Anglo-French Relations in Egypt 1798–1875

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Abstract. Several canonical works exist on European capitalism in North Africa, especially Egypt. From a revisionist perspective, this work analyses the features of British and French relations in Egypt of the nineteenth century. The definitions of capitalism in scholarly engagements reflects in the narratives of how English and French capital manipulated the political space to map Egypt in the dynamics of international economy. Internal or domestic capitalism was an institutionalized and standardized in the era of Mohammed Ali’s modernization policy. Invariably, the paper examines the nexus in the interplay of land, labor and finance that tied Egypt to global capitalism. The terminal period of 1875 marked a period of financial crises that plunged the nation to endless debt burden that further defined its national governance and international relations. With the plethora of secondary sources such as books and journals, this work adopts the historical method.

Keywords: English, French, Egypt, capitalism, governance

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Англо-французские отношения в Египте в 1798–1875 гг.

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Аннотация. В статье исследуются особенности британских и французских отношений в Египте девятнадцатого века. Автор раскрывает, как английский и французский капитал манипулировал политическим пространством, чтобы втягивать страну в мировое капиталистическое хозяйство. В статье рассматривается взаимосвязь во взаимодействии земли, труда и финансов, которая связывала Египет с глобальным капитализмом. Период после 1875 года озаменовался финансовыми кризисами, которые ввергли страну в бесконечное долговое бремя.

Ключевые слова: Англия, Франция, Египет, капитализм, управление

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Introduction

The conception of capitalism is hinged on Michael Merrill’s definition that capitalism is not strictly about the market economy ruled by or in the interests of capitalists [1. P. 317]. Therefore, capitalism is not about economics but its political management. The two assumptions that run through the features of capitalism in this work is that: it is in the interests of capitalists not only to prevail but should prevail in any capitalist system and that the notions of governance in it tend to neglect the human factor involved, but for the sake of optimum benefit or profit.

Furtherance to this conception, Scott placed capitalism as an indirect system of governance which is obvious in the way the British and French ruled Egypt [2]. The capitalist governance reflected a system that was institutionalized and shaped by domestic and global market forces. Scott’s position reinforced the description Adam Smith construed that:

> As every individual… endeavors… to employ his capital in the support of domestic industry, and so to direct that industry that is produce may be of greatest value; every individual labours to render the annual revenue of the society as great as he can while he intends only an end which was no part of his intention [3. P. 291–292].

Invariably, market forces are not a lone determinant of the realities of capitalism, its governance is important. Therefore, capitalist development in the context of Anglo-French imperialism in Egypt interfaced the complex and continuous political bargains by the imperial actors and indigenous leadership.

Capitalism in Egyptian history is taken to deeply examine the colonial enterprise in the forms of Anglo-French alliances and rivalries. The effect of imperialism is profound in the activities of Britain and France in Egypt. The impact of which was a factor that recycled the relics of the frontiers of both imperialists. Even after colonization, the modernity impressed created what Said described thus:

> The great colonial schools, for example, taught generations of the native bourgeoisie important truths about history, science, culture. Out of that learning process millions grasped the fundamentals of modern life, yet remained subordinate dependents of an authority based elsewhere than in their lives. Since one of the purposes of colonial education was to promote the history of France or Britain, that same education also demoted native history [4. P. 223].

Universality of capitalism has the same meaning but it’s episodic because it is existent in the space of nature and time. The interrogation of Anglo-French Capital in Egypt is an embodiment of the structure and features of capitalism. And from a Geographer’s perspective, Neil Smith in the book *Uneven Development*
explains how capitalism developed landscape that lumps poverty and wealth in a disillusioned manner [5].

In analyzing ecological capitalism in Egyptian history, Crosby’s position fits into the exploration and exploitation of Suez Canal. The role of Britain and France was well explained as it says that;

Wherever Europeans went, immediately began to change the local habitat; their conscious aim was to transform territories into images of what they had left behind. This process was never ending, as a huge number of plants, animals and crops and building methods turned the colony into a new place, complete with new diseases, environmental imbalances and traumatic dislocations for overpowered natives [6. P. 196].

The finance of Suez Canal is a typical reality of how Crosby defined ecological imperialism given the effect it had on the political economy of Egypt.

**Basis of French Capital**

Egypt was strategic to the geographic boundaries between Africa and Asia. Napoleon Bonaparte’s expedition in the late eighteenth century to Egypt was to Advance French Capital. The necessity of French capital was a function of the array of civility that characterized its prominence, being a center of knowledge. Therefore, Jean Baptiste summarized Bonaparte’s interest in Egypt’s endowment thus:

Placed between Africa and Asia, and communicating easily with Europe, Egypt occupies the center of the ancient continent. This country presents only great memories; it is the homeland of the arts and conserves innumerable monuments; its principal temples and the palaces inhabited by its Kings still exist, even though its least ancient edifices had already been built by the time of the Trojan War. Homer, Lycurgus, Solon, Pythagoras, and Plato all went to Egypt to study the sciences, religion and the laws. Alexander founded an opulent city there, which for a longtime enjoyed commercial supremacy and which witnessed Pompey, Caesar, Mark Antony, and Augustus deciding between them the fate of Rome and that of the entire world. It is therefore proper for this country to attract the attention of illustrious princes who rule the destiny of nations. No considerable power was amassed by any nation, whether in West or in Asia, that did not also turn that nation toward Egypt, which was regarded in some measure as its natural lot [7. P. 1; 4. P. 33].

Napoleon’s expedition in 1798 was an embodiment of imperial extension of French culture. In a short while, French military governors organized Cairo and to a certain extent had control of the Aswan dam. But by August 1799, he left Egypt which gave Britain the opportunity to reinforce Ottoman Turkish rule. But the French had impacts especially in Alexandria. There were processes of modernization through France. At least the Mamluks influence was reduced. French conquest of Mamluks created a gap in the leadership of Egypt as it put an end to
Medieval rule which the Mamluks succeeded in exercising to isolate Egypt from Europe. In other words, the departure of French created a vacuum as there was no recognized authority.

By the early nineteenth century, French scientists were on research mission to survey [5, P. 102]. In the beginning of the nineteenth century, the Ottoman had the motives of invasion and occupation like the British and French. The Ottoman Empire with the assistance of British succeeded in warding off Napoleonic forces. That is, there was Ottoman-British alliances against the French. The strands of power among the French, British and Ottomans was conveniently determined by capital flows that either made or mar the consolidation of power [8]. The influence of colonialism determined the direction of finance in the nineteenth century.

**Basis of British Interests**

British imperialism in Egypt was resilient as it found the nation as a source of power. Activities of domination was based on the fact that trade and commerce was a fundamental policy used to shield itself from aggression and yet maintain its colonies by constant reinforcement. British activities in Egypt were diplomatic attempts to shape an economic system they indirectly lack understanding of and at the same time avert French influence. This reflected in Lord Cromer’s statement that “we do not govern Egypt, we only govern the governors of Egypt” [9, P. 68; 4, P. 199]. Indirectly, the Governors of Egypt were tamed to adopt British policy.

Britain manifested a system political and financial occupation of Egypt. The actions were justified in the works of John Gallagher and Ronald Robinson that free trade of the imperial order enhanced the conditions of financial interventions in the peripheries. A policy of encouraging free trade with foreign governments was in place in the nineteenth century which enhanced by the Treaty of Balta Liman of 1838 and Treaty of London in 1840. The treaties were negotiated for free trade agreement with the Ottoman Empire in Control of Egypt, to create market for British manufactured goods [10, P. 292–294]. The Treaty of Balta Liman was instrumental to confront Ali’s geographical hegemony of Syria. His refusal to the terms of the treaty led to the invitation of Anglo-Turkish Troops in the 1840s. [11, P. 18]. Beirut was the base of aggression to force Ali’s control out of Syria. Invariably, economic control of Ali’s reign was undermined. British imperial capital circulated and there were nexus of interdependencies that of course favored the governance of Ottomans in Egypt.

Prominent in the features of British imperialism in Egypt is the gentlemanly capitalism aided by the drive for investment in the peripheries. In this category were merchants and bankers that operated through foreign offices in the colonies. In most cases the Gentleman of the nineteenth century was a merchant who had free times for leisure and sports, and only interested in studying administration and leadership [12, P. 38–39].

British interest in Egypt was multifaceted and more important was the Eastern Question which made the fostering of Ottoman interest paramount. An advance
from Russia was a threat the British strategy. Capital circulation was a strategy by which the Gentlemen such as Rothschild’s and Goshen are invested in Egypt from the 1850s. [11].

**Domestic Capitalism and Governance in the Nineteenth Century**

Here, the preference to tag the nineteenth century a period of modern occupation was the newness of Ottoman governance systems under the control of Mohamed Ali. There are scholarly arguments that classified Ali an imposition on Egypt nationhood, but its plausibility is of truism because he was an Albanian Ottoman army officer who had diplomatic intentions to take advantage of a nationalist gap to form a dynasty that revolutionized to unprecedented modernization.

Conquest of the Mamluks in the eighteen century was profound in the strength of Egyptian army [13. P. 375–379]. Ali’s style of economic governance after assumption of power in 1805 was based on agrarian capitalism. The ideology of the knowledge system developed was profound in the principles of Egyptology, although inspired by French scientist’ but it created a sense of the past civilization [14. P. 58]. Between agriculture and military management, the revenue acquired from land was used to finance the military. Each administrator referred to as Multazim was assigned to a land where the peasants worked. Ability of the Multazim to remit tax guaranteed continued occupation of land and failure to remit led to confiscation. Of the offer to retain land, members of Ali’s administration were guaranteed land by which the peasants were made to produce for exports [15. P. 195–228]. The understanding of Ali’s governance was quite modern and the currents of development in Europe was a factor that led to the type of restructuring that focused on agricultural development.

Over reliance of European imports was a drain on national capital and it became imperative to actualize the growth of domestic industrial sector. Factories were built to produce textiles and glass as well as machineries to enhance tertiary production [11. P. 15; 13. P. 39–392]. The campaign for industrialization was matched with protectionist policies to ensure domestic consumption of Egyptian goods. However, the international trade stifled the protection which was also a function of European influence to mar domestic industrialization.

Circulation of capital from domestic industrialization financed Egypt’s regional power to launch the campaign to capture Makkah and Medina from Wahabis among other missions of expansion [11. P. 16]. Certainty Ali’s eldest son, Ibrahim was involved in creating the hegemony of Ottoman governance which succeeded in Hijaz, Sudan and Syria in 1833.

The activities of Porte undermined the geographical influence of Ali’s reign because international trade policy of Egypt was a disadvantage to Britain. The Treaty of Balta Liman limited the monopolies of Ali’s governance. The treaty was implement British right to purchase and merchandise with considerable tariff which proved to confront the growth of domestic Egyptian economy [11. P. 39].
It was amidst internal wrangling among the Mamluks, Albanians and Turkish forces that Mohamed Ali capitalized on taxation but was cautious of provoking British. British diplomacy was vital to his expansionist practices. Yet, France also adopted diplomatic advances to court Ali in the first quarter of the nineteenth century.

The policies of plying the steamship in the region around Egypt and Syria created complicated trends in the politics of capitalism between Ali and British-French rivalry. Ali was interested in the development of Suez route. Britain was disinterested in European rivalry. This manifested in 1834 when an English manager referred to as Waghorn organized steam movement to transports goods and passengers between Alexandria and Suez [14. P. 43]. It was obvious that Ali’s government was sensitive to British capital and was willing to accede to forthcoming support.

French capitalism was on the other hand persuasively redirecting Ali’s governance in favor of its interests. Between 1830s to 1840s, Ali’s government was entangled in the web of European rivalries that combined British-Austrian-Russian-Turkish naval squadron to tackle French influence and advisory role in the modernization policy.

Ali’s diplomacy was bent to accept British terms that allowed the hoisting of Turkish flag in Alexandria in January 1841 and on February 4, Mohammed Ali was granted life leadership of hereditary Pasha of Egypt [14. P. 47]. To Britain, 1841 marked a fulfillment of the policy statement that upheld the principles of capitalism and Anglo-Turkish alliance. Also there was free passage of British merchandise to India.

Before the death of Mohamed Ali in 1845, the workings of internal capitalism in four decades showed a remarkable increase that justified the type of economies that utilized land and labor. The table below depicts the comparison of economic indexes from 1805 to 1845.

### Table 1

<table>
<thead>
<tr>
<th>Economic Features in Egypt</th>
<th>1805</th>
<th>1845</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>2,500,000</td>
<td>4,500,000</td>
</tr>
<tr>
<td>Cultivated Land (acres/fezzadans)</td>
<td>3,200,000</td>
<td>4,150,000</td>
</tr>
<tr>
<td>Revenue from Land Tax (in pounds)</td>
<td>1,052,450</td>
<td>4,200,000</td>
</tr>
<tr>
<td>Exports (in pounds)</td>
<td>200,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Imports (in pounds)</td>
<td>200,000</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

Source: Compiled from [14. P. 47]

The import-export balance attests to the internal economic structures that allowed production based on available resources. Land tenure system was affiliated to Islamic principle while indigenous technologies was used to sustain irrigation...
systems for farming before 1850. Prominent in the production system were indigo plant, maize, wheat, barley, rice, and so on.

**Motives of French Capital**

It was impractical for France to directly conquer England. Egypt was a medium to actualize adventurous conquest. Therefore, the way John Marlowe concretized Napoleon’s invasion of Egypt was directly a target to reduce British powers. Thus, the reasons adduced were:

- a desire to revive the French overland trade with the East, which had been destroyed by the Mamluks under British influence;
- a desire to cripple British overland route with the East;
- a desire to establish contact with Tippoo Sahib in order to help him make trouble for the British in India;
- a desire to establish a French Empire in the East which would surpass and perhaps supersede that of British in India [14. P. 13].

For British to conquer the actions behind the French motives, diplomacy was an order to open negotiations to assure Anglo-Turkish alliance against France. French invasion was taken as an act of hostility to undermined Ottoman influence. For the integrity of Ottoman empire, Anglo-Turkish alliance in 1799 made Porte agree to supply 100,000 troops to attack the French in Egypt. Indirectly, French was prevented from occupying Egypt but it was obvious that British was interested in imperial expansion. In March 1799, Colonel Koehler used Constantinople to prepare Turkish army for operations against the French in Egypt.

**Principles of British Capital**

Given the challenges of leadership the advance of British capital was paramount. Yet the influence of Turkey was recognized in the envisaged Anglo-Turkish alliance for governance. In the bid to affirm a governing system, statement of policy forwarded to Lord Elgin stated thus:

- Rights and privileges of the Mamluks to be ascertained and fixed and made conditional on the performance of fixed services.
- The revenue of the country to be properly assessed.
- A fixed proportion of the revenue to be set aside for military training under British officers.
- Alexandria to be garrisoned by the British for the duration of the war with France.
- Rest of Egypt to be evacuated forth with by British troops.
- Turkish sovereignty to remain and the Porte to continue to appoint a Pasha and to receive tribute [14. P. 25].

The facts of the above suggested a cooperative government of Egypt between British and Turkish and the tone of British capitalism was already defined. Much as, of course, there were bound to be conflicts of power and control, Britain was
prepared for an indirect rule that favored its economic interests. Political power was ceded to Turkish interests.

**The Bids of Capitalism**

Either way, British or French, all keyed into the Ali’s modernization process to entrench commercial jurisdictions of favorable terms of trade. In the development of Alexandria-Suez routes, Ali supported British enterprise by declining the operation of Eastern cargoes at Suez. In preparedness, earlier precisely in 1819, the coach road between Cairo and Suez was constructed with rest houses at strategic location. The politics of trade in the private interests of Ali titled towards the British in spite of European rivalries. Internal merchandising of coal was largely developed through caravan transportation to meet one steamships at Suez. The scientific implication of technical applications prompted Ali to invite Galloway, a British Engineer to construct a foundry at Bulaq (1). Ali’s internal capitalist tendencies fitted British capitalism and also French economic schemes beckoned for Ali’s attention. In the 1840s, the French embarked on the drive to construct a canal across to the Isthmus of Suez [14. P. 50].

Land and labor are feasible factors of production in Ali’s governance. The brand of internal economic system enhanced state capitalism. The state had monopoly over export crops at the expense of producers. Ali’s agents bought the produce at a reduced price and sold at exorbitant prices at Alexandria [14. P. 54]. The level of oppression of peasants was explicitly a function of the proletariat palaver in the function of exploitation. There was forced labor, where able bodied men were burdened to engage in public works of digging canals. From the table 1 presented earlier, the revenue from Land tax implied a burden of heavy taxation.

In spite of British success in driving the French out of Egypt, Alexandria still retained a heritage of French legacies which portrayed its ambience as an extension of French city of Marseilles. But internal capitalism of stable was sustained, where he controlled the forces and factors of production in the interest of his private entrepreneurial endeavors. Given the influence French had, the maintenance of the military was indispensably credited to both French and British trainers, medical attention was sought in the services of French medical personnel [14. P. 58].

**French Capital and Intervention from 1830s**

The development of Suez Canal had evolved since the invasion of Napoleon Bonaparte (2). The vision was a material for the nexus of the Red sea to the Mediterranean, of course to facilitate the strategic imperial hold of Egypt. However, by the exodus of French rule in 1801, the scientific breakthrough was abandoned.

It was a truism that in spite of British attempts to repeal French influence, there was resilience by the latter to maintain its attempts to retain capital, based on the earlier motives of occupation that became abrupt in 1801. Therefore, precisely in 1834, a French merchant known as Fournel applied for concession to build a canal, but was met with stiff opposition from Ali because of the gains of alliances.
with the British [14. P. 62]. The scientific understanding of the Canal already unraveled by French engineers was an initiative that mostly inspired diplomatic rejuvenation to persuade Egypt to accept French capital in the canal. The politics of interest became necessary on the part of French, which required the formation of a pressure group, Société d’Etudes pour le Canal de Suez in 1846. This was an effort by another French man named Enfantin. The occupation of Egypt by French was very short at the beginning of the century, but the traces of diplomatic relations was sustained despite hostilities for western terms of modernization. The new interest group formed by Enfantin was taken as a project of the French Consular in Egypt under the control of Ferdinand de Lesseps [14. P. 62].

In 1854, Said’s ascension to the leadership of Egypt was an opportunity for Lesseps to rekindle old friendship ties which materialized in the concession for construction of the canal from the Red Sea to the Mediterranean in November 1854 [14. P. 63]. Anglo-French understanding was imperative to the ties between Said and Lesseps. The implication was that the concession required the legitimacy of the British whose imperial influence was affirmative during Ali’s reign. Lesseps sought the commitment of the British Consular Bruce to express interest before publicizing the concession. Eventually, 1855, in spite of British opposition, Lesseps was granted ninety-nine years subject to acceptance and ratification by the Sultan [14. P. 63]. Some of the attempts to construct infrastructures in Egypt resulted in the successful completion of Sweetwater canal with its financial stated below:

<table>
<thead>
<tr>
<th>Statement of Account for the Construction of Sweetwater Canal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£</strong></td>
</tr>
<tr>
<td>Amount of ordinary shareholding</td>
</tr>
<tr>
<td>Compensation as per Arbitrary Award</td>
</tr>
<tr>
<td>Expenses in connection with construction of Sweetwater Canal</td>
</tr>
<tr>
<td>Expenses of Opening ceremony plus sundry expenses of Missions, etc. in connection with the Canal</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

**Convergence of Anglo-French Capitalism**

The diplomatic strategies to seek British consent seemed unrealistic despite Lesseps visit to British Prime Minister, Lord Palmerston [14. P. 64]. The aversion was reactionary because British had interest in the railways which by fear of dominance, French interest in the canal signaled imperial competition [16. P. 105–110]. Given the official disregard for the French capital by Lord Palmerston, Lesseps decided to globalize the thoughts for construction of the canal by the formation of International Commission to detail the technical ramifications for the project. Unofficially three British Engineers partook independently [16. P. 137]. The report also detailed the practicality of the financial implications. At the same time, British interest in the railways was guaranteed at the discretion of the directors of British Peninsular and Oriental Steam Navigation Company. British
directors and Engineers utilized Egyptian capital and labor [16. P. 105]. The use of Egyptian capital was a factor aided by the internal economic system structured during the reign of Mohamed Ali. British capital circulated based on Ali’s template.

The formation of Suez Canal Company in 1858 created an opportunity to French financial interventions. It was turned to a business proposition, like the British, the land and labor of Egyptians were guaranteed for the proposition that existed under the jurisdiction of Compagnie Universelle du Canal Maritime de Suez [14. P. 65] (3). Invariably, the use of forced labor during the construction created an impression of exploitation. Indirectly, Lesseps submerged Said’s governance to accept the terms that the management of the concession of Suez Canal was registered under French Law. This implied that the Codicil had to be implemented to ensure Egyptian labor in construction.

The burden of the concession in the state became profound, even after the demise of Said as the successor Ismail was forced to pay for refusal to grant required labor in 1864 [14. P. 69]. The outcome of an arbitration that encapsulated Ismail stated his financial obligation thus:

- that Ismail’s refusal to supply labor attracted £1,520,000 as compensation
- that the Sweetwater Canal which Ismail disregarded attract payment of £1,840,000 [14. P. 69].

British Gentlemen on the other hand found investment in the Suez Canal less worthy. Rather, the British capital was placed in Nile Navigation Company which liquidated and Egyptian financial houses acquired it [17. P. 123].

The burden of abandonment had financial implications on Egyptian government, even when the Suez Canal was found unattractive to the Gentlemen. The governance of Said and Ismail were fraught with borrowings which placed its dependence on European finance.

Invariably, the dwindling and unpredictable finance systems led to the emergence of a modern banking industry to cater for the investment in public and private projects. Since the 1860s, Istanbul and Alexandria were havens for European bankers and financiers [18. P. 107–108]. A process that also led to the establishment of Anglo-Egyptian Bank, Imperial Ottoman bank was allowed to transact for British and French Bankers [19. P. 1–2].

Conclusion

In conclusion, the presence of financial houses plunged Egypt into indiscriminate lending that tied the domestic economy to global capital. The phenomenon at its peak in 1875 created perpetual foreign indebtedness (4). In spite of French investment, the British capital was resolutely preserved to uphold imperialism. Between the reign of Said and Ismail, the pace of governance drifted along opposing views in terms of alliances. In Said’s public speeches, he stressed human rights of Egyptians in development process, which included improved condition of service for the army [20. P. 29]. Turkish interest was diverted towards elitist actions in governance. The emergence of Ismail changed the domestic policies in favor of Pro-Turkish actions that predominantly pleased also, the British.
Notes

(1) The coal supplied to Suez was sold at £3 per ton.
(2) Military Engineers from France Survey the canal to explore possibilities of connection to the Red sea.
(3) The implication for Egyptian Capital was the entitlement of preference shares of 15 percent of net profits; 10 discretion of the company and 75 percent to holders of ordinary shares.
(4) See chapter 10 of David Landes book that explains how Ismail was tied to obtain loan to service debt obligations in 1875. In the balance sheet of 1864 to 1875, it was discovered that: the revenue raised was £94,281,401 is little less than that spent on administration, tribute to the Porte, works of unquestionable utility in all amounting to £97,240,966 and for the level of indebtedness there is absolutely nothing to show. but the Suez Canal, the whole proceeds of the loans and floating debt having been absorbed in payment of interest and sinking fund, with the exception of the sum debited to that great work. See footnote 1 in Cromer’s Modern Egypt. London: Macmillan.

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