

Imperial Competition over Ottoman Maritime Trade: The British Attempt to Acquire the Mahsusa Company (1908–1910) (*)

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Abstract

At the turn of the 20th century, the Ottoman Empire emerged as a key arena of imperial rivalry due to its strategic location and vital trade routes. This study focuses on a failed British attempt to acquire a concession over the Mahsusa Company (İdare-i Mahsusa), the Ottoman state-run steamship monopoly. Drawing on archival sources, feasibility reports, and British diplomatic correspondence, it explores how the Committee of Union and Progress (CUP) initially supported the concession to balance German and French influence. However, the plan collapsed due to parliamentary opposition, nationalist economic concerns shaped by Listian ideas, intra-British corporate conflicts, and German diplomatic pressure. The case of the Mahsusa Company illustrates the complex interplay between imperial competition, economic nationalism, and infrastructure politics in the late Ottoman period. It also highlights how financial tools such as concessions and bond issuance became means of geopolitical influence during the Empire's final decades.

Keywords: Ottoman Empire, Maritime Trade, Concessions, World War I.

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Osmanlı Deniz Ticaretinde Emperyal Rekabet: İngiltere'nin Mahsusa Şirketi İmtiyazını Alma Teşebbüsü (1908-1910) (*)

Mustafa Can GÜRİPEK (**)

Öz
20. yüzyılın başında Osmanlı İmparatorluğu stratejik konumu ve önemli ticaret yolları nedeniyle imparatorluklar arası rekabetin önemli bir arenasına hâline geldi. Bu çalışma, Osmanlı Devleti'nin tekelinde olan Mahsusa Şirketi (İdare-i Mahsusa) üzerinde imtiyaz hakkı elde etmek için İngiliz girişimine odaklanmaktadır. Arşiv kaynakları, fizibilite raporları ve İngiliz diplomatik yazışmalarına dayanarak, İttihat ve Terakki Cemiyeti'nin (İTC) başlangıçta Alman ve Fransız etkisini dengelemek için imtiyazı nasıl desteklediğini araştırmaktadır. Ancak bu imtiyaz; İngiliz Parlamentosu'nun muhalefeti, İTC'nin List'in fikirlerinden etkilenen milliyetçi endişeleri, İngiliz şirketleri arasındaki çatışmalar ve Alman diplomatik baskısı nedeniyle başarısız oldu. Mahsusa Şirketi örneği, Osmanlı'nın son döneminde uluslararası rekabet ve ekonomik milliyetçilik arasındaki karmaşık etkileşimi göstermektedir. Ayrıca, imtiyazlar ve tahvil ihracı gibi finansal araçların, Osmanlı İmparatorluğu'nun son yıllarında jeopolitik etki aracı hâline geldiğini de vurgulamaktadır.

Anahtar Kelimeler: Osmanlı İmparatorluğu, Deniz Ticareti, İmtiyaz, I. Dünya Savaşı.

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Introduction

At the beginning of the 20th century, the Ottoman Empire had lost power in military, political, and economic terms compared to other European states. This situation intensified the tendencies of the states engaged in imperial expansion to gain both military and economic power over the vast territories possessed by the Ottoman Empire. Throughout the 19th century, the Balkan geography of the Ottoman Empire had begun to develop economically. Italy and Austria regarded the Balkans as their natural hinterland and were increasing their economic influence in the region. Russia, within the framework of Pan-Slavism, aimed to assert political, religious, and economic influence over the Balkans. The acceleration of industrialization had increased the interest of states such as Britain and France in the Balkan market.

The eastern borders of the Ottoman Empire formed a corridor extending toward India through Iran and the Caucasus. Throughout the 19th century, both Britain and Russia maintained political and economic competition along this route. On this route, referred to as the Trabzon–Tabriz Transit Trade Route, Britain was particularly active. In particular, it sought to advance the India–Iran connection along the eastern regions of the Ottoman Empire and to integrate it with Black Sea trade. Following the occupation of Egypt by Napoleon, Britain, seeking to protect its interests in the region and to prevent any harm to its economic relationship with India, was in alliance with the Ottoman Empire. In short, there was intense economic competition not only along the western borders of the Ottoman Empire but also across the Mesopotamian geography. Major cosmopolitan port cities such as Istanbul and Izmir had for centuries served as bridges facilitating trade between the Eastern and Western worlds. The “balance policy” of the Sublime Porte in foreign affairs throughout the 19th century further exacerbated this economic competition.¹ As a result of political and military developments, the Ottoman Empire was compelled to make “economic concessions.”² From the second half of the 19th century onward, Germany also entered the ongoing economic competition. Germany’s increasing economic cooperation with the Ottoman Empire caused discomfort among the other powers active in the region. One of the sectors where this rivalry was reflected was maritime trade and transportation. Germany’s intensification of economic cooperation with the Ottoman Empire had disturbed other states operating in the region. One area where this competition was reflected was the maritime trade and transportation sector. The Ottoman Empire possessed potential, particularly for the use of steamships in the Mediterranean, the Black Sea, the Bosphorus, and especially the Danube, the Euphrates, and the Tigris rivers.³

¹ Namık Sinan Turan, *İmparatorluk ve Diplomasi, Osmanlı Diplomasisinin İzinde* (İstanbul: İstanbul Bilgi Üniversitesi Yayınları, 2014), 216-221.

² For more details about German impact on the Ottoman Empire at that period see, İlber Ortaylı, *Osmanlı İmparatorluğu’nda Alman Nüfuzu* (İstanbul: İletişim Yayınları, 2004).

³ Mücteba İlgürel, “Buharlı Gemi Teknolojisini Osmanlı Devleti’nde Kurma Teşebbüsleri,” in *Çağın Yakalayan Osmanlı, Osmanlı Devleti’nde Modern Haberleşme ve Ulaştırma Teknikleri* (İstanbul: IRCICA, 1995), 143-158. İlhan Ekinci, *Fırat ve Dicle’de Osmanlı-İngiliz Rekabeti* (Ankara: Asil Yayınları, 2007), 29.

In the period preceding the First World War, Austria, Russia, Britain, and France had considerable economic influence in the Ottoman Empire. Germany's military and economic rapprochement with the Ottoman Empire had considerably disturbed Britain. The awarding of the Baghdad Railway Project to Deutsche Bank meant a significant increase in German influence across nearly the entire geography of the Ottoman Empire, from west to east.⁴ In addition to the Baghdad Railways and the Anatolian Railways projects connected to it, the rumor that the *Şirket-i Mahsusa*, which held a monopoly position in maritime transport in the Ottoman Empire, would also be sold to the Germans mobilized the British government. The control of railways and ports by the Germans could have dealt a serious blow to Britain's economic interests in the Ottoman Empire. Moreover, the inclusion of the Germans in the competition with Russia in the Mesopotamian region could both harm British interests in Iraq and Iran and make the defense of India more difficult. For this reason, the necessary preparations were initiated for the purchase of the *Şirket-i Mahsusa*, which held a monopoly position and represented significant potential in Ottoman maritime trade, by Britain.⁵

The Competition of Steamships

Although the Ottoman Empire lagged behind its rivals in military, political, economic, and technological fields at the beginning of the 20th century, it possessed a significant geographical advantage. Istanbul, one of the centers of world trade, was an important port city. Istanbul had maritime trade connections with the Black Sea and with major commercial centers such as Egypt, Syria, and Izmir. Moreover, coastal trade with the Aegean islands had also developed significantly. From this perspective, it can be seen that, over the centuries, a maritime trade route had formed that encircled the Ottoman geography, with Istanbul at its center.⁶ In the 19th century, with the rise of steamships in transportation and commerce, a transformation also began in Ottoman seas.⁷ Steamships, which could travel long distances in short periods of time, began to appear in Ottoman seas and ports, leading to the shift of the economic competition among foreign powers over the Ottoman Empire into this domain. In the period leading up to the First World War, there was intense competition between Britain and Russia on the Trabzon–Tabriz land trade route. With the opening of the Suez Canal, maritime trade between Mesopotamia and the Black Sea also began to increase. Russia, which had joined the Industrial Revolution led by Britain, had begun to produce its own steamships and had become a rival to the British not only in overland trade but also in maritime trade along this route. One of the first voyages of the *Russian Steam Navigation and Trading Company's* vessel, named *Korniloff*,

⁴ Murat Özyüksel, *Osmanlı İmparatorluğunda Nüfuz Mücadelesi Anadolu ve Bağdat Demiryolları* (İstanbul:Türkiye İş Bankası Yayınları, 2013), 369-370.

⁵ İlhan Ekinci, "Son Dönem Osmanlı Deniz Ticaretini Kurtarma Çareleri", *Karadeniz Araştırmaları*, 10, (2005), 25-54.

⁶ Onur Yıldırım and Eyüp Özveren, "An Outline of Ottoman Maritime History," in *New Directions in Mediterranean Maritime History*, ed. Gelina Harlaftis and Carmel Vassallo, (Liverpool: St. John's, Nfld.: International Maritime Economic History Association, 2004), 147-170.

⁷ Kemal Karpat, *Osmanlı'da Değişim, Modernleşme ve Uluslaşma* (Ankara: İmge Yayınevi, 2006), 493.

between Odessa and the Persian Gulf demonstrates this fact. Moreover, the ship's calls at ports such as Muscat, Jask, Bushire, Bandar Abbas, Bandar Lengeh, and Basra were perceived by the British side as a threat from Russia to Britain's maritime trade in the region.⁸ Particularly, the emergence of Bandar Abbas Port, one of the key routes of maritime trade between India and Iran as well as between India and China, as a central hub for Russian trade at the beginning of the 20th century had increased British anxiety.⁹

Germany, which sought to realize its imperial expansion goals within the Ottoman Empire, joined Russia in increasing its influence in the region. Germany had industrialized rapidly in the 19th century and had gained significant economic strength. It was in search of new economic markets, particularly in North Africa. In order to achieve this, it had to increase its influence in Egypt and the Mediterranean.¹⁰ The peak point of economic cooperation between the Ottoman Empire and Germany was the granting of the Baghdad Railway Project concession to Deutsche Bank.¹¹ The Germans, who would carry out transportation and trade within Ottoman geography using steam trains, had begun to expand their influence in the region. In addition to its economic interests in the Ottoman Empire, Germany also had military interests. Numerous military agreements had been signed between the two countries, and within this framework, Germany had assumed the role of modernizing the Ottoman army. One of Germany's ultimate objectives in the Ottoman geography was to open new fronts that would threaten Britain and Russia in the event of a possible war. The Ottoman Empire's geographical position in the Caspian region and the Suez Canal had the potential to extend the front line against Russia and Britain. Indeed, during the First World War, fronts were opened in these regions as planned.¹²

On the British side, before Germany's efforts to increase its military and economic influence within Ottoman geography, there was a sense of both astonishment and concern regarding how advanced the Germans had become in steam technologies.¹³ The progress achieved by the Germans in steamship technology had the potential to harm British interests both in terms of the India-Britain connection and in maritime trade within Ottoman geography. The economic rivalry between Germany and Britain, which had begun in Ottoman territories during the

⁸ Anna Sydarenko, "The Russian Steam Navigation and Trading Company: The Transition from Sail to Steam in the Russian Black Sea (1856-1914)," in *Mediterranean Seafarers in Transition Maritime Labour, Communities, Shipping and the Challenge of Industrialization, 1850s-1920s*, ed. Apostos Delis and Jordi Ibarz (London: Brill, 2023), 478-505.

⁹ J. Charles - Roux, "La Marine Marchande Russe: II: Les Bassins Et Les Ports: Réformes Et Lois Nouvelles," *Revue des Deux Mondes (1829-1971), Cinquième Période*, 23, no. 3, (1904), 616-651.

¹⁰ Suaad Alghafal, *A Bridgehead to Africa, German Interest in the Ottoman Province of Tripoli (Libya) 1884-1918* (Berlin: De Gruyter, 2021), 32-33.

¹¹ H. Peter Christensen, *Germany and the Ottoman Railways; Art, Empire, and Infrastructure* (London: Yale University Press, 2017), 63-70

¹² For further information about Germany's interest on the Middle East please see, Curt Prüfer & Kevin Morrow, *Germany's Covert War in the Middle East: Espionage, Propaganda and Diplomacy in World War I* (London: IB Tauris, 2018).

¹³ John H. Maurer, "Imperial Germany's Naval Challenge and the Renewal of British Power," in *British World Policy and the Projection of Global Power, c.1830-1960*, ed. T.G Otte (Cambridge: Cambridge University Press, 2019), 147-173.

last quarter of the 19th century, reached its peak in the early years of the 20th century.¹⁴ In response to Germany's gaining such significant power in Ottoman lands, the British side took action and implemented several measures. In particular, to break the influence of France and Germany over the Ottoman Empire in the financial sector, a British bank named the *National Turkish Bank* was established through Ernest Cassel. Through this bank, efforts were made to increase British investments in various regions of the Ottoman Empire. At the beginning of the 20th century, the *Board of Trade*, which held a policy-making position in British trade policy, informed consuls and commercial agents in the Ottoman Empire that they were launching a new "commercial movement" in order to compete with other states especially Germany. Within the scope of this commercial movement, various journeys would be undertaken primarily to Anatolia, Basra, and Baghdad statistics would be collected, and feasibility studies would be conducted.¹⁵ During these trips, which would be personally accompanied by the Board of Trade's administrative board, new opportunities would be identified for British investors and entrepreneurs, and government support would be provided.¹⁶

The speech delivered by Sir Adam Block, the president of the British Chamber of Commerce of Turkey, played an influential role in the initiation of such a movement by the Board of Trade. In London and in the British press, the growing influence of the Germans in the Ottoman Empire was a topic of constant discussion; however, Adam Block's passionate speech, supported by concrete data, mobilized British economic policymakers. Adam Block structured his speech around the following tables.

Table 1: 1900-1906 Ottoman Empire Import

Country	1900-01	1905-06	Difference	% of Increase
England	7.364.900	9.739.300	2.374.400	32,23
Austria	3.993.300	5.773.600	1.780.300	44,58
France	2.448.500	2.364.700	83.800	3,42
Italy	1.209.000	2.167.500	958.500	79,28
Russia	1.845.900	1.612.700	233.200	12,63
Germany	583.300	1.174.300	591.000	101,32
Other Countries	3.680.000	4.959.800	1.279.800	34,75
Total	21.124.900	27.791.900	6.667.000	31.50

Source: GBR/0014/GLLD 7/1; British Chamber of Commerce of Turkey, President Sir Adam Block's Speech. 3 Jan 1907.

¹⁴ Clavell Tripp, "British versus German trade in the East," *Nineteenth Century*, 43 (1898): 27-41.

¹⁵ Cambridge University Churchill College, Churchill Archive, here after GBR. GBR/0014/GLLD/7/8/ 53-54, No;5. (21 January 1907).

¹⁶ GBR/0014/GLLD/7/8/ 53-54, No;5-2. (21 January 1907).

Table 2: 1900-1906 Ottoman Empire Export

Country	1900-01	1905-06	Difference	% of Increase
England	5.025.800	5.608.800	583.000	11,60
France	3.993.400	4.262.600	329.200	8,37
Austria	1.329.200	1.893.800	564.600	42,47
Germany	534.300	1.087.800	553.500	103,59
Italy	440.600	882.500	441.900	100,29
Russia	412.900	526.200	113.300	27,44
Other Countries	1.530.400	3.168.300	1.637.900	107,00
Total	13.206.600	17.430.000	4.223.400	32,00

Source: GBR/0014/GLLD 7/1; British Chamber of Commerce of Turkey, President Sir Adam Block's Speech. 3 January 1907.

Adam Block stated that Britain and the Ottoman Empire had been commercial partners for many years, but that both countries had recently failed to devote sufficient energy to this relationship, and as a result, trade had remained far below its normative value. This situation did not stem solely from the recent condition of the Ottoman Empire; British investors and merchants had also failed to give the Ottoman market the attention it deserved. Moreover, according to Block, it was, so to speak, "unjust" that such an established state ranked 15th among Britain's trading partners, including the colonies. It was quite saddening that the Ottoman Empire stood on the same level as relatively new trading partners such as Japan and Argentina. Whatever the case may be, the Ottoman Empire was much larger and more promising compared to the other aforementioned countries. This market was not one to be left to other powers without contest. Furthermore, although British economic policy had recently failed to attach the necessary importance to the Ottoman Empire, the United Kingdom still remained the country with which the Ottoman Empire had the highest volume of trade. What was disturbing was the rapid growth that Germany had shown in this market.¹⁷ In addition, following the opening of the Suez Canal, France also significantly increased its influence in the region. The canal enhanced France's strategic and commercial access to the Eastern Mediterranean and Ottoman markets, allowing it to play a more active role in regional trade. As a result, the Ottoman Empire became an arena not only of British–German competition but also of growing French economic and political involvement.¹⁸

¹⁷ GBR/0014/GLLD 7/1; British Chamber of Commerce of Turkey, President Sir Adam Block's Speech. 3 January 1907.

¹⁸ Onur Çapar, *Osmanlı Devleti'nde Fransız Sermayesi (1838-1914)* (İstanbul: Doğu Kütüphanesi Yayınları, 2020). Şevket Pamuk, "Osmanlı İmparatorluğu'nda Yabancı Sermaye: Sektörlere ve Sermayeyi İhraç Eden Ülkelere Göre Dağılım, 1854-1914," *ODTÜ Gelişme Dergisi*, İktisat Tarihi Özel Sayısı, (1978): 131-162.

However, between 1900 and 1906, both Germany's export and import figures had increased by over 100 percent. The Ottoman Empire's trade volume was rising, and Germany was taking the largest share of this growing volume. For this reason, rather than withdrawing from this environment of competition, the British side adopted a strategy of increasing its presence in the market. Within the framework of this commercial movement initiated by Britain, business ideas and investment opportunities from various parts of Ottoman geography began to be reported to London. One of these was detailed in the documents found in the personal archive of George Lloyd, then President of the Board of Trade. It was stated that the Mahsusa Company, which held a monopoly over maritime trade and transportation in the Ottoman Empire, ought to be operated by Britain, and the Board of Trade was provided with the necessary information.¹⁹

The foundations of the Mahsusa Company had been laid during the period in which steamships first emerged. The steamships purchased by Mahmud II in the 1820s and 1830s when the Ottoman modernization movements gained momentum constituted the core of the administration. In the 1860s, the administration bore the name *Fevaid-i Osmaniye*, and in the 1870s it was renamed *Şirket-i Aziziye*. There were plans to transform it into a joint-stock company and to grant it a concession, but these plans were never realized. With the accession of Abdulhamid II to the throne, the name of this institution was changed to *İdare-i Mahsusa*.²⁰ By the beginning of the 20th century, *İdare-i Mahsusa* had become a state monopoly with the right to transport passengers and cargo across all Ottoman ports and maintained an organic relationship with the Ottoman navy.

British Interest in İdare-i Mahsusa and Preliminary Investigations

A confidential, unsigned, and anonymous report sent to George Lloyd, the president of the Board of Trade, stated that the *İdare-i Mahsusa Company* should be purchased by the British and included information regarding the current state of the company. The author of the report did not include his name but revealed a significant piece of information between the lines: "For the past twenty years, I have been the Istanbul representative of Lloyd's Register." Based on this statement, it can be suggested that the author was James William Whitehall, who served as the Istanbul representative of Lloyd's Register in 1908. Furthermore, the language used in the later parts of the letter indicates that this individual was able to establish close contact with both the Ottoman bureaucracy and the non-Muslim bourgeoisie with ease. In addition, the highly detailed information he provides regarding Ottoman maritime trade suggests that the author was very well-versed in the field and likely someone working in the same sector. Indeed,

¹⁹ GBR/0014/GLLD 7/1; Letter from Mr.Fox to Lloyd. 2 May 1906.

²⁰ Ali Akyıldız, "Osmanlı İstanbul'unda Deniz Ulaşımı (Modern Dönem)," in *Antik Çağ'dan XVI. Yüzyıla Büyük İstanbul Tarihi* (İstanbul: Kültür A.Ş., 2015), 436-479. You can see also; Sema Küçükalioglu, *İdare-i Mahsusa, Kuruluşu, Faaliyetleri ve Sosyo-ekonomik Etkileri, Marmara University*, Unpublished Master Thesis, (1999). Levent Düzücü, *Yelkenliden Buharlıya Geçişte Osmanlı Denizciliği (1827-1853)* (İstanbul: Doğu Kütüphanesi Yayınları, 2017).

James William Whitehall was officially appointed as the Istanbul representative of Lloyd's Register under a contract signed in 1897.²¹ This also aligns with the statement "I have been doing this job for twenty years." The British merchant, who had been engaged in trade within the Ottoman Empire for many years, met with Mr. Waugh, an official of the Board of Trade, and learned about London's interest in Ottoman maritime trade. He then prepared a detailed report for George Lloyd, clearly expressing his interest in *İdare-i Mahsusa*.²²

In the report, believed to have been authored by Whitehall, the writer stated that *İdare-i Mahsusa* should be transferred to a British concession and, if possible, that he himself should be appointed there as a manager or director. He asserted that within Ottoman borders, including among Ottoman bureaucrats, sailors, and even the Minister of the Navy, there was no one who knew Ottoman maritime affairs better than he did, and that rather than preparing unproductive reports, he now wished to devote his energy to this task. He had discussed this matter on multiple occasions with the Minister of the Navy, Gabriel Efendi.²³ According to the author, Mahsusa was initially a civilian administration, but the Ottoman government had brought this institution under state monopoly. The vessels of this institution also served the navy. All expenditures and revenues were supposed to be recorded; however, the transition from civilian to public administration, coupled with the intertwining of the military structure, led to "confusion" in the accounts. Whitehall claimed that the Mahsusa and the Treasury had been plundered by Hasan Pasha and stated that he was the person with the most extensive knowledge about Ottoman ships.²⁴ He asserted that Mahsusa, which was in a very difficult and poor condition, could yield excellent results if it were to pass into competent hands. Moreover, he claimed that if these ships, currently held by the Ottoman company, were in England, they would have to be scrapped and replaced with new ones. Whitehall stated that some vessels were still usable on short coastal routes or for coal transport and that new ships could be purchased with the income from scrapping the old ones. The report also noted that there were specific points referred to as "piers," between which passenger transport was conducted, and that Mahsusa held a monopoly over this transport. Reporting that there was a potential to earn £30,000 annually even from intra-city sea transportation within Istanbul, especially between Kadıköy, Haydarpaşa, San Stefano (Yeşilköy), and Üsküdar, Whitehall proposed that the company should be under British control in the new period but that its manager and flag should remain Ottoman. The report's author, emphasizing that the government following the Second Constitutional Era was more "native," stated that having Ottoman flags flying on the

²¹ Osman Öndeş, *Vapur Donatanları ve Acenteleri Tarihi* (İstanbul: İMEAK Deniz Ticaret Odası Yayınları 2013), 239.

²² GBR/0014/GLLD 7/8- 11 November 1908.

²³ The person whom Whitehall referred to as the Minister of the Navy is Gabriel Noradunqyan, who, immediately after the proclamation of the Second Constitutional Era, served as the Minister of Public Works and Trade.

²⁴ GBR/0014/GLLD 7/8- 11 November 1908.

ships and an Ottoman citizen as the company's apparent administrator would facilitate matters. The author of the report also stated that he had met with the Minister of Public Works and Trade, Gabriel Efendi, and learned that the Committee of Union and Progress government might be amenable to granting a concession as long as the "Turkish" character of the company remained intact. Whitehall wrote that, within the framework of the Baghdad Railway Project carried out with Germany, the Mahsusa Company had incurred debts for the integration of some ports with the Anatolian Railways, and that the amount of this debt had not yet been disclosed by the Germans to the Ottoman government. He estimated that the debt was between £120,000 and £150,000 and noted that this amount would need to be paid if the concession were obtained. In his conversation with Gabriel Efendi, he also learned that a few German firms had made attempts to purchase İdare-i Mahsusa and that the Ottoman government was still considering the matter. According to Gabriel Efendi, the German firms had made an offer of around £500,000, but the CUP Cabinet had not found it favorable, since the company's nominal capital ranged between £800,000 and £1,000,000. A state such as the Ottoman Empire should earn at least £500,000 from the sale of such a company. Therefore, the German offer was to be rejected. The author concluded the report by stating that he could prepare a more detailed report if needed in the future and emphasized that it must not be forgotten that this institution granted a monopoly right over maritime trade throughout all Ottoman property, and that it absolutely must not be handed over to the Germans.

The Board of Trade and George Lloyd's response to this report was positive. In the reply letter, it was stated that the company would require considerable time and energy, and that, as understood from the report, expenses would also be necessary; however, if the Turkish government wished to privatize this monopoly, a reorganization of the company could be undertaken. Nevertheless, one important point to be considered was the need to distinguish between steamship transportation in the Mesopotamian region and the coastal trade surrounding the Ottoman Empire. The commercial activity in question here would be limited to "coastal trade".²⁵ As can be inferred from previous correspondences and reports between the Board of Trade and London, British economic planners had divided Ottoman maritime trade into two categories:

1. Trade along the coast of Asia Minor, from Üsküdar to İzmir, and towards Syria and Palestine,
2. Trade between Mesopotamia, Black Sea ports, the Red Sea, and the Persian Gulf.²⁶

Based on this distinction adopted by the Commercial Intelligence Committee, the trade in the region stretching from Üsküdar to Mesopotamia within the Ottoman Empire would be addressed separately.²⁷ Routes and business opportunities between key commercial centers

²⁵ GBR/0014/GLLD 7/8- 25 January 1909.

²⁶ GBR/0014/GLLD 7/1- Commercial Department Report. (5 January 1907)

²⁷ GBR/0014/GLLD 7/1- Commercial Intelligence Report. (14 January 1907).

such as Baghdad, the Persian Gulf, Erzurum, Trabzon, and Egypt would also be examined independently, and the influence of British capital would be increased.²⁸

Since the mid-19th century, Britain had been conducting trade with steamships in the Ottoman territories, particularly in the Mesopotamian region. From the 1860s onwards, British steamships began trading between India and Mesopotamia. Especially, the ports in Ottoman Iraq and Syria were frequent stops for British steamers. These routes not only allowed avoidance of Russian competition along the Iranian route but also prevented Russia, which was conducting steamship trade in the same region, from accessing India via Iran. Lieutenant J.B. Bewsher, who served in the Royal Navy, was sent to the region to report back to London on how to ensure the security of the steamship trade in the area.²⁹ According to reports from military experts and consulates in the region, steamship transportation and trade on the Euphrates and Tigris Rivers, two of the most important water sources in the area, would provide Britain with a tremendous advantage in the region. Based on this, Britain began exerting intense pressure on Istanbul to obtain a transportation concession on the Tigris and Euphrates rivers as well.³⁰ Leading British trading companies such as the Euphrates and Tigris Steam Navigation Company and Lynch conducted steamship trade between key ports like Basra, Baghdad, and Bandar Abbas.³¹ This trade, as previously noted, was to be kept separate from the commerce promised by the Mahsusa Company.

After the Board of Trade gave the green light to the British investor in Istanbul, two comprehensive reports about the Mahsusa Company were prepared and delivered to George Lloyd through the embassy. One of these reports was prepared by Whitehall and sent to London without any commentary. The other report also contains quantitative data prepared by Whitehall but includes the views of the embassy in Istanbul. These reports are feasibility studies that essentially provide an X-ray of the Mahsusa Company. They were written to inform the British government about what this concession could offer, the current expenses, profit potential, and the political interests involved.

According to the first report, there are four main lines within Istanbul. These are:

- The Islands Line
- The Kadıköy Line
- The San Stefano Line
- The Haydarpaşa Line³²

These lines have high profit potential in local passenger transportation within Istanbul.

²⁸ GBR/0014/GLLD 7/1- Letter from the Ministry of Trade to George Lloyd, (14 January 1907).

²⁹ Guillemette Crouzet, *Inventing the Middle East: Britain and the Persian Gulf in the Age of Global Imperialism* (Montreal: Mc Gill Queen University Press, 2022), 145.

³⁰ Burcu Kurt, *Osmanlı Irak'ında İngiliz Nüfuzuna Tepkiler: Dicle ve Fırat'ta Seyr-i Sefain İmtiyazı Teşebbüsü* (İstanbul: Osmanlı Bankası Vakıf ve Araştırma Merkezi, 2009), 33-34.

³¹ Camille Lyans Cole, "Technology-in-Use during the Last Decades of the Ottoman Empire (1850s to 1920s), Nafia for the Tigris: The Privy Purse and the infrastructure of development in late Ottoman Iraq, 1882–1914," *History of Science*, 62, (2021): 4, 1-23.

³² GBR/0014/GLLD 7/8. Mahsusa Steam Navigation Company, p.1.

The current fleet of the company includes ships in poor condition, and their tonnages are as follows, according to the report by Whitehall:

Table 3: The Mahsusa Company's Ships in Poor Condition and Their Tonnages (1908) According to Whitehall's Report

Ship Name	Capacity (tons)	Ship Name	Capacity (tons)
Aydın	55	Marmara	153
Asar-ı Şevket	60	Şahin	60
Fener Bahçe	121	Neverser	262
Ferah	65	İhsan	262
Kalamış	57	Haydar Paşa	121
Kınalı	153	Anadolu	41

Source: GBR/0014/GLLD 7/8. Mahsusa Steam Navigation Company, p. 2.

All the steamships and boats listed in Table 3 were in poor condition, and their maintenance was insufficient. Apart from these, the ships named Halep, Bağdat, and Basra, which operated on the Haydarpaşa line, were reported to be in quite good condition. Additionally, the company had ships that were neither in good nor bad condition. In the report, these vessels were described as “functional, manageable, average boats.” The information regarding these “average” boats included in the report is as follows:

Table 4: The Mahsusa Company's Average Condition Ships According to Whitehall's Report (1908)

Ship Name	Capacity (tons)	Ship Name	Capacity (tons)	Ship Name	Capacity (tons)
<i>Adana</i>	1096	<i>Burgas</i>	74	<i>Dolma Bahçe</i>	834
<i>Ali Saib Paşa</i>	1240	<i>Şerif</i>	1015	<i>Edremit</i>	?
<i>Asur</i>	1209	<i>Konfida</i>	132	<i>Asar-ı Cedid</i>	981
<i>Babil</i>	1150	<i>Şerif-i Rissan</i>	1180	<i>Gelibolu</i>	175
<i>Bartın</i>	84	<i>Kosova</i>	1029	<i>Garb</i>	2107
<i>Beşiktaş</i>	156	<i>Canik</i>	55	<i>Girit</i>	431
<i>Hereke</i>	75	<i>İzmit</i>	60	<i>Marmara</i>	1566
<i>Hudeyda</i>	1325	<i>İzmir</i>	1100	<i>Mekke</i>	1572
<i>İnebolu</i>	120	<i>Kayseri</i>	993	<i>Medar-i Tevfik</i>	1090
<i>Mersin</i>	195	<i>Nimet-i Hüda</i>	1183	<i>Pars</i>	515
<i>Mürüvvet</i>	680	<i>Nimet</i>	158	<i>Saadet</i>	1195
<i>Necip</i>	400	<i>Bandırma</i>	195	<i>Sakarya</i>	880
<i>Sakız</i>	150	<i>Samsun</i>	48	<i>Şark</i>	879
<i>Selamet</i>	1099	<i>Selanik</i>	497	<i>Şerif</i>	879
<i>Sughudlou (Sucuoğlu?)</i>	1304	<i>Tarsus</i>	1797		
<i>Silivri</i>	102	<i>Tekirdağ</i>	92		

Source: GBR/0014/GLLD 7/8. Mahsusa Steam Navigation Company, p.2

Apart from the ships listed in Tables 3 and 4, four vessels had been purchased from London for the purpose of transporting military equipment, and these ships were not used for commercial trade. Considering the tables together, according to the British report, İdare-i Mahsusa Company had an approximate carrying capacity of 35,000 tons in Ottoman maritime trade.

The report sent to London also contained detailed information about passenger transportation in addition to freight transport. Passenger numbers within Istanbul and its surroundings were recorded, and potential traffic intensity and profit estimates were made. According to the report, the number of passengers transported by İdare-i Mahsusa Company between March and August for the years 1905, 1906, 1907, and 1908 is as follows:

Table 5: Passenger Transportation by the Mahsusa in 1905, 1906, 1907, and March-August 1908

Route	Year	Number of Passengers
Kadıköy	1905	2,628,712
	1906	2,567,607
	1907	2,718,851
	March–August 1908	1,482,610
Haydarpaşa	1905	2,150,745
	1906	2,185,565
	1907	2,600,794
	March–August 1908	1,685,368
Prince Islands	1905	2,409,376
	1906	2,836,871
	1907	2,725,208
	March–August 1908	1,703,305
Anatolian Side	1905	427,144
	1906	176,849
	1907	387,391
	March–August 1908	220,007
Yalova	1905	85,342
	1906	86,658
	1907	101,211
	March–August 1908	111,603
Various	1905	19,996
	1906	8,534
	1907	11,289
	March–August 1908	57
San Stefano–Yeşilköy	June 1907–February 1908	687,329
	March–August 1908	460,362

Source: GBR/0014/GLLD 7/8. Mahsusa Steam Navigation Company, p.3-4

According to the report, İdare-i Mahsusa had an annual average passenger count of around 8 million, and in recent years, the number of passengers had begun to increase. In 1907, over 9 million tickets were issued, and during the March–December period of 1908, many routes experienced growth exceeding that of the previous year. This monopolistic structure did not merely secure profits but also reduced market uncertainty, which helps explain the sustained interest of British entrepreneurs in the company.³³ Whitehall sought, through the British mission in Istanbul, to find an investor for the Board of Trade to invest in this company. Additionally, the British government insisted on pressuring the Ottoman administration to ensure that this “priceless” opportunity would not be lost to the Germans.

The other report sent to the Board of Trade via the embassy was much more developed than the first, shaped into a clear framework, and could be considered a full feasibility report. Based on correspondence between investors mediated by the Board of Trade and British businessmen operating in Turkey, it was understood that the British ambassador intended to propose granting the Mahsusa Company’s concession to a British consortium for 40 or 50 years. According to the report, this concession would offer the Ottoman government:

- To establish a company with a certain capital,
- To operate the company under the Ottoman flag,
- To take over the existing fleet at an agreed-upon valuation,
- To offer the Ottoman Government an annual profit share of 30% or 35%.³⁴

The Ottoman government would be paid the requested amount for the concession, and the debts owed to creditors related to this company would be settled. Subsequently, a net capital investment of £240,000 would be made into the company. In return, the new company would retain the same privileges as the Mahsusa Company in passenger transportation services on the Anatolia, Syria, Archipelago, Berbera in Tripoli, Red Sea, and Sea of Marmara routes, along with suburban villages and the Princes’ Islands.

According to the report, the current Mahsusa fleet was estimated to be worth between £130,000 and £150,000, and it was thought that the value would not exceed this amount. The routes were described as almost inoperative due to incompetent management and general laxity. It was also stated that the Ottoman administration had neglected maritime trade for years, rendering much of the fleet largely useless. From the discussions, it was understood that British officials planned to immediately dispose of half of the large steamships in the existing fleet, three or four of the 500-ton ships, and half of the local passenger paddle steamers, while retaining the rest. Preliminary negotiations had been conducted with an Italian company for the ships to be disposed of, and a scrap offer had been received. The Italian company estimated a total amount of around £100,000, including the service of removing the ships from their current locations. Furthermore, upon receiving the concession, some good second-hand

³³ GBR/0014/GLLD 7/8. Mahsusa Steam Navigation Company, 3-5.

³⁴ GBR/0014/GLLD 7/8. No; 408.

steamships for the Anatolia and Syria routes, as well as some smaller tonnage new vessels for the Sea of Marmara and coastal trade, would need to be purchased immediately. Orders for the construction of new ships would have to be placed without delay.³⁵

The estimated costs related to the purchase of new steamships were as follows:

Anatolia and Syria Route: On this route, three well-maintained ships with a carrying capacity of approximately 2,500 to 3,000 tons each needed to be acquired. These ships were expected to have an average speed of 13 to 14 knots and accommodate 30 to 40 first-class and 30 to 40 second-class passengers. The total anticipated expenditure for this route was approximately £60,000.

Archipelago, Thessaloniki, and Tripoli Route: For this route, three well-maintained ships, each with a minimum capacity of 1,500 tons, were required. These vessels could have average speeds but would have a lower passenger accommodation capacity. The estimated cost for this route was around £30,000.

The Sea of Marmara: Three new ships in good condition needed to be purchased for this route. These ships were to be between 350 and 500 tons, with a single-class cabin configuration and a large salon, similar to the Channel crossing vessels. The projected cost for these ships was also £30,000.

Local Passenger Service: Construction of six fast paddle steamers had to begin immediately. The estimated cost for this category was around £80,000.

Aside from the amount to be paid to the Ottoman administration for the concession, a total of £200,000 would be required to purchase or build ships to make the company profitable. However, these ships were only intended to maintain operations and stabilize the return on capital. In addition to these, a total of nine high-tonnage ships were to be ordered. After the sale of the scrap ships on hand, the total cost excluding the concession fee was estimated to be £485,000.

After the necessary investments were made in the Mahsusa Company, the minimum annual gross revenues were estimated as follows:

- Anatolia Line: £25,000
- Syria Line: £25,000
- Archipelago Line: £15,000
- Tripoli Line: £12,000

Thus, it was projected that the gross income from these lines would exceed £70,000 annually. These figures did not include revenues from military transportation services. The report stated that it was not yet possible to specify an exact annual payment amount from the Ministry of War to the Mahsusa Company for transportation services, but investigations were ongoing. However, it was estimated that this amount would not be insignificant. According to estimates, during peacetime, this payment was at least £100,000. Additionally, information

³⁵ GBR/0014/GLLD 7/8. No; 408.

indicated that approximately 10–15 years earlier, the Mahsusa Company's gross revenue was around £225,000 annually, excluding military transportation. Since then, due to developments in railways, passenger and freight transport had increased significantly. The rise in exports of grain and agricultural products had especially boosted the revenues of these lines. Therefore, the projections and expected revenues were not likely to be less than the actual revenues and calculations.³⁶

According to the report, the distribution of the tonnage of the vessels currently in use by the Mahsusa Company was as follows:

- Twenty steamships: under 100 tons,
- Seventeen steamships: between 100 and 250 tons,
- Four steamships: between 250 and 500 tons,
- Nine steamships: between 500 and 1000 tons,
- Ten steamships: between 1000 and 1200 tons,
- Seven steamships: between 1200 and 1600 tons,
- One steamship: 2200 tons.

The second report sent to the Board of Trade stated that all available data and information regarding the Mahsusa Company had been forwarded to London, but London needed to make a swift decision. This urgency was due to Germany exerting intense pressure on the Bab-ı Ali to obtain the company's concession. If London sent a brief telegram indicating its determination to engage in this matter, the British Embassy would seek an appointment with the highest officials of the CUP and the Sultan himself to resolve the issue with the primary stakeholders. Following the second report, an encrypted telegram from London mentioned that there were British investors interested in the Mahsusa Company and that if the Board of Trade, the British government, the embassy, and British merchants gathered more information, greater energy would be devoted to the matter.³⁷ Consequently, on the same day, the British Embassy and Whitehall obtained important information from an official of the Mahsusa Company "in exchange for some incentives." According to this individual, the Mahsusa Company was receiving approximately £400,000 annually from the Ministry of Treasury for military transportation. However, British officials considered this figure exaggerated. British experts estimated this income to be around £200,000.³⁸

According to the company official, if the Anatolian Line were properly managed and operated efficiently, it could generate an annual income of between £30,000 and £40,000. This estimate was also considered reasonable by the British officials. The information obtained regarding the Marmara Line did not differ from previous reports. For the Tripoli-Berber line, it was learned that a small 800-ton ship made trips every three weeks, and the current revenue

³⁶ GBR/0014/GLLD 7/8. No; 408.

³⁷ GBR/0014/GLLD 7/8. No; 408/1.

³⁸ GBR/0014/GLLD 7/8. No; 408/2.

ranged between approximately £10,000 and £12,000. The British side believed that the income from this line could be significantly increased. Regarding the other lines, they reported that they were unable to gather much information.

The official from the Mahsusa Company stated that 15 large ships needed to be equipped with new boilers and undergo general maintenance. The specific ships requiring this had been identified individually. However, the British side believed that only 8 to 10 of these ships “deserved” new boilers, and that the rest should be scrapped as soon as possible. Considering all these factors, the total investment required for this undertaking was estimated to be at least £1,000,000. The person sending the telegram to London admitted that they did not know how this amount would be financed or what the financial details would be, but expressed confidence that whoever acquired this company would control nearly 75% of maritime trade within Ottoman territories, including Anatolia, Syria, the Archipelago, Salonika, and the Sea of Marmara.³⁹

The response telegram from London stated that some investors were closely interested in the matter, and it was asked whether approximate valuation information could be shared with these individuals. The telegram sent from Istanbul to London reiterated that the company’s current carrying capacity was around 28,000 tons, and that the value of the ships was estimated to be between £130,000 and £150,000, with the possibility of generating around £100,000 from scrap sales.

Most likely, the telegram written by Whitehall informed Mr. Allen and the Board of Trade that it was impossible to obtain any other expert opinions on the matter and that everything had been clearly detailed in the letters sent.⁴⁰ The company’s fleet consisted of rowed steamers and various sizes of passenger and cargo steamships. It was repeated that at least 40 of the 70 ships should be decommissioned for scrap iron sales, which were estimated to bring in approximately £100,000. To make the valuation process clearer, bribes might have been necessary in some places. The British side might also have needed to undertake political or military incentives to please the Sultan, but the company had the potential to justify Britain’s efforts. Whitehall, which had previously sent letters encouraging Mr. Allen and his business circles to be bold about this concession, reported that it had not yet achieved a definitive result. British investors were concerned about the current order in the Ottoman Empire and feared losing their money. However, it should be taken into account that currently, business was mostly in the hands of Germans, French, Belgians, Greeks, and Rum minorities, all of whom lived in relative prosperity and had no insurmountable problems with the government. If a contract were made involving the British Embassy, no power in the world would dare to break it.⁴¹ The estimated annual costs of the Mahsusa Steam Navigation Company were as follows:

³⁹ GBR/0014/GLLD 7/8. No; 408/2.

⁴⁰ GBR/0014/GLLD 7/8. No; 408/3.

⁴¹ GBR/0014/GLLD 7/8. No; 408/4.

Table 6: Estimated Operating Expenses of the Mahsusa Steam Navigation Company

Item	Annual Cost (£)
Anatolia & Syria Line, 3 steamships x £1000 = £3000 x 12 months	£36,000
Archipelago, Thessaloniki & Euboea Line, 3 steamships x £750 = £2250 x 12 months	£27,000
Marmara Sea Line, 3 steamships x £650 = £2000 x 12 months	£24,000
Local Passenger Service, 10 steamships x £500 = £5000 x 12 months	£60,000
Fleet Insurance	£10,000
Agents, approx. 30 people x £50 x 12 months	£18,000
Light cargo boats etc.	£1,000
Management, office expenses etc.	£10,000
Renewal Fund (£24,000 bonus, approx. 50 years)	£4,000
Fleet Maintenance, Docks etc.	£10,000
Depreciation, 5% on £250,000	£12,500
Interest on Capital at 6%	£60,000
Total	£272,500

Source: GBR/0014/GLLD 7/8. No; 408/4

In addition to the existing routes, a regular line should be established from London to ports in the Mediterranean and the Black Sea. For this route to operate successfully, three steamships with a carrying capacity of at least 2,500-3,000 tons were required. These ships should have a passenger capacity of 15-20 and be capable of speeds of at least 12 knots. There was no need to purchase new steamships for this route; three well-maintained second-hand vessels could be acquired at a cost of £35,000-40,000. Gaining the trust of customers and other stakeholders was important. To ensure the success of the venture, the route needed to be regular, and the steamships should operate on fixed schedules. On this route, ships departing from London would call at Algiers, Malta, Alexandria (optional), Piraeus, İzmir, Istanbul, and Burgas before reaching Odessa. Thus, the steamship trade along the Syrian coast, all Greek ports, the Archipelago, the Black Sea, and the Danube ports would be controlled by the British. On the return journey, these ships would primarily carry grain and general cargo. Initially, monthly sailing on this route were planned. With 12 outbound and 12 return trips, and each ship carrying at least 2,500 tons, a total of 60,000 tons of cargo could be transported. Considering that the freight rate in 1907 was 15 shillings per ton, the income from this route could reach £45,000.⁴²

The Granting of a Concession of the Mahsusa Company to the British

Following prolonged correspondence, the Board of Trade and the British government had been convinced to bring the Mahsusa Company under British concession. The strategy of the

⁴² GBR/0014/GLLD 7/8. No; 408/4.

Committee of Union and Progress (CUP) government to stimulate international competition in order to break the French influence over Ottoman finance and economy had also affected the Mahsusa Company. By early September 1908, negotiations initiated between the British and Ottoman governments had reached their final stage, and a tender was organized for the granting of a concession to the Mahsusa Company. The concession tender of the Mahsusa Company was won by two British firms: the London-based Weddel, Turner & Co., and the Glasgow-based Fairfield Shipbuilding and Engineering Company, both of which had close ties with the Board of Trade.⁴³ The determined efforts of the Board of Trade and the British government played a significant role in the granting of the concession to Britain. Mr. M. Fesch was influential in persuading these companies to invest and in shaping the details of the concession in a manner agreeable to both parties.⁴⁴

The negotiations between the Ottoman government and the British companies lasted approximately one month. The Minister of Public Works and Trade, Gabriel Efendi, played a significant role in the privatization of this company. This was because the initial draft contract prepared by the Committee of Union and Progress (CUP) cabinet contained rather strict conditions, and no company had been willing to submit a bid. Subsequently, Gabriel Efendi and Mr. Fesch intervened and ensured that the negotiations continued on a reasonable basis. Furthermore, the Ottoman government, through an official document declaring that it had provided a “guarantee” for this concession to the British companies, announced that the initiative was under its own auspices. According to the terms of the concession:

- The newly established company would be subject to Ottoman nationality and would be bound by all laws and regulations of the Ottoman Empire.
- The operation of the company would be carried out for a period of 75 years by Weddel, Turner & Co. and the Fairfield Shipbuilding and Engineering Company.
- The new company would hold exclusive rights (monopoly) over steamship transportation on the lines extending to Istanbul, the Princes’ Islands, Yalova, Kadıköy, Haydarpaşa, up to Pendik on the Asian shore, and to San Stefano (Yeşilköy) on the European shore.
- In the event that new stations were to be established in the Sea of Marmara, all priority rights would belong to these companies.
- The rights on the lines operated by the Mahsusa Company in the Sea of Marmara, the Black Sea, the Aegean Sea, the Mediterranean, the Red Sea, and the Persian Gulf would be transferred in full to the new company.
- In return for its fleet and commercial rights, a total of £351,000 would be paid to the Ottoman government. Furthermore, the total capital of the new company would be £900,000, of which £550,000 was to be held by Ottoman subjects. If this £550,000 portion could not be raised by local investors, the Ottoman government pledged to purchase the remaining shares. The company was also entitled to issue bonds amounting to £550,000.

⁴³ “Turkish Coasting Trade Concession,” *The Times*, 22 September 1909, vol. 39071.

⁴⁴ “Turkey,” *The Times*, 7 September 1909, vol. 39058.

- Bonds valued up to a maximum of £550,000 could also be purchased by foreign investors.
- The board of directors of the company would consist of a maximum of 11 members, six of whom would be Ottoman subjects, and the remaining five would be British nationals. Although the majority of the shareholders and the board members would be Ottoman, provisions ensuring the preservation of British control over the company's management would be included in the company's statute.
- Each year, 10 young Ottoman men would be trained as engineers and captains, and the expenses of their education would be covered by the concessionaires.
- Small vessels over 20 years of age and large vessels over 30 years of age were to be decommissioned and replaced with new and well-conditioned ships.⁴⁵

The granting of this concession to British companies was interpreted both in the European press and in the British press as a definitive victory of Britain over Germany.⁴⁶ However, the German side objected to the imposition of such a *fait accompli*. According to the German claim, the privilege of operating steamships from Haydarpaşa had already been granted to the Germans within the framework of the Anatolian Railways Project, together with the right to establish a monopoly. In accordance with the contract signed in 1904, passenger and freight transportation with first-class vessels was to be carried out on three different routes within the Sea of Marmara, starting from the Port of Haydarpaşa. These ports would be integrated with the Anatolian Railways. Furthermore, the Ottoman government had received an advance payment of approximately £180,000 from Germany, even before the implementation of this concession.⁴⁷

The British press believed that this concession would serve to protect British interests. Economically, the Mahsusa Company was one of the rare institutions that had been able to generate profit even under Ottoman administration. The fact that the company would now be managed by more professional individuals was expected to modernize maritime trade conducted by steamships within the Ottoman state. Along with the modernization of the ports, British revenues within the Ottoman Empire were also projected to increase. Previously neglected by circles close to the Palace, the company had also served to curtail Germany's growing influence across Ottoman territories. The British press particularly emphasized that cutting the maritime connection of the Germans, who already held the railway concessions, constituted a highly strategic victory. In order to monitor developments concerning the concession and to fully assume control over the process, Mr. C. Brown, authorized by Weddel, Turner & Co. and the Fairfield Shipbuilding and Engineering Company, arrived in Istanbul.⁴⁸

The course of events that followed did not unfold as desired by the companies holding the

⁴⁵ "British Enterprise in Turkey," *Aberdeen Journal*, 8 October 1909, vol. 17079. "Mahsoussa," *The New York Herald (European Edition-Paris)*, 8 October 1909, vol. 26746.

⁴⁶ "Great British Contract," *Daily Mail*, 8 October 1909, vol. 4211.

⁴⁷ "British Enterprise in Turkey," *Aberdeen Journal*, 8 October 1909, vol. 17079.

⁴⁸ "Notes From Constantinople," *The Times*, 14 November 1909.

concession, the Board of Trade, or the British government. By September 1910, there were still unresolved problems regarding the concession. However, the exact nature of these problems remained *unclear*. The British companies had paid the guarantee fee of £20,000 stipulated in the concession agreement to the Ottoman government. Each of the two companies had provided a guarantee of £10,000 for the jointly acquired concession. Additionally, a payment of £351,000 had been made to the Ottoman treasury. However, the law enacted by the Committee of Union and Progress (CUP) after the concession was granted, which stipulated that “*all concessions must be ratified by the parliament*”, was applied retroactively. The Ministry of Public Works and Trade informed the company representatives that the concession needed to be approved by the parliament prior to its transfer to the British. In response, the Fairfield Shipbuilding and Engineering Company issued a formal protest to the Ottoman government, stating that the ministry must fulfill its obligations; otherwise, it would withdraw from the concession. Fairfield also sent a telegram to its partner, Weddel, Turner & Co., requesting that they explicitly state which course of action they intended to take. Weddel, Turner & Co., however, did not respond to this letter, and in response to all developments, merely issued a protest to the Ottoman government one that the British press characterized as “feeble and timid.”⁴⁹

In the following stages, the disagreement between the British companies intensified, and the roles of the parties shifted. Fairfield Shipbuilding and Engineering Company came to the point of withdrawing from the concession, forfeiting the £10,000 guarantee it had provided. Meanwhile, Weddel, Turner & Co. notified the Ottoman government that it intended to bring the matter to court. The company argued that, under the terms of the concession, the Ottoman government had granted the right to issue bonds worth £550,000, that these bonds had not been sold, and therefore the government was obliged to pay the concessionaires £550,000.⁵⁰ Following this development, the authority for bond issuance related to concessions was transferred from the Ottoman Parliament to the Ministry of Public Works and Trade. The situation became further complicated when the Parliamentary Committee expressed a negative opinion regarding the granting of the Mahsusa Company concession. With the Ottoman government’s official declaration of the definitive cancellation of the concession, the entire initiative came to an end. The Ottoman government informed the British companies that a separate review commission had been established specifically for the Mahsusa Company, and that the company would continue as a “national” enterprise. The British companies, on the other hand, stated that the outcome was a direct result of political relations between Britain and the Ottoman Empire. They pointed to the fact that the New York-based Archipelago Steamship Company, an American steamship company, had obtained concessions despite intense Austrian opposition, had produced new frigates, and maintained an active administrative presence in İzmir.⁵¹ From the perspective of the Ottoman Empire, however, the failure of the concession was attributed to the British companies’ failure to fulfill their obligations regarding the terms

⁴⁹ “The Mahsusseh Concession,” *The Times*, 3 September 1910, vol. 39368.

⁵⁰ “Turkish Affairs,” *Financial Times*, 8 November 1910, vol. 6952.

⁵¹ “Turkish Shipping,” *Financial Times*, 6 August 1910, vol. 6872.

of the concession.⁵² For whatever reason, the concession was not granted to Britain, and as a result of a “dispute,” the project, which had raised significant expectations on both sides, ended without conclusion.

Conclusion

When examined within the framework of the Ottoman economic-political context of the period, the decision of the Committee of Union and Progress (CUP) government to grant the Mahsusa Company as a concession to British companies rested on a “reasonable” basis. At the beginning of the 20th century, Britain had increased its economic initiative within the Ottoman Empire. After 1908, it was no coincidence that Britain, through figures such as Ernest Cassel, began to acquire various concessions across the Ottoman territories. Following Germany’s acquisition of the Baghdad Railway concession, Ernest Cassel had succeeded in joining the project on behalf of Britain; however, after the British government withdrew, the project remained solely in the hands of Deutsche Bank.

With the Ottoman Bank effectively turning into a French institution, Cassel established a bank backed by British capital. Through this bank, he secured concessions for the modernization of the ports of Trabzon and Samsun, as well as for the transition to irrigated agriculture in the Menderes Valley. These developments were the practical reflection of a broader strategy. The highly discussed but ultimately unrealized contracts for two warships to be built by the British Vickers Company were also part of this same policy. On the eve of the First World War, Britain had grown increasingly uneasy with the rising French and German influence in the Ottoman Empire. Germany’s competition with Britain in nearly every domain had led Britain to adopt a more active role in Ottoman economic life. One of the key sectors in which this rivalry manifested was maritime transportation of people and goods via steamships.

This “new form” of trade was of vital importance for all developed nations. Alongside Austria’s Lloyd Company, which did not wish to lose its dominant position in the Ottoman Empire, Russia, Italy, France, Belgium, and even Bulgaria were all competing in this sector within Ottoman markets. Germany’s influence in Africa and the Mediterranean had long alarmed Britain, which had been striving to make India the hub of Black Sea, Red Sea, and Far East trade. The addition of Germany to the already ongoing economic and political rivalry with Russia over Central Asia and Iran pushed Britain to take a more active role in the region. Within the scope of this commercial movement initiated by the Turkey Desk of the Board of Trade, the Mahsusa Company was in an attractive position due to its potential to become a monopolistic power in maritime trade across Ottoman seas. For this reason, the British government began to focus on the issue, guided by feasibility reports prepared by the British embassy and British merchants.

Within the framework of this commercial movement initiated by the Turkey Desk of the Board of Trade, the Mahsusa Company occupied a particularly attractive position due to its monopoly over maritime transportation and its extensive operational network across Ottoman

⁵² For further information about the late history of the Mahsusa Company please see, Abdullah Nuri, *Türkiye Seyr-i Sefain İdaresinin Tarihçesi* (İstanbul:Ahmed İhsan Matbaası, 1926)

waters. British interest in the company was driven less by short-term political considerations than by long-term commercial calculations grounded in feasibility reports, traffic data, and profit projections prepared by British merchants, engineers, and diplomatic representatives. The case of the Mahsusa Company demonstrates how maritime infrastructure, concessions, and transportation monopolies became central instruments through which imperial powers sought to expand their economic presence in the late Ottoman Empire. Ultimately, the failure of the concession highlights the structural difficulties of implementing large-scale foreign investment projects in a period marked by institutional uncertainty, legal ambiguities, and competing commercial interests, rather than the absence of economic rationale or strategic value.

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