised:

- The interest on the bonds the government used to repay

- owners of seized land was lowered to 1.5%.
- People who purchased land from the government were given forty years (in place of thirty) to complete repayment.
- The government surcharge to be paid by purchasers was lowered to 10%.

In 1961, the government again revised the land reform program by lowering the land ownership maximum to one hundred feddans.

Results

Initially, land reform essentially abolished the political influence of major land owners. However, land reform only resulted in the redistribution of about 15% of Egypt's land under cultivation, and by the early 1980s, the effects of land reform in Egypt drew to a halt as the population of Egypt moved away from [agriculture](#). The Egyptian land reform laws were greatly curtailed under [Anwar Sadat](#) and eventually abolished.....[wikipedia](#)

The Infitah

Anwar Sadat during his presidency tried to reform the economy calling this reform “The Infitah”. International bankers such as David Rockefeller and William Simon encouraged him to expand needed reforms more quickly. These reforms such as cutting subsidies and devaluing the Egyptian Pound ended in food riots losing Sadat much past support.

The Politics of Economic Strategy

“Once *infitah* was established as Egypt's economic strategy, intraelite conflicts centered on its proper scope and management. These conflicts typically pitted liberalizing economists, who were convinced that a fully capitalist economy would be more efficient than an economy incorporating a public sector, against more statist-minded bureaucrats and state managers, who wanted to reform, rather than to dismantle, the public sector. The latter were often allied with politicians fearful of public reaction to the rollback of populist measures such as subsidies and public-sector employment. One major episode in this conflict came in 1976 over pressures from the International Monetary Fund ([IMF](#)-- see Glossary) and foreign banks to cut subsidies and devalue the Egyptian pound (for value of the [Egyptian pound](#)--see Glossary) as necessary steps in the liberalization of the economy. Sadat's minister of economy, Zaki Shafii, and his minister of finance, Ahmad Abu Ismail, fearful of the consequences on the mass standard of living, urged him to resist pressures for rapid reform. But other economists, chief among them Abdul Munim Qaysuni, argued that Egypt could not afford costly welfare programs if it were to revitalize its productive bases. Top Western bankers, such as David Rockefeller and William Simon,

urged Sadat to go beyond half measures if he wanted to make the *infatih* a success. Sadat overruled his own ministers and replaced them with a new team headed by Qaysuni, who began to cut the subsidies. But decision makers had misjudged their political environment. The subsidy cuts triggered the 1977 food riots, which shattered much of the support Sadat had carefully built up. The government backed down and did not again attempt such a radical cut in the social safety net for the poor.

Managing *infatih* remained the major problem of public policy under Mubarak. Rather than producing a dynamic capitalist alternative to Nasserite statism, *infatih* had stimulated a consumption boom that put Egypt in debt and made it heavily dependent on external revenues, which declined in the mid-1980s, plunging the country into economic crisis. Mubarak insisted that *infatih* would be reformed, not reversed, but the government's freedom of action was limited by conflicting domestic constraints. The interests created under Nasser remained obstacles to capitalist rationalization and belt-tightening. The public sector was still the main engine of investment, and public sector managers and unionized labor tenaciously defended it. The bureaucracy, employing a large portion of the middle class, was a formidable constituency. Meanwhile, Egypt's huge army had not been demobilized, and, indeed, Sadat had bought its acquiescence to his policy by replacing weapons from the Soviet Union with more expensive arms from the United States, for which the military showed a voracious appetite. Marshal Abu Ghazala rejected demands by Prime Minister Ali Lutfi that he pay off Egypt's military debts from revenues of arms sales overseas; instead he plowed funds into subsidized apartments, shops, and sports clubs for the officer corps. Populist "rights" acquired under Nasser had grown into a tacit social contract by which the government provided subsidized food to the masses in return for their tolerance of growing inequality. The contrast between the conspicuous new wealth and the mass poverty generated a moral malaise, making Egypt's debt a political issue. "We're asked to pay the debt," chanted demonstrators in 1986, "while they live in palaces and villas." Thus, attacking populist policies seemed likely to fuel Islamist political activism.....excerpt from [“The Politics of Political Strategy”](#)

Mubarak inherited this reform called “The Infatih but was unable to effectively develop this economic reform so he instead grew the Armed Forces dominance of the economy. This not only left the huge public sector in place but didn't threaten the giant bureaucracy. It must be noted before his death Nasser became aware of the problem of this large bureaucracy but died before he could solve this problem.

Today Egypt cannot feed itself and 50% of the wheat needed for bread is imported. In addition there is a subsidy that lowers flat bread to less than 1 cent a piece.

[Food price rises put restive Egypt on edge](#)

[Imported Wheat Stocks Dwindle Amid Egypt's Currency Crisis](#)

[Egypt faces struggle to maintain cheap bread programme](#)

[Govt: Wheat reserve enough for 81 days](#)

[Farmers say Egypt's wheat crop hopes are "a dream"](#)

[Higher prices and lower incomes burden Egyptian families](#)

Armed Forces Owns Economy – Secret Budget - [Egypt's junta keeps budget secret](#)
[Products produced by military - Arab Organization for Industrialization](#)

During Nasser's Presidency he instituted many reforms, these reforms resulted in many industries and businesses being nationalized which later provided to subsequent regimes a greater ownership and control by the government. The government has always been dominated by the Armed Forces of which power and control has over decades since 1952 migrated to the military resulting in an increased ownership over the economy by the military. Thus the Armed Forces of Egypt owns a major portion of the economy. Like stated before starting in the 1950s the nationalizing of industries and businesses by Nasser laid a foundation that later the Armed Forces built upon. The peace treaty in 1979 between Egypt and Israel led to the Egyptian Armed Forces being reoriented to establishing business and industries. The cash flow set up future retirement and income benefits available to the top military leadership. In addition many associates and friends of the military leadership benefited. Once again in this latest crisis the armed forces is demonstrating their dominance and control, for its a life and death struggle for their continued ownership of their portion of the economy.

[The Army and The Economy in Egypt](#)

[The Role of the Egyptian Military in Domestic Society - LTC Stephen H. Gotowicki, U.S. Army](#)

[Inside The Egyptian Military's Brutal Hold on Power](#)

[Egyptian military industry](#)

[Egypt military economic empire](#)

[Egypt's Generals and Transnational Capital](#)

President Morsi's First Year – Now History

President Morsi assumed office on June 30, 2012 and on July 3, 2013 - [Egypt's Defense Minister Gen. Abdel Fattah al-Sisi](#) dismissed President Morsi and leader of The Muslim Brotherhood.

General Abdel Fattah al-Sisi's – speech in dismissing President Morsi

“The Egyptian Armed Forces first declared, is still declaring and will always declare that it stands distant from political forces. The Armed Forces, based on its insightfulness, has been called by the Egyptian people for help, not to hold the reins of power, yet to discharge its civil responsibility and answer demands of responsibility. This is the message received by the EAF and heard in all of the country.

In turn this call was heeded by the EAF, and it has understood the essence of this message. Before it has come close to the political scene adhering to its responsibility, the EAF over the past month has inserted efforts, direct and indirect to contain the situation within and achieve national reconciliation among all institutions, including the presidency.

Since the past, the army has called for national dialogue, yet it was rejected by the presidency in the last moment. Many calls, initiatives followed until to date. The EAF similarly on more than one occasion presented a strategic assessment domestically and internationally, which contained the most eminent (this part unclear).

The EAF as a patriotic institution to contain division and confront challenges and perils to exit the current crisis. As we closely monitored the current crisis, the command of EAF met with the president on June 2nd where it presented the opinion of the AF on the state of (the country) and (relayed) the cause of masses and Egyptian people. Hopes were all pinned on national conciliation. Yet, the address of the president yesterday and before the expiry of the 48-hour ultimatum did not meet the demands of the people.

As a result, it was necessary for the EAF to act on its patriotic and historic responsibility without sidelining, marginalising any party, where during the meeting a road map was agreed upon which includes the following:

Suspending the constitution provisionally; The chief justice of the constitutional court will declare the early presidential elections; Interim period until president elected. Chief Justice will have presidential powers; A technocrat, capable national government will be formed; The committee will offer all its expertise to review the new constitution; The Supreme Constitutional Law will address the draft law and prepare for parliamentary elections;

Securing and guaranteeing freedom of expression, freedom of media. All necessary measures will be taken to empower youth so they can take part in decision making processes. The EAF appeal to the Egyptian people with all its spectrum to steer away from violence and remain peaceful. The Armed Forces warn it will stand up firmly and strictly to any act deviating from peacefulness based on its patriotic

and historic responsibility.

May God save Egypt and the honorable, defiant people of Egypt.”.....[provided by El Jazerra](#)

General Sisi also announced on state television that the armed forces had suspended the country's constitution provisionally. President Morsi's removal from office on July 3, 2013 is being disputed by President Morsi. He was criticized by many for concentrating on, the consolidation of his power centered around Islamic Politics. Additional criticisms are that he was not being inclusive enough, ignoring economic issues and he really failed when he announced his Presidential Decrees last November 22, 2012 which were ill advised. The decrees were well enumerated in this article [“Egypt President Morsi grants himself far-reaching powers”](#).

Power Grabs

The single biggest mistake by President Morsi were his actions by decrees to consolidate a greater power unto himself and The Presidency. The reference and article below spells it out!

Nov. 22, 2012 - “Egypt's president on Thursday issued constitutional amendments that placed him above judicial oversight and ordered the retrial of Hosni Mubarak for the killing of protesters in last year's uprising.

Mohammed Morsi also decreed immunity for the Islamist-dominated panel drafting a new constitution from any possible court decisions to dissolve it, a threat that had been hanging over the controversial assembly.

Liberal and Christian members withdrew from the assembly during the past week to protest what they say is the hijacking of the process by Morsi's allies, who they saw are trying to push through a document that will have an Islamist slant marginalizing women and minority Christians and infringing on personal liberties. Several courts have been looking into cases demanding the dissolution of the panel.

The Egyptian leader also decreed that all decisions he has made since taking office in June and until a new constitution is adopted and a new parliament is elected -- which is not expected before next spring -- are not subject to appeal in court or by any other authority. He also barred any court from dissolving the Islamist-led upper house of parliament, a largely toothless body that has also faced court cases”.....[Read More Fox News coverage](#)

These Presidential decrees set off very strong and virulent demonstrations which eroded President Morsi's influence especially with the opposition. They considered his decrees to be a power grab not inclusive and downright unconstitutional. He eventually had to back off from seeking those new powers. On Thursday July 4, 2013 it was announced that [President Morsi was arrested on charges of](#)

[‘insulting the judiciary’.](#)

Was Washington Behind Egypt’s Coup d’Etat? - Did the Pentagon give the "Green Light"

Adly Mansour – was appointed interim president at the Supreme Constitutional Court building on July 4, 2013 in Cairo. Mansour had been head of the Supreme Constitutional Court for only two days before the army named him interim president. Mansour suggested during his swearing in ceremony that all parties including the Muslim Brotherhood would be welcome in joining the political process but the Muslim Brotherhood has announced that they would be boycotting the process.

[Court upholds verdict sacking Morsi's PM Qandil, sentencing him to prison](#)

[Mohamed ElBaradei has not been appointed Egypt’s interim prime minister](#)

Prominent Egyptian Liberal Says He Sought West’s Support for Uprising - "In tandem with the military’s ouster of Mr. Morsi, the judicial authorities replaced the attorney general he had appointed, reinstating the prosecutor installed by Hosni Mubarak, the autocratic president ousted in Egypt’s 2011 revolution." The Mubarak appointee, Abdel Meguid Mahmoud, spent years in office prosecuting Islamists. But Mr. ElBaradei said the generals had assured him that this time would be different because they intended to operate as an institution in a civilian democracy, with respect for due process and the rule of law.”.....N.Y. Times

Mohamed ElBaradei has been lobbying for the I.M.F. Loans and helped the Neoliberals to carry out change in Egypt. So now the neoliberal economic plan placed into effect under Hosni Mubarak will be re-instituted in Egypt. In 2011 before Morsi's rise to power, Hasan Malek of The Muslim Brotherhood had this to say about the neoliberal policies placed into effect by Mubarak in the 80s "Manufacturing, a trained labor force and enabling the private sector are the solution to Egypt's economic slump," said Hasan Malek, one of the Muslim Brotherhood's leading businessmen.

One of the main financiers and [business](#) strategists of the Brotherhood, Malek said “the economic policies in force during Hosni Mubarak's rule were on the right track, but were overshadowed by blatant corruption and a culture of favoritism.”.....[Reuters](#)

“What has happened to the country in his (Morsi's) first year of power?

Egypt has moved up the list of failed states from 45th to 34th place (the higher up the list, the worse the degree of failure). Police have essentially stopped doing their job — significantly, they were nowhere to be seen when protesters torched the Muslim Brotherhoods’ headquarters in Cairo on the weekend. In 2012, murders were up 130%, robberies 350% and kidnappings 145%, writes opposition leader Mohammed El Baradei in *Foreign Policy* magazine. “You see people being lynched in public, while others take pictures of the scene. Mind you, this is the 21st century — not the French Revolution!”

What about the economy?

That’s also been a continuing disaster. Youth unemployment is at

25% and job creation is almost non-existent. Prices have soared and there are continuing shortages of gasoline, leading to long lineups at the pumps. Power cuts are frequent and farmers (the heart of Morsi's support) can't afford fuel for their tractors to cultivate their land. Investors and tourists are staying away in droves, the Egyptian stock market has hit new lows, along with the currency".....[Read More - National Post](#)

The President's Adversaries – July 2013 Demonstrations

There was a plethora of different kinds of adversaries during the latest demonstrations and protests. There were young people, city people, liberals, secularists of all kinds and the Nour Party also gave support to President Morsi's adversaries. This motley group has found it increasingly more difficult to live and feed their families and President Morsi should have addressed Egypt's economic problems first. This rising secular power group with ties to military and bureaucratic institutions on the streets were the military's excuse to dismiss President Morsi.

911 Conspiracy Advocate

One of the main reasons that the military might have dismissed President Morsi is his advocacy of 911 Truth theories. Writing in The Washington Post By Robert Satloff and Eric Trager, had this to say [“Getting Egypt's Morsi to give up his 9/11 ‘truther’ talk”](#)

Washington is worried that if enough of the American Public wakes up to 911 Truth then their little charade of myths and lies about 911 will unravel their control and domineering mechanism of 'The War on Terrorism'. In other words the American public is being used by the myth of 911 being an attack from foreign terrorists which is manifesting in a martial law and National Security lock down of America resulting in our liberties and freedoms being destroyed.

The Hijacked Revolution

Has this seemingly revolution of reform since 2011 been high jacked by certain players?

[Neoliberal Egypt: The hijacked revolution](#)

Conclusion: Army in Control

Since Nasser's days the Egyptian Army has portrayed itself as the people's army. Once again in this latest crisis, the armed forces is demonstrating their dominance and control. During the 1950s the Free Officers lead by Nasser reformed the economy and instituted a change of politics, so too today did the modern Armed Forces of Egypt exert their power. Today's Egyptian economy is an extension of Nasser's revolution which was a milestone in the transformation of Egypt from being dominated by a rich monarch to a people's army. Nasser demonstrated leadership when King Farouk and his family were allowed to leave Egypt unmolested. The Armed Forces of Egypt has been a major owner of the economy so it resists any threat to its economic dominance. King Farouk was the overseer to an

Agricultural Plantation and now the Armed Forces of Egypt are overseers to an Industrial Plantation. We have just witnessed in Egypt a strong military whose business interests have never been audited, disregarding a large part of the voters (The Muslim Brotherhood) of Egypt and the will of these people, suspending the constitution in overthrowing President Morsi and appointing an interim President. Politics as usual in Egypt. Than did not President Morsi and The Muslim Brotherhood over reach in their ambitions, finding in the end that they had become disconnected from the mainstream Egyptian public and threatened the foundations of the opposing power groups.

How Morsi, Brotherhood Lost Egypt

Did Uncle Sam Funded Programs - oust Morsi?

1984 War is Peace – The military at this time present tense is placing back into office Abdel Meguid Mahmond as Attorney General and they assured Mohamed ElBaradei as follows:

The Mubarak appointee, Abdel Meguid Mahmoud, spent years in office prosecuting Islamists. But Mr. ElBaradei said **the generals had assured him that this time would be different because they intended to operate as an institution in a civilian democracy, with respect for due process and the rule of law.”.....N.Y. Times**

“A few contradicts after having ignored due process and the rule of law just recently in dismissing President Morsi”.....

IT'S 1984 IN EGYPT!

Solutions:

- 1. The subsidies must be adjusted**
- 2. The Too Large Bureaucracy must be decreased**
- 3. Farm Land – provide additional ownership to more farmers**
- 4. Care not to increase foreign loans**
- 5. Increase the small businesses numbers**
- 6. Audit The Armed Forces – bring their ownership of the economy under control**
- 7. No Secret Budgets**

The Armed Forces still have a monopoly of force so I'm not optimistic about real reform in Egypt occurring!

Resources and Notes

"The doctrine and culture of the Armed Forces do not allow the adoption of any 'military-coup-based' policies. The Egyptian military always stands by the will and aspirations of the glorious Egyptian people for change and reform

1 feddan = 24 kirat = 60 metre x 70 meter = 4200 square metres (m²) = 0.42 hectares = 1.038 acres

In [Syria](#), the feddan ranges from 2295 square metres (m²) to 3443 square metres (m²).

If the U.S. describes this as coup than us aid to Egypt cannot to be extended.

Today's Egyptian economy is an extension of Nasser's revolution which was a milestone in the transformation of Egypt from being dominated by a rich monarch to a people's army. King Farouk and family were allowed to leave Egypt unmolested.

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