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THE EGYPTIAN QUESTION.

M. DE FREYCINET'S REVIEW.

"The Egyptian Question," by M. Charles de Freycinet, Member of the French Academy, published last week by MM. Calmann Lévy, is a work which might have been entitled "How the French lost Egypt." M. de Freycinet, the French statesman who has held office more frequently and longer than any of his contemporaries, is particularly well fitted to speak with authority on this question. In his capacity of Foreign Minister he was called upon to study it deeply, and in July, 1882, he resigned office, after the Chamber by an overwhelming majority had rejected his proposal to vote £10,000,000 francs destined to enable France to defend the Suez Canal, and to insure uninterrupted and safe navigation through that international waterway while the English were occupied in putting down Arabi Pasha's insurrection.

At that time Prince Bismarck was still all-powerful at Berlin, and the decision of the French Parliament was based on the apprehension that even that limited intervention might lead further and entail European complications, which the young Republic was ill prepared to meet. Hence M. de Freycinet himself refused to assume the responsibility of counselling intervention in Egypt. That vote sounded the knell of the Anglo-French condominium, but M. de Freycinet does not pretend that the British Government should that result.

On the contrary, the ex-Minister is at considerable pains to explain in his book that the British Government was very desirous to obtain the operation of France. However, he adds, "At the present time, when France is regenerated, when she has reconstituted her army and her finances, when she has acquired a powerful ally on the Continent, and when she possesses personal friendships; to-day, when the dominating and threatening policy of M. de Bismarck has descended with him into the tomb, and when the hegemony of Germany has given us before a just equilibrium of forces, it is difficult in understanding the susceptibilities of public opinion in 1882."

As M. de Freycinet explains in the clearest possible language the various phases of the Egyptian Question after the crossing of Arabi's rebellion down to the signature of the recent Anglo-French accord, signed on April 8, 1904, the subject he has in view is winning the most able work, which constitutes the history of the Egyptian Question from the French point of view from Bismarck's expedition to Egypt to the present moment, in order to demonstrate that if the condominium of England and France is dead and can never be reconstituted, nothing has happened and nothing has been done by France or England to confer on Great Britain permanent possession of Egypt.

"It is," he says, "the inevitable principle of Europe that Egypt must belong to any of the great Powers. Its possession insures such advantages that the equilibrium of States is disturbed by it. In the hands of one State, Power Egypt constitutes a threat to the interests of all others." M. de Freycinet explains the attitude of Germany in the Egyptian Question by showing it could not be inspired by any other reason than the desire to acquire a constant menace to the interests of France and Great Britain. However that may be, it is certain that from 1882 until last year it was France which maintained the condominium in Egypt, and England was only an ally to her. The condominium of England and France in Egypt was maintained by all means to hamper the action of Great Britain in the valley of the Nile, so that France might be able to play the game of the Nile, as was played by Major, now Colonel, Marshall to enter the country to go by the back door. M. de Freycinet is evidently proud that France has thus raised her voice in favor of right. She also has presented a sort of proportion being established, and has not permitted the silence of all to be interpreted as a definite acquiescence."

Towards the end of this interesting volume M. de Freycinet speaks of very clearly. He states that "if the Powers have done nothing to interrupt the English occupation of Egypt, they have, fortunately, nothing to confirm it. The presence of the British troops is not more legitimate to-day than it was twenty years ago. The exceptional and transitory position of Egypt (to employ the words used by Lord Salisbury) is from the point of view of right in no way modified. The convention of April 8, 1904, has changed nothing and has prohibited her from taking initiative, and that is all. To-day England is no more than Egypt or its protector, and she has no mandate from the Sultan. The Treaties of 1858 and 1878 are still in force. Europe can make the question and demand a solution in conformity with right."

M. de Freycinet does not know what Europe will do, but he says that, notwithstanding that appearance, he has "no doubt that at least in history, Egypt will cease to be an English British dominion. Egypt will revert to the Sultan or be neutralized with a guarantee of the European concert." The French ex-Foreign Minister cannot say how that will be accomplished, but he is sure that it may be with the consent of Great Britain. It could not, however, he thinks, be likely that

EGYPTIAN MINING CONCESSIONS

ACTION AGAINST MESSRS. HAIG AND ORLEY TO OBTAIN AN ACCOUNT OF DEALINGS.

In the Chancery Division on Thursday last, Mr. Justice Joyce had before him the action of Brown v. Haig and Orley, by which the plaintiff asked to have an account taken of certain mining concessions granted by the Egyptian Government—Mr. Warrington, K.C., and Mr. Terrell appeared for the plaintiff; Mr. Nevill, K.C., and Mr. Rankin for Mr. Orley; and Mr. Younger, K.C., and Mr. Ashton for Mr. Haig. Mr. Warrington, in opening the case, said the parties were jointly entitled to the concessions. The matter was before his Lordship on a motion for the appointment of a receiver and manager, and the defendants said that accounts had been offered and given. As a matter of fact, no account had been given except what was contained on a sheet of note paper, and that was no account at all. In the result, under pressure it was conceded that an account should be taken by a gentleman to be named by the parties, and, failing agreement, by an accountant to be named by the Court. A gentleman had been appointed in his Lordship's chambers, and his report showed that no account had been delivered, because there were no materials for it. The report also showed that certain of the transactions justified not only the action being brought, but the suspicion which the plaintiff had that everything had been done quite straight.

His Lordship: Of course, I am not going to take an account in Court. Mr. Warrington: No, but my client is entitled to have an account. I should like to facilitate matters, and if the defendants will offer the account of the gentleman appointed in your Lordship's chambers and will file the ordinary affidavit, I shall know how to deal with it.

His Lordship: I should have thought that all the questions would arise on that account. The plaintiff says that the account of the case began at the beginning of 1901, but that the time the plaintiff and Mr. Orley had for two or three years been associated together for the purpose of obtaining concessions for mining property in Australia as Mr. Orley. Met on a few occasions, and the Egyptian Government proceeded exceedingly well, and the former obtained seven concessions. The Government, however, thought that was too many to be granted in one set of persons, and for the concessions were relinquished. Each summer the plaintiff came to England to communicate with Orley, and they arranged for the disposition of the concessions to the plaintiff's benefit. At the end of 1901 it occurred to the plaintiff that Orley, who was a company promoter and financier, that it would be for a third person to go to Egypt to obtain some additional concessions, and that person was the plaintiff. He was obliged to surrender. Mr. Haig was the person selected to perform that office, and he came to Egypt in January, 1901. One of the companies controlled by Orley, the British and Colonial Agency, Ltd., and he thought he could utilize the company for the purpose of the concessions obtained by Haig. The name of the company was then changed to the Egyptian Mining and Development Co., Ltd. Mr. Haig was a man of education and a colleague friend of some of the officials, and in March the Government granted him a concession. The plaintiff desired that the concession should go into the name of Haig, it being part of the agreement that plaintiff's and Orley's names should not be mentioned to the Government.

His Lordship asked what was the dispute between them. Mr. Warrington said the concession having been granted, parties to it were sold in consideration of £5,000 in one case, £500 in another, and £60,000 in a company were to be allotted to Haig for a third party. The purchasing company was the Egyptian Mining and Development Co., Ltd., and in order to show that there was no profit in connection with the shares, Haig set up that the shares were subject to an option which he gave to Orley of £100,000, which he claimed in blocks of 4,000 at a price of £100,000 for the first block, rising to £120,000 for the second block. That was a transaction which had no real value. He said that he suggested that the plaintiff should be content with the £100,000 and with the price that was actually obtained for the shares from outsiders. They also suggested that certain advertising expenses should be borne by the plaintiff, although the expenses were incurred after the sale.

Mr. Younger said the plaintiff was entitled as a shareholder in the company to have an account and realized to receive one-third of the net profits. Under the transaction was concluded the plaintiff had no rights at all except to see the accounts relating to the transactions and have an account of what he had been given to him. His client's position was that there had been no profits realized, but at present a large loss had been sustained. Under these circumstances he contended that the action was misconceived and premature. Mr. Nevill said the important question was whether this was a mere partnership at will or a partnership in which the plaintiff had a right to give the plaintiff one-third of the profits, which would be disastrous. His contention was that it was a joint venture, and that the plaintiff did not arise until the conclusion of the adventure.

After some discussion, the parties agreed, and Mr. Warrington contended that the plaintiff was entitled to participate in the management, and was entitled to an account, profits or no profits. He said, of course, did not ask for profits until there were none, and if a deficit were shown plaintiff would contribute to it. After some discussion, the parties agreed, and Mr. Warrington contended that the plaintiff was entitled to participate in the management, and was entitled to an account, profits or no profits. He said, of course, did not ask for profits until there were none, and if a deficit were shown plaintiff would contribute to it.

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SUDAN FINANCE.

When Lord Cromer's report was published the Sudan accounts for 1904 had not yet been submitted. His Lordship approximately estimated the anticipated result as giving L.E. 575,000 revenue and L.E. 629,000 expenditure, thus leaving a deficit of L.E. 53,000. The accounts have now been closed, and the total revenue is L.E. 576,013 and expenditure L.E. 628,531. The original estimate placed the deficit at L.E. 194,000, revenue L.E. 469,000, and expenditure L.E. 663,000, so the financial result of the past year must be considered extremely gratifying.

The result, however, is in reality not quite so favorable as would appear at first sight from a consideration of the figures given above. In the first place, the revenue of 1904 has been swollen, to the extent of L.E. 41,000, by certain extraordinary receipts, which will not recur in future years. Under these circumstances, the true revenue of the year may be stated as amounting to L.E. 535,000. This diminution in expenditure will, of course, go to swell the surplus, and, consequently, to increase the Reserve Fund of the Sudan Government. On the other hand, inasmuch as about L.E. 14,000 of this year's expenditure does not represent real savings, but is due to the fact that certain liabilities, incurred in 1904, have not yet been met, it is clear that when those liabilities are met the Reserve Fund will, *pro tanto*, be reduced.

When, however, due allowance has been made for these considerations, it may confidently be asserted that the financial position of the Sudan is very much improved as compared to previous years.

A consideration of the following figures, which give the amount of revenue estimated, as well as that realized, since the re-occupation of the country took place, will show that the improvement has been progressive. The first figures for each year represent the estimated, the second the realized revenue:

	1898	L.E.	8,000	L.E.	35,000
1899		51,000		128,000	
1900		155,000		156,000	
1901		157,000		242,000	
1902		234,000		270,000	
1903		428,000		482,000	
1904		459,000		576,000	

When, shortly after Lord Kitchener's great victory, the revenue of the Sudan was estimated at the modest figure of L.E. 8,000, few could have dreamed that the day would come when, as the Sudan's resources were won, it would have risen to well over half a million. This result has, however, been achieved. Moreover, it has been attained concurrently with the adoption of a system of direct taxation, the reports of which the local authorities have to show that throughout the country taxes are now collected with ease.

In Lord Cromer's chapter on Sudan finance there is a passage on the principle of taxation in Oriental countries, which deserves to be quoted here.

When, then, the Lord Cromer's report of victory, the revenue of the Sudan was estimated at the modest figure of L.E. 8,000, few persons could have anticipated that, before six years were over, it would have risen to well over a million. This result has, however, been achieved. Moreover, it has been attained concurrently with the adoption of a system of very light taxation. The reports of all the local officials show that during the last five years the taxes are now collected with ease.

In Lord Cromer's chapter on Sudan finance there is a passage on the principle of taxation in Oriental countries, which deserves quotation. "In deciding what general policy is to be adopted in countries such as Egypt and the Sudan, low taxation should be the keynote of the political system. It brings greater good than any other policy. It is a means of getting the people to steady and continuous manual and material improvement. It allows, either at once or eventually, of the adoption, without serious damage to the State, of a policy in other matters which is in general conformity with the liberal views and traditions of the British Government and of the British nation. Expenditure on objects, however desirable in themselves, should, I venture to think, be rejected, or at all events postponed, rather than that the principle of maintaining taxes at a low figure should be in any degree infringed. That is the policy which, for more than twenty years, has been adopted in Egypt and for some seven years in the Sudan. I have pointed out in this and in previous years, that Egypt has now passed out of the first stage of development. The maintenance of taxation at a low figure for some considerable period has produced its natural effect. The revenue has largely developed. A commencement is now being made with the execution of the second portion of the programme, namely, that which involves an increase of expenditure in order to carry out various reforms and improvements. It cannot be said that the Sudan has as yet entered the first stage, but the foundations of a system of government suitable to the requirements of the country have been laid."

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THE BRINDISI ROUTE.

Travellers who use the Brindisi route to and from Egypt, will regret to learn that the Italian Government at the eleventh hour has decided not to avail itself of the option of taking over the Southern railways. It will be remembered that this option remained open until May 20. Much disappointment will be felt in the South of Italy, but the decision is financially prudent. It was understood that this route would be greatly improved by the Government.

The Southern railways—the geographical term is somewhat of a misnomer, for a portion of the line runs in Northern Italy—consists of the long piece of rail from Bologna down the Adriatic coast to Otranto, 550 miles in length, of which 475 miles are traversed by the weekly Italian mail and are therefore of special interest to British travellers, of the line across the peninsula from Foggia to Naples, 133 miles long, and of various smaller sections of railway, comprising between 669 miles. This makes a total mileage of 1,242 miles for all of the lines of the Southern Italy.

GERMAN ANGLOPHOBIA.

Herr Bismarck, the National Liberal leader, was the chief speaker at the Party's Congress which was held last week in Dresden. His remarks on the Egyptian Question were characterized by a strong anti-English bias. He accused England of seeking to sow dissension between Germany and France in Morocco, and observed that it was the chief aim of British policy to bring about the disunion of the two continental powers. In Eastern Asia, England, said Herr Bismarck, was behaving in a very curious manner as the ally of Japan. The French was winning its way through French ports, and England was winning its way through the paper ports. The agreement stipulated by Herr Bismarck that England is playing the game of France in Morocco, and to Japan in the Far East, may now be demonstrated every day in the German Press, which is doing its best to get up the cry of "Perfidie Alliance" in Paris.

GERMANY AND RUSSIA.

Professor Meadeley, the well-known Russian chemist, has declared to a member of the staff of the "Petersburg Gazette" that the political movement in the Russian Empire is being fostered and led by Germany. "Such a movement can be only to Germany's advantage, for the whole of Germany underestimates the value that Russia is the only impediment in the way of Germany's further expansion. It is to Germany's interest to weaken Russia by internal disorders. If German diplomacy is apparently on Russia's side, then that may be construed as a sign that German diplomacy is aware that Russia will emerge from its present condition at some and abroad that his remarks are all the more striking.

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