

N° 4740.

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## ÉGYPTE ET FRANCE

Convention relative à l'abolition de la Caisse de la Dette publique égyptienne et déclaration du Gouvernement égyptien y annexée. Signées au Caire, le 3 août 1940.

*Texte officiel français communiqué par le sous-secrétaire d'Etat aux Affaires étrangères du Royaume d'Egypte. L'enregistrement a eu lieu le 19 août 1940.*

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## EGYPT AND FRANCE

Convention relative to the Abolition of the Egyptian "Caisse de la Dette publique", and Declaration by the Egyptian Government annexed thereto. Signed at Cairo, August 3rd, 1940.

*French official text communicated by the Under-Secretary of State for Foreign Affairs of the Kingdom of Egypt. The registration took place August 19th, 1940.*

N<sup>o</sup> 4740. — CONVENTION ENTRE L'EGYPTE ET LA FRANCE  
RELATIVE A L'ABOLITION DE LA CAISSE DE LA DETTE  
PUBLIQUE EGYPTIENNE. SIGNÉE AU CAIRE, LE 3 AOUT 1940.

SA MAJESTÉ LE ROI D'EGYPTE, et LE CHEF DE L'ETAT FRANÇAIS,

Considérant que, par le Décret Khédivial<sup>1</sup> du 2 mai 1876, il a été institué une commission spéciale et une caisse pour le service de la Dette publique égyptienne, désignée ci-après sous la dénomination de « Caisse de la Dette » ;

Considérant que, par une Convention<sup>2</sup> signée à Londres, le 18 mars 1885, entre les Gouvernements de l'Autriche-Hongrie, de la France, de la Grande-Bretagne, de l'Italie, de la Russie et de la Turquie, il a été convenu que le service de l'emprunt dont la garantie a résulté de ladite convention serait confié à la Caisse dans les mêmes conditions que le service de la Dette privilégiée et de la Dette unifiée faisant à cette époque partie de la Dette publique égyptienne, conformément au Décret Khédivial précité, et que ladite convention a été rendue exécutoire par le Décret Khédivial<sup>3</sup> du 27 juillet 1885 ;

Considérant que, par la Loi N<sup>o</sup> 17 du 28 novembre 1904<sup>4</sup>, promulguée avec l'assentiment de toutes les Puissances signataires de la Convention précitée du 18 mars 1885, lesdits Décrets Khédiviaux du 2 mai 1876 et du 27 juillet 1885 ont été abrogés et que le fonctionnement de la Caisse de la Dette a été dorénavant réglé par les dispositions de ladite Loi ;

Considérant que le régime institué par la Loi N<sup>o</sup> 17 du 28 novembre 1904 ne se justifie plus en raison de la stabilité financière de l'Egypte et que le Gouvernement français a accepté qu'il fût supprimé, et considérant, d'autre part, que le Gouvernement royal égyptien a accepté d'adopter des dispositions assurant aussi efficacement que par le passé le service des emprunts encore compris dans la Dette publique égyptienne ;

Ont décidé de conclure une convention à cette fin et ont désigné pour leurs plénipotentiaires, savoir :

SA MAJESTÉ LE ROI D'EGYPTE :

Son Excellence Hassan SABRY Pacha, président du Conseil des ministres, ministre des Affaires étrangères,

LE CHEF DE L'ETAT FRANÇAIS :

Son Excellence Monsieur Jean Pozzi, envoyé extraordinaire et ministre plénipotentiaire de France en Egypte,

Lesquels, après avoir échangé leurs pleins pouvoirs, trouvés en bonne et due forme, sont convenus des dispositions suivantes :

*Article premier.*

Le Gouvernement français consent, sous réserve des dispositions énoncées dans les articles suivants, à l'abrogation de la Loi N<sup>o</sup> 17 du 28 novembre 1904.

*Article 2.*

Le Gouvernement royal égyptien assurera, comme première charge sur ses ressources générales et dans l'ordre suivant, le service (intérêts et amortissements) de la Dette garantie, de la Dette

<sup>1</sup> *British and Foreign State Papers*, Vol. 67, page 1014.

<sup>2</sup> DE MARTENS, *Nouveau Recueil général de Traités*, deuxième série, tome XI, page 94.

<sup>3</sup> DE MARTENS, *Nouveau Recueil général de Traités*, deuxième série, tome XI, page 98.

<sup>4</sup> *British and Foreign State Papers*, Vol. 97, page 41.

## TRADUCTION. — TRANSLATION.

No. 4740. — CONVENTION BETWEEN EGYPT AND FRANCE RELATIVE TO THE ABOLITION OF THE EGYPTIAN "CAISSE DE LA DETTE PUBLIQUE". SIGNED AT CAIRO, AUGUST 3RD, 1940.

HIS MAJESTY THE KING OF EGYPT AND THE HEAD OF THE FRENCH STATE,

Considering that, by the Khedivial Decree<sup>1</sup> of the 2nd May, 1876, there was instituted a special commission and a "caisse" for the service of the Egyptian Public Debt, hereinafter described as the "Caisse de la Dette";

Considering that, by a Convention<sup>2</sup> signed in London on the 18th March, 1885, between the Governments of Austria-Hungary, France, Great Britain, Italy, Russia and Turkey, it was agreed that the service of the loan of which the guarantee resulted from the said Convention should be entrusted to the Caisse under the same conditions as the service of the Privileged Loan and of the Unified Loan, forming at that time part of the Egyptian Public Debt, in conformity with the above-mentioned Khedivial Decree, and that the said Convention was put into execution by the Khedivial Decree<sup>3</sup> of the 27th July, 1885;

Considering that, by Law No. 17 of the 28th November, 1904<sup>4</sup>, passed with the consent of all the Powers that signed the above-mentioned Convention of the 18th March, 1885, the said Khedivial Decrees of the 2nd May, 1876, and the 27th July, 1885, were abrogated and the functioning of the "Caisse de la Dette" has since then been regulated by the terms of the aforesaid Law;

Considering that the regime instituted by Law No. 17 of the 28th November, 1904, is no longer justified in view of the financial stability of Egypt and that the French Government has agreed that it should be suppressed, and considering, on the other hand, that the Royal Egyptian Government have agreed to adopt measures assuring as efficaciously as in the past the service of the loans still included in the Egyptian Public Debt;

Have decided to conclude a Convention with this object and have appointed as their Plenipotentiaries:

HIS MAJESTY THE KING OF EGYPT:

His Excellency Hassan SABRY Pasha, President of the Council of Ministers, Minister for Foreign Affairs,

THE HEAD OF THE FRENCH STATE:

His Excellency M. Jean POZZI, Envoy Extraordinary and Minister Plenipotentiary of France in Egypt,

Who, after having exchanged their full powers, found to be in good and due form, have agreed upon the following Articles:

*Article 1.*

The French Government agree, with the reservations set out in the following Articles, to the abrogation of the Law No. 17 of the 28th November, 1904.

*Article 2.*

The Royal Egyptian Government will assure as a first charge on their general resources and in the following order the service (interest and amortisation) of the Guaranteed Loan, of the Privileged

<sup>1</sup> *British and Foreign State Papers*, Vol. 67, page 1014.

<sup>2</sup> *British and Foreign State Papers*, Vol. 76, page 348.

<sup>3</sup> *British and Foreign State Papers*, Vol. 76, page 352.

<sup>4</sup> *British and Foreign State Papers*, Vol. 97, page 41.

Loan and of the Unified Loan. The Royal Egyptian Government undertake to take no action prejudicial to the maintenance of that priority.

*Article 3.*

The Guaranteed Loan carries interest at the rate of 3 per cent. per annum payable on the 1st March and the 1st September. Its service involves a fixed annuity of 315,000 pounds sterling for the payment of the interest and amortisation. The portion of that annuity which cannot be absorbed by the service of the interest will be applied to the amortisation of the Guaranteed Loan. That Loan will continue to benefit by the guarantee envisaged by the International Convention of the 18th March, 1885.

The Privileged Loan carries interest at the rate of 3½ per cent. per annum payable on the 15th April and the 15th October.

The Unified Loan carries interest at the rate of 4 per cent. per annum payable on the 1st May and the 1st November.

*Article 4.*

The coupons of the three Loans of the Public Debt mentioned in Article 3 above are payable and their bonds repayable in pounds sterling without any deduction. The payments and the repayments are made in Egypt, in London and in Paris.

*Article 5.*

The Royal Egyptian Government will have full liberty to proceed, at any moment, to the repayment at par of the Guaranteed Loan, of the Privileged Loan, and of the Unified Loan, either at one and the same time or at different times, or to the amortisation of any one of these Loans. When the market price is under par, amortisation will take place by purchases at market price. If the contrary is the case, amortisation will take place at par by means of drawings which will be made in public.

Notice will be given in the *Journal Officiel* two months in advance in the case of amortisation in accordance with this Article.

The repayment of the bonds drawn will take place as from the date of maturity of the following coupon.

The Royal Egyptian Government will assure as effectively as in the past the rights of holders of bonds or coupons that have been destroyed, lost or stolen.

*Article 6.*

No tax payable to the Egyptian Government can be charged on the bonds of the three Loans and their repayment.

*Article 7.*

The abrogation of Law No. 17 of the 28th November, 1904, will not have the effect of bringing back into force any of the provisions of the laws, decrees or contracts directly or indirectly abrogated by the said Law.

*Article 8.*

Any difference of opinion between the contracting Governments on the subject of the interpretation or the application of the present Convention which cannot be decided through the diplomatic channel will be submitted, at the request of one or other of the Governments, to the Permanent Court of International Justice for judgment.

*Article 9.*

The present Convention will enter into force on the date of its signature.

The transfer to the Royal Egyptian Government of £E.1,800,000 from the Reserve Fund, of £E.500,000 from working capital provided for in Article 27 of Law No. 17 of 1904, and of the permanent increase of the realisable assets, instituted by the letter of the Minister of Finance dated the 15th December, 1904, and now amounting to £E.650,000, as well as all other sums

deposited with the Caisse de la Dette, will take place on the date of the entry into force of the Convention. On the same date, the Royal Egyptian Government will accept responsibility for all the obligations of the Caisse de la Dette.

In witness whereof the above-mentioned Plenipotentiaries have signed the present Convention and have affixed their seals.

Done at Cairo, the 3rd August of the year nineteen hundred and forty (28 Gamâd El Tani 1359), in a single copy which will be placed in the archives of the Royal Egyptian Government and of which a certified copy will be sent to the French Government.

(L. S.) Hassan SABRY.

(L. S.) Jean POZZI.

### DECLARATION

At the time of proceeding to the signature of the Convention of to-day's date on the subject of the Egyptian Public Debt, the Egyptian Plenipotentiary declares that :

I. To ensure the application of the said Convention, the Royal Egyptian Government intend to pay the sums necessary for the service of the Guaranteed Loan, the Privileged Loan and the Unified Loan into a special account that the Government will open at the National Bank of Egypt, called the " Special Loan Account ", in order that that Bank may carry on this service. Half the fixed annuity of the Guaranteed Loan, as well as half the sums necessary for the payment of each coupon of the Privileged Loan and the Unified Loan will be paid into the above-mentioned account three months before the due date.

II. The Royal Egyptian Government undertake to maintain, in the law yet to be promulgated in fulfilment of the Convention of to-day's date, the rules actually in force regarding time-limit of prescription for the interest of the three Loans and the capital of their bonds drawn for amortisation.

III. The Royal Egyptian Government are willing to examine favourably the situation of those of the present permanent officials of the Caisse de la Dette whose duties will come to an end as a result of the suppression of that institution.

IV. The Crédit Lyonnais will continue to perform the duties of paying agent for the service of the three Loans in Paris.

V. In fixing the exchange for payments in Paris the Royal Egyptian Government intend to continue the existing practice in accordance with which the payments will be made at ten centimes under the ruling exchange rate on London on the day of presentation.

The Plenipotentiary of France has taken cognisance of these declarations.

CAIRO, *August 3rd*, 1940.