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## THE ORIGIN OF THE FRENCH MANDATE IN SYRIA AND LEBANON: THE RAILROAD QUESTION, 1901-1914

France's acquisition of Syria and Lebanon as mandated territory after the First World War has often been described as the result of war-time arrangements such as the Sykes-Picot Agreement and the MacMahon-Hussein Correspondence. In fact, however, the French claim to these parts of the old Ottoman Empire was recognized internationally even before the war erupted. The nineteenth century had witnessed the tremendous penetration of French religious influence into Syria and Lebanon through the establishment of clerical schools, hospitals, asylums and orphanages. The ecclesiastical establishment was under fire at home, but governmental subsidies for missionary work in the Middle and Far East were continued.<sup>1</sup> After the turn of the century French diplomats and consular officials sought political influence among increasingly dissatisfied Muslim and Christian Arabs in Syria and Lebanon by championing local reform programs at the Porte. The object was to increase French popularity in the area by making Syrians and Lebanese believe that France was spearheading a drive to achieve political and administrative autonomy for them within the Ottoman Empire.<sup>2</sup>

These religious and political ventures were designed to secure a French claim on Syria and Lebanon should the expected collapse of the Ottoman Empire in

<sup>1</sup> The most useful primary source material on this question is unpublished but is available in the Archives of the Quai d'Orsay: France, Ministère des Affaires étrangères. *Saint-Siège*. Protectorat catholique de la France. *Dossier général* (1897-1918), N.S. 28-N.S. 38; *Ecoles et missions françaises* (1897-1918), N.S. 39-N.S. 50; *Ecoles et missions étrangères* (1897-1914), N.S. 52-N.S. 57. Interesting but often polemical sources include: André Bruneau, *Traditions et politique de la France au Levant* (Paris, 1932); Pierre Ghalib, *Le protectorat religieux de la France en Orient* (Avignon, 1920); René Ristelhueber, *Traditions françaises au Liban* (Paris, 1918). Also of value on this question are the articles from 1901 to 1914 in the *Bulletin du Comité de l'Asie française*.

<sup>2</sup> Primary source material on this matter can be found unpublished in the Quai d'Orsay. France. Ministère des Affaires étrangères: *Turquie*. Politique intérieure. *Dossier général, Syrie-Liban* (1897-1914), N.S. 104-N.S. 124. Useful published material includes: Négib Azoury, *Le Réveil de la nation arabe dans l'Asie turque* (Paris, 1905); Eugène Jung, *Les puissances devant la révolte arabe* (Paris, 1906); *Turquie*. IV<sup>ème</sup> Armée, *La Vérité sur la question syrienne* (Stamboul, 1916); George Antonius, *The Arab Awakening, The Story of the Arab National Movement* (New York, 1946); Elie Kedourie, *England and the Middle East* (London, 1956); Zeine N. Zeine, *Arab-Turkish Relations and the Emergence of Arab Nationalism* (Beirut, 1958).

Asia occur. But during the decade prior to the outbreak of the world war, Germany, Italy and Great Britain entered more vigorously into the competition for influence in the Levant. Paris began to realize that religious and political influence simply were not enough to establish French predominance. A concrete economic sphere of influence, recognized and guaranteed by the Great Powers and Turkey, would have to be created. The keystone of the whole edifice rested on railroads, but it is impossible to consider the question of French railroads in Syria and Lebanon apart from the more general picture of France's economic penetration of the Ottoman Empire as a whole.

On the eve of the First World War, the French financial investment in the Ottoman Empire was enormous. French financiers controlled 62.9% of the Ottoman Public Debt. The Imperial Ottoman Bank, which acted as the state bank, was owned entirely by French and British capital. It controlled the tobacco monopoly, several utilities, railway and industrial issues and had other business ramifications. Although its head office was in Istanbul and there were alternate French and British directors-general, its loan policies and other fiscal operations were determined from Paris. The Bank often acted as an agent of the Quai d'Orsay. French financial enterprise constructed and operated docks and warehouses in the Mediterranean, Black and Red Seas. Its role was preponderant in the operation of the waterworks, the electricity board and telephones in Istanbul. The part played by French capital was hardly less prominent in other major Ottoman cities, including the important Syrian entrepôt of Beirut, while throughout several Asian provinces it held contracts for road construction and other transport enterprises. French capital was also heavily engaged in land and mortgage companies, and in coal, silver, manganese and copper mines. By 1914 French entrepreneurs also held concessions for port construction in Haifa, Jaffa, Tripoli-in-Syria, Beirut, Zonguldak, Bandirma and Inebolu.<sup>1</sup>

From the financial point of view, therefore, French capitalists had a tremendous investment in Turkish securities and a large stake in the continued good health of the always precarious Ottoman economy. French investment was more than twice that of Germany, which held second place, with Britain coming in a poor third. Trade statistics, however, tell another story. Here Great Britain was far in the lead, although Germany was making strong gains. Turkish exports to Germany increased more than fifty per cent between 1900 and 1911, while German exports to the Ottoman Empire tripled. Exports to England dropped slightly during this period, but imports made some increase although not nearly so spectacularly as those of Germany. French commerce with the Ottoman Empire slipped from second place in 1900 to a position inferior to England, Germany, Austria and Italy in 1914.<sup>2</sup> These figures show that French commercial

<sup>1</sup> Herbert Feis, *Europe, the World's Banker* (New York, 1961), p. 53; Harry N. Howard, *The Partition of Turkey, 1913-1923* (Norman, Oklahoma, 1931), pp. 49-50; W. W. Gottlieb, *Studies in Secret Diplomacy during the First World War* (London, 1957), pp. 20-1, 80.

<sup>2</sup> Howard, *op. cit.* pp. 49-50.

influence was on the wane at the same time that her financiers were growing more and more predominant.

One aspect of the French economic position in the Ottoman Empire has yet to be mentioned, an aspect which proved in the long run to be the most important of all—railroads. This facet was decisive, because it was through railroads that France succeeded in hammering out an economic sphere of influence in the Syrian provinces. In 1902 French firms were operating five different railroad lines in Asia Minor. These were the Mudanya–Bursa, the Mersin–Adana, the Beirut–Damascus–Muzeirib, the Jaffa–Jerusalem and the Izmir–Kasaba. The total French investment in these railroads by 1902 amounted to some 202 million francs.<sup>1</sup> But any one of these lines, or all of them put together for that matter, could not equal in potential influence the concession achieved by German financiers to build the Anatolian Railway with future extensions to Baghdad.

The original concession was granted to German developers in October 1888. At that time the concession could be regarded as a victory over French finance, since a French plan to construct a line crossing Anatolia from the Mediterranean to the Persian Gulf was scrapped by the Turks in favor of the German Baghdad scheme. The French project was abandoned for several reasons, even though the cost of construction would have been less, and the prospects of making money immediately would have been much greater. In the first place, such a railroad would have developed the southern provinces of the Empire without connecting them to the Anatolian homeland of the Turks. Secondly, it might have promoted the rapidly spreading Arab separatist movement. And thirdly, its termini on the Mediterranean and Persian Gulf could have been controlled by a foreign fleet.<sup>2</sup> The German-financed Anatolian Railway reached Ankara in 1893, but there it ran into financial snags. Foreign opposition also developed, particularly from French groups which feared that the railway would lead to an overwhelming degree of German influence in the area to be traversed.

The deadlock was breached finally in May 1899, when German interests (the Deutsche Bank and the Anatolian Railway Co.) and French interests (the Imperial Ottoman Bank and the Izmir-Kasaba Railway Co.) reached an agreement. The two main groups were to have equal participation in ownership and control of a new company to be formed to build from Konya to the Persian Gulf. Forty per cent of the capital was to be German and forty per cent French, while the remaining twenty per cent would be offered to Turkish investors. This accord between French and German financiers was generally applauded in

<sup>1</sup> *Bulletin du Comité de l'Asie française*, vol. II (December 1902), pp. 549–50; France, Ministère des Affaires étrangères, *Turquie*, N.S. 321, 120–8. (Hereinafter these unpublished French diplomatic documents will be abbreviated M.A.E.) It must also be noted that the term 'Syria' was understood to mean the provinces of both Syria and the Lebanon.

<sup>2</sup> Edward M. Earle, *Turkey, the Great Powers and the Bagdad Railway* (New York, 1923), pp. 62–3.

France. Ambassador Constans' role in fostering it was regarded appreciatively, and many felt that the agreement was an important commercial success, furnishing France with a powerful instrument of economic expansion and political influence.<sup>1</sup> A final clause, however, stipulated that both the French and the German banking groups would work to secure the support of their governments, without which no securities could be listed on the national markets. This final provision was of capital importance, because it transformed an initially financial issue into a political and diplomatic question involving the extent of French influence in the administration of the proposed line.

The debate was joined on 24 March 1902 when Felix Faure rose in the Chamber of Deputies to denounce the merger and move that the Paris Bourse be not opened to subscriptions from the new company. Faure cited three arguments to support his motion. First of all, although French and German capitalization were technically equal, Germany would retain political and administrative control over the company by manipulating the twenty per cent share reserved for Turkish investors. Secondly, such a development would lead to the decline of French influence in Anatolia, leaving it a veritable German colony. And finally, the most important argument so far as Faure was concerned was that he viewed the railroad as an anti-Russian device *par excellence*. He pointed out the importance of the Russian alliance for France and argued that in case of a general conflagration the strategic significance of the railway would ensure Turkey's entrance against Russia. Faure went on to quote several pieces from the Russian press protesting against French participation in the enterprise.<sup>2</sup>

Foreign Minister Théophile Delcassé's response to Faure's speech is important because within eighteen months he was to change his position completely on the Baghdad question. Delcassé responded that the French Government had not as yet entered into the affair diplomatically at all. He felt that the agreement of 1899 offered a splendid opportunity for French capital, and averred that it would be detrimental to French influence in Anatolia if French financiers did not participate in the Baghdad project. The Foreign Minister was upheld by the Chamber, which defeated Faure's motion to squash French involvement in the project by a vote of 398 to 72.<sup>3</sup> Delcassé had not, however, committed himself irrevocably to French participation. He emphasized that French financiers must have an equal role with the Germans in the administration of the new line. It was this loophole which Delcassé eventually used to block the use of the Paris Bourse for the Baghdad titles.

Early in 1903 the matter of French equality in the construction and exploitation of the Baghdad line was complicated by German agitation in Istanbul to

<sup>1</sup> For example see: *Bulletin de Comité de l'Asie française*, 1 (April, 1901), pp. 23-8; *Le Petit Parisien*, 19 August 1901. (The latter was a rather sensational newspaper but politically moderate, with the largest daily circulation in Paris at the time.)

<sup>2</sup> France, *Annales de la Chambre des députés, Débats parlementaires*, vol. LXVI (part 2), pp. 1856-7.

<sup>3</sup> *Ibid.* p. 1857.

unify the entire Ottoman debt. Such a development would tend to stabilize the Ottoman treasury and thus facilitate Turkey's payment of the kilometric guarantees to the Baghdad Company. Unification, however, could not take place without the consent of all the Great Powers. Delcassé informed Ambassador Constans on 21 January 1903 that France could not possibly agree to such a development until the 'absolute equality' of the French and German elements in the Baghdad consortium had been established 'in terms that left no room for doubt'.<sup>1</sup> Constans, however, was of the opinion that the unification of the public debt was absolutely necessary to Turkey, whose credit was all but ruined. In a despatch of 16 June 1903 the Ambassador admitted that French financiers very probably were not going to secure equality with their German partners in the administration and exploitation of the project. But he urged the desirability of achieving debt unification, if only as a favor to Turkey, even though the ultimate effect would be to help Germany build a German-dominated railroad.<sup>2</sup> Constans' conclusions about French inferiority to Germans in the Baghdad project were based upon a preliminary agreement reached on 13 June 1903 between the Deutsche Bank and the Imperial Ottoman Bank. According to this agreement, not yet finalized, both French and German financiers were to get thirty per cent of the financial participation in the new Baghdad Company, with ten per cent reserved for the German-dominated Anatolian Railway Co., ten per cent conceded to the Swiss, who were also German-represented, and another ten per cent for the Turks. If the agreement stood, Germany might well control sixty per cent of the finances, with a corresponding influence in the administration of the railroad.<sup>3</sup> The French pipe dreams of parity with Germany in this great enterprise were becoming ever more remote.

The dichotomy between the French participation in the Baghdad Railway and the unification of the Ottoman debt erupted, in the summer of 1903, in an acrimonious exchange between Delcassé and Maurice Rouvier, the Minister of Finance. On 13 July Delcassé informed Rouvier of Constans' opinions on the Baghdad and debt unification matters, with particular reference to the preponderant influence of Germany as a result of the preliminary accord of 13 June. He also drew the Finance Minister's attention to some agreements of 1901 which would permit the Baghdad company to build branch lines to the Mediterranean. These latter agreements hit the Foreign Minister in a particularly sensitive spot. 'These agreements', he told Rouvier, 'which I knew nothing about, would involve, if they exist, the most serious prejudice to French lines in Syria.' For this reason Delcassé reversed his position of 24 March 1902 and told Rouvier that it was not in France's interest to join the enterprise. The Quai d'Orsay would also reserve judgment on the unification matter until it had been completely

<sup>1</sup> France, Commission de Publication des Documents relatifs aux Origines de la Guerre de 1914-1918, *Documents diplomatiques français*, series 2, vol. III, no. 36. (Hereinafter abbreviated *D.D.F.*)

<sup>2</sup> *D.D.F.*, series 2, vol. III, no. 303.

<sup>3</sup> *Ibid.* no. 302.



informed by the Imperial Ottoman Bank of all existing agreements with the German financiers.<sup>1</sup>

Rouvier responded to Delcassé with two letters on 20 and 23 July 1903, saying it would be the greatest disaster for Frenchmen not to participate in the Baghdad project, since not to do so would make it a completely German-dominated venture. The Finance Minister also saw no connexion between the matter of unification of the Ottoman public debt and the railroad enterprise.<sup>2</sup> Both Constans and Delcassé had previously sketched in the connexion between the two problems. But Rouvier had to defend the idea of unifying the Ottoman debt, since French documents show that it was originally his own proposal. It was later picked up and enthusiastically endorsed by the German Ambassador as well as German financiers in Istanbul. This explains why the Germans did not give Frenchmen equality with them in the Baghdad project. They felt that since unification of the debt was originally Rouvier's proposal, France would eventually agree to it even if she were not going to participate in the railway.<sup>3</sup>

The preliminary agreement between French and German financiers was signed in Brussels on 1 October 1903. In addition to the arrangements which ensured the German group of sixty per cent of the financial control of the Baghdad project, the final accord set up a twenty-nine member Council of Administration. The German group was able to control eighteen of these members.<sup>4</sup> In light of the Brussels accord, which did not meet the French Government's demands for complete equality with the Germans, Delcassé persuaded the French Council of Ministers on 23 October 1903 that the Government could not sanction the participation of French money in the project.<sup>5</sup> French financiers were already committed and in effect actually did subscribe thirty per cent of the capital of the Baghdad Railway Co. But the effect of the Government's decision of 23 October was to deny the use of the Paris Bourse as a market for the floating of Baghdad securities. The bonds languished in the hands of the Imperial Ottoman Bank until 1914. Delcassé had come full circle; he was transformed from an advocate to an opponent of French participation in the scheme, and he succeeded in pulling the French Government along with him. As a result of the decision of October 1903, France lost the opportunity to have at least some voice in the construction, administration and exploitation of potentially one of the most important economic and political instruments in Anatolia. What were the factors which motivated

<sup>1</sup> *Ibid.* no. 347. The agreements mentioned by Delcassé indeed did exist. They had been signed by the Deutsche Bank and the Imperial Ottoman Bank on 13 and 21 May 1901 and accorded to the German group the exploitation of all junctions and branch lines between the Baghdad Railway and the main French Syrian network of the Damascus-Hama line. These arrangements, however, were not revealed officially until 1903. (See M.A.E., *Turquie*, N.S. 337, pp. 74-82.)

<sup>2</sup> *D.D.F.*, series 2, vol. III, nos. 361, 367.

<sup>3</sup> M.A.E., *Turquie*, N.S. 174, pp. 226-7. Germany was correct in this respect. France eventually did consent to the unification of the Ottoman Public Debt, but not until 1908.

<sup>4</sup> M.A.E., *Turquie*, N.S. 337, pp. 24-5.

<sup>5</sup> *D.D.F.*, series 2, vol. IV, nos. 34, 106.

France's seemingly frivolous decision? The question is an important one, for its answer involved the entire future of her economic position in Syria.

The answer most often cited to explain Delcassé's refusal to sanction French involvement is that Russia opposed it out of hand, and that Delcassé did not want to prejudice the Franco-Russian alliance which was so vital to the future of French security. Sir Francis Bertie, British Ambassador in Paris in 1906, cited Russian opposition as the principal motive.<sup>1</sup> Professor John B. Wolf has maintained that Russian pressure on the Quai d'Orsay was the deciding factor in France's refusal to allow Baghdad securities on the Bourse.<sup>2</sup> The great French historian Pierre Renouvin came to similar conclusions, maintaining that one of Delcassé's primary aims was the strengthening of the Franco-Russian alliance. He therefore opposed Rouvier on the Baghdad matter in the belief that his action was a service France was rendering to Russia.<sup>3</sup> Documentary evidence does, indeed, exist to support this conclusion. In March 1903 Maurice Bompard, at that time Ambassador to St Petersburg, notified Delcassé that everybody in Russia, including Foreign Minister Lamsdorff and Finance Minister Witte, viewed the construction of a railroad between the Bosphorus and the Persian Gulf as prejudicial to Russian interests and favorable only to Germany. Throughout the spring and summer of 1903, Bompard reported massive Russian press campaigns against the Baghdad project and particularly against her ally France's participation in the enterprise.<sup>4</sup>

It can be granted that pressure from Russia was an important factor in France's decision. But it most decidedly was not the only factor. None of the sources cited above mention the important railway commitments France already had in Syria and the threat presented to them by French participation in a German-dominated Baghdad railway. Unpublished sources at the Quai d'Orsay show that French diplomats were vitally concerned with the preservation and prosperity of the Syrian network, a concern which grew increasingly more pressing in 1903 when the Arab national movement was beginning to assume momentum and it became clear that Italy was determined to capitalize on French anti-clerical sentiment at home in order to try to supersede France as protector of Catholic interests in the Middle East. It has already been pointed out that Ambassador Constans felt that France had to consent to the unification of the Ottoman debt, even though the main beneficiary would be the Baghdad project, simply because Turkey's economic life depended upon it. He reiterated this contention on 16 June 1903, but maintained that certain guarantees had to be exacted in return for the French consent. 'We must preoccupy ourselves first of all with the health of our railroad lines in Syria: Beirut-Damascus, Damascus-Muzeirib and Rayak-Hama.'

<sup>1</sup> F.O. 800/174, ME/06/6 (unpublished papers of Sir Francis Bertie, Public Record Office, London).

<sup>2</sup> John B. Wolf, *The Diplomatic History of the Bagdad Railroad* in *The University of Missouri Studies*, vol. XI (Columbia, Missouri, 1936), pp. 45-6.

<sup>3</sup> Pierre Renouvin, *La politique extérieure de Théophile Delcassé* (Paris, 1954), pp. 16-17.

<sup>4</sup> *D.D.F.*, series 2, vol. III, nos. 135, 199, 260.



Constans maintained that a German-dominated (but French-financed) Baghdad railway in the north with its projected junctions to Aleppo and the Gulf of Iskenderun, coupled with the Ottoman-administered Hijaz Railway in the south, 'would mean a quick ruin for our Syrian railways'. He urged Delcassé to insist upon concessions guaranteeing France against the danger of being squeezed out of Syria.<sup>1</sup> What Constans feared (and Delcassé shared his concern) was that French money would be used to finance the line to Baghdad and its junctions to the Mediterranean, which eventually would ruin the French economic basis in Syria. Delcassé had said, as early as 13 October 1901, in a letter to the President of the Administrative Council of the Imperial Ottoman Bank, that the proposed junctions to Aleppo and Iskenderun would conflict with the interests of the French network in Syria. 'I must not conceal from you', Delcassé maintained, 'that if the concession of these two branches were maintained in the definitive contract, it would be necessary for me to refuse to the Baghdad enterprise the support which my Department is in a position to lend to it and also to refuse the facilities of the Paris market to the financial operations which the construction of this railroad will need.'<sup>2</sup>

The final document shows that Delcassé's mind was made up as early as 1901. The fact that French financiers were denied equality with their German counterparts in the administration of the Baghdad line in 1903 only served to harden his determination not to permit the French market to float the bonds. Russian pressure certainly was an important factor in Delcassé's decision of October 1903, but the threat posed by the German enterprise to French economic interests in Syria was equally vital and must not be neglected or undervalued. Despite the Government's decision, French financiers continued to subscribe thirty per cent of the Baghdad securities, but the fact that they could not float these bonds on the Paris Bourse caused much recrimination between them and their German colleagues. The decision of October 1903 created this condition, but it also set in motion the chain of events which ultimately led to the Franco-German agreement of February 1914, which set Syria aside as a French economic sphere of influence. In the long run it was this development which paved the way to France's assumption of the Syrian mandate after the First World War.

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It was the matter of the Baghdad Railway which served to draw the Quai d'Orsay into the fray. Thereafter, the Foreign Ministry was to cooperate extensively with French railroad enterprises in Syria in an attempt to expand and solidify their influence in that area. A notable example, one worth examining in some detail, is the case of the most important French-owned line operating in Syria at the time—the *Société de Damas-Hamah et Prolongements*. One of the

<sup>1</sup> M.A.E., *Turquie*, N.S. 336, pp. 131–3.

<sup>2</sup> *Papiers Delcassé*, vol. xv, 'Constantinople-Moyen-Orient, 1903–1904' (unpublished papers at the Quai d'Orsay), pp. 4–6.

main problems this line had to face after the turn of the century involved its junction from Damascus south to the city of Muzeirib. Shortly after 1900 the Hijaz Railway Co., an Ottoman-owned line financed by subscription among the Muslim faithful, undertook to build a link from Damascus to Deraa, which was exactly parallel to the French Damascus–Muzeirib line. Officials of the latter maintained that this parallelism was contrary to the guarantees given the *Damas-Hamah et Prolongements* in 1890. The Porte had offered to repurchase this section of the D.H.P. in 1902 for 5·5 million francs. This offer was, however, unsatisfactory to French directors, who maintained that there were already 11·5 million francs invested in that section. The D.H.P. requested the intervention of the Quai d'Orsay to help prevent construction of the parallel line.<sup>1</sup>

The Foreign Ministry was unable to exercise that much influence in Istanbul, but Delcassé was nonetheless very concerned about the future of the D.H.P. in Syria. In January 1904 he was notified that the D.H.P. administration had decided to undertake negotiations with the Porte with a view toward ceding the Damascus–Muzeirib section for 7·2 million francs. Delcassé wrote to Ambassador Constans in the following manner: 'Since this solution is considered . . . by my Department as unfavorable to our influence in Syria, I have let the company know . . . that it was impossible for me to support this request, but that I remained disposed to support the principle of an indemnity.'<sup>2</sup> Delcassé was not willing to sell out in Syria. After all, he had sacrificed French participation in the Baghdad scheme in order to protect her investment there. But the Foreign Minister would put pressure on the Porte to indemnify the D.H.P. for financial losses due to the Damascus–Deraa parallelism.

The method by which this pressure was to be applied emerged in a Foreign Ministry note of 11 June 1904. It suggested that Delcassé prevent the floating of a loan of 2·5 million Turkish pounds 'until the Ottoman Government has disinterested itself in the Damascus–Hama company either by granting a kilometric guarantee to the Damascus–Muzeirib line or, a preferable solution, by authorizing the construction of a junction from Hama to Aleppo, the natural terminal point for our Syrian network'.<sup>3</sup> The loan negotiations dragged on for nearly a year, with France attaching very stiff conditions concerning the Syrian railways. The debate waxed acrimonious, and France even broke off negotiations, threatening a recall of her Ambassador. The tactic worked, for in April 1905 Turkey granted the concession for an extension of the Damascus–Hama line to Aleppo with a kilometric guarantee of 13,667 francs. The Porte also agreed to an indemnity of 3·5 million francs to the Damascus–Muzeirib line for losses it had suffered as a result of the Hijaz parallelism.<sup>4</sup> The tactic of attaching unpleasant

<sup>1</sup> M.S.E., *Turquie*, N.S. 319, pp. 8–9.

<sup>2</sup> M.S.E., *Turquie*, N.S. 321, p. 141.

<sup>3</sup> M.A.E., *Turquie*, N.S. 322, pp. 63–4. This suggestion was relayed by Delcassé to the Ministry of Finance on 30 June 1904. Rouvier added his approval to that of the Foreign Minister. (See: Archives Nationales, F<sup>30</sup> 356.)

<sup>4</sup> *D.D.F.*, series 2, vol. VI, no. 180. One reason the D.H.P. was losing so much money on the Damascus–Muzeirib connexion, according to the British consul general in Beirut,

concessions to the granting of a loan was nothing new in international relations. But in this case the Quai d'Orsay had intervened and applied this strategy to the Syrian railroads with very satisfactory results. The Foreign Ministry was to use this method again in 1913 and 1914 with even more spectacular consequences.

But governmental intervention in the matter of the Syrian railway network was not just a one-way street. The Quai d'Orsay often applied pressure on the railway companies, occasionally against the latter's wishes, to improve their services and undertake new enterprise. For example, in 1907 the Quai d'Orsay urged the D.H.P. to rebuild a workable line from Rayab to the sea at Beirut, since the existing one was narrow gauge and resulted in delays in the transshipment of Syrian crops. The resulting dissatisfaction, if not corrected, could result in the Syrians' transferring their shipping business to the Baghdad line once its connections to the Mediterranean were in operation. The D.H.P. was reluctant to cooperate, preferring to devote its capital to the improvement of existing lines in the form of more and better rolling stock.<sup>1</sup> The company, however, eventually capitulated. Similarly, in 1909 the Quai d'Orsay persuaded the D.H.P. to seek a concession to build a line from Homs to Tripoli-in-Syria even though the company could not secure a kilometric guarantee from the Ottoman Government. The project was described as 'perhaps not too advantageous from the financial point of view but of capital importance for the maintenance of France's position in Syria'.<sup>2</sup> The examples show clearly that the Quai d'Orsay was vitally concerned with promoting the Syrian railway network.

As far as the *Damas-Hamah et Prolongements* was concerned, the years 1911 to 1914 witnessed a recrudescence of the problem of competition with the Hijaz Railway in the matter of the parallelism of the Damascus-Muzeirib link. The settlement of 1905 had called for a rate agreement to be established for these parallel lines. This had never occurred, and despite the indemnity accorded to the D.H.P. in 1905, the gross receipts for the Damascus-Muzeirib line showed that the competition from the Hijaz line was ruining it. The figures recorded a decline in gross receipts from 788,000 francs in 1904 to 386,000 francs in 1912.<sup>3</sup> The D.H.P. again sought the intervention of the Quai d'Orsay. The latter responded by undertaking negotiations with the Porte to secure a rate agreement between the two lines, and also to seek another concession to build a junction from Rayak to Lydda, which eventually would be used to connect Syria with Egypt. Foreign Minister Raymond Poincaré wrote to Ambassador Maurice Bompard on 24 December 1912 that if these two matters were settled to French satisfaction, '... our Syrian network would present a character of homogeneity and unity which will put a large enterprise into French hands, capable of erasing what it was 'making prohibitive charges for the conveyance of goods'. Hence, shippers were turning to the Hijaz line, whose charges were more reasonable. (F.O. 195/2165, 28 January 1904.)

<sup>1</sup> M.A.E., *Turquie*, N.S. 324, pp. 189-90.

<sup>2</sup> M.A.E., *Turquie*, N.S. 325, pp. 204-6, 235-7; N.S. 326, p. 33.

<sup>3</sup> M.A.E., *Turquie*, N.S. 329, p. 174.

past misfortunes and destined in the future to render the most valuable services to French influence in the vast region extending from Aleppo to Jerusalem'.<sup>1</sup> But the concessions he spoke so glibly about in 1912 were not to be achieved easily. In the end they were to involve long and difficult negotiations with both Turkey and Germany.

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The precedent for using the penury of the Turkish treasury as a means for exacting concessions from that country had been set by France in 1905 in the matter of the Damascus–Muzeirib parallelism. The same technique was attempted again in 1910, but with much less satisfactory results for France. In the early autumn of 1910, Javid Bey, the Turkish Finance Minister, arrived in Paris to begin negotiations with French financiers for a 150 million franc loan to Turkey. Javid indeed succeeded in signing a contract with a French banking syndicate, but at this point the Quai d'Orsay intervened, and Foreign Minister Stéphane Pichon told the bankers that official sanction for the loan, including the use of market facilities, would be withheld unless the Ottoman Government would consent to having its budget administered by a resident French adviser. Such a condition seemed excessive to the Turks, who took the position that it was incompatible with Turkey's national integrity.<sup>2</sup> French officials, however, viewed the matter from a strictly entrepreneurial point of view. The deficit in the Turkish budget for 1909 was 5,460,583 Turkish pounds. The budget for 1910 foresaw a deficit of 6,800,000 Turkish pounds. Under these conditions it was quite natural that the French Government, before approving a new Turkish loan, would demand certain conditions which would give France a degree of control over Turkish finances.<sup>3</sup>

The whole situation was complicated by the fact that Javid was greeted in Paris by a virulently anti-Turkish press campaign, led by André Tardieu of *Le Temps*. Tardieu himself was involved in a scheme, under the joint sponsorship of French and British promoters, to secure a concession from the Ottoman Government to build a trans-Arabian railroad from Homs to Baghdad. The road was obviously designed to compete with the German Baghdad project, and Tardieu was engaged, for a rather substantial fee, to use his influence with Foreign Minister Pichon to persuade the latter to intervene on behalf of the Anglo-French promoters. Pichon at first showed signs of interest, and even was willing to consider making the concession of the Homs–Baghdad line a condition for the granting of the Ottoman loan in 1910. But the Foreign Minister backed away upon hearing from Ambassador Bompard that the Turks were unalterably opposed to such a railroad. Their opposition was based upon the same criteria

<sup>1</sup> M.A.E., *Turquie*, N.S. 328, pp. 294–5.

<sup>2</sup> Mahmud Moukhtar Pasha, *La Turquie, l'Allemagne et l'Europe* (Paris, 1921), pp. 104–10.

<sup>3</sup> André Mandelstam, *Le sort de l'Empire ottoman* (Paris, 1917), pp. 64–5.

which had led them to refuse to sanction a similar scheme in the 1880s. Strategic reasons governed this decision. The upshot was that the Homs–Baghdad scheme was ignored by the Quai d’Orsay, and Tardieu led a violent press campaign against Pichon, Bompard and the Turkish Government which lasted from June 1910 to February 1911.<sup>1</sup> The result of such virulence poisoned the atmosphere for the loan negotiations between Javid and the French Government.

With Tardieu in the background making unpleasant noises about Turkey, the Turkish Finance Minister could not make financial concessions which would lower his country’s prestige *vis-à-vis* France any further. In September 1910 he refused absolutely to bend to France’s demands for virtual financial control over the budget in Istanbul. The loan negotiations fell through. England, unwilling to go against her French ally, also refused to sanction Javid’s appeals for money. The latter therefore turned to Germany, and on 7 November 1910 achieved a loan agreement with that power.

The result was political victory for the Triple Alliance. Germany gained much prestige at Istanbul. It appeared that France had made a mistake by demanding so much from Turkey in exchange for a loan that the latter was forced to have recourse to Berlin. Such, at least, was the analysis of Gerard Lowther, the British Ambassador at Istanbul, who wrote to Sir Arthur Nicolson on 2 November 1910 that France had erred in losing the monopoly of lending money to the Turks. ‘Once they get it from the Germans, which evidently they will do . . . [the loan] it seems to me will give a great handle to the Germans.’<sup>2</sup> But the fact of the matter was that German financiers had no end of trouble scraping up the money to lend to Turkey. In the end it took a great consortium of German and Austrian banks to underwrite the loan. And with a Turkish budgetary deficit forecast for the following year, it was clear that the Young Turks would still need further recourse to the French money market. Financial relations between the two powers were not yet irreparable. France indeed would get another chance to exact concessions from the Porte in return for a loan. This was to occur in 1913–14 and involve France’s whole position and future in Syria.

The failure of the Homs–Baghdad scheme coupled with Germany’s momentary success in lending money to the Ottoman regime in 1910 served the purpose of making French officials painfully aware of the need to consolidate their position economically in Syria. The situation was complicated even further in 1910 when Germany began to exert pressure on the powers to agree to a four per cent increase in Turkish customs duties, so that Turkey could devote the increased receipts to paying off the kilometric guarantee on the Baghdad Railway. Both

<sup>1</sup> For more details on this incident see: F. Challaye, ‘Politique internationale et journalisme d’affaires’ in *La revue du mois*, vol. II (10 June 1911), pp. 749–53; Charles Paix-Séailles, *La diplomatie secrète sous la troisième République, 1910–1911; Homs-Bagdad; du Quai d’Orsay à la correctionnelle; Recueil documentaire* (Paris, 1911). The best account in English appears in Rudolph Binion, *Defeated Leaders, The Political Fate of Caillaux, Jouvenel and Tardieu* (Morningside Heights, N.Y., 1960), pp. 214–39.

<sup>2</sup> F.O. 800/193 B, part 4, pp. 126–7 (Lowther Papers).



France and England demurred on this point, demanding railway networks in Asiatic Turkey approximately equal to Germany's 4000 kilometers before they would agree to a customs increase. France was especially insistent on this matter, and Bompard told Javid in December 1910 that if Turkey could not countenance additional railroads for France 'at present', she could at least 'reserve them to us for the day when they would become desirable to you'.<sup>1</sup> Turkey indeed did notify Bompard in January 1911 that she was prepared to give French investors concessions for 200 kilometers of railroads in Albania and the Black Sea region in order to get an agreement on the customs increase. But Bompard pointed out that this offer ignored the Syrian system, which was of primary importance to France. One alternative, which Bompard suggested to Pichon on 23 January 1911, was to request future guarantees for railroads in Syria, railroads which would eventually link that area to Mesopotamia and Egypt. Another choice would be to attempt to persuade the Porte to permit the *Société de Damas-Hamah et Prolongements* to exploit the Damascus-Deraa section of the Hijaz Railway. Bompard admitted, however, that the latter alternative would meet stiff Ottoman resistance.<sup>2</sup>

Two events, profoundly disturbing to France, occurred in the early months of 1911 which served to galvanize French determination to do something to ensure her future position in Syria. The first of these was the revelation of the fact that on 4-5 November 1910 Germany and Russia had reached agreement on the Baghdad question. Tsar Nicholas had met the Kaiser at Potsdam, and the two had agreed tentatively that Germany would give Russia a free hand in northern Iran. In exchange, St Petersburg promised to end its opposition to the Baghdad Railway and even to arrange for a connexion of the latter with the Persian railway network.<sup>3</sup> Disclosure of this accord produced disappointment and anger in Paris, since one of the reasons for France's refusal to sanction her financiers' involvement in the Baghdad project in 1903 had been Russia's overt opposition to it.

The second development which served to catalyze French determination in Asiatic Turkey was the signature of a railroad agreement between the Baghdad Railway Co. and the Ottoman Government on 27 March 1911, by which the former was definitively granted the right to prolong its line from El Helif to Baghdad. But what really wounded French *amour-propre* was Turkey's agreement to permit the company to build a junction from the Aleppo section of the line to Iskenderun in northern Syria. Along with this concession went Turkey's permission for the German company to construct port facilities at Iskenderun.<sup>4</sup> French reaction to these developments was immediate. Paul Cambon wrote a letter to his brother Henri on 31 May 1911 in which he maintained, 'Everywhere. . . we are our own worst enemies. . . I have just received a despatch from Bompard confirming what I already know to be true, that we, and we alone, by

<sup>1</sup> *D.D.F.*, series 2, vol. XII, no. 479, vol. XIII, no. 109.

<sup>2</sup> *D.D.F.*, series 2, vol. XIII, no. 128.

<sup>3</sup> Great Britain, *British and Foreign State Papers*, cv (London, 1915), pp. 657-8.

<sup>4</sup> Wolf, *op. cit.* pp. 62-3.



our continued weakness, have permitted the Germans to pursue the Baghdad project alone for the last ten years.'<sup>1</sup> Nor was this anger and self-criticism peculiar to diplomats. French citizens spoke out as well. Count R. J. M. Cressaty, in a speech to the *Alliance française* in May 1913, referred in the following manner to the Iskenderun junction and Turkey's concession to the Baghdad Co. to develop a port in that city: 'When these projected works will be achieved, Germany will become mistress of the best natural port in Syria, will rival the French lines, and will complete her economic and political stranglehold on this region.'<sup>2</sup>

This critical attitude toward French diplomacy and anxiety at the recent agreements concluded by Germany with both Turkey and Russia dovetailed in the years from 1909 through 1913 with an increasingly bitter and critical appraisal of the conduct of French enterprise in Asiatic Turkey, especially in Syria. In 1909 a book appeared by the French *Conseiller du Commerce Extérieur* which was more than an exhortation to French businessmen and traders to get busy in Asiatic Turkey before France was completely outstripped by the other powers. He urged them to capitalize on the historic influence France had held in Turkey. Alone among the six Great Powers, this French official noted, France had witnessed a decline in her total business with the Ottoman Empire in the years from 1901 to 1905. He was particularly alarmed by the tremendous increases in commercial activity made by Italy and Germany.<sup>3</sup> Durand's accusations can be amply documented by examining some of the available statistical material on commercial exchanges. This material shows clearly that between 1900 and 1912 the rate of French growth in commercial exchange with the Ottoman Empire was alarmingly slow, while that of Italy, Germany and Great Britain was increasing steadily. This generalization holds true even for the major exchange entrepôts in Syria—Beirut, Alexandretta and Damascus. Another important feature of the commercial picture for France in Syria was the strikingly unfavorable balance of trade she endured there. What she bought in that country far outweighed the products she was able to sell to it. Ironically France was paying for the tremendous gains made by other powers in the area of commercial importation into the Ottoman Empire.<sup>4</sup>

French diplomatic officials were not unaware of these statistics and of the dangerous possibilities portended therein. On 13 January 1913, Paul Cambon wrote to Poincaré and deplored the lethargy of French industrial enterprises and economic interests in Syria. Something had to be done, he said, to inject vitality into this aspect of the French presence there. Cambon spoke of 'historic memories, traditional links between our country and the native populations, an

<sup>1</sup> *D.D.F.*, series 2, vol. XIII, no. 329.

<sup>2</sup> Count R. J. M. Cressaty, 'Les intérêts français en Syrie' (Paris, 1913), p. 13.

<sup>3</sup> Alfred Durand, *Jeune Turquie, vieille France* (Paris, 1909).

<sup>4</sup> For example see: Eliot G. Mears, *Modern Turkey, 1908-1923* (New York, 1924), p. 349; *Annuaire du commerce extérieur français, 1908* (Paris, 1908); Great Britain, *Diplomatic and Consular Reports*, nos. 2950 (1902) and 4835 (1910-1911); Great Britain, *House of Commons Accounts and Papers*, vol. LXXXVII (1911), cmd. 5701, pp. 616-19.

unhappily dented religious protectorate... all that risks not being considered as sufficient title to justify eventual pretensions on Syria, if, from the economic point of view, other powers can claim interests equal or superior to ours.<sup>1</sup> Cambon's pregnant reference to 'eventual claims on Syria' is illustrative of just how sincere were France's continued pious pronouncements on the territorial integrity of the Ottoman Empire. Cambon was not alone in his anxiety about France's economic position in Syria. French agents in Haifa and Beirut both alerted the Quai d'Orsay in strong language about the deficiencies in the French-operated port facilities at Beirut, the D.H.P. railway, the gas company at Beirut and the *Tramways libanais*. All these operations, the notes said, were lethargically and inefficiently run, without any initiative or ambition. As a result the Syrian people were becoming more and more dissatisfied with French influence.<sup>2</sup> Between 1911 and 1913 even British diplomats in Beirut and Paris were aware of the inadequacies of French business in Syria and the increasing concern of the Quai d'Orsay with this problem.<sup>3</sup>

On 1 June 1913 an important and revealing Foreign Ministry note was written by M. Boppe, French *chargé d'affaires* at Istanbul. It was his contention that France was spending too much time worrying about her moral and political action in Syria. More attention, he maintained, must be paid to the deplorable condition of French enterprise there. The diplomat wrote:

If we are not careful, in spite of the genuine moral influence which we possess in Syria, we shall find our place taken when the time arrives for the liquidation of Asiatic Turkey... Our whole future in Syria depends on our economic and industrial activity. If we do not modify our methods, our position will be lost and in several years Syria will be English, German and Italian.<sup>4</sup>

This note, coupled with Cambon's despatch of 13 January, makes the thinking of official France quite clear on the matter of Syria. Between 1909 and 1913 a change had been effected in French attitudes. Both Cambon and Boppe foresaw the imminent collapse of Ottoman authority in Asia. And they firmly believed that if France were to have her share of the spoils in Syria it would have to be clearly nailed down by means of an economic preponderance. Ambassador Bompard wrote in 1921 that France embarked on a 'new course' in the years from 1911 to 1914. In an article for the *Revue de Paris*, he said that during those years he and the officials at the Quai d'Orsay had become increasingly preoccupied with the lagging material interests of France in Syria. He even affirmed that it was his own idea to seek an economic sphere of influence in Syria, indeed to work toward the economic partition of all of the Sick Man's Asian domains.<sup>5</sup>

<sup>1</sup> M.A.E., *Turquie*, N.S. 119, pp. 42-5.

<sup>2</sup> M.A.E., *Turquie*, N.S. 120, pp. 238-42; N.S. 121, pp. 50-52.

<sup>3</sup> F.O. 195/2370, 20 April 1911. Great Britain, Foreign Office, *British Documents on the Origins of the War, 1898-1914*, eds. G. P. Gooch and Harold Temperley, vol. X<sup>2</sup>, no. 73.

<sup>4</sup> M.A.E., *Turquie*, N.S. 122, pp. 2-6.

<sup>5</sup> Maurice Bompard, 'L'Entrée en guerre de la Turquie', *La Revue de Paris* (1 July 1921), pp. 64-5.

The Potsdam Agreement of 1910 between Germany and Russia and the Turko-German railway accord of 1911 frightened France. These events forced her to appraise her own economic position in Syria, which she found wanting. The result was a shift in the emphasis of France's Syrian policy—a shift from a stress upon her religious and political influence to a concentration upon her economic stature. It remains to tell exactly how France achieved her economic sphere of influence in Syria before the eruption of the First World War.

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In February and March 1912 two Foreign Ministry notes were circulated at the Quai d'Orsay which proved to be seminal documents in France's future negotiations with the Ottoman Porte. The notes speculated that, due to the exigencies of the Italo-Turk War, Turkey would soon be trying to persuade France, as Germany already had, to agree to a four per cent increase in customs duties. The notes agreed that France could probably assent to this, but in exchange some compensations would have to come from Turkey. Among the claims France would make were: railway concessions equal to those given Germany, with emphasis upon southern extensions to the Syrian network; a number of port concessions to French developers in Tripoli-in-Syria and Jaffa; and satisfaction of the claims of the *Société de Damas-Hamah et Prolongements* on the Hijaz Railway.<sup>1</sup> While this aspect of France's foreign policy was in its formative period, the matter of French financiers' participation in the Baghdad Railway was forcibly called to the attention of the Quai d'Orsay. On 29 February 1912 Herr von Gwinner, head of the Baghdad Railway Co., presented a *démarche* to M. Arsène Henry, President of the Imperial Ottoman Bank, requesting the latter to choose between the two following solutions concerning its thirty per cent participation in financing the railway: (1) either abandon its thirty per cent participation, leave the project completely, and be reimbursed, or (2) no longer to base its involvement on a simple guarantee that it could finance the amount; that is, to float its bonds on the French market and not on the German market as it had done since 1903.<sup>2</sup> These two developments—the formulation of demands to be made on Turkey and the formal *démarche* issued by von Gwinner—coalesced to form the basis of France's new thrust to achieve an economic partition of Asiatic Turkey. Negotiations toward this end with both the Turks and the Germans were carried on simultaneously.

French financiers were naturally eager to continue their involvement in the Baghdad project, and a scheme was propounded whereby an unofficial French market could be created by forming a grand consortium of French banks. (The Quai d'Orsay still opposed opening the Paris Bourse to Baghdad securities.) This consortium would divide the responsibilities and advantages of participation in the project.<sup>3</sup> Ambassador Bompard, however, was horrified at this suggestion,

<sup>1</sup> M.A.E., *Turquie*, N.S. 403, pp. 151–68, 181–4.

<sup>2</sup> *D.D.F.*, series 3, vol. II, no. 128.

<sup>3</sup> *D.D.F.*, series 3, vol. III, no. 23.

seeing it as just another example of how French finance was helping Germany to establish a tremendous arm of influence in Asiatic Turkey. Bompard, supported by Paul and Jules Cambon, urged that the Quai d'Orsay 'must not let our banking houses make this last outlay, even in an indirect manner, to an enterprise which supports the position of our rivals in the Ottoman Empire'.<sup>1</sup> Bompard was to convince the Quai d'Orsay that France's best interests would be served by selling out her participation in the Baghdad project to the Germans. But in exchange Germany would have to recognize Syria as a French sphere of influence. The 'new course' in France's Syrian policy had taken definite form during 1912.

In May 1913 representatives of the Great Powers met in Paris in an attempt to regulate Ottoman affairs, thrown out of kilter by the Balkan Wars. On 8 May the French Embassy in Istanbul notified the Foreign Ministry that the conference would certainly try to restore the deficits which the war losses had caused in the revenues of the Ottoman Public Debt. The real beneficiary of this measure, the Embassy advised, would be the Baghdad Railway, which was constructed to a large extent on the surplus revenue conceded to the Public Debt. In these circumstances the Embassy suggested that France could use her adhesion to the matter of regularizing the Public Debt as a lever to exact certain concessions from the Germans, notably to secure a German agreement that railway networks in Turkey be limited by common agreement.<sup>2</sup> Three weeks later, Bompard linked the matter of the Public Debt to that of France's thirty per cent participation in financing the Baghdad line. Bompard told Pichon on 31 May 1913 that France's agreement to restore the deficits to the Public Debt could be made conditional upon the withdrawal of French money from the Baghdad project and the demand for German concessions to French railway interests in Syria. According to Bompard all the railroads should exist on the principle 'to each his own'. 'The object of the arrangement will thus consist in limiting our respective networks, fixing their points of contact, and regulating their relations.'<sup>3</sup>

Late in May, France succeeded in persuading her British ally not to conclude agreement with Germany on the Baghdad affair until after some understanding had been reached between Paris and Berlin.<sup>4</sup> With this preliminary out of the way, conversations began on 1 July 1913 between German Finance Minister Helfferich and the French financial representative, M. Lamornaix. These initial negotiations proved unfruitful. On 23 July Pichon notified his Ambassadors that Germany refused further discussion of France's Syrian network until after the Baghdad question was liquidated and the reconstitution of the Ottoman Debt accomplished. Pichon maintained, therefore, that negotiations for railroad concessions had to be pushed directly with Turkey. France would have to get concessions for an important network in Armenia, with provisions for connecting it to an expanded Syrian system. Also some regulation would have to be made

<sup>1</sup> *D.D.F.*, series 3, vol. iv, no. 38. See also no. 359.

<sup>2</sup> *D.D.F.*, series 3, vol. vi, no. 518.

<sup>3</sup> *D.D.F.*, series 3, vol. vii, no. 5.

<sup>4</sup> *D.D.F.*, series 3, vol. vi, no. 646.

concerning that part of the Hijaz Railway which ran parallel to the Damascus–Muzeirib line. The solution to these problems, he maintained, would not end Franco-German railroad rivalries in Asiatic Turkey, but it would strengthen France’s bargaining position when conversations with Germany were reinitiated.<sup>1</sup> France’s campaign for an economic sphere of influence in Syria thus focused momentarily upon the Turkish Government.

Negotiations with the Turks had begun before *pourparlers* with the Germans were curtailed. In January 1913 the Porte applied anew for a French loan. During the early months of 1913, Turkey also applied to Paris for permission to tax the personal property of French protégés in Asiatic Turkey and for France’s agreement to a four per cent increase in Turkish customs rates. These Turkish petitions set in motion the French plan to secure a definitive recognition of her preponderance in Syria. Between 24 February and 13 March 1913, France submitted to the Porte a list of demands to which Turkey had to agree before Paris would underwrite the requested loan, acquiesce in the raising of the Turkish customs and submit to the taxing of the personal property of French protégés. The French demands were, indeed, lengthy. First of all, France wanted Turkish recognition of certain rights and immunities in reference to her missionary schools and religious establishments in the Levant. Secondly, France submitted a series of requests for railway concessions in Asiatic Turkey including: an Armenian (Black Sea) railway network; a concession to the Damascus–Hama Co. to build a branch line from Rayak to Lydda for a future link-up between the D.H.P. and a line to Egypt; the leasing of the parallel section of the Hijaz Railway from Damascus to Deraa to the D.H.P.; and permission to construct port facilities in the Syrian cities of Tripoli, Haifa and Jaffa.<sup>2</sup> The French demands were considered extravagant by Turkish authorities,<sup>3</sup> but France remained intransigent, and negotiations were begun in Paris and Istanbul. Railroads were discussed in the French capital, while officials at the Porte concerned themselves with the matter of the ecclesiastical establishments.

On 11 September 1913 a preliminary agreement was signed in Paris between Pichon and Javid by which the latter submitted to all the French demands concerning railways in Asiatic Turkey. In return Pichon agreed to a four per cent increase in Turkish customs and to favor, as soon as the market permitted, the conclusion of a liquidation loan to the Ottoman Government.<sup>4</sup> An annex to this general accord stipulated, however, that final negotiations could begin only after Turkey had submitted to all the French demands concerning her schools and charitable establishments in Asiatic Turkey, a matter still under negotiation in Istanbul. This issue was finally settled to French satisfaction on 18 December 1913.

<sup>1</sup> *D.D.F.*, series 3, vol. VIII, no. 448.

<sup>2</sup> *M.A.E.*, *Turquie*, N.S. 186, pp. 26–8. *D.D.F.*, series 3, vol. VI, no. 144.

<sup>3</sup> Djemal Pasha, *Memories of a Turkish Statesman, 1913–1919* (London, n.d.), pp. 73–6.

<sup>4</sup> *M.A.E.*, *Turquie*, N.S. 299, pp. 176–82.



The negotiations were therefore an unqualified success for France. Turkey's need for money had acted as a sword of Damocles and forced her to concede virtually every one of the French demands. Sir Louis Mallet, British Ambassador to the Porte, wrote Sir Edward Grey on 26 December 1913 to inform him that the two agreements were 'so favorable to the French that nothing but urgent need of money could have induced the Turkish Government to sign'.<sup>1</sup> But the accords of 11 September and 18 December were not definitive. Indeed, France had to tread lightly. She had to avoid blackmailing Turkey to such an outrageous extent that Germany would become unwilling to recognize the French sphere of influence in Syria. Negotiations with the Germans had been recommenced in November 1913, and Berlin had made it absolutely clear that France would be unwise to finalize matters with Turkey before Germany was satisfied on the Baghdad question. This is precisely why the loan to Turkey (and all that hinged upon it in the way of Turkish concessions to France in Anatolia) was delayed until after an agreement was hammered out between French and German financiers. After 18 December, therefore, the focus of French diplomacy in the Syrian matter shifted once again to Berlin.

Negotiations between French and German financiers had been reconvened on 15 November 1913. The Germans wanted to settle the matter of French participation in financing the Baghdad project. They also claimed the right to build a railroad link from Aleppo to Meskene and to construct a junction to the Syrian port city of Iskenderun. Poincaré noted later that the German negotiator added that 'if the French did not accept this combination, Germany might well obstruct their intellectual and moral expansion in Syria and elsewhere'.<sup>2</sup> The well-known series of *pourparlers* which took place in Berlin between French and German financiers reached fruition on 15 February 1914. The net result was the first official step toward an economic partition of Asiatic Turkey. The agreement accorded to France a section of northern Anatolia and Syria as spheres of influence for railway development. In return, the French financiers agreed to the German terms in the matter of railway links to Aleppo and Iskenderun. The areas traversed by the Anatolian and Baghdad railways were recognized as a German sphere of influence. In addition the Imperial Ottoman Bank agreed to sell the German group all the shares and debentures it held in the Baghdad Railway, thus ensuring that the project would be completely German. In return, the Imperial Ottoman Bank received German approval to underwrite a loan to the Turkish Government amounting to some 800 million francs.<sup>3</sup> The agreement of 15 February was, superficially, a convention between bankers. But the presence of French and German diplomatic officials lent the negotiations a political importance which was recognized by both the Quai d'Orsay and the Wilhelmstrasse.

<sup>1</sup> F.O. 424/240, no. 287.

<sup>2</sup> Raymond Poincaré, *Au service de la France*, vol. IV (Paris, 1928), p. 14.

<sup>3</sup> The text of the accord of 15 February 1914 can be found in *D.D.F.*, series 3, vol. IX, no. 313. Accounts of the negotiations leading up to the accord can be found in a number of sources, among them: Earle, *op. cit.*, and Wolf, *op. cit.*



The news that an agreement had been reached with the Germans which recognized French preponderance in Syria received a mixed reception in Paris. Poincaré himself believed that France had sacrificed a good deal. Her large concessions to Germany 'justified our concern for peace, but... in fact limited our economic and moral action in Asiatic Turkey to a very narrow zone'.<sup>1</sup> Qualified approval for the accord came from the popular *Petit Parisien*, but the prestigious *Le Temps* and the conservative *Gaulois* took a dim view of the French concessions, lamenting the fact that France had been evicted from the Baghdad project, potentially the most influential in Asiatic Turkey.<sup>2</sup>

But the importance of this agreement could not yet be fully assessed, because its definitive ratification was further linked to two factors: (1) the conclusion of the accord between the French group and the Imperial Ottoman Government on the subject of the Syrian and Black Sea railroad networks, and (2) the conclusion of a Turco-German accord on the matter of a German sphere of influence around the Anatolian and Baghdad networks. By 15 February 1914, then, France had secured German recognition of a French sphere of influence in Syria. This accomplished, her financiers were free once again to continue the loan negotiations with the Turkish Government, a process temporarily interrupted in December 1913, because France had feared that Germany might not recognize the concessions previously exacted from the Turks unless provisions were made for German ambitions as well.

A general accord was finally signed between France and Turkey on 9 April 1914. France granted an 800 million franc loan to the Ottoman Government, to be floated by the Imperial Ottoman Bank and administered by the Public Debt Administration. Turkey also received France's consent to raise customs rates four per cent and to establish government monopolies on several key luxury articles such as alcohol, tobacco and gasoline. In return, France received the definitive Turkish signature to all the concessions previously granted in the two preliminary accords of September and December 1913.<sup>3</sup> The result was to give French businessmen the right to build 1790 kilometers of new railways in the Black Sea region and in Syria, as well as to construct new port facilities in the latter area and to administer the long-disputed parallel sector of the Hijaz Railway. The privileges and immunities of all the French religious and charitable establishments, concentrated for the most part in Syria and the Lebanon, were reasserted. As a result of the Franco-Turk accord of 9 April 1914, an economic sphere of influence was delineated for France in Syria. And this fact was recognized by both Germany and Turkey.

The British reaction to French economic success in Syria is interesting in light of the intense competition that had taken place between the two powers for influence there since 1911. Sir Louis Mallet remarked in a private letter to Sir

<sup>1</sup> Poincaré, *op. cit.* p. 18.

<sup>2</sup> *Le Petit Parisien*, *Le Temps*, *Le Gaulois*, all for 17 February 1914.

<sup>3</sup> *D.D.F.*, series 3, vol. x, no. 90.

Edward Grey that 'Turkey's independence is a vanishing quantity before the advance of the French financiers'.<sup>1</sup> Mark Sykes, consul general in Beirut, spoke to the House of Commons on 18 March 1914. His speech was a denunciation of French activities in Syria, and he fulminated against the concessions demanded by France in return for a loan. 'These concessions', he said, 'which have been extracted from Turkey in return for this loan. . . mean a monopoly of all Syrian transit. . . One knows what the defence of this sort of thing is—that all nations have to do it, that they have to protect their interests. But in practice, loans, kilometric guarantees, monopolies. . . must, whether the financiers desire it or not, pave the way to annexation.'<sup>2</sup> But Sykes' words could be applied equally well to Britain's own position. In June 1914 she concluded an agreement with Germany which recognized English economic preponderance in the area of the Persian Gulf.

The revelation of the Potsdam Agreement in 1910 thus had opened the final period of furious diplomatic activity which led to the partition of Asiatic Turkey. French officials had come to believe that France had to ensure her traditional heritage in Syria by creating an economic sphere of influence there, one which would be clearly recognized by the Powers. Turkey's need for French money provided the opportunity, and the grand design reached fruition in the Franco-German and Franco-Turk agreements of 15 February and 9 April 1914. Mark Sykes' speech to the British House of Commons provides an indication that, after 9 April 1914, a French claim to Syria in the event of Ottoman collapse would be honored, as it was by the Mandate Commission of the League of Nations after the First World War.

<sup>1</sup> F.O. 800/80, 23 March 1914.

<sup>2</sup> Great Britain, *House of Commons Debates*, 1914, vol. LIX, cols. 2169–70.