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Editorial

EGYPT ON THE BRINK

By L. BERNSTEIN

"I thought at the beginning that I would exert all my efforts to safeguarding international peace. I was ready to go to any place and discuss anything. We can give all the necessary guarantees about navigation. But why the outcry about navigation? Why threats, military action against the Egyptian people, economic pressure against the Egyptian people?"

President Nasser, at a press conference, August 12, 1956

FREEDOM OF THE SEAS

There was a time when freedom of the seas, for British merchant shipping at any rate, was secured by the fact that "Britain ruled the waves." But that has never, at any time in eighty-seven years of the Suez Canal, applied to freedom of navigation through the canal. Whoever ruled the high seas outside, the Suez Canal has at all times been straddled by Egypt. Ships passing through have done so by the grace

and permission of successive Egyptian Governments, all of whom have had the power at all times to close the Canal to shipping by a simple act—by placing a single gun in a strategic position on Egyptian soil, or by scuttling a single ship in one of the narrow sections of the 120-mile waterway. That was the position when de Lesseps completed his digging in 1869. That was the position in every year up to the day of nationalisation. And that is the position today. And yet the Canal has remained open to shipping at all times, ever since it was first opened. It is necessary to understand this simple fact in order to understand that nationalisation has no bearing on the freedom of navigation through the Canal. This is, and always has been, the concern not of the Suez Canal Company, but of the Egyptian people and Government.

“If the Egyptian people are not willing to secure the canal, what can an international body do? Can it stand guard 120 miles along the canal? Can anyone believe that the Company was responsible for freedom of navigation? Were M. Picot or the Board of Directors responsible? No. They have no authority to secure navigation, because the canal passes through our territory. We are securing and guaranteeing freedom of navigation in the canal.”—President Nasser, 12/8/56.

There have been many references by both Mr. Eden and Mr. Mollet to treaty obligations, which, so it is said, President Nasser has breached by nationalising the Canal. But there is only one treaty covering freedom of shipping through the Canal, the Constantinople Convention of 1888, which is so often referred to but never quoted. This treaty, signed by eight nations (not including Egypt, which at that time was a colonial dependency of Britain) declares:

“The Suez Maritime Canal shall always be free and open, in time of war as in time of peace, to every vessel of commerce or of war, without distinction of flag. Consequently, the High Contracting Parties agree not in any way to interfere with the free use of the Canal, in time of war as in time of peace.”—(Article 1.)

The **Canal Company**, be it noted, was not a signatory of this convention. But when, in October 1954, an agreement was negotiated between Britain and the Egyptian Government for the evacuation of British troops from the Suez Canal Zone, **Egypt** undertook the obligations of a signatory of this Convention. It is clear, therefore, that by virtue of geography as well as treaty law; the freedom of Suez shipping is guaranteed by the Egyptian Government and not by the now nationalised Company.

BREACH OF FAITH

But it is claimed by the British and French Governments that the very act of nationalisation of the Company was a breach of treaty.

“I suggest the word ‘seizure’ would be more accurate. . . . No nation has the right, unilaterally and in defiance of existing agreements, to remove its international character. . . .”

Mr. Eden, House of Commons. 12/9/56.

"It involves the arbitrary and unilateral seizure by one nation of an international agency which has the responsibility to maintain and to operate the Suez Canal. . . ."

British-French-American Communique. 2/8/56.

The agreement between the Egyptian Government and the Suez Canal Company by which the Company was granted the right to construct and run the Canal, is clear. So clear that it is never quoted by British and French Government spokesmen.

"Since the Universal Company of the Maritime Suez Canal is an Egyptian Company, it remains subject to the laws and usages of the country. As regards the disputes that arise between the Company and individuals of whatever nationality, these must be referred to Egyptian courts and their procedure be subject to Egyptian law, usages and treaties. As regards disputes that may arise between the Company and the Egyptian Government, these must in like manner be referred to Egyptian judiciary and settled in accordance with Egyptian law."
(Article 16.)

This agreement, signed by canal-builder De Lesseps, is reinforced by the Anglo-Egyptian Evacuation Treaty of 1954, which states:

"The two Contracting Governments recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance."*—(Article 8.)

What then remains of the claims of "illegal seizure," the claims that Nasser's Government have proved they are not to be trusted? Clearly, these claims like the impassioned claims that "freedom of navigation" is seriously threatened, are too flimsy to be taken as the real reason behind the hysteria which has been aroused in Britain, France and elsewhere by the nationalisation of the canal.

It is sometimes said that the nationalisation of the Canal is an act of seizure not from the British and French Governments, but from the private individuals who are shareholders of the Canal Company. Even some right-wing British Labour leaders who are themselves committed to a policy of nationalisation of various British industries, manage to discover "special circumstances" in the case of the Canal. It is argued—as it was argued at the time Iran nationalised the oilfields at Abadan—that the Suez Canal has the character of an international asset, and therefore stands above the legal rights of any single nation to nationalise it. Those who wonder why Britain, in the midst of Mr. Eden's self-righteousness, refuses to test the legality of President Nasser's action before the International Court at the Hague, should be reminded that on precisely this aspect the International Court ruled in 1951 in favour of Iran's legal right to nationalise the British-owned oilfields. Clearly, the Canal's nationalisation is legal.

*My emphasis.—L.B.

PROFIT AND LOSS

While it is understandable that there should be bitterness amongst shareholders, who have lost a lucrative asset they will not easily replace in the modern world, it is understandable that there should be equal if not greater bitterness against the Company amongst the Egyptian people.

“Never has there been a concession so profitable to the grantee and so costly to the grantor as that given by Sa’id to the Suez Canal Company.”

Thus Edward Dicey sums up the position in his book “The Story of the Khedivate.” Not without reason. Of the 400,000 shares in the original Company formed by de Lesseps, the Egyptian Government had to buy all those which could not be sold elsewhere, which amounted to 176,000—almost one half. The agreement stipulated that Egypt was to provide four-fifths of the workers needed; in practice, sixty-thousand Egyptians monthly (out of a total population of 4 millions!) worked without wages digging the Canal. In the course of the building, 120,000 men died; no compensation was ever paid to their families. By the time the canal-building was over, experts estimated that Egypt’s share of the cost in materials, free transport and workshop facilities, free grants of land and the like was at least half the total cost of £18 million. There is no allowance in this calculation for the human beings burnt out and expended.

The British Government, which had taken no part in the building of the Canal, realised its importance only afterwards. In 1875, Disraeli, backed by all the political pressure he could bring to bear, bought 44% of the shares in the Company from Egypt for almost £4 million. In the ninety years since that purchase, the British Government have received dividends of 3,800%—thirty-eight times the total capital invested. In 1955 alone, after the payment of Egyptian state taxes, the British Government’s £4 million investment paid £3 million dividends. Egypt, by comparison, earned £1.1 million in dividends, and another £2.3 million in taxes. For Britain this has been a gilt-edged investment in colonial style; and, in regular colonial pattern, the flag followed closely behind the golden sovereign. In 1882, British gunboats bombarded Alexandria; British troops occupied the land. Egypt’s independence was exchanged for British military occupation, designed to safeguard the Canal goose that laid such golden eggs for its British and French shareholders.

Again the people of Egypt paid, in the way colonial peoples do. For three-quarters of a century, foreign speculators impoverished the people and despoiled the land. Her people are amongst the poorest in the world; their death rate is amongst the highest; and the rates for illiteracy and for preventable disease amongst the very worst. If there have been profits from the Suez Canal, these things must be reckoned amongst the losses. And the losses at least are all Egyptian.

PAYMENT IN FULL

It would be understandable if, in the light of all this, Egypt were

to confiscate the Canal Company's assets. But in this, as in all the turns and passages of the crisis since, the Nasser Government has acted with a statesmanship and dignity which has contrasted sharply with the hysteria and demagoguery of the West.

“ . . . All obligations of the Company are transferred to the State. Shareholders and holders of constituent shares shall be compensated in accordance to the value of the shares on the Paris Stock Market on the day preceding the enforcement of this law. Payment of compensation shall take place immediately the State receives all the assets and property of the nationalised company.”

It is worth noting that payment will be made to shareholders only when all the assets of the Company have been received by the State. It is characteristic of the fashion in which the Anglo-French spokesmen have twisted the situation for their own purposes through the past two months that, on the one hand the Eden Government can ‘freeze’ all assets of both the Canal Company and the Egyptian Government, while on the other Mr. Eden can sneeringly refer to the promise to pay compensation in full:

“In all circumstances . . . it is hardly surprising that Britain and the other nations principally concerned found themselves unable to accept the assurances which Colonel Nasser had so far been willing to give.”—House of Commons, 12/9/56.

The truth has been twisted to suit policy. Nowhere has this been more apparent than in the matter of the Canal Company's staff in Egypt.

“The assets and offices of the Company were seized by armed agents of the Egyptian Government and the Company's employees were compelled to continue at their work under threat of imprisonment.”

Thus Mr. Eden in the House of Commons, 12.9.56. But, in fact, when the Paris rump-headquarters of the Company gave “permission” for pilots to leave their duties with the nationalised Canal authority, it is reported that all who wished to, did so, without interference. Where did the Eden story originate from? Was it manufactured complete from the whole cloth? Article 4 of the Nationalisation Law says that the new Canal Authority

*“shall retain all the employees and workers of the nationalised company. They will continue performing their duties and none can leave his work or give it up in any manner for for any reason **except with the permission of the Authority. . . .**”**

There has not yet been a single case reported or even alleged where such permission was applied for and turned down. But the law has not been challenged by Eden; it has been distorted. Distorted, made to sound like something from Hitler's Nuremberg decrees, it serves the purposes of British and French Government policy which can be served neither by Courts of Justice nor by truth.

*My emphasis.—L.B.

TEST CASE

For Suez has become more than a matter of the Canal itself. It has become a test case for imperialism in Africa and the Middle East. Suez will be contested every inch of the way not just because it is Suez, not just because it pays a handsome dividend, not just because it has strategic value in time of war—but because it symbolises the real global challenge to imperialism, the coming of age of the colonial peoples and the wakening of their determination to seize back for themselves all that has been taken from them over the course of the centuries. If Nasser can nationalise Suez, how long will it be before the people of Iraq and Iran take back their oil, or the people of Northern Rhodesia their copper? The threat to the Canal Company draws together all the strings of imperialism, its purse strings, its skein of military bases from which to dominate the world, its oil on which its military and industrial might is founded, and its racial ideology of white super-men and black “lesser breeds without the law.” Suez is the test case. And imperialism will fight for it recklessly and without regard for truth.

But the path, even for those willing to fight, is not easy. Already, under the first impact of Anglo-French military preparations for action in Suez, the Baghdad Pact, built for just such an emergency, begins to burst at the seams. Iraq and Jordan pledge support to Egypt and the Arab League. America, troubled no doubt with the disturbing thought that “internationalising” of Suez may set a precedent for the Panama Canal, but equally concerned to keep her fingers free for dabbling in the troubled waters of the British imperial zone, has exercised a damping role on the more swashbuckling British and French Governments; and there have been bitter recriminations amongst Atlantic Pact governments that their American allies are letting them down.

There is an ironic ring to such complaint. For it was Mr. Dulles who first formulated the principle that the art of present-day Western diplomacy consists of keeping the world constantly on the brink of war. At this, none have proved more apt and willing pupils than Mr. Eden and M. Mollet. For two months they have manoeuvred and counter-manoevred against a background of troop concentrations, naval exercises and military blackmail. Though the scene is set for war, Nasser fails to weaken. We are not close enough to the brink—so runs the apparent conclusion of Western diplomats. Closer to the brink! On to the “Users’ Association!”

If Nasser will not resort to force, he shall be provoked. There can be no other meaning attached to the “Users’ Association” scheme. In essence it is simple; without Egypt, Britain, France and satellites will form an association which will employ canal pilots; they will place a pilot aboard any one of the Association’s member ships wishing to pass through the Canal; they will collect the dues for passage through the Canal.

“If the Egyptian Government should seek to interfere with the operations of the association . . . then that Government would again be in breach of the Convention of 1888. . . . In the event of Egyptian

interference, the British Government would be free to take such further steps as seem to be required. . . .

So runs Mr. Eden's threatening speech to the House of Commons. In the words of the daily paper headlines, this is the West's "Master Plan." There is only one term that describes it accurately, and that is piracy!

And in the annals of British capitalism, piracy is nothing new. It is recorded in history that the first great accumulations of capital which marked Britain's transition from feudalism to capitalism were acquired on the high seas, under the flag of the Jolly Roger. The wheel has turned full circle. And when the sun is beginning to set on the British Empire, it reverts to type. But three centuries have passed, and the world—so the Users' Association will doubtless find—is no longer available for the taking with broadsides and cutlasses. Colonel Nasser, who grows in stature and dignity at each new turn of the crisis, spoke not just for Egypt, but for all colonial peoples when he made it clear that Egypt will not make way for force.

"We are ready to take measures to keep our dignity and sovereignty" he said, "but we are a small country. I know that power politics can gather its navy and its troops. We will just have to defend our rights to the last drop of our blood. . . . We will give an example to the world, for we are going to keep our sovereignty and dignity."

THE TRANSKEI TRAGEDY

(A Study in the Bantu Authorities Act)

By GOVAN MBEKI

ALTHOUGH the Bantu Authorities Act was passed in 1951, it is only recently that the public has been aroused to its implications. The Act purports to establish "Bantu States" or "Bantustans" within the South African State, planned on an ethnic basis. Dr. Verwoerd, the Minister of Native Affairs and Chief Promoter of this plan, is attempting to dress up differently the lie that economic apartheid is practicable. The white electorate is told that the "Bantu" have "no place in the white man's green pastures." The 9 million Africans must develop in their own "national home" which constitutes twelve per cent of the land surface of South Africa. (When the additional 7¼ million morgen promised under the 1936 Land Act is added it will become 13 per cent.) The white man's "green pastures," consisting of 88 per cent of the land surface, are inhabited by 2½ million whites. The Africans are told that they will receive opportunities for self-development and self-government in "their own areas." Some Africans, for example the Transkeian Bunga