

APPENDIX No. 5.

COTTON Exported from Egypt during the Twenty-six Years from 1849 to 1875.

Period of 13 years under the Governments of Abbas Pasha and Said Pasha.				Period of 13 years under the Government of His Highness the Khedive.			
Quintals.	Rotolis.	Year.	Corresponding Years.	Quintals.	Rotolis.	Year.	Corresponding Years.
309,495	16	1265	1849-50	1,181,707	84	1279	1862-3
350,876	53	1266	1850-1	1,717,869	65	1280	1863-4
194,247	86	1267	1851-2	2,001,157	23	1281	1864-5
684,689	94	1268	1852-3	1,288,797	28	1282	1865-6
545,232	..	1269	1853-4	1,260,946	54	1283	1866-7
387,780	64	1270	1854-5	1,253,593	37	1284	1867-8
510,452	2	1271	1855-6	1,391,493	6	1285	1868-9
385,517	16	1272	1856-7	1,351,853	27	1286	1869-70
501,070	29	1274	1857-8	1,966,154	84	1287	1870-1
586,347	6	1275	1858-9	2,108,509	53	1288	1871-2
588,478	88	1276	1859-60	2,418,484	45	1289	1872-3
654,943	57	1277	1860-1	2,599,685	22	1290	1873-4
722,797	6	1278	1861-2	2,615,120	1	1291	1874-5
6,421,427	62			23,154,872	29		

The excess of Exports during the above-named period of the reign of His Highness the Khedive over the preceding periods is thus 10,733,444 quintals and 67 rotolis, or about 257 per cent.

APPENDIX G.

APPENDIX H.

THE FINANCIAL DECREES.

ALTHOUGH the scheme for the unification of the Egyptian debt, based on the decrees of May 2 and 7 of last year, fell through, those decrees themselves technically survived, and though many of their provisions were abrogated by the later edict of November 18, giving effect to the substituted Goschen-Joubert project, some others are still in force, and all three of the decrees must therefore be read together.

The first—of May 2—prescribes the new organisation of the Ministry of Finance, which, it will be seen, has been since importantly modified :—

“ DECREE.

“ We, the Khedive of Egypt, having consulted our Privy Council, have decreed, and do hereby decree as follows :—

“ CLAUSE I.

“ *Establishment of a Supreme Council of the Treasury, and its Functions.*

“ ARTICLE I.—A Supreme Council of the Treasury is established, which will be divided into three Sections. The first of these will be denominated ‘Section for the General Inspection of the Revenue and the State Treasuries;’ the second, ‘Section for the Control of the Revenue and Expenditure;’ the third, ‘Section for Auditing the Accounts.’

“ The three Sections will work separately or conjointly, according to the arrangements provided for by the present Decree.

“ ARTICLE II.—The first Section will be charged with the inspection of the Central Treasury and the supervision of its accounts. This inspection and this supervision shall be extended to any other Treasuries which may be established for any special service. The Section, or its delegated officials, shall have the right at all times to take cognizance of the state of its funds, and to audit its accounts.

“ The reports of the inspectors charged by the Minister of Finance with the inspection of the other Treasuries and of the Inland Revenue Departments shall be communicated by him to the Supreme Council. This Section will superintend the due receipt of all revenues and their strict application to their proper purpose. Every abuse or irregularity shall be reported to the Supreme Council, and proceedings shall be taken against the responsible

agents before the second Section in accordance with the articles following. The inspector delegated by the Section can only take provisional resolutions. A resolution of the Section is requisite to make them definitive.

"ARTICLE III.—The second Section, either alone or conjointly, according to the provisions hereinafter contained, shall make a preliminary examination of all engagements which involve any expenditure chargeable to the State Budget, as also all orders or draughts or opening of credits in favour of officials authorised to issue bonds of payment to the amount of the sum placed at their disposal.

"B. The second Section shall audit these bonds of payments, and pronounce on the responsibility of the officials who may have incurred expenses or made payments without being authorised.

"C. If an engagement, or order, or draught fail to be met, or be not issued in the regular form, or if the same be incurred or issued by an incompetent authority, the Section shall bring the fact under the notice of the Minister of Finance, and, in case the Administration should persist, its act can only become legally valid by a decision of the Privy Council.

"D. Every engagement involving expenditure, every order or draught for payment or opening of credit, the amount of which, in conjunction with the sums of the like nature already incurred or disbursed, exceeds the Budget estimate, or creates a fresh expense for which no sum has been provided in the Budget, shall be suspended by a resolution explaining the reasons for such course. The Privy Council shall deliberate on the case, and if it considers the expenditure necessary, and if his Highness the Khedive approve it, a special decree shall be issued authorising the expenditure, indicating at the same time the ways and means for the same. In pursuance of such decree, the modifications or fresh entries necessary for providing for its execution shall be made in both the assets and liabilities of the Budget account. This Section shall watch over the prompt payment of all revenues into the Treasuries.

"ARTICLE IV.—At the request of the Minister of Finance, or on the reports of the inspectors transmitted to it through the medium of the Minister of Finance, the Section shall pronounce judgment, with power of execution, against any revenue officer who may receive sums without paying them into the Treasury indicated beforehand by the Ministry of Finance; also against any official or cashier who may not have made his payments regularly, or who may have made improper or irregular payments. Every payment shall be considered irregular and improper which is not made in conformity with the formalities prescribed by law, and such payment is null and void, and the person making it shall be held answerable for the same. Among the formalities, the most essential are those which the regulations prescribe for determining the legal authority for the payments by the various Treasuries, or order them to remit funds. In this case the Treasurer is responsible for payments made in pursuance of any other order or draught having a different form. For discharging the responsibility of the payer it is sufficient that the form of the voucher be in order, and that the prescribed formalities be complied with, irrespective of the merits of the payment. In the case provided

for in the preceding article, *sub literâ* D, if there be a disagreement between the members of the second Section on the definition of the expenditure, or on the sufficiency of the funds for the payment of the same, the question shall be regulated by the first and the second Sections conjointly; these two Sections shall also conjointly decide on the draughts and orders of payment which may be presented to the Treasuries without having been registered at the Council of the Treasury.

"ARTICLE V.—The third Section shall audit and settle the accounts of all accountants whose duty it is, by the regulations, to furnish the said accounts for audit. The examination of the accounts shall be effected by the officials of the Audit Department, whose duties will be laid down in Clause III. The estimate of the general account shall be fixed, and the general accounts of the Treasury shall be audited, by a union of the third with the first Section. Any accountant believing himself prejudiced by these audits shall have the right of subjecting them to a revision by the first and second Sections conjointly.

"ARTICLE VI.—The Supreme Council of the Treasury is entitled to demand from the Ministers and the chiefs of the different administrations of the State all information and all documents having reference to the exercise of its functions. It is also its duty to lay information with the Privy Council and the Ministers, giving notice at the same time to the Minister of Finance, of all infringements of the laws and regulations referring to the financial administration of the State, and which may come under its notice during the execution of the functions confided to it. It has also the task entrusted to it of presenting to the Privy Council, through the medium of the Minister of Finance, at the end of every financial year, a report on the general position of the Treasury, on the general progress of the account, and on the useful reforms which it would be possible to introduce into the public accounts and into the financial administration of income and expenditure.

" CLAUSE II.

" *Formation of the State Budget.*

"ARTICLE I.—Three months before the conclusion of every financial year the Minister of Finance will fix the Budget for the next year. The receipts and expenditure will be kept distinct, according to their nature, and specified as far as possible. The draught of the Budget will be submitted to the Supreme Council of the Treasury, to receive its advice and the ideas which it may be able to suggest in order to render its wording better and more exact.

"ARTICLE II.—At the end of every financial year a Treasury account shall be drawn up, showing all payments actually made and all income actually received.

"ARTICLE III.—To the Budget Estimates already fixed for the ensuing year shall be added, under the designation of 'Residues of Assets,' all differences between the estimated revenue and income actually received, as also the other unrealised credits; and, under the designation of 'Residue of

Liabilities, the differences between the estimated expenditure and the payments actually made. After three months of the new year's administration these differences are to be reduced to their real value by fixing the estimated receipts and those in arrear, and the expenditure to be incurred, in a more just measure than had been done in the original estimates. The definitive Budget of the year is to be composed of these various elements.

"ARTICLE IV.—One copy of the Budget and the statements of the Residues of Assets and Liabilities, as also of their successive rectification, is to be handed to the Minister of Finance, and a second copy shall be deposited with the Supreme Council of the Treasury.

"CLAUSE III.

"Composition and Organisation of the three Sections of the Supreme Council of the Treasury.

"ARTICLE I.—The Supreme Council of the Treasury will be composed of ten councillors, of whom five will be natives and five foreigners, and of a president, who will be appointed by his Highness the Khedive. There will be a Secretaryship of the Council.

"ARTICLE II.—The first Section will be composed of three foreign members. It will be presided over in rotation by one of its members in the order of their age. The President will remain in office for six months.

"ARTICLE III.—The second Section will be composed of five members—namely, four councillors, two natives and two foreigners, and of the President of the Council, who will also be President of the Section. This Section will choose a vice-president from its midst. One of the members of the Section is to be delegated by the same to fulfil the functions of the public ministry. The President of the Supreme Council will delegate one of the referendaries, of whom mention is made in Article VI. following, to exercise the functions of substitute of the Public Ministry. In dependence from this Section an office will be established for keeping the accounts in connection with the Budget, and for registering all documents submitted to its examination by virtue of the present decree.

"ARTICLE IV.—The third Section will be composed of three native members. A staff of six referendaries of accounts will be attached to this Section. Two of these referendaries, comprising the one who has examined the accounts in question, will take part and be entitled to vote in the Section called upon to audit them. Two of these referendaries are to be foreigners.

"ARTICLE V.—The appointment of the members of the council and of the Secretary-General will be made by virtue of a decree of his Highness the Khedive. Their appointments and other conditions are to be fixed by their respective contracts of service.

"ARTICLE VI.—No member of the Supreme Council can be ordered to resign, or to tender his resignation, or be deprived of his functions, unless by decree of his Highness the Khedive, based upon the advice of his Privy Council.

"ARTICLE VII.—The Supreme Council will make its own regulations for

its internal administration, for the organisation of its Secretaryship-General and various offices, and for the distribution of its work.

"Done at Cairo, the 2nd day of May, 1876.

"ISMAÏL."

"DECREE.

"We, the Khedive of Egypt, in view of our decree dated May 2, 1876, relative to the establishment of a Supreme Council of the Treasury, M. le Com-mandeur Scialoja, Senator of the Kingdom of Italy, having consented to accept, provisionally and without fixed salary, the task of organising the Supreme Council of the Treasury, and of presiding over it, I entrust this mission to him by virtue of the present decree.

"Done at Cairo, the 14th day of May, 1876.

"ISMAÏL."

The document of May 7 decrees the unification of the debt, which, as before stated, could not be carried through. It provided, that—

"Whereas the loans contracted in 1862, 1864, 1868, 1873, 1865, 1867, and 1870 by the Government and the Daira Sanieh originally amounted to the sum of £65,497,660 sterling, and are now reduced to £54,793,150 sterling by the redemption of bonds effected up to this day ;

"Whereas to these debts, contracted by means of loans with sinking funds, there is to be added the floating debt contracted both by the Government and the Daira in order to cover the deficit resulting from the partial non-execution of the contract relative to the loan of 1833,—not including the provision contained in Clause 19 of the said contract for the completion of the public works already in course of construction,—and also to meet the expenditure occasioned by circumstances beyond human control and by public calamities ;

"Whereas this debt has to a great extent been contracted by means of credit operations which, having been forced upon the Government in critical periods or under other exceptional and urgent circumstances, have been concluded on conditions onerous for the State Treasury ;

"Whereas, in order to make it possible for the Treasury and the Daira Sanieh to satisfy these different debts, and to better secure for the future the interests of the creditors by a measure in conformity with the public exigencies, it has been found opportune and useful to unify all these debts by establishing one general debt, bearing interest at the rate of 7 per cent., and redeemable within sixty-five years ;

"Whereas, in view of the conditions of issue of the different loans with sinking funds attached, the bonds belonging to these loans, to be unified at par of their nominal value, receive a benefit which it is only just to extend to the holders of bonds of the floating State debt and of the Daira Sanieh in a proportion which shall establish as far as possible an equality between all creditors, and it is also equitable to accord to the holders of the 1864, 1865, and 1867 loans, the last payments of which are shortly falling due, a compensation for the relatively greater prolongation of the sinking fund operations ;

"Whereas, the yearly sum necessary for the service of the general unified debt, amounting to £91,000,000 sterling, will be £6,443,600 sterling, but, in order to determine the real charge which will actually be chargeable in the ordinary State Budget, it is necessary to deduct from that sum £684,411 sterling, being the contribution of the Daira Sanieh in proportion to the amount of its debt unified with the State Debt, and thus the annual charge on the State remains at £5,759,189 sterling ;

"Whereas, the unification and the consolidation of the State debts into one general debt, make it inopportune to continue the payment of the Moukabala, by which the Government had intended to arrive at the extinction of the floating debt by anticipating the Land Tax in six yearly amounts ;

"Whereas, in consequence of this anticipation, one of the most important revenues of the State would after some years be considerably reduced, while in the interest both of the Government and of the State creditors it is necessary that the revenue of the Treasury be secured, so as to satisfy the interest and the redemption of the Public Debt and also the Budget expenditure ;

"Whereas, for these reasons our Privy Council has proposed to us, and we have approved, to arrest the operation of the Moukabala by according to those who have made anticipatory payments all rights and privileges over the property which they would only have definitively acquired after the full payment of the Moukabala, and to take equitable measures either for the restitution of these anticipatory payments or for a proportionate reduction of taxes, the result of which will be to obviate a considerable reduction in one of the principal sources of the State revenue ;

"Whereas, further for the security of the creditors, it has become necessary to establish a special Treasury charged with receiving the amount of revenue devoted to the service of the Debt ;

"We, the Khedive of Egypt, after consulting our Privy Council, have decreed, and do hereby decree, as follows :—

"ARTICLE I.—All the Debts of the State and those of the Daira Sanieh, resulting from loans contracted in the years 1862, 1864, 1868, 1873, 1865, 1867, and 1870, the floating debt of the State, and the floating debt of the Daira Sanieh, including the Treasury Bonds and all other bonds or obligations, are unified into a general debt, the bonds of which shall bear interest at the rate of 7 per cent. on the nominal capital, and shall be redeemable in sixty-five years by half-yearly drawings. The unification is effected at par of the nominal amount of the bonds of the old 1862, 1868, 1870, and 1873 Loans. The bonds of the general debt shall be delivered at the rate of 95 per cent. of their nominal capital to the holders of Seven per Cent. Bonds of the 1864 and 1865 Loans, and of the Nine per Cent. Loan of 1867. For this latter loan the difference of the percentage of interest shall be capitalised at the rate of 70 per cent. of the nominal capital, and at the rate of 80 per cent., to the holders of the bonds of the floating debts of the State and the Daira Sanieh, in the form of Treasury Bonds, or other bonds and obligations which constitute them. By virtue of this operation the general unified debt will amount to £91,000,000 sterling nominal, to bear interest from the 1st of July, 1876.

ARTICLE II.—The loan debt and floating debt of the Daira Sanieh being

unified with that of the State under the same restrictions and guarantees, the Daira Sanieh is bound to pay annually into the Treasury of the Public Debt the sum of £684,411 sterling, representing its proportion of the total yearly amount necessary for the interest and sinking fund of the Debt.

"ARTICLE III.—The revenue specially devoted to the service of the General Debt are :—Moudirieh de Garbieh, £1,201,523 sterling ; Moudirieh de Menouieh, £714,107 ; Moudirieh de Behera, £424,213 ; Moudirieh de Siout, £732,179 ; octroi dues of Cairo, £345,389 ; octroi dues of Alexandria, £187,837 ; import duties of Alexandria, Suez, Damietta, Rosetta, Port Said, and El Arish, £659,677 ; railways, £990,806 ; tobacco dues, £264,015 ; salt revenues, £200,000 the rent of Materieh, £60,000 ; sluice revenues and navigation dues on the Nile up to Wadyhalfa, £30,000 ; bridge of Kasr-el-Nil, £15,000—total, £5,790,845 sterling. Contribution of the Daira, which is to be paid immediately upon the money coming in, £684,411 ; general total of revenue devoted to the service of the Unified General Debt, £6,475,256.

"ARTICLE IV.—The bonds of the General Unified Debt shall be issued in sums of £20, £100, £500, and £1,000 sterling, with coupons payable half-yearly. The drawing of bonds for the half-yearly redemption will be effected by the Managing Commissioner of the Treasury of the Public Debt. These bonds shall be delivered in exchange for the bonds of the old loans and the bonds of the floating debt on the conditions prescribed in Article I. of the present decree.

"ARTICLE V.—A group composed of banking houses and financial establishments has undertaken by contract the operation of the unification of the Debt. Special Government Commissioners shall be appointed by us to watch over the regular execution of these operations.

"ARTICLE VI.—For the service of the Unified Debt a special Treasury is created, the statutes of which are laid down in our preceding decree, which is to be considered as complementary of the present decree.

"ARTICLE VII.—Our Minister of Finance is charged with the execution of the present decree.

"Done at Cairo, the 7th day of May, 1876.

"ISMAIL."

"DECREE.

"We, the Khedive of Egypt, desiring to take definitive and opportune measures for obtaining the unification of the different debts of the State and those of the Daira Sanieh, and also desiring the reduction of the excessive charges resulting from these debts, and wishing to bear solemn testimony to our firm intention to secure every guarantee to all persons interested, have resolved to establish a special Treasury charged with the regular service of the Public Debt, and to appoint to its management foreign Commissioners, who at our request will be indicated by the respective Governments as fit officials to fill the post to which they will be appointed by us in the quality of Egyptian officials and under the following conditions. Having consulted our Privy Council, we have decreed, and do hereby decree as follows :—

"ARTICLE I.—A Treasury of the Public Debt is established, charged with

receiving the fund necessary for the interest and the redemption of the Debt, and with applying them to this object exclusively.

"ARTICLE II.—The officials of the local treasuries or special administrations, after collecting, receiving or accumulating the revenues specially devoted to the payment of the Debt are or shall be in future charged to pay them into the Central Treasury or to keep them at the disposal of the intendants of public expenditure (*ordonnateurs des dépenses de l'Etat*). The intendants of public expenditure are, by virtue of the present decree, bound to pay these revenues on account of the States Treasury into the special Treasury of the Public Debt, which will be considered in this respect as a special treasury. These officials, treasuries, and administrations can only procure a valid discharge by means of the vouchers which will be delivered to them by the said Treasury of the Public Debt. Any other order or voucher will not be valid. These same officials, treasuries, or administrations will every month send to the Minister of Finance a statement of the receipts or collections made by themselves directly or paid in by the receivers of the revenues specially devoted to the Debt and payments made into the special Treasury of the Public Debt. The Minister of Finance will communicate these statements to the Administration of the Treasury of the Public Debt.

"The Treasury of the Public Debt shall receive from the Daira Sanieh the entire sum necessary for the interest and redemption of the amount of its unified debt, and it shall likewise receive the funds for the yearly payment due to the English Government, and representing the interest on the Suez Canal Shares.

"ARTICLE III.—If the payments of the revenues devoted to the debt be insufficient to meet the half-yearly charges, the Special Public Debt Department will refund to the Treasury, through the intermediary of the Minister of Finance, the sum required to complete the half-yearly payments; the Treasury will have to deliver this sum a fortnight before the payments are due. If the funds in hand constitute a surplus over the amount necessary for the payment of the interest and the sinking fund, the Special Treasury of the Public Debt will pay this surplus at the end of each year to the general Treasury of the Exchequer. The Treasury of the Public Debt will submit its accounts, which will be examined and reported upon according to law.

"ARTICLE IV.—The suits which the Treasury and its Directors, on its behalf, acting in the name and in the interests of the creditors, mostly of foreign nationality, may consider they have to bring against the financial administration represented by the Minister of Finance in so far as regards the guardianship of the guarantees of the Debt, which we have confided to the said Treasury, will be brought in the terms of their jurisdiction before the new tribunals which, in conformity with the agreement entered into with the Powers, have been instituted in Egypt.

"ARTICLE V.—The Commissioners selected as stated above will have the direction of the special Treasury of the Public Debt. They will be appointed by us for five years, and will sit in Cairo. Their functions may be continued after the five years have expired, and in case of the death or resignation of one of them the vacancy will be filled by us in the manner of the original appoint-

ment. They may intrust one of themselves with the functions of President, and the latter will notify his nomination to the Minister of Finance.

"ARTICLE VI.—The cost of exchange, insurance, and conveyance of specie abroad, as well as the commission for the payment of the coupons, will be borne by the Government. The Directors of the Treasury will come to a previous arrangement with the Ministers of Finance with regard to all these operations, but the Minister will decide whether the despatch of these sums is to be effected in specie or by letters of exchange.

"ARTICLE VII.—The Treasury will not be allowed to employ any funds, disposable or not, in operations of credit, commerce, industry, &c.

"ARTICLE VIII.—The Government will not be able, without an agreement of the Commissioners directing the Treasury of the Public Debt with the majority, to effect in any of the taxes specially devoted to the Debt any changes which might result in a diminution of the revenue from these taxes. At the same time, the Government may farm out one or several of these taxes, provided that the contract entered into insure a revenue at least equal to that already existing, and may also conclude treaties of commerce introducing modifications in the custom duties.

"ARTICLE IX.—The Government undertakes not to issue any Treasury Bonds or any other new bonds, and not to contract any other loan of any nature whatsoever. This same engagement is entered into in the name of the Daira Sanieh. Nevertheless, in case the Government from urgent national reasons should find itself placed under the necessity of having recourse to credit, it may do so within the limits of strict necessity, and without doing anything to affect the employment of the revenues set apart for the Treasury of the Public Debt, or to cause their diversion from their destination. These totally exceptional loans can only be contracted after an agreement on the subject with the Commissioners directing the Treasury.

"ARTICLE X.—In order that the arrangements stated in the preceding article shall not place obstacles in the way of the Administration, the Government may open a running account with a bank to facilitate its payments by means of anticipations to be regulated in accordance with the year's receipts. The debit or credit balance will be settled at the end of each year. This current account must never be overdrawn during the year by more than 500,000,000f.

"Done at Cairo, the 2d of May, 1876.

"ISMAÏL."

Importantly modifying what precedes, the decree of November 18 substitutes the new scheme of Messrs. Goschen and Joubert for that of the previous French group, and adds administrative guarantees which give the new project its chief value:—

"DECREE.

"We, the Khedive of Egypt, considering that the Decree of the 7th of May, 1876, relating to the unification of the debts of the State and of the Daira requires certain modifications in its application ;