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Premier Maher Plans to Cut Imports, Spur Cotton Sale —Suez Mediation Aired

Special to THE NEW YORK TIMES.

CAIRO, Feb. 8—Premier Ali Maher Pasha said today that Egypt would adopt a policy of planned foreign trade to increase the supply of necessities for the people and cut the import of luxuries and semi-luxuries.

The Premier has called back from Paris Galal Abdel Razik Bey, Director General of the Economics Department of the Foreign Ministry, to carry out trade agreements and arrangements with other countries in furtherance of the new program. The drive will also include efforts to increase Egyptian exports.

It is understood that Razik Bey will have the broadest powers, under the Premier's policy, to get this job done.

Since the war-time boom of high cotton prices ended, Egypt has suffered from excessive expenditure on the one hand and, on the other, intermittent shortages of standard commodities—both factors promoting price inflation.

The Minister of Finance, Dr. Zaki Abdel Motaal Bey late in the day announced an austerity program for Egypt that looked to a 29 per cent reduction in governmental expenditures. He stated that a new tax would be put on luxury goods.

Plan to Spur Cotton Export

There has been a dangerous drop in cotton exports, Motaal Bey said and the Government would adopt a very liberal price policy on cotton to move the stocks, particularly in reference to the large supply of Ashmouni medium staple.

The Finance Minister said the Government deficit was running at £20,000,000 Egyptian, or about $60,000,000.

Dr. Mohamed Salah el-Din Pasha, the Foreign Minister in the recent Wafdist Cabinet, who remains extremely influential, warned during the day in a conference at the Egyptian Press Syndicate that there must be no retreat from Egypt's abrogation of the 1936 British treaty and of Anglo-Egyptian joint rule in the Sudan. He said the British must understand Egypt had said her last word on these issues.

Referring to efforts of Premier Nuri es-Said Pasha of Iraq to mediate in the Suez Canal Zone dispute with Britain, Salah el-Din Pasha said Iraq proposed a two-year period for evacuation.

In the mediation efforts of King Ibn Saud of Saudi Arabia, he said, one year was proposed for evacuation by the British of the Suez Canal Zone, for supply of arms for a plebiscite in the Sudan.

[The United Press quoted Sala el-Din Pasha as saying that mediation plans from Spain, Italy and Greece were also pending.]

The former Foreign Minister expressed the opinion that a defense agreement suggested under all proposals—including the Middle East Command plan—would be valid for Egypt only if Egypt were directly attacked and, in case her immediate neighbors, Libya and Jordan, were attacked, it would undertake the defense of Egyptian territory.

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