

N° 2051.

**GRANDE-BRETAGNE
ET IRLANDE DU NORD
ET EGYPTE**

Accord concernant l'emprunt garanti
ottoman de 1855, signé au Caire,
le 17 mars 1929, et échange de
notes y relatif de la même date.

**GREAT BRITAIN
AND NORTHERN IRELAND
AND EGYPT**

Agreement regarding the Ottoman
guaranteed Loan of 1855, signed
at Cairo, March 17, 1929, and
Exchange of Notes relating thereto
of the same date.

No. 2051. — AGREEMENT BETWEEN GREAT BRITAIN AND NORTHERN IRELAND AND EGYPT RELATING TO THE OTTOMAN GUARANTEED LOAN OF 1855. SIGNED AT CAIRO, MARCH 17, 1929.

Texte officiel anglais communiqué par le Secrétaire d'Etat aux Affaires étrangères de Sa Majesté en Grande-Bretagne. L'enregistrement de cet accord a eu lieu le 7 juin 1929.

Whereas a Convention ¹ was concluded in 1885 between THE IMPERIAL OTTOMAN GOVERNMENT, of the one part, and THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND IRELAND and THE GOVERNMENT OF FRANCE, of the other part, whereby the two latter Governments jointly and severally guaranteed the interest on a Loan of £5,000,000 which was charged on the whole revenues of the Ottoman Empire and specially on such part of the Egyptian tribute as remained unencumbered and, moreover, on the customs of Smyrna and Syria ;

And whereas the said Convention provided for certain yearly payments by the Imperial Ottoman Government for the redemption of the said Loan, but, as these payments have not been made since 1876, the amount of the said Loan still outstanding is £3,815,200 ;

And whereas the Government of the United Kingdom of Great Britain and Northern Ireland claim on various grounds of fact and law, and particularly by reference to the provisions of the Treaty of Lausanne, that Egypt is liable for the said Loan, but the Egyptian Government contest all liability therefor ;

And whereas the Government of the United Kingdom and the Egyptian Government have reached a friendly settlement of this question ;

And whereas the Government of the United Kingdom undertake to pay to the Egyptian Government a share of Reparations fixed at 0.464 (decimal four six four) of 1 per cent of the total reparation receipts distributed to the British Empire ;

Now, therefore, the undersigned, duly authorised thereto by their respective Governments, have agreed as follows :

(1) The Egyptian Government undertake to pay to the Government of the United Kingdom the sum of £328,600 (three hundred and twenty-eight thousand six hundred pounds sterling), deposited with the National Bank of Egypt in pursuance of a resolution of the Egyptian Parliament dated the 9th July, 1924, which sum represents the total of the payments between July 1924 and February 1929 on account of the part of the old Tribute formerly allocated to the service of the 1855 Loan.

The Egyptian Government undertake also to pay to the Government of the United Kingdom the sums required to cover, as from the 1st February, 1929, the service and redemption of a part of the outstanding debt, amounting to £1, 386,000 nominal value, to be discharged in the following manner :

(a) By an immediate payment of £302,310, being the Egyptian Government's share in the sums distributed on account of Reparations up to the 30th November, 1928 ; and

¹ DE MARTENS, *Nouveau Recueil général de Traités*, tome XV, page 624.

¹ TRADUCTION. — TRANSLATION.N^o 2051. — ACCORD ENTRE LA GRANDE-BRETAGNE ET L'IRLANDE DU NORD ET L'EGYPTE, CONCERNANT L'EMPRUNT GARANTI OTTOMAN DE 1855. SIGNÉ AU CAIRE, LE 17 MARS 1929.

English official text communicated by His Majesty's Secretary of State for Foreign Affairs in Great Britain. The registration of this Agreement took place June 7, 1929.

Considérant qu'il a été conclu en 1855 entre LE GOUVERNEMENT IMPÉRIAL OTTOMAN, d'une part, et LE GOUVERNEMENT DU ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE, ainsi que le GOUVERNEMENT FRANÇAIS d'autre part, une Convention², aux termes de laquelle ces deux derniers Gouvernements ont garanti, collectivement et séparément, l'intérêt d'un emprunt de £5.000.000 qui a été imputé sur l'ensemble des revenus de l'Empire ottoman et particulièrement sur la fraction du tribut égyptien non encore grevée de charges, et en outre sur les douanes de Smyrne et de Syrie ;

Que cette convention prévoyait certains versements annuels de la part du Gouvernement impérial ottoman pour le remboursement dudit emprunt, mais que, ces versements n'ayant pas été effectués depuis 1876, le montant dudit emprunt encore dû est de £3.815.200 ;

Que le Gouvernement du Royaume-Uni de Grande-Bretagne et de l'Irlande du Nord soutient pour divers motifs de fait et de droit, et notamment en raison des dispositions du Traité de Lausanne, que l'Égypte est responsable dudit emprunt, mais que le Gouvernement égyptien conteste toute responsabilité à cet égard ;

Que le Gouvernement du Royaume-Uni et le Gouvernement égyptien ont abouti à un accord à l'amiable réglant cette question ;

Que le Gouvernement du Royaume-Uni s'engage à verser au Gouvernement égyptien une fraction des réparations fixée à 0,464 (zéro, virgule, quatre, six, quatre), de 1 % du total des recettes au titre des Réparations allouées à l'Empire britannique ;

Pour ces motifs, les soussignés dûment autorisés à cet effet par leurs gouvernements respectifs, sont convenus des dispositions suivantes :

1^o Le Gouvernement égyptien s'engage à verser au Gouvernement du Royaume-Uni la somme de £328.600 (trois cent vingt-huit mille six cents livres sterling), déposée auprès de la Banque nationale d'Égypte, comme suite à une résolution du Parlement égyptien en date du 9 juillet 1924, ladite somme représentant le total des paiements effectués entre juillet 1924 et février 1929 pour le compte de la fraction de l'ancien tribut jadis affectée au service de l'emprunt de 1855.

Le Gouvernement égyptien s'engage également à verser au Gouvernement du Royaume-Uni les sommes nécessaires pour garantir, à partir du 1^{er} février 1929, le service des intérêts et du remboursement d'une fraction de la dette non remboursée, s'élevant à £1.386.000 (valeur nominale), et à s'acquitter de cette obligation de la façon suivante :

(a) Par un versement immédiat de £302.310, représentant la fraction revenant au Gouvernement égyptien des sommes distribuées au titre des réparations jusqu'au 30 novembre 1928 ; et

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

² *British and Foreign State Papers*, Vol. 45, page 18.

(b) By fifteen annual payments of £90,000 each payable in equal quarterly instalments, commencing from the 1st February, 1929; and

(c) By a sixteenth and final payment of £74,356 in the year commencing the 1st February, 1944.

The payments under (b) and (c) above will be made each quarter out of the sums accruing due to Egypt on account of reparations, it being understood that the Egyptian Government will pay in cash any balance required at the end of each quarter.

(2) Provided that the aforesaid sums are duly paid in accordance with the conditions stated, the Egyptian Government shall be discharged absolutely from any liability for or in respect of the Imperial Ottoman Guaranteed 4 per cent Loan of 1855, whether for capital or interest or in any other respect whatsoever, and the Government of the United Kingdom shall be solely responsible for meeting all claims against Egypt arising out of or in respect of the said Loan, as well towards all other Governments as towards the holders of the certificates of the said Loan and all other persons.

Done, in duplicate, at Cairo, this 17th day of March, 1929.

For the Government of the United Kingdom
of Great Britain and Northern Ireland :

(Signed) LLOYD.

For the Government of
Egypt :

(Signed) M. MAHMOUD.

EXCHANGE OF NOTES.

THE RESIDENCY, CAIRO, 17th March, 1929.

MY DEAR PRIME MINISTER,

I beg to confirm the statement which the representative of the British Treasury has already made to His Excellency the Minister of Finance, viz., that the undertaking given by His Majesty's Government in the United Kingdom of their readiness to accept a general cancellation of war debts and reparations affects only the share of reparations payable to the United Kingdom; and you may rest assured that His Majesty's Government will not renounce the share of reparations allotted to Egypt without the consent of the Egyptian Government.

Yours very sincerely,

(Signed) LLOYD.

His Excellency
Mohamed Mahmoud Pasha,
etc., etc., etc.

PRÉSIDENCE
DU CONSEIL DES MINISTRES.

No. 165.1/6.

CAIRO, 17th March 1929.

MY DEAR HIGH COMMISSIONER,

In the agreement relating to the 1855 Loan it is provided that Egypt will discharge as from the 1st February 1929, a part of the Loan amounting to £1,386,000 (nominal) by means of an immediate payment of £302,310 and by 15 subsequent annual payments of £90,000 with a sixteenth and final payment of £74,356.

The basis of this agreement was that, so far as the initial payment is concerned, your Government would be prepared to accept £87 ½ in cash as the equivalent of £100 bonds, the subsequent payments being reckoned at par.

I understand that, in the event of the Egyptian Government being prepared to make additional cash payments at any time before the 1st February 1930, your Government would be prepared to accept such additional payments on the basis of £90 cash for £100 bonds, and that either the amount or the number of the subsequent annuities to be paid by Egypt would be correspondingly reduced.

I should be grateful if you would be so kind as to confirm this.

Yours sincerely,

(Signed) M. MAHMOUD.

His Excellency

The Rt. Hon. Lord Lloyd,
P.C., G.C.S.I., G.C.I.E., D.S.O.,
H. B. M. High Commissioner,
The Residency,
Cairo.

THE RESIDENCY, CAIRO, 17th March 1929.

MY DEAR PRIME MINISTER,

In reply to your letter of 17th instant, relative to the redemption by Egypt of a part of the 1855 Loan, I beg to confirm that, in the event of the Egyptian Government being prepared to make additional cash payments at any time before the 1st February 1930, my Government would be prepared to accept such additional payments on the basis of £90 cash for £100 bonds, and that either the amount or the number of the subsequent annuities to be paid by Egypt would be correspondingly reduced.

Yours very sincerely,

(Signed) LLOYD.

His Excellency

Mohamed Mahmoud Pasha,
etc., etc., etc.