

With the generous grant support from the History Project and the Institute for New Economic Thinking (INET), I was able to access archives in Egypt and the Netherlands. This archival research sat at the heart of my dissertation entitled “Grand Plans in Glass Bottles: A Social, Economic and Technological History of Beer in Egypt 1880-1970.” This is a chapter excerpt:

### Crowning the Pyramid: The Egyptian Beer Industry’s “Mature” Period (1940–1952)

By the late 1930s, beer had become a significant, though contentious, element of “modern” Egyptian culture. The ascent of beer corresponded to a transformation in Egypt’s beer production from artisanal craft to well-developed industry. This chapter looks at the two companies that came to dominate the beer industry in the 1940s, Crown Brewery and Bomonti-Pyramid Brewery. As they enter what I call their “mature period,” which spanned from 1940 to 1952, these companies took the form that they would maintain until 1963: that is, a partnership with converging executive structures, shareholders, and business practices. This convergence was spearheaded by the Amsterdam-based multinational corporation Heineken Brewing Company (Heineken Bierbrouwerij-Maatschappij), hereafter Heineken. Heineken had targeted the Crown and Pyramid breweries for inclusion in their ever-expanding empire after having seen the developments and profits of these two companies up to 1940. A third feature of the companies’ mature period, in addition to being characterized by partnership and by Heineken’s influence, was their struggle to maintain their hybrid identities as truly trans-national ventures. The companies could not be classified either as strictly Dutch or Egyptian ventures. This hybrid state was crucial to the companies’ success prior to 1940, but it became problematic in the 1940s as the world that was far less accepting of ambiguity in nationality and economics.

The transformation of the companies from relative autonomous entities to Heineken guided ventures stemmed from a single catastrophic event: World War II, the largest war that the world had yet seen. Heineken's push to consolidate Crown and Pyramid Breweries represented its unwillingness to continue to suffer the inefficiency, of which it had become acutely aware of during the war, of being a passive shareholder a continent away. After the war, Heineken sought greater control over its assets to maximize profits and ease the exploitation of the Egyptian market. This meant that not only would Crown and Pyramid be more closely tied together, but also that Heineken would play a larger role in the activities of both companies. These actions reflected Heineken's attempt to transform these companies, in the words of Robert L. Tignor, from being loosely administered firms to tightly controlled firms.<sup>1</sup>

Heineken was not the only party that was inspired by the extraordinary circumstances of the war to demand greater control of the breweries. The Egyptian government, too, came to interact and control businesses in a way that it had never before. Since the 1920s, there had been growing demand among Egyptian politicians for greater control of their economy, especially vis-à-vis the "foreign" elements present. These two trends, toward greater control and targeting the "foreign" element, converged in 1947 in the Company Law, which granted unprecedented powers to the Egyptian government to deal with joint-stock companies that it classified as "foreign." Whereas in the 1920s and 1930s these companies and their actions had been relatively unsupervised, starting in 1947, they had to reckon with a more invasive and self-assured government that had a very narrow idea of what an Egyptian company was.

As both of these forces, Heineken and the Egyptian government, exerted greater control over Pyramid and Crown breweries, they did not sit passively. Rather, they fought both actively and surreptitiously against outside control. In both companies' interactions with Heineken, they used the geographic distance between them and the Amsterdam headquarters in order to reject or slow down actions that they found distasteful; thus, they were able to negotiate from a position of weakness. In the breweries' interactions with the Egyptian government, despite the rising political tide of economic nationalism, they were able, with the aid of their Dutch backers, to maintain their hybridity.

The argument of this chapter proceeds in five sections. The first section looks at how cinematic portrayals of beer signaled a new cultural acceptance of the beverage. The following section examines how Heineken entered the Egyptian beer industry. The third and fourth sections look at how the new conglomeration of Heineken, Crown, and Pyramid dealt with external factors. Section three discusses how these three entities managed Egypt's involvement in World War II and its aftermath. The fourth section then looks at how Heineken, Crown, and Pyramid grappled with a more invasive Egyptian government pushing Egyptianization. Finally, this chapter closes by looking at how the demographics of the shareholders of Crown and Pyramid's exemplified their statuses as endangered transnational enterprises in an increasingly "nationalistic" Egypt.

### **Celluloid Consumption**

In tracing the place of beer in Egyptian culture, film is an excellent place to look, as its development in Egypt tracked a parallel path to the development of the nation's beer industry. Film entered Egypt before the beer industry, in 1896.<sup>2</sup> Both Egypt's beer industry

and its film industry adopted technological advances from Europe. The first films, recorded on a cinematograph by the Lumière brothers, Auguste and Louis, had been played for Paris audiences in 1895.<sup>3</sup> Less than thirty years later, the first films appeared in Egypt. The first full-length film produced in Egypt, *Fi bilād Tut ‘Ankh Amūn (In the Land of Tutankhamen)*, premiered in 1923.<sup>4</sup> This section traces how cinematic portrayals of beer signal a new cultural acceptance of the beverage in Egypt.

By the 1930s, the film industry, like the beer industry, had become what Europeans would call a modern industry; and by the 1940s, it had become a powerful force in Egyptian culture. Between 1945 and 1952, the film industry produced over four hundred films.<sup>5</sup> It was in this same period that film became an art form that was crafting a new “middle-class bourgeois nationalist identity.”<sup>6</sup> It stands to reason that beer would appear in films, as it too was becoming a cultural force in this period. Indeed, from 1940 to 1952, the beer industry experienced sustained success. After 1923, other industries, like hard manufacturing, food production, and textiles would overtake the beer industry, but never the latter lost its profitability. In 1946, for example, Crown Brewery’s net profits totaled the significant sum of 106,000 LE.<sup>7</sup>

The films discussed in this section tend to show that beer drinkers were coming from the old groupings of the *effendiya* and the urban underclass. However, as Lucie Ryzova notes, the boundaries of these groupings had shifted by the 1940s. The *effendiya*, the urban office class, in the period following Egypt’s semi-independence in 1922 came to represent, at least for the liberal nationalists, the perceived middle of Egyptian society. The *effendiya* were the bearers of the national mission, and they were distinct from the *awlād al-balad* (native sons, “the good guys”), the fellahin, and the *awlād al-dhawāt* (Arabic, sons

of distinction, the “elite”).<sup>8</sup> In practice, to be an effendi was to inhabit a liminal place between the lower and upper classes, to be a secular, modern, and liberally educated person who strove for the modern, secular, elite lifestyle, but whose background and financial status kept one separate from that elite.<sup>9</sup>

With this shift from broad to specific characterizations, the effendiya became distinct from the classes above and below, at least in the minds of intellectuals. Whereas previously the effendiya included both the elite and the Western educated non-elite, the term came more and more to refer to those urban subalterns who had undertaken “effendification,” while the Westernized elite took the name of *awlād al-dhawāt*. Likewise, with most of the new effendi transitioning from the urban subaltern, what it meant to be a non-effendi resident of a town or a city came to be encapsulated in the concepts of the *awlād al-balad* and *al-futūwwāt* (Arabic, youths). As Wilson Chacko Jacob has shown, despite the term *futūwwa*’s multivalent and complicated history, by the 1930s, the term was divested of much of its positive characteristics and came to resemble the concept of *al-balṭagī* (thug, tough, etc.).<sup>10</sup>

Like the depiction of cigarettes in films, it was these imagined groups (*awlād al-dhawāt*, *awlād al-balad*, *futūwwāt*, and the *effendiyya*) that shaped depictions of beer consumption in Egypt in the post-independence period.<sup>11</sup> For the elite, their consumption of alcohol was assumed and unquestioned. Many movies from the period 1930 to 1950 show upper-crust men and women dressed in fine Western clothing, listening to music and dancing while enjoying alcoholic beverages. While generally the type of alcohol remains obscure, in a few notable exceptions, beer takes center stage. For example, in *al-‘Azima* (*Determination*, 1939), as ‘Adli Bey (Anwar Wagdi) talks to Muhammad Hanafi (Hussein

Sidky) about their joint business venture, using a phone located in a bar, a Stella advertisement sits prominently in the background.<sup>12</sup> The advertisement is so legible and prominent that it can only have been intentionally placed in the frame.

In an even more prominent example, from the movie *‘Usta Hasan (Boss Hasan, 1952)*, the rich Svengali, Kawsar (Zuzu Madi), has a refrigerator stocked with beer bottles bearing the unmistakable star logo of Stella beer.<sup>13</sup> The bottle is fetishized, with the camera making it one of the most prominent images on the screen. In addition, the bottle is used as a metonymy for beer and alcohol more generally. This ability to have the branded bottle serve as a signifier of alcohol in general is evidence of the effectiveness of the beer advertisements of the 1930s. By the 1940s, these advertisers had achieved what they desired: the bottle, a symbol of what I call total control brewing, had entered Egyptian culture as *the* symbol of beer. Total control brewing was the idea that a company could produce a standardized, sturdy, and sanitary product by assiduously applying the latest in brewing technologies. The scene in *‘Usta Hasan* is important in showing the cultural footprint of the beer bottle, and of beer in general. The film again links the consumption of beer to the elite, although it adds a layer of complexity by portraying upper class women’s consumption of it as normative. This portrayal was atypical for the time, as alcohol was still generally reserved for men.

Egyptian films also portrayed urban subalterns as drinkers of beer. The two most prominent examples of such characters are Hamida (Shukri Sarhan) in *Ibn al-Nil (Nile Boy, 1951)* and Hasan (Farid Shawqi) in *‘Usta Hasan*.<sup>14</sup> In *Ibn al-Nil*, whose very title evokes the idea of the *awlād al-balad*, a fellah named Hamida travels to Cairo to escape his life in the village. Fresh off the train, Hamida searches for a place to spend the night and ends up in a

dance club. Unsurprisingly, he is enticed by the vices of the club, and in an act that sets off a terrible chain of events, he succumbs to a dancer and to beer, and eventually loses all of his money. In the scene, beer, depicted in an overflowing stein, is closely associated with the dancer (Samiha Tawfiq) through interspersing of images of the frothy mug with her gyrating. In the case of Hasan, Kawsar entices him to abandon his humble lifestyle and become her paramour with gifts and plentiful food and drink. In one of the film's pivotal scenes, in which the protagonist begins to realize the pleasures possible in this new life, Hasan gorges himself on a whole turkey and drinks three bottles of beer. This plenty appears in stark contrast to the penurious lifestyle he lived in his humble home.

The blatant consumption of beer in the film is not without consequences for the two main characters. A common refrain in these and other pre-1960s Egyptian films is that the *ibn al-balad* who drinks ultimately suffers for doing so. In the case of Hamida, his first night of drinking transforms him from the naïve yet authentic *ibn al-balad* into a cynical and violent *futūwwa*. Eventually, his new lifestyle leads him to jail, although he is later freed and returns home. As for Hasan, beer marks an even more tragic transformation. He leaves his life as hard-working mechanic to become a morally corrupt *bon vivant*. There he has two unhappy relationships (with his wife and Kawsar), and sees his son come to physical harm and Kawsar get murdered. Hasan is only freed to learn from his mistakes and resume his original life because of the surprise confession of Kawsar's invalid husband to the woman's murder. These details from the film *Ibn al-Nil*, which emphasize the dangers of modernity to the uneducated but authentic *awlād al-balad*, the transformative power of beer emerges as a key theme. In each case, alcohol has caused the protagonist to make the incorrect transition. Neither character has moved from authentic native son to hard

working and respectable member of the middle class. Instead, they both transition to more profitable but morally bankrupt phases. This narrative of the drinking-led downfall for the *ibn al-balad* is echoed in other media as well. For example, we see this narrative in Bayram al-Tunsi's *zajal* poems, "rhymed strophic poems composed in non-classical Arabic based rhythmically on metrical patterns adapted from the classical tradition."<sup>15</sup> In his massive 1924 *zajal* poem *Il Baladi*, "Abd al-Salam, the writer, is brought down by his ever-increasing consumption of beer and whiskey."<sup>16</sup>

The idea that the consumption of beer and alcohol is dangerous in general is supported by the depiction of the effendiya in movies, who generally remain teetotalers. For example, the main protagonist (and arch-hero) of *al-'Azima*, Muhammad Hanafi, avoids drinking even when he visits his good friend, the elite playboy 'Adli, in a bar. This abstemiousness is seen in other effendi protagonists like Hamid ('Imad Hamdi) in *al-Suq al-Sawda'* (*Black Market*, 1945) and Taha Effendi (Yusuf Wahbi) in *Ibn al-Haddad* (*Son of the Blacksmith*, 1944).<sup>17</sup> The middle class protagonist is not always strictly abstemious; for example, Munir (Farid al-'Atrash) in *Ahebbek Inta* (*I Love You Only*, 1949) is a telegraph operator and part-time singer, who in the course of his work consumes alcohol. In this role and many others, Farid al-'Atrash's characters are notable for their entirely normative relationships with alcohol.<sup>18</sup>

The differences in the films' treatments of alcohol can be attributed to differences in the films' respective purposes. The difference between the "commercial/melodramatic" film and the "art/realistic" film in Egypt may not have been as sharp as some critics would imply, as Walter Armbrust and Joel Gordon have argued, but the difference still did exist.<sup>19</sup> In films like *al-Suq al-Sawda'* (*The Black Market*, 1945), *'Usta Hasan* (*Boss Hasan*, 1952), *al-*



*‘Azima (Determination, 1939)*, and other realistic films, directors portrayed, with varying degrees of success, Egypt as it existed in everyday life. While the melodramatic films starring Muhammad ‘Abd al-Wahab, Farid ‘Atrash, and Abd al-Halim Hafiz, certainly reflected some aspects of the Egyptian reality, the films aimed more to entertain than to faithfully reproduce the social conditions of contemporary Egypt. This meant that these films depicted alcohol consumption as a part of the aspirational lifestyle that the films glorified. This depiction contrasted to realistic films, in which alcohol consumption was cited along with gambling and sex as a symptom of corruption wrought by mimicking the West. The different depictions of alcohol consumption vis-à-vis the imagined middle class or effendiya reflected Egyptian intellectuals’ uncertainty over what the ideal mix of modern and traditional should be, particularly for the group whom they envisioned to be the true bearers of Egypt’s future.<sup>20</sup>

### **Consolidation**

While the depiction of beer and alcohol in film was somewhat ambiguous, there was no ambiguity about who controlled the beer industry in Egypt in this period, it was Heineken. How it came to dominate was a convoluted process emblematic of greater changes in the Egyptian economy. The Bomontis’ purchase of Pyramid Brewery marked a distinct break in the history of the beer industry in Egypt. After 1923, the beer industry was subject to two trends particular to the Egyptian economy between 1918 and 1950: consolidation and Egyptianization. The consolidation process began with the Bomontis who combined three companies into Bomonti-Pyramid Brewery in 1923. Before even consolidating all of their holdings, Bomonti-Pyramid had worked out a sales agreement, as

detailed in chapter 3, with their main competitor, Crown Brewery in 1921. This sales agreement proved very lucrative for both firms. For example, they sold more than 75,000 hectoliters of beer in Egypt in 1928.<sup>21</sup>

Their success caught the eye of Rene Gaston-Dreyfus, the son of a wealthy French banker, who had established a brewery in Morocco, Brasserie du Maroc, in the 1920s. Thus in 1928 he started overtures to try to enter into the Egyptian beer market. Gaston-Dreyfus initially went to Charles Cantoni, who was serving as the head of Crown Brewery, with grand plans of buying the entire local industry. However, when Cantoni only offered Gaston-Dreyfus 3,000 shares, a small non-controlling stake, he decided to look for other ways to achieve his goals. Gaston-Dreyfus settled on Bomonti-Pyramid, when one of his business contacts alerted him that Jacques Ruch, who owned 45% of Bomonti-Pyramid stock and was the largest shareholder, was willing to sell. After an initial rebuttal, Gaston-Dreyfus was able not only to buy Ruch's shares in Bomonti-Pyramid, but those in the Istanbul based-brewery Bomonti-Nectar. With these interests now added to his Cairo, and Moroccan interests, Gaston-Dreyfus now had a small multi-national venture, which he incorporated and named Société Financière Brasseries (Sofibra) in 1929.

After buying into Bomonti-Pyramid, Gaston-Dreyfus set out to "purify" the board of the company. Although Bomonti-Pyramid had been successful, it appeared to Gaston-Dreyfus that Curt Bomonti, the son of the eponymous founder Walter, and his cousin Rudolph Yost, had placed the company on a dangerous path. Gaston-Dreyfus saw Curt, who was the chairman of the board, as a dimwitted clod who preferred to spend nights out on the town rather than do any work. The only reason he maintained his position was due to the fact that his family held so many shares. Yost, who was the managing director, in

Gaston-Dreyfus' view had enriched himself off the company, but had done very little for it. As a result of their mismanagement, Bomonti-Pyramid was unable to have production meet up with the growing demands of the Egyptian population and thus had to sell inferior beer that would have otherwise been tossed away.<sup>22</sup> Thus by 1932, Gaston-Dreyfus, through some clever maneuvering, was able to excise both Bomonti and Yost and replace them with Rene Ismalun and Pierre Geisenberger, respectively. Gaston-Dreyfus was familiar with Geisenberger and his work at brewery in Dakar, while Ismalun, who was part of the Egyptian Jewish community, was highly recommended by one of Gaston-Dreyfus' associates. Gaston-Dreyfus, showing his imperial chauvinism, did not have a high valuation of Ismalun. He believed that he was lazy and "not a genius," but he was, most importantly, honest.<sup>23</sup>

After reorganizing Bomonti-Pyramid, Gaston-Dreyfus set about taking control of Crown. He found his way in with a stockholder named Mr. Rollo. After convincing him to sell his 4,000 shares, he was able to manipulate him and Crown and raise his stock holding to 9,000 shares. He would have been able to take a majority over the company by buying the 3,000 shares from Cantoni, were it not for the intervention of Constantine Mouratiadis. As discussed in chapter 3, he was the tangible link between Crown and Pyramid under the Bomontis, as he ran the sales operations for both breweries in Cairo and was a major stockholder in Crown. Seeing the aggressive maneuvering of Gaston-Dreyfus and fearing for the lucrative life he had carved out for himself, he entrenched himself both within the operations with Cairo and in the Crown Brewery board. Thus, before Gaston-Dreyfus could have the chance, he was able to become the Chairman of the Board of Crown and the majority shareholder in Crown.<sup>24</sup>

Gaston-Dreyfus, sought the advice of his men on the ground, like Geisenberger, on how to proceed to the first real roadblock to his control of the Egyptian beer industry. They advised Gaston-Dreyfus that if Sofibra engaged in open warfare with Mouratiadis, they would be embroiled in a ruinous war that would fracture the excellent working relationship between Crown and Pyramid and cost Bomonti-Pyramid a great deal of money.<sup>25</sup> They rather advised Gaston-Dreyfus to come to an agreement with Mouratiadis, which granted his desired autonomy in the Alexandria, so that he and Sofibra could work together and maintain the profitability of the two breweries. This détente not only avoided a costly conflict, but allowed Bomonti-Pyramid to build up enough reserves that if Mouratiadis proved himself a problem they could engage in open warfare with him. However, it never came to that as after the initial bit of posturing they settled into a workable and profitable partnership. Gaston-Dreyfus cultivated an excellent relationship with their respective administrations. Although he was based abroad, in Paris, he spearheaded close collaborations between the boards and encouraged unanimity in the breweries' goals.<sup>26</sup> Gaston-Dreyfus had such a positive influence that when Heineken bought him out, members of the Crown Brewery board asked him to stay on as an executive member.<sup>27</sup>

The foreign-backed consolidation of the beer industry in Egypt was typical of the Egyptian joint stock companies of the time. As Relli Shechter shows in *Smoking, Culture and Economy in the Middle East*, the Egyptian tobacco industry underwent a similar process of centralization driven by the multi-national British-American Tobacco Company (BAT). In the period that Bomonti-Pyramid was consolidating the beer market, BAT rapidly expanded in Egypt. By 1927, it owned six tobacco factories in Egypt and had become the

second biggest tobacco company in the country. In that same year, it merged with the largest tobacco company in Egypt, Matossian, and renamed the conglomeration Eastern. At that point Eastern owned 90 percent of the tobacco market.<sup>28</sup> Likewise, Robert L. Tignor describes how a few, “heavily capitalized, vertically integrated, and politically powerful firms” took control of the textile industry in Egypt in the 1920s.<sup>29</sup> The push for consolidation in all of these industries was spurred on by the tariff reforms of 1930. Local leading business magnates saw these reforms, which were meant to limit imports, as their opportunity to dominate their respective sectors. They thus aimed to establish “large and powerful firms in the late 1920s” to make it difficult for new firms to enter.<sup>30</sup>

After buying into Crown and Pyramid, Gaston-Dreyfus continued to look to expand his international holdings. His main project after Crown and Pyramid was increasing his presence in Indonesia by establishing a brewery in Java.<sup>31</sup> Since it was a Dutch colony at the time, Gaston-Dreyfus aimed to partner with a Dutch brewery in the venture. He found a willing partner in Heineken Brewing Company, one of the largest brewers in the world, and its representative in the area, Jonkheer Pieter R. Feith. When Sofibra and Heineken went to Java they agreed that the only place suitable for a new brewery was the city of Surabaya. Unfortunately, another company, Coloniale Brasserie (Cobra), had purchased land there in hopes of building their own. Although they were initially discouraged, Sofibra and Heineken came upon a solution when, in the 1930s, they met another multinational brewing interest looking to expand its brand, Société Anonyme Internationale de Brasserie (Interbra). This Belgian company, had interests in Belgium, France, Belgian Congo, and Angola and, incidentally, owned Coloniale Brasserie (Cobra).<sup>32</sup>

In line with Heineken's aggressive international expansion plan of the 1930s, the brewing giant purchased all three of the companies (Sofibra, Intebra, and Cobra). With regard to Egypt, the investment in Sofibra provided an entrance into a market that it coveted; the chairman of Heineken had visited Egypt after the First World War and was impressed by the rapid development that the beer companies had made during that time.<sup>33</sup> Heineken's entrance into the Egyptian beer industry thus began in 1937 and was spearheaded by the investment company Cobra, re-named N.V. Koloniale Brouwerijen, which relocated to Amsterdam.<sup>34</sup> Cobra had become, after the purchase of and incorporation of Sofibra and Interbra, the main vector for Heineken's international expansion. It had investments not only in Egypt, but also in Indonesia (Heineken Netherlands-Indonesian Brewing Company in Surabaya), Singapore (Malayan Breweries), and Brussels (Société Internationale de Brasserie). This last brewery even had its own international holdings in France (Metz and Tours) and in Belgian Congo (Leopoldville).<sup>35</sup>

Instead of purchasing the breweries outright, Cobra bought a large number of shares in Bomonti-Pyramid and Crown Brewery. Although this might sound like a rather straightforward process, the acquisition of the shares was a multi-step venture. Heineken, acting through Cobra, as a Dutch company, bought shares in companies whose main bases of operation were in Egypt, but that were registered as Belgian companies in Brussels. The multinational nature of the new enterprise meant that the movement of information was not a frictionless process and was often held up by language barriers. For example, if Heineken wanted to implement a new policy on the ground in Cairo, it had to go through a multi-step and multi-lingual process. Heineken, located in Rotterdam, would send a directive to Cobra, located in Amsterdam, via a letter written in Dutch. Cobra would then

relay this information to the CEOs of Crown and Pyramid Breweries, who were located in Alexandria and Cairo, respectively; this communication would again go by letter, but this time in French. The CEOs would then relay the message to their respective boards in Brussels, through letters or telegrams in French. Finally, after approval by the boards in Brussels, the policy would be implemented through the aid of workers who had been informed of the plan either orally or through written Arabic.

The difficulties in communication in this new setup were exemplified by one of Cobra's first attempts to attend a general meeting of Crown Brewery's shareholders in Brussels. Because the relationship between Cobra and Crown had not yet been formalized, Cobra put one thousand shares of Crown in the trust of an agency, the Netherlands Trading Society (Nederlandsche Handel-Maatschaapij) in Amsterdam, which then sent an agent to represent Cobra at Crown's shareholders' meeting. All the while, Cobra had to communicate these steps to all the parties involved (Heineken, Crown and Pyramid, Netherlands Trading) in French and Dutch.<sup>36</sup>

Despite the added layer of administrative inefficiency, the involvement of one of the largest brewers in the world was a positive development for the Egyptian beer industry. This relationship provided Pyramid and Crown access to the expertise of Heineken, which was on the cutting edge of brewing. In addition, Heineken was a multinational company with worldwide business interests and thus was well acquainted with the particularities of brewing in all manner of climates and regions. The benefits of this relationship became apparent when, for example, Crown Brewery invested in kegs. Kegs, like bottles, were a beer-delivery method within the total control brewing system. The keg was the physical embodiment of the modern brewer's belief that the application of the most cutting-edge

technology would enable him to deliver a standardized and durable product to customers. As such, the keg established two impermeable boundaries; one between the outside world and the beer and one between the beer contained within the keg and the keg itself.

The first impermeable boundary separated the contents of the keg from the outside world. Like glass bottles, kegs had to prevent any microorganisms or other foreign bodies from entering from the environment. After these kegs had been filled they would be pasteurized, in a similar process to that used on bottles, to assure that no foreign bodies were present. Unlike glass bottles, however, kegs had to carry a much larger amount of beer. Whereas bottles contained no more than 750 ml of beer, kegs could house thirty liters or more. This large size meant that the keg was as much a storage device as it was a delivery device, and that it thus had to have a second impermeable boundary. Besides keeping the outside world away from the beer, they also had to not react with the beer held inside. Any seepage from the kegs into the beer would add flavor. This was not such an issue when the kegs were made of wood (most often referred to as barrels or casks) because they would impart a natural woody flavor that could change the flavor profile, but would not ruin it. However, by the 1930s wooden barrels had been replaced by metal kegs, as metal was sturdier, more easily shipped, and could be reused more often, and seepage became a serious issue. Not only could the metal alter the taste of the beer by adding an unappealing metallic taste, but the beer, due its carbonation, could start corroding the inside of the keg.<sup>37</sup> Thus, not only did this seepage ruin the product, but it also required the replacement of the keg, a double loss.

Given the importance of kegs to the overall brewing process, when Crown wanted to purchase kegs in 1938, they turned to their new multinational partner for their expertise.



Heineken, speaking through Cobra, offered two recommendations for companies from whom Crown Brewery could purchase their kegs: a Dutch firm, T. Knape, located in Wassenaar, Netherlands, and a German firm, Rosista, located in Dortmund.<sup>38</sup>

Beyond merely suggesting the two firms from which the brewery could buy its kegs, Heineken also advised them on the potential considerations associated with buying from each. One major issue with T. Knape's kegs was that although they were cheaper, they were made from untreated iron, meaning that the breweries would have to buy lacquer from another company and apply a layer to the keg themselves before the kegs could be used. Heineken was willing to recommend other companies who could provide the lacquer, but advised Crown against this option. From its experience, the application of the lacquer was a truly labor-intensive and difficult process that required assiduous adherence to instructions as well as absolutely ideal conditions.<sup>39</sup> If these strict conditions were not met, the results were always poor. In addition to the lacquering issue, T. Knape's kegs did not come with their own bung, the stopper that closed the opening through which the keg was filled. Thus the company had to buy them separately and, besides the additional cost, this too could cause serious issues. As Heineken noted, when beer was pasteurized in kegs, everything expanded; however, the beer did so faster than the keg. The end result was that if the bung was not fitted perfectly or the keg was overfilled, the bung, already loosened by the expanding metal of the keg, would be placed under tremendous pressure. This would often lead to the failure of the bung and the loss or degradation of the product.

For all of these reasons, Heineken suggested that Crown go with the much more expensive kegs from Rosista in Dortmund. Despite the more significant financial outlay, Rosista's kegs were made from stainless steel, meaning that they did not require any pre-

treatment before they could be used. The stainless steel was already treated to prevent any corrosion or metal seepage. Another benefit of the Rosista model was that it came with its own specially designed method of closing the keg.<sup>40</sup> Although this suggestion came with the implication that Crown was not up to the task of meeting the demanding conditions required for the T. Knape's kegs, Crown Brewery proved very receptive to the advice of Heineken. They reckoned that the T. Knape kegs would be more trouble than they were worth and asked Heineken to inform Rosista that they would examine bids on their services.<sup>41</sup>

This interaction between Heineken and Crown illustrates how Heineken's investment in Crown and Pyramid Breweries paid significant dividends for the Egyptian companies. The interaction also illustrates the positive effect that the presence of multinational companies had on businesses in Egypt. Being a part of a multinational corporation gave the breweries access to the latest in brewing technology and techniques and thus allowed for the smarter importation of technologies. The breweries were able to tailor their imports to the particularities of the country before spending any money, in contrast to previous attempts by entrepreneurs to bring technology into Egypt. Such entrepreneurs often assumed that the import process would be frictionless, only to find difficulties in applying technology. But Crown, instead of going for the "cheaper" keg option and suffering from their false economy, chose the "more expensive" option that was better suited to their needs.

Heineken's advice to Crown did not arise solely from a desire to build up the Egyptian beer industry; it also came from its desire to preserve the bottom line for an investment that was almost immediately profitable. In 1939, Heineken received a total

divined payment of over 23,000 pounds sterling from the 8968 shares it owned in Crown Brewery.<sup>42</sup> Admittedly, as with every other aspect of doing business in the early years of this new multinational interest, receiving the money was not straightforward. The impediment in this case was the global conflict that was slowly starting to engulf the world, what would eventually be called World War II. One of the war's primary combatants was Britain, which still treated Egypt as a de facto colony and was highly concerned that any money flowing out of Egypt did not go to enemy countries. In order to comply with government regulations, companies had to show that any money leaving Egypt was not going to enemy subjects.<sup>43</sup> This requirement necessitated the authentication of all money recipients, thus hampering money transfer. This was especially true with a money transfer as large as this dividend payment, which was going to Belgium, a country that had been occupied by the Germans in 1940. In fact, Cobra—which was, per usual, serving as the intermediary between Heineken and the beer companies—was surprised that the Egyptian government, not knowing who the final recipient of the money would be, had even allowed the transfer process to begin.<sup>44</sup> Unsurprisingly, even with the help of Pyramid Brewery and a Belgian Bank called the Société Générale à Bruxelles, Crown was unable to transfer the money.<sup>45</sup> This blockade on dividends remained in effect until 1948.<sup>46</sup>

## **World War II**

The inability to transfer dividends from Crown Brewery to Heineken was one of the numerous difficulties that the new multinational beer conglomerate faced during the war. Another difficulty included the loss of German employees; after the war began, Crown very quickly lost its German brewmaster and its cooper (the man in charge of making wooden

barrels or casks for aging the beer), as both abandoned their jobs to return to their homeland.<sup>47</sup> An even greater difficulty that Crown faced after the outbreak of the war was that all of its activities involving the governments or citizens of any occupied countries (e.g. Belgium, the Netherlands, and France) came under the purview of an Egyptian governmental body created during the war, the Office of Occupied and Controlled Territories (Fr. *Office des Territoires Occupés et Contrôles*, Ar. *Maktab al-Bilād al-Muḥtala wa al-Khāḍīr li-l-Riqāba*, henceforth, OTOC).<sup>48</sup> It was this body that Crown had to deal with when, as discussed above, it wanted to disburse its dividends, and it was this body that decided to put a hold on any dividend payments. The OTOC served as a watchdog of any action the breweries took with regard to Belgium or the Netherlands and also had full control of Crown and Pyramid's transactions with these countries. For example, during the war, the OTOC not only blocked any Crown funds going from Egypt to Holland, but also kept them in their own coffers.<sup>49</sup> Thus, in 1945, when the OTOC informed Crown that it could start paying out to its stockholders, the money came from the OTOC.<sup>50</sup> When, in 1948, the OTOC did unblock funds flowing to Holland, an agreement between the Egyptian and Dutch governments enabled the Egyptian government to control the bases through which companies could transfer the money from one country to the other. In total, the OTOC held nearly 48,000 pounds sterling during the war that was meant to be transferred from Crown to Cobra.<sup>51</sup>

The OTOC's involvement with Crown was emblematic of how World War II allowed governmental bodies in Egypt to become more involved in private businesses in the name of national interest. An even clearer example of the Egyptian government's new relationship with Crown Brewery was the instance of Crown's moving its headquarters to

Egypt. Since its establishment in 1897, Crown Brewery had been a multinational venture. While its main operations—the production, transportation, and sale of beer—took place in Egypt, the company maintained a small headquarters in Brussels. Despite the numerous changes in ownership, including the involvement of the Bomontis, Rene Gaston-Dreyfus, and Heineken, the staff in Brussels remained relatively stable. Emblematic of this stability was a Belgian industrialist, Arthur Roland, who helped lead Crown Brewery in Brussels from its beginnings in 1897 until 1943.<sup>52</sup> The resiliency of the European headquarters was challenged, however, by the German invasion of Belgium in 1940. According to both Egyptian Martial Law and Belgian law, Crown Brewery was required to move its headquarters to Alexandria upon the arrival of the Germans.<sup>53</sup> Also due to martial law, the headquarters had to have all of their expenditures approved by the Egyptian Ministry of Finance. The headquarters would remain at Alexandria until 1945. Despite the disruption of having to move its headquarters, Crown Brewery was still able to maintain its financial viability. In an internal memo, one of its administrators noted that during the war Crown used its brewery machinery nonstop.<sup>54</sup>

Although the occupation of Belgium ended in 1944, Crown's problems did not. In fact, the issues that Crown would face after 1945 were linked to those of the larger world, particularly Egypt and Belgium, as it attempted to recover from World War II. In the postwar period of normalization, the Ministry of Finance of both countries aimed to make up for time lost in the war. In this situation, Crown Brewery's multinational nature became a liability. As a Belgian company whose main operations were in Egypt, Crown was expected to pay back taxes on its capital and profits for the period from 1935 to 1940 in both Belgium and Egypt. This reality was a shock to Crown, as this double taxation, at least

in their eyes, threatened the very existence of the company.<sup>55</sup> The total for the Belgium taxes would have totaled seventeen million Belgian francs.<sup>56</sup> The company did not have the money to pay this enormous fee, as any profits that they had made during the period in question had already been distributed. Crown did not want to dip into its reserves, as that money was needed to bring its machinery up to date. Most of the equipment that it was using in 1945 dated from the early days of the breweries and was at least forty years old.<sup>57</sup>

Facing this intractable tax situation, Crown turned to their Dutch investor, Heineken, in hopes that the large corporation could use its own expertise to solve the problem. Heineken, recognizing that one of its newest assets was distressed, did its best to resolve the issue. It sent Dirk Stikker, the head of Cobra, to Alexandria to evaluate the Crown situation, and it enlisted the service of Paul Bodart, a doctor of law and the head of Interbra (one of the brewing companies it acquired around the same time it bought into Crown and Pyramid Brewery), and Carlo de Mey, an expert in fiscal law, to consult with the Crown leadership and find a workable solution to the tax issue. All of these parties spent over a year working on the problem, studying Belgian law in hopes of lessening the company's tax burden.

One solution, suggested by Carlo de Mey, that gained a good deal of traction was to abandon the headquarters in Brussels and move all operations to Egypt. In de Mey's estimation, the law that had forced Crown's move to Egypt had not been abrogated; thus, Crown could claim that the company needed to remain there. Because all of Crown's business activities were located in Egypt, this argument was feasible. Making the argument would require eliminating any connection between Crown and Belgium. By making this switch, the company could hope to evade the Belgian tax authorities and only have to

reckon with the taxes in Egypt.<sup>58</sup> Although the company had been founded as a Belgian enterprise and had been connected to the country for more than fifty years, this transition seemed feasible in the extraordinary context of the war. An additional point in Crown's favor was that it had allowed the presidency of the head of the Belgian operation, Arthur Roland, to expire in 1943 without finding a replacement.<sup>59</sup>

Nevertheless, not everyone at Crown was in agreement on this potential solution. Paul Bodart, the other legal expert whom Cobra had charged with the task of finding a solution, was less than sold on the proposal. While Bodart recognized the cleverness of de Mey's thinking, he was extremely worried about how the Belgian government would react to what was a relatively cynical tax-avoidance maneuver. Yes, this move could exempt Crown Brewery from an onerous tax burden, but the Belgian government could also force Crown to pay for the liquidation of the company in Brussels.<sup>60</sup> Likewise, while it may have been easier to never return to Brussels than try to argue down the taxes, there may have been other challenges if the Belgian government proved unwilling to negotiate with the Egyptian government.<sup>61</sup>

Bodart was not alone in his skepticism of de Mey's scheme. Before de Mey made his suggestion on moving operations, the executive board of Crown was fully committed to returning to Belgium after the war. Even though the company was going against his judgment, he offered some reasonable final suggestions in a memo to Crown. The first was that Crown should affirm that, since the beginning of the war, the administrative seat of the company had been in Egypt and was always meant to stay there. Bodart's second bit of advice was to hold an Extraordinary General Meeting, in Alexandria of course, to confirm that the headquarters of the company would remain in Egypt.<sup>62</sup> The company did not heed

his advice, instead opening up the decision to an Extraordinary General Meeting in Brussels. Fortunately, the executives in attendance recognized that there was “technical or geographical reason for maintaining the place of General Meetings in Alexandria.”<sup>63</sup>

Thus, having made its decision, Crown Brewery officially moved its headquarters to Alexandria in 1946. Notwithstanding the worries of Paul Bodart, Crown does not appear to have had issues with the Belgian government after this point. For example, at meeting of shareholders in 1947, there was no news about the Belgian response to Crown’s gambit.<sup>64</sup> The Belgian government’s indifference to the movement of a beer company whose sales and production was limited to a foreign country was only natural, as this country, like the rest of Europe, was at that point primarily concerned with recovering from the war. Still, it is important to note that, despite some token mention by both de Mey and the Crown executives about becoming an Egyptian company, Crown did not proceed with any type of Egyptianization after moving their headquarters. In fact, the company changed remarkably little after the move. For the executives of both Crown and Cobra, the company continued to function as a “foreign” company within Egypt.

Crown’s break with Brussels was not a completely clean one. Although Arthur Roland had ceased his duties as the head of the Belgian operations of Crown, some Crown employees still remained in Belgium. In particular, Crown had appointed Marcel Cuvelier, a Belgian citizen, as the company representative in Belgium for the transition from being a Belgian company to an Egyptian one. Also, Crown’s legal counsel, De May and Bodart, both operated out of Brussels. The main issue with these remaining employees was that, as residents of Belgium, they sought compensation in Belgian francs. During the war, this currency had become increasingly rare in Egypt, so Crown was not able to acquire enough



currency to pay the wages of these three employees.<sup>65</sup> Crown appealed to Cobra to provide 100,000 Belgian Francs to cover the wages of de Mey and Cuvelier, who were in the employ of Crown Brewery. Crown leadership did not believe they were responsible for Bodart, for, after Heineken's purchase of Interbra, he had become an employee of Cobra. Crown rightfully pointed out that de Mey had come at the recommendation of the head of Cobra, Mr. Stikker, and had been tremendously helpful in the nationality issue, which could have cost Cobra a great deal of money.<sup>66</sup>

Nevertheless, Cobra was unconvinced by Crown's arguments as to the necessity of compensating these Belgian employees. Cobra stated vaguely that it was unable to find a solution to the problem of the employees' pay,<sup>67</sup> and it provided no reason for why it did not want to help Crown in this matter. The explanation was most likely not money, for while 100,000 Belgian francs could be a significant sum for Crown, it was not a problem for a massive multinational like Heineken. Cobra's desire to not pay these employees was probably driven by its valuation that these employees were not worth it. Cobra's estimation of Cuvelier's value, for one, became patently clear when, nearly a year after receiving this request, the company sent a representative to Brussels to inform Cuvelier that his services were no longer needed.<sup>68</sup>

### **Tightening Control**

This anecdote about Cuvelier's termination illustrates that, despite the general tenor of respect that permeated the interactions between Cobra and Crown/Pyramid, the relationship was characterized by a distinct power dynamic of which no party was ignorant. A main point of contention between the Egyptian companies and their multinational overseers involved the placement of Cobra/ Heineken employees on the

Crown board. As is clear from the above discussion, the communication chain between Heineken and Crown/Pyramid Brewery was highly inefficient. For example, in the case of deciding on the nationality of Crown, Cobra had to send its head, Mr. Stikker, to Egypt to get a handle on the situation. Likewise, if Cobra wanted to be represented at shareholders meetings, it had to go through significant hurdles. As discussed above, it could deposit their shares with a trading company in Holland who would then send a representative to the meeting. Another method that it started using after the war was to give power of attorney to an employee of Pyramid Brewery to represent Cobra at Crown's shareholder meetings.<sup>69</sup> This method involved another step as, according to the regulations of Crown, this employee had to be a shareholder in Crown, and thus had to buy shares in Crown before attending a meeting.<sup>70</sup>

After 1947, Cobra aimed to eliminate this inefficiency and worked to have a Cobra employee on the board of Crown. The placement of someone on the board was an attempt to transform Cobra's beer venture from a loosely controlled venture into a tightly controlled venture.<sup>71</sup> In loosely controlled firms, "foreign investors had considerable foreign managerial and technical involvement," but were unable to translate this involvement into domination.<sup>72</sup> Tightly controlled firms, on the other hand, were carefully linked to European corporate and individual investors, and oftentimes served as subsidiaries and branches of the firms.<sup>73</sup> Before World War II, Crown and Pyramid were undeniably loosely controlled, as the managers and executives on the ground in Egypt exerted the most influence. However, seeing the difficulties that Heineken experienced during the war, Cobra tried to change that practice.

As has been discussed above, Mouratiadis and Crown had fought and secured a large degree of autonomy in their battle with Rene Gaston-Dreyfus. They were thus deeply protective of this autonomy and were not keen on any encroachment from Cobra, especially Cobra's request by Cobra for representation on their board. The only way Crown would even consider the concession was if they were allowed to have a representative on the Bomonti-Pyramid board.<sup>74</sup> This request illustrates that, despite the external appearance of unanimity between Crown and Pyramid, people within both companies viewed them as autonomous bodies. This point becomes even clearer when we consider the reaction of one H.G. Ivens, an employee of Pyramid who was representing Cobra at this Crown shareholder meeting. Ivens, reporting that Crown's president, Spiro Spiridis, had, in 1947, requested representation on the Pyramid board in exchange for Cobra representation (and for a second time no less), called the request "absurd."<sup>75</sup>

So how did Cobra attempt to circumvent Crown's protestations about Cobra's representation on their board? It appears that Cobra used the other brewery, Pyramid, against Crown. Their basic strategy was to give 4860 shares of Crown Brewery, from among the 8978 it owned, to the Pyramid Brewery. With control of these shares, Pyramid would become the largest shareholder in Crown Brewery. This was a backdoor for Cobra to acquire local representation in Crown without forcing their hand and souring the relationship. Cobra was the largest stockholder in Pyramid, and because Pyramid had not been as recalcitrant to members of Cobra sitting on their board, it had handpicked representatives on the board of Pyramid Brewery, who were consulted on all major decisions.<sup>76</sup> In particular, an executive named Oscar Adrian Eduard Egbert Lewé Wittert

van Hoogland (who hereafter will be referred to as Wittert van Hoogland) had taken a large leadership role in Pyramid after his appointment, assuming the title of managing director.

With these Cobra employees embedded in the upper executive realm of Pyramid, Pyramid's new stake in Crown meant that Cobra now had an indirect way of influencing Crown. Through the classic imperialist ploy of divide and conquer, Cobra convinced Pyramid Brewery to go along with their plan. Although this plan ended up being an elegant solution to Cobra's problems, Bomonti-Pyramid unsurprisingly looked askance at the dealings of Cobra, which the Dutch company framed as an exchange of nearly five thousand shares of Crown for the fifty thousand shares of Nigerian Brewery Limited in Lagos that Pyramid owned.<sup>77</sup>

The five main parties involved in the negotiations were Ahmed Farghali Pasha, Yusuf Zulficar Pasha, and Rene Ismalun, all of whom were of Egyptian nationality and sat on the board of Bomonti-Pyramid; Wittert Van Hoogland, who also sat on the Pyramid board; and G.A. Martin, a British shareholder. The three Egyptians represented the interests of Pyramid, while Wittert van Hoogland and Martin spoke for Cobra. The exchange of shares was obviously a touchy subject because Wittert van Hoogland was dilatory in proposing the plan to the three Egyptians. When Heineken had asked him to look into it on January 21, 1952, Wittert van Hoogland responded a week later that he had only talked to Farghali, very briefly, and could provide no conclusion to the matter.<sup>78</sup> Farghali proved an elusive figure. When Wittert van Hoogland did finally schedule a meeting nearly a month later, only Ismalun and Zulficar attended. Farghali cancelled thirty minutes before the meeting, insisting that he was heavily embroiled in cotton negotiations. (Farghali's main business venture was the cotton company he inherited from his father).<sup>79</sup> This was not the first time

Farghali had proved difficult when it came to meeting with Wittert van Hoogland, for as Wittert van Hoogland noted, *this time* the excuse appeared to be valid; there was a Cotton Fair going on at the same time.<sup>80</sup>

When Wittert van Hoogland met with Ismalun and Zulficar, the two men had different reactions to Heineken's proposal. Ismalun was immediately on board, but Zulficar, despite a long conversation with Wittert van Hoogland, was reluctant, citing the need to hear the opinions of Farghali before making any decisions.<sup>81</sup> Zulficar's hesitation dispirited Wittert van Hoogland because if Zulficar could not be convinced, then convincing Farghali would be an even more difficult task.<sup>82</sup> Regardless, because Wittert van Hoogland as well as Martin and Ismalun were on board, they could all outvote the dissenters and push through the transaction. However, Wittert van Hoogland thought they should avoid this tactic unless Cobra thought it was absolutely necessary, the better to maintain good relations. Instead, Wittert van Hoogland thought that a note from Cobra and Martin about the importance of the deal could convince the Egyptians to accept it. Wittert van Hoogland was convinced that they, Cobra and Heineken, would need every bit of persuasion to sway Farghali, and he was correct.<sup>83</sup>

When Wittert van Hoogland was finally able to gather all of the Egyptians together in April at a board meeting, it was Farghali who held up the deal, doing so by raising questions about the deal's fairness. Cobra would exchange the Crown shares for the Nigerian shares at a price of 120 piasters per share, a sum that covered both Pyramid's original investment in the shares and a three percent yearly interest on them. Although there would be a loss of about 863 Egyptian pounds, this was covered by Cobra's one-sterling discount on the Crown shares that Pyramid was getting.<sup>84</sup> Farghali was unconvinced, however, and

believed that because Pyramid was giving Cobra such a below-market price on the Nigerian stock, that the least Cobra could do was pay a four percent yearly interest instead of three percent.<sup>85</sup> Wittert van Hoogland eventually conceded to four percent, and this concession, plus the direct contact that Cobra made with the Egyptians at Wittert's request, was instrumental in getting the deal pushed through.<sup>86</sup> With the deal completed, some question remained about who would represent Pyramid Brewery at the shareholders' meeting for Crown Brewery.<sup>87</sup> Unsurprisingly, Cobra chose the man who had done so much work for them in this matter, Wittert van Hoogland.<sup>88</sup> Wittert van Hoogland would have a powerful role to play in both of the companies from 1953 to 1957, serving as Cobra's main man on the ground.<sup>89</sup>

The great difficulty in finishing this deal, which ultimately benefited both parties, evinces a deeper rift between the Egypt-based entrepreneurs and their European counterparts. Wittert van Hoogland remarked on this rift in discussing the particularities of the deal. He stated, "When one proposes something to an Egyptian he generally thinks there is something that he does not see behind the proposal and therefore that he is being had."<sup>90</sup> From the European side, this statement speaks to the essentialized view that Europeans had of Egyptians. Even a relatively magnanimous European who was willing to accommodate Egyptian wishes for the sake of good relations could view Egyptians as an undifferentiated mass rather than as individuals who had their own distinct characteristics. Nevertheless, the statement and the actions of Farghali also hint at a sense of distrust among Egyptian business elites vis-à-vis Europeans. This distrust would only be natural considering the legal and economic advantages of European businessmen in Egypt, such as the dual legal system that favored those with foreign citizenship.<sup>91</sup> Of course, Farghali's

intuition may have been correct, as Cobra was using this deal to manipulate Egyptians, just not him.

These hard dealings also tell us something more personal about Farghali. As he was arguing with Wittert van Hoogland over the percent interest on the Nigerian shares, he made a statement to Rene Ismalun, his fellow Egyptian on the board and a member of the Egyptian Jewish community: “I think we should be like the jew[sic] and ask Cobra to compensate us on the basis of 4% interest.”<sup>92</sup> This bit of off-the-cuff anti-Semitism was meant as a way to justify Farghali’s hard line, but to the modern reader it exemplifies how anti-Semitism, like colonial attitudes among Europeans, pervaded Egyptian culture at the time. In fact, the breeziness with which Farghali mentions “jews” as a joke signals the cultural pervasiveness of anti-Semitism. Ismalun’s response to Farghali only affirms the point, as he notes in a quick rejoinder: “[t]hat would not be like the jew[sic] but like Farghaly[sic].”<sup>93</sup> This response not only confirms that the anti-Semitism was expressed in jest, but that this was probably not the first instance in which Ismalun had heard such a statement.

### **What Heineken Controlled**

While it is clear from the above discussion that Heineken was willing to go to great lengths to assert its control over Crown and Pyramid Breweries, it is not immediately apparent what this tighter control meant. This section explores what this tighter control entailed because the form and function of the Heineken–Crown–Pyramid partnership took after the deal would characterize the breweries until 1963. Heineken’s main base of operations within Egypt was Pyramid Brewery. As shown in the above discussion, due to

Heineken's penetration of the executive branch and the long duration of the relations, Heineken's control of Pyramid was much greater than of Crown.

In the eyes of Heineken, its services to Pyramid came in five forms: advising, control, staff, yeast, and supplies.<sup>94</sup> As shown by the keg example, Heineken had served the advisory role for as long as it had been involved in the Egyptian beer industry. However, with its push for greater control after World War II, Heineken came to advise on all technical matters ranging from the first step of brewing (raw materials used) to the last (refrigeration). Through this advisory role, Heineken pushed Pyramid Brewery to implement the latest innovations in brewing in the name of maintaining a healthy bottom line and a product befitting the Heineken label. For example, it advised Pyramid not only on what products (the type of malt) and production methods (new malting systems) they should use, but also directed them on how to conduct their own lab-based analysis of the raw materials and the beer produced.<sup>95</sup> This advice was generally rendered in monthly technical reports exchanged between Pyramid and Heineken. For more complex matters, however, Heineken either sent a representative to Pyramid or requested that Pyramid send one to Holland.<sup>96</sup>

This system of monthly technical reports and visits was at once the means by which Heineken advised Pyramid and provided their second service, control. While the technical reports were an important way for Heineken and Pyramid to discuss best practices, they were also a way for Heineken to keep constant tabs on the company. These reports were usually written by one of the men whom Heineken had placed on the board, which eliminated any chance that the report would paint a rosier picture than the reality. Likewise, the visits of Heineken employees were meant not only as a way to advise on



technical matters, but also a way for Heineken to monitor the operations and workers of the company. A third point of control for Heineken was that it had Pyramid send a monthly sample of beer to be analyzed in one of Heineken's laboratories.<sup>97</sup> This service was meant to ensure that the beer produced in Egypt matched Heineken's exacting standards.

Heineken not only relied on reports, visits, samples, and members of the executive board to assure that Pyramid put out a product worthy of the Heineken name, but also placed a man highly trained in Heineken's methods of making beer as the brewmaster. While the industrialization of beer-making allowed companies to produce beer with fewer well-trained workers, it did not eliminate the craft in making beer entirely. A person with a large knowledge base, the brewmaster, was still needed to ensure that the product tasted the way the company wanted. The brewmaster was massively important to the direction of the company, and it is for this reason that, as I discuss below, one of the major boons in the nationalization of the beer industry was the expulsion of the foreign-trained brewmasters.

The placement of a Heineken-trained brewmaster at Pyramid was especially important because of another service Heineken rendered, sending their strain of yeast to Pyramid. As discussed above, the greater understanding and subsequent control of the life cycle of yeast inaugurated the scientification and mechanization of brewing. With this new understanding, breweries could optimize the brewing process and even begin to breed proprietary strains of yeast. Thus, the yeast Heineken used to make its beer was unique to the company, a closely guarded secret that differentiated it from other brands. The brewmaster had to be Heineken-trained so that, having learned to brew using Heineken's strain, he could maximize its output in a different setting. Beyond the brewmaster, Heineken also aimed, when it could, to place people whom it had trained within Pyramid.

In addition to sending part of the workforce, Heineken also served as the broker for the Pyramid's acquisition of new materials. In a similar process as seen above with the kegs, Heineken sent pro-forma invoices to Pyramid for any raw or auxiliary materials and machines and installations that were not present in the local market.<sup>98</sup> When possible, Heineken's engineers inspected anything before it was sent to Pyramid. For those materials available in the local market, like crown corks (bottle caps), Heineken insisted that Pyramid send them to Holland for inspection.<sup>99</sup>

As noted above, Heineken very often matched these services to Pyramid with a strong amount of surveillance. Even greater surveillance was demanded by the financial and administrative happenings of the company. Pyramid was responsible for sending Heineken monthly reports on the price of beer, Pyramid and Crown sales, share prices, their cash situation, and meetings of the administrative board. Beyond these monthly check-ins, Pyramid also had to send a quarterly budget and feasibility study of that budget, a yearly inventory, the position and cost of any imports, any lawsuits raised against the company, any regulations passed by the government that would affect the company, and, finally, the status of Pyramid's relationship with Crown.<sup>100</sup>

As should be obvious from the above description of the more tightly controlled Pyramid Brewery, Heineken was fully committed to instilling "total brewing" in the Egyptian company. It viewed Pyramid as an extension of the company and insisted it measure up to Heineken's high standards. As I will show, these policies often caused a good deal of conflict between the Dutch in the company on one hand and the Egyptian entrepreneurs, managers, and workers on the other. Still, the policies represented a well-thought out system that was designed to support a cutting edge brewery in Egypt. The

depths of Heineken's demands from the company should come as no surprise because Heineken was a multinational brewery experienced with brewing outside of Holland. In fact, the procedures that it enforced in Pyramid were similar to those it implemented everywhere else in its beer empire.<sup>101</sup>

Nevertheless, it would be incorrect to classify Pyramid and Crown breweries as "tightly controlled" firms according to the metrics of Tignor. Despite all of the pushes for greater control, as we saw with the negotiations with Farghali, the people on the ground still had a massive influence on the direction of the companies. Heineken and its representatives in the companies could map out whatever best practices they wanted; but ultimately, the decision on whether policies were implemented relied on the local leadership. As I discuss later, despite all of Heineken's advantages, it was never able to control Crown like it did Pyramid.

### **(Partial) Egyptianization**

Heineken's lack of complete control over Crown and Pyramid was exactly what the Egyptian government of the time wanted. As Heineken was trying to transition Crown and Pyramid Breweries from being lightly controlled foreign enterprises to tightly controlled ones, the Egyptian government was instituting policies that were pushing private industries toward a singular goal, Egyptianization. This push grew out of a series of concurrent trends. The first trend was the slow erosion of the Capitulations and their main manifestation, the Mixed Courts. The Capitulations were "a set of privileges granted to nationals of certain countries that effectively exempted them from Egyptian law and judicial institutions."<sup>102</sup> The Mixed Courts was the body that attempted to manage the

judicial needs of two antagonistic forces in Egypt, the Egyptian government and the capitulatory powers. What the Courts became in practice was a dual legal system, in which Egyptian and foreign companies were tried separately. With regard to private European companies like Crown and Pyramid, this dual system made them practically inviolate. However, the Mixed Courts had, from their founding, been continually under attack by both the Egyptians and the British.<sup>103</sup> Opposition reached a critical mass in 1937, when the Montreux Conference established a phasing out of the Capitulations, which was then followed by the abolition of the Mixed Courts in 1949. Without this impediment, the Egyptian government could now deal with foreign businesses that for so long had resided in Egypt as judicial blind spots that were exempt from tariffs and taxes.<sup>104</sup>

At the same time, World War II emboldened the Egyptian government to deal with foreign companies in a new, more invasive way. As discussed above with the actions of OTOC (*Office des Territoires Occupés et Contrôles*, Ar. *Maktab al-Bilād al-Muḥtala wa al-Khāḍī' li-l-Riqāba*), the Egyptian government, acting under the auspices of martial law, honed its new methods in regulating businesses and their profits. The tactics that the government used to ensure that no money flowed to British enemies, i.e. requesting lists of shareholders, bank statements, and letters and statements from executives, were some of the same tactics they utilized to encourage the Egyptianization of the economy.

The desire to Egyptianize the economy grew out of a sense of economic nationalism, the belief that Egyptians should run the Egyptian economy. This idea originated in the 1920s with the Sidqi Commission on Commerce and Industry, Bank Misr, and the Egyptian Federation of Industries, all of which formed during the period from 1916 to 1922. Bank Misr (Meaning, “Bank of Egypt” in Arabic), which was founded and headed by Egyptians,

seemed to be the example *par excellence* of Egypt's new economic nationalism. However, as Robert Vitalis shows, these institutions were gradualist and were still intimately tied to non-Egyptian capital. In the 1920s, business nationalism was merely a convenient way to support new ventures and garner public support for the multi-national business groups that were forming around certain enterprising Egyptian individuals.<sup>105</sup>

However, beginning in the 1930s and culminating with the Joint Stock Company Law of 1947, the ideals of 1920s Egyptian economic nationalism became more of a reality. In fact, the removal of the Capitulations and the eventual abolishment of the Mixed Courts were framed, on the Egyptian side, by the rhetoric of economic nationalism.<sup>106</sup> The Company Law of 1947, however, represented the first powerful push by the Egyptian government for Egyptianization. It required Egyptian companies (those with major bases in Egypt) "to offer 51 percent of their stock to Egyptians and to place Egyptian nationals on 40 percent of the board seats."<sup>107</sup> These moves pushed many multinational companies, including the beer companies, to employ more Egyptian citizens. With regard to the beer industry, it is indisputable that the main leadership became more Egyptian. The president, Chief Executive Officer, and primary stockholder of each of the breweries after 1950 were all native-born Egyptian citizens: Muhammad Ahmed Farghali Pasha for Bomonti-Pyramid Brewery and Muhammad 'Aziz Abaza for Crown Brewery. Both of these men were exemplary business oligarchs who came to dominate the private sector in the 1940s and the 1950s.

As Robert Vitalis has shown, a distinctive feature of the Egyptian private sector from the 1930s through 1950s was the business group fronted by a well-connected business oligarch. Although business groups—individuals and families organized as coherent

coalitions—had been a feature of the Egyptian economy since the late nineteenth century, the Egyptian-led business group came to dominate in the period from 1937 to 1957. Vitalis identifies three distinct characteristics of these business groups: (1) they encompassed “a diversity of firms across different economic sectors; (2) [they had an] ownership-management coalition, though a single individual [was] often identified as the group’s leader; (3) the group’s core leadership [was] bound by personal, family, ethnic or other communal ties that provide[d] the basis for coordinating its operations.”<sup>108</sup>

The two Egyptian entrepreneurs, Farghali Pasha and ‘Aziz Abaza, and their business interests were very much in this model. Both were products of what Eric Davis refers to as the Egyptian landowning elites’ familiarization with capitalist enterprise through foreign capital.<sup>109</sup> Farghali’s father was a successful Alexandrian cotton merchant who, with the help of foreign investors, established Farghali Cotton and Investment Company. Using the connections afforded by his father’s business, as well as his own business acumen and a familiarity with European business practices gleaned from his education in England, Farghali Pasha was able to sit on many different executive boards. In 1946, he sat on the boards of twenty-nine different companies.<sup>110</sup> ‘Aziz Abaza, a member of one of Egypt’s largest landholding families and the head of Crown Brewery, also sat on numerous boards, including the Land Bank of Egypt, the *Société Anonyme de Misr pour le théâtre et le cinéma* (The corporation for Egyptian theater and cinema), and SEP (a petrol company).<sup>111</sup>

Several other Egyptian citizens joined Farghali and ‘Abaza on these boards. Of the six other members on the Bomonti-Pyramid Brewery board, three were Egyptian citizens.<sup>112</sup> Meanwhile, Crown Brewery had a similar percentage of Egyptian citizens on its board.<sup>113</sup> Some of the board members shared a similar involvement in business groups; the

Jewish Egyptian Rene Ismalun of the Pyramid Brewery, discussed above, sat on the boards of seven other companies.<sup>114</sup> Moreover, the “foreign” elements were not as foreign as the government led observers to believe. For example, in the cases of Xenon and Katherine Pilavachi and Spiro Spiridis on the Crown Brewery board, these board members not only lived in Egypt, but also spoke Arabic and were integral to the large Greek Egyptian community, which had ancient roots and had grown steadily since the 1860s.<sup>115</sup> Thus, the “foreigners” were as invested in a successful and prosperous Egypt as was a man like Farghali; they also had a distinctly different relationship with the country than, for example, the Cobra representatives who sat on the Pyramid board. A useful term for them is the *mutamaşşirūn*, those “people of foreign origin who had become permanent residents” and in their language and habits had become “Egyptianized.”<sup>116</sup> Nevertheless, the *mutamaşşirūn* did not have Egyptian citizenship, and thus the government grouped them with men like Wittert van Hoogland, Kettner, and Feith.

The Egyptian government’s grouping the *mutamaşşirūn* with foreign-born industrialists like Wittert van Hoogland and Kettner, was based on two factors: the transnational character of the *mutamaşşirūn* and the citizenship process as it existed from the 1930s to 1950s. As Gudrun Krämer shows, until the late 1930s the prospects of legal and fiscal exemption through the Capitulations and the Mixed Courts made it much more attractive for local minorities to apply for foreign rather than Egyptian nationality.<sup>117</sup> As a result, there was a mass of residents in Egypt who had spent their entire lives in the country but were not citizens. This trend was particularly pronounced among the religious minority communities; as Krämer notes “the majority of Jews living in Egypt in the twentieth century did not have Egyptian citizenship.”<sup>118</sup> An excellent example of such

residents is the Suareses, a prominent Jewish family who were also Italian citizens.<sup>119</sup> The linguistic, cultural, and economic heterogeneity of this mass of residents makes any attempts to place them into the “foreign” or “Egyptian” dichotomy reductive. However, that is exactly what the Egyptian state, with legislation like the Company Law of 1947, attempted to do.

As a result of this legislation, these *mutamaşşirūn* and the companies that employed them were faced with the dilemma that one of their greatest strengths—their cultural dynamism and multi-cultural familiarity—had become a major threat to their employment.<sup>120</sup> For the individual citizen, in order to save his job he often had to seek Egyptian citizenship. As Simon Shamir shows, the path to Egyptian citizenship for these local minorities before 1947 was very difficult.<sup>121</sup> In particular, despite the 1929 Nationality Law’s Western liberal basis, the burden of proof need to become a citizen and the institutional bias against *mutamaşşirūn* prevented many minorities from gaining Egyptian citizenship even if they wanted it.<sup>122</sup> Despite pressure from the government, the breweries were able to avoid any traumatic losses of executives or employees. In fact, prior to 1952, the companies had some success with their employees gaining, or rather confirming, their Egyptian citizenship. For example, Crown Brewery’s auditor, Hanna Yusuf Hanna, a Coptic Christian, whose declaration of state-recognized Egyptianness is contained in the Pyramid breweries records, did succeed in gaining citizenship.<sup>123</sup> However, citizenship would become less attainable after the ascension of the Free Officers, as they would take what had been laid down in 1947 and build upon it until they had removed all of the “foreign” elements.



## Shareholders

The greatest example of the partial Egyptianization of the beer industry was its stockholders. Shares in the companies were an ambiguous entity that, depending on the number owned, could mean a great deal or very little. The great majority of shareholders were passive investors with a small number of shares, usually less than one hundred, who had little to no say in the day to day management or future planning of the companies. For example, the Bomonti family, who after the Heineken buy-in had no say in the future of Pyramid, was still stockholders until 1960, owning more than nine thousand shares.<sup>124</sup> Likewise, some of the families of the early Belgian investors had a stake in the companies until full nationalization in 1962.<sup>125</sup> Generally, a small minority of the shareholders owned the great majority of the shares, which reflected their involvement in the companies.

When the shares of Pyramid and Crown were taken together, which the Egyptian government did before it nationalized both companies, the largest shareholder was Heineken Brewery. By 1963, Heineken owned forty-four percent of the Crown and Pyramid together.<sup>126</sup> As this chapter has shown, from the time it purchased its first share, Heineken worked, through Cobra, to put Crown and Pyramid under tighter control. Heineken would stay invested in the beer companies till the bitter end refusing to give up its shares until the Nasser government forced them to. Of the remaining sixty-six percent of the stock, those with Egyptian citizenship controlled thirty-five percent. Of this thirty five percent, the majority was in the hands of the Farghalis.<sup>127</sup> Crown and Pyramid breweries were truly a family business as the largest shareholders besides Muhammad Ahmad Farghali were his wife, his brother, his daughters, his sons, and his cotton company.<sup>128</sup> The concentration of stock in the hands of certain families, however, was not limited strictly to decision makers

like the Farghalis. For example, the Tawfiq family (Hatim, Hazim, Hasan, and Hisham Tawfiq) each owned twenty-five shares.<sup>129</sup> For small investors this family model often was the result of a father investing in stock for himself and his family, so that they would have a revenue stream to either supplement their future income or as part of the safety net upon the father's death. For example, there were numerous stockholders listed as *al-armala* (the widow) of Mr. So-and-So.

As for the remaining 31 percent of shareholders, they came from North America, all over Europe (Britain, Italy, Austria, France etc.) and the Middle East (Syria, Lebanon, Iran, Turkey, etc.).<sup>130</sup> Most of these foreign stockholders, like stockholders generally, were of the small variety owning less than a hundred shares with little to no say in the functioning of the companies. While the nationalist narrative would argue that this was an example of foreign influence, these small shareholders were indistinguishable from the Egyptian shareholders except for where Crown or Pyramid sent their dividend check. Included also among this "foreign" contingent were the *mutamaşşirūn*), who had an entirely different relationship with the companies. Although none of their share numbers could compete with Farghali, shareholders like the Pilavachi's and Mouratiadis' had a significant impact on the direction of the company. They attended shareholder's meetings and were often in the employ of the company. These "foreign" stockholders likewise seemed to follow the family investment plan, with husbands, wives, and children often owning shares together.

What has been noticeable from the above discussion of the inner developments of Crown and Pyramid Breweries has been the complete lack of women. However, in the case of shareholders, the presence of women was striking. In the listing of shareholders of the two companies in 1963, there were eighty Egyptian women listed as stockholders of Crown

and Pyramid Breweries, one of whom, Rose Basili, was the only person outside of the Farghalis to own more than a thousand shares.<sup>131</sup> It is not clear if women's ownership of stock was a path to real influence or merely a way to avoid the appearance of the concentration of stock in a paterfamilias' hands. One significant example of the power shares could provide women was Katharine Pilavachi.

While in 1963 she only owned around 400 shares, in the 1950s she owned more than five thousand shares. This large stockholding meant that between the years 1954 and 1959 Pilavachi sat on the board of Crown Brewery with her husband, Xenon.<sup>132</sup> She was also an active participant in the shareholders' meetings. One of the particularities of shareholders' meetings is that for ease of function certain people served as representatives for a group of shareholders. This grouping of stocks allowed decisions to be made more quickly because one person could speak for many or represent shareholders who were not in Egypt, while still maintaining a quorum. For example, Wittert van Hoogland would often represent himself, Feith, Kettner, Cobra and Crown depending on the meeting. This grouping of stock also showed who really was in charge of the stock. So, for example, despite a whole family owning stock, it was usually the father who represented everyone at the meeting. All of this makes the fact that Katharine Pilavachi attended the shareholders meeting, in person, exemplary of the active role that she aimed to play in the company.<sup>133</sup>

An even better example of her active role in the company was her and her husband's recalcitrance to fall in line with the demands of Pyramid. When Eric Karl Kettner, who I will discuss at length in the following chapters, took over for Wittert van Hoogland as the managing director of Pyramid in 1957 one of his first targets was Crown, who, in Kettner's eyes, was putting out an inferior product and was not doing enough to sell that product.<sup>134</sup>

He found the beer that Crown was putting out lacking in its taste, brilliance, and foam stability.<sup>135</sup> These were cardinal sins because, as discussed above with reference to beer advertisements in Egypt, these were main selling points of beer in the Egyptian market. This poor maintenance of the brand was coupled with poor sales in Alexandria, which he believed was the fault of Crown not trying hard enough to sell the product. He was so distressed at how this non-standardized beer was affecting the sales of Stella in Egypt that he suggested the replacement of the man in charge of beer production at Crown, Michel Mavroviti.<sup>136</sup>

However, all of this grandstanding was not met with compliance, but a rather impertinent response. Spiro Spridis, the managing director at Crown, boss to Mavroviti, and employee of the Pilavachis, who sat on Crown's board, said to Kettner that the difference in quality was merely a matter of appreciation.<sup>137</sup> Crown's customers in Alexandria have never ever commented on the beer, which fits perfectly to their taste. Not only that, but these same customers said they preferred beer made in Alexandria to the one made in Cairo.<sup>138</sup> This intransigency on the part of Crown, grew out of their distance from Cairo and Crown's history of autonomy from Bomonti-Pyramid, which stretched back to the 1920s with Constantine Mouratiadis. Emboldened by these two factors the Pilvachis (Xenon and his wife Katharine), who were both large shareholders and sat on the board of Crown, felt no need to listen to what Pyramid had to say in Cairo, even if they were backed by Heineken.<sup>139</sup> This discord between the breweries would continue until 1961, when Heineken decided the only way Crown would start selling the same beer was by having Pyramid buy the 4118 shares that Heineken, through the holding company Cobra, was holding in Crown and then send a Heineken approved brewmaster.<sup>140</sup> This plan never

came to fruition, as the Egyptian government nationalized the company before they could carry through the plan and as I will show in the next chapters Crown remained a thorn in Pyramid's side.

## **Conclusion**

This chapter has tracked the maturation of the Pyramid and Crown Breweries before, during, and after World War II. This phase was marked by two new sources of power and intrusion, Heineken Brewing Company and the Egyptian government. Heineken's involvement went from investment in an attractive asset to active participation in the beer companies' daily operations. Although Heineken ultimately acted like other imperialist multinationals, prioritizing their interests over those of the local companies, its dealings with Pyramid and Crown Breweries were generally conducted diplomatically and with an eye toward consensus. Heineken was more than willing to volunteer, rather than force, its expertise upon Crown and Pyramid, and these two breweries benefitted from the technical expertise of the multinational. The balanced dynamic is noteworthy considering the significant power differential between the multinational and the Egyptian beer companies. The relative balance of power can be attributed to the Egyptian breweries' control of the situation on the ground, and to the fact that the parties ultimately shared the same goal of profiting from the sale of beer in Egypt.

As for these companies' relationships with the Egyptian government, these were not based on mutual interest; rather, they were characterized by tension that arose from opposing desires. As the government pushed for a more Egyptian economy, the beer companies had a vested interest in maintaining a hybrid and ambiguous national identity.

In this case, it was the beer companies that had the advantage: they had a decades-long history of government non-interference as well as multinational connections to deal with the demands of the newly empowered government. Meanwhile, the government was only just starting to escape its colonial/semi-colonial past, and was only beginning to map out what it could demand from these “foreign” businesses that for so long had remained inviolate.

The remaining chapters will discuss these three actors—the Crown–Pyramid Breweries, Heineken, and the Egyptian government—as their relationships changed between 1953 and 1970. The next chapter will look at how the synergy of the Egyptian breweries and Heineken reached a high point as they consolidated a durable and potent identity, which dominated the Egyptian beer industry until the 1970s. At the same, the Egyptian government, fully emboldened by the Nasserist takeover, asserted itself in a way not previously seen, which had major consequences for the private sector of the Egyptian economy.

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<sup>2</sup> Roy Armes, *African Filmmaking: North and South of the Sahara* (Edinburgh: Edinburgh, 2006), 22

<sup>3</sup> Jacques Aumont, “Lumière Revisited,” *Film History*, 8 (1996): 416-430; Georges Sadoul, *Louis Lumière, 1904-1967* (Paris: Seghers, 1964).

<sup>4</sup> Viola Shafik, *Popular Egyptian Cinema: Gender, Class, and Nation* (Cairo: American University in Cairo Press, 2007), 18-19.

<sup>5</sup> Ibid.

<sup>6</sup> Nancy Reynolds, *A City Consumed: Urban Commerce, The Cairo Fire, and the Politics of Decolonization in Egypt* (Stanford, CA: Stanford University Press, 2012), 147.

<sup>7</sup> “Rapport du Conseil d’Administration,” NL-SAA-192210, 4.1.2.4.2.2- 1948- Ingekomen stukken en minuten van uitgaande stukken van, aan of betreffende de Crown Brewery, 834- Archives of Heineken NV(henceforth, AH), Stadsarchief Amsterdam (henceforth, SAA).

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- <sup>8</sup> Lucie Ryzova, "Egyptianizing Modernity through the 'New *Effendiya*': Social and Cultural Constructions of the Middle Class in Egypt under the Monarchy", In Arthur Goldschmidt, Amy J. Johnson, and Barak Salmoni (eds.), *Re-Envisioning Egypt, 1919-1952*, New York: American University in Cairo Press, 2005, 131.
- <sup>9</sup> *Ibid.*, 133.
- <sup>10</sup> *Ibid.*, 260.
- <sup>11</sup> Relli Shechter, *Smoking, Culture and Economy in the Middle East : The Egyptian Tobacco Market 1850-2000* (London; New York: I.B. Tauris, 2006), 119-120.
- <sup>12</sup> Kamal Salim, *al-'Azima*, Video Recording (Cairo: Sharika Misriyya lil-Tamthil wa al-Sinama, 1939).
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- <sup>15</sup> Marilyn Booth, *Bayram al-Tunisi's Egypt: Social Criticism and Narrative Strategies* (Oxford: published for the Middle East Centre, St. Anthony's College Oxford by Ithaca Press, 1990), 10.
- <sup>16</sup> *Ibid.*, 178.
- <sup>17</sup> Yusuf Wahbi, *Ibn al-Haddad*, Video Recording (Cairo: Sharikat al-Aflam al-Misriyya, 1944).
- <sup>18</sup> Ahmed Badrakhan, *Ahebbak Inta*, Video Recording (Cairo: Aflam Fareed al-Atrash, 1949).
- <sup>19</sup> Walter Armbrust, "The Golden Age Before the Golden Age: Commercial Egyptian Cinema before the 1960s," in *Mass Mediations: New Approaches to Popular Culture in the Middle East and Beyond*, ed. Walter Armbrust (Berkeley, Cali: University of California Press, 2000); Gordon, *Revolutionary Melodrama*.
- <sup>20</sup> Lucie Ryzova, "Egyptianizing Modernity," 133.
- <sup>21</sup> "Historical Background on the activity of the Rene Gaston-Dreyfus group in Egypt," typed and undated NL-SAA-191241, 2.2.9.2.5-1080- Nota houdende een overzicht van de lopende zaken, met een historisch overzicht van de contacten van R. Gaston-Dreyfus met Egypte, 834-AH, SAA
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- <sup>29</sup> Tignor, *Egyptian Textiles and British Capital...*, 13.
- <sup>30</sup> *Ibid.*
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- <sup>61</sup> Ibid.
- <sup>62</sup> "Letter from PB to CB," 18 November 1946 192210, 1948- Ingekomen stukken en minute... ,834- AH, SAA.
- <sup>63</sup> Rapport du Conseil D'Administration a Messieurs Les Actionnaires De la Crown Brewery Reunis en Assemble Generale Extraordinaire a Bruxelles, le 26 Mars 1947, a 11 h.a.m
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- <sup>86</sup> Ibid.

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<sup>87</sup> “Letter from Constantin Qasdagli to Monsieur Administrateur-Delegue of Pyramid,” 28 Feb 1953 NL-SAA-192211, 4.1.2.4.2.2-1950- Ingekomen stukken en minute... ,834- AH, SAA.

<sup>88</sup> Cobra, “Declaration of Proxy” 20 April 1953 NL-SAA-192211, 4.1.2.4.2.2-1950- Ingekomen stukken en minute... ,834- AH, SAA.

<sup>89</sup> Wittert van Hoogland would leave Pyramid Brewery to become the head of Heineken’s international holiday company, Cobra, in 1957.

<sup>90</sup> “Letter from WvH to P.R.Feith at HBM,” 2nd May 1952 NI-SAA-192210, 1949- Ingekomen stukken en minute... ,834- AH, SAA.

<sup>91</sup> The advantages of those with foreign citizenship clearly grew out of the history of the capitulations, which gave foreign residents extra-territorial rights in Egypt. The capitulations had a massive effect on the legal history of the country see Brown, Nathan J. “The Precarious Life and Slow Death of the Mixed Courts in Egypt, *International Journal of Middle East Studies* Vol. 25(1), February 1993, pp. 33-52.

<sup>92</sup> Ibid.

<sup>93</sup> Ibid.

<sup>94</sup> Societe de Biere “Les Pyramides,” “Summary of the Services Rendered by Heineken’s Breweries Netherlands to Pyramides Brewery of Cairo,” 4 November 1961 NL-SAA-191356, 1977-Verslagen van bezoeken en besprekingen inzake de Société de Bière Les Pyramides S.A.E., 4.1.2.4.2.6- Overige brouwerijen buiten Europa, 834-AH, SAA.

<sup>95</sup> Ibid.

<sup>96</sup> Ibid.

<sup>97</sup> Ibid.

<sup>98</sup> Ibid.

<sup>99</sup> Ibid.

<sup>100</sup> Ibid.

<sup>101</sup> Ibid.

<sup>102</sup> Nathan J. Brown, “The Precarious Life and Slow Death of the Mixed Courts of Egypt,” *International Journal of Middle East Studies* 25 (1993):33.

<sup>103</sup> Ibid.

<sup>104</sup> Nancy Reynolds, *A City Consumed: Urban Commerce, The Cairo Fire, and the Politics of Decolonization in Egypt* (Stanford, CA: Stanford University Press, 2012), 151

<sup>105</sup> Robert Vitalis, *When Capitalists Collide: Business Conflict and the End of Empire in Egypt* (Berkeley: University of California Press, 1995), 49.

<sup>106</sup> Brown, “The Precarious Life and Slow Death...,” 45-46.

<sup>107</sup> Robert L. Tignor, *State, Private Enterprise and Economic Change in Egypt, 1918–1952* (Princeton, N.J.: Princeton University Press, 1984), 184.

<sup>108</sup> Vitalis, *When Capitalists Collide...* 19.

<sup>109</sup> Eric Davis, *Challenging Colonialism* (Princeton: Princeton University Press, 1983), 195.

<sup>110</sup> Tignor, *State, Private Enterprise*, 220.

<sup>111</sup> E.J. Blattner ed., *Who’s Who in Egypt and the Middle East* (Cairo: Imprimerie Francaise, 1950), 219.

<sup>112</sup> “*Kashf bi-a’da’ Idarat al-Sharikat Birat al-Ahram fi 1956*,” DWQ, MS, 3019- 5504-0009, *Sharikat Birat al- Ahram*.

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- <sup>113</sup> “*Kashf bi-a‘da’ Idarat al-Sharikat Karwon Brewery Tabiqan li-l-Madat 23 min al-Qanun Raqm 26 fi 1954*,” DWQ, MS, 3019- 6808-0009, *Sharikat Karwon Brewery*.
- <sup>114</sup> Robert L. Tignor, “The Economic Activities of Foreigners in Egypt, 1920–1950: From Millet to Haute Bourgeoisie,” *Comparative Studies in Society and History* 22 (1980): 434.
- <sup>115</sup> Alexander Kitroeff, *Greeks in Egypt 1919-1937* (Atlantic Highlands, N.J.: Ithaca Press, 1989).
- <sup>116</sup> Joel Beinin and Zachary Lockman, *Workers on the Nile: Nationalism, Communism, Islamism and the Egyptian Working Class, 1882-1954* (Princeton: Princeton University Press, 1987), 9.
- <sup>117</sup> Gudrun Krämer, *The Jews in Modern Egypt 1914–1952* (Seattle, Wash.: University of Washington Press, 1989), 31.
- <sup>118</sup> Ibid.
- <sup>119</sup> Tignor, “The Economic Activities of Foreigners in Egypt...”, 427.
- <sup>120</sup> Joel Beinin, *The Dispersion of Egyptian Jewry: Culture, Politics, and the Formation of a Modern Diaspora* (Berkeley, Cali.: University of California Press, 1998), 18-22.
- <sup>121</sup> Simon Shamir, “Nationality of the Jews in the Monarchy Period,” *The Jews of Egypt: A Mediterranean Society in Modern Times*, ed. Simon Shamir (Boulder, Col.: Westview Press, 1987), 48-51.
- <sup>122</sup> Ibid., 52-9.
- <sup>123</sup> “*Iqrar Hanna Yusuf Hanna*,” DWQ, MS 3019-006808- 0009, *Sharikat Karwon Brewery*.
- <sup>124</sup> “Letter from Eric Kettner (henceforth, EK) to WvH,” 29 September 1958; and “Letter from Eric Kettner to WvH,” 18 June 1960, NL-SAA-191356, 1977-Verslagen van bezoeken en besprekingen inzake de Société de Bière Les Pyramides S.A.E., 4.1.2.4.2.6- Overige brouwerijen buiten Europa, 834-AH, SAA.
- <sup>125</sup> “Letter from EK to WvH,” 26 April 1962 NL-SAA-191356, 1977-Verslagen van bezoeken en besprekingen inzake de Société de Bière Les Pyramides S.A.E., 4.1.2.4.2.6- Overige brouwerijen buiten Europa, 834-AH, SAA.
- <sup>126</sup> List of Shareholders in Pyramid and Crown Brewery dated 1964, DWQ, MS, 3019-5506-0009, *Sharikat Birat al- Ahram*.
- <sup>127</sup> List of Shareholders in Pyramid and Crown Brewery dated 1964, DWQ, MS, 3019-5506-0009, *Sharikat Birat al- Ahram*.
- <sup>128</sup> Ibid.
- <sup>129</sup> Ibid.
- <sup>130</sup> List of Shareholders in Pyramid and Crown Brewery dated 1964, DWQ, MS, 3019-5506-0009, *Sharikat Birat al- Ahram*.
- <sup>131</sup> Ibid.
- <sup>132</sup> Conseil D'Administration, “Taqrir Maglis al-Idara Sana 1954-1958,” 3019-006809, *Sharikat Karwon Brewery*
- <sup>133</sup> “Kashf Haḍūr musāhimīn fi al-gam‘aiyya al-‘amumiyya l-sharikat Kirāwn brīūrī sh.m.m al-mun‘aqida b-maqar al-ra'isi al-ka'in b-iraqm 23 shar‘a ilūsiz b-iskanderiyya yawm al-ithnayn al-muwafiq khamsat ashirīn min mayu 1959 al-sā'a al-ḥādiyya ‘ashra sabāḥan, 3019-006810-*Sharikat Karwon Brewery*
- <sup>134</sup> “EK from WvH,” 24 May 1957, 1977-Verslagen van bezoeken en besprekingen inzake de Société de Bière Les Pyramides S.A.E., 4.1.2.4.2.6- Overige brouwerijen buiten Europa, 834-AH, SAA.

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<sup>135</sup> "Letter from EK (administrateur-délégué) representing Societe de Biere "Les Pyramides" to Spiro Spiridis (administrateur-délégué), 19 February 1957, 1977-Verslagen van bezoeken en besprekingen inzake de Société de Bière Les Pyramides S.A.E., 4.1.2.4.2.6- Overige brouwerijen buiten Europa, 834-AH, SAA.

<sup>136</sup> Ibid.

<sup>137</sup> "Letter from Spiro Spiridis to EK," 23 February 1957, NL-SAA-191356, 1978-Correspondentie tussen Wittert van Hoogland... 4.1.2.4.2.6- Overige brouwerijen buiten Europa, 834-AH, SAA

<sup>138</sup> Ibid.

<sup>139</sup> "Letter from WvH to Eric Karl Kettner," 19 May 1961 NL-SAA-191356, NL-SAA-191356, 1978-Correspondentie tussen Wittert van Hoogland... 4.1.2.4.2.6- Overige brouwerijen buiten Europa, 834-AH, SAA.

<sup>140</sup> Ibid.