

FIGHTING FOR FINANCIAL INFLUENCE IN OTTOMAN LANDS ON THE EVE OF WORLD WAR I: SMYRNA-AIDIN RAILWAY NEGOTIATIONS

I. DÜNYA SAVAŞI ARİFESİNDE OSMANLI TOPRAKLARINDA MALİ NÜFUZ MÜCADELESİ İZMİR-AYDIN DEMİRYOLU MÜZAKERELERİ

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Abstract

The Smyrna-Aidin Railway Company was the only British railway company in Asia Minor before the outbreak of World War I. The railway was essential to the British Empire to carry agricultural products and mines to the Smyrna Port. On 2 November 1912, the Smyrna-Aidin Railway Company's agent at Constantinople submitted an application for a concession to the chief of the Railway Department of the Ministry of Public Works, and a copy was handed to the Grand Vizierate. The concession applied for was to construct and operate a line of approximately 80 km. starting from a point on the eastern shore of the Eğirdir Lake at a distance of about 20 kilometers from the city of Eğirdir, and ending at the shore of the Beyşehir Lake. The Ottoman Government tried to use the extension of the line as leverage to have economic gains such as creating new monopolies or imposing consumption duties on petroleum, spirits, sugar, matches, tinder, cigarette paper, and playing cards. A year later, before the negotiations were finalized, the Italian Government signed a contract with the Ottoman Empire to study the construction of a railway from Adalia to Burdur. It had the intention to have a sphere of influence in Asia Minor. For this reason, he wanted to have a concession contract that would include the operation of the Port of Antalya and the construction and operation of a railway line that would travel from the north of the port to the port. The Smyrna-Aidin Railway Company regarded this as a threat to its interests and a violation of its concession agreement. The British Government agreed with the company and also regarded it as a move against its interests both in the Ottoman Empire and in the East. Italy, on the other hand, wanted to establish a presence in Anatolia through concessions in order to gain a share in the territory of the Ottoman Empire, which it expected to disintegrate very soon. The negotiations over Smyrna-Aidin Railway exposes power dynamics between the two Great Powers on the eve of World War I. Moreover, the negotiations between the Italian, Ottoman and British governments on this issue reveal that the Ottoman Empire was forced by foreign powers to grant concessions.

Keywords: *British Empire, Ottoman Empire, Smyrna-Aidin Railway, Imperialism, Italy.*

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Öz

İzmir-Aydın Demiryolu Şirketi, I. Dünya Savaşı başlamadan önce Küçük Asya'daki tek İngiliz demiryolu şirketi idi. Demiryolu, tarımsal ürünlerin ve madenlerin İzmir Limanına taşınmasında Britanya İmparatorluğu için önemliydi. 2 Kasım 1912'de İzmir-Aydın Demiryolu Şirketi'nin İstanbul'daki temsilcisi, Nafia Nezareti Demiryolu Dairesi Başkanlığı'na bir imtiyaz başvurusunda bulundu. Başvurunun bir kopyası da Sadrazamlığa verildi. Başvurulan imtiyaz, Eğirdir şehrinden yaklaşık 20 kilometre uzaklıkta Eğirdir Gölü'nün doğu kıyısındaki bir noktadan başlayıp Beyşehir gölünün kıyısında son bulan yaklaşık 80 km'lik bir hattın inşa edilmesi ve işletilmesi talebiydi. Osmanlı Hükûmeti hattın uzatılmasını yeni tekeller oluşturmak ya da petrol, alkollü içkiler, şeker, kibrit, çıra, sigara kâğıdı ve iskambil kağıtlarına tüketim vergisi koymak gibi ekonomik kazanımlar elde etmek için bir koz olarak kullanmaya çalıştı. Bir yıl sonra, henüz müzakereler tamamlanmamışken İtalyan Hükûmeti, Antalya'dan Burdur'a kadar bir demiryolunun yapılmasının etüdü için Osmanlı Hükûmeti ile bir sözleşme imzaladı. İtalyan Hükûmeti Küçük Asya'da bir etki alanına sahip olmayı amaçlıyordu. Bu nedenle Antalya Limanının işletmesini ve limanın kuzeyinden limana ulaşacak bir demiryolu hattının yapımını ve işletmesini içerecek bir imtiyaz sözleşmesine sahip olmak istiyordu. İzmir-Aydın Demiryolu Şirketi bunu kendi çıkarlarına yönelik bir tehdit ve sahip olduğu imtiyaz sözleşmesinin ihlali olarak gördü. Britanya Hükûmeti şirkete hak vermekle birlikte aynı zamanda bunu hem Osmanlı İmparatorluğu'ndaki hem de Doğu'daki çıkarlarına karşı bir hareket olarak değerlendirdi. İtalya ise çok yakın zamanda dağılmasını beklediği Osmanlı İmparatorluğu'nun topraklarında pay sahibi olabilmek için imtiyazlar aracılığıyla Anadolu'da varlık göstermek istiyordu. İtalya ve Britanya İmparatorluğu arasında yaşanan İzmir-Aydın demiryolu müzakereleri, Birinci Dünya Savaşı arifesinde bu iki büyük güç arasındaki dinamikleri ortaya koymaktadır. Ayrıca İtalya, Osmanlı ve Britanya Hükûmetlerinin bu konu üzerine yaptıkları görüşmeler, Osmanlı İmparatorluğu'nun yabancı devletler tarafından imtiyazlar verilmeye zorlandığını göstermektedir.

Anahtar Kelimeler: *Britanya İmparatorluğu, Emperyalizm, Osmanlı İmparatorluğu, İtalya, İzmir-Aydın Demiryolu.*

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1-INTRODUCTION

The Smyrna-Aidin Railway was the only British railway company in the Ottoman Empire on the eve of World War I. On 2 November 1912, the Smyrna-Aidin Railway Company applied for a concession to construct and operate a line from the eastern shore of Eğirdir Lake to the shore of Beyşehir Lake. However, the negotiations between the Ottoman Empire and the British Empire took a turn on 5 September 1913 when Italy applied for a concession to construct a railway line from Adalia northward to Burdur. With this application, the Smyrna-Aidin Railway Company and the British Empire were forced to negotiate with the Italian syndicate and the Italian Government. In the Smyrna-Aidin Railway concession negotiations, the policy of Sir Edward Grey, Secretary of State for Foreign Affairs was to defend British interests in Asia Minor while Italy tried to take hold on. On the other hand, the Ottoman Empire tried to use the Smyrna-Aidin Railway Company's application for the concession as a means to receive economic independence in setting monopolies and duties. Only months away from the outbreak of World War I, the Ottoman Empire's lands were a battleground for the Great Powers over political and economic influence. The Smyrna-Aidin Railway negotiations reveal this dynamic between the Great Powers. This work is a contribution to the literature on British and Italian imperialism.

Italian financial interests in Asia Minor before World War I are usually overlooked when compared to other Great Powers. *L'Italia in Asia Minore: Equilibrio mediterraneo e ambizioni imperialiste alla Vigilia della prima guerra mondiale* by Marta Petricioli is a comprehensive book in Italian that discusses Italian relations with the Ottoman Empire and its efforts to have a sphere of influence in Asiatic Turkey as well as Italian imperialism before the outbreak of World War I. Another book that discusses Italian imperialism before World War I is Richard Webster's *Industrial Imperialism in Italy 1908-1915*. Also, *Italy the Least of the Great Powers: Italian Foreign Policy before the First World War* by Richard Bosworth discusses Italian financial interests in Asiatic Turkey in a chapter.

The Smyrna-Aidin Railway was indispensable for the interests of the British Empire in Western Anatolia. The British Empire dominated the nineteenth-century trade of the Ottoman Empire. However, the condition of the roads presented an obstacle for the British Empire to export their industrial products and import products from Western Anatolia.¹ On 23 September 1856, a group of British capitalists, Sir Joseph Paxton, George Wythes, William Jackson, and Augustus William Rixon secured a concession from the Ottoman Empire to build a railway.² In 1919, the British capital invested in the Ottoman Railway from Smyrna to Aidin was over £5,000,000.³

After the construction of railways, the investments of British citizens in Western Anatolia increased as the railway eased the transportation of mines, artifacts, and agricultural products to the Smyrna port. The empire was proud of the railway which was built by the capital of British shareholders. This was expressed in Sir Edward Grey's statement to Sir Herbert Dering, British Counsellor in Rome upon being informed that the Italian government was after a concession that was in breach of the concession granted to the Smyrna-Aidin Railway Company by the Ottoman Empire, "This railway was the

1 Vildan Okyay, "Batı Anadolu Bölgesi'nde Ulaşım Sistemindeki Değişikliğin Merkezler Kademelenmesi Üzerindeki Etkileri (1844-1914)", *ODTÜ Gelişme Dergisi*, 1981, Vol. 8, No. 3/4, p. 660.

2 Report of the Committee of Investigation to be Presented to the Shareholders At their Adjourned Eighteenth Half-Yearly General Meeting on Tuesday, May 21, 1867, FO 78/2255, The National Archives (TNA).

3 Thos W. Cook to Under Secretary of State for Foreign Affairs, 3 February 1919, FO 608/102/3, TNA.

only British railway in Asia Minor; it was, so to say, our ewe lamb, and we must see that its rights were protected".⁴ Sir E. Crowe's statement also exposes the value of Smyrna-Aidin Railway to the British Government: "His Majesty's Government attached the very greatest importance to the maintenance of the rights of the British company. They had made a protest, both at Constantinople and at Rome, as soon as they heard that there was a question of granting to Italy a concession conflicting with those rights, which were indisputable. His Majesty's Government were all the more concerned as they were actually in negotiation with Hakkı Pasha for an extension of the British line, by the terms of the original concession".⁵

2-NEGOTIATIONS BETWEEN THE OTTOMAN EMPIRE AND THE BRITISH EMPIRE ON THE SMYRNA-AIDIN RAILWAY EXTENSION

Shortly before the Italian Government's efforts to secure a concession to construct a railway line, the Smyrna-Aidin Railway Company submitted an application to the Ottoman Government to extend its line to Beysehir. Before Italy came into the picture, the extension of the Smyrna-Aidin Railway had already become a political matter between the British and the Ottoman Governments. By 31 July 1913, it was no longer a negotiation between a government and a company for the Ottoman Government made economic demands to the British Government to grant the desired concession. On 2 November 1912, H. E. Pears, the Smyrna-Aidin Railway Company's Constantinople agent applied to the Railway Department of the Ministry of Public Works for a concession "to construct and operate a line of approximately 80 km. starting from a point on the eastern shore of the lake of Egberdir at a distance of about 20 kilometers from the city of Egberdir, and ending at the shore of the lake of Beyshehr, and the optional construction of a branch line to Sandikli, starting from a point of the existing line near the station of Kara-Kouyou".⁶ The conditions of the company to build the extension of the line they proposed to build were:

"1. The extension of the concession period for the lines currently operated by the company (including the Egberdir extension) to twenty-five years, i.e. from October 15, 1950 to October 15, 1975. 2. the lines currently requested will form an integral part of the network currently operated by the company and their concession period will end at the same time as that of the main concession on the above date of 15 October 1975. 3. The imperial ottoman government undertakes not to grant, without the consent of the company, to any other person or company, the concession for the construction of any railroad line which may compete with the lines conceded to the company within a radius of 40 kilometers or 25 miles, on each side of the track. 4. The company undertakes to construct and operate the lines for which the concession is hereby requested in accordance with the conditions set forth in article 3 of the agreement of april 18 (30), 1888, i.e. at its own expense, risk, and peril. The final acceptance of these lines will take place one year after their provisional acceptance. In order to ensure the regular exercise of the right of general control belonging to the imperial ottoman government, the company will pay each year, in monthly installments, to the order of the ministry of public works, as a control fee for the leagues currently applied for, the sum of £ T. 3 for each kilometer of league built and excavated, and this, from the date of the signature of the agreement until the expiration of the concession. 5. Transportation on the lake of Egberdir, between the existing and the proposed league and vice versa, will be provided by the Aidin company by means of steam power. 6. The Aidin railway company will have the right of navigation on the lake of Beychedir by means of steam power or other suitable means, as well as on the lake of Egberdir. 7. All materials imported from abroad for

4 David Mclean, "British Finance and Foreign Policy in Turkey: The Smyrna-Aidin Railway Settlement 1913-14," *The Historical Journal*, Vol. 19, No.2, p. 523.

5 L/PS/11/66, The British Library (BL).

6 L/PS/11/39, P 4736/1912, BL.

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the construction of this extension and for the establishment of transport facilities on the lakes will be imported duty-free. 8. The buy-back price of the lines now requested will be 4,500/. per kilometer. The Imperial Ottoman Government will redeem these lines as well as the existing ones, in accordance with the provisions of articles 4, 5 and 6 of the 1888 Convention, on October 15, 1975. 9. The clauses of the 1888 agreement not modified by the present agreement will also be applicable in their entirety to the lines currently requested".⁷

The company tried to use this opportunity to extend its concession period. It was to expire 13 years later, in 1950. The company demanded from the Ottoman Government to extend the concession period to 1975. Later, it tried to extend the period of concession to 1999 after the Ottoman Government made economic claims to the British Government in order to grant the concession to the company.⁸

The Ottoman Government tried to use the extension of the line as leverage. It made several requests to increase its income from trade which was jeopardized by the capitulations and the Ottoman Public Debt Administration. On 31 July 1913, Hakkı Pasha communicated the demands of the Ottoman Government. Examining some of these demands and the British response to them reveals that the Ottoman Empire had no control over its finances and no power over its resources. The British Government denied granting what the Ottoman Empire actually demanded in every article. It either stated that consultation with the Ottoman Public Debt Administration or with other Great Powers was necessary.

The Ottoman Empire's first request was to have the British Empire's consent for the Ottoman Empire to create new monopolies or impose consumption duties on petroleum, spirits, sugar, matches, tinder, cigarette paper, and playing cards. The British Government's response was that it was against any system of monopolies in principle as it restricted trade and burdened consumers. Its view on consumption duties was that it was "not open to such pronounced objection, would, by their establishment in this particular instance, be accompanied by an appreciable increase (amounting to 4 per cent. *ad valorem*) in the import duty on the articles to which the consumption duty applied".⁹ However, it acknowledged that matches, cigarette paper, and playing cards were subject to monopolies, and spirits were subject to additional consumption taxes in some countries. Therefore, as long as the other Powers consented and "the Imperial Ottoman Government met the reasonable requirements of His Majesty's Government in other directions, in the matter of light dues", the British Government declared that it would "not press their objections of principle in respect to these articles".¹⁰ In the case of spirits, the British Government wanted to know which categories would be the subject of the monopoly (p.2). In regards to petroleum, the British Government stated that only Serbia and Greece had a monopoly on petroleum, and Serbia's monopoly was only on refined kerosine. It was stated that the British Government's decision on this would depend on the Mesopotamian oil concession which was still being negotiated (p.2). The British Government's opinion on forming a monopoly on sugar or imposing a consumption duty was: "regret the adoption of either course, they might be prepared to accept the imposition of such a duty if moderate in amount".¹¹ The government's reasons for this were that the British merchants were trying to set up a business in sugar refining in the Persian Gulf and establishing a monopoly would damage this business, and

7 L/PS/11/39, P 4736/1912, BL.

8 L/PS/11/64, P 3921/1913, BL.

9 No.1, Memorandum Communicated to Hakkı Pasha, p. 1, September 10, 1913, L/PS/11/64, P 3921/1913, BL.

10 Memorandum, p. 1, September 10, 1913, L/PS/11/64, P 3921/1913, BL.

11 Memorandum, p. 1, September 10, 1913, L/PS/11/64, P 3921/1913, BL.

the British Government shouldn't have imposed consumption duty on sugar as it was a necessary food.¹²

The British Government was unwilling to grant the demands of the Ottoman Empire. It either significantly reduced what the Ottoman Government asked or gave vague answers to its demands. Overall, the British Empire did not accept any of its demands as they were. Although this was the case, in the memorandum submitted to Hakki Pasha, it was expressed that the British Government would demand more than the extension of the line for what little they were willing to give to the Ottoman Government. It was stated:

“The assent of His Majesty’s Government to any of the requests which have been formulated by the Imperial Ottoman Government would naturally constitute a very material concession, of such an order as to justify the expectation that the latter would be prepared to grant some corresponding concessions in favor of British and general trade; and, in pursuance of this expectation, His Majesty’s Government will have the honour to furnish his Highness Hakki Pasha with separate memoranda respecting British monetary claims, missionary institutions, extensions of the Smyrna-Aidin Railway, Mesopotamia irrigation, and certain other questions”.¹³

The British Empire tried to use this opportunity to get concessions from the Ottoman Empire. After the Ottoman Empire’s economic demands communicated by Hakki Pasha, it was agreed by the Smyrna-Aidin Railway Company and the British Foreign Office to include the requirements of the company in the counter-demands to the Ottoman Empire in return for the British Empire’s consent to further concessions. Mr. Single, one of the directors of the Company, Mr. Barfield, the General Manager of the Company, and Mr. Cooke, the Secretary of the Company discussed with Alwyn Parker, Clerk of the Foreign Office, and agreed on the following:

“an extension of the lines, as already defined in documents communicated to the Ottoman Government, such extensions to include the right of navigation on Lakes Egherdir and Beyshehr; an extension of the period of the whole concession to the year 1999. At present it only runs to 1950; an option to link up the Smyrna-Aidin system with the Anatolian system, at Afiun Karahissar or some point south-east thereof. The option to be exercised only in the event of an agreement as to conditions between the Anatolian Railway Company and the Smyrna-Aidin Railway Company”.¹⁴

Some changes were made to the original conditions of the company that were presented to the Ottoman Government on 2 November 1912. This was the case because the British Government realized it could ask for more from the Ottoman Empire in return for its financial demands. The extension of the concession period of the present lines was originally offered to be twenty-five years. Then, it was increased to forty-nine years. Also, the possibility of linking the Smyrna-Aidin Railway system with the Anatolian Railway system was brought up for the first time.

However, the negotiations between the Ottoman Empire and the British Empire were interrupted by the Italian Government. On 5 September 1913, Sir R. Rodd, British Ambassador to Italy sent a telegram to Sir Edward Grey to inform Bernardino Nogara, the Italian representative on the Ottoman Debt and the Banca Commerciale’s agent for Turkey, signed a “study of construction” with the Ottoman Government.¹⁵ The scope

12 Memorandum, p. 1, September 10, 1913, L/PS/11/64, P 3921/1913, BL.

13 Memorandum, p. 1, September 10, 1913, L/PS/11/64, P 3921/1913, BL.

14 Negotiations with Hakki Pasha and Smyrna-Aidin Railway Company, Minute by Mr. Parker, September 11, 1913, L/PS/11/64, P 3921/1913, BL.

15 L/PS/11/65, P 4224/1913, BL.

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of the contract was to study the construction of a railway from Adalia northward to Burdur.¹⁶ The Smyrna-Aidin Railway Company sought help from the British Government immediately. On behalf of the Ottoman Railway from Smyrna to Aidin, Thos. H. Cooke, the company's secretary wrote to Sir Edward Grey, "the current rumour of negotiations between the Ottoman Government and an Italian syndicate as to a projected line from Adalia, and on this subject also my Council believes that it can fully rely upon the British Government to protect the company's interests and its zone of territory from attack in the event of any such railway being constructed".¹⁷

3-ITALIAN COMMERCIAL POLICY TOWARDS THE OTTOMAN EMPIRE BETWEEN 1912 to 1914, and the SMYRNA-AIDIN RAILWAY NEGOTIATIONS

Italian commercial and financial existence in the Ottoman Empire was very limited. Italians had less than one percent of Ottoman bonds, and their trade rate with the empire was around three percent of Italy's total trade. They were the fourth Great Power in Turkey's overall commerce following Britain, Germany, and Austria.¹⁸ The Italian Government had the intention to change this as part of its policy to be influential in the Eastern Mediterranean. Herbert Dering's analysis of a report reveals this policy. It also shows that the British Foreign Office was concerned that the Italian Government's intention was beyond securing a railway concession rather it was to have a sphere of influence in Adalia and its hinterland. The report was published in the daily press by the Italian Foreign Office's Commercial Department on Adalia and its hinterland. Herbert Dering's analyzed the report and stated:

"This report has clearly been published with a view to educating and accustoming public opinion to the idea that there is a future at Adalia for Italian capital and commercial enterprise. It contends, in fact, recommendations to Italian capitalists to examine of what agricultural development the district is capable, to Italian merchants not to neglect the opportunity to take up a predominant position in extending the local trade, and states that any fuller details may be obtained on application to various Italian Chambers of Commerce, or to the Commercial Department of the Foreign Office in Rome".¹⁹

Furthermore, the British Government was concerned that the rights of the railway company would be jeopardized. The reason for this concern was that the Italian Government was trying to further its railway scheme to withdraw from the Dodecanese. The British Government's fears were confirmed by the Turkish Government. Sir L. Mallet reported to Sir Edward Grey: "I spoke to Talaat about Italian schemes in Adalia in the sense of your telegram No. 551 of 22nd November. He said that they had to give Italy something to get them out of the islands. The Italians said that they could not go without something on account of public opinion. He promised to let me know if any negotiations were started".²⁰ The words of Talaat Pasha, Minister of Interior reflect the flaws of the Treaty of Lausanne of 15-18 October 1912. Although the evacuation of the occupied Aegean islands by Italy was a term of the agreement²¹, almost a year after the agreement, Italy was still in the Ottoman Aegean islands. Furthermore, the Italian Government was using its occupation as leverage to have a 'sphere of influence in Turkey'.

16 L/PS/11/65, P 4224/1913, BL.

17 L/PS/11/68, P 4905/1913, BL.

18 R.J.B. Bosworth, *Italy, the Least of the Great Powers: Italian Foreign Policy Before the First World War*, Cambridge University Press, Cambridge, 1979, p. 352.

19 Bosworth, *The Least of the Great Powers*, p. 352.

20 Sir L. Mallet to Sir Edward Grey, 11 December 1913, L/PS/11/71, P 155/1914, BL.

21 Timothy Childs, *Italo-Turkish Diplomacy and the War Over Libya 1911-1912*, Brill, Leiden, 1990, p. 229.

The Ottoman Government was worried about the intentions of the Italian Government as well. It informed the British Government and its concerns through its ambassador in Rome. The Ottoman Government tried to play one Great Power against the other, a long-lasting policy it used to preserve its territorial integrity. It tried to avoid Italy's demands which it highly distrusted by arising suspicion in the British Government. Nabi Bey, Ottoman Ambassador to Italy came in touch with Sir R. Rodd for this purpose and told him about his conversation with Antonio Paternò Castello di San Giuliano, the Italian Minister for Foreign Affairs. He reportedly stated to San Giuliano that: "the Ottoman Government were entirely opposed to any idea of a special sphere of interest being reserved to any country. Italy, if she desired to obtain concessions, must come forward with some definite and concrete proposal which would then be considered on its merits".²²

Nabi Bey's and the Ottoman Government's concerns were not without a foundation. The Ottoman Government regarded the Italian interest in Anatolia alarming as it reminded the Ottoman Government of Italian penetration into Tripoli. Nabi Bey stated that "there were symptoms that the Italian Government contemplated adopting a similar line of conduct in Adalia to that which they had followed in Tripoli, by despatching pioneers of "peaceful penetration," who would provide occasion for grievances and local disputes which would serve as capital for bringing pressure to bear on Turkey".²³

The Ottoman Empire's policy to play the British Empire against the Italian Empire did not turn out to be fruitful as the Italian Government soon gave assurance to the British Government that there was not any conflict of interest between their concession "permis d'études" and the rights of the company, and they wished to negotiate with the Board of Ottoman Railway from Smyrna to Aidin.²⁴

With Article 7 of the Treaty of Paris of 1856, the independence and territorial integrity of the Ottoman Empire was respected by each and every European Power.²⁵ The Ottoman Empire became a member of the Concert of Europe.²⁶ During railway negotiations between the Italian Government and the British Government, the British Empire constantly referred to preserving the territorial integrity of the Ottoman Empire which was promised by the Treaty of Paris to justify its policy to the Italian Government. The British Government denied its help to Italy to secure a concession from the Ottoman Empire. Also, it was reluctant to create a sphere of influence for Italy which the Italian Government insisted on. This British commitment to the territorial integrity of the empire's Asia Minor lands was because of the British policy to have a strong British influence in the region that was strategically important for the defense of India and the British Empire's eastern territories. Therefore, it had to maintain its commercial and political supremacy in the area.²⁷ Kent summarized the scope of the British foreign policy to preserve the status quo: "...Britain

22 Sir R. Rodd to Sir Edward Grey, 14 December 1913, L/PS/11/71, P155/1914, BL.

23 Sir R. Rodd to Sir Edward Grey, 14 December 1913, L/PS/11/71 P155/1914, BL.

24 Foreign Office to Ottoman Railway from Smyrna to Aidin, 16 December 1913, L/PS/11/71 P155/1914, BL.

25 *Le Traité de Paris Du 30 Mars Étudié Dans Ses Causes et Ses Effets par le Correspondant Diplomatique du Constitutionnel*, Paris, Amyot, 1856, 416. Article VII: "Sa Majesté l'Empereur des Français, Sa Majesté l'Empereur d'Autriche, Sa Majesté le Reine du Royaume-Uni de la Grande-Bretagne et d'Irlande, Sa Majesté le Roi de Prusse, Sa Majesté le Roi de Sardaigne déclarent la Sublime Porte admise à participer aux avantages du droit public et du concert européens. Leurs Majestés s'engagent, chacune de son côté, à respecter l'indépendance et l'intégrité territoriale de l'Empire Ottoman, garantissent en commun la stricte observation de cet engagement, et considéreront, en conséquence, tout acte de nature à y porter atteinte comme une question d'intérêt général".

26 Fikret Adanır, 408.

27 Marian Kent, ed., *The Great Powers and the End of the Ottoman Empire*, Frank Cass., London, 2005, 165.

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was concerned to prevent any major disintegration of the Ottoman Empire which would stimulate territorial greed and promote war among the powers, not least upsetting her own position of strength in the geographical jigsaw of established Great Power spheres of influence".²⁸ Commitment to preserving the territorial integrity of the Ottoman Empire as a policy was evident in Sir Edward Grey's statements during the Smyrna-Aidin Railway negotiations. The British Empire was against the "spheres of influence in Turkey"²⁹ which was vigorously pursued by Italy.

The Italian Minister for Foreign Affairs claimed and tried to convince the British Minister of Foreign Affairs that the Italian Government had no intention of territorial acquisitions in Asiatic Turkey. Rodd reported his words: "As regards islands in Italian occupation some progress may be recorded, as his Excellency seems now to have abandoned the plea that the presence of Turkish troops in Cyrenaica makes a continuance of occupation imperative, and reiterates emphatically that Italy entirely upholds view adopted by Powers that none of them should seek territorial acquisitions from Turkey, whose Empire in Asia it is Italy's interest to preserve permanently if possible".³⁰ However, the Italian Minister for Foreign Affairs underlined its government's demand to have a sphere of influence in Asia Minor as well. Rodd reported:

"The one point, however, which he considers of imperative importance is that Italy should find some sphere for economic and commercial development in Turkish Empire. There was a disposition to meet their views in Turkey as regards south-west angle of Asia Minor, but nothing of a concrete character had yet been concluded. I explained your views as to Smyrna-Aidin Railway Company, and he said he quite realised that they had both established rights and interests, but he did not see why there should not be found means of conciliation of these with some sphere of activity for Italy. There were harbour works both at Adalia and elsewhere and other fields of enterprise of a not too ambitious or costly character. If these could be obtained for Italy in a definite form, he felt it would become easy for her to proceed with evacuation of the islands and to deal with public opinion, which expected some return for money and energy expended on occupation".³¹

The Italian Government was not only using the evacuation of the islands as leverage to get concessions from the Ottoman Government but also as leverage to force the British Empire to support the Italian scheme to have a 'sphere of influence' in Adalia. The Italian Government hoped that this 'sphere of influence' or 'sphere of interest' would allow them to have a share in the division of Turkey after the fall of the Ottoman Empire which was predicted by San Giuliano to take place soon.³²

According to the Treaty of Lausanne, Italy was to return the Aegean islands it occupied during the Italo-Turkish War to the Ottoman Empire. Then, the Ottoman Empire was to withdraw its forces from Cyrenaica and Tripoli following the Italian withdrawal from the islands.³³ Grey wanted Italy to follow these articles and make no further claims to have compensation. Italian attempts to secure concessions and investments in Asia Minor were threatening the British Empire's commercial influence in Asia Minor. Furthermore,

28 Kent, *The Great Powers*, 166.

29 Richard Bosworth, "Britain and Italy's Acquisition of the Dodecanese, 1912-1915", *The Historical Journal*, 1970, p. 699.

30 Sir R. Rodd to Sir Edward Grey, 6 December 1913, P 155/1914, BL.

31 Sir R. Rodd to Sir Edward Grey, 6 December 1913, P 155/1914, BL.

32 Kent, *The Great Powers*, p. 63.

33 R.J. Crampton, "Decline of the Concert of Europe", *The Slavonic and East European Review*, vol. 52, no. 128, July 1974, p. 401.

the Italian presence in the islands was endangering the British naval route to the East.³⁴ Sir Edward Grey's response to Sir R. Rodd on San Giuliano's comments was that: "It will not do to connect schemes of Italian expansion on the mainland of Asiatic Turkey with the question of Italian evacuation of the islands. Respecting the islands, the Italian Government has given us repeated and solemn assurances, which we cannot now be expected to treat as contingent on extraneous conditions under which Italy would obtain compensation in some other form elsewhere".³⁵ Grey also underlined the British policy to preserve the territorial integrity of Turkey:

"Apart from this, the policy of His Majesty's Government, and we believe of other powers interested in Turkey, is altogether opposed to the division of Turkish territory into defined spheres of interest, which would be tantamount to the disintegration of the Ottoman Empire. It is accordingly desirable to restrict discussion to the consideration of particular concessions in particular places, a course which has been followed in respect to German and French railway schemes. ... Your Excellency should, in speaking to the Italian Minister for Foreign Affairs, bring the above views to his notice, and endeavour to obtain a copy of their concession".³⁶

Although the British Government showed commitment to the policy to preserve the territorial integrity of Turkey and the Treaty of Lausanne, Italy insisted on having concessions. The Italian ambassador in London stated to Grey that he "wished to see the political integrity of Asiatic Turkey preserved but, in view of the fact that in one way or another France, Germany and Russia had all sought economic expansion or spheres of economic interest in Asia Minor recently, Italy too had felt herself obliged to demand the port of Adalia and a railway running north from it as a concession from the Turkish government".³⁷ As it is mentioned by McLean the correspondence between the British Foreign Office and the Italian Government shows that the Italian Government constantly stated that they were willing to withdraw from the Aegean Islands in return for concessions.

Otto Joel, Director of Banca Commerciale, Bernardino Nogara, the Italian representative on the Ottoman Debt and the Banca Commerciale's agent for Turkey, and Giacomo De Martino, Secretary General of the Ministry of Foreign Affairs went to London in January 1914 to negotiate with the representatives of Smyrna-Aidin Railway Company.³⁸ The Italian Government preserved its expectation to have the British Government's support to get concessions from the Ottoman Empire. The Italian Government argued that it should receive compensation for the cost of military occupation in the Dodecanese.³⁹ On the eve of World War I, the British Empire was trying very hard to preserve its friendship with Italy. The Smyrna-Aidin railway negotiations were proof of this effort. The anger of the British Foreign Office on this matter was expressed by Grey. He wrote to Rodd on 28 January 1914:

"Italy had annexed Tripoli, and this had excited Mussulman feeling in Egypt; but, owing to our secret agreement of years ago, disinteresting ourselves in Tripoli, though it did not contemplate any actual change in the status of Tripoli, we had felt bound to stand on one side. In the course of the war, the Italians had occupied some islands, assuring us that the occupation was only temporary. After the war was over the conditions of the Treaty of

34 Kent, *The Great Powers*, p. 63.

35 Sir Edward Grey to Sir R. Rodd, 11 December 1913, P 155/1914, BL.

36 Sir Edward Grey to Sir R. Rodd, 11 December 1913, P 155/1914, BL.

37 David McLean, "British Finance and Foreign Policy in Turkey: The Smyrna-Aidin Railway Settlement 1913-14," *The Historical Journal*, 1976, Vol. 19, No.2, p. 523.

38 Bosworth, *The Least of the Great Powers*, p. 368.

39 Bosworth, "Italy's Acquisition of the Dodecanese", p. 701.

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Lausanne were attached to the evacuation of the islands, and now further conditions were being made. The Italian Government had selected the district close to the Smyrna-Aidin Railway to acquire a concession, and, had it not been for friendship to Italy, I should have opposed the concession unconditionally, instead of trying to find a way to reconcile it to the interests of the British company, which I must protect...In fact in one way and another, during the last year or two the Italian Government had encroached more upon British interests than any other two European powers put together".⁴⁰

Sir L. Mallet informed Grey that, the "Italian Ambassador has again alluded to the advantages of having my assistance in inducing Turkey to give some concession to Italy in return for relinquishing islands".⁴¹ Sir L. Mallet's advice was "if a satisfactory arrangement were arrived at between Nogara and the company, I would suggest that most we could do would be to inform the Turkish Government and say that, as the rights of our company were safeguarded, they were free to consult their own interests as to what concession they would give to Italy".⁴²

4-CONCLUSION

An agreement was reached between the Italian Syndicate and the Smyrna-Aidin Railway Company on 19 May 1914.⁴³ With this agreement "an Italian foot had been firmly wedged in the door leading to Asia Minor".⁴⁴ The Italian Government constantly demanded British support to secure concessions from the Ottoman Empire even after the agreement was reached between the Smyrna-Aidin Railway Company and the Italian Syndicate. On 4 June 1914, only two months before the war broke out, the Italian Government was still trying to convince the British Empire to urge the Ottoman Government to give them a concession. The whole railway scheme came to an end with the start of World War I.

The Smyrna-Aidin Railway negotiations expose the contemporary state of British and Italian policies towards the Ottoman Empire and schemes of Great Powers to take advantage of the empire through concessions. The Italian Government tried to get concessions from the Ottoman Empire to have a stronger commercial existence in the Mediterranean. However, it expected more than a mere immediate economic gain. It schemed that after the fall of the Ottoman Empire, they could claim land on the bases that it was under its sphere of influence. The British Empire viewed the Italian desire to have a sphere of influence as a threat to its interests in Western Anatolia and the East in general. Reluctant to alienate Italy, the British Government underlined the importance of the territorial integrity of the Ottoman Empire to justify its unwillingness to support the Italian Empire to form a sphere of influence in Asia Minor. On the other hand, the Ottoman Empire tried to protect its territorial integrity by playing one Great Power against the other. However, it could not prevent the Italian and British governments to come to an agreement.

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