

## REMARKS ON AN ESSAY ON THE ECONOMICAL SITUATION OF TURKEY

DURING THE FOUNDATION AND RISE OF THE OTTOMAN EMPIRE

It is a fact that up to the present the economic and social history of the Ottoman Empire has not been dealt with due attention. Some time ago, however, in this bulletin (see p. 629) Dr. Akdağ published a long study on some fundamental problems of that history. As B. Spuler has already remarked in *Oriens* (vol. 3, 1951, Nr. 1, p. 131) it contains many daring hypotheses often not substantiated, and some interesting but not always reliable observations with reference to material from the archives; and as we shall see, some of the diagrams in it are not quite correct. In many instances, such as in the currency problems of the Empire and her economical position in the world, the essential factors are quite overlooked in favour of accidental factors.

Here after making some remarks on the principal hypotheses of that study we shall try to show what were the true factors that brought about all those important developments in the economic life of the Ottoman Empire in the 15 th and 16 th century.

In the first section of his essay Dr. Akdağ seeks to explain the formation of an economical basis of the Ottoman state. First of all he assumes close economical ties between "the large Turkish nomadic people of the plateau" and "the crowded and industrial greek towns" on the shores of Marmara, which led, he believes, to the "economic unity of Marmara".

In his opinion the territories that were incorporated within the Empire later on, namely Asia Minor and other Near-Eastern countries on one hand, and the Balkans on the other, are drawn into the orbit of this new "economical unity", and, then this "large unit of the Ottoman Empire" in the Near-East built up its own economical structure against the West.

This somewhat simple and tempting theory of the formation of the Ottoman Empire on the basis of its economical development

is propounded by distorting considerably the historical facts. Besides, we are not given any evidence about these "close economical relations" and the ensuing unity. Dr. Akdağ refers even to an economical prosperity after the arrival of the Turkish nomadic element in the Balkans. The fact is that the stated Bythinian towns such as İznik and Bursa were in constant decay when the Ottomans appeared on the scene in those parts. As it is shown by the earliest Ottoman records kept in the Bursa Museum, the development of the city started only after regular commercial relations with the Latins (the first commercial agreement made with Genoese and the first newly built *bedestan* are in the time of Orhan Gazi), and, we estimate from a document the population of Bursa to have been 40-50 thousand in the second half of the 15 th century, nearly the same as that of Const antinople before the Conquest (see the Turkish text p. 637).

We know that there were Turkish nomads wandering along the Selçukid frontiers, and that part of this population was transported to the Balkans when those territories beyond the Dardanelles were conquered. But except for the repopulating of the Maritza valley it never seems to take the nature of an exodus with hundreds of thousand as assumed by Dr. Akdağ and before him by Prof. Ö. L. Barkan. The number of the Moslem and Christian families subject to the tax called 'avâriz, in or about 1536, is given above (p. 642). This figure does not point to a large - scale colonization by the Anatolian Turks at all.

After taking the "economic unit of Marmara" as the basis of the Ottoman Empire, Dr. Akdağ enlarges on this by saying that it acted as an intermediary in obtaining bullion from the West for raw material and transferring to the East. But, according to him this was not advantageous to the Empire, it could not make much profit out of this mediation, which caused a constant decrease of bullion in her dominions. This is the main reason, for Dr. Akdağ, why the Ottoman monetary unit, *akça*, was debased by half during Sultan Murad III s reign, why indeed there was such "a terrible increase of false coins" in his reign, and how all these causes inevitably precipitated Empire into a fatal disorganization. But the explanations for these facts given by Dr. Akdağ are not satisfactory. We have always to take into account that currency and trade problems in the Empire were closely connected with developments in

the world, especially in the Mediterranean area; and there is an obvious anachronism in generalizing the effects of the depreciation of 1584 to include preceding periods.

As it has already been pointed out by many authors, there was a scarcity of silver and gold in Europe as well as in the Near-Eastern countries, especially in the second half of the 15th century. As for the Ottoman Empire this shortage was felt much more strongly because of the increase of financial needs during the great expansion of the Empire in that time. We must, moreover, consider the growing needs of a more and more active trade and circulation. Thus the ever-growing want of currency is not necessarily a sign of economic decay, as Dr. Akdağ suppose.

The financial policy of Fatih Sultan Mehmed (1451-1481) well illustrates the point in question:

1- The most important aspect of this policy was to coin new money which was effected four times during his reign, when a "new akça" was put into circulation, the "old akça" became obsolete and all the silver people possessed as well as the "old money" were ordered to be brought into the Mint to be newly struck. All the regulations concerning the "measures against the use of old money and silver" are fully represented in an imperial order: *gümüş ve eski akça yasaknâmesi*, published by the author of this article in *Belleten* (no. 44, p. 697). In a very interesting passage of his *Traicté*, Spandouyn says: "*la vieille monnaye est bannye et ne se peult plus despendre et faut que chascun qui en a la porte à la monnaye, combien que elle soit meilleure que la neufve et des douze viels aspres on leur donne dix nouveaulx*". By this operation the State profited twofold: in the first place by compelling the people to convert their silver-stock into coin, the money supply was increased, in the second place, a substantial sum was provided for the treasury (according to Spandouyn 800 thousand ducats, from which we can even estimate, I think, the total sum of money in circulation to have been 318.400.000 akça, for one ducat was worth 45.5 akças in 884 H. (see p. 681).

2- In accordance with the same financial policy a number of strict mesures were taken to prevent the money go out of the country. This was, in any case, a measure taken by countries in the Orient and in Europe as far back as the Middle Ages.

3- The government tries to attract precious metals in coin or ingot to the country by exempting them from import duties, as we see in the agreement made with Venice in 1454.

4- Mehmed III extended timar system by seizing most of the *vakf* and *mülk* lands (estates in mortmain and pure properties) for the Crown and distributing them to *timar sipâhîsi*, which enabled him to increase his armed forces without paying money from his central treasury, for the taxes collected by timar-holders in their fiefs consisted mostly of *âşar* (tithe in goods).

5- There was a debasing of silver in the *akça* during Mehmed II's reign, (see the list on p. 678), which was continual. Dr. Akdağ is mistaken when he speaks of an increase of the proportion of silver in *akça* in 1477, and accordingly of an improvement in the imperial finances for a short time; and this is due to his misinterpretation of the text that he has used for his argument. Although he claims that 280 *akças* were struck out of 100 *dirhems* silver, the document given for the first time in the present article (see p. 679) makes it plain that 280 *akças* was the amount paid the people for every 100 *dirhems* of their "old *akça*" or silver brought to the Mint, and that 280 *akças* correspond nearly to the commercial price of silver at the time. But the minimum amount of *akças* struck out of 100 *dirhems* at that period was 355 (see p. 679) the 10-12 of which is nearly 295. So Spandouyn's statement is fully confirmed by the documents of the Turkish archives. Wherever a *gümüş yasakcısı* (a control officer) founds out hidden silver he at once confiscated it and the holder of it was given only 200 *akças* for every 100 *dirhems* of his silver or "old *akça*".

In Short the financial policy of the Empire was conditioned by the major fact of the scarcity of precious metals until the reign of Murad III when American silver and gold began to pour into the Ottoman dominions. The repercussions of this sudden increase of silver were as great in the Empire as they were in other Western and Mediterranean countries. According to Braudel and his evidence from the Ragusan Archives, the first arrival of Spanish (American) silver at the Levant was towards 1580, and this date itself precedes only by four years the great depreciation and the subsequent social disorders, viz. the sudden rise in prices,

speculations on silver and gold because of the instability of *akça*, the tremendous increase of false money, the military riots in the Capital as well as in provinces, etc. One ducat rose from 60 *akças* to 120 and even more. When the huge machinery of the State based on salaries and pensions cracked under the impact of this economic event, the Ottoman statesmen could only explain it the traditional way, and attribute all these financial disorders to the scarcity of money. Dr. Akdağ, too, without considering for a moment the flow of Spanish silver, continues that traditional point of view. But as it is now fully apparent, conditions were quite the reverse.

During the same period another world-wide economical change was completed to the disadvantage of the Empire, and perhaps its far-reaching consequences were much more fateful to her, I mean the final cessation of the spice trade with India.

However, as it is proved by many eminent scholars such as Kulischer, Schulte, and lastly by Braudel, the Mediterranean Sea continued throughout 16 th century to be an international route for that trade, even after the Indian Ocean came under the domination of the Portuguese. In replacing the Mamelouks in Egypt (1517) the Ottoman Sultans ensured the Red Sea against the Portuguese. Indeed as protectors of pilgrimage routes, they fought them even in the Indian Ocean. Anyhow it is certain that the Ottoman ports in the Near-East were receiving Indian merchandise during the 16 th century. To state only a few instances, there is in Ferîdûn Bey's Collection of documents an interesting paper that refers to ships regularly coming from India to Djedda, and towards the end of the 16 th century the famous historiographer Âli put on record that Djedda had been receiving 20 ships every year before his time, but that in his days this figure had dropped to 3-4. In 1565 the Venetian Consul in Cairo noted that 20 thousand quintals of pepper arrived yearly at Djedda (Braudel, p. 429). The route of the Persian Gulf-Baghdad-Aleppo, also, was as busy as former times. This is what Eldred wrote who visited Baghdad in 1583: "*This is a place of very great traffique, and a very great thoroughfare from the East Indies to Aleppo*" (see also his observation for Basra, the Turkish text p. 663). In 1620 an English estimated the Sultan's yearly revenue from import duties on spices and silk to 300.000 ducats.

But after the establishment of British and Dutch domination in the southern seas the spice trade both through the Red Sea and the Persian Gulf ceased. The Ottoman Empire was able to keep a part of the Persian silk trade, which became in its turn the subject of an international struggle between the Iranians, Ottomans, English, Spaniards and the Portuguese during the long period of the Ottoman-Safevid wars (1577-1639). Sherley brothers played a major part in establishing relations between Europe and Persia to divert the silk route from the Ottoman ports to the southern seas. But after the death of Shah 'Abbas the Great this plan was abandoned.

It is also interesting to observe that silk was the chief item of export that provided for Iran's need of precious metals. The currency need of that trade was 3-4 million ducats yearly, an amount that English merchants could not afford in cash (see p. 666). But Iran was badly in need of silver and gold, both scarce in the country (silver there became dearer and dearer during the 16th century, see p. 665), and the Ottoman government strictly prohibited the export of these metals to Iran as a retaliation for the silk policy of that country. But despite this prohibition there was always an active flow of gold and silver between the Ottoman empire and Iran because of the considerable difference of prices in these metals in the countries concerned (The same thing had been happening between the Western world which had a large silver supply and the Ottoman Empire). So, Iran was undoubtedly very much dependent upon Western trade through the Ottoman Empire, and we know that a Persian depreciation followed immediately that of Ottoman *akça* in November 1585 (see p. 657).

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