

*THE LEGAL POSITION OF THE SUEZ CANAL.*

International rights over artificial waterways from sea to sea, and their relation to those of the power owning the territory in which such ways are situated, will probably form an important branch of the international law of the future. At present there are hardly any instances upon which a discussion of such rights can be founded. But in view of the important questions which must soon be settled as to the Suez Canal, it may be interesting to examine what the legal position, so far as law can be held to apply to a subject matter so new and so anomalous, of that undertaking is.

The relations of the company to the Egyptian government and its suzerain are defined by concessions granted by the Khedive in 1854 and 1856, and finally ratified by the Sultan's firman of the 22d February, 1856.

The most important articles provide that the canal shall be kept open at all times as a neutral channel to the merchant ships of all nations without distinction or preference, the company being allowed to charge a toll not exceeding 10 francs per ton. The company is declared to be an Egyptian one, and all disputes between it and the Egyptian government or third parties are to be decided by the local tribunals according to the laws of the country and to treaties; but as regards its internal affairs, and the rights of its shareholders, it is declared to be a French Société Anonyme, and subject to the laws regulating such societies. The canal and its dependencies are made subject to the police of the Egyptian government, in the same manner as the rest of its territory. Certain land upon the banks is given up to the company, but the government reserves power to take back and occupy any points of strategic importance, agreeing not to interfere with the navigation of the canal. The concession terminates at the end of ninety-nine years, unless a fresh agreement is entered into, and it is provided that the 15 per cent. share of profits given to the Khedive is to be increased by 5 per cent. on every such fresh agreement till it has reached 35 per cent.

There is nothing in this concession which in any way abandons the sovereign rights of the Egyptian government or its suzerain, the Sultan, over the canal, nor which gives any rights to any other Power. It is simply a pri-

vate contract between the Khedive and the company, ratified by the Sultan. Acting upon this view the company, soon after the opening of the canal, obtained leave from the Sultan to charge a sur-tax of one franc per ton for the passage of vessels, and they then further increased the toll without such leave by charging upon what they considered the actual capacity, instead of, as at first, upon the registered tonnage of vessels using the canal. The Sultan, pressed by the Powers to put an end to this exaction, called a Conference in October, 1873, at Constantinople, to agree upon a general standard of tonnage. The Conference wisely refused to embark upon this general question, but agreed upon a mode of measurement which they considered fair for the Suez canal, and recommended the Porte that the company should be compelled to adopt this measurement, and at the same time should be allowed to charge a sur-tax of three francs per ton, to be reduced upon a sliding scale as the tonnage of ships using the canal increased. The Porte accepted these recommendations, and at the same time voluntarily declared that the Turkish government would not allow any increased toll to be levied without its consent, and would come to an understanding with the principal Powers interested before coming to a decision.

The Powers throughout the negotiation recognized the absolute right of the Porte to regulate the tolls, and the recommendations of the Conference were carried out as the act of the Porte. The company refused to accept the terms agreed upon, and even issued a notice that the canal would be closed. They only yielded under pressure of the dispatch of an Egyptian force to seize the canal; and accepted the new dues only under protest until 1876, when an agreement was come to slightly modifying in the company's favor the terms imposed by the Conference. About the same time a dispute arose as to jurisdiction, the company claiming to have all disputes in which they were concerned tried by the French Consular, instead of the Egyptian, Court. The French government, however, repudiated any claim that the company was solely under French jurisdiction, and the controversy came to an end on the establishment of the international tribunals in Egypt in 1874. The purchase of the Khedive's shares by the English govern-