

“Considering the Decree of the 2d of May, 1876, establishing the Treasury of the Public Debt, and desiring to strengthen still further the functions of the Commissioners who administer the said Treasury ;

“Considering that the suppression of the law of the Moukabala raises unanimous objections on the part of those whom it affects, and that the Chamber of Delegates has given expression to the desire that the law should be maintained ;

“In our firm desire to assure the regular course of the public services, while at the same time protecting the interests of the creditors by more efficacious guarantees ;

“And having heard our Privy Council, we have decreed and decree .

“FIRST DIVISION.

“Finances.

“ARTICLE I.—The Debts of the Daira, as set forth in the Tables A and B inserted in the present Decree, are separated from the Debts of the State, and are not included in the unification of the General Public Debt. These debts will form the subject of a special arrangement.

“ARTICLE II.—The law of the Moukabala is re-established, and is considered as never having ceased to be in force. Nevertheless, the annual reductions produced by the effect of the law of the Moukabala will not come into force until the commencement of the year 1886, and an annual interest of five per cent. will be credited to the contributors up to the end of the year 1885 on the sums which should be deducted.

“The whole sum produced by the Moukabala will be applied to the redemption of the Loans of 1864, 1865, and 1867, and of the unified debt.

“In the employment of the available (*disponibles*) funds yielded by the Moukabala, certain reservations are made which are dealt with in Article 6 relating to ‘amortisation.’

“ARTICLE III.—A special administration of the railways and of the port of Alexandria is established, which will be placed under the direction of a Commission, as will be set forth hereafter.

“The revenues of the railways and of the port of Alexandria will be directly applied to the payment of the interest and the sinking fund of a series of Preference Bonds having a special mortgage on the railways and the port of Alexandria, amounting to seventeen millions sterling, and bearing interest at 5 per cent., redeemable in sixty-five years. Interest to run from the 15th of October, 1876.

“These Bonds will be offered by preference to the holders of the Loans of 1862, 1868, and 1873, in exchange for Bonds of these Loans bearing 7 per cent., which Bonds will be cancelled.

“The annuity necessary for the service (Interest and Sinking Fund) of the Preference 5 per cent. Bonds, amounting to £885,744, and payable in two half-yearly payments of £442,872 each, will form the first charge on the Revenues of the Railways and of the port of Alexandria, and will remain, in every eventuality, the first liability of the Commission of the Public Debt.

‘ARTICLE IV.—The Loans of 1864, 1865, and 1867 are deducted from the unified Debt.

“They will continue to bear the interest appertaining to them until their complete redemption.

“They will be redeemed within the terms of their respective contracts. They will be redeemed, however, at the rate of 80 instead of at 100 per cent., and the first half-yearly payment on account of this redemption will be postponed by six months : that is to say, it will take place for the Loan of 1864, on the 1st of April, 1877 ; for the loan of 1865, on the 7th of July, 1877 ; and for the Loan of 1867, on the 22nd of May, 1877.

“ARTICLE V.—The Bonus of 25 per Cent., granted by the Decree of the 7th of May last to the holders of the Floating Debt, is reduced to 10 per cent.

“By the effect of these measures, the financial position will be as follows :—

A. The Bonus included in the Table of Unification annexed to the Decree of 7th May amounting to	£6,204,32
is reduced—	
1st. By the entire Bonus on £2,906,151, the amount of the Floating Debt of the Daira	£726,537
2ndly. By the Bonus on the Loans of 1864, 1865, and 1867... ..	306,796
3rdly. By the reduction of the Bonus granted to the Floating Debts of the Malieh and of the Daira on the Malieh, viz., £5,170,993, 3/5ths of which representing the 15 per cent. to be deducted, is	3,102,597
	<hr/>
	4,135,936
	<hr/>
	£2,068,397
B. The Unified Debt of	£91,000,000
will be reduced as follows by these several deductions :—	
1st. The Consolidated Debt of the Daira	£5,909,280
2ndly. The Floating Debt of the Daira	2,906,151
3rdly. The Loans of 1864, 1865, and 1867	4,392,616
4thly. The Railways and the Port of Alexandria	17,000,000
5thly. Sundry Bonuses (as above)	4,135,930
	<hr/>
	34,343,977
	<hr/>
	£56,656,023
There accrues to the Government on account of the Port of Alexandria, which is given as a guarantee, two millions in Bonds of the General Debt	2,000,000
Balance at the disposal of the Government	343,977
	<hr/>
Total of the Unified Debt	£59,000,000

“To this debt of fifty-nine millions an annuity of £4,177,720 sterling is assigned representing its redemption in sixty-five years, and interest at the rate of 7 per cent. upon the capital. Interest to run from 15th July, 1876.

“This annuity is payable in two half-yearly payments of £2,088,860 each

“The revenues which are at present assigned to the Treasury of the Public Debt by our Decree of the 7th May, 1876, remain pledged as before, subject to the modifications which will result from the present Decree, which

will be arranged by the Controllers-General to be mentioned hereafter, and by the Commissioners of the Public Debt.

"The £2,000,000 in Bonds of the General Debt accruing to the Government for the Port of Alexandria are not to be disposed of until after the entire payment of the amount of £704,000 due on the 1st of January, 1877, to the Contractors of the Port.

'SECOND DIVISION.

"Amortisation.

"ARTICLE VI.—The operation of redeeming the Bonds will be carried out by the Commissioners of the Treasury of the Public Debt. In order to increase the amount available for redemption, a deduction will be made of one-seventh of the interest of 7 per cent., which is assigned to the service of this debt, viz. :—1 per cent. on the capital remaining to be redeemed at the beginning of each year.

"The fund yielded by this deduction will be added to the sums available from the Moukabala, and will be also employed in redeeming Bonds by means of public purchases, subject to the reservation mentioned hereafter, in case of public purchases not being made.

"This deduction, however, will only be made to the end of the year 1885 at the latest, and if before that date the unified debt is reduced to forty millions sterling, payment of interest at 7 per cent. will be resumed from that moment.

"The funds yielded by the Moukabala will be paid in their entirety to the Commissioners of the Public Debt, to whom the service of redemption is confided ('service d'amortissement'). The Commissioners of the Treasury of the Public Debt will take out of the funds paid to them the sum necessary for the redemption of the 1864, 1865, and 1867 loans, and they will devote the available balance to the redemption of the general unified debt.

"In the event that after the service of the Public Debt shall have been provided for, the revenues should be insufficient to meet the estimated budget expenses of the Government, such as they are fixed in the table annexed to the present decree, the Finance Committee, composed of the Minister of Finance and the two Controllers-General, will give notice thereof to the Commissioners of the Public Debt. The latter will then keep back out of the available funds yielded by the Moukabala and intended for the redemption of the unified debt, the sum necessary to make up the difference.

"In order to be in a position to meet this liability, the Commissioners of the Public Debt will keep in hand (*conservera dans ses caisses*) out of the available sums yielded by the Moukabala and assigned for the redemption of the Public Debt, a sum of £600,000 per annum. This sum can only be sent to Europe after a notification of the Finance Committee mentioned above.

"If, on the other hand, there is an excess of Revenue after the charge for the Public Debt and the Budget expenses above mentioned have been met, this excess is to be added to the Redemption Fund.

"The amortisation, both by the deduction of 1 per cent. and by the sums remaining available from the Moukabala and the Budget surpluses, is to be conducted by means of public purchases so long as it will be possible to effect these purchases below the price of 75.

"In the event that during the period of the Moukabala purchases cannot be made at a rate below 75, the amortisation is to take place by drawings at the rate of 75. As soon as the increments of revenues shall produce a Budget surplus of 150,000*l.* per annum, the amortisation will take place at the rate of 80.

"THIRD DIVISION.—ADMINISTRATION.

"Controllers-General.

"ARTICLE VII.—Two Controllers-General will be appointed, the one a Controller-General of Receipts, the other a Controller-General of Audit (*comptabilité*) and of the Public Debt.

"ARTICLE VIII.—The functions of the Controller-General of Receipts are the following :—

"1st. The collection of all the Revenues of the State, and their payment into the receiving offices to which they belong (*dans les caisses respectives*).

"2ndly. He will have under his direction all the collectors, except the officials charged with the collection of Judicial Fees and others attached to the tribunals of the Judicial Reform (*Tribunaux de la Reforme*).

"3rdly. He will propose their nomination to us through the channel of the Minister of Finance.

"He will have the right to suspend them from their functions, and he can also dismiss them after a regular inquiry, with the concurrence of the Finance Committee, composed of the Minister of Finance and the two Controllers-General.

"The Collectors of Taxes in the Provinces (*Moudiriehs*) will be chosen from amongst Egyptian subjects, who are not disqualified by any such legal incapacity as may be provided against by law.

"4thly. It will be his duty to see that the Agents of Collection do not collect more than the authorised taxes. Collection cannot be enforced on the Tax Papers of the direct taxes, until after they have been countersigned by him.

"5thly. It will be his duty to see that the produce in kind belonging to the revenues is realised to the best advantage of the Treasury. The Finance Committee will look to the best means of realising its value.

"ARTICLE IX.—The Controller-General of Audit and the Public Debt will have to fulfil at the same time the functions of 'Councillor to the Ministry of Finance.'

"These functions will be the following :—

"1stly. It will be his duty to see to the execution of all the Regulations affecting the Debts of the State, without trenching on the functions which belong to the Commissioners of the Public Debt.

"2ndly. He will control the general account keeping of the Treasury and of all the Government Receiving Offices (*Caisses de l'Etat*).

"3rdly. The Ministers or heads of administration will have the regulation of all the expenses. The cheques or orders for payment (*des mandats ou assignations*) which they may issue must be countersigned by the Controller-General, in order to be honoured.

"4thly. The Controller-General will not have to judge of the expediency of the expenditure of the Government. He can only refuse his countersignature to orders to pay (*mandats*) which would exceed the amount of the credits still open, or which would prevent sufficient funds remaining in hand to meet the balance of expenditure still to be incurred under the estimated Budget of the current year.

"ARTICLE X.—The Controllers-General will take part in the preparation of the Budget. They are not to encroach upon the functions of the Ministers, who will remain sole judges of the necessity of assigning credits to services of such and such a nature. Accordingly the Budget will be prepared by the Minister of Finance, who will centralise all the demands for credits made by the heads of departments.

"The Budget having been thus prepared, will be submitted to the Council of Ministers, to which the two Controllers-General will be summoned.

"When the Budget has been examined and revised, if necessary, it will be submitted by the Council to our approbation.

"The Minister of Finance and the Controllers-General will see to the strict execution of the Budget.

"ARTICLE XI.—The Finance Committee will have to give their approval in the first instance (*préalablement*), to all contracts entailing pecuniary engagements which would exceed $\frac{1}{2}$ th of the credits open for the year, or which would be applicable to several years.

"ARTICLE XII.—It will be the duty of the Finance Committee to draw up the general regulations in the matter of public accounts (*en matière de comptabilité publique*), under our sanction.

"ARTICLE XIII.—Of the two Controllers-General one will be an Englishman, and the other a Frenchman.

"ARTICLE XIV.—The nomination and the choice of the Controllers-General will belong to us; but in order to satisfy ourselves with regard to the guarantees offered by the persons whom we may choose, we shall address ourselves unofficially (*officieusement*) to the English and French Governments, and we shall only engage persons who are furnished with the authority, or with the acquiescence of their Governments. If one or the other of these Governments, at the time when the nominations have to be made, should not give its authority or its acquiescence, our choice will be made amongst the higher officials of the two countries, either in active service or retired.

"ARTICLE XV.—The two Controllers-General will be named for five years. In case of their resignation or their death, the proceedings taken to replace them will be the same as those taken for their nomination.

"ARTICLE XVI.—The two Controllers-General will have the same rank, and will receive the same remuneration.

"ARTICLE XVII.—They will be accountable only to us.

"*Commission of the Public Debt.*

"ARTICLE XVIII.—The Commission of the Public Debt is permanent until the entire debt is redeemed.

"ARTICLE XIX.—The Commissioners will have the right to send the funds which they will have encashed, direct to the Bank of England, and to the Bank of France. They will have the necessary powers to make this transmission of funds; but it will be their duty to come to an understanding beforehand with the Minister of Finance and the Controller-General.

"ARTICLE XX.—An English Commissioner will be added to the Commission of the Public Debt. The nomination and the choice of this Commissioner will belong to us; but in order to satisfy ourselves with regard to the guarantees offered by the person whom we shall choose, we shall address ourselves unofficially to the English Government, and we shall only engage a person furnished with the authority and acquiescence of his Government. If the English Government, at the time when this nomination is to be made, should not give its authority or its acquiescence, we should make choice of a higher official in the English service, either on the active or on the retired list.

"ARTICLE XXI.—The merchandise or produce given for payment of taxes in the provinces specially set apart for the service of the debt, will be placed at the exclusive disposal of the Commissioners of the Debt, who will have the power to sell it; coming, however, to an understanding (*en se concertant toutefois*) with the Minister of Finance and the Controllers-General as to the best means of realising it.

"ARTICLE XXII.—The members of the Commission of the Public Debt will not be able to accept any other functions in Egypt.

"*Railways and Port of Alexandria.*

"ARTICLE XXIII.—The railways which are now actually being worked, and the Port of Alexandria, will be placed under a Special Administration, which will be accountable only to us. This Administration will be composed of five Administrators, of whom two will be English, one French, and two natives. One of the two English Administrators will have the functions of President.

"ARTICLE XXIV.—The annexation of the Administration of the Port of Alexandria to the Special Administration of the Railways, and the application of their revenues to the service of the Preference Debt, are not in any case to prejudice the contracts already existing with the Contractors, nor to modify the relations of the Government to the latter with regard to the work which is still to be executed.

"ARTICLE XXV.—The nomination and the choice of the Administrators will belong to us; but in order to satisfy ourselves with regard to the guarantees offered by the foreign Administrators whom we may choose, we shall address ourselves unofficially to the Governments of England and France and we shall only engage persons furnished with the authority or the acquiescence of their Governments. In the event that one or the other of these Gov-

ernments should not give its authority or its acquiescence, our choice will be made amongst the higher officials, either civil or military, of the two countries, or of their great Railway Companies, either in active service or on the retired list.

"ARTICLE XXVI.—The foreign Administrators will be named for five years. In case of their resignation or their death, the same proceedings will take place for replacing them as have been fixed for their nomination.

"ARTICLE XXVII.—The Administration, formed as described above, will continue to act until all the privileged Bonds specially created have either been redeemed or paid off. The Port of Alexandria being comprised in this guarantee for the sum of £2,000,000, can be freed from this guarantee and detached from the Joint Administration as soon as £2,000,000 of these Preference Bonds shall have been redeemed or repaid.

"The Railways being comprised in this guarantee for £15,000,000 sterling in Preference stock, can be freed by the redemption or the repayment of £15,000,000 of this Stock.

"ARTICLE XXVIII.—The Administrators will propose for our choice and nomination the superior employés of the Railways and the Port.

"They will name the other employés direct.

"They will have the right to suspend all the employés from their functions; they may also dismiss them after a regular inquiry.

"They alone will have the right to make any modifications in the tariffs and in the regulations in force, under our sanction.

"They will be exclusively charged with the duty of making contracts for the purchase of rolling stock or of fixtures, and for the matériel necessary for the working of the Railways and the service of the Port.

"They will decide on the necessity of repairs in the matériel or the permanent way, as well as for the maintenance of the Port, all under our approval.

"ARTICLE XXIX.—Provision will be made from the general resources of the Budget for extraordinary expenses which will have been decided on by the Administrators and approved by us.

"ARTICLE XXX.—All the receipts of the Railways and of the Port of Alexandria according as they come in, with the exception of what is necessary for the ordinary outlay for maintenance and for working expenses, and with the exception of the rights of the Contractors of the Port provided for in the contracts, will be paid into the Treasury of the Public Debt, to which they are assigned.

"ARTICLE XXXI.—The Commission of the Public Debt will open a special account for the service of the Preference 5 per Cent. Bonds. The Commission will be bound to send any funds which are paid into it by the Administration of the Railways and the Port, to the Banks of England and France, and likewise to a special account opened for the service of the Preference Stock issued on the Railways and on the Port.

"ARTICLE XXXII.—In the event that the payments made by the Administration of the Railways and of the Port should be insufficient for the service of this Debt, the Commission of the Public Debt will have to provide

for the service by taking as a first charge the necessary amount from the general resources which are assigned to it.

"ARTICLE XXXIII.—All the provisions of our Decrees of the 2nd and 7th May, 1876, which are not contrary to these presents remain in force.

"Given at Cairo the 18th November, 1876.

"(Signed) ISMAÏL.

"On behalf of the Khedive,

"The Minister of Finance,"

"(Signed) HUSSEIN-KIAMIL."

TABLE of the Expenditure of the Egyptian Government mentioned in Article VI. of the above Decree.

Year 1877	£4,259,350	Year 1882	£4,500,000
" 1878	£4,403,961	" 1883	£4,500,000
" 1879	£4,500,000	" 1884	£4,500,000
" 1880	£4,500,000	" 1885	£4,500,000
" 1881	£4,500,000		

APPENDIX No. 1.—BUDGET of the Egyptian Government for the Year 1876.

RECEIPTS.	Brs. ps.	Brs. ps.	EXPENDITURE.	Brs. ps.	Brs. ps.
Provinces of Upper and Lower Egypt—Kharaj on lands, either Kharchis or Ouchoury	89,500 323	1,872,157 2	Tribute to Constantinople	..	133,635 62
Titles on date trees..	36,824 81	124,737 297	Civil List of His Highness the Khedive	..	60,000 0/0
Patents (licenses) ..	82,346 132	193,207 28	Annual allowance to His Highness the Prince Heritier	..	6,000 000
Octroi, duties on sheep and other duties ..	98,517 338	..	Administrations and expenses of the Ministry of Finance and its dependencies, and the Administration included under it, as follows:—	..	11,700 000
Monkabala on lands..	314,858 198	..	The Maha Samieh (Cabinets) of His Highness the Khedive	..	..
Customs	..	140,523 404	Personnel and employes of the Privy Council	4,338 66	..
Net revenue from railways of Cairo and Alexandria.	..	50,000	Ministry of Foreign Affairs	2,088 137	..
Revenues from the Government and Prefectures of Police of Cairo, Alexandria, Damietta, Rosetta, Suez, Aricha, Port Said, and Ismailia	..	33,313 87	Ministry of Justice	1,596 268	..
Revenues from the locks of the Mahmoudieh Canal; from "barrages," ports, and bridge of Kasr-el-Nil	..	..	Ministry of Finance, Monkabala Commission, and Accounts	2,155 130	..
Lease of Mattarich (salt fish), duties on sales; and other duties collected by the Minister of Finance..	..	..	Various pensions and allowances, registered under the Ministry of Finance	16,448 26	..
Tobacco duties	..	..	Conseil d'Etat, Court of Appeal, Court of First Instance at Cairo, and the Chamber of Notables	10,862 243	..
Revenues from the Soudan	..	..	Irregular troops	58,193 153	..
Total bourses..	..	2,100,659 33	Egyptian Museum, Canal d'Ismailia, Office of the Suez Canal Engineers, Liquidation Department, Commission for Archives, Provisions and Stores, &c.	3,242 268	..
			Customs, Commission for the Mattarich (salt fish)	5,762 374	..
			Foreign Agents	6,633 297	..
			Expenses on account of the Philadelphia Exhibition	5,823 408	..
			Appointments and expenses of the Provinces of Upper and Lower Egypt	1,077 296	..
			Appointments and expenses of the Governments, Prefectures, and Dependences and Octroi, including the service of Public Ways, as follows:—	2,851 349	..
			Cairo (including Hospital and Patients' expenses) ..	2,244 66	..
			Alexandria, ditto ..	..	41,298 179
			Damietta, Rosetta, Suez, Aricha, Port Said, and Ismailia ..	..	30,306 313
			Octroi ..	..	72,484 461
			Appointments and expenses of locks and "barrages" of the Mahmoudieh Canal, and for bridge at Kasr-el-Nil ..	..	5,219 368
			Appointments and expenses of the Ministry of Public Works ..	..	..
			Appointments and expenses of the Ministry of Public Instruction (besides the revenues of schools which possess large properties) ..	..	..
			Appointments, expenses, pensions, annual allowances, allowance for the Soudan, for the Mecca caravan, expenses for the forts of Hedjaz, cost and charges on corn intended for charity, &c.; all registered under the Rouznaméh ..	..	..
			Appointments and expenses of the Ministries of War and Marine ..	..	..
			Works contracted for, for the Soudan Railway, and for part of the Canal at Ismailia, &c.	..	..
			Interest on the Bonds of Rouznaméh ..	..	..
			Annuities and loans (redemptions and interest) ..	..	..
			A bourse is 500 piastres Tarif. A pound sterling equal to 97½ piastres Tarif.	..	..
				Say	1,751,461 70
				equal to	£8,981,852

BALAF JR.

Receipts

Expenditures

Which will serve for pay-
ment of the interest on the
floating debt.

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