The Suez canal and Company facing the geopolitical, maritime, and economic challenges of WWI

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Our paper intends to scrutinize the effects of WWI on the life of the Suez waterway and of the Suez Company. First, we’ll scrutinize the figures of transit to identify the changes that occurred during these years; for instance about the nationality of steamers and the destinations of their course. We should gauge the general evolution of the transit through the waterway, either because of the demand for supplies of commodities to feed the economic war machine in Europe (South to North flows); and it should also determine whether this mobilisation ended cutting into North to South flows. We’ll also compare the statistics of the transit along the pre-war year, the war and the post-war years. We’ll determine how the military events stroke on the daily life of the canal, as fights occurred in the Isthmus itself: the transit became a geopolitical challenge between the British and Ottoman Empires, and we’ll sum up the facts, their causes, and their outcome on the functioning of the maritime transit. We’ll appreciate how the overall war exerted economic consequences on the waterway, as the commonplace maritime flows were somewhat hindered by the maritime war (blockade attempts, attacks, etc.) and moreover as the Central Empires had to lose momentum as impulse forces of commercial and maritime flows through the canal.

1. The canal, from business co-operation to a geopolitical issue

Before WWI, the Suez waterway had joined the main axes of the world economy, like the neighbouring Bosphorus detroits or the Danube. Sure it did not benefit from the statute which had been applied to the latter since 1841 and forbade the transit of warships, because the British authorities had rejected it in 1877, for the sake of their own naval ships crossing the canal to join India. But it had assumed a statute of “neutrality” since the Agreement of Constantinople in October 1888: it was to remain open the whole world’s fleets, even in times of war; the canal itself, its ports, and the waters within a three-mail radius were to be kept free of all conflicts or blockades.1 And the Ottoman Empire and Egypt were to protect the isthmus from any interference. So many military convoys had crossed it recently, for instance the Russian ones during the Japanese-Russian war in 1904-5.

Moreover the future war protagonists had inserted the canal into their globalised economic model. The British merchant fleets maintained their hegemony over the Asian business, and got ahead the users of the waterway. But the German ship-owners had raised to the rank of second customers of the Suez Company, ahead of France and the Netherlands (table 1).

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1 See Yves van Der Mensbrugghe, Les garanties de la liberté de navigation dans le canal de Suez, Paris, Librairie générale de droit et de jurisprudence, 1964.
Table 1. Rankings of the shipping customers of the Suez canal (in percentage)

<table>
<thead>
<tr>
<th></th>
<th>In 1914</th>
<th>In 1921</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>66.5</td>
<td>62.9</td>
</tr>
<tr>
<td>Germany</td>
<td>10.9</td>
<td>9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7.2</td>
<td>11.2</td>
</tr>
<tr>
<td>France</td>
<td>4.1</td>
<td>5.4</td>
</tr>
<tr>
<td>Italy</td>
<td>1.9</td>
<td>5.2</td>
</tr>
<tr>
<td>Japan</td>
<td>1.8</td>
<td>5.8</td>
</tr>
<tr>
<td>Greece</td>
<td>0.7</td>
<td>0.3</td>
</tr>
</tbody>
</table>

This was explained by the extension of lines in the Far East and the Chinese concessions (Tsingtau/Quingdao, Tientsin, Hankeou/Wuhan), and in East Africa (German East Africa Line/Woermann Line-Deutsche Ost-Afrika-Linie/Deutsche Afrika-Linien/Woermann Linie). Economic competition therefore did good to the expansion of commercial flows and on the canal customernship, along peaceful developments. Such cooperative mindsets were epitomized by the access of a German shipper to the board in June 1899-June 1912, Geo Playe, chairman of Nord-Deutscher Lloyd, then in June 1912 by Philipp Heineken, CEO of Nord-Deutscher Lloyd in 1909-1920.

2. The economic effects of the war on the Suez Company

To first focus on more economic issues, the war put an end to the growth of transit through the Suez isthmus. The traffic had reached a top in 1913 (20 million tons) and dwindled to 9.4 million in 1917 and 9.3 million in 1918, that is a fall of 54%, whilst the number of ships itself was halved to the minimum of 2,353 in 1917 (see table 1). Meanwhile, the passenger transit was cut by three-quarters. One negative impact was meanwhile the sub-marine war, when German U-Boote (about ten of them, then in December twenty, and two-dozens in 1917) sunk many ships on the Mediterranean maritime front in 1916 and 1917: about 45% of all shipping tonnage sunk in 1916 by U-Boote were achieved there.

Table 2. The transit through the Suez canal in 1913-1920

<table>
<thead>
<tr>
<th></th>
<th>Number of ships crossing the isthmus</th>
<th>Taxed tonnage transported through the isthmus</th>
<th>Passengers on ships crossing the isthmus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>5,085</td>
<td>20,033,884</td>
<td>258,389</td>
</tr>
<tr>
<td>1914</td>
<td>4,802</td>
<td>19,409,495</td>
<td>391,772</td>
</tr>
<tr>
<td>1915</td>
<td>3,708</td>
<td>15,266,155</td>
<td>210,530</td>
</tr>
<tr>
<td>1916</td>
<td>3,110</td>
<td>12,325,347</td>
<td>283,030</td>
</tr>
<tr>
<td>1917</td>
<td>2,353</td>
<td>9,368,918</td>
<td>142,313</td>
</tr>
<tr>
<td>1918</td>
<td>2,522</td>
<td>9,251,601</td>
<td>105,914</td>
</tr>
<tr>
<td>1919</td>
<td>3,986</td>
<td>16,013,802</td>
<td>527,502</td>
</tr>
<tr>
<td>1920</td>
<td>4,009</td>
<td>17,574,657</td>
<td>500,147</td>
</tr>
</tbody>
</table>

4 From the Compagnie’s data. See Paul Reymond, Histoire de la navigation dans le canal de Suez, Le Caire, Institut francais d’archéologie orientale, 1956.
Many ships were therefore often diverted by the South-African line, which short-circuited the Suez canal for a while. Because of the maritime war and overall uncertainties, several lines were suspended; for instance the Dutch shipping stopped crossing the canal from 1916. The paralysis or crisis endured by the classical overseas business could not but hamper normal flows of shipping through the waterway.

Because of the circumstances the fifth programme of investment launched in 1912 has to be suspended during the war, and was resumed only at the start of the twenties, being completed in 1924-25 – when the target of 60 meters in width was attained between the Bitter Lakes and the Suez port –, whilst the sixth one was designed in 1921.

The recovery was somewhat long in 1919-20, all the more because the world economy faced a post-war recess in 1920-21 after a booming recovery in 1918-20. “Now that the war has come to a satisfactory conclusion, as our ships are returned to us, we shall as speedily as possible resume our position in the Eastern, the Far Eastern and the Australian trades, but with so many ships sent to the bottom it will take some time before we are able to offer to the travelling public the convenience, comfort and regularity to which they had been accustomed before the War.”

Beyond the fate of their military fleets, the German merchant fleets had lost their outlets and strongholds in Eastern Africa and China, even if they regained momentum in direct or through dummy companies through “neutral” countries (Denmark, etc.), whilst the military fleets (East Asian Squadron/Ger Kreuzergeschwader or Ostasiengeschwader) had disappeared. Their share of the Suez transit fell from 10.9 to 9% from 1914 to 1921 (see table 1). And the German director Heineken had to leave the board in June 1915, exemplifying the world of geopolitical tensions which ended the international shipping collaboration. And no German was introduced on the board in the interwar period. The board remained thus some kind of a British shipping club and of French business bigwigs.

This was being reinforced by the continuous upsurge of the Peninsular & Oriental during WWI and just after: already a strong stakeholder of the cross-Suez transit, it reinforced its grip over European-Asian lines, despite the loss of 89 ships during the conflict. In 1914, it took over the British India Steam Navigation Company, which was then the largest British shipping line, owning 131 steamers; then, in 1918, it gained a controlling interest in the Orient Line, its partner in the England-Australia mail route; further acquisitions followed and the fleet reached a peak of almost 500 ships in the mid-1920s. This explains the presence of the PO chairman, Thomas Sutherland, on the board of Suez in 1844-1922, on the side of James Lyle Mackay (since 1904), the director of the British India SN Company.

But more important for the fate of the conflict were two key points. First, troopships crossing the isthmus transported around 1.8 million troops from Australasia and India to the West-European fronts: “The largest convoy of Indian troops departed on

5 Lord Inchcape, PO chairman from 1915, 11th December 1918.
the 20th September 1914 and included 13 BI ships with a further five joining in Karachi. No fewer than 60 BI troopships were involved in the transport of Indian troops in the first ten weeks of war.”

Second, the mercantile shipping contributed to fuel the economic front with commodities, oil, and minerals.

The issue of coal catering for crossing ships became crucial too. The powerful and specialised French trade firm MM. Worms & Cie, well established in Port Said/Port Tewfik (in competition with British houses like Newton Dunn) made efforts to find a combined solution to enable the Navy to stock up on coal with the company in its own warehouses in Port Said rather than from the British Admiralty. It established monthly stocks of 8,000 tonnes of coal (coming from the UK, mainly from Cardiff, and also from South Africa and even Japan) to cater to the Navy’s needs in Port Said and ensure its handling operations, despite the frequent lack of barges to tackle transhipment operations.

All in all, the war, the transit draw-backs, and the up-and-downs of shipping fleets exerted a negative effect on the business model of the Compagnie universelle du canal maritime de Suez. The war gnawed 50% of the 1914 value of the Suez stock till a low level in 1918 – and the drift went on in 1919 and 1920 too, as if the Stock Exchange did not trust a rapid and strong recovery – and the value still far more down-sided if inflation is taken into account.

Table 3. The capitalist effects of WW1 on the quotation of the Suez stock (1913-francs), for a face-value of 500 francs

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>4,867</td>
</tr>
<tr>
<td>1915</td>
<td>3,483</td>
</tr>
<tr>
<td>1916</td>
<td>3,253</td>
</tr>
<tr>
<td>1917</td>
<td>2,778</td>
</tr>
<tr>
<td>1918</td>
<td>2,415</td>
</tr>
<tr>
<td>1919</td>
<td>2,281</td>
</tr>
<tr>
<td>1920</td>
<td>1,967</td>
</tr>
<tr>
<td>1921</td>
<td>2,311</td>
</tr>
<tr>
<td>1922</td>
<td>2,644</td>
</tr>
<tr>
<td>1923</td>
<td>2,105</td>
</tr>
<tr>
<td>1924</td>
<td>2,607</td>
</tr>
<tr>
<td>1929</td>
<td>4,070</td>
</tr>
</tbody>
</table>

3. The Suez canal at war

No new facts will be proposed in this section, which will rely classically on the various publications (often digital ones) about the involvement of the Suez isthmus into WWI. But the sequencing will enhance three key events and their overall effects.

A. The Suez isthmus as a geopolitical issue

First, the role played by the Suez isthmus was still far more highlighted. Despite the intents of France to insist on its commitment to the life and future of the canal management, the UK seized on the reins of the real power there. The waterway could not escape from its grip, as it remained essential to commercial flows, and moreover

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8 From the digital exhibition “Our War at Sea” on [http://www.poheritage.com/the-collection/].
as it became crucial to the military flows between Asia, Oceania and the Middle East, on one side, and Europe at war, on the other side. Far from the mere fights in the East-Mediterranean area, mainly about the control of the Bosphorus detroits and about the access to the Black Sea, the waterway got its rank as a determining tool of the British war humane system and economic machine. In October 1918, a first convoy of 38 ships crossed the canal with about 25,000 soldiers to rejoin Europe.

No risk was to be taken at all; and this led to the officialising of the British hegemony over Egypt, under the guidance of Horatio Herbert Kitchener (consul-general) in the summer 1914, then of Milne Cheetham and last of Henry MacMahon, high commissioner since January 1915. Several steps proved such a change: the protectorate was de facto declared (pending its official statute in November 1918). The pro-Turkish vice-roy/khedive Abbas II Hilmi was replaced by a British-friendly one, prince Hussein Kamal, his uncle, with the new title of sultan. The direct military presence in the country, and specially all over the isthmus, was reinforced. And, last but not least, Egypt declared war by itself on 5 August 1914 to the enemies of the UK, despite the fact that the Ottoman Empire by itself joined the war only on 5 November 1914 – which definitely cut the institutional links between Constantinople and Cairo, with the extinction of the link of vassalage.

Issues were not imperialism, not the destiny of the colonial Empire, but firmly the British thalassocracy and its control over intercontinental sea-flows, either cargoes or war-crafts. The Suez canal constituted a strategic issue. When the global aspects of geopolitics are taken into accounts, the influence of the UK, already in charge with a third of the capital of the Compagnie du canal since 1875, over Egypt and the canal zone has been cemented now onwards at the expense of France, even if that latter kept the day to day responsibility of the management of the Compagnie du canal.

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Whatever the results of WWI on the set up of new map of the Near East, the Suez isthmus was to stay within British power till 1956, notably as an access to British naval deployments eastwards, and the process of colonisation was stimulated by such a colonial grip.

B. The immediate defence of the Suez canal

Second, all at sudden, after the Sultan had joined Germany in November 1914, war itself rushed onto the Suez isthmus, caught into an issue of strategic balance. Sure, Ottoman troops felt more concerned about the immediate fate of the Mesopotamian, Palestinian, and Arabian areas, because of future British and Arabic military offensives and upsurges there. But, under the advice of their German counsellors, they favoured an offensive against Egypt and the Suez isthmus. Another way of transportation seemed then essential, the railway issued from the Berlin-Bagdad-Bassorah (BBB) with its extension to the Hedjaz. At the end of 1916 was opened a railway branch southwards to Beersheba in the Negev desert as some kind of a key opening the way to the Suez isthmus, because it could ease considerably food and armaments supplies to Ottoman troops.

Ottoman offensive designs

German advisors (led by the Bavarian colonel Kress von Kressenstein, who had been appointed Chief of Staff of the VIIIth Corps, Fourth Army, on arrival from Constantinople on 18 November 1914) and Ottoman bigwigs inserted the canal into a strategic move: striking on it and even taking the control of the isthmus could open doors to some advance into Egypt itself, and finally stop the transit through the canal. The Fourth Turkish Army ended supervising about 20,000 soldiers east of the isthmus, under the command of Djemal Pacha (also governor of Palestine) and of brigadier-general Zekki Pasha. The actual size of the Ottoman force von Kressenstein led across the Sinai in January 1915 is difficult to gauge from the numbers provided by several authorities of that time: 50,000 became 25,000 then 20,000 and finally between 10,000 and 12,000; Von Kressenstein stated the force was 20,000 strong.

This paved the way to the well-known offensive at the turn of February 1915, when 16,000 Turkish soldiers followed three paths westwards: a central and strong military move was supplemented by lateral but lower ones. From the basis in El Arish (occupied in December 1914) and Nekhl, Ottoman attacks (infantry, camel cavalry,

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etc.) were launched on 26 January 1915. They culminated on 2 and 3 February, along an axis supposed to join Beersheba to Ismailia, with the objective to cross the canal – thanks to pontoons and rafts – and go on to Cairo.

**Defensive operations and equipments**

Happily for the fate of the canal, the British had anticipated such an attack. Their headquarters had been moved precisely in the premises of the *Compagnie de Suez* in Ismailia. El Kantara lodged a huge military base – before a mobile bridge was even opened over the canal at El Kantara in November 1917. Instead of 5,000 men in August 1914, about 70,000 British soldiers were gathered in Egypt at the date of January 1915, mainly units from the Indian Army, under the command of major-general John Maxwell since August 1914

And 30,000 of them stood in the isthmus itself, along the 101 miles (160 km) of the canal. “Main defences were created on the west bank, with outposts on the east. Supply to the troops along the canal was by railway running from Ismailia to Cairo”\(^{22}\), extended by three little branches. South of Port-Said, works achieved by Egyptian people (Egyptian Labour Corps) created water floods between the canal and the desert, from Port-Saïd to El Kab, to block possible attacks there.

British war-ships (*Swiftsure*, *Clio*, *Minerva*, *Ocean*, *Proserpine*, *Hardinge*; and armed merchant cruiser *Himalaya*) were somewhat involved in the canal zone as a few of them used their artillery against the Ottoman offenders, and among them some French ships (cruiser *D’Entrecasteaux*, coastal defence ship *Requin*),\(^{23}\) as France had insisted to show as an actual stakeholder in the defence of the canal,\(^{24}\) as had been the case in the Red Sea,\(^{25}\) all the more because the French Navy reneged on admitting the British naval supremacy.\(^{26}\) All in all, about 1,500 Turkish soldiers died in the fights, and hundreds of them were captured.

**Guerrilla raids over the canal**

Such an array of defensive tools helped British troops to resist further and lighter attacks. Von Kressenstein designed raids form the Sinai against the isthmus along some kind of a guerrilla type of war. There were therefore a few successive attacks from the Ottoman army on 22 March and 7 April 1915, then later on 23 April 1916 and, with the concourse of German troops, on 4 August 1916. In fact such fights dwindled afterwards because Ottoman armies were reoriented northwards to other fronts. Mines were also sometimes dropped off there and there. Later on in 1917, the British counter-offensive and the breakthroughs completed in Arabia\(^{27}\), the Negev and then in Palestine cut off the Ottoman armies from their rear-basis and the Suez

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\(^{22}\) Chris Baker, on the website [http://www.1914-1918.net/suez.htm].

\(^{23}\) “Raid on the Suez Canal” [https://en.wikipedia.org/wiki/Raid_on_the_Suez_Canal].

\(^{24}\) See Commandant Assolant, “L’œuvre de la Marine française dans la défense du canal de Suez”, *Revue maritime*, 1921, volume II.


isthmus escaped now onwards to any military pressure, before the drawbacks endure by Ottoman and German armies in the Near-East in September-October 1918.

C. The Suez isthmus as a lever to British offensives in Palestine

Third, the UK decided to add the Suez isthmus to the global array of back-side basis for its offensive in the Middle-East, to complement the Red Sea and the Persian/Arabic Gulf ways of penetration into the Ottoman Empire. The railway from Cairo was extended till El Kantara, then on the east bank, thanks to a special ferry. From there, the British army used a railway built to reach Jaffa, where they joined the line to Jerusalem.

Besides satisfying themselves with defending the canal from its western side, troops crossed it and established rear-basis on the east side on the verge of the Sinaï. From there, they conceived a strategic move northwards to Palestine, far beyond the scope of this study of course. But the waterway zone asserted itself as a lever to prop up military offensives: it helped supply commodities, armaments, water, overall catering. The war-time usefulness of the isthmus joined the functions of the canal, and British basis there will play a further role during WWII.

Conclusion

Even a commonplace waterway like the Suez canal, used to pacific commercial transit by passenger and cargo lines, joined the “Great History” in 1914-1918. The maritime conflicts could not but hinder such traffic and cut down sharply and durably the number of crossing ships. The waterway became all at sudden a geopolitical issue and a token of British thalassocracy and naval hegemony. It helped to the journey of hundred thousand soldiers from overseas to the European fronts. And itself was involved, lightly and shortly but dramatically, in the direct war because of a few offensives and raids from the Ottoman troops and German supervisors. WWI did not transform the foundations of the canal’s life, still in the hands of the Compagnie universelle du canal maritime de Suez. But it reinforced its insertion into the British hands of imperialism, all the more because British bases in the isthmus were to stay until the start of the 1950s.

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