

Domination over a system in one aspect directly ties into others. Such is the case with economic control. One states' economic control over another also controls political, social, cultural and aesthetic aspects. Rose Luxemburg illustrates this situation of near totalitarian control in her essay *International Loans*.

A capitalist system, such as one described by Luxemburg, affects the whole body of that which it dominates. The general character of a social system, as well as the historical evolution of a society, is governed primarily by the social relations which people enter into is connected with production.

Luxemburg gives a new more entrapping face to the term loan. There are no simple string-free international loans. Luxemburg writes, "Though foreign loans are indispensable for the emancipation of the rising capitalist states, they are yet the surest ties by which the old capitalist states maintain their influence, exercise financial control and exert pressure on the customs, foreign and commercial policy of the young capitalist states."¹ Young capitalist states sprout everywhere growing from the alleged aid of old capitalist states. This is the beginning of a situation of near totalitarian control.

Luxemburg describes this situation through historical examples. One case occurred in the second half of the 19th Century with Egypt. Egypt went from pursuing their own policy on the conditions of land ownership to following the capitalistic guidelines of Europe. There was a "patriarchal simplicity" until the 1830s when Mechemet Ali, the founder of Modern Egypt, started work on the Kaliub Nile dams. This

¹ Rose Luxemburg, *International Loans* p. 421

was the start of capitalist enterprise in Egypt and after the construction of the Suez Canal Egypt “became caught up in the web of European capitalism, never again to get free of it.”²

European capitalists created needs in Egypt. The sum of these needs aimed to transform all aspects of Egypt into an European-like state. This started with the building of useless canals and irrigation systems. The Nile dams were not a necessity until French influence. The obvious point of which was to create a commodity. This commodity was cotton, which by aid of labor-power was to be transformed into European currency. A need for machines followed. These steam engines, ploughs and traction engines were all supplied by England. Eventually the cotton economy fell through leaving Egypt with a need for another commodity to rescue it from debt.

Sugar factories, supplied by France and England, were then ordered. A railway network was then required to transport the sugar. More machines were needed and more labor power. Egypt thus became a Europe junkie. Change occurred in all aspects of the Egyptian state. Europe transformed Egypt into a young capitalist state. Developing a commodity and thus changing Egypt’s economic foundation mutated the entire superstructure. In short, the operations of French and British capital were responsible for the modernization of Egypt.

In this situation the aesthetic aspects of Egypt were greatly transformed. Large areas of desert land were transformed into fertile cotton growing soil by artificial irrigation systems. Numerous dams were created, followed by cotton gins and presses for packing. Then roads were paved and railways were set down. The ending appearance of this was quite similar to England. “Like English industrial towns, Sagasis, Tanta,

² Luxemburg, p. 430

Samanud, and other towns were covered by palls of smoke and great fortunes circulated in the banks of Alexandria and Cairo.”³ Distinctions and culture are thus drained from the dominated area, which is molded into part of the dominant system.

Domination over an already functioning community will cause political change as well. Regarding capitalist autonomy in such communities Luxemburg writes, “The backwards communities must shed their obsolete political organizations, relics of natural and simple commodity economy, and create a modern state machinery adapted to the purpose of capitalist production.”⁴ There is a remolding of structure, function and means of production. Institutional and production change will seep down to personal relations. Political ideas and views will morph in the minds of laborers under the dominated system.

Looking into the Egyptian world, the patriarchal government had a strong system of domination over the peasants. There were high demands of labor power for developing an irrigation system. Luxemburg describes this as “Forced peasant labour over which the state claimed to have an unrestricted right of disposal.”⁵ Being at the bottom of the hierarchy gave peasants all the labors only to have their fruits taken away. In capitalist societies there is this same separation of the producers (laborers) from the means of production. However, one huge distinction in this Egyptian system is that the laborers are more like slaves being “exploited without payment and even [having] to provide his own means of subsistence while he was at work.”⁶

³ Luxemburg, p. 432

⁴ Luxemburg, p. 419

⁵ Luxemburg, p. 431

⁶ Luxemburg, p. 435

In this situation not only were peasants being exploited constantly but also their economy funded the projects and helped the debt. “The greater the debt to European capital became, the more had to be extorted from the peasants.”⁷ Taxes were increased to all but the royal family. Special rates were also created such as a forced contribution for the maintenance of the irrigation system. This was absolutely ridiculous considering the irrigation system only benefited the royal estates.

The peasant economy was ruined. Every piece of wealth was sucked out. Lives were changed:

All over Upper Egypt people were leaving the villages, demolishing their dwellings and no longer tilled their land—only to avoid payment of taxes... Whole villages went out to fell their date palms and had to be prevented by rifle volleys. North of Siut, 10,000 fellaheen are said to have starved in 1879 because they could no longer raise the irrigation tax for their fields and had killed their cattle to avoid paying tax on it.⁸

Egypt’s use of the poor interlocks with Europe’s use of Egypt. There is a chain of domination and submission. Europe affected Egypt’s entire historical development. Luxemburg explains this further, “Evidently, only by use of the *kourbash* could the historical development which would normally take centuries be compressed into two or three decades, and it was just the primitive nature of Egyptian conditions which proved such fertile soil for the accumulation of capital.”⁹

One could argue that a critique of this system wouldn’t have the structure of the system itself. Any thought critique would be based on the material structures surrounding the thinker. If the thinker were in a material environment like the one of Egypt in the 19th century then the critique would not come to be. It is easy for one to

⁷ Luxemburg, p. 436

⁸ Luxemburg, p. 436

⁹ Luxemburg, p. 438

criticize when they are on the outside looking in. All that is being made is a comparison. Our thoughts and ideas do not appear out of thin air into our minds. They have a historical and material basis.

What then is the point of Luxemburg criticizing this capitalist system? She sees it as inefficient and destructive. Part of this thinking is due to her private ideology and moral values but she urges the reader to see the statistics and not just accept a situation without thought. There are alternatives and even if our potentiality has been greatly foreclosed we still have the ability to think of more democratic and productive institutions and government.

There will always be contrary thought within material worlds. Even if our thoughts have vast limitations and dependencies we must still be aware and work towards creating an ideal and just society. This, of course, would be by the standards our surroundings have invoked in us but there will always exist negative alternatives that we must work against.