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Report on the Finances, Administration, and Condition of Egypt, and the Progress of Reforms.

[In continuation of "Egypt No. 1 (1894):" C. 7308.]

Lord Cromer to the Earl of Kimberley.—(Received March 4.)

My Lord,

Cairo, February 22, 1895.

I HAVE the honour to submit my Annual Report on the progress made in the various Administrative Departments of the Egyptian Government during the year 1894.

1. Finance.*

The history of Egyptian finance since 1892 has been briefly as follows:—

During the first four years of the British occupation the Egyptian Treasury was engaged in a struggle which Mr. Milner, in his work on Egypt, has very aptly termed the "race against bankruptcy." The aggregate deficits, including extraordinary expenditure, during the four years 1883-86, both inclusive, amounted to £ E. 2,762,000, then the tide turned. During the seven years, 1887-93, both inclusive, the aggregate surplus amounted to £ E. 3,299,000. Thus the solvency of the Egyptian Treasury appeared to be assured.

Quite recently an impression has to a certain extent gained ground that the financial situation of the Egyptian Government has, in some measure, deteriorated. Under these circumstances I may perhaps be rendering a service of some utility if I state what are the main facts of that situation. A statement of this nature is all the more necessary by reason of the extremely complicated system adopted for balancing the accounts of the Egyptian Government. This system is imposed on the Egyptian Government by various International Agreements into which it has from time to time entered.

The Estimates for the year 1894 were as follows:—

							£ E.
Revenue ..	::	::	::	::	::	::	10,075,000
Expenditure	::	::	::	::	::	::	9,545,000
Surplus	..	..	..	..	..	..	530,000

The accounts for 1894 show the following results:—

							£ E.
Revenue ..	::	::	::	::	::	::	10,304,000
Expenditure	::	::	::	::	::	::	9,519,000
Surplus	..	..	..	..	..	..	785,000

These figures may be considered as very satisfactory.

In spite of the fact that, towards the end of the year 1894, collections of land tax to the extent of £ E. 245,000 were suspended, the total revenue exceeded the estimate by £ E. 229,000; on the other hand, the expenditure fell short of the estimate by £ E. 26,000. The net result was £ E. 255,000 better than the estimate.

Whatever anxiety is felt in connection with the present financial situation of the Egyptian Treasury is due only to the heavy fall in the price of all agricultural produce. Comparing prices in January 1893 with those in December 1894, I find that sugar (No. 3) has fallen from 41 to 26 fr. per 100 kilog.; cotton from 204 to 152 piastres† per kantar;‡ cotton-seed from 61 to 47, wheat from 88§ to 68, and beans from 71 to 64 piastres per ardeb||. Fears are occasionally expressed that, in spite of recent improvements, notably

* The figures are throughout given in Egyptian pounds: £ E. 1 = 1l. 0s. 6d.

† 1 piastre = 2 $\frac{1}{2}$ d.

‡ 1 kantar = 99 lbs.

§ This is the figure for January 1892. The official Return from which these figures are taken does not give the price of wheat for January, 1893.

|| 1 ardeb = 5 $\frac{1}{2}$ bushels.

in the system of irrigation, it will not be possible, in view of the heavy fall of prices, to collect the whole of the land tax, which, I need hardly add, constitutes the main financial resource of the country.

Under these circumstances, it becomes important to ascertain what margin is available, consistently with the maintenance of financial equilibrium, for either temporary remissions or permanent reduction of taxation.

I have already stated that the surplus of the year 1894 amounted to £ E. 785,000. I have now to explain how much of this surplus is available, in case of need, for the purposes to which I have alluded above.

The Egyptian revenue is divided into two distinct categories, viz :—

						£ E.
Revenues pledged to the debt..	..	..	..	..	..	6,086,000
Unpledged revenues..	..	..	..	..	..	4,218,000
Total	..	..	..	..	..	10,304,000

The first charges to be borne by the revenues pledged to the service of the debt are :—

						£ E.
Administrative expenses of the pledged revenues..	..	..	..	..	..	1,222,000
Debt charges	..	..	..	..	..	3,312,000
Total	..	..	..	..	..	4,534,000

Deducting this figure from the total revenue pledged to the service of the debt, the result is as follows :—

						£ E.
Revenue ..	..	..	..	..	..	6,086,000
Expenditure (as above)	..	..	..	..	..	4,534,000
Surplus	..	..	..	..	..	1,552,000

The total administrative expenditure of the Egyptian Government in 1894 was £ E. 6,206,000; of this amount, only £ E. 6,047,000 was what is termed "authorized" expenditure, that is to say, expenditure incurred with the sanction of the Powers. In making up the accounts between the Egyptian Government and the Commissioners of the Debt, the latter only recognize "authorized" expenditure. Any further expenditure which may be incurred has to be met from the surplus eventually placed at the disposal of the Egyptian Government. This excess expenditure amounted in 1894 to the difference between £ E. 6,206,000 and £ E. 6,047,000, viz., £ E. 159,000.

I have already accounted for the cost of administering the pledged revenues, viz., £ E. 1,222,000, which is included in this figure of £ E. 6,047,000. Deducting this sum of £ E. 1,222,000 from £ E. 6,047,000, there remains a balance amounting to £ E. 4,825,000 of "authorized" expenditure. This expenditure is met to the extent of £ E. 4,218,000 out of the revenues which are not pledged to the service of the debt. The balance, viz., £ E. 607,000, constitutes a charge on the surplus of the pledged revenues which, as will be seen above, amounted to £ E. 1,552,000.

Deducting this sum of £ E. 607,000, the surplus in the hands of the Commissioners of the Debt is reduced to £ E. 945,000.

A sum of £ E. 408,000 has now to be deducted, being the amount of the economies due to the partial conversion of the debt. This money cannot be touched without the unanimous consent of the Powers.

The available surplus is thus reduced from £ E. 945,000 to £ E. 537,000.

Under the original Decree of the 27th July, 1885, which received the sanction of the Powers, this sum of £ E. 537,000 would have been divided into two equal portions, one of which would have been paid into the Egyptian Treasury, whilst the other would have been paid to the General Reserve Fund, which is administered by the Commissioners of the Debt.

Since this Decree was issued some further supplementary arrangements, which I need not describe in detail, have been agreed to by the Powers and the Egyptian Government. The general result of these arrangements is that the Egyptian Treasury receives a bonus of £ E. 45,000 in excess of the half surplus.

The surplus of £ E. 537,000 is therefore divided as follows :—

						£ E.
Egyptian Government, half surplus (£ E. 269,000), plus bonus of	..	..	..	..	..	314,000
£ E. 45,000	..	..	..	..	..	223,000
General Reserve Fund	..	..	..	..	..	
Total	..	..	..	..	..	537,000

I have already mentioned that the total administrative expenditure of the Egyptian Government exceeded the authorized limit of expenditure by £ E. 159,000. Deducting this sum from the figure of £ E. 314,000 given above, there remains £ E. 155,000.

This latter figure (£ E. 155,000) is therefore the real available surplus for 1894. The remainder of the surplus, amounting to the difference between £ E. 785,000 and £ E. 155,000, namely, £ E. 630,000, cannot, for one reason or another, be touched by the Egyptian Government.

I trust I have succeeded in rendering this complicated subject as clear as is possible under the circumstances.

The available surplus of £ E. 155,000, together with the amount of land tax temporarily remitted in 1894, viz., £ E. 245,000, make up a total of about £ E. 400,000. I need not perhaps go into the complicated calculation necessary to show what would be the financial result if taxation, in whatsoever form, was remitted to the full extent of this amount. It will be sufficient for me to say that, judging by the results of 1894, a margin of about £ E. 300,000 a-year exists, which, in case of need, could be sacrificed without financial equilibrium being seriously endangered.

If the economies resulting from the partial conversion of the debt could be applied to the reduction of the land tax, the facts of the case would, of course, be materially changed. The accumulated economies of past years now amount to £ E. 1,445,000. The annual economy amounts to about £ E. 408,000. As the savings are invested, the annual amount will, of course, continue to increase.

There seems to be little prospect of securing the unanimous consent of the Powers to the employment of this money. This is, I think, to be regretted in the interests both of the taxpayers and of the bondholders, the value of whose security would be increased by a reduction of the land tax. It would, however, lead to no practical result to discuss this question at length. Any remarks I might make upon it might, indeed, only serve to increase the irritation which unquestionably exists in connection with the manner in which the subject has been treated. I will therefore only say that, in my opinion, the financial authorities of the Egyptian Government will do wisely to regard the conversion economies in the light of a sinking fund, and to devote their whole time and attention to the manipulation of such resources as are unquestionably at their free disposal.

I do not propose in the present Report to undertake a thorough examination of the economic condition of Egypt; but I may perhaps usefully draw attention to a few salient points bearing on the question of the capability of the country for bearing the charges now thrown upon its resources. A very general opinion appears to exist in Egypt that large reductions of taxation are imperatively necessary. I am far from deprecating such reductions, provided they can be effected without endangering financial equilibrium. For many years past the efforts of the Egyptian Government and of its European advisers have been persistently devoted to affording fiscal relief to the people of Egypt. Those efforts have, as I shall presently show, been attended with a very fair measure of success. I shall be very glad if it becomes possible to take further steps in the same direction. On the other hand, it is essential that all who are in any degree responsible for the administration of Egyptian finance should bear in mind that the first and greatest interest of the people of Egypt is to maintain the Egyptian Treasury in that position of assured solvency which, after great efforts, was secured only a few years ago. Any measures which would endanger that position, or which would in any way shake the credit of Egypt, are strongly to be deprecated. The revenue must be made to balance the expenditure. The commencement of a new floating debt is above all things to be avoided.

That the prevalence of low prices has in some degree checked the wave of prosperity which has been passing over Egypt during the last few years cannot be doubted. Thus, Mr. Caillard, the Director-General of the Customs, pointed out in his Report for the year 1893 that the total value of the produce exported in 1893, if calculated at the prices which prevailed in 1881, would have been greater by £ E. 5,300,000 than the actual value calculated on the basis of the 1893 prices. On the other hand, at the prices prevailing in 1881, the country would have paid about £ E. 2,400,000 more for its imports. Thus, on this showing, it may be said that Egypt lost nearly 3 millions a-year by the fall of price in twelve years. The whole of the 1894 figures are not yet available, but I do not doubt that, inasmuch as prices have fallen since 1893, a calculation based on the facts of 1894 would be more unfavourable to Egypt than that given above.

In considering this question two main points have, however, to be borne in mind:—

The first is that increase of production, the result mainly of improvements in the system of irrigation, has in a great measure compensated for the fall in price.

The second is that the reforms introduced into the fiscal system during the last few years have greatly improved the position of land-owners and cultivators, and have rendered them far more capable than heretofore of standing the strain caused by the agricultural depression.

As to the first point, the following figures, which show the amount and value of the cotton crop during the last ten years, speak for themselves :—

Year.				Cotton.	Price per Kantar.*	Value.
				Kantars.	P. T.	£ E.
1885	..	..	..	2,905,000	228	6,623,000
1886	..	..	..	3,026,000	240	7,262,000
1887	..	..	..	2,963,000	249	7,378,000
1888	..	..	..	2,786,000	262	7,299,000
1889	..	..	..	2,872,000	294	8,434,000
1890	..	..	..	3,638,000	255	9,277,000
1891	..	..	..	4,195,000	205	8,600,000
1892	..	..	..	4,610,000	205	9,450,000
1893	..	..	..	5,073,000	191	9,699,000
1894	..	..	..	5,000,000	176	8,800,000

* This is the average price, not of the calendar year, but of the year beginning on September 1.

The following Table gives the figures for sugar :—

Year.				Sugar.	Price per 100 kilog.	Value.
				Tons of 1,000 kilog.	P. T.	£ E.
1885	..	..	..	49,700	116	579,300
1886	..	..	..	42,570	106	453,300
1887	..	..	..	49,665	99	489,900
1888	..	..	..	47,137	115	541,200
1889	..	..	..	36,670	135	496,800
1890	..	..	..	29,915	113	338,900
1891	..	..	..	51,955	110	572,700
1892	..	..	..	55,350	127	704,500
1893	..	..	..	55,113	138	760,800
1894	..	..	..	56,902	111	629,300

It will be observed that, both as regards cotton and sugar, the fall in the total value in 1894, as compared to 1893, has been heavy.

As to the second point, I have to observe that—including the partial abolition of the corvée, which was tantamount to a relief of taxation—direct taxes have, since 1890, been taken off to the extent of about £ E. 1,100,000, thus :—

							£ E.
Corvée	..	..	..	..	..	..	400,000
Land tax*	..	..	..	..	..	..	430,000
Professional tax	..	..	..	..	..	..	180,000
Sheep and goat tax	..	..	..	..	..	..	40,000
Weighing tax	..	..	..	..	..	..	28,000
Sundry small taxes	..	..	..	..	..	..	31,000
Total	..	..	..	..	..	..	1,109,000

* In addition to this, arrears to the extent of about £ E. 1,000,000 have been remitted.

In addition to this, the salt tax has been reduced by 40 per cent.; the postal and telegraph rates have been reduced by 50 per cent.; large reductions have been made in the railway rates; the octroi duties have been abolished in the smaller provincial towns. The only increase of taxation has been in the tobacco duty, which has been raised from P. T. 14 to P. T. 20 per kilog. The house tax has also been imposed on Europeans resident in Egypt.

In connection with the general economic condition of the country, I would also draw your Lordship's attention to the remarkable figures contained in the note drawn up by Sir Elwin Palmer, and inclosed in my despatch of the 31st January.*

Looking to these facts, and to the miscellaneous information which I have from time to time received bearing on the subject now under discussion,* the general conclusion at which I arrive is somewhat as follows:—

The agricultural depression, coupled with the artificial embarrassments due to the international engagements into which the Egyptian Government has entered, have produced a situation which renders the exercise of strict economy more necessary than ever. The execution of some public works, which would have been of great benefit to the Egyptian population, may have to be postponed. The same may be said of other administrative reforms, which would involve an increase of expenditure. If prices fall still further, the difficulties of the situation will naturally be aggravated. But at present I see no reason for alarm in connection with the financial situation. Nothing has as yet happened to inspire doubts as to the continued solvency of the Egyptian Treasury. The Egyptian Government, in spite of the international engagements by which its freedom of action is curtailed, should be well able to deal with the present difficulties of the situation.

Notably, it would appear desirable that one important reform should be undertaken. Although it has not been proved that the land tax, at about its present amount, constitutes, in the aggregate, an unduly heavy burthen on the country, it is none the less true that the incidence of the tax, as at present assessed, is very unequal. So long ago as 1878 the Commission of Inquiry, of which I was a member, recommended the equalization (“*peréquation*”) of the land tax. This work has never yet been undertaken. Relief has so far been given by the adoption of the convenient, if somewhat empirical, system of according a ratable reduction to those provinces where the pressure of taxation was most felt. The reasons for adopting this system have been twofold. In the first place, a reassessment of the land tax is a difficult operation, and causes much disturbance amongst the whole agricultural community. In the second place, although the desirability of undertaking the operation at some future time has always been very generally recognized, it was thought desirable, in the first instance, to bring down the total revenue derived from the land tax. The obvious result of a general reduction in the total amount of revenue in the form of land tax on which the State has to rely is that, when the process of levelling eventually ensues, the average rate to be attained will have been lowered, and thus the operation would be made to weigh with relatively less hardship on those who have to be levelled up. These latter, I may observe, would, in any case, constitute a small but influential minority.

Whatever be the value of these arguments, it would appear that the moment has now arrived when the operation of reassessment should no longer be delayed. I am glad, therefore, to learn that this subject is now occupying the serious attention of the Egyptian Government.

The general financial situation being such as I have described above, it is obvious that the Budget of 1895 had to be framed with great caution, and on the basis of maintaining the *status quo*. One or two minor reforms have, however, been effected. The octroi duty on crystallized sugar, which is largely consumed by the poorer classes of the population, has been reduced from $9\frac{1}{2}$ to 5 per cent. An arrangement has been made with the Commissioners of the Debt under which bridges will gradually be constructed over the canals at spots where ferries now exist. The population will thus be relieved of the payments of ferry dues. The Government monopoly for transporting specie has been abolished, and the rates charged by Government have been reduced by 50 per cent. This measure, it is estimated, will involve a loss to the Government of about £ E. 15,000 a-year.

The Estimates for 1895 are as follows:—

							£ E.
Revenue	..	..	..	..	..	..	10,260,000
Expenditure	..	..	..	..	..	..	9,600,000
Surplus	..	..	..	..	..	..	660,000

After making a calculation similar to that which I have already explained in dealing with the accounts of 1894, the surplus which will be at the free disposal of the Egyptian Government is estimated at £ E. 11,000. I should add that provision is made on the expenditure side of the account for £ E. 150,000, being part of the cost of con-

* I append to this despatch (Inclosure 1) a copy of a letter which I recently received from Mr. Hamilton Lang, the Controller of the Daira, and in which he gives the impressions derived during a recent visit to Upper Egypt. The thorough knowledge which Mr. Hamilton Lang possesses of the agricultural condition of the country renders him a very competent witness on the points under discussion.

structing a dam near Assouan. In view of the financial situation of the moment, it is probable that this work, which would be most beneficial to the people of Egypt, will have to be postponed for the present.

I have on former occasions alluded to the redundant balances held, in one form or another, by the Egyptian Government. On the 31st December, 1894, these balances stood as follows :—*

						£ E.
Conversion economies	..	..	..	..	..	1,445,000
General Reserve Fund	..	..	..	..	..	2,403,000
Special Reserve Fund	..	..	..	..	..	279,000
Total	..	..	..	..	..	4,127,000

I need add nothing to what I have already said as regards the conversion economies.

The Special Reserve Fund, which virtually constitutes the working cash balance of the Egyptian Government, is certainly not excessive in amount. Moreover, it is already pledged for the repayment of certain advances made by the Commissioners of the Debt.

As regards the General Reserve Fund, amounting to £ E. 2,403,000, which is in the hands of the Commissioners of the Debt, I have to observe that, to the extent of £ E. 1,512,000, it is pledged for the construction of various public works. A considerable portion of the money is, therefore, usefully employed.

Debt to the extent of 700,000*l.* (mostly Domains and Daïra) was paid off during the year. The total Public Debt of Egypt now amounts to 104,775,000*l.*

2. The Salt Department.

The Salt Department continues to work in a satisfactory manner. The net revenue in 1894 was £ E. 178,000, or about £ E. 8,000 in excess of the estimate. The consumption of salt was about the same as in 1893, namely, 45,000 tons.

3. Domains Administration.

The outstanding capital of the Domains Loan, [which originally amounted to £ E. 8,288,000, has now been reduced to £ E. 3,619,000. There seems a fair probability that the loan will be entirely paid off by 1905.

The Domains Administration has naturally suffered from the existing agricultural depression. Over 7,000 acres of land, which were formerly farmed, have had to be brought back under direct cultivation. The deficit for 1894, which is payable by the Egyptian Treasury, will probably amount to from £ E. 105,000 to £ E. 110,000.

4. Daïra Administration.

During the year 1894 the Daïra Administration was able to make some large sales of land in Lower Egypt. With the profits of these sales, and the surplus profits, debt to the extent of 367,500*l.* was paid off. The outstanding capital of the debt now amounts to 6,444,000*l.*

It is anticipated that the surplus of 1894 (after paying 49,000*l.* to the Commissioners of the Debt on account of economies due to the conversion) will be about 115,000*l.* Owing to the heavy fall in the price of sugar, it is probable that there will be no surplus in 1895. It is, indeed, probable that the Egyptian Government will have to make good a deficit.

The reduced value of sugar has not as yet affected the farmers who lease land from the Daïra Administration for the cultivation of sugar, as the price paid to them for the canes which they deliver is fixed by contract for three years. The farmers in Middle Egypt, where the sugar-cane is cultivated, are, therefore, not as yet suffering from the agricultural depression to the same extent as the land-owners and cultivators in Lower Egypt, which relies mainly on its cotton culture.

* A good deal of this money is invested in Egyptian stock. In the above calculation the value of this stock is taken at current rates.

5. Trade and Customs.

The following Memorandum has been communicated to me by Mr. Caillard, the Director-General of the Customs:—

“The estimated total value of exports in 1894 was £ E. 11,884,000, and of the imports £ E. 9,266,000, making a total of £ E. 21,150,000.

“Compared with the figures for the preceding year, these totals show a falling-off of £ E. 906,000 on exports, and an increase of £ E. 548,000 on imports.

“The decrease of the exports is accounted for under three heads, viz., cotton, cotton-seed, and sugar. The quantity of cotton exported in 1894 exceeded that of the preceding year by 830,000 kantars, but the increase in quantity was more than counter-balanced by the fall in price, the average tariff price for the year 1894 having been only 168 piastres per kantar, compared with 190 piastres, the mean price for 1893. Tariff prices were at their lowest, however, from the commencement of the 1894 season, when they fell from $167\frac{2}{10}$ in September to 145 in December, and nearly one-sixth of the total quantity (723,000 out of 4,855,000 kantars) was exported during the month of December at the last-named rate.

“As regards cotton-seed, the fall in the average price was even greater in proportion, being from $65\frac{4}{10}$ piastres in 1893 to $56\frac{1}{10}$ in 1894, and the quantity exported was also much smaller.

“The improvement in the price of sugar in 1893 did not last through 1894, the average tariff prices for the latter year being the lowest recorded.

“The exports of wheat and maize show a considerable increase, but the prices were very low, the price of maize in December 1894 having fallen 30 per cent. as compared with the tariff price in December 1893. The increase in the quantity of these cereals exported in 1894 was due to larger shipments to Belgium in the last six months of the year.

“The export trade in onions has now become one of the most important items of Egyptian commerce, no less than 58,000 tons, of a value of £ E. 161,000, having been exported in 1894, chiefly to England and Austria. In the year 1885 the total export of onions amounted to 7,086 tons only, valued at £ E. 21,600.

“About 55 per cent. of the Egyptian products exported were sent to England. The exportation of cotton to America continued in 1894 in increased quantities, and Russia took 22 per cent. of the total quantity exported.

“The following were the chief items of increase in the importations, as compared with 1893:—

	£ E.
“Coal	87,300
Wood and wood-work	82,100
Cotton manufactures	164,000
Tobacco	74,800
Metals, machinery, &c.	295,100

“Part of the increase in the latter item was due to exceptional causes, such as the construction of several new railway bridges, sugar-refining works, and oil-presses. The total value of articles imported under the head of metals, machinery, &c., was £ E. 1,050,000, of which England sent £ E. 509,000 worth, Belgium £ E. 206,000, France £ E. 130,000, and Germany £ E. 26,000.

“The continued increase in the demand for wood and wood-work, as also for cotton goods and tobacco, may be looked upon as an indication of the general well-being of the country.

“The following figures illustrate the continued fall in values of certain articles:—

	Excess of Imports in 1894 over 1893.	Diminution in total Value of Imports in 1894 as compared with 1893.
	Kilog.	£ E.
Flour	+ 1,650,000	35,690
Cheese	+ 157,400	1,494
Coffee	+ 94,700	19,960
Indigo	+ 22,700	7,467
Wine	+ 225,000	12,541

"In some instances the decrease in values is due in part to the importation of inferior articles; such was the case with flour and indigo; in other cases the quality of the articles has remained the same, but the prices have fallen.

"In the categories quoted above the total importation was increased by 2,150,000 kilog., whilst the total cost to the importers was reduced by £ E. 77,000.

"The Customs revenue amounted to £ E. 1,757,590 in 1894, viz.:—

							£ E.
Importation and exportation	..	..	..	..	..	..	824,840
Tobacco	..	..	..	..	..	..	932,750

"The following Table shows the growth of the revenue in each quinquennial period since 1881 :—

				1881.	1886.	1891.	1894.
				£ E.	£ E.	£ E.	£ E.
Imports and exports	..	..	..	644,658	628,078	808,972	824,840
Tobacco	..	..	..	115,217	304,474	828,757	932,750
Total	..	..	..	759,875	932,552	1,637,729	1,757,590

"Since the suppression of the tobacco cultivation in June 1890 the revenue derived from the importation of tobacco has been more than doubled. The gross revenue from this source in 1894 amounted to £ E. 954,652, but of this total the sum of £ E. 21,903 was repaid to the exporters of cigarettes in the shape of a drawback.

"The cigarette export trade continues to increase. The total quantity exported was 158,492,000, the total weight of which was 230,800 kilog., and the value £ E. 135,500."

6. Post Office.

The net revenue derived from the Post Office in 1894 was £ E. 20,000, as compared to £ E. 23,000 in 1893. The falling-off is wholly due to the suppression of the Postal boat service on the Suez Canal. When the light railway recently constructed by the Suez Canal Company between Ismaïlia and Port Saïd was completed, it was obviously no longer necessary to maintain a boat service.

Saba Pasha, the Director-General of the Post Office, writes to me: "The fall in agricultural prices contributed to decrease the amount of specie, together with the continued operation of the causes which have rendered this service less productive, year by year, viz., the greater use of instruments of credit in the transaction of business, and the extension of banking operations throughout the country."

It is worthy of note that the number of letters sent through the post has doubled since 1890, in which year a large reduction in the rates of inland postage was effected.

7. Public Works Department.

I annex to this despatch (Inclosure 2) a Memorandum prepared by Mr. Garstin. It affords ample testimony to the value of the services rendered to the Government and the people of Egypt by the Public Works Department. I would draw special attention to Mr. Garstin's remarks on two subjects of general interest, viz., the construction of the dam at the First Cataract, and the Ghizeh Museum.

As to the first point, I have already mentioned that, for the time being at all events, the construction of any dam is arrested for want of funds. It is, however, satisfactory to know that, if the financial difficulties can be overcome, a plan has been framed which appears to conciliate the interests represented respectively by the engineer and the archæologist.

As to the Museum, there appears at last to be a fair prospect that before long the construction of a thoroughly fireproof building will be commenced.

8. Railways.

The railway receipts during 1894 amounted to £ E. 1,774,000, being £ E. 155,000 in excess of the receipts of 1893. The working expenses were £ E. 767,000, or about 43 per cent. of the gross receipts.

In 1890 large reductions, amounting to as much as 50 per cent. for long distances, were made in the passenger tariff. It is satisfactory to note that, in consequence of these reductions, the passenger traffic has more than doubled: the numbers conveyed being 4,696,000 in 1890, as compared to 9,828,000 in 1894. The chief increase has been in third-class passengers. During the same period the gross receipts derived from passenger traffic have increased by 35 per cent.

Contracts have been made for the construction of three small local lines, in all 74 miles long. A new terminal station has been opened at Cairo. Two new bridges across the Nile are in course of construction, one at Dessouk, in the Delta, and the other in Upper Egypt.

Since 1876 the revenues of the Railways, Telegraphs, and Port of Alexandria have been pledged to the service of the Privileged Debt, any deficit being made good out of the revenues pledged to the Unified Debt. The interest charge on the Privileged Debt amounts to £ E. 1,003,000. In 1894 the net revenues derived from the Railways, Telegraphs, and Port of Alexandria amounted to £ E. 1,024,000. This is the first time that these revenues have themselves sufficed to pay the whole of the interest charge.

9. *Telegraphs.*

About 770,000 telegrams (local and foreign) passed over the Egyptian telegraph lines in 1894, being 82,000 in excess of the figures of 1893. In spite of this increase, the receipts have remained stationery at about £ E. 39,000. This is due to the fact that the money due from Turkey for the Egyptian share of the telegrams received via El Arish has not yet been paid.

The expenditure was £ E. 39,000. The Telegraph Service, therefore, pays its expenses, but does not yield any net revenue.

10. *Port of Alexandria.*

The net revenue derived from the port of Alexandria in 1894 was £ E. 117,000, as compared to £ E. 108,000 in 1893—an increase of about £ E. 9,000.

1,382 steam-ships, with a tonnage of 2,053,000, cleared in 1894, as against 1,272, with a tonnage of 1,901,000, in 1893. There was a notable increase in the number of British steamers, the figures being 699 vessels, with a tonnage of 998,000, in 1894, as compared to 605 vessels, with a tonnage of 876,000, in 1893.

On the 1st July, 1894, the new direct pass into the port of Alexandria was declared open with a depth of 28 feet at dead low water. Ships are now able, therefore, to enter the port at night and in all weathers. Dredging operations are in course of execution with a view to increasing the depth to 30 feet.

11. *Lighthouses.*

I am glad to be able to report that some real advance has at last been made both in the direction of constructing new lights in the Red Sea and in that of reducing the light dues.

Although the facts have already been made public, it may perhaps be desirable that I should recapitulate them.

In October 1889 a Commercial Convention was signed between Great Britain and Egypt in which it was stipulated that the light dues should be reduced by £ E. 40,000 a-year “as soon as the tariff provided by the Convention is applied to all the Powers.” Subsequently Commercial Conventions were signed between the Government of Egypt and the Governments of Austria, Belgium, Germany, Italy, and Portugal.

As time went on it became apparent that a long delay would probably ensue before Commercial Conventions would be concluded with “all the Powers.” It became, therefore, necessary to consider whether some steps could not be taken to render the question of reducing the light dues independent of the conclusion of future Commercial Conventions.

An opportunity for discussing this question arose in 1894 in connection with the financial arrangements consequent on the reorganization of the Quarantine Board to which the Powers agreed at the Conference of Venice.

The basis of the settlement which has now been made, and which has received the

assent of the Powers, is that, on the one hand, the Egyptian Government gives up, from the 1st January, 1894, £ E. 40,000 of the revenue heretofore derived from the light dues; on the other hand, the Egyptian Treasury is relieved of all obligation to make good any deficit in future years on the Budget of the Quarantine Board.

The money which will thus be placed at the disposal of the Powers is to be applied in the following manner :—

1. £ E. 40,000 is to be applied to the erection of the buildings, &c., required for quarantine purposes at Suez, El Tor, and Moses' Wells.

2. The deficits on the Budget of the Quarantine Board for the years 1894-96 (both inclusive) are to be made good out of the £ E. 40,000 ceded by the Egyptian Government from the light dues revenues. It is at present impossible to state with accuracy what will be the aggregate amount of these deficits. It certainly should not exceed £ E. 15,000.

3. The balance which remains over on the accumulations of the £ E. 40,000 for the three years ending on the 31st December, 1896, is to be applied to the construction of new lights in the Red Sea. This balance should amount to about £ E. 65,000.

4. After the 1st January, 1897, a sum representing the average Quarantine Board deficit for the year 1894-95 will be set aside. The balance of the £ E. 40,000 will be applied to the reduction of the light dues. It is probable, therefore, that from the 1st January, 1897, the Tariff will be reduced to such an extent as to diminish the revenue by from £ E. 30,000 to £ E. 35,000 a-year.

Thus a sufficient sum of money will be provided for the erection of lighthouses at Mocha, Abu Ail, Zebayr, and Jebel Tier, where they are much required. Further, a considerable reduction in the present tariff is insured from the 1st January, 1897. As the spots where it is proposed to erect lighthouses are in Turkish territory, the arrangements for their construction do not depend on the authorities in Egypt. One of the main difficulties has, however, been overcome. The money necessary for the construction of the lights has been provided.

I may perhaps add, whilst dealing with this subject, in which I have for many years taken a great personal interest, that, although the new lights are without doubt much required, at the same time an examination of the Wreck Chart rather leads to the conclusion that many of the mishaps which now occur in the Red Sea are due to careless navigation, and that they were not caused by the absence of lighthouses. Wrecks frequently occur in close proximity to the lights.

12. *The Army and the Soudan.*

With the exception of the Soudanese Camel Corps having been increased by one company, the strength of the Egyptian army in 1894 remains practically unaltered.

The total numerical strength of the army, including Staff, Commissariat, and irregulars, &c., is as follows :—

Officers, non-commissioned officers, and men	..	..	..	16,663
Field guns	..	..	..	18
Guns of position	..	..	..	132
Maxims	..	..	..	4
Horses, mules, and camels	..	..	..	3,117

The estimated cost of the army for the current year is £ E. 475,000.

A light telegraph line now connects the Oasis of Kharga, in the Western Desert, with the Nile, thus enabling the military authorities to give timely warning of possible incursions on the part of the Dervishes. The necessity for this arose owing to a sudden raid on the village of Beris in 1893.

In connection with the scheme of defence for the Western Desert, strong block-houses have now been constructed at Nakhelai and Shebb Wells, some 70 and 100 miles respectively due west of Wady Halfa. The efficiency of these defences was demonstrated only a few weeks ago, when a large mounted party of Dervishes attacked the fort at Shebb, but was forced to retire by the small Arab garrison there.

It should, however, be noted that water-bearing districts have been discovered still further to the west, and, in consequence, there is considerable difficulty in rendering the desert routes into Egypt impracticable to marauding parties of Dervishes.

Steps are being taken to run a light telegraph line to the Wells of Murrat, midway between Korosko and Abu Hamed. This post was also the object of a Dervish attack in November 1893; since that date it has been considerably strengthened.

The Eastern Soudan and the neighbourhood of Suakin have been undisturbed during the past year. I attribute this fact principally to the occupation of Kassala by the Italians. The attention of the Dervishes has naturally been directed to that part of the country, and they have concentrated in considerable force on the Atbara, but whether for offensive or defensive purposes is not yet apparent.

The information given by the Rev. Father Rosignoli, the last remaining captive priest of the Austrian Roman Catholic Mission in the Soudan, who was rescued from Omdurman in November, goes to show that the power and authority of the Khalifa Abdulla are still paramount; and while admitting that there is great discontent among the local population owing to the tyranny of the Baggaras, he does not consider there is much likelihood of any important change in the present situation.

A considerable force of Dervishes is maintained in the Dongola district for defensive purposes, but this does not preclude the likelihood of raids on the Nile frontier.

The position of the Khalifa's forces in other parts of the Soudan remains practically the same as in 1893.

13. *Justice.*

As regards the Department of Justice, I need not add anything to the Memorandum annexed to this despatch (Inclosure 3) which Sir John Scott has kindly communicated to me.

14. *Interior.*

The most important change that occurred during the year, and, I may add, in its ultimate effects one of the most radical reforms that have been introduced into this country, was the reorganization of the Ministry of the Interior.

The three principal Departments of this Ministry, viz., Police, Prisons, and Sanitation, had for long been under English control, but the Mudirs, the supreme representatives of the Administration in the provinces, and the natural agents for the execution of the instructions issued by these Departments, came in no direct way under their sphere of influence. As regards the Prisons and the Sanitary Services, the inconvenience arising from this state of affairs was slight, inasmuch as their work was mainly of a technical character, with which the Mudirs had neither the desire nor the necessary knowledge to interfere. It was, however, quite otherwise with the Public Security Department. Their work comprised by far the most important and difficult part of the Mudir's functions, and in the interests of good government it was indispensable that the two should work harmoniously together.

The original theory on which it was attempted to work the system of police that existed heretofore consisted in the organization under English officers of an efficient body of armed men to be placed at the disposal of the Mudirs for the preservation of public security. In practice, however, it was impossible for Englishmen not to insist upon seeing that the instrument they had created was not misused. They had little or no control over the Mudirs. Consequently, there was an increasing tendency to push that functionary on one side, and work the police directly from head-quarters. The provincial police gradually assumed a semi-independent position towards the Mudir, which impaired the prestige of the latter, and divided the responsibility for the preservation of public security. In a word, the dualism—to use Nubar Pasha's favourite term—which is a necessary consequence of the British occupation, instead of being restricted, as in other Administrations, to a few high English officials and native Ministers, displayed itself at the other end of the administrative hierarchy between native local officials relying on the support of their English chiefs at head-quarters and other local officials who should naturally have been their immediate superiors. It is incontestable that, under this system, much good work has been done and a great improvement effected in the public security in the country. The parts of the machine were, however, displaced from their normal position, with the result that there was a maximum of friction for the amount of work done.

Under these circumstances, I was prepared to cordially support Nubar Pasha in his endeavours to reorganize the Ministry of the Interior on a more satisfactory basis. During the summer the main features of the changes which he desired to introduce were put into a practical and acceptable shape, and shortly after my return to Egypt in October 1894 the sanction of the Egyptian Government and of His Highness the Khedive was given to an arrangement which, while obviating the inconveniences

pointed out above, secured in a form palatable to the Egyptian Ministry that moral control and supervision over the internal administration of this country which Her Majesty's Government are bound to exert so long as the British occupation continues.

The main features of the arrangement were as follows :—

1. The post of Inspector-General of Police was abolished, and the various services centralized under this official were divided and placed under the direct orders of the Minister of the Interior.

2. The English Police Inspectors living in the provinces in charge of fixed districts were recalled. In their place a few English Inspectors were attached to the Ministry of the Interior, one or two to inspect the discipline and interior economy of the police force, and the rest to inspect and report upon the manner in which the Mudirs and other local officials performed their duties.

3. The provincial police was placed, practically as well as theoretically, under the control of the local civil authorities, in future solely responsible for the maintenance of public security.

4. An English Adviser was attached to the Ministry of the Interior. This official was to have no executive functions, but was to have the right to be kept fully informed of all the affairs of the Ministry, and to obtain all information he might consider necessary for the efficient discharge of his duties.

For many reasons it was considered desirable that the latter post should be held by a civilian. Consequently Mr. Gorst, hitherto Under-Secretary of State for Finance, was appointed.

The new system has not yet been working long enough for me to give any account of the result. It is satisfactory that so considerable and far-reaching a change has been effected without any great perturbation in the provinces, and without, even temporarily, relaxing the guarantees for the maintenance of public security. There was a momentary but real danger that the native officers in the police force might imagine that they had been abandoned by those to whom they had been accustomed to look for help and support, and that a feeling of discouragement might impair their zeal and energy in the execution of their duties. Happily this has not been the case. Steps were at once taken to reassure them, and to make them feel that they could not but benefit by a change which practically amalgamated their service with the general Administration, and thereby threw open to them the possibility of promotion to the highest posts.

Since the new arrangement has come into force some changes have been made in the administrative staff in the provinces, which will make it evident that in future a higher standard will be demanded from those who occupy these posts. Some time must without doubt elapse and further changes be made before the local officials will be able to show a satisfactory record, but a considerable improvement in their work may be looked for even now when they begin to feel that their advancement or their dismissal will depend upon their merits.

As regards the general lines upon which it is proposed to improve the internal administration of this country, I may remark that there is no Department in which the zeal of the earnest reformer is more to be deprecated. The habits and customs of a people, and especially of an Oriental people, must not be trifled with lightly. A reform which appears irksome, even without reason, to those for whose benefit it is intended, fails of its purpose. I do not doubt that in the work of reorganization these principles will be borne in mind. The scheme proposed by Nubar Pasha, which is now under consideration, regulating the nomination and position of the village Omdehs and Sheikhs, is an attempt to utilize an ancient and venerable institution in the interests of progress and civilization. The point of departure is the practical recognition of the power and influence of the Omdeh or Headman of the village. An endeavour will be made to insure the selection of the best possible man for the post, to confine his authority within legal limits, and to punish and reward him according to his deserts. If the new plan succeeds, and there appears to me to be no reason for supposing that it should not, a very important step will have been taken towards putting public security in the villages on a sounder and more economical footing than would have been possible under the old system.

15. *Prisons.*

In few branches of the Egyptian Administration has greater progress been made during the last few years than in the Prison Department, of which Dr. Crookshank is the Director-General. Those prisons which have been built under Dr. Crookshank's

superintendence by prison labour can bear comparison with any similar institutions in Europe. Over-crowding, with all its attendant evils, however, still exists in the provincial prisons; neither can it cease until considerable sums of money, which it is impossible for the Government to provide at present, are spent. A portion of the General Reserve Fund might very usefully be devoted to the construction of new prisons.

The prison receipts amount to about £ E. 2,000 a-year, which are employed in improving and extending existing prison accommodation, but this is not nearly sufficient to meet the requirements of the Department.

I am glad to be able to add that a sum of 1,500*l.* has been granted for the adaptation of an existing building at Alexandria to the purposes of a small juvenile reformatory, capable of holding from 100 to 150 boys. An institution of this sort is much required. It is impossible to go over any of the prisons in Egypt without being struck by the youth of many of the prisoners, who should certainly on every ground be separated from adult offenders.

16. *Sanitary Department.*

The remarks which I have made in respect to the Prisons Administration apply equally to the Sanitary Department. Under the intelligent direction of Rogers Pasha much progress has been made. New dispensaries have been opened. The number of patients treated in Government hospitals has increased. An infectious diseases hospital at Cairo has been completed. An English specialist is about to be placed in charge of the lunatic asylum. Three new hospitals at Damanhour, Fayoum, and Beni Souef are in course of construction. Slaughter-houses are being built in several provincial towns. A Vaccine Institute has been completed. Sixty-six mosques have been placed in a sanitary condition; 121 cemeteries have been dealt with under the Cemetery Decree passed in January 1894.

But the Department is much crippled for want of funds. Thus, Rogers Pasha writes to me:—

“It is an undoubted fact that the population is gradually beginning to appreciate the advantages of medical institutions, whether hospitals or dispensaries.

“Demands are now constantly made for the creation of new dispensaries and hospitals throughout the country, and it is a matter of the deepest regret that the resources of the Department should be so limited as to prevent these demands being complied with. The inhabitants of Benha have just subscribed a sum of 260*l.*, and forwarded it with the request that it should be devoted to constructing even a small hospital in their town, a practical proof that they recognize the necessity of such an institution.”

It is to be hoped that some portion of the General Reserve Fund will be eventually devoted to sanitary improvements.

17. *Education.*

During the latter part of 1893 and the early part of 1894 a somewhat reactionary tendency was manifested in dealing with the affairs of the Education Department. Since the change of Ministry in April 1894 matters have taken a more favourable turn. Abuses have been checked, and several important measures of educational reform have been taken in hand. I need not describe these measures in detail, but I may allude briefly to one of special importance.

In a Department of which the Head has been changed thirty-one times during the past thirty-two years, it is obviously desirable that special provision should be made for continuity of administration. Two Standing Committees—one the School Management Committee, composed of six professional experts presided over by the Under-Secretary of State, the other the Superior Council of Public Instruction, presided over by the Minister, and numbering among its members influential representatives of the wider educational interests of the country, as well as the most important officials of the Department—offer valuable guarantees for stability and enlightenment in educational policy. Under the late Ministry the School Management Committee was constantly ignored, and the Superior Council was never assembled. Both of these bodies have now resumed their proper functions.

The statistics both of attendance and of revenue from school fees testify to steady growth. The total number of pupils in attendance at schools under the Ministry of

Public Instruction, which was 1,919 in 1887, 7,880 in 1892, and 9,095 in 1893, rose in 1894 to 9,516. The percentage of paying pupils, after an uninterrupted rise from 30 in 1881 to 76 in 1893, increased in 1894 to 78. The receipts from the "Government," "National," and "Wakfs" Schools, on account of school fees, which in 1881 had amounted to £ E. 2,323, and had steadily advanced to £ E. 23,011 in 1893, rose in 1894 to £ E. 24,782. As the application for admission to not a few schools is far in excess of the accommodation, and as the readiness to pay school fees is every year becoming more clearly marked, the Superior Council of Public Instruction has this month proposed that the all but nominal fee charged in most of the schools should be slightly raised, and that the system of gratuity should be further restricted.

The Tewfikieh Normal School for the training of native teachers of French, and the Khedivieh Training College for native teachers of English, have been placed on a more satisfactory footing by the thorough revision last year of the general regulations for the organization of these establishments.

The admirable results obtained from the experiment of placing the Tewfikieh Normal School under the direction of a French Principal encouraged the Public Instruction Department to take the important step last October of nominating an English Principal of high professional standing to be the Head of the Khedivieh Training College for teachers of English. Attached to the Khedivieh Training College for teachers is the largest secondary school in Cairo, and it is already evident that the appointment of an English Principal will give a higher degree of efficiency to secondary education and to the training of teachers.

Special facilities have been given during the past year to dispensing chemists, who are practising in Cairo without a diploma, to join as students of the School of Pharmacy.

A Veterinary School, attached to the School of Medicine, was opened for the first time last October.

The Polytechnic School still lags behind all the other professional Colleges, and the serious diminution of the number of students in attendance gives confirmation to the general opinion that this school is incapable of improvement under its present teaching staff.

As the result of experiments carried on in the Boulak Technical School by an expert whose services were temporarily secured by the Public Instruction Department, a Report has been published which seems to prove the feasibility of a manufacture of glazed pottery as a remunerative industry in Egypt.

It is matter for regret that it has not yet been possible to provide Alexandria with a good secondary school, or to inaugurate a better system of education for Egyptian girls. In fact, the very important question of female education in Egypt has not yet received nearly the attention it deserves.

Your Lordship is aware that the work of the Education Department was recently criticized in a very hostile spirit by the Legislative Council. The criticisms of the Council have been answered by the Director-General of Education. They appear to have been based on imperfect information. Nevertheless, the attention paid by the Council to this subject affords satisfactory proof of the interest now felt by the natives of Egypt in educational matters. A great change in Egyptian public opinion has, indeed, taken place since Mr. Senior, speaking of the days of Mehemet Ali, wrote:—

"Knowledge was then so unpopular that mothers blinded their children to keep them from school."*

To use the words of Yakub Pasha Artin, a "réveil intellectuel" has taken place within the last few years. "Il n'y a pas," he said in a recent Report, "une dizaine d'années que le public en général, non seulement ne s'intéressait pas à l'instruction de ses enfants, mais encore y était opposé, quoique dans une moindre mesure qu'il y a soixante ans."† ‡

18. *College of Agriculture.*

Mr. Williamson Wallace, the Director of the College of Agriculture, writes to me as follows:—

"This College is now in its fifth year. Students who were first admitted completed

* "Conversations," &c., vol. i, p. 170.

† "Considérations," &c., p. 4.

‡ (Translation).—"Scarcely ten years ago the general public not only did not interest themselves in the education of their children, but were indeed opposed to it, though in a less degree than sixty years ago."

their four years' course of study in June last, and were examined by external examiners appointed by the Ministry of Public Instruction. Ten out of a class of twenty-two succeeded in passing the final examination, and eight of these obtained situations connected with agriculture; the two others, sons of wealthy parents, preferred to wait for an opportunity of joining the Government service.

"In analyzing the natural manures of the country, it was found that large clay deposits, long used as manure in Upper Egypt, contained nitrate of soda as the principal ingredient, an average of 5 per cent. being present in the forty-five samples examined in the chemical laboratory. This would account for the value of the clay as a manure, although present in too small a proportion to pay for extraction and export.

"The white scale-insect (*Icerya Aegyptiaca*) has this year greatly increased in the gardens of Cairo, while those of Ghizeh have been kept comparatively free from the pest by the introduction of the New Zealand lady-bird (*Vedalia cardinalis*), and preparations are being made to supply colonies of these lady-birds to other gardens.

"Samples of foreign barleys grown on the College experimental plots were sent to several English brewers, who valued two varieties of the same at not less than 30s. per quarter, which is greatly in excess of the price obtained for native barleys. Twenty acres of these varieties have been sown, and arrangements made for the malting of the produce in England.

"With the object of finding a partial substitute for cotton, *ramie*, or China, grass is being cultivated, and the produce will be treated by a new chemical process of preparing the fibre."

19. *Slavery.*

The incidents which occurred last summer, to which I need not now allude in detail, drew attention both to certain defects in the existing laws relating to slavery, and to the special procedure adopted for trying persons who infringe those laws. It appears, in fact, to be desirable to recast the Convention signed in 1877 between the Governments of Great Britain and Egypt. The matter is now under consideration.

I should mention in connection with this subject that there appears little doubt that now that the importation of slaves into Egypt is rendered very difficult, if not altogether impossible, slaves are brought in considerable numbers from the centre of Africa to portions of the coast, which are little frequented, lying immediately eastward of Tripoli. Thence they are taken, often in Greek boats, who also smuggle arms, tobacco, &c., to some other part of the Ottoman dominions. It is much to be desired that the Government of His Imperial Majesty the Sultan should take whatever measures are possible to put a stop to this traffic.

20. *Conclusion.*

In conclusion, I need only say that the present Ministers and the superior English officials in the various Departments of the State are working cordially together, to the great benefit of the population of Egypt and of all interested in Egyptian affairs. It is to be hoped that no untoward event will occur to mar the good understanding which at present exists.

I have, &c.
(Signed) CROMER.

Inclosure 1.

Memorandum by Mr. Lang.

Middle Egypt.

THE cultivators in that region were favoured in 1894 with very good cotton and sugar-cane crops. Cotton growers in general received full compensation for the fall in price from a larger yield than they have been accustomed to. Sugar-cane-growers were unaffected by the fall in the value of sugar, as the factories have not reduced the

price at which they buy the canes delivered. The grain and bean crops of 1893-94 were light and prices low, but our tenants have paid their rents with great regularity, which is the best proof that their general situation is satisfactory, and such I believe to be the case with the agricultural population in general in that region.

Upper Egypt.

The grain crops were light, but prices fairly good. Our rents in that region have been well paid, showing that our tenants have made two ends meet with ease.

I was also glad to notice in coming down the river from Assouan that the growing crops of grain and beans are luxuriant and promise much better returns than last year.

Of these regions I can speak with considerable confidence, and I have no hesitation in saying that in general there is no severe agricultural depression.

I have not yet visited the Fayoum, but our rents there have come in with great regularity in 1894. What the Fayoum requires to a greater extent than any other part of Egypt is more water to cultivate in summer its proper proportion of cotton.

(Signed) R. HAMILTON LANG.

February 14, 1895.

Inclosure 2.

Note upon the Public Works Department for the year 1894.

IRRIGATION BRANCH.

Summer Irrigation.

THE supply in the river throughout the summer was exceptionally abundant, and the distribution of water was in consequence comparatively easy. Rotations of canals were applied as usual, but were not enforced to such a strict degree as had been found necessary in previous years. Where difficulties as to water supply arose was in the northern tracts, which have been lately reclaimed. These difficulties increase annually with the extension of the fringe of fresh land brought under cultivation. The sales held by the Ministry of Finance prove how eagerly these new lands are being bought up. There is little room for doubt that the limit of area which can safely be cultivated with the available supply of water has been reached, and the Government must make up its mind either to stop the sales of new lands altogether or to take steps for increasing the water supply in summer. It must not be forgotten that the summer discharge of the river during the last two years has been an exceptionally good one, and yet, as far as the newly reclaimed lands were concerned, it was only by careful and watchful distribution of the water on the part of the Irrigation Staff that serious difficulties were avoided. How will it be when years of low supply, like 1877, 1889, and 1890, recur, as they are certain ere long to do? Most undoubtedly the resources of the Department will be strained to the fullest extent, and, given the utmost care and vigilance on the part of its staff, it is hardly to be hoped that the crops over the largely extended and expanding area now under cultivation can be completely saved.

The Irrigation Service has for some years been engaged in improving and enlarging the main and tributary channels which supply the northern tracts, so that when the years of low supply shall arrive, and the stress be felt, it may have the power of temporarily[forcing] large volumes of water down to the areas affected. All the improvements made have tended to increase the economical distribution and the duty of the water, and we are undoubtedly now in a better position to meet a bad year than we were in 1889 or 1890. The fact, however, remains that a given area of land requires a given quantity of water with which to save its crops, and, if the requisite supply of the former be not forthcoming, the latter must undoubtedly perish.

The chief improvements, of the kind above mentioned, carried out in 1894 were as follows:—

The Rayyah Belcas and its branches were enlarged at a cost of £ E. 3,967.

The enlargement of the Kasid, Difra, and Taalib Canals, which was commenced in 1893, was continued in 1894 at a cost of 1,173*l*.

A new feeder canal, taking off up-stream of the Barrage, was dug for the purpose of increasing the supply of the Rayyah Menufiyah. This channel has increased the discharge of the canal by 1,000,000 cubic metres per diem, and cost £ E. 5,639.

The improvement of the Kudaba and Rashid Canals, with a view to the suppression of the Mehallet El Amir dam, was pushed forward in 1894 at an expenditure of £ E. 3,870. The works remaining to be carried out will be completed early in 1895, so that the construction of this dam will in future be rendered unnecessary.

The Mehallet El Amir Dam has for the last ten years been placed in the Rosetta branch of the Nile, with a view to prevent the ingress of the sea-water during summer, and thus to enable the canals and pumping-stations higher up the river to draw fresh instead of salt water. The total cost of the remodelling works, which, when completed, will enable us to dispense with the dam, is £ E. 10,609. The average annual cost of the dam itself has been £ E. 8,941; a very substantial economy will thus be realized.

In addition to the above works, the great project in the Behera Province known as the alterations to the Khatatbeh Canal was brought to completion in 1894 as far as regards the first stage of its operations. The old and faulty alignment of the Khatatbeh Canal was abandoned, and the Mahmoudieh Canal supplied by means of the two new channels known as the Right and Left Khandaks.

The Atfeh pumps were used for five days during the month of August for the purpose of increasing the Mahmoudieh Canal supply when the Rayyah Behera has been closed, and before the river has risen to a sufficient height in the Rosetta branch. In order to obviate the necessity for using these pumps, a new regulator is being constructed in the Rayyah Behera, but this I will discuss later.

The Flood of 1894.

The flood was an exceptional one, inasmuch as that it resembled no previous flood of which we had any record. In the first place, it was preceded by a very high summer supply, which is contrary to the rule with high floods. In the second place, it remained at an abnormal height to an exceptionally late period of the year. The river began to rise early, and continued to do so steadily until the 22nd August, when 17 cubits were registered on the Assouan gauge. The water remained above this level until the 5th September, when it fell below it for a few days. On the 12th September it passed it again, and remained above the height of 17 cubits until the 23rd September, when it finally began to fall. It was this second and late rise which caused the high level reached at Cairo, and which brought the flood of 1894 within the category of those dangerous to the country. As far as Lower Egypt, indeed, is concerned, the flood just passed may be classed with the four other great floods of the last twenty years, and in some respects it tested the river banks to a greater extent than any of the foregoing.

In my note upon the Nile flood of 1892 I explained that it is the length and late occurrence of a flood which renders it a danger to the country rather than the maximum height attained by it. I also stated that a flood is considered to be dangerous when it passes the level of 17 cubits at Assouan and 24 cubits at Rodah. Should it rise early and pass off while the Upper Egypt basins are empty or only partially full, there is little likelihood of a dangerous height being reached at Cairo. Should its rise, on the contrary, approach the date of the "Salib" or time of "Sarf" of the basins, there is every probability of its attaining to a high level at Cairo, and continuing at this height until late in the year, the reason being that the basin water must be discharged into an already overcharged river.

A glance at the following Tables will show that this last is exactly what happened in 1894.

Table I.—RIVER above 17 cubits at Assouan.

Years.				Remained over 17 cubits.	Fell below 17 cubits.	Reached Maximum.
1874	..	..	..	45 days	..	September 27 ..
1878	..	..	..	34 "	..	September 6
1887	..	..	..	40 "	..	October 12 ..
1892	..	..	..	39 "	..	September 23 ..
1894	..	..	..	27 "	..	October 2 ..
						September 24 ..
						August 25

Table II.—RIVER above 24 cubits at Rodah (Cairo).

Years.				Remained above 24 cubits.	Fell below 24 cubits.	Reached Maximum.
1874	..	..	..	47 days	..	October 25 ..
1878	..	..	..	39 "	..	October 6
1887	..	..	..	33 "	..	November 1 ..
1892	..	..	..	43 "	..	.. 11 ^a
1894	..	..	..	42 "	..	October 14 ..
						September 25
						November 1 ..
						October 7
						.. 2 ..
						.. 27

From the above we see that the duration of the flood of 1894 at Cairo was equal in length to that of the four preceding ones, and that it reached its maximum and commenced to fall at a later date than any of the others.

The date of the "Salib," or time for opening the basins, is the 26th September, and the discharge of the water cannot be postponed many days after the above date if the winter crop is to be sown in time to allow of its ripening before the summer heat arrives. It is true that the flood of 1894 did not reach so great a height at Assouan as any of the four recorded in the Tables; but as the fall did not commence until two days before the "Salib," the period of danger at Cairo was much prolonged, and the river at this point did not attain its maximum until the 27th October, or sixteen days later than in any of the years above quoted. The maximum level reached in 1894 (at Cairo) was 5 kirats, or about 11 centim. below that touched in 1892; when once, however, the 24-cubit level has been passed, a few centimetres more or less make little difference.

It is satisfactory to relate that no breach of any kind occurred in Lower Egypt, this result being due to the precautions taken by the Inspectors-General of Irrigation and their subordinates, and to the skilful manner in which the emptying of the basin chains into the river was managed by Major Brown. Few people in Cairo during October last had any idea of how dangerous a flood was passing to the north, and how great was the strain upon the Nile banks throughout the month in question. Everything was quietly managed, and care was taken to prevent needless alarm. The Mudirs, Inspectors of Irrigation, and their subordinates worked together in the most satisfactory way, and the extra expenditure entailed was very considerably less than that of any previous year. Although extra watchmen had to be called out to guard the banks, their numbers were very much less than in either 1887 or 1892. See Appendix (A).

Crops in 1894.

An unusually large area of land was planted with cotton in 1894. Unfortunately the cotton-worm, during the summer and the cold and fogs during the autumn months, caused between them such damage to the plants that the yield is estimated to be from 10 to 15 per cent. less than that of 1893. By this I mean the average yield per feddan planted. As regards the total out-turn, the Alexandria Produce Association estimates that, in consequence of the large area of land planted with cotton in 1894, this will be little, if at all, inferior to that of the year 1893, when it reached 5,200,000 kantars.

The rice and maize crops were both fair ones as regards yield and quality.

The sugar-cane produced an exceptionally good crop, but the out-turn of wheat was hardly up to the standard of previous years.

Upon the whole, however, the agriculturist in Egypt had little to complain of regarding the quantity and the quality of his produce in 1894. What did affect him seriously was the heavy fall in the price of agricultural products of all kinds. For each and every crop the price obtainable was the lowest ever before reached. As regards the wheat crop, the rate realizable per ardeb is now so low as to make it scarcely worth cultivating if any ordinary expenditure be thereby entailed. What has saved the cultivation of wheat in Upper Egypt up to the present is that it costs comparatively little; it is sown broadcast upon the slime, and left to itself until the time for reaping arrives. No ploughing or manuring of the fields is necessary here. Should, however, prices fall much lower, it is difficult to see how the lands under flood irrigation, and which produce one crop a year, can be profitably cultivated. For these, I think, the substitution of perennial for flood irrigation is an urgent necessity.

Making allowance for the fall which has lately taken place in the price of sugar, the cane crop is still by far the most profitable one in Egypt to the producer. The whole of the basin lands at present under wheat might, were sufficient water available in summer, be cultivated with sugar-cane and other summer crops. Supposing, moreover, that the whole area of Upper Egypt were to be put under sugar-cane cultivation, the increase as regards the total consumption of the world would be so small as not to justify the assertion sometimes made that increased production would result in a further fall in the price.

With regard to cotton cultivation, the state of the landed proprietor is undoubtedly bad, and much worse than it was some years ago when good prices were the rule. It is not yet, however, desperate, and the accounts of the distress prevailing have been much exaggerated. Cotton in Egypt has not yet reached a point at which it does not pay to cultivate it; the year just passed was an exceptionally unfortunate one as far as this crop was concerned, otherwise it is probable that the increased yield would have largely compensated for the diminished price. A bad crop in America or a reduction of the area of land cultivated in that country would, I think, certainly cause a rise in prices in Egypt. Moreover, in addition to the cotton crop, the proprietor of land perennially irrigated is able to sow clover and other winter crops. He is not then, I maintain, in anything like so dangerous a position as are his fellows in Upper Egypt, who are entirely dependent for their existence upon one single crop, and one which, moreover, is yearly decreasing in value.

Principal Works carried out in 1894.

The Barrage.

I will commence with this, as being of the greatest importance.

The work of staunching the springs which have found their way under a portion of the flooring of the Damietta Barrage was continued in 1894. The formation of a clay apron covered with concrete blocks was carried on almost to completion with the satisfactory result that the leak did not appear under the pressure due to a head of water varying from $2\frac{1}{2}$ to $3\frac{1}{4}$ metres, whereas in previous years the springs blew out whenever the head of water reached 2 metres. In 1894, even with a head of over $3\frac{1}{4}$ metres upon the Barrage, the down-stream springs were fewer in number and worked more feebly than in the years preceding, and the results of the dye test would seem to show that these springs are not now caused by water passing throughout the length of the flooring, but rather have their source under the work itself or in the stone apron down-stream of it. The above results are very encouraging, and we may fairly hope that in a year or two we shall succeed in staunching these troublesome springs altogether.

The cost of these repairs amounted in 1894 to £ E. 2,300, while the total maintenance charges of the Barrages, including river training, were £ E. 10,889, as against £ E. 11,548 in 1893. In the above expenditure is included a sum of £ E. 1,320, being the cost of one of Stoney's patent roller gates set up in 1894 at the head of the Rayyah Behera. This gate was erected with the object of permitting the International Commission to examine the type of shutter which it is proposed to introduce in the sluices of the great dam at Assuan.

I cannot leave the subject of the Barrage without recording my regret at the loss which the Irrigation Service has sustained by the death of Liernur Bey, for some years Director of this work. It is in a great measure due to his untiring and faithful supervision that the repairs above mentioned have proved so successful. His place will be extremely difficult to fill.

Masonry Works, Upper Egypt.

Omitting the great Etsa project, of which separate mention will be made, the following masonry works were carried to completion in Upper Egypt during the past year :—

New Works.

Ten regulators, two bridges, and four escapes.

Existing Works altered and repaired.

Five regulators, four syphons, one escape, and nine bridges. These were all put into thorough repair, and altered so as to suit the present conditions of water distribution.

The cost of the above works amounted to a total of £ E. 14,000.

The Etsa project, mentioned above, and alluded to in my last year's note, was completed in 1894. The benefit of this work will therefore be felt during the flood of 1895. It consists of a canal 3 kilom. long, taking direct from the river, passing under the railway, the Ibrahimiyah and Safsafah Canals, by means of a large syphon of five barrels, and leading direct into the basins, which previous to its construction were cut off by the railway and the above-mentioned canals, and thus were prevented from receiving their supply of silt-laden water direct from the river. The area which will in future benefit by the above work amounts to some 20,000 feddans. Major Brown calculates that in a very few years the increase in value of the produce over this area will amount to P. E. 50 per feddan, or, say, £ E. 10,000 over the total area. As the whole cost of this work has only been £ E. 15,000 (or £ E. 1 per feddan benefited), the result, if only partially realized, will amply warrant the expenditure incurred. Major Brown has good grounds for making the above statement, as he has constructed several similar works in Middle Egypt; in each instance the increase in the yield of the basin has been very large.

Masonry Works, Lower Egypt.

Excluding the new regulator on the Rayyah Behera, the following masonry works were executed in Lower Egypt in 1894 :—

New Works.

Sixteen regulators, two bridges, three syphons, and two sets of offices for the Irrigation Staff.

Existing Works altered and repaired.

Twenty-eight regulators and one escape.

The total cost of the above was £ E. 24,799.

The most important work put in hand in 1894 was the Rayyah Behera regulator above mentioned, the cost of which is not included in the above figures. This work, as has before been explained, is for the purpose of enabling us to regulate upon the canal in a rising flood, and to then obviate the necessity of closing it altogether, as is at present done, by means of an earthen dam. Once this regulator has been completed, it will be possible to pass sufficient water down the channel to supply the Mahmoudieh Canal until the river rises to a sufficient height at Atfeh to allow of the intake there being used. The necessity of pumping from the Rosetta branch by means of the Atfeh pumps will then disappear.

It will be seen from the foregoing that much useful work has been carried out during the past year in the way of improving regulation and distribution of water, and thus enabling us to economize our supply. Our budget for work of this kind was unfortunately greatly crippled owing to a large bill for land in Upper and Middle Egypt taken up previously to 1892 having to be met. A sum of £ E. 26,000 was paid by us last year for the above, which, had it not been for this unfortunate necessity, might have been employed upon the construction and repairs of many other useful works.

Earthwork executed in 1894.

This may be divided into two categories, namely, earthwork carried out by means of dredging machinery, and that done by hand labour.

The following are the cubes dredged in 1894:—

					Cubes.	Cost.
						£ E.
Upper Egypt	..	..	..	..	448,026 m ³	16,890
Lower Egypt	..	..	..	..	1,291,600 „	48,208
Total	..	..	..	..	1,739,626 „	65,098

This work was well and satisfactorily executed by the European Companies charged with the dredging of the canals.

The cubes done by hand labour in 1894 were .—

					Cubes.	Cost.
						£ E.
Upper Egypt	..	..	..	..	12,642,926 m ³	156,730
Lower Egypt	..	..	..	..	6,299,501 „	108,093
Total	..	..	..	..	18,942,427 „	264,823

This gives the average contract rate per metre cube of earthwork executed, P. E. 1.39.

The above rate, although a little higher than the average of 1893, is still surprisingly low if the nature of the work be taken into consideration.

A very large proportion of the above was executed by native contractors, whose numbers are increasing yearly, and whose efficiency is, I am glad to record, also increasing.

Drainage.

In all, £ E. 41,826 was spent in 1894 upon this most necessary work; 141 kilom. of new channel were dug, and many of the existing drains widened and deepened. The above sum contains two items which deserve special mention. These are: the amount of £ E. 4,000 expended upon the transfer of the Khatatbeh pumps to Mex, and that of £ E. 4,218 spent upon the Wadi Tumilat drainage project.

The former work has been undertaken for the purpose of lowering the level of water in Lake Mareotis, which at present forms the receptacle for the greater portion of the drainage of Behera Province. Drains have of late years been so vigorously pushed on in this district, and so much water has in consequence been poured into the lake, that in spite of the work done by the two large Gwynne pumps erected in 1892 it has been found impossible to keep the level down to a sufficiently low depth, and in winter a considerable area of low-lying land adjoining the lake has been flooded. The two Khatatbeh pumps now being erected are for the purpose of increasing the pumping power of the station, which by lifting the water from the lake into the sea keeps the level of the former down. The four pumps will certainly be sufficient for this purpose unless the drainage of the province be largely extended. In this latter case, even with the extra pumping power available, we shall be unable to prevent the lake level from rising. As the cost of pumping is borne by the Government, and in 1894 amounted to £ E. 7,950, it becomes a question for serious consideration as to whether it is desirable to extend the drainage of Behera on any large scale at present. Unless the Government should desire a proportionate return in the shape of an increased tax-paying area, I do not think it is desirable to largely extend the drainage area, and am inclined to suspend operations for the present, except in the case in which the water can be turned into Lake Edku. The funds at our disposal can, I think, be more advantageously diverted to the work of completing the drainage of the Gharbiyeh, Dakahliyah, and Sharkiyeh Provinces, where the lands can be drained by gravitation.

The estimated cost of the transfer of these pumps is £ E. 15,000. It is expected that one of them will be in working order by February 1895, and the other some few months later.

The Wadi Tumilat project is another instance of pumping being required for the drainage of a waterlogged tract. In this instance, however, the proprietors of the lands destroyed, *i.e.*, the Department of Public Instruction, have borne a large proportion of the cost of the work. Both the new pumps are in position and at work, and a portion of the new drainage system has been completed. The water is at present lifted into Lake Mahsama, a brackish lake in the desert, but the level of this latter has risen to such an extent that it seems probable that an outfall drain will have to be carried down to Lake Timsah at Ismaïlia.

Much still remains to be done before the drainage system of Lower Egypt can be said to be complete. Thanks to the help accorded by the Ministry of Finance in the shape of a special credit of £ E. 25,000, a good start was made in the year under discussion. There appears to be good hope that money will be available in 1895 for this purpose, and if we can obtain sufficient funds we may calculate upon the drainage question being practically mastered in the course of a few years.

In these days of low prices for agricultural produce, it is of the most vital importance that every means be taken to increase the yield obtained from the soil, and to economize the cost of production. Nothing will more effectually conduce to this result than a system of good drainage. Without irrigation it is true that cultivation is impossible, but irrigation unaccompanied by drainage may, and probably will, do more harm than good by turning lands originally productive into salt and waterlogged tracts. It may be taken as an axiom in Egypt that wherever “sefi” cultivation is practised every drop of water turned on to the soil, with the exception of that evaporated by the sun’s rays, should be passed through it, and carried away by means of an effective drainage system.

River Protective Works.

By the above is meant the work which is yearly undertaken for the purpose of guiding and training the river into a regular course, preventing it, on the one hand, from eroding its banks, and, on the other hand, from forming large sandbanks which cause obstacles to navigation, and which, by forcing the current into narrow side channels, may create a dangerous and unexpected set upon the bank itself. In all rivers the above action is continually at work, and, if left uncontrolled, causes in time considerable changes in the course and section of the channel. In a river like the Nile, which is confined by artificial banks between which the water is raised in flood to a height of sometimes 13 feet over the country, the consequences of leaving the current to take its own course would almost to a certainty be disastrous. For the past two years this Department has been steadily endeavouring to guide and train the river, and may, I think, fairly claim that the result of the floods of 1887, 1892, and 1894 having passed without doing injury to the country, prove that its efforts in this direction have so far proved a success.

In the year just passed a considerable amount of protective work has been carried out. Exclusive of the repairs to and the strengthening of the Nile banks, which works are included in the earthwork cubes, a great many stone groins and bank revetments have been executed. In Lower Egypt, *i.e.*, on the Damietta and Rosetta branches of the Nile, a sum of £ E. 20,704 has been expended.

In Upper Egypt, *i.e.*, between Cairo and Assouan, £ E. 2,024 was spent upon spurs, but £ E. 1,795 was spent upon stone revetments in front of certain towns built upon the river bank, which would, without such protection, have been in danger from the severe action of the current.

Canal Protective Works.

These consist of similar works to those described in the preceding paragraphs, and are for the same purpose, although constructed upon a somewhat smaller scale. Their chief object is, however, to preserve a uniform section and velocity in the channel, and thus prevent the enormous deposits of silt which are invariably produced in a canal if the velocity of the water be suddenly checked or altered.

The amount spent upon the above in 1894 was:—

						£ E.
Ibrahimieh Canal	..	..	..	..	..	1,510
Rayyah Behera ..	..	..	..	..	..	1,838
Total	..	..	..	..	..	3,348

Basin Bank Protection.

The faces of the basin banks have to be revetted with stone in order to protect them from the action of the waves, which in the larger basins exposed to the prevailing winds is surprisingly destructive. The total amount expended upon such work in 1894 was £ E. 10,645. Once the revetment of the entire system shall have been completed large economies will be realized in the yearly maintenance charges, and in the number of watchmen called out for the purpose of guarding the banks during the period of high Nile.

Agricultural Roads.

Two hundred kilom. of new road were opened in 1894; of the above, 34 kilom. were in the Fayoum Province, and the balance in Lower Egypt. These roads cost, including bridges, £ E. 23,589. There now exists a total length of 849 kilom. of road in Egypt completed since 1890, when the project was first taken in hand. Each year sees fresh demands for their construction, and the prophets who, at the commencement, foretold failure to the scheme, have proved to have been woefully mistaken. In Egypt, as in other countries, the land-owners are quick to see the advantage of increasing facilities of transport. As in this country it is the people interested who themselves pay for these roads, they show in a practical manner that they consider their construction to be both necessary and beneficial. I hope that ere long we shall be able to induce the people to co-operate and start light railways or tramways with animal traction upon some of the principal roads. I am convinced that these would, if properly started, prove a success, and would very soon be introduced generally by the land-owners themselves.

The Nile Reservoir Projects.

As the submission of the above to the Technical Commission is now matter of history, I shall make very brief mention of them in this note. The majority of the Commission approved, with certain modifications as to detail, the proposals of the Government engineers for a dam and reservoir on the First Cataract at Assouan. This scheme as originally submitted entailed the submersion of the Philæ temples, and upon this being brought to the notice of the different Archæological Societies of Europe, these latter lodged strong protests with the Egyptian Government against this proposal being carried out. The Ministry of Public Works consequently reconsidered the project, and eventually submitted to the Government a modified scheme. This consisted of a dam of more moderate height than that originally designed, which would leave the Nubian monuments unsubmerged, and which would for a short period annually put under water a portion of the more unimportant temples on the Philæ Island.

In accepting this modified scheme, the Egyptian Government signified its intention of adding the cost of a scientific and archæological investigation of the whole of Nubia to the cost of the dam itself. It further stated that it would, should the reservoir project be ever put in execution, ask the European Societies interested to send out qualified persons to undertake and complete this important work. The topographical portions of this survey have been already commenced, and will be completed during the winter of 1894-95. With the above compromise, the English archæologists have practically declared themselves to be satisfied.

The modified project will cost less than the original one, but the area of country benefited will of necessity be smaller than would have been the case had the bigger scheme been carried out. At the same time there are many arguments in favour of proceeding slowly and progressively, and there is little doubt that once the first reservoir has been completed, and its benefits been felt by the people, the construction of a second to the south will be merely a question of time. See Appendix (B).

The Canal and Drainage Act.

This Law, which was first put in force in 1890, was revised in 1894, and brought out in an amended and more practical form. This revision was necessitated by the experience of the preceding years, which showed that certain modifications and additions to the original were required. As it at present stands, it is a valuable addition to the legislation of the country, and assists the interests both of the Government and of the

people. Unfortunately, not having been approved of by two European Powers, its provisions cannot be applied to European subjects.

The Irrigation Staff.

The foregoing pages will, I hope, have shown the manner in which the officials of the Irrigation Department performed their duties in 1894. A Service must be judged by the results which it obtains, and these results I have tried to record in this brief note.

The Department suffered a serious loss in the retirement of Mr. Foster, Inspector-General of Irrigation in Lower Egypt, who has accepted an appointment with a European Agricultural Society in Egypt. His place has been filled by Major Brown, late Inspector-General in Upper Egypt, who, again, has been replaced by Mr. Wilson.

WORKS OTHER THAN IRRIGATION.

The Alexandria Pass.

The work contracted for has been completed, and the contractors paid off. The pass has been lighted and opened for traffic by night as well as by day. Certain portions of the channel having silted in, after being dredged during the progress of the contract, are now being cleared by the Ports and Lighthouses Administration. It is expected that the required depth of 30 feet will be everywhere obtained early in the summer of 1895.

The Mansour Palace.

The transformation of this building into Government offices is proceeding rapidly, and the work is expected to be completed by the 1st March, 1895. As soon as the Governor of Cairo and the City Police transfer their offices to the above building, the construction of the new Native Court of Appeal and the prison will be put in hand. These, when completed, will meet a great want, as the existing accommodation is both insufficient and insanitary.

The whole cost of the above is estimated at £ E. 79,000, which sum has been accorded by the Commissioners of the Public Debt.

The Drainage of Cairo.

This project remains in the same state as when my last year's note was written. The European Powers not having as yet replied to the proposals made to them in July 1893 for a Law empowering sanitary inspection and expropriation of land required for a public purpose, the drainage scheme cannot be undertaken, as without such laws it would be absolutely ineffectual.

Cairo Tramways.

A contract for a complete system of electric railways has been signed with a well-known Belgian Company, "La Société des Chemins de Fer Économiques." The contract requires that the entire system shall be open for traffic within two years from the date of signing the contract.

The Ghizeh Museum.

This Museum has at last been made safe against fire—as far, that is to say, as it lies within the power of the Government to guarantee the safety of a building which is very largely constructed of wood. A large and specially powerful fire-engine has been brought to the site in addition to the one formerly on the spot. An abundant water supply has been assured, and a new set of Shand and Mason's hydrants set up at a sufficient distance from the building to insure the possibility of using them even were

the adjacent walls in flames. A complete system of electric communication, with alarm-bells, has been introduced into every room, these, again, being connected with the station at which the police patrol is in attendance. A European police officer with a sufficient staff lives constantly on the spot, and telephonic communication has been established between the Museum, the Ghizeh Waterworks, and the Cairo Fire Brigade Office.

The proposed new Egyptological Museum.

The Public Debt Commission having voted a sum of £ E. 150,000 for the construction of a new Museum to be built in Cairo itself, designs have been called for from the architects of Europe and America. These must be submitted by the 1st March, 1895, when prizes will be awarded by a special jury for the designs adjudged the best.

Hydrants in the Town of Cairo.

A long-felt want has been met by the erection of 100 hydrants in the principal streets of Cairo. More will be wanted before every street can be considered properly supplied, but even the above numbers constitute considerable progress in the way of protection against fire. Wherever these hydrants exist the old system of feeding the fire-engines by means of water-carts will be abandoned.

Engines in Towns.

Many fatal accidents having occurred owing to insufficient inspection of engines set up in towns by private individuals, a special Regulation has been added to the existing Law. By this the Technical Service has power to withdraw their licences from proprietors not conforming with the rules laid down. A competent Inspector of Engines has been appointed, whose duty it is to personally inspect all engines erected within the limits of all towns containing more than 6,000 inhabitants. Unfortunately, as in the case of the Canal Act, this Regulation is not in its fullest sense applicable to Europeans.

(Signed) W. E. GARSTIN,
Under-Secretary of State, Public Works Department.

Cairo, February 19, 1895.

Appendix (A).

Number of Watchmen called out to guard the Banks during Flood.

For purposes of comparison, I give the figures for 1887 and 1892, the unit of 100 days being taken in each instance:—

						Number of Men per 100 days.
1894—						
Upper Egypt ..	..	..	..	..	..	33,223
Lower Egypt ..	..	..	..	..	..	26,794
Total	..	..	..	..	..	60,017
1887—						
Upper Egypt ..	..	..	..	..	..	36,371
Lower Egypt ..	..	..	..	..	..	50,749
Total	..	..	..	..	..	87,120
1892—						
Upper Egypt ..	..	..	..	..	..	35,726
Lower Egypt ..	..	..	..	..	..	48,665
Total	..	..	..	..	..	84,391

In the flood just passed, therefore, the number of men per 100 days was less by 24,374 than in 1892, and by 27,103 than in 1887.

It may be of interest to give the numbers of men called out in 1883, which was the last year of what may be called the ancient régime.

These are as follows:—

						Number of Men per 100 days.
1883—						
Upper Egypt ..	..	..	..	..	..	90,005
Lower Egypt ..	..	..	..	..	..	112,545
Total	..	..	..	..	..	202,550

Cost of the Flood of 1894.

I will again take into comparison the cost of the three great floods which have occurred within the last ten years:—

							£ E.
1887, total expenditure ..	..	..	..	..	..	..	44,673
1892, „	..	..	..	..	..	..	23,049
1894, „	..	..	..	..	..	..	7,634

If we deduct from above the cost of useful material, such as stone, &c., available for use after the flood, the above figures become:—

							£ E.
1887..	..	..	..	..	..	..	27,520
1892 ..	..	..	..	..	..	..	11,681
1894..	..	..	..	..	..	..	6,142

Appendix (B).

The estimated benefits obtainable from the modified reservoir scheme are as follows:—

	Direct Annual Gain to the State.	Increase in Annual Produce.	Increase in Annual Rental.
	£ E.	£ E.	£ E.
1. If Middle Egypt be selected	572,000	4,685,600	2,346,900
2. If Lower Egypt be selected, these figures become.	278,000	3,290,000	1,600,000

Even if it is allowed, as has been asserted, that the above estimates are too sanguine, the figures are so high that a very large deduction might be made from them and yet leave a margin of profit sufficient to warrant an expenditure in excess of that which it is proposed to incur.

The final detailed estimates cannot be submitted until Mr. Willcocks returns from England, but the total cost of the project as modified will not exceed £ E. 4,000,000, or about £ E. 1,000,000 less than that as originally submitted.

Inclosure 3.

Note by Sir J. Scott on the Native Tribunals.

THERE have been no important reforms in the administration of native justice, but distinct progress has been made in the development of the important changes introduced into the Native Tribunals in the last four years.

The system of the single Judge sitting in all cases of moderate importance, both penal and civil, is worth notice, as it has more than answered expectation. One more Court has been added to the number instituted up to last year, and there are now thirty-seven Summary Courts sitting throughout the country, in addition to the six

Tribunals of First Instance at the principal centres, and the Court of Appeal at Cairo, which administered justice before 1890.

The number of civil cases presented this year have outnumbered by one-third those decided in 1893 (31,000 instead of 24,000). The receipts of the Native Courts have returned this year a surplus of £ E. 23,000. Another decisive proof that the Summary Courts have obtained the confidence of the public is found in the fact that small cases where Europeans are concerned are now constantly transferred from the Mixed Courts to the Summary Native Tribunal in order to obtain a swift and fairly just decision.

As regards the number of cases presented, it may be worth while to state that in 1892, 18,000 (I omit the hundreds), in 1893, 24,000, and in 1894, 31,000 cases were brought before Summary Courts and decided.

The appeal is presented to the nearest provincial centre, where a Tribunal of three Judges decides finally. The care given by these Summary Judges to the consideration of the case is shown in the fact that last year only 1,100 appeals were presented altogether, and in 700 cases the original decision was confirmed. It should be added that, in spite of the heavy increase of work, the Judges have kept up to the level of their list, and at the beginning of this year there was only an average of sixty cases unheard out of the year's list for each Summary Tribunal. Such small arrears as exist on the Civil side mostly arise from the desire of one or other of the parties to retard the final decision.

In the Courts of First Instance, where cases over £ E. 100 in value are still heard, and in the Court of Appeal, to which such cases go, there has been no change worthy of notice. The amount of work has not materially altered from the previous year.

On the Criminal side the Native Tribunals show the same improvement. The relations between Police and "Parquet" are now well established, and the old friction has disappeared. The police officers do their criminal work better, and the proportion of convictions has risen in consequence. In misdemeanours the convictions are six to one acquittal. In serious crime the proportion is not so satisfactory. Thus, in murder cases in 1894, there were 145 convictions out of 215 cases presented to Court, whilst in 1893 the convictions were 135 out of 186. But the proportion of convictions in all crimes taken together is fairly satisfactory—28 per cent. for a country new to an impartial administration of justice. Greater certainty of punishment is producing its effect on the offence of theft, the number of cases having fallen from 11,700 to 7,700, a diminution of 4,000. There are various reasons why serious crime is not yet sufficiently brought home to its author. In a large proportion the motive is jealousy or vengeance, and the moral sentiment of the country inclines to justify the act. Moreover, the people are not sufficiently on the side of order to volunteer evidence or to sacrifice their time by attendance on a Judge. Again, they fear reprisals if they give adverse testimony, and the accused returns to the village acquitted. Time and education alone can cure these defects, but everything meanwhile should be done to insure celerity of procedure and certainty of punishment. In most cases of crime the intervention of the Juge d'Instruction is unnecessary, and only causes great delay. The main reasons why misdemeanours are punished with greater certainty is that Police and Parquet present them at once for trial.*

An important reform has been made in the composition of the Court of Cassation, which is the Court of final appeal on points of law. Originally it was composed of all the Appeal Judges, then the number was reduced to seven, and now it is composed of five specially chosen for a year's service. The appeal, which hitherto has been allowed as a matter of course, is now only admitted on written request, with *prima facie* reasons given sufficient to justify the hearing.

The Egyptian School of Law, under the able direction of M. Testoud, is doing excellent work. An evening course has been formed for pupils who are engaged in the day, and there are now altogether 138 young men being trained for the legal profession, more than double the number that attended before M. Testoud's appointment. Each branch of the law has its own Professor, instead of one man having to lecture on three or four subjects. The annual examinations have been made more difficult, and an Egyptian diploma is now fully as much valued as one obtained in an European School of Law. The number of students is more than sufficient to supply the needs of the Judicial Department, and it would be well to establish an administrative side at the school, so as to secure a special training for future Mamours and Mudirs.

* Promptitude, however, is secured much more than formerly. In the case of the three sailors of Her Majesty's ship "Scout," who were attacked by a mob with sticks, the aggressors were taken the same day, the case was heard in First Instance in three days, and the appeal was finished in ten days from the date of the attack.

I would add one remark of a more general nature. The Native Judiciary have now passed the point of rapid promotion, and have got beyond the special interest which always attaches to new work. In fact, they have settled into harness, and it remains to be seen whether the present standard of excellence can be maintained. It is too soon, perhaps, to expect that sturdy independence of character and desire to do work well for its own sake and from a sense of self-respect which is to be found in Western Europe. Such qualities are the result of centuries of education, freedom, and self-government. There is, however, much *bonne volonté* amongst the young Egyptians, and a certain *esprit de corps* has already grown up amongst the Judges. But to insure steady progress not only is encouragement necessary, constant inspection and supervision are absolutely essential. This supervising control is provided by the Committee of Inspection, which has worked very steadily now for four years. Its staff has been increased by an English element, and five Inspectors, two of whom are English, are now constantly engaged in the examination of judicial and police work, and make reports to the Committee of Control, which sits twice a-week.

This English branch of inspection is at present confined to the work of Parquet and Police. It would be well to extend it to the whole administration of criminal law. Whilst the work done by the Egyptian Inspectors is most useful, there is no doubt that European supervision has more authority in the eyes of native officials. The Central Committee is composed of three European lawyers, but European Inspectors in their circuits could, by personal influence and discussion on the spot, do a great deal without the intervention of the central authority.

(Signed) J. SCOTT.

February 19, 1895.

ANNEX.

Lord Cromer to the Earl of Kimberley.—(Received February 11.)

My Lord,

Cairo, January 31, 1895.

The preamble to the Report of the Legislative Council on the Budget of 1894, expressed the opinion that the Egyptians were steadily progressing down the path of poverty and depression, basing this assumption on the figures recording private indebtedness registered at the Courts throughout the country. The figures advanced stated this indebtedness to have amounted to a total exceeding £ E. 20,000,000 in 1891 as against £ E. 12,000,000 in 1881, while the quantity of land mortgaged was reckoned at about 1,300,000 feddans.

Riaz Pasha, who was in office at the time, in his reply recorded his conviction that these figures were exaggerated, and announced that the Government would at once proceed to investigate them, while the Financial Adviser at the same time addressed a note to the Ministerial Council assigning a number of reasons why the figures quoted from the registers of the Tribunals must necessarily be regarded as totally misleading.

It appears that as a general rule no erasure had been made in the registers when property had been sold in virtue of a decision of the Courts, while mortgages paid off by private contract among the parties concerned still remained on the books in order to escape the payment of dues to the Government. Moreover, where property mortgaged as a whole was situated in different departments, the total amount of indebtedness, was in each case inscribed in each of the districts among which it was apportioned while in cases of a second mortgage raised on the same land, the number of feddans was repeated a second, and occasionally a third, time, so as to double and treble in appearance the actual average under mortgage. These and other irregularities of the system of registration proved that no reliance could be placed upon any statistics derived from the books, and a thorough revision was necessary before any such conclusions as those advanced by the Legislative Council could be deduced from them.

These investigations have now been made, and Sir Elwin Palmer has just presented a note to the Ministerial Council containing a Table showing the indebtedness of landed proprietors throughout the country, classified according to the size of their holdings.

I have the honour to transmit herewith a copy of the note and the Tables, and I venture to draw your Lordship's attention to this important document, which is of particular interest as proving how totally erroneous were the statistics put forward by the Legislative Council and how unjustifiable were the conclusions drawn from them.

In the first place the total indebtedness under mortgage, so far from exceeding £ E. 20,000,000 is found to be but little over a third of that amount, while instead of 1,300,000 feddans being burdened with this encumbrance, as was represented, the actual total falls short of 400,000.

The distribution of this debt is especially interesting and significant. Given a total of 661,380 landed proprietors, it appears that 71 per cent. of the whole debt is borne by the 11,500 large landowners whose properties exceed 50 feddans in area, nearly a seventh part of their holdings being thus burdened. The class of small proprietors, on the other hand, whose holdings do not exceed 5 feddans in area and who constitute about five-sixths of the total number, can only be credited with little more than 7 per cent. of the indebtedness, while barely $2\frac{1}{2}$ per cent. of their lands are burdened with mortgage at all.

These figures, therefore, so far from proving any deterioration in the position of the small landed proprietor, point, on the contrary, to an ever growing appreciation of land. The money borrowed on mortgage appears to be almost invariably applied to the purchase of new land, and consequently the Tables show in a progressive ratio throughout the classes that, as the holdings increase in area, the greater is the proportion of land under mortgage. It appears, therefore, to be tolerably clear that the burden of debt weighing on the poorer proprietors is inconsiderable, while the indebtedness of the wealthier class is willingly incurred as a stepping-stone to more extended economic development.

I have, &c.
(Signed) CROMER.

Inclosure.

Extract from the "Journal Officiel" of January 30, 1895.

MINISTÈRE DES FINANCES.

Note au Conseil des Ministres.

DANS le Rapport élaboré par la Commission du Conseil Législatif sur le Budget de l'année 1894, il était dit que la dette hypothécaire dépassait la somme de £ E. 20,000,000 et que les terres hypothéquées avaient atteint une superficie de 1,300,000 feddans environ. Au cours de la note que j'ai eu l'honneur de présenter au Conseil des Ministres sur ce Rapport, j'ai avancé que les chiffres cités étaient totalement erronés et en donnant les raisons qui justifiaient cette assertion, j'ai ajouté que certains indices me portaient à croire que la plus grande partie des dettes hypothécaires ne grèvent pas les terres des paysans mais bien plutôt celles des propriétaires notables qui se procurent ainsi des ressources pour augmenter leur domaine ou pour améliorer leur culture.

Pendant le courant de l'année 1894, je me suis occupé de la question et j'ai l'honneur de soumettre au Conseil des Ministres le résultat des renseignements que mes recherches m'ont permis de recueillir sur la véritable dette hypothécaire.

Le Tableau suivant établit la situation qui ressort de ces informations :—

Propriétaires fonciers classés par catégories de superficie possédée.	Nombre des Propriétaires de chaque catégorie.	Superficie possédée par chaque catégorie de Propriétaires.	Superficie hypothéquée.	Rapport la superficie de chaque catégorie.	Montant de la Dette.	Rapport au total de la Dette.
		Feddans.	Feddans.	Pour cent.	£ E.	Pour cent.
5 feddans et au-dessous ..	513,080	933,700	21,400	2·29	573,300	7·82
De 5 à 10 feddans ..	75,130	552,700	16,000	2·90	392,200	3·35
De 10 à 20 „ ..	39,620	560,300	20,400	3·64	407,700	5·57
De 20 à 30 „ ..	13,140	326,100	19,600	6·00	307,200	4·20
De 30 à 50 „ ..	8,980	347,800	25,900	7·44	409,900	5·60
Plus de 50 „ ..	11,430	2,000,700	292,300	14·60	5,233,000	71·46
Total	661,380	4,721,300	395,600	8·38	7,323,300	100·00

L'examen de ce Tableau démontre que la dette hypothécaire, bien loin d'atteindre le montant cité par le Conseil Législatif, n'en représente qu'à peu près le tiers; en

second lieu il résulte des chiffres de ce même Tableau, que les quatre cinquièmes au moins de la dette sont à la charge des propriétaires fonciers possédant une superficie supérieure à 10 feddans et que parmi ces derniers, les propriétaires de 50 feddans et au delà répondent à eux seuls de plus de 71 pour cent du total de la dette hypothécaire constatée.

La répartition ci-dessous fournit des détails intéressants pour chaque province :—

Provinces.	Contribuables.	Superficie imposée.	Superficie hypothéquée.	Montant de la dette hypothécaire.	Rapport de la superficie hypothéquée à la superficie imposée.
	Nombre.	Feddans.	Feddans.	£ E.	Pour cent.
BASSE-ÉGYPTE.					
Menoufieh	93,480	350,700	25,200	553,700	7·20
Kallioubieh	36,380	188,700	14,300	297,300	7·58
Gharbieh	80,280	705,800	59,900	1,445,800	8·48
Dakahlieh	49,080	448,300	43,200	1,131,500	9·63
Charkieh	44,480	459,900	57,400	975,800	12·40
Béhérah	37,760	670,500	84,100	1,318,000	12·54
Total	341,460	2,823,900	284,100	5,722,100	10·05
HAUTE-ÉGYPTE.					
Hédoud	31,990	72,100	1,000	10,300	1·40
Kéna	36,330	298,100	6,700	85,000	2·24
Fayoum	31,050	158,100	6,800	44,900	4·30
Minia	24,310	264,500	13,500	141,400	5·10
Assiout	69,530	374,000	22,500	270,900	6·00
Béni-Souef	25,140	218,200	14,100	348,100	6·46
Guerga	74,410	333,600	24,100	420,600	7·22
Guizeh	27,160	178,800	22,800	280,000	12·75
Total	319,920	1,897,400	111,500	1,601,200	5·87
Total général pour l'Égypte entière	661,380	4,721,300	395,600	7,323,300	8·88

(Signé)

ELWIN PALMER.

Le Caire, le 24 Janvier, 1895.

(Translation.)

MINISTRY OF FINANCE.

Note to the Council of Ministers.

IN the Report drawn up by the Committee of the Legislative Council on the Budget of the year 1894, it was stated that the indebtedness under mortgage exceeded £ E. 20,000,000, and that the area of the mortgaged land was about 1,300,000 feddans. In the note on this Report, which I had the honour of presenting to the Council of Ministers, I maintained that the figures quoted were entirely erroneous, and, in giving the reasons which justified this assertion, I added that certain indications led me to believe that the greater part of the mortgage debts did not burden the land of the peasants, but rather that of land-owners of the upper class, who thus obtained funds to enable them to add to their estates or to improve their cultivation.

The question has engaged my attention during the year 1894, and I have the honour to submit to the Council of Ministers a summary of the information which I have been able to collect as to the true extent of the indebtedness under mortgage.

The following Table shows the state of things as disclosed by my investigations :—

Classification of Land-owners.	Number of Land-owners of each class.	Area of Land owned by each class of Land-owners.	Area of Land mortgaged.	Proportion of Land mortgaged.	Amount of Mortgage debts.	Proportion in which each class of Land-owners shares in the total indebtedness.
		Feddans.	Feddans.	Per cent.	£ E.	Per cent.
Owners of 5 feddans and under	513,080	933,700	21,400	2·29	573,300	7·82
„ 5 to 10 feddans ..	75,130	552,700	16,000	2·90	392,200	3·35
„ 10 „ 20 „ ..	39,620	560,300	20,400	3·64	407,700	5·57
„ 20 „ 30 „ ..	13,140	326,100	19,600	6·0	307,200	4·20
„ 30 „ 50 „ ..	8,980	347,800	25,900	7·44	409,900	5·60
„ more than 50 feddans	11,430	2,000,700	292,300	14·60	5,233,000	71·46
Total	661,380	4,721,300	395,600	8·38	7,323,300	100·00

An examination of this Table shows that the indebtedness under mortgage so far from reaching the sum mentioned by the Legislative Council only amounts to about one-third of that sum; and, in the second place, it is clear from the figures in the Table, that at least four-fifths of the debt falls to land-owners possessing more than 10 feddans of land, and that among these, owners of 50 feddans and more are answerable alone for more than 71 per cent. of the total ascertained indebtedness under mortgage.

The following analysis furnishes interesting details for each province:—

Provinces.	Taxpayers.	Area taxed.	Area mortgaged.	Total indebtedness under Mortgage.	Ratio of area mortgaged to area taxed.
	Number.	Feddans.	Feddans.	£ E.	Per cent.
LOWER EGYPT.					
Menoufieh	93,480	350,700	25,200	553,700	7·20
Kallioubieh	36,380	188,700	14,300	297,300	7·58
Gharbieh	80,280	705,800	59,900	1,445,800	8·48
Dakahlieh	49,080	448,300	43,200	1,131,500	9·63
Charkieh	44,480	459,900	57,400	975,800	12·40
Beherah	37,760	670,500	84,100	1,318,000	12·54
Total	341,460	2,823,900	284,100	5,722,100	10·05
UPPER EGYPT.					
Hedoud	31,990	72,100	1,000	10,300	1·40
Kena	36,330	298,100	6,700	85,000	2·24
Fayoum	31,050	158,100	6,800	44,900	4·30
Minia	24,310	264,500	13,500	141,400	5·10
Assiout	69,530	374,000	22,500	270,900	6·00
Beni-Souef	25,140	218,200	14,100	348,100	6·46
Guerga	74,410	333,600	24,100	420,600	7·22
Guizeh	27,160	178,800	22,800	230,000	12·75
Total	319,920	1,897,400	111,500	1,601,200	5·87
Grand Total for the whole of Egypt	661,380	4,721,300	395,600	7,323,300	8·88

(Signed)

ELWIN PALMER.

Cairo, January 24, 1895.

Report on the Finances, Administration, and
Condition of Egypt, and the Progress of Reforms.

[In continuation of "Egypt No. 1 (1894) :"
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*Presented to both Houses of Parliament by Com-
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