HISTORY This Week EP 317: Dividing the Desert
EPISODE TRANSCRIPT

NOTE: This transcript may contain errors.

Sally Helm: HISTORY This Week. April 25, 1859. I'm Sally Helm.

Dawn on the shores of Lake Manzala. It’s a shallow lake in the Nile Delta—maybe more of a lagoon. There are a couple of villages clustered around it. Some nearby fishing shacks. And this morning, there’s an extra camp on the thin strip of land between this lake and the vast Mediterranean Sea. The men there have awoken early and are packing their gear onto camels. Shovels and pickaxes. Because they’re here to carve a new water route in this corner of the desert. One that today helps move an estimated 12% of all global trade. The Suez Canal.

The men and their camels travel to a specific spot nearby. It’s marked out by stakes in the ground. Pretty soon, there’s a crowd gathered here: about 150 people. And one of them, a mustachioed retired French diplomat, steps forward. His name is Ferdinand de Lesseps. Theatrically, he unfurls an Egyptian flag. And starts giving a grand speech about trade, and civilization, and progress. He raises his pickaxe and strikes a ceremonial blow.

Then De Lesseps turns to the assembled workers, who are mostly Egyptian. They’re the ones who are actually going to do the brutal work of building this canal. He tells them, “Remember that “you are not simply digging up soil. Your work will bring prosperity to your families and to your countries.”

There’s a cheer. The workers raise their tools. And digging begins on the Suez Canal. The audacious goal is to cut through the desert to connect the Mediterranean Sea with the Red Sea, opening trade routes between the East and the West. Changing global trade and geopolitics forever.

Today: the conflicts and unintended consequences around building the Suez Canal. Why did the tremendous efforts of this mustachioed Frenchman end up enriching the British Empire? And how, decades later, did the canal play an unexpected role in the birth of modern Egypt?

(PRE-ROLL)

Sally Helm: Decades before Ferdinand de Lesseps drives that pickaxe into the ground, he is a budding French diplomat. His first posting is in Alexandria, Egypt, where he is serving as vice consul...Part of his job will be to meet important people. But for the moment, he’s not meeting anyone...the consulate have stuck him in quarantine.

Ibrahim Houdaiby: Because he arrived from Tunis where there was, I think, a cholera outbreak.
Sally Helm: That's Ibrahim El-Houdaiby. He's getting his PHD at Columbia University studying how the Suez Canal has influenced the rise of modern Egypt. But when we called him, he was in his hometown of Cairo. Egypt's capital.

Ibrahim Houdaiby: Cairo is a city that you can only understand from within its organized chaos in a sense, it has its own logic—it's beautiful in so many ways.

Sally Helm: But Houdaiby told us, putting his hometown pride aside, that the most important Egyptian city in the 1830s was not Cairo, but Alexandria. And that is where de Lesseps languishes in quarantine, deeply bored. He has none of the 1830s entertainments he's accustomed to. He can't go smoke his pipe while watching a regatta. But the consulate takes pity on him.

Ibrahim Houdaiby: And the console sends him a pile of books, basically

Sally Helm: De Lesseps picks up a memoir written by a French engineer. It talks about Napoleon’s invasion of Egypt in 1798. The general surveyed his conquest and was struck by a grand idea. What if we could link the Mediterranean to the Red Sea by building a canal right through Egypt’s northern desert?

At that time, to get goods from Europe to Asia and back by sea, traders have to sail for three months all the way around the Horn of Africa. Great Britain and France are competing over trade with India in particular, and Britain is winning. So, Napoleon thinks: If we build this route, it will make it easier for France to get to India, and we could get a bigger piece of that lucrative trade.

Napoleon wasn't the first person to have this vision. In fact, the pharaohs had imagined it millennia before. But Napoleon thought, I have all this power and modern technology. And he orders his engineers to look into it. Find out whether this is possible.

De Lesseps, in quarantine decades later, reads about the result in that memoir. This engineer helped study the landscape and came back with an assessment:

Ibrahim Houdaiby: Which concludes that there's a difference in sea level between the red sea and the Mediterranean, the tenders, the construction of the canal, impossible, because it will flood the valley

Sally Helm: They thought water would spill down from the higher areas and swamp the lower areas. Also, cargo ships can't travel uphill. So, they would have had to build an expensive system of locks to make travel possible. Napoleon scrapped the idea.

But de Lesseps is smitten by this vision of linking East and West. He wonders: would it really be so hard? What if it were possible to build the canal?

As it turns out, others are asking the very same question…and coming up with an electrifying answer.
Ibrahim Houdaiby: In the 1830s, a British general conducted another survey, of the desert of Suez and concludes that this is an error.

Sally Helm: Napoleon's engineers...were wrong.

Ibrahim Houdaiby: There is no difference between the sea levels, which triggers all this interest, by others in the canalists, they start visiting Egypt and De Lesseps is acquainted, with this group of canalists.

Sally Helm: The canalists.

They’re a group of mostly French engineers and visionaries determined to act on this new information.

It’s the summer of 1834 and de Lesseps is joining them at a lavish luncheon. The group has recently pitched the idea of the canal to the ruler, or Pasha, of Egypt. He’s a man named Mehmet Ali. Ali has been in power for three decades. Not much happens in Egypt without his approval.

The canalists thought that it wouldn't be that hard to convince him. Surely, he'd understand the glory, and the profits, that would be his if he approved their plan.

Ali listened to the pitch. And he said: absolutely not.

Ibrahim Houdaiby: Mehmet Ali was strongly opposed to the idea of, of the canal for, for numerous reasons.

Sally Helm: For one: the route for this canal would be in a region less tightly controlled by Ali. And he feels that an overland route through Alexandria and Cairo would better guarantee profit for Egypt. Plus, he's not wild about the fact that these canalists are French.

Ibrahim Houdaiby: He feared provoking the British by accepting the project that is proposed by the French. He was very keen on maintaining this kind of balance between the powers.

Sally Helm: Britain, remember, dominates trade between Europe and India, it will have nothing to gain, or so it believes, from a canal run by the French. Britain is proposing instead to improve the existing rail lines in Egypt.

Ibrahim Houdaiby: So, it seemed that between these competing projects of railway and the canal, that the railway was winning.
Sally Helm: Much to the dismay of the canalists. At their fancy luncheon, they console themselves by hitting the Champagne hard. De Lesseps is disappointed, too…but he will soon have a role to play in the drama of the canal.

Ibrahim Houdaiby: He was not it's a poster child, but he took interest in the canal. He was there interacting with them, discussing with them, maybe even, even lobbying on their behalf.

Sally Helm: He still has a day job, of course, working as a French diplomat. He's meeting a lot of people. And one of them is Pasha Ali’s youngest son, Prince Mohamed Said.

Ibrahim Houdaiby: His father. Was very keen on his, youngest son's, physical health. So, he forced his son's side to go like climb mountains and like do hard labor a few days a week. And forbade him from eating but Said at that time used to escape and go to the house of Ferdinand de Lesseps the only place that he was allowed to go to and that his apps offered him macaroni.

Sally Helm: Macaroni. Like, pasta. Just what the eleven-year-old prince desires.

Ibrahim Houdaiby: So, this is how the relationship started, at least according to De Lesseps.

Sally Helm: De Lesseps takes an interest in the young prince. He keeps slipping him pasta and pastries. He also teaches him to ride horseback. And when de Lesseps eventually moves back to Europe, the two stay in touch. And the Frenchman, though now far from Egypt, still nurtures a hope that one day a canal will part the desert. One thing is certain though: it'll never happen under Ali Pasha.

But no one stays in power forever. In 1848, Ali dies. His nephew, Abbas the First, takes over. And he's not exactly beloved.

Ibrahim Houdaiby: Abbas had terrible relations with everyone, he was known to have a temper and whatnot. He's on bad terms with many of his relatives.

Sally Helm: And he too is opposed to the canal. Not just out of crankiness. But because he's so cranky and people at home don't like him, Abbas the First wants to maintain the support of the powerful British government. So, like his uncle before him, he refuses to let the French canalists build. Once again, the dream is dead. Until the summer of 1854.

Ibrahim Houdaiby: What happened? Abbas was killed; he was actually killed allegedly by two of his slaves who were fed up with the way he treated them, and they just killed him one evening. So, when Abbas our best was killed, he was succeeded by his Uncle Said.
Sally Helm: Mohamed Said. None other than the boy who once loved eating pasta with Ferdinand de Lesseps.

When Said takes power in 1854, de Lesseps is officially retired. His time as a diplomat is over. But could it be, he wonders, that his time as a builder has just begun?

De Lesseps gets a meeting with Said, who is now 32 years old.

Aaron Jakes: And that ups basically begins to pitch him on this idea.

Sally Helm: That’s Aaron Jakes, a professor at the New School in New York City. He's working on a big book about the canal’s history. And he told us, this is a breakthrough moment. The canal project has already been turned down twice…by two different rulers. But when Mohamed Said hears about it from de Lesseps, he's drawn to the audacity and grandeur of the project…and what that could mean for Egypt.

Aaron Jakes: There's a case to be made that, doing something so dramatic and transformative would play a role in raising Egypt's stature on a world stage and demonstrating that Egypt was an increasingly modern country worthy of being a kind of peer to the great powers of Europe.

Sally Helm: So, Said says...yes.

Now the question is, who’s going to pay for it?

The cost of digging a trench through 120 miles of desert will be enormous. Said knows Egypt doesn’t have that kind of money. And especially as a new leader, he doesn't want to take out hefty loans from foreign banks, risking dangerous levels of debt. But de Lesseps says—I have an idea.

It's along the lines of what today we’d call a public-private partnership. What if, he tells Mohamed Said, what if I form a corporation? Call it, the Suez Canal Company? We can distribute the risk in this project by asking investors—regular people around the world—to buy shares in the company. That money will fund the canal. And de Lesseps says he'll take charge of this whole project.

Aaron Jakes: And in, in return for doing all of those things, the company would enjoy a very large share of the profits on the canal for the period of a 99-year lease

Sally Helm: And we are talking enormous profits. De Lesseps predicts the canal will earn 30 million francs a year, or as much as $300 million in today’s dollars. The company doesn't get all of it: Egypt and the shareholders would make money too. And Said says, sounds good. He strikes a deal with de Lesseps to create the Suez Canal Company.
Next, De Lesseps has to actually do what he promised. He has to find thousands of investors willing to give him their money.

**Aaron Jakes:** And so, he set out, on the sales tour and the autumn of 1858 to give all of these speeches and drum up the promise of this notion that large numbers of ordinary people would buy small shares. And ultimately, things did not play out that way.

**Sally Helm:** In his home country of France, People say, sounds great...but also sounds very expensive. Even a small share in the Suez Canal Company costs about as much as a French person's average *annual* income.

De Lesseps goes to Austria, Constantinople, Russia. He also goes to an unlikely place. Great Britain.

The same Great Britain that has vehemently opposed the canal since day one. But it's a financial hub—flush with money and full of potential investors. So, the tireless Frenchman goes there.

He finds some interest among the British public...but the government greets him with scorn. The prime minister denounces the project. British newspapers call it "flagrant robbery." One naysayer gets up in Parliament to denounce de Lesseps' very character. That naysayer eventually offers an apology, thus narrowly averting a duel. But the keenest blow of all comes from a group of British engineers.

**Aaron Jakes:** Who conducted their own studies and concluded that the canal would not be a viable project.

**Sally Helm:** All this means that by the end of his tour...about one hundred and seventy-six thousand shares remain unsold.

**Aaron Jakes:** Yeah, it's a lot. So, it's about 45% of the shares. this marketing scheme came up short.

**Sally Helm:** De Lesseps is stuck. Construction can’t begin until he has sold *all* of the shares. So, he has two choices: abandon the project…or appeal to his old friend Mohamed Said, now Pasha of Egypt, for help.

**Aaron Jakes:** And here again, his relationship with Saeed Pasha became consequential. Basically, Lesseps returns to Egypt and says, I need you Saeed Pasha to buy 176,000 shares in the canal company,

**Sally Helm:** By some accounts, Said and de Lesseps argue over this for days. Buying those shares would require Egypt to take out massive loans from foreign banks. Take on a staggering load of debt.
Aaron Jakes: This is exactly the scenario that the Egyptian government was trying to avoid when they opted for this arrangement.

Sally Helm: But Said Pasha also really wants the canal built. It's a matter of both personal and national prestige. And in the end … he decides to bail de Lesseps out. He agrees to take the plunge and commit the funds for the great canal.

On April 25, 1859, near the shores of Lake Manzala, Ferdinand de Lesseps plunges his pickax into the ground. Then he turns to those assembled laborers. What lies ahead is years of back-breaking work. And de Lesseps isn't going to be the one to do it. He tells those men, Honor to the immortal Mohammed Said Pasha! Long may he live.”

There's a dark side to the agreement between de Lesseps and Said. Said has promised to bolster the project’s workforce by pressing tens of thousands of his citizens into forced labor. In Egypt, this system is known as Corvée.

Aaron Jakes: So the idea was basically the Egyptian government would, be effectively subsidizing the excavation by providing very cheap labor forcing Egyptian peasants to labor on projects of the government's choosing.

Sally Helm: This kind of forced labor wasn't new to Egypt. It built the pyramids. Countries throughout history and across the world had used it, too. But at this time and in this place, it carries specific political repercussions. Egypt is a province of the Ottoman Empire … and the Ottoman Empire has banned the use of corvee. This is a time when many anti-slavery movements are taking shape. Said and de Lesseps know this … but they go ahead, anyway. Forcing tens of thousands of people to work by hand in the desert sun, attacking the earth with picks and shovels.

Aaron Jakes: at the peak of the use of this institution of the corvee , , there were 20,000 people getting kind of summoned and sent out to the canal zone, 20,000, working there, and 20,000 more getting, sent home on a rotating basis.

Sally Helm: At night, many workers sleep on the ground with little or no cover--and desert nights are can be cold. At times, they’re paid for a day’s work with a loaf of bread. Some workers are given notes that promise them scant wages … but many of those promises are broken in the end.

More than a hundred thousand Egyptian workers will die building the canal, making it one of the deadliest construction projects in history. Yet the work proceeds, uninterrupted. Until 1863, when another shock arrives. An important figure dies … and it seems that the canal will die with him.

(MIDROLL)
Sally Helm: In 1863, the ruler of Egypt, Mohamed Said, dies in his bed at the age of 40.

He is succeeded by his 32-year-old nephew—Ismail.

Aaron Jakes: He was extremely ambitious, and quite ruthless in a whole variety of ways. But also, by many accounts, a much more shrewd businessman.

Sally Helm: This spells trouble for the canal. Because Ismail has long believed that Ferdinand de Lesseps had gotten the better of the agreement, that Ismail’s uncle?

Aaron Jakes: Had basically been duped or pressured or swayed into accepting a pretty lousy deal for Egypt.

Sally Helm: Ismail takes a fresh look at the Suez Canal agreement…and decides that it needs to be redrawn.

Because the canal might involve future profits for Egypt. But Ismail is more concerned with present profits. He sees a huge and immediate business opportunity for his country—an opportunity that has resulted from a disruption on the other side of the world. It’s 1863 and the American Civil War is raging.

Aaron Jakes: Why was this important to the story of the Suez Canal, when the union Navy began to blockade Confederate ports at the beginning of the civil war, the American south, which until that point was the single largest supplier of raw cotton in the world was basically cut off from the world market that could be purchasing that cotton.

Sally Helm: The American South can’t get its supply of cotton on the world market. But the demand persists. Which means that cotton prices are rising. And who else grows cotton? Egypt. Egypt grows lots of cotton. So, Ismail knows that if he can seize the moment and get more cotton to market, there's a lot of money to be made. But to do that, he'll need laborers. Which means:

Aaron Jakes: That he was even less inclined to be devoting the labor force conscripted through the corvee to work on this foreign company’s canal project.

Sally Helm: Ismail takes control of the canal’s corvee. many of the workers now spend long days producing cotton on farms... De Lesseps demands compensation for the loss. There's a long, heated arbitration. The result is bad for Ismail. He has to cough up 38 million francs—almost 2 billion several hundred million dollars in today's value. To pay up, he's forced to take out even more foreign loans.

It’s fine, he thinks. With the profits I’m making from the cotton boom, which shows no sign of ending, I’ve got it covered.
Aaron Jakes says the payout to De Lesseps comes around the time the Frenchman realizes that he doesn’t need the Corvee, anyway.

**Aaron Jakes:** And the reason for this is, easily explained through, an analogy with enjoyable experiences at the beach. So, if you dig a hole near the water at the beach, initially, you're just digging sand, even if it's wet sand out of the ground and you can make good progress for a while, but eventually you will hit the water line. As you continue to dig, water will fill into the hole. And the S the sides of the hole will start to fall in.

**Sally Helm:** When that happens as you're digging a giant canal, you no longer need men with shovels. You need heavy machinery to clear the mud fast enough and stay ahead of the water. De Lesseps buys what's needed and gets the job done.

On August 15th, 1869, a little over ten years after construction began, waters from the two seas—the Mediterranean and the Red Sea—mingle for the first time. Even at this moment, many think that the canal is a myth. But De Lesseps and Ismail are about to show the whole world it’s real...by hosting an over-the-top opening ceremony. They start planning for fireworks and banquets and camels in procession. And now it’s November, the day before the grand opening. Everything is in place. There will be no more hiccups, except …

**Aaron Jakes:** It wasn't as deep as it should have been. So the bottoms of ships could sometimes, hit ground.

**Sally Helm:** The night before the ceremony, a ship gets stuck in the canal. De Lesseps turns to Ismail and asks how they should deal with this. Ismail takes a minute to consider. And then he says, "Blow it up!" For once, the two men agree on something—although, in the end, the ship was removed without resorting to dynamite.

The next day, six thousand spectators from Egypt and around the world show up at Port Said. It's a city named for the now-dead Pasha—it’s gone from uninhabited to a bustling port city since de Lesseps struck the first ceremonial blow 10 years ago. At the celebration, royalty abounds—everyone from the Empress Eugenie of France to the Austro-Hungarian Emperor to the crown Prince of Prussia comes to see the canal. They sail at the head of the 78-ship parade. Ibrahim El Houdaiby told us that, despite the enormous price tag, Ismail believed it was worth it.

**Ibrahim Houdaiby:** It's a changing moment in world history in it's a time of man over nature. It's the opening of a new era

**Sally Helm:** And it’s the beginning of a new era for Ferdinand de Lesseps. The opening of the Suez Canal, which he had first imagined more than 30 years earlier, has made him famous.

**Ibrahim Houdaiby:** De Lesseps becomes probably one of the most recognizable faces and names of the world, globally for long decades after that.
Sally Helm: But the initial fanfare eventually fades. And there are some problems. The Suez Canal serves fewer ships and earns less money than de Lesseps and Ismail expected. The strong winds hamper some sailing ships. The canal is more suited to steamships, which have only recently started arriving on the scene.

But it takes a lot of money to build steamships. And one country in particular has that kind of money.

Aaron Jakes: Britain was the global epicenter of world financial markets. So, the city of London was a place where very large pools of capital were constantly being formed and sloshing around.

Sally Helm: They’ve also had an industrial revolution, and they’re now great at building big things made of iron and steel.

Aaron Jakes quotes a saying from the time that describes the irony of Britain benefitting so handsomely from a project it once tried to kill.

Aaron Jakes: The canal has been cut by French energy and Egypt money for British advantage.

Sally Helm: Meanwhile in Egypt, the cotton boom has long since ended. All that debt is coming due…Ismail must find a way to pay it.

He tries squeezing every possible penny by raising taxes and selling off government assets.

Aaron Jakes: What we might now describe as a kind of a “fire sale.”

Sally Helm: But it’s not enough. Ismail is forced to take a desperate measure.

Aaron Jakes: And the most dramatic, of the sales was the purchase for the British government of the Egyptian governments shares in the Suez Canal company, which meant that from 1875 onwards, the British treasury was the single largest shareholder in the Suez Canal.

Sally Helm: Now the irony is doubled: Britain has gone from despising the canal to owning almost half the company. And to their benefit, the canal is soon widened and deepened, allowing more ships to use it.

In the canal’s first decade, the amount of goods passing through skyrockets by 700 percent. More than 3 million tons of goods will pass through per year. Profits soar—profits that Great Britain gets a big share of.
But despite Ismail's fire sale, Egypt’s debt crisis only deepens.

**Aaron Jakes:** And in 1876, finally, the thing that they had been trying to avoid happened.

**Sally Helm:** Egypt defaults on their debts. Government jobs and paychecks are cut, and civil unrest follows. Egyptian activists say their government has made the country beholden to foreign banks, and the people are paying for Ismail’s mistakes Britain watches nervously. They want Egypt to keep paying back their debts.

**Aaron Jakes:** And then eventually, the British found a pretext to invade the country and basically quash that uprising.

**Sally Helm:** Beginning in 1882, Egypt becomes a de facto protectorate of Great Britain. The Egyptian government is pretty much controlled by British officials. British Troops roam the cities. Then in 1909, the Suez Canal Company tries to extend its lease on the canal long before it expires. But it runs into Egypt’s nationalist movement, which has arisen in opposition to the country’s colonial occupation. The nationalists loudly oppose the renewal.

**Aaron Jakes:** And the nationalist movement that organized this campaign actually won that fight.

**Sally Helm:** But Great Britain still owns a majority of shares in the canal and has the right to operate it for the next 50 years. Although…that’s not how things will turn out. In 1922, Egypt gains its political independence. And in 1956, Egyptian president Gamal Abdel Nasser nationalizes the Suez Canal company, taking ownership away from its European stakeholders.

Ibrahim El Houdaiby told us that through this struggle for independence, the canal became a potent symbol for Egyptians. It was more than just a part of their land; it was now a part of their identity.

**Ibrahim Houdaiby:** It has through this project in part that the nation emerges because there is this sense of collective identity, collective experience, but also collective ownership of the canal. We dug the canal collectively.

The labor force came from all over Egypt. So yes, it's servitude. Yes, it's humiliation to a certain extent but also, it’s the togetherness of the Egyptian people that emerges from and through the construction of the canal.

**Sally Helm:** In the midst of nationalizing the canal, some Egyptians even call for a statue memorializing the workers. They say:

**Ibrahim Houdaiby:** If there will be a statue welcoming the travelers through the canal, it will be the statue of the Egyptian peasant and not of Ferdinand de Lesseps.
Sally Helm: Not of Ferdinand de Lesseps. Since 1899, a 35-foot-tall bronze statue had stood at the northern entrance of the canal, his right hand outstretched, welcoming the ships. But in 1956:

Ibrahim Houdaiby: Protesters, attacked the statue of de Lesseps and the statue was exploded and fell into the waters of the canal.

They had severed from his body

Sally Helm: The French govt lobbies Egypt to reinstall the statue at the mouth of the canal but:

Ibrahim Houdaiby: The inhabitants of Portside insisted that this is not going to happen.

Sally Helm: And the protesters get their wish.

Ibrahim Houdaiby: Today, where his statue originally stood, there sits instead an empty concrete pedestal. Maybe one day, it will support a bronze statue of an Egyptian worker, a laborer of the corvee...holding a pickax.

CREDITS:

Sally Helm: Thank you to our guests, Ibrahim El-Houdaiby and Professor Aaron Jakes for speaking with us for this episode. Thank you also to Dr. Bella Galil for talking with us.

This episode was produced by Julie Magruder, sound designed by Dan Rosato, and story edited by Jim O’Grady. HISTORY This Week is also produced by Ben Dickstein, Julia Press, and me, Sally Helm. Our associate producer is Emma Fredericks. Our executive producers are McCamey Lynn and Jessie Katz. Thanks for listening and we will see you next week.