

**Production and Trade of Opium in the Ottoman Empire,
1828-1838**

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by
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Abstract

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Opium was a product which dramatically changed Chinese history in the nineteenth century. Twice it caused war between Britain and the Qing Dynasty and forced the latter to sign the free trade treaty. The British exploitation of Indian opium is widely recognized yet the fact that the opium was also imported to China all the way from the Ottoman Empire is not well-known.

Americans' attempts to enter the lucrative opium trade initiated Anatolian opium exports to China. The international opium trade network was established through the European expansion. The production of Turkish opium increased according to the demand in China and its trade proved to be profitable. This in turn caused the Ottoman Empire to impose a monopoly, *Yed-i Vâhid*, on the trade of opium from 1828-1838 thus to increase its revenue which the empire was in desperate need to finance the incessant wars and reform movements at that time.

The monopoly of trade, including opium, was abolished through the Free Trade Treaty signed between the Ottoman Empire and Britain in 1838, which promised the Ottoman Empire to acquire the British military support to fight against Muhammad Ali. As a result, however, the Free Trade Treaty

began to deprive the empire of its revenue, such as the profit from the opium monopoly , causing difficulty in implementing the reform movement in the long run.

The thesis tries to analyze this transformation of the opium trade and production in the Ottoman Empire both from international and internal perspectives.

Kısa özet

Osmanlı İmparatorluğu'nda Afyon Üretim ve Ticareti, 1828-1838

Masako Matsui

Afyon 19. yüzyıl Çin tarihini aşırı derecede değiştiren bir mahsuldür. İngiltere ve Qing Hanedanı arasında iki savaşa neden olan afyon, Qing Hanedanının serbest ticaret anlaşmasını onaylamak zorunda bıraktı. İngiltere'nin Hindistan afyonunu nasıl sömürdüğü iyi bilinmesine rağmen afyonun Çin'e Osmanlı İmparatorluğu'ndan da ithal edildiğini bilenlerin sayısı azdır.

Amerikalıların kârlı afyon ticaretine girmek istekleri Anadolu'daki afyonun Çin'e ihracatını başlattı. Uluslararası afyon ticaret şebekesi Avrupa ticaretinin genişlemesi aracılığıyla oluşturuldu. Türk afyon üretimi, Çin'deki talep yüzünden artınca, afyon ticaretinin kârlılığı ortaya çıktı. Bu, sonuç olarak Osmanlı İmparatorluğu'nun 1828'den 1838'e kadar afyon ticareti üzerine inhisar sistemi, *Yed-i Vâhid*, koymasına neden oldu. Devlet, bu inhisardan devam eden savaşlar ve ıslahat hareketlerine harcamak için o zamanlar hazinesine çok gereksindiği geliri elde edebilirdi.

Afyon ticaretini de içeren inhisarın kaldırılması, 1838'de imzalanan Osmanlı-İngiliz serbest ticaret anlaşmasıyla gerçekleşti. Bu anlaşma Osmanlı İmparatorluğu'na İngiltere'den Mehmet Ali paşaya karşı savaşında askeri yardım sağladı. Fakat imzalanan serbest ticaret anlaşması, afyon inhisarı gibi devlet hazinesine giren kaynakları azaltmaya başlattı. Bu da uzun vadede ıslahat hareketlerini yapmayı zorlaştırdı.

Bu tez Osmanlı İmparatorluğu'ndaki afyon ticaret ve üretimindeki değişikliği hem yerli hem de uluslararası perspektiften incelemeye çalışacaktır.

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Introduction

Sturdy soldiers wearing just short pants are breaking the opium chests with axes. The chests made from mango breaks with two or three strikes and from inside black handball sized opium pellets roll out. Other soldiers then seize these and cut them into four with their blades and throw them into the huge trenches. Salt has already been mixed into the water in the trenches. boards are crossed over the trenches so as to secure footings. Above the boards are laborers also in just loincloths stirring the water with long poles.

... At last, blocks of lime are thrown into the trenches. The salt water absorbed opium began to bubble crazily and white smoke spurts into the air.

... People's shouts rise outside the fence (surrounding the trenches)

Chin Shun Shin, *The Opium War*
"Commissioner Lin's destruction
of 20,000 chests opium"¹

Opium, the extracted juice from poppies, represents the dramatic power shift between the West and the East. The spreading addiction of opium, the only product which Britain could sell to China in the early nineteenth century utilizing the newly acquired Bengal region in India as the area of monopolist production, accelerated the disorder in Chinese society. The conflict between the Qing² dynasty and Britain which was triggered by Commissioner Lin Zexu's strict prohibition policy against opium, finally provoked two Opium Wars³ and led China to sign the trade treaties⁴ opening

the Chinese markets. The Treaty of Nanjing, signed in 1842 after the first Opium War, " was the most important treaty settlement in China's modern history.⁵ " This treaty was the first free trade treaty ever signed by China which destroyed the existing monopolist Cohong system and opened five ports⁶ to foreign merchants enabling them to exercise commercial activities.

The significance of the product of opium opening up China and India through the European expansion is a famous historical event, yet the fact that opium also played an important role related to the 1838 Free Trade Treaty in 1838 between the Ottoman Empire and Britain is not well known. In the nineteenth century, opium became one of the major export commodities in India and, to a lesser degree, in Anatolia due to the increase of Chinese demand. This trade network and the significant events after the establishment of this network was engendered through the expansion of Europe. Thus opium reflects the relations between the East and the West, yet we should also remember that it also connected the near East and the far East.

European expansion which dominated nineteenth century history transformed the Ottoman Empire as well⁷. The movement not only connected the Ottomans with the world system, but also united the world into one single system, the world market. For this external force, most of the non-European regions experienced tremendous transformations in each society. These transformations of the non-European world were similar in the way that all regions were under external pressure, yet differed to a considerable degree according to the characteristics of each society. Reactions towards the European impact changed from place to place and thus necessitated the different measures taken by the Europeans towards each

region respectively.⁸ The process of the establishment of the global opium trade network and the process of signing the free trade treaties can also be analyzed from this perspective.

The process of European expansion and the consequent establishment of the Modern World System has long been discussed in the way that it was formed along the process of European penetration and the destruction of existing local systems. However, a recent trend of all the non-European studies is to reconsider the impact of the "European Expansion". Ottoman studies is not an exception to this trend.

Recent Ottoman studies can be characterized by the fact that they start from a critical reconsideration of the "western impact" theory. This theory was developed along the image of the Ottoman Empire's decline and its final destruction mainly by external forces, that is, the expansion of Europe. In response to this theoretical tradition, attempts have been made to reconstruct the image by emphasizing the internal causes more and to challenge the thesis of destruction or stagnation of the period that lies between the Ottoman Empire's golden age and the time of its demise. The work by Faroqhi can be considered as a representative of this kind of trend.

Faroqhi's work, "Towns and Townsmen of Ottoman Anatolia: Trade, Craft, and Food Production in an Urban Setting, 1520-1650," shows that the economic influence of the change in the spice trade sea network had not affected the Ottoman Empire as strongly as considered earlier and that the regional trade, based on agricultural production, remained important. The Ottoman economy was not in stagnation but there was an on-going process of

transformation such as population growth, urbanization and money-economy⁹. Her work, provoked by Braudel's conjuncture, made a considerable contribution. However, after this monumental work, there can be found a tendency in some of the researches on emphasizing too much on the internal cause and local specificity that might lead to the Ottoman studies being too rigid.

When it comes to the studies on the nineteenth century economic history, Quataert's work has emphasized the internal resistance, such as in the guilds, to the European penetration, while Pamuk has tried to integrate the international and internal causes of the transformation with probably more emphasis on the international trends¹⁰. The seventh volume of the journal *New Perspectives on Turkey* edited on the occasion of the 150 anniversary of the 1838 Free Trade Treaty, reconsiders the impact of this treaty as more limited than it was thought to be. These are what came out of the reconsideration of the "western impact" as a whole.

What I will try to do in this thesis follows the same trend. I will place the "European expansion" in a different perspective in an attempt to suggest that the very expansion depended on the existing internal network and the European attempt to "open" the empire was a change of the rules but not an abrupt appearance of an international network.

Yamakage has questioned the actual meaning of "the expansion" of the Modern World System, which has been considered as being formed on the destruction of the former systems;

During the expansion process, it is certain that the Modern World System confronted the Ottoman Empire and led the empire to its destruction. It also overwhelmed the Eastern Asia Cultivation by force and deprived the cultivation of its principles. As a result, these areas were eroded by capitalism and incorporated into the sovereign state system. However, was this kind of penetration of the Modern World System facilitated through the destruction of the former systems as has generally been thought? Was it not the "expansion" covered the old systems only superficially? Is it impossible for us to think that the Modern World System accomplished its expansion only apparently through its parasitism over the old systems?¹¹

This perspective suggests another way of looking at the Ottoman economic history in the nineteenth century.

The economic sphere of change is one of the most studied areas of Ottoman history of the nineteenth century. One of the most significant changes was the expansion of cash crop production instigated after the Ottoman Empire was incorporated into the world market.

Opium, a perfect example of a cash crop, has not been given enough attention in the Ottoman studies until recently. In Chinese studies, Turkish opium does not constitute a major issue since the share was so small compared to that of the Indian opium, while the production and trade of opium is usually mentioned only slightly in a general overview in the Ottoman studies. However, the Turkish opium connection is interesting from the perspective of the trade network. Opium also constituted one of the

main exports from the empire. Kütükoğlu¹² was one of the first scholars to deal with opium. She analyzed the opium trade within the context of Ottoman economic policy and its relationship with Great Britain. In the early 1980's, two articles were published dealing with opium more intensively. Poroy¹³ proceeded from Kütükoğlu's study interpreting the production of opium from the viewpoint of Ottoman economic policy. Turgay¹⁴ approached it from the relationship between the United States and the Ottoman Empire¹⁵. This thesis is mainly based on these three studies.

In this thesis I will try to elucidate the impact of the expansion of Europe and the transformation of the Ottoman society from the perspective of transformation in the trade networks. The thesis is a case study describing the change in the field of trade and production by using the commodity product, opium. My argument will be focusing on the Ottoman economic policy and the change of trade and production pattern of opium from 1828 to 1838. I will try to put the transformation in a context of world historical conjuncture as well as investigating both internal and external factors of the transformation. The transformation itself will be explained with special attention to the existing network or system before the entry of the Europeans to the opium network. I am also going to deal with political factors which placed limits on the economic development. As in any other case, the Ottoman economy cannot be explained without mentioning the intervention of political restraints.

The thesis will be constructed as follows: the explanation of the external factors which inspired the expansion of opium production in the Ottoman Empire; the opium production in Anatolia and the transformation

of the opium trade network. This will be followed by the new Ottoman economic policy - monopoly - attempting to make use of this lucrative product for its revenue, and the consequent change of the pattern of production and trade. It will then be argued that the end of the monopoly was due to political restraints which made the continuation of the previous economic policy impossible. The opium trade after the abolition of the monopoly by the Free Trade Treaty in 1838 will be looked at briefly, followed by a comparison of the significance of the free trade treaty between China and the Ottoman Empire.

Chapter 1

Background history: Entry of Europeans to the trade network and the opening of the World Market-The Case of opium-

One of the major functions of European "expansion" was to incorporate the world into a single system, the world market. However, it is not true to think that there was no connection at all among distant regions. The existence of the silk road indicates the existence of long-distance prosperous trade and active exchange in an earlier period, yet the massive interaction that emerged from the late eighteenth century had never existed before. The Industrial Revolution, which started in Britain and enabled massive production of commodities and the development of new techniques in transportation which facilitated long-distance trade, was much easier than in the earlier period. By using the existing networks, thriving economic activities connected regions which had formerly been relatively closed . The "opening of the world" was provoked by this driving force. Thus the causality was established such that the demand for opium in China immediately had an influence on opium production in Anatolia.

To understand the opium connection in the worldwide context, it is worthwhile to take a look at how the world trade network had been established. As mentioned above, it is wrong to think that there was no distant trade network in the earlier period. On the contrary, the networks within the regions were quite active¹ . In East Asia, there existed a flourishing tributary trading system, with China at its center² . The Mediterranean Sea and the Black Sea had an active trade. The same was true of the Indian ocean where Muslim traders played an important role. Transactions within the Ottoman Empire, although it was not considered as trade (ticaret) by the

Ottomans³, formed an intricate network through the Empire's "provisioning" Istanbul policy⁴. Other parts of the world such as the Eurasia steppes, India, and North America also created their own thriving networks. Thus we can say that there were several trade networks which flourished within each geographical region. Among these networks were cross cultural traders who connected each regional network. Armenians were a typical example of these traders.⁵ As Hamashita has correctly pointed out in the East Asian case, it can be considered that the world market was not abruptly initiated by the Europeans but was established by the Europeans entry into the regional networks.

Keeping this in mind, it would now be a good idea to turn our discussion to a specific case, the transformation of the opium trade network. The overview of the process will enable us to set opium production in the Ottoman Empire within the context of the world market.

The Emergence of the Global Trade Network of Opium

How did the demand for opium grow in China? The opium-producing poppy, whose origin is in the Eastern Mediterranean, is mentioned in Chinese literature as early as the Tan dynasty (from A.D. 618). Opium was used thereafter in China although its method of extracting, such as scoring the capsul, gathering the exuded juice, and drying it in the sun, was introduced into China by the Arab Muslims at a later period. In the sixteenth century's account of a similar method of preparing opium, this substance was called *afyung* from *afyûn*, the Arab equivalent of the Greek *οπιου*, opium. It

was used in medicine and later as a soporific means as well⁶ . Thus "the opium poppy has been known in China for at least thirteen centuries, its medicinal use for nine centuries, the medicinal properties in the capsule form for six centuries; and opium, in its modern forms has been produced in China for four centuries. "⁷ .

The Smoking habit was introduced from South America and the smoking of opium is assumed to have started in South East Asia and was then transferred to Formosa by European colonists who mixed opium in their tobacco as one way to avoid malaria. The reasons why the colonists stopped smoking opium is unknown but the habit of smoking opium was transmitted to China when the Emperor Kanghi took Amoy and conquered Formosa.

Although opium was produced in China, foreign opium started to be imported . Foreign opium was first introduced into China by the Portuguese trading from Goa and Damán. Until 1729,when the smoking of opium was first prohibited by the Chinese authorities, opium was one of the normal trading commodities. It was listed on the trading chart in the Chinese registers of that period. Then the amount of imported opium was limited and the purpose of opium use was mainly pharmaceutical.⁸

The massive importation did not start until the British East India Company acquired the region of Bengal, where they created a monopoly on the cultivation of opium in 1773, and established a route to sell their products to China. This monopoly was established to curtail the conflicts over the trade to China between the agents of the British, Danish, Dutch, and French East

India Companies which had their factories in India⁹. The opium monopolized was that produced in Bengal, Behaar, and Orissa, where Britain was given the right of tax-collection and jurisdiction after the Plassey war.

The British India Company, from this early stage, tried to sell opium not through themselves but through private traders¹⁰. The trade was conducted between the licensed private traders of the company and the Co-hong merchants, licensed Chinese monopoly merchants, until 1800, when the Chinese government finally prohibited the import of opium¹¹. Then the company forbade the carriage of the drug in any of its own ships¹² and confined itself only to production of opium. Attaining the right of governorship of Bengal, by 1800 the British East India Company had established the growing of opium and selling it to China. In that year, Co-hong merchants had to retreat from the opium trade, at least ostensibly, because of the prohibition edict. The opium trade to China, after 1800, became completely illicit yet the real rise in the consumption and thus its supply began from then on.

The rapid expansion of the illicit opium trade was due to its lucrative peculiarity. As is widely known, the sale of American and European commodities was very limited on the Chinese market. Spices and other products of India and the Southern Isles were also not in great demand. Whereas the demand for Chinese products in Europe was rapidly increasing especially because tea consumption had become implanted and proliferated in European society. This led to a constant imbalance in the trade account which caused a massive flow of silver to China. The only two products that were in demand "in any great and increasing quantity" were cotton and opium¹³.

The difference between the two products was that the former was sold to the Co-hong merchants generally under conditions of barter, as was the habit of exchange in China¹⁴ whereas the latter commodity, opium was sold almost always on a cash basis, especially because it was contraband exchange.¹⁵ It was not until the 1830s that the balance sheet was completely overturned so that the flow of silver moved in the opposite direction from China to Europe¹⁶. However because of this uniqueness, opium contraband trade gained its impetus.

To see the development of networks related to the opium trade, it is important to investigate into who was actually involved in this business. According to Morse, there were three routes which connected the place of production and the place of consumption. These three routes also reflect the place of production, the quality of the product, and the agents who were involved.

The first connection was the Bengal opium connection. Bengal opium can be categorized into two, Patna and Benares. Patna was considered to be the best quality of all the kinds of opium. With Benares, Bengal opium was called in China, *kumpanya afyung*, literally the opium of the East India Company. As can be inferred from its Chinese name, the production of this Bengal opium had been the British government monopoly since 1773. Under the monopoly, the cultivators could sell their product only to the *régie* at a price fixed in advance. The price gradually rose as well as the total amount of production. The opium was sold in fixed amounts at public auctions. At first, the opium auction was held five times a year. The occasion increased to seven times a year until it reached the point of once a month. The agents who

were involved in the Bengal opium trade bought the product in Calcutta whence they sailed to China . Since the British East India Company confined itself to production, the transportation and the retail were in the hands of those licensed private merchants. The use of private Country merchants was the alternative method of distributing company opium. The company (and government) exercised no further control over opium after the sale in the auction.

The second sort is Malwa opium. Malwa opium was produced in the independent native state of Rajputana and Central India. The quality of Malwa opium was much inferior to the first kind, Bengal opium. But after 1810, its sales rapidly increased threatening the company opium because of its lower price. We will come back to this point later. Prior to 1843, Malwa opium had an external market by three routes. One was through the English port of Bombay, subjected to a transit duty . A transit duty was first set at Rs.175 a chest, but later in 1835 was lowered to Rs.125 because transit through the Portuguese port of Damán was increasing at the expense of Bombay. Then there was opium through the independent port of Karachi. This kind was then transported to Damán to be shipped by the Parsee merchants. Finally, there was a period after 1822 when the British East India Company decided to purchase 4000 chests of Malwa opium per year and add them to the periodic auction sales at Calcutta. This measure was taken by the company to counterbalance the competition of Malwa opium with that of Bengal in the expanding Chinese market .

The third connection was with Persian opium which came down the Gulf and reached Karachi, Damán, and Bombay, and was consigned to the

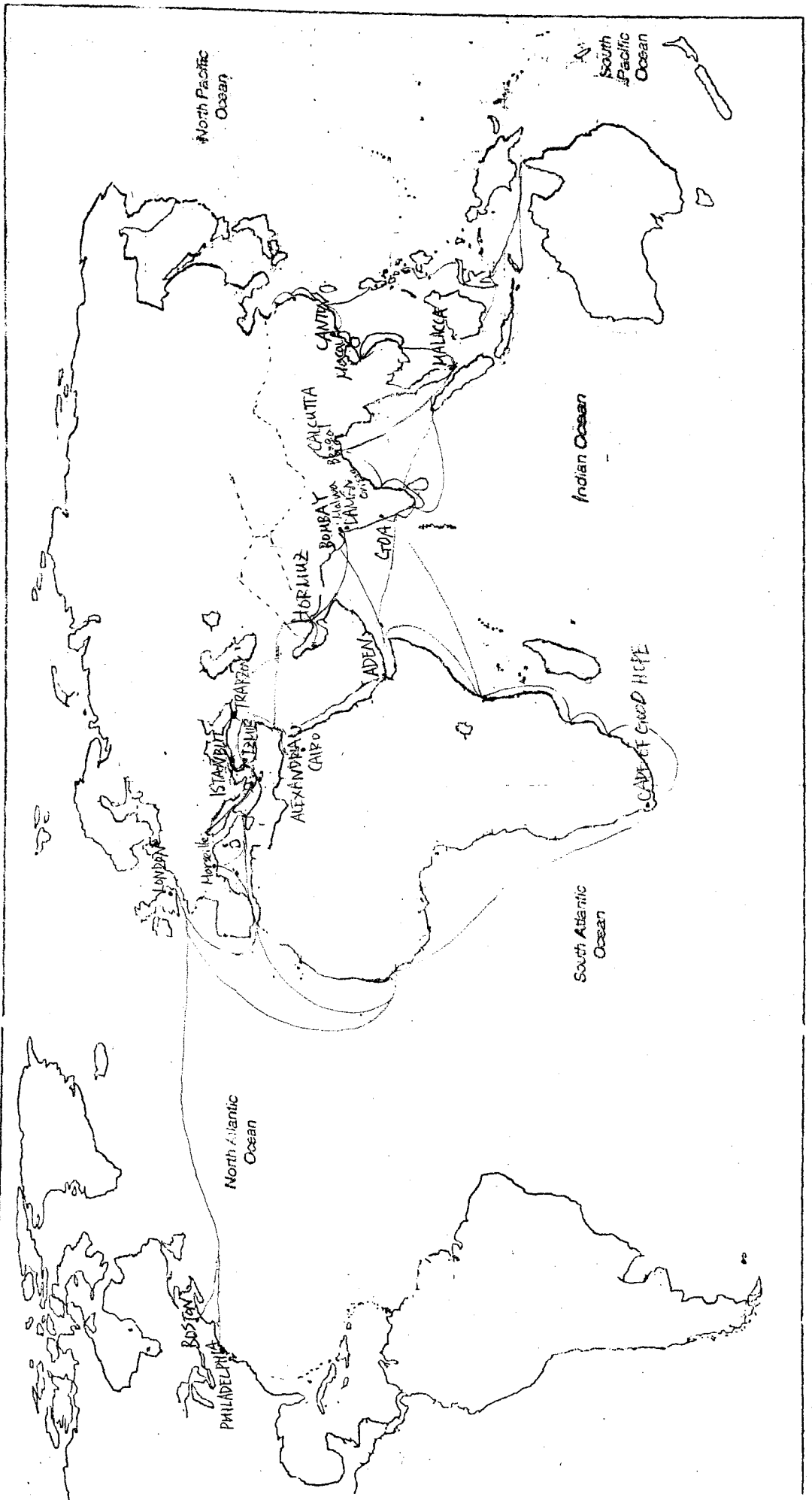
Parsee merchants. Its prominence only appeared in the later years of the opium controversy. ¹⁷

Adding to these three, as pointed out by Morse, we can add the Turkish opium connection. Although the share was limited compared to its counterpart from India, it also consisted of a conspicuous route especially in the early nineteenth century. The agents who were involved in this trade were almost exclusively Americans, at least up to 1834. Turkish opium did not come into English hands, since the company's monopoly prohibited outside English traders from shipping any commodity from any port west of the Cape of Good Hope, and the company did not ship opium itself ¹⁸. It was the American private merchants who purchased Turkish opium directly from Izmir or on the bond base from London and shipped it to China.

The quality of the third and fourth kinds of opium was considered even worse than the inferior Malwa opium and only to be used by mixing it with other opium. It is an interesting fact that Turkish opium was considered to be of the worst quality, since Turkish opium has one of the highest morphine contents and was considered to be the best for pharmaceutical use in Europe and the United States at that time and also at a later period¹⁹.

Thus as the demand for opium grew in China, the connections were also established. As pointed out above, in the eighteenth century, there was an enormous flow of silver from Europe to China to finance the growing demand for Chinese tea in Europe. In order to balance the excessive imports, Britain first tried to sell cotton products but failed to enter the Chinese market because of the high quality of Chinese indigenous fabrics. Britain then found

MAP I : Global Trade Network of Opium



a way out by exporting Indian opium to China. Britain's hold over India, through the East India Company was getting stronger and they could transform India, especially in Bengal, into an area of opium production.

The promotion of the opium trade was pursued as follows;

There are benefits which accrue to China through the great help to commerce afforded by the import into China of Indian opium; and besides this, the Chinese are able to devote to cultivation of necessaries of life, that portion of the soil which would be appropriated to the growth of opium, if it were not for their preference of the Indian-grown article. The commercial advantages require more detailed explanation. We are now exporting from the United Kingdom to the East Indies at the rate of about 13,000,000 l. per annum of Home Produce. We indulge in the luxury of Chinese tea, and import Chinese silk for home and foreign consumption, at the rate of (together) about 14,500,000 l. per annum. The Chinese have not yet arrived at a larger development of taste for the British manufactured goods than suffices to induce them to import about 2,500,000 l. per annum.... We should, therefore, in the present state of the trade, have to remit them 12,000,000 l. in bullion, were it not that the Celestial Empire has its own wants in the shape of opium, and raw produce of other kinds indigenous to India.²⁰

Despite the ceaseless prohibition of the Chinese government on the opium trade the habit of smoking opium spread rapidly in China. With its uniqueness as contraband, the opium trade turned out to be an even more lucrative trade. Duty had not been imposed on opium since 1800 when

opium was excluded from the trading list of the Chinese Empire. The exchange of opium was almost entirely on a cash basis and it proved to be extremely profitable although the traders were often required to pay bribes to the Chinese officials. One of the contemporaries and former opium traders himself, Taylor wrote in 1818, "Opium is like gold, I can sell it anytime²¹ ."

Besides there were no other commodities that could counterbalance the flow of silver into China, the legal trade to China was hampered and there were cases that the proceeds could not be realized even by way of barter. Opium assured prompt cash in advance of delivery which enabled the buying of tea and silk or restarting the current trade²² . The Chinese attitude towards trade also annoyed the British merchants. The Chinese authorities, at least officially, never considered themselves as practicing trade. All the exchanges were considered as tributes. This tributary system annoyed the European and American traders as well as the government in as much that the statement by the then Secretary of State Adams asserted seriously that the opium war was not the "opium" war because the reason to fight was not the profit of opium but to subdue the boastful Chinese system and to open up a fair market on an equal base. Although his statement conceals the fact that the real reason was opium, this statement certainly seems to have been accepted by many. In any case, opium was at that time the only commodity which assured a direct profit.

With the rising supply and demand which enabled the continuation of the illegal opium trade, Greenberg has pointed out the two obstacles within the Chinese society which hindered the government from practicing their prohibition policy efficiently. One was a corrupt mandarin and the other

was naval weakness²³. The opium trade thrived so much that it reversed the flow of silver from Britain to China.

Here it is worthwhile to understand the monetary linkage which developed along with the opium connection. It is a well known fact that Great Britain used the bill to settle its international account. Great Britain offered an advance for the country traders in Calcutta and Canton to purchase and transport opium. The country traders paid back by purchasing the bills of the British East India Company. Silver acquired in this way was used as remittance to Britain and so the route of exploitation was founded. Along with this route emerged another international account settlement linkage which connected Great Britain, China and the United States. The trade between the United States and China was the extreme excess of import of the former. To adjust this unbalanced trade sheet, the American companies, instead of paying silver cash to China, sold bills to London which would match the sales of American cotton to Britain. In this way, the United States also attempted to limit the flow of Spanish silver to the Chinese market to meet the rapidly growing demand for tea in America.²⁴ The Americans' trade in opium was another method of purchasing tea and silk from, but restricting the flow of silver, to China.

Greenberg divided the 'business history' of the opium trade between 1800 to 1838 into three phases. The first period is until 1821 when the trade was driven out of the inner Canton river. Total imports of all kinds of opium during this period rarely exceeded 5,000 chests per year, averaging less than 4,500. The second period is from 1821 to 1830-1. This period was marked by the tremendous leap in the consumption of Malwa opium with a smaller

expansion in Bengal opium. It was during this period that the struggle between the British merchants and the inhabitants of Macao for control over the trade emerged. The Lintin system was established for this very reason. This system was carried out in such a way that smuggling opium was transferred entirely from ships to the clippers stationed in the 'outer anchorages.' The areas around Lintin Island off shore of Canton was the most used area and that is why this method was called the Lintin system. It saved duties being paid at the port and also the danger of being searched. The total sales as well as prices fluctuated throughout this period, but averaged about 10,000 chests per annum. Malwa opium shared over half of the imports. The third phase is characterized by the enormous expansion of the total import of opium. The imports were 16,550 chests in the season 1831-2, which leaped to 30,000 in 1835-6, and finally a record 40,000 chests in 1838-9. There were several reasons for this increase in imports. An expansionist production from India, an influx of private merchants to Canton upon the abolition of the Company's charter in 1834²⁵, and smuggling which had now ceased to be confined to Lintin, and was rapidly spread along both the East and South Coasts. In the three years preceding the Opium War, trade was once again carried on in Canton waters but this time at a scale six times that of in 1821.²⁶

Opium from Turkey kept coming in during those thirty years. Morse has made the table for the imports of Bengal, Malwa, and Turkey opium. The amount of Turkey opium fluctuated. For one reason, Morse notified that the amount of Turkey opium was never totally declared²⁷. It should also be remembered that the Turkey opium was, like Malwa opium, doubly illicit since the company had approved the licensed merchants only to deal with opium from Bengal, that is they banned the trade of other kinds of opium,

whereas all opium imports, including the company opium, had been prohibited by the Chinese government. For these doubly illicit exchanges, namely Malwa and Turkey opium exchanges, the second phase is important. Until 1815 it was difficult to sell Malwa opium and the amount of imports was limited. After then the demand in China for cheap substitutes rose accompanied by increased smuggling on the supply side. In 1817 the imports of Malwa and Turkey opium increased to 1,100 and 1,900 piculs respectively, which seriously affected the fall in the price of Patna opium²⁸. The smuggling of Malwa opium was mainly in the hands of small speculators but after this season, the cheapness and a higher profit rate than the monopolist Bengal opium attracted the large dealers attention as well.

Being threatened by the rapid increase of smuggled opium other than that of Bengal the company took measures such as buying Malwa opium itself and adding it to the auctions at Calcutta. In 1831, the company finally found a solution for dealing with the Malwa problem. The company allowed Malwa opium to be shipped through Bombay if the private purchasers paid a transit duty. Since the route from the Malwa area to the sea via Bombay was much better than through Damán or Goa, the Malwa started to rush to the route through Bombay from 1831 assuring at the same time the revenue of the company. Prior to 1831 only one third of Malwa opium had been shipped from Bombay but thereafter its share jumped to nine tenths²⁹.

Thus far we have an overview of the expansion of the opium trade. The process shows how the Europeans expanded their trade but it also shows how they penetrated and utilized the network which existed earlier. It can be described even more vividly when we take a look at the earlier route. From above, we understood the significant role of private traders in the opium trade. In early years, the opium trade was largely in the hands of Armenians from Calcutta, though Scotsmen and Parsees were beginning to compete. Beale & Magniac, then the only British House besides the semi-official Baring Moloney, were agents for some of these Armenians such as Johan Sarkeis, Sarkeis Owen, S.P. Bagram, and H. Chatoor. From this fact we can infer that the Europeans, like other parts of the world, used the existing connections to start their business, in this case of the Armenians. Many of these Armenians came over annually with the Portuguese and Country ships, and, being forced to realize their opium quickly in order to return to Bengal before the monsoon's turn, return and to undercut their competitors in the opium market. Of the Portuguese threatened by the experienced Armenians, Beale wrote;

'We must inform you that the depreciation of opium for some months past, and our consequent difficulty in realizing sales are in a great degree owing to the Armenians, who have been retailing it at such low price as proved prejudicial to the Portuguese... and their conduct has been thought so improper and hurtful to Macao that we understand the Senate has positively forbidden the Portuguese ships to bring any Armenians as passengers next year'³⁰

Apart from Armenians, Parsees were also involved in the opium trade. Parsees was the name for the Zoroastrians who were living in India. Although Zoroastrianism were largely believed to have been present in Iran, a large number of them immigrated to India after the conquest of Islam. They played a large part in the Indian ocean trade network but also went as far as China. The Cowasjees of Calcutta was one of the companies which represented the Parsees interests.

By using their network, the Europeans entered the local trade network. In the very early stages, the main companies which dealt with opium were, J. Scott & Co., MacIntyre & Co., owned by Scotsmen, and a British trading house at Canton, Beal & Magniac. Later the British firms such as Magniac & Co., Yrissari & Co., and Dent & Company were founded. Jardin, Matheson & Co., the company later famous for its bulk trade of opium, was formed in 1832. Both William Jardin and James Matheson were Scotsmen and had spent their careers at Magniac & Co. before they took it over after Daniel Magniac went home in 1828. American trade had been first conducted by supercargoes. From around 1800, companies whose headquarters were in the United States started to open Canton branches. In 1818 the Providence merchants Samuel Russell I, Philip Ammidon, Edward Carrington, Dyrus Butler, and B. and T.C. Hoppin established Samuel Russell & Co., which was reformed and renamed in 1832 to Russell & Co. Along with this main company smaller companies were established such as Bryant & Sturgis of Boston and W.S. Wetmore & Co.³¹ Those companies, at least at the beginning, almost exclusively dealt with opium. For example both James Matheson and William Jardine transacted almost nothing but opium business during their first years in China. The same is true of the Parsees. Thus the 1839 strict prohibition of opium import

by Lin Tse-hsü seriously affected the Indo-China trade. It also created tension in Anglo-American mercantile relations since they had close credit relations with the Chinese trade³².

The European entry not only used the international sea trade network but also the internal local trade network in China. It is especially true in the early trade when the monopolist Canton system was functioning. When the product was officially illicit, the opium trade had to be established outside the Canton system. However it was only after the second Opium War that the British finally began to influence the internal network. The Nanjing Treaty after the first Opium war did not cause a dramatic change as far as the network was concerned.

Hamashita, after his very detailed investigation on the tributary Asian network with China at its center and on the trade balance sheet of China and also of the East India Company, correctly suggested that the earlier view of the modern economic history of the peripheries starting with the incorporation of those areas into the World Market System was observed because the trade with China was significant for the British side of the balance sheet. However, especially in the case of China, this was only viewed as the peripheral expansion of the local network which had already been used for hundreds of years³³.

It is true that the opium trade totally changed Indian and Chinese society. However it was not the abrupt emergence of a trade network which the Europeans had established. Considering the very route of how opium was transported shows us the utilization of the existing network by the

Europeans. In this argument the significant role of the Armenian merchants at Calcutta should also be remembered .

In any case, the trading of opium proved so profitable that there was wide spread smuggling despite the British government's restriction of production only to the East India Company. Bengal opium was the official opium which the company dealt with. Concentrating on the production of opium, the company used private merchants to import opium into China; and American merchants as well as English traders were engaged in the transportation of opium. Smugglers of opium dealt in opium called Malwa which was also produced in India but illegally. The demand for Turkish opium, though it was also an illegal product from the perspective of the East India Company, rose with the growing demand from China. Thus the role of Britain in the market of utilizing opium as its tool for connecting two relatively closed Empires; The Chinese Empire as consumer of opium and the Ottoman Empire, as producer. The demand for opium in China created the main driving force for the expansion of opium production in Anatolia. In the following chapters, the cultivation of opium in Turkey and the American connection will be discussed in detail.

Chapter 2 : Opium Production in Anatolia and the transformation of the trade networks

Opium Production in Anatolia

Opium is the extracted juice of poppies, which have been cultivated in the Middle East since ancient times. Poppies have been used as a medicine for its sharp effects. The oldest record of poppies in Anatolia is by the Hittites, who called poppy "Haşşikka" meaning to sleep or to calm¹. Dioscorides (20-79?) and Ibn Sîna (980-1037), among others, recorded the medicinal use of opium². In the Ottoman Empire, it was mainly cultivated in Afyon Karahisar, Akşehir, Bursa, Geyve, Isparta, Burdur, Kütahya, Konya, and Amasya³. The cultivation of poppies had been exercised for a long period but it was not the habit to smoke opium in Anatolia⁴. Until the late eighteenth century, poppies were mostly used for food. The peasants in Anatolia wasted nothing. After excellent oil was squeezed from its seeds, the remains were given to the animals as food, the stems were burned and used as fertilizer or dried out for the use of roofing material. Records show that opium was used as a narcotic, which people smoked at coffee shops. There was even a shop called "Tiryaki çarışısı," close to Süleymaniye Cami, which sold narcotic materials⁵. However, at that time, the main use was for pharmaceutical purposes. Opium was used as a low material for medicine. They made a special paste with honey, called *macun*, to be applied as a medicine. *Macun* or *berş-i-afyon* or *berş* was a mixture of honey, mastica gum, and small quantities of other spices with opium. Opium was also ingested in a pill form⁶. Mustafa Feyzi Efendi has left an account of the opium flower "Afyon çiçeği." He wrote that opium would remove any pain but one should be

careful not to take more than what exceeds the quantity of a lentil⁷. These were sold at *Aktar dükkânı*s, herbalists, the famous ones of which were located in the *Mısırçarşısı*, and *Eczacı dükkânı*s, pharmacies. In the middle of the nineteenth century, there were 500 *aktar dükkânı*s and 50 *eczacı dükkânı*s in Istanbul⁸.

Opium has three major alkaloids; morphine, codein and tebain⁹. Among these, morphine is the most important alkaloid. Turkish opium is categorized into two groups according to its quality, that is its morphine content. *Âlâ* or *hâlis* is a name for the high quality opium which contains high morphine. The main areas for this kind of opium were Ankara, Sivas and Mamuret-ül Aziz¹⁰. Low quality and opium used in drugs with low morphine content is called *rakoze*¹¹. The main production areas in the nineteenth century were Konya (especially around Afyon Karahisar), Aydın, Geyve, Kastamonu, and the Ankara provinces. The third area of production was carried out around the Bursa and Konya regions.¹² According to Incekara, who in the 1940s researched the production of opium in Turkey, there are two distinguished areas of production to international standards. The two areas are *Soft* and *Drogist*. The *Soft* area produces fine quality opium with a high morphine content. The area around Amasya is famous for its high quality and the average morphine content is 17 percent sometimes reaching 25-27 percent¹³. The *Drogist* area is mainly West Anatolia, with the morphine content of 7-10 percent. It can be speculated that the Turkish opium exported to China was mainly the low quality kind since, in China, Turkish opium was regarded as inferior and adulterated¹⁴. Also Turkish opium with a high morphine content is known to have been exported to Europe or to the United States for pharmaceutical use. However, Stelle

argued that the statement reporting that Turkey opium was used solely for adulterating the Bengal drug was inaccurate. He speculated that the Turkish variety of opium always commanded lower prices in China than the Bengal drug and thus created an "inferior estimation" by the Chinese. He quoted the writing of Cushing, the head of the Boston firm's Canton agency with considerable experience in handling Turkey, who indicated that Turkish opium was actually stronger than Bengal opium. Cushing wrote in 1820 that the Turkish drug and the Indian opium "do not interfere with each other except in a very trifling degree, The former is consumed almost wholly in the Northern provinces where they require a stronger description than the Bengal or Malwa."¹⁵

The way in which opium was produced is supposed to have unchanged over time. The whole process of the cultivation of opium is labor-intensive. Peasants in Anatolia generally owned four to five decares¹⁶. Because of the scarcity of labor, opium was cultivated in the form of a family enterprise¹⁷. Cleaning and furrowing was necessary before sowing. Sowing was done by hand and not long after the sowing the land was cleaned again and poppies were discarded since the plants, which become 22-26 inches, needed room to grow¹⁸. After the opium capsules ripened, opium plants were harvested and the juice extracted. Labor had to be applied to the same plot at least five times. Even more labor was required if there were more than two plots¹⁹.

Incision of the poppy capsule and extraction of its juice was also as labor intensive as sowing. The poppy capsules were incised with special knives when the poppy turned grayish and just before it turned golden. The

incised opium was left overnight for the seeping juice to be exposed to the air and to thicken . The next morning the thickened juice turned yellowish and resinous. The substance was collected by special knives and put into *dönbeki*, an earthen, leather or wooden vase. People walked forward to cut the opium capsules and walked backward to collect the substance in order not to lose opium through carelessness or by it sticking to their clothes. If five people went forward to make the incision, eight people were said to be needed for collecting. The substance, the thickened opium was left to dry for about two days. After the consistency was judged ready, the women kneaded it into small cakes of about 2 lbs. At this stage the color had turned into reddish brown. Cakes were dusted with chicory seeds or rumex and then wrapped in opium leaves.²⁰

Although the method of opium cultivation had remained more or less unchanged for centuries, European expansion and incorporation of the non-European regions into the world market changed the opium trade network dramatically.

One of the most important changes caused by the impact of European economic expansion in the Ottoman Empire was the rising production of cash crops. Until then, Ottoman peasants were mainly engaged in raising subsistent products especially in Anatolia. In the seventeenth century, the travelers, Jacob Spon and George Wheler wrote about the use of opium pills as medicine²¹ . As early as the sixteenth century, Belon, who traveled in Turkey from 1516 to 1519, left a good description of the production of opium in those days. The main areas of production were "Paflagonya (Bolu area), Klıkya (Antalya area) and Kapadokya (Kayseri, Niğde area)".²² Belon also

wrote that production was mainly carried out in the form of family cultivation because there was not enough workers²³.

Map II on page 34 is taken from İncekara's work and shows the area of opium production in Anatolia. We have to be careful to remember that his research covered early part of this century and there had been the expansion of the areas of production from the nineteenth century. In the nineteenth century, when the Ottoman government put a monopoly on the opium trade, a decree (*h ü k ü m*) was sent out to be put in practice by those who were in charge of supervising such as the deputy-governor (*mütesellim*), governor of Kaza(*kadı*), (*naib*), and judge (*hakim*) of the sancak of Koca-eli. Copies were ordered to be sent to the equivalent personnel of the *Sancaks* of Hüdavendigâr, Aydın, Karahisar - Sahib (Afyon Karahisar), Saruhân (district around Manisa), Kütahya, Eskişehir, Suğla (Southern end of Aegean Coast area), Karası (*Sancak* including) Balıkesir, Teke (*Sancak* including Antalya), Menteşe, Hamid (*Sancak* including Isparta), Konya, Akşehir, Aksaray and *vali* of Karaman vilayet (the provincial state whose subdivision includes Akşehir, Aksaray and Konya *sancak* s²⁴ . Map III on page 35 shows that these districts cover most of the western part of Anatolia²⁵ . The places such as Amasya or Ankara, which in İncekara's research are quite important areas of opium production, are not mentioned in this document. There are two possibilities for interpreting this. One is that opium was not produced in the eastern part of Turkey in the early nineteenth century. The other is that opium was produced in the Eastern part of Turkey but the opium which was produced in the East or Middle districts was not exported so that the decree simply was not sent to those areas. Ali Cevad's book on Geography which was published at the end of nineteenth century, *Memalik-i Osmaniyye'nin*

Coğrafya Lugatı has a section on Mamurat-ül Aziz (close to present day Malatya) which explains that besides its main product of cotton, opium had been recently started to be cultivated in the district and its amount is increasing²⁶. Unfortunately, how recent it was was not clear. Whichever the case is, one thing is definite which is that the western part of Anatolia was producing opium and also products began to part of the international trade in the first half of nineteenth century.

The Transformation of the Levant trade network: Americans and Izmir

Since ancient times, Turkey has been important for the pharmaceutical west-east trade as well as for other goods. Constantinople was a center for the trade of drugs in the Byzantine era²⁷. Belon, in the early sixteenth century, wrote that the trade between Turkey, India, Iran and Europe was very important. In those early days, opium was transported by camels beyond the limits of the empire. The trade was conducted by the Venetians²⁸. Thus we have a witness to the opium trade in the sixteenth century. The change in the network after then is unclear. It seems that the domestic market continued until the early nineteenth century in the form that opium was transported from the area of production to the area of consumption such as Istanbul or some coast regions, where opium was used to make *macun* paste mixed with honey to serve as medicine. The documents on opium in the eighteenth century reports that its export should be practiced only after the need had been met to provide for the use of *macunhane*s²⁹. This is not a rare example. The Ottoman policy was characterized by "provisioning" Istanbul. The restrictions were more on exports than imports. They accepted imports and kept the duty

low whereas they always paid attention and made sure that commodities were exported only after the needs of the empire had been fulfilled.³⁰

It was mainly the non-Muslims that were engaged in the opium trade.³¹ Poroy notes that in 1796, only Greeks (Kiryako, Dimitri, and Nikola) exhibited opium in a fair in Isparta, and also states that as the opium production increased, the share of Greeks both as cultivators and merchants appears to have decreased possibly because of the dynamism of the Armenian minority who also had contacts with foreign interests³².

The important role of the non-Muslim merchants in the Ottoman Empire has been discussed elsewhere. In the case of opium Armenians, Greeks and Jews provided the channel to connect the foreign traders and the immediate producers. At a later date, the export of opium was increased by the American traders who entered the network through the port of Izmir.

During the Ottoman era, Istanbul, Izmir and Trabzon were of special importance for the drug trade. Trabzon was an export gate for the drugs produced in eastern Anatolia and Iran. Where opium trade is concerned, Izmir was by far the most important of the three.³³

Izmir was one of the most active centers in the Levantine trade network. The rise of Izmir has been generally argued in the context that it was provoked by the Europeans after the decline of Aleppo caused by the deterioration of the silk road from Iran through that city. However, recently Goffman has shown that the city had already begun to flourish before the Europeans entered through the internal trade and the very reason for which

the Europeans entered through Izmir was the prosperity of the city itself and not vice versa³⁴. Goffman points out;

In the first decades of the seventeenth century, Izmir's rapidly expanding commercial infrastructure was spurred by brokers, bankers, translators, tax collectors, administrators, wholesalers, retailers, ship caulkers, bazaar merchants, middlemen, porters, innkeepers, camel-drivers, and international traders. Arabs, Armenians, Greeks, Jews, and Turks, seeking to occupy these positions, inundated the town. Individuals and communities clustered in professions where they had expertise. Thus in the 1620s Armenians, who with their fluency in Persian, Turkish, and European languages and customs already had established an international commercial web, recognized Izmir's potential and created a silk mart in the port; and Jews, who in the sixteenth century had secured communal wealth and political power as Ottoman financial administrators, dominated the position of tax collector in Izmir. Arabs, whose camels in the sixteenth century had hauled salt from the pans of western Anatolia, managed the caravan network thrown eastward by Izmir's entrepreneurs; however, Muslims were not allotted a large part in the port's trade.³⁵

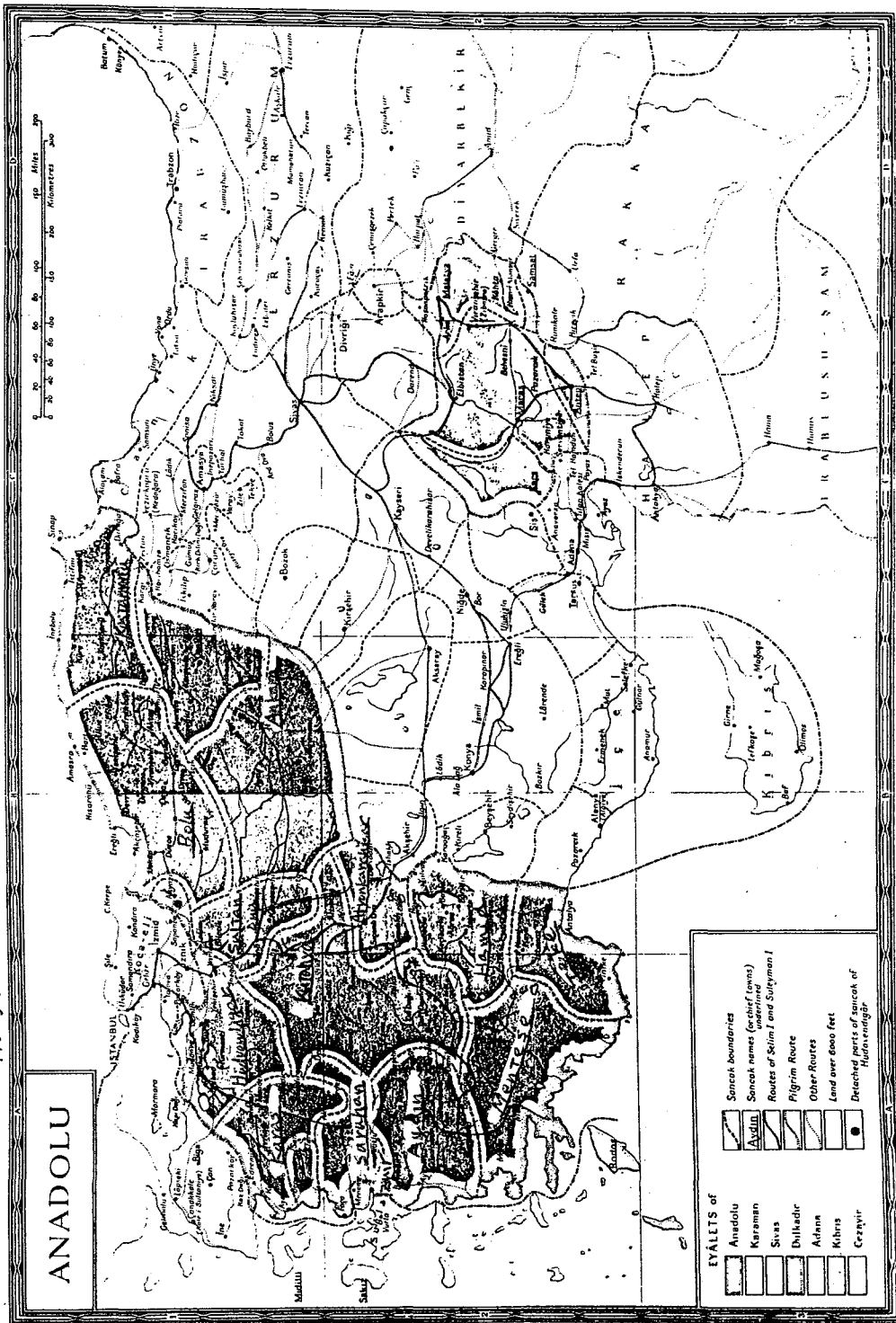
Goffman adds that the Muslims did not have a large share in the port's trade since the Europeans, with their dynamism in the international trade preferred those agents who were fluent in their languages. From this, we can understand that the European trade, in fact, depended on those local networks which had already been in existence. Goffman's work is very suggestive as to understand that the European "expansion" began not with

the incorporation of the peripheries but the entering of the Europeans into the local trade networks. Here as in India there were local merchants who had helped the Europeans to enter the market. Armenians appear to be active in both networks their community being what Curtin has called the "cross cultural traders". Faroqhi also mentions the dynamism of internal trade in the sixteenth and nineteenth century. Map IV (page 36) shows the development of the internal network, not necessarily only in trade but communication and transportation as well, of the western part of Anatolia. As in the Far East, the Europeans themselves could not really enter this internal market. It was only through local agents that they had access to the market and even in the nineteenth century, when the empire is considered to have been incorporated into the world market, the degree was much more moderate than the other part of the world³⁶.

Since its rise in the sixteenth century, Izmir became the center of international trade and reached its peak in the eighteenth century when it was dominantly engaged in cotton export to Europe, especially to France³⁷. Frangakis mentions that Izmir's dominant position in the eighteenth century declined when rivals of cotton producers such as America or Egypt rapidly rose, with their much more labor intensive production of cotton, in the international network. She summarizes that if Izmir in the eighteenth century is characterized by the export of cotton trade to France, more specifically, to Marseilles, in the nineteenth century, its export commodities shifted to raisins, valonia, madder, and wool³⁸ with increasing imports of manufactured cotton products and with the counterpart of England³⁹. It was around this period that Americans appeared to enter the Levantine trade which marked the rapid rise of opium export through their hands.

MAP III:

The Administrative Division of Anatolia



D. E. Pitcher, An Historical Geography of the Ottoman Empire, Leiden: E. J. Brill, 1972. Map xxv.

The Americans' entry to the Levantine trade was in the late eighteenth century. Their entry took place soon after the American Revolution, which invalidated the Acts of Trade forbidding the colonists' commerce with the Levant. Its commerce expanded when the Napoleonic wars gave America's neutral flag a chance to travel in the Mediterranean.⁴⁰ The Americans came from the newly established state and were not supported by any government contracts. The American's commercial treaty was only to appear in the nineteenth century⁴¹. Their contacts with the Ottoman Empire were through missionaries and trade. From the beginning they used Izmir for the port was the established city by then for the international trade. The main commodities they were dealing in were dried fruits such as raisins and figs along with opium. The first years of the American trade was carried out by those private traders who were not assured by the government treaties. The diplomatic relations between the United States and the Ottoman Empire were realized only in the nineteenth century.

According to Field, in 1785 Izmir (Smyrna) raisins were on sale in Boston. There were records of an American ship which visited Constantinople in 1786, another at Izmir in 1797, another at Alexandria in 1800. Mostly because of piracy across the pass and of being unable to get the European navies to protect their ships⁴², the early years of commerce progressed slowly. Turkey was not mentioned in Treasury Department import-export statistics until 1800, when it was listed under the section "China and East Indies, generally". In 1803, finally "Turkey, Levant, and Egypt" were separated to have independent listing.⁴³ As mentioned above, the American trade with the Levant increased when the Napoleonic wars gave their neutrality meaning. The port of Izmir recorded five American

vessels in 1805, which rose to twenty in 1809, with which a regular trade had been developed by the shipments from Philadelphia and Baltimore.⁴⁴

Gradually competing with their English counterparts, American traders rapidly raised their share in the port of Izmir. Except for periods such as in the 1828-1829 Russo-Turkish War and the depression of 1819-1820, the Levant enjoyed a steady growth.

The main commodities, figs and raisins⁴⁵ increased by "astronomical" proportions while opium to China quadrupled between 1806 and 1812⁴⁶. After 1817, the export of figs and raisins continued to grow. Until 1828 almost the entire crop of opium was being taken by the Americans. In these early years the traffic had been conducted almost entirely by Philadelphia and Baltimore ships. In 1830, out of thirty American vessels which visited Izmir, thirteen were from Boston and seven were from other Massachusetts ports. The trade had become a "leading Boston interest."⁴⁷ Through the American traders, Turkey opium was ultimately destined to the far east, the Chinese market.

In the early stages of the opium trade, the British East India Company was authorized to produce opium in India. Transportation was carried out by private merchants and quite a few Americans were involved in this. Armenians also took part in transporting opium from Calcutta to China.⁴⁸ Since the British forbade any commodity to be transported from any port west of the Cape of Hope, the Turkey opium was mostly smuggled by the American private traders. Turkey opium was bought sometimes directly from Izmir but more often it was purchased on bond in London. It was also Armenians who engaged in dealing with transporting opium within

Anatolia. They purchased opium from the area of production such as Afyon Karahisar or Kütahya and transported it to the port of Istanbul or Izmir where opium was sold to foreign merchants and shipped to the consumer regions.

After the shipment from the port cities, Turkish opium was sent first to Europe where the high grade of opium was taken out for pharmaceutical use in Europe or in the United States and the rest of the opium was shipped to China stopping at Goa, Damaun, or Bombay.⁴⁹ At the beginning of the nineteenth century, the American ships engaged in Levant trade were mostly from Philadelphia and Baltimore. However from 1820s, the American merchants found in Izmir were mostly from Boston and smaller New England ports. This shift took place because of the connection of Boston merchants to China established towards the turn of the century through the fur and sandalwood trades. Both commodities were exchanged for Chinese tea. The influx of the American traders already acquainted with the opium trade began to become a ordinary scene in Izmir. J. & T.H. Perkins Co. of Boston, having already established an efficient marketing operation over India and China through its Canton branch, entered Izmir and exert its commercial activity vigorously. Perkins & Co. operated almost as a monopoly of the Turkish opium to China from 1824 to 1830. In 1830, this company was merged to Russell & Co. of Boston which was the most well-known American company engaged in the shipment of opium to China.⁵⁰

Thus, in the early nineteenth century, a network linking Anatolia, Europe, the United States and China through the hands of Armenian intermediaries and American merchants was established for the trade of Turkish opium. This network implies the "incorporation of local producers

into the system of the world capitalist market. " Their production of opium, for the first time, began to reflect outer world needs to a considerable degree, not responding solely to the demand within a local area. Opium is a perfect example of this kind of cash crop. However it is also important to remember that the network did not solely depend on the Europeans or Americans. The part they played to connect the two relatively closed local trade networks at each end of Asia, always depended on the local agents, such as Armenians⁵¹ In that way it can be interpreted that it was not the incorporation or opening of the closed Ottoman market but the transformation of the existing networks by the Europeans.

Chapter 3 : Ottoman policy toward the opium trade : the monopoly

The Growth of Opium Production in Anatolia

As we have seen in the previous chapters, opium had been used as a medicine or paste in the empire for centuries. Whether opium continued to be exported to Iran, India and Europe as in the sixteenth century ¹ is not clear but the growth in the export of opium began to become clear towards the end of the eighteenth century² . At the beginning of the nineteenth century, the export of Turkish opium continued to grow gradually. There is no Ottoman official record of the actual amount of Turkish opium produced in Anatolia for the first half of the nineteenth century. Table I on the following page was compiled by Poroy from British official records, Accounts and Papers. Together with Table I, Table II which shows the American import of Turkish opium and Table III which shows the inflow of Turkish opium into China indirectly indicate the growth of opium production in the Ottoman Empire.

If we look at it from the consumer's viewpoint, the share of Turkish opium in the total imported opium into China increased remarkably between 1810 and 1820. British superintendents took this situation quite seriously since Britain had restricted the export of opium other than Bengal opium which the East India Company was authorized to produce. The second phase from 1820 according to Greenberg ³ is characterized by the rapid expansion of cheap and low quality opium competing with the British Company's opium. Table I shows the absolute growth of the Turkish opium's import into China.

Table I: Imports of opium into England from Turkey (years ending January 5)

Date	Total imports(in lbs.)	Re-exports(in lbs.)
1790	7,833	1,232
1791	8,851	1,104
1792	19,851	7,757
1799	17,580	2,858
1800	29,492	1,770
1801	39,304	6,202
1802	24,089	1,800
1830	192,136	N/A
1831	N/A	N/A
1832	N/A	N/A
1833	68,846	19,562
1834	106,846	53,001
1835	48,216	31,604
1836	31,247	74,126
1837	N/A	N/A
1838	79,651	67,476
1839	95,842	13,028

Source: Ibrahim Ihsan Poroy, "Expansion of Opium Production in Turkey and The State Monopoly of 1828-1839," in *International Journal of Middle East Studies* 13, 1981. p.194 & p.197.

Table II: The amount of Turkish opium bought at Izmir by Americans.
(Shipments on American vessels only.
i.e.. not the entire totals purchased by American merchants.)

Year	The amount(cases)
1823	256
1824	1,651
1825	403
1826	805
1827	no report
1828	556
1829	421
1830	782
1831	217
1832	655

Source: Turgay (1981), p.121.

Table III: The share of Turkish opium in the total Chinese imports of opium.

Year	Turkey(cases)	Total(cases)	Percentage(%)
1805-06	102	3,938	2.6
1806-07	180	4,306	4.2
1807-08	150	4,358	3.4
1808-09		4,208	
1809-10	32	4,593	0.7
1810-11		4,968	
1811-12	200	5,091	3.9
1812-13	100	5,066	2.0
1813-14		4,769	
1814-15		3,673	
1815-16	80	4,320	1.9
1816-17	488	5,106	9.6
1817-18	448	4,140	11.8
1818-19	807	4,319	18.7
1819-20	180	4,186	4.2
1820-21		4,244	
1821-22	383	5,459	7.0
1822-23		7,773	
1823-24	140	9,035	1.5
1824-25	411	12,434	3.3
1825-26		9,373	
1826-27	56	12,231	0.5
1827-28		12,434	
1828-29	1,256	13,868	9.1
1829-30	715	16,257	4.4
1830-31	1,428	18,956	7.5
1831-32	402	16,550	2.4
1832-33	380	21,985	1.7
1833-34	963	20,486	4.7
1834-35	?	21,885	
1835-36	?	30,202	
1836-37	243	34,776	0.7
1837-38	?	34,373	
1838-39	?	40,200	

Source: Kütükoğlu 1976, p.25.

Percentage calculated by the author.

Morse (1910),

Table D (opium, 1800-1821), p.209

&E(opium, 1821-1839), p.210.

The Turkey opium imported by
the Americans and not
always fully declared.

The share of Turkish opium in the total imported to China is due to the even more rapid rise of Indian (both Bengal and Malwa) opium. Along with the anxiety for Malwa opium, an official of the East India Company stated:

We have already noticed the progressive decline of Opium Revenue from 1814-15 to 1817-18 inclusive. This decline was ascribed to the competition of foreign opium in the Eastern market.... The rivals of the company in China opium market are of three classes: namely the traders in Malwa opium, the traders in Turkey opium, and the traders in illicit Bengal opium....⁴

Since the trade of Turkish opium, at least until 1834, was exclusively in the hands of American traders, the American merchants were identified with Turkish opium. In Canton Americans also dealt with Malwa opium, the lower quality Indian opium which was mostly smuggled, at least from the British Company's point of view⁵. One of the Chinese officials even asked American merchants if Turkey was geographically situated in the United States:

He [the commissioner] asked the names of the places from whence the different kinds of opium were brought and requested me [Dr. Hill] to write them down for him.... On mentioning Turkey, he asked if it did not belonged to America, or form a part of it and seemed a good deal astonished on being told that it was a nearly a month's sail distant.⁶

Thus in the Far East, the demand was growing, so through American merchants the total sales of opium increased in Izmir. As the trade proved to be lucrative in the Empire, the case of malpurchase of opium in Anatolia started to appear. Reports from the place of opium production often described *muhtekir* merchants, who gained huge profits by buying products at a low price and selling them at a high price, or those corrupt local officers who exploited more from peasants and sold the surplus at a high price⁷. The Ottoman government was in a position to protect those pitiable peasants.

Along with prohibiting this injustice at the place of opium production, the Ottoman government was constantly in need of financial resources both to pay for the incessant wars and implementation of its reform movement. Being an extraordinary lucrative crop, it was only too natural for opium to attract the Ottoman bureaucrats as a good source of revenue. Consequently the Ottoman style of monopoly, *Yed-i Vâhid* was first imposed on opium. This method to assure revenues was later applied to other commercial commodities such as silk, grains, olive oil, cotton, mohair and wool(*yapağı*)⁸. The important thing to notice here is that these commodities were main export products and not imports. It seems that Masters' explanation is true that the Ottoman government placed more restrictions on exports than imports.⁹ The tariffs were set higher on exports than imports, and the restrictions on imports do not seem to have been implemented as much as on exported goods.

Ottoman Policy Towards Trade

The Ottoman style of monopoly, *Yed-i Vâhid*, was a strict license system. Before investigating the *Yed-i Vâhid* system itself, it is useful to look at the tariff system which existed earlier. The license system was not a new invention for the Ottomans. *Tezkere*, permission system preceded *Yed-i Vâhid* and an even more popular example, the guild system, was also conducted on the license scheme. The new *Yed-i Vâhid* system is, in fact, the successor of these license systems.

There were roughly four kinds of tariffs and duties relating to the trade of commodities within the Ottoman Empire. These were called *dâhilî gümrük resmi* (internal custom) as a whole and were taken on the products transported by land or by sea between cities and ports within the Ottoman Empire. The four sub categories of internal custom are *Âmediyye*, *Reftiyye*, *Masdariyye*, *Mürhûriyye*. *Âmediyye* was a duty which was collected on the products transported from one place to another whether by land or by sea. This duty was collected at the arrival place of the products. *Reftiyye* was a duty collected from the products which were transported abroad from the Ottoman Empire. This duty was collected at the original place (*mahrec*) of production. *Masdariyye* was collected on the products transported from abroad to any ports or cities in the Ottoman Empire and sold there. Finally, *Mürhûriyye* (transit duty) was collected on the products when they were passing through the Ottoman Empire while being transported from one foreign country to another. These tariffs were determined for each specific country or fixed at 3-5 percent of the value of each product or 1-10 kuruş to each *yük*, a sum of 100,000 kuruş.¹⁰ The internal duties can be divided into three categories

according to where they were imposed. These are, "*sâhil* (Coast)", "*hudud* (border)" and "*kara* (innerland) " duties. The amount of duties, *Âmediyye*, *Reftiyye*, *Masdariyye*, and *Mürhûriyye* differed from place to place. It was after the Tanzimat period that an attempt was made to unify different rates¹¹. Furthermore, at the large ports, duties differed according to each specific product. The products which were transported to cities such as Istanbul, Izmir, Salonica, Edirne, or Trabzon were levied not at the place of production but on arrival at these cities until 1856, when this rule was abolished by the edict of *Mahreç Nizamnamesi*.¹²

It was a rule for the Ottoman Empire to export only the amount which was left after all the demand in the empire was fulfilled. Until the eighteenth century, the European merchants did not deal directly in internal transport so that those transport duties were paid by the Muslim or non-Muslim merchants . The European merchants purchased commodities at the port paying three percent export tariffs fixed by *ahidnâme*, capitulations. The European merchants tried to avoid paying the internal commercial duties even after they or their protectorate agents started to purchase directly from the place of production from the eighteenth century.¹³

In 1802, the Ottoman government allowed foreign merchants to trade within the empire but at the same time ruled that the foreign merchants also had to pay the internal commercial duties if they were to sell the commodities within the empire. Thereafter quite a large amount of duties began to be paid by the foreign merchants, especially on the commodities of silk and wool.¹⁴

In order to prevent the decrease of revenue, in 1826 the Ottoman government developed the *tezkere* (license) system besides levying duties such as *damga* (stamp), *ihisabiyye* (inspection) and *kantariyye* (weight).¹⁵ This system was first imposed on valonia oak (used for tanning). In 1826, all the valonia products were first collected at Istanbul to, provide for the needs of the tanners in the city, and then the remainder was sold to the foreign merchants. This measure was taken to prevent *madrabaz*, intermediary merchants from getting considerable profits by cheating through the exchange of valonia to foreign merchants. Considering the successful results of 1826, the government appointed a superintendent in Izmir to inspect the trade of valonia and issue a license for those exporting the surplus of valonia after fulfillment of the needs of Istanbul. This *tezkere* system was introduced to other products such as gall nat, madder root, dried figs, olive oil, wool and bees wax.¹⁶

Yed-i Vâhid : The Conduct of Monopoly

Monopoly is not a rare economic policy for governments to resort to when they try to protect or develop their own economies. Great Britain established a monopoly on the production of opium in India and the East India Company itself was a good example of the monopoly of trade. The "Canton System", in which the Chinese government had only one port, Canton, opened to foreign ships limited the trade to those licensed merchants, had been functioning since 1757.

The Ottoman Empire in the early nineteenth century, having met several financial crisis already through a series of wars, exercised a monopoly policy to raise revenues, and it was on opium that the Ottoman Empire first established and probably experimented with the effects of a monopoly. However, it is important to notice that the aims of the monopoly differed significantly. In China there was total prohibition of opium imports,¹⁷ its monopoly being imposed on other trade commodities with Europe, while the British monopoly over India and that of the Ottoman Empire on the production of opium was applied for their revenue's sake.

In 1828, the *tezkere* system evolved into a Ottoman government monopoly system, *Yed-i Vâhid*. This was the system in which the government purchased and bought a certain kind of product and then resold it. As mentioned above, this system was first imposed on opium. According to the edict of May, 1829, which was a restatement of the 1828 Imperial Decree (Hatt-ı Hümayûn), the regulations imposed on the trade of opium can be summarized as follows;

1 Only Muslim and Reâya merchants with stamped permits and other authorized agents of the Superintendent will be allowed to purchase opium from cultivators.

2 The price will be set by the state both for high and low quality opium. (For the year of 1830, it was set at 45 kuruş(krş.) per çeki (a çeki of opium is about 1.76 lbs. (=801.8 grams) for high quality and 22 krs. for the low quality.)

3 The traditional and local tax charges are to be 3 krş. /çeki for the local government (*resm-i mîrî*) and 3 krs. for weighing (*kantanriye*). (In actual situations the sum was in this document, an additional 1krş. was also collected as opium poppy tax (*haşhaş resm-i dönümü*) in lieu of the tithes (*aşar*).

4 The entire produce would be brought to Izmir. (This, as a result, made Izmir the sole port for the export of opium.)

5 The purchase of opium would be done only at the place of production and transportation and selling of opium to any other place other than Izmir was strictly forbidden.¹⁸

From these regulations, we can understand that this system was in fact the continuation of the same system as the tezkere system except that the finance was exercised by the government. The permits for the merchants is literally *tezkere* here. This strict license system can be considered as a tradition of the Ottoman society. For example, the Ottoman style of guild system, *esnaf*, is a typical model of the license system. Under the license system, lies of course the norm of society. However it is also possible for us to note the attitude of the government's control over the circulation of goods.

It is worthwhile to investigate into who actually was engaged in the opium trade in the Ottoman empire. According to Kütükoğlu, there were five groups of merchants who were engaged in the internal and international trade in the Ottoman Empire. They were (a) Muslim (b) Reâya¹⁹ (c) Hayriye (Turkish) (d)Avrupa(Azınlık i.e. minority) and (e)Müstemin, protectorate

(Ecnebî i.e. foreign) merchants. Kütükoğlu explains that the first two groups were engaged in dealing in the guilds products with a small profit so that they could be regarded as guild rather than traders. The last three groups were important on the external trade. Among these three, the müstemîn merchants existed earlier than the two preceding groups. They were agents of the European merchants permitted by ahidname, capitulation. The other two groups were formed in 1806 when the profit of external trade began to increase and caused other Muslim and non-Muslim merchants to require to have the same right to the profit as the müstemîn merchants²⁰. Thus the government decided to provide them with *beratı* (permit) in order to be Hayriye and Azınlık merchants respectively and allowed them to engage in external trade. Those merchants had to pay a certain amount of money in order to acquire the permits.²¹

The implementation of the decree was entrusted to the care of the superintendent of taxes and customs, *Nazır-ı İhtisabı* of Izmir, Ömer Lütfi Efendi. The system was really the continuation of the tezkere system except this time, the whole purchase was exercised by the state. According to the 1829 document, there were three sources to finance the monopoly policy at that time; *Mukataa Hazinesi* (Public revenue of tax-farm), *Darbhane-i Âmiri Hazinesi*, (Imperial Mint) and *Evkâf-ı Hümâyûn Hazinesi* (Treasury for Imperial vakfs)²². A certain amount of money, in the case of year 1830, ten thousand kese(kese is 500 kuruş was sent to the Superintendent in Izmir from these three fiscal sources. After the sale of opium the exact amount of the revenue was repaid to each source respectively. The profit was used against the expenses of the *Mansure-i Asakir-i Muhammediyye*, the Army of

Muhammad, the new army established after the Janissaries were abolished by the Mahmud II.

The decree imposing the monopoly in 1829 repeatedly emphasized the control on the transportation of opium. It is clear from the contents of this decree, that the purchase of opium from the cultivators was restricted to the merchants with the license which had Superintendent, Ömer Lütfi's stamp. The selling to other merchants or transporting opium to the places other than Izmir was forbidden. The sales to the foreign merchants were only permitted after the needs of Istanbul were fulfilled by the agents of the government²³.

As can be easily understood, the Superintendent of Izmir had considerable authority over power on exports. Ömer Lütfi Effendi, the first superintendent of Izmir was not only supervising the monopoly of opium trade but also that of silk and valonia²⁴. *Ihtisab Nazırı* was not only namely to supervise the *ihtisab*, inspection duty, in order to secure the revenue for the new army. Ömer Lütfi was appointed to be in charge of monopoly of trade²⁵ until his death in 1835. His son-in-law, Ma'luz Bey had wrote a very detailed account on opium production hoping to be appointed after Ömer Lütfi²⁶.

In Ma'luz Bey's accounts for 1835 by , expenses needed for the implementation of the monopoly were paid from the Evkaf treasury and *Mansure-i Defterdar* (Financial Administration for the new army). From the revenue resulting from the sale of opium, first the capital which had been paid to conduct the monopoly was taken, then on the profit was transferred to *Darbhane*(the Mint) and to be spent for the New Army, *Mansure-i Asakir-i*

Muhanmediyye, an entirely new army organized after the abolition of the Janissaries.

In the latter process, *bazirgân* merchant Alyon of Armenian origin played a large part in this process. *Bazirgân* was used in the nineteenth century for Christians engaged in the trade²⁷ More specifically, it meant non-Muslim official merchants were engaged in the work of governmental exchange. At beginning, the sale was conducted by several government agent merchants. In the 1830 accounts, the names of the buyers are listed with the amount of cash which had to be returned to each fiscal source, that is at that time, the *Mukataa*, *Darbhane* and *Evkaf* Treasuries. Saul and Ansun of Galata, Konstanti, Istefan, Yakumi, Abraham and Contantine Ciovanni appear in the list along with the Sadil company²⁸. When all the products were sold to the *bazirgân* Alyon in 1835, it led to protests by other merchants²⁹. Along with the role of *bazirgân*s, it is quite conspicuous that the sale process was carried out almost exclusively by the non-Muslim agents. The Armenians share is especially noticeable. They were also active in the purchasing of opium from the cultivators.

One purpose of the monopoly was both to protect small cultivators against the exploitation of merchants and to secure the revenue for the New Army³⁰. In the text the term *muhtekir* merchants, which indicate those merchants who bought products at a low price and sold them at high prices appears quite often. This suggests to us that there were many incidents where the cultivators were exploited by the merchants who were aware of the rise in demand at the port and profits in the proceeding years in the early nineteenth century. The cultivators in the interland had no channels available to

transport and sell their products at the port to the foreign merchants. The setting of a fixed price for the purchase of opium from the cultivators was actually aimed at this. This aim indicates one of the characteristics of the Ottoman officials; to protect small peasants in order to curtail the power of large land owners so as to make government control easier. However the effect of this aim is not clear. In general, the monopolistic policy did not ease the small cultivators nor the buyers. The burden fell on them to increase the government's revenue. Thus more importantly, the effect of the monopoly which enabled the Ottoman government to raise revenues dearly needed to operate reforms and to finance wars³¹ and pay for the New Army should be estimated. Here the remarkable thing to note about the monopoly on opium trade is that opium was in limited demand within the Ottoman Empire³² and consumption within its borders remained almost the same in the early nineteenth century. This means that the Ottoman government, without conflicting with their "provisioning policy," could utilize a large percentage of the increase in opium production in order to raise their revenue . Opium thus constituted a perfect product for the Ottoman government to utilize for the sake of revenues. The actual result of the monopoly on the opium trade will be discussed in the next section.

The effect of *Yed-i Vâhid*

The account of the Superintendent of Izmir, Ömer Lütfi Effendi on the monopoly of opium for the year 1830 shows that it functioned successfully. The capital (*sermaye*) of ten thousand kese which had been granted for the

Superintendent to conduct the monopolist purchase of opium was repaid in full to the three treasuries; Mukataa, Darbhane, and Evkaf³³.

Government revenue as a result of the monopoly certainly began to increase. Poroy estimates that if there had been no monopoly and only the regular tithe had been imposed, the revenue would have remained one third of the actual amount levied from the monopoly system³⁴. Table IV indicates the costs and revenues of opium in the year 1835.

Table IV: Costs, expenses and revenues of opium, 1835 (in kuruş)

Costs

Costs of purchase	4,069,084
<i>Halis</i> (at a price of 55 krş/ çeki)	15,381
<i>Rakoze</i> (at a price of 25 krş/ çeki)	
Miscellaneous payments (basket, ladle, etc., and legal profit [<i>Kar-ı şeri</i>] at 11 krş/ çeki for <i>halis</i> and 6.5 krş/ çeki for <i>rakoze</i>)	854,079
Other Expenses (net)	84,023
Total Cost	4,986,305

Revenues

Sales to merchants (<i>halis</i> at 100 krş/ çeki, <i>rakoze</i> at 50 krş/ çeki)	7,524,113
Provincial custom duties	147,966
<i>İhtisabiye</i> (excise tax)	221,950
<i>Resm-i dönüm</i> (opium tax)	74,436
<i>Kantariye</i> (weighing fee and others)	10,670
Total revenue	7,979,135

Net State Revenue from opium in 1835 2,992,830

Source: Ibrahim Ihsan Poroy, "Expansion of Opium Production in Turkey and The State Monopoly of 1828-1839," in *International Journal of Middle East Studies* 13, 1981. p. 201. See also Başbakanlık Arşivi, Cevdet Maliye No.502.

Poroy's estimation also suggests that the revenue in 1836 was 2.6 times as much as that of 1835.³⁵

The price of opium was fixed by the government. The purchase price from cultivators was first fixed at 45 kuruş for a chest of *hâlis* (high quality) opium and 22 kuruş for that of *rakoze* (low quality) opium. The price of the first kind was raised in 1831 to 47 kuruş to protect cultivators and to maintain the quality of opium³⁶. In 1835 and 1836 the purchase price was 55 kuruş and 25 kuruş respectively. The sale price remained stable which was 99 kuruş for *hâlis* in 1829, it was raised to 100 kuruş in 1831 and raised again to 102.5 kuruş per chest in 1836. The sale price for *rakoze* opium remained at 50 kuruş per chest until it was raised to 51.5 kuruş.

Although the revenue rose quite rapidly, the difficulties in operating the monopoly emerged from several factors. The Ottoman Empire was incessantly at war with Russia and there were insurrections in Greece and in Egypt. This hindered the growth of net income to the state since expenses were growing much more rapidly than the rise in revenue. The expenses for reform of the administrative and military structure of the Empire instigated by the progressive ruler Sultan Mahmud II, also caused constant delays in the transfer of capital which was necessary for carrying out the monopoly.

That the government lacked permanent organization and staff to administer the monopoly at the warehouse, and to provide other facilities is cited over and over again by the administrator. Furthermore the chaotic state of affairs in the countryside hindered the monopoly administration in enforcing its own rules.³⁷ This helped smuggling which had actually been

practiced before the monopoly was imposed. The size of contraband is estimated to be about one-third of legal purchases. It is also necessary to remember that as a result of the illicit characteristic of opium trade in the world market discussed in the preceding chapter, the price and actual purchase fluctuated quite easily depending on the situation in China. The demand for opium also reflected the other international factors such as the Anglo- American tensions.

Despite these difficulties opium still remained a lucrative trade and the cultivation of opium expanded under the government monopoly. The revenue had been increased if not fulfilled the cost of rising expenses. The rise in the purchase price might have helped the cultivators to a certain degree. The actual effect, however, is not clear since there was high inflation at that time. In this case as well, it can be said that it was the government which profited most from the monopoly and cultivators suffered rather than profited. Yet cultivators knew the lucrative character of opium product. When the government tried to limit the cultivation of opium in 1840 anticipating that the thorough restriction of opium imports into China³⁸ would cause a decrease in demand, many cultivators petitioned to continue growing poppies and producing opium instead of growing barley as was encouraged³⁹.

The period of the monopoly of opium is one of the policies constituted in the series of the reform movement of Mahmud II. This centralization

reform can be listed as follows: the abolition of the Janissaries and consequent establishment of the new European army ; the alteration of taxation; the introduction of the European style of education; the publication of the first Ottoman official gazette, *Takvim-i Vekayi*; the reform of costume; and the intensification of the monopoly.

The fiscal institutions were under reform. The fiscal crisis, caused by incessant wars with Russia towards the end of the eighteenth century, led to the diversification of the treasury ⁴⁰. The change in fiscal policies including the monopoly was seriously needed not only to cover the expenses of war but also to initiate the whole reform movement .

The monopoly was actually a continuation of the traditional rule to secure its revenue. When it comes to the sphere of trade, the important thing is that the first priority of the Ottoman officials was to secure enough goods to circulate in the empire than trade itself. Protecting guilds from the competition of imported manufactured goods was not yet an issue. The policies were carried out along the traditional lines of "provisioning" Istanbul. The very reason that opium was perfectly appropriate for the Ottoman Empire to impose a monopoly was that opium did not have significant demand within the domestic market and the government could put most of the produce to profitable export without conflicting with the "provisioning" policy. When the monopoly was abolished, it was actually the export commodities which were directly influenced; as, without the real support of the government, the manufactured goods had already been under pressure. In any case, the government lost a source of revenue through the abolition of the monopoly, which was functioning even though there were

problems in conducting the monopoly and the resulting revenue was not enough to cover the rapidly rising expenses during that transitional period. In the following chapter, the process of the abolition of monopoly will be discussed.

On the other hand, however, we can understand the resistance of the Ottoman authorities to protect their revenue when considered from the fiscal policy. It makes sense since the reform of Mahmud II aimed, more than anything, at the reconstruction of centralization.

Chapter 4

Free Trade Treaty in 1838: the end of the monopoly trade of opium

The Free Trade Treaty of 1838 Reconsidered

In 1988, On the 150 anniversary of the 1838 treaty, the conference was opened to reconsider the meaning of this treaty;

As the conference proceeded, the participants came to agree that the Convention was not the unambiguous turning point that some accounts argue, although it may have had a greater impact on some parts of the Empire than on others¹.

This overview shares the recent trend of reconsideration of the "western impact." The traditional view to mark the 1838 as the originator and the turning point has been questioned. The formerly shared view on this treaty was that it incorporated the Ottoman Empire into the Free Trade Market thus the manufactured goods declined failing to compete with the imported commodities. The editors of above mentioned periodical also state,

Thus, the Treaty was not the sole originator of change in Ottoman economic history. Neither was it a turning point in Ottoman state policy as has been imagined. It was not an abandonment of protectionism or "provisionism," as it sometimes is called, in favor of free trade. This policy shift had already occurred and had taken place over a decade before. The real turning point in Ottoman

Governmental economic policies was Sultan Mahmud II's destruction of the Janissary Corps in 1826.²

Quataert's argument is that the real turning point for the Ottoman Empire was in 1826, when Mahmud II destroyed the Jannisaries rather than the 1838 Commercial Treaty. Quataert points out the economic significance of this political event as such that the Jannisaries were the last protectors to guard the guilds. Thus after the destruction of the Jannisaries, the guilds stood alone to resist the government policies which would reduce their benefits. Their position remained weak and in this way this event determined the economic course afterwards.³

This perception is correct when it comes to the problem of industrial development in the empire. The problem of the former understanding of this treaty probably stems from the fact that the scholars estimated the effect of the treaty in the relation to import commodities and its critical impact on the manufactured goods in the empire. However the abolition of the monopoly had, in fact, more effect the export commodities since the major commodities under monopoly were export goods.. Kurmuş has precisely pointed out this problem;

Apart from the fact that our knowledge is very limited on the Yed-i Vahit system, it is extremely doubtful if these monopolies existed in the import trade. There are examples of monopolistic practices in the late 18th and early 19th centuries but none of them is connected with the import trade. Therefore, there is no justification to say that the 1838 Treaty of Commerce, by removing the Yed-i Vahit system and by

reducing the price of imported commodities, opened Turkey to the Imperialism of Free Trade. There is no justification because we have no evidence of imports being subject to monopolistic practices and we do not know how the removal of monopolies resulted in lower prices (letting the penetration of imported manufactures into Turkey).^{4"}

Kurmuş continues his arguments that historians have made a serious mistake in interpreting the articles of the treaty. Although it has been considered that the 1838 treaty abolished all the internal duties on both import and export goods, Kurmuş claims that, " the abolition of internal customs duties on imports is not mentioned anywhere in the Treaty ⁵." There are two parts of the Convention of the 1838 Treaty : the main text and the appendix. It is true that the main text regulates the internal trade of export commodities and includes the abolition of internal duties⁶ I have not yet been able to find the text on the appendix regulating the duties on the imports from England and transit duties. However Kurmuş's argument is relevant when discussing the topic of this thesis, the opium trade, since it was one of the main export commodities of the Ottoman Empire in the nineteenth century and the very *Yed-i Vâhid* system itself had been imposed on this crop before the 1838 treaty abolished this monopoly. From Kurmuş's argument and in the case of the opium trade, we can understand that the 1838 treaty concentrated on the exported goods rather than the imports of the Ottoman Empire. So that the effect should be assessed from the decrease in government revenue which led to the empire's failure to manage its financial crises and not the disastrous effects on industry in the empire.

The Political Situation and the Commercial Treaties of the Ottoman Empire

The Ottoman Empire signed a free trade treaty, known as the Balta Limani Treaty, with Great Britain on August 16, 1838. The treaty abolished the monopoly on all the crops in the Ottoman Empire including opium⁷. With hindsight, it is easy to claim that free trade did not promise the prosperity of the Ottoman Empire as those bureaucrats who promoted signing this treaty wished. The result was quite contrary to their expectations and many historians attribute this treaty to be one of the turning points along the path which the Ottoman Empire followed towards its dependency on European capital.

It is said that one of the reasons for the Ottoman Empire's agreement on free trade without major resistance was because growing within the Empire were groups which supported the idea of free trade . This does not mean that there was no one who doubted the influence of the free trade treaty on the Empire. For example Sadık Rifat Paşa, the ambassador to Vienna expressed mercantilist ideas as opposed to David Urquhart's utopian liberalism⁸. Gürsel points to the argument in the government between Tahir Efendi and Mustafa Reşid Paşa, which started around 1836, on whether to sign the Free Trade Treaty. The latter had a more conciliatory approach towards the British and the former was left out of the process which led to the 1838 treaty.⁹

As generally discussed, there had been external pressures for quite some time to sign the Free Trade Treaty. In the early 1830s, R.W. Brant,

consul of Izmir, wrote reports based on his merchant informants, which accuse the conduct of monopoly harshly.

I deem it quite superfluously to enlarge on the destructive effects of monopolies. The system is so obviously serious that it has only been tolerated in the most barbarous ages, when Commerce was in its' infancy, and its' principles were not rightly understood¹⁰.

The consul goes on to say that the very reason for the slow movement of manufactured goods from Great Britain was that the purchasing power of the Ottoman subjects was declining because the cultivators were impoverished by the monopoly system. Furthermore he adds that the sultan had been kept in ignorance of the existence of monopolies and its pernicious influence on the empire.¹¹ This perception was apparently wrong, because from the documents found in the Turkish Archives the sultan was aware of the monopoly and it was one of the most pursued policies during the reign of Mahmud II. In addition, the monopoly was put into effect, at least at the beginning, to protect the cultivators from the merchants.

Here it is worthwhile to return and look at the situation which caused the imposition of the monopoly. As we have seen above, the method of the monopoly in the Ottoman Empire was the application of a strict license system which existed in the earlier period. It is important to notice that the first response of the empire towards the world market was led by the initiative of the empire, not by an external force. We should also notice that the Ottoman Bureaucrats had, although limited, a perception of the new world network and at the same time had information on world affairs . There

is an official document which reports that China's strict prohibition on opium in 1839 resulted in a serious decrease in the price of opium in the Ottoman empire¹². Another document describes that the defeat of China in the Opium War might revive the empire's opium exports which was then carried out in the form of free trade¹³.

Whether the British estimation was right or not, the external pressure rose. The desire to create free trade in the area was even accelerated when the Levant Company was dissolved and many free traders became active in the Aegean Coast. Although there was the external pressure that Great Britain constantly applied to the Ottoman Empire to promote free trade, again, the most significant force to give impetus to the empire's signing the treaty emerged from the internal pressure. Just as when the empire introduced the monopoly, it decided to abolish the monopoly of its own volition, because of the financial problem resulting from wars and reform movements.

From the late eighteenth century, the Ottoman Empire was almost perpetually at war. Starting with the war with Russia from 1768 to 1774, with the exception of a few years, the empire was always in a state of war. Table V below shows the major wars in which the Ottoman Empire was involved from 1768 to 1923.

Table V Ottoman wars, 1768-1923

1768-1774	War with Russia
1787-1792	War with Russia and Austria
1798-1801	French Invasion of Egypt and Syria
1804-1813	First Serbian war of Independence
1806-1809	War with Russia and Britain

1809-1812	War with Russia
1815-1817	Second Serbian war of Independence
1821	Rumanian Insurrection
1821-1823	War with Iran
1821-1830	Greek war of Independence
1827-1829	War with Russia, France, and Britain
1831-1833	First Turco-Egyptian War
1839-1841	Second Turco-Egyptian War
1848	Rumanian insurrection
1853-1856	Crimean War
1866-1868	Cretan insurrection
1875-1876	Insurrections in Bosnia, Herzegovnia, and Bulgaria, war with Serbia and Montenegro
1877-1878	War with Russia and Serbia
1878	Insurrection in Thessaly
1896-1897	Cretan insurrection, war with Greece
1912	War with Italy
1912-1913	War with Bulgaria, Greece, and Serbia
1914-1918	First World War
1920	War with Armenian Republic
1920-1923	War of Independence
Others	
1795-1797	expedition against Osman Pasvanoğlu in Rumelia
1831	expedition against Hüseyin paşa of Bosnia
1831	the "second conquest of Iraq"
	the campaigns against Derebeys("Lords of the Valleys") in Anatolia
	the repeated attempts to subdue the Druzes in Syria, the Kurds in eastern Anatolia, and Yemenis
1841, 1858, 1875-1878	the Cretan insurrection
1811-1818	the wars waged on behalf of the Porte by Mehmet Ali against the Wahabis of Arabia

Source : Issawi 1980:4.

The response for the emerging necessity for financial revenue took many forms. Yavuz Cezar worked on the financial institutional change as the empire's reply to the financial crisis¹⁴. Cezar divided the period after 1793 into three phases of institutional change as a response to the financial crisis which stemmed from the war of 1763-1774 and the collapse in taxation in the provinces. The three phases are; the reign of Selim III after 1793, the reign of Mahmud II and from Tanzimat. The first two are described as the verification of Treasuries and the Tanzimat period is the return to a single Treasury system which had been the case before 1793. The single treasury, *Hazine-i Âmire* was divided into four treasuries during the reign of Selim III¹⁵ and in Mahmud II's time, there were *Mukataat*, *Mansûre*, *Redif*, *Darbhâne* and *Maliye* treasuries¹⁶. The monopoly of opium was assigned to two major Treasuries, *Mukataat* and *Mansûre* Hazinesi and also related to *Darbhâne* treasury.

Apart from the institutional reform, several measures were taken to improve the revenue. One of the interesting features was the *eshâm* (share) system introduced in the late eighteenth century. The *eshâm* was sold by auction and the purchaser would gain the right to acquire the share from the profit of certain products. The profit of the *Macunhane*, where opium was added to *macun*, mastic gum, was applied to this system. Cezar refers to this system as internal borrowing, from which a certain amount of revenue by selling the *eshâm* went to the Government but later caused financial problem as the government often found it difficult to pay the profit to the shareholders¹⁷

Monopoly was another measure applied by the Ottoman officials to secure revenue. As we have seen in the previous chapter, it brought a considerable increase in revenue to the empire. However, the rise in revenue never caught up with the increase in expenses.

The political concession, in return for gaining military support from outside was another measure, and this was precisely the negotiation of the 1838 treaty. However this was not the first time the Ottomans had used this measure.

A good example of this case, which also represents the tendency of the political factor hindering economic policy, can be extracted from the process of the commercial treaty between the United States and the Ottoman Empire, which preceded the 1838 Anglo-Turkish Treaty. The Treaty of Commerce and Navigation was signed by the United States and the Ottoman Empire on 7 May 1830.

According to Field, the Ottomans had then already used the commercial treaty to acquire military aid. Field notes that, "but while the Americans looked only for a treaty of commerce and navigation, the Turks were interested in more. Pertew[sic], now reis effendi, minced no words, but suggested that commercial concessions be accompanied by a formal alliance.¹⁸" Up against the difficult situation of seeking much needed naval support from Europe¹⁹, Mahmud II and Husrev had to turn elsewhere. Thus they looked to "a disengaged, extra-European maritime nation, and to the "miserable invoice of figs and opium."²⁰ "

In the case of the 1838 treaty negotiation process, the final blow came when Muhammad Ali's advance as far as Kütahya which is only 300 kilometers from Dersaadet(Istanbul). This aggression was different from the preceding wars in a sense that it could be characterized as an internal revolt of which the magnitude of the impact really shocked the Ottoman officials. They were in serious need of British military aid and the treaty was a compensation for it. Thus the monopoly was abolished both through internal and external factors. and very importantly, the internal factor to introduce free trade was political rather than economic.²¹

The Effects of the Treaty on the Opium Trade and Production

In a report submitted to Lord Ponsonby, R.W.Brant, then the consul of Izmir wrote,

In spite however of many obstacle to its success, the Treaty is working admirably and its' operation is exercising a powerful & salutary influence throughout the whole extent of the Turkish Empire²².

Here, the consul emphasized the positive influence of the 1838 treaty on trade. The treaty had two significant aims; one was the abolishment of all monopolistic conducts and the other was the restriction on levying internal duties by the Ottoman government, both were expected consequently to enable the British merchants to exert their trade without the intermediaries. The actual effect of the treaty was not as immediate as this consul's report appears to be. Here I will discuss the effect of the treaty from two different

perspectives. One is the effect on the trade patterns and the other is the impact on the Empire's revenue.

First of all, we should notice the local resistance against the operation of the treaty. Many British consular reports from different parts of the empire show quite a few cases of transgression of the treaty. Brant's report cited above describes cases such as the mastic gum, coffee, and silk trades. This kind of transgression is quite often reported in the Consular correspondence throughout the 1840s²³. Just after the signing of the treaty and its actual execution after March, 1839, Hussein Bey, the Governor of Izmir tried every way to insist on the conduct of the monopoly²⁴. In 1847, the case of opium was reported by Sandison, consul of Bursa. The report states that the local administrator of Karahisar by the name of Latif Efendi had conducted a monopolistic measure on the opium trade. A British merchant in Istanbul, Hanson, sent his agent to purchase opium but could not trade because of him. The consul reported this matter to the governor of Bursa, however, the consul concluded that this paşa was trying to establish a collusion with Latif Efendi to cover up the case²⁵. These cases imply that free trade was not always smoothly carried out by local merchants or officials.

The conduct of the monopoly was proliferated gradually from the coastal area inland. However the trade pattern inland was even more difficult to change. The British expected that the treaty would enable them to trade directly with the hinterland. The estimation by the British consul of Izmir thirty years after the treaty admits their failure to penetrate directly to the inner market. Along with the international competition, he points out that the existence of the network of local merchants, mostly non-Muslims,

hindered the British in becoming involved in the internal trade directly. Frangakis has examined that the power of these merchants came not only from their networks but also from the tax-farming which they gained to a considerable degree by purchasing and selling the rights. The British merchants throughout the nineteenth century continued to depend on the intermediaries, whose networks were the heritage of the preceding period.²⁶ From this perspective, we can say that the European, as well as the American, trade was heavily dependent on the existing networks.

The loss of government revenue is more difficult to estimate. When overall execution of the new treaty was put in hand, in the case of opium, an edict in April 1839 formally abolished the *resm-i dönümü haşhâş*. They reestablished the traditional tithe instead, setting the amount at one-eighth of production. The income from this tax and the duty of collecting it was assigned to the treasury of *Darbhâne-i Âmire* (the Imperial Mint) under Hasib Paşa. The resurrection of the old *öşür* tax (tithe) and the methods of collecting it such as recording the names of the cultivators and the total area of cultivation were suggested by Hasib Paşa and Nâfiz Paşa, the Minister of Finance at that time. The Grand Vizir consented to the suggestion of ordering the officials in each district to write a detailed account and report on opium production yet he also made it clear, after consulting in this matter with the permanent secretary (*müsteşar*) of the Ministry of Foreign Affairs, that this measure was purely the resurrection of the old law which was also suitable for Şari'a and therefore would not conflict with the Free Trade Treaty²⁷. The Sultan gave the permission to carry out tithe tax.

The loss of revenue that the Ottoman Empire had to face is hard to calculate. If we remember Poroy's estimation of production in 1835 and 1836, the government revenue decreased to a third of what it had been obtaining from the monopoly. Poroy's estimation does not include the revenue from export tariffs. Since the considerable growth in the opium trade was caused by the demand abroad, we should also consider the loss of the export tariff revenue.

Some of the Ottoman bureaucrats expected that free trade would bring more revenue than the monopoly since it would stimulate trade and production in the empire. However their expectations were never realized.

The treaty raised tariffs on exports to 12 percent and on imports to 5 percent which were both 3 percent *ad valorem* in the previous period. It also exempted foreign merchants from 8 percent duties imposed on the transportation within the Ottoman Empire, which domestic merchants continued to pay²⁸. The total rate 12 percent for exports appears higher than the 3 percent set in the capitulation, yet the European merchants would rather have fixed duty than to be encountered by the uncertain (at least for them) internal duties suddenly. In the nineteenth century, the amount of duties sometimes reached 20 percent, the Europeans merchants' gain was higher²⁹. In the same report cited above, estimating the effect of the treaty, Brant wrote,

Notwithstanding this and many other disadvantages, under which Trade is labouring, and that the Treaty has not been in complete operation quite twelve Months, the effects it has already produced,

have been so beneficial to the Commercial Interests of Great Britain, as to those of Turkey, and it will undoubtedly be means of greatly increasing the Trade of both countries, when sufficient shall have elapsed, to allow its; influence to extend and to frutify.³⁰

Although Brant stated quite convincingly that this treaty would be advantageous for both sides, it is apparent that the British merchants benefited most from this treaty. As Brant admitted, the merchants within the empire were still levied with old internal duties. In this respect the British and other European countries which followed on to sign similar commercial treaties with the Ottoman Empire afterwards gained more³¹. The commercial convention between the Ottoman Empire and the United States, an important purchaser of Turkish opium, was signed only on February 25, 1862, the model of which was the 1861 Anglo-Ottoman commercial convention³². Since opium was gradually transported to China via London, we can assume that the treaty had an impact on the opium trade.

Thus by the abolishment of the monopoly and the restriction of its right to tax concluded by the 1838 treaty, the Ottoman government lost one means to collect revenues while foreign merchants acquired advantages over their counterparts, the indigenous merchants. Foreign merchants profited far more from the treaty than Ottoman state revenues. Thus the treaty in the long run deprived the empire of its means of revenue such as the one from the opium monopoly and consequently the lack of resources hindered the correct implementation of the reform movement on all issues.

The Ottoman export of opium increased after the 1838 treaty but due to the lack of demand caused by the Opium War declined between 1840 and 1842. From 1839 onwards, despite some of the Ottoman bureaucrats' expectations, opium exports never expanded enormously since the production of Bengal opium rose under British control. In addition, the abolition of the privileges of the East India Company gave the private traders greater opportunities to enter the opium market. Thus less incentives emerged among American traders to continue dealing in Turkish opium.

The exports of opium fluctuated over time but continued until the 1880s. There are conspicuous shifts in the direction of exports of Turkish opium. After the 1840s, opium was exported more to Europe and the United States for pharmaceutical use, where high morphine content opium was welcomed.³³

The remarkable change in the later period was not only the ultimate destination of Turkish opium but also the route of Turkish opium to be imported to the United States. The direct import of Turkish opium decreased considerably in the 1860s. It did not mean that the Americans importing of opium decreased but they began to purchase it in London not directly from Turkey since American sailing vessels could not compete with the cheaper British steamers which could now be seen in the Mediterranean. The export of opium to the States began to be shipped first to London and then across the Atlantic . The considerable amount of Turkish opium purchased by the American merchants was still resold to the Chinese market then³⁴.

Quataert mentions that no conspicuous measures were taken to promote the production of opium in Anatolia after the 1870s and during the Hamidian period when agricultural reform was implemented such as the establishment of agricultural schools and an agriculture bank, which enabled the growth of other agricultural products³⁵. The production of opium remained at the 1840s level till the end of the nineteenth century. This was due to the competition in the world market where, under Britain the demand for Indian opium rapidly increased, the demand for Turkish opium declined. Anatolian railroads did make it easier to transport the final product from the hinterland to the port, but the amount of opium exported does not seem to have been greatly influenced by the construction of the railways.

The export of Turkish opium to the European or American pharmaceutical market, where its high morphine content was appreciated, was established in the latter part of the nineteenth century. It is not easy to estimate how much Turkish opium continued to flow into the Chinese market towards the end of the century. In China, opium smoking remained a serious social problem. While Turkish opium exports to China decreased there were growing exports of Iranian opium in the later period. Few people could distinguish the difference between Turkey and Iran in China and opium from these areas was rarely differentiated. When Japan installed its governor-general in Taiwan, it appointed an officer called Ienaga to research the production of opium in Iran and Turkey in order to control the problems of opium smoking and thus to facilitate its administration.³⁶

The two effects of the 1838 treaty have discussed in this section. The first was the non-effect on the local network which hindered the direct penetration of the European merchants which was in fact expected to happen through the execution of the treaty. Throughout the nineteenth century, the Europeans still had to rely on their local intermediaries and their trade was in serious competition with non-Muslim traders who had been conducting their trade for centuries and had their own firm network in the hinterland. The quotation below has actual meaning from this perspective.

Viewed from a global perspective, however, change in the Middle East proceeded more slowly than in most other regions of the world; the transformation was relatively less complete. As a corollary, it is also true that the Middle East was less important to the world economy in 1914 than it had been around 1800. The region remained near the political center, but had slipped sharply in economic significance. The incomplete nature of the nineteenth-century transformation of the region can be understood in quite a different way if we adopt an intra-Middle East perspective. From this vantage point, domestic institutions were sufficiently powerful and adaptable to ward off the full effects of the expanding European political and economic universe. Thus, it is not that they failed to be fully transformed; rather, they succeeded in preserving much of their integrity³⁷

However, as far as the government revenue of the Ottoman Empire is concerned, the abolition of the monopoly and the restriction of its right to levy duties concluded by this commercial convention certainly deprived the

empire of a means to obtain revenue which was needed to finance wars and reform movements.

The consequence of monopoly and the Free Trade Treaty can be better understood if we compare the case of the Ottoman Empire to that of China. The similarity of the course from monopolist conduct on trade to its abolishment by the free trade treaty through the "European expansion" is significant. What is more conspicuous is the gravity of the internal factors to advance this process. Just as the Ottoman Empire was afflicted from revolt within such as independent movements in the Balkans and Muhammad Ali's uprising, the Qing dynasty too was suffering from internal rebellions³⁸. The most significant of all was the Taiping Rebellion. This was led by Hong Xiuquan to overthrow the Qing and establish a "Heavenly Kingdom of Great Peace (Taiping Tianguo)" in China. The Rebels captured Nanjing and made it its capital there from 1853 to 1864 when they were finally defeated by the Qing army. The Chinese casualties of this rebellion are estimated at 20 million.³⁹ Such serious internal rebellions certainly had an more impact on the Qing dynasty which naturally made it consider international events as a peripheral matter. A further similarity can be observed in the following events. Britain supported the Ottoman Empire in their fight against Muhammad Ali in exchange for the Free Trade Treaty. In China as well, British general Gordon, after fighting against the Taiping army after he defeated the Qing dynasty and gaining the Peking convention in 1860 which was added to the 1858 Tianjin Treaty expanding the articles of the 1842 Nanjing Treaty for trade,⁴⁰ led the "Ever-Victorious Army".

Although these free trade treaties in both empires were important highlights, the real effect of the "opening" of the local market was also similarly restrictive. The adaptation of free trade treaties and the penetration of the Europeans into the local markets were hindered by the very existence of the local network on which Europe had relied upon for its expansion. long after the free trade treaties were signed, the Europeans could not penetrate the local market neither in China nor in the Ottoman Empire .

The difference between the two regions, however, cannot be overlooked. The most significant of all is that China was prohibiting opium consumption while the Ottoman Empire was promoting a monopoly on opium trade for its revenue's sake. The impact of the treaties also differed since the distance from Europe to China is much further than the Ottoman Empire⁴¹ . Yet the degree of incorporation to the world market might be greater in Chinese case than the Ottoman Empire because the former had conspicuous commodities to trade between Europe thus it triggered the European incentive to incorporate the market, while the latter did not have such critical products such as tea, silk and opium.⁴²

In spite of the different impact of the monopolist policy and free trade treaty to each society, both empires underwent the tremendous transformation through both internal and external factors in the nineteenth century.

Conclusion

Opium, a product which changed Chinese history, also played an important role in the history of the Ottoman Empire. Opium became one of the major export commodities in Anatolia in the nineteenth century due to the increase of Chinese demand.

In the past, opium had been produced for domestic use, mainly for medicinal purposes. The entry of the Europeans to the Ottoman market drastically changed the use of opium, from domestic use to export. In the early nineteenth century, the demand for Turkish opium gradually increased because of the newly established linkage with the tremendous market in East Asia. Britain, a great consumer of tea from China, used Indian opium to counterbalance the excessive silver flow to China. Then Americans entered into both the Ottoman and Chinese market engaging in the illicit trade of Anatolian opium. Thus the role of Britain and the United States in the market utilizing opium as its tool connected two relatively closed Empires; the Chinese Empire as consumer of opium and the Ottoman Empire, as a producer.

Thus a network was established through opium, a perfect example of a cash crop. The international network of opium connected Anatolia, the main place of production being Afyon (which literally means opium in Turkish), Izmir, the main port for the shipment of opium and the world market namely Europe and China. Hence Anatolia was integrated into the world market. The important fact to remember here is that this establishment of the world market was actually accomplished on the bases of the former local

networks through the local agents. Hence the process of the European expansion and the subsequent establishment of the world market system can be interpreted as the transformation but not the destruction of the former system.

It is not clear how the Ottoman bureaucrats or traders perceived the situation in China. However it is certain that the bureaucrats, who searched every source of revenue to overcome the critical financial crisis at that time, did realize the immediate cash revenue which could be extracted from the production and trade of opium. The Ottoman Empire established a monopoly, *yed-i Vâhid*, of opium from 1828 to 1838. It was the first experimental operation of a monopoly. Opium was a perfect products for the Ottoman government to impose a monopoly and profit from its export without conflicting with its "provisioning" policy, since opium only had a limited demand in the Ottoman domestic market. The monopoly of opium assured the government a good source of revenue. A series of wars with Russia and the modernization reform which was taking place at that moment required a large amount of revenue. Along with other expedients, monopolization of the opium trade was one of the means for the Ottoman Empire to increase its revenue. Another purpose of the monopoly was to protect small cultivators from greedy merchants. The protection of the small peasants was asserted as one of the main policies of the Ottoman Empire¹. However the effect of protecting small peasants by the monopoly are not clear and also difficult to estimate because the price and the exchange rates fluctuated tremendously over these years. Considering that the monopolist policy generally enriched the government while both the cultivators and

buyers burdens this increase of official revenue, it is at least clear that the one who profited most was the government.

This monopoly was abolished when the Free Trade Treaty was signed between Britain and the Ottoman Empire in 1838. The treaty is generally argued to be a failure for the Empire and indicates the misperception of free trade by the Ottoman bureaucrats. Bureaucrats are blamed for their lack of economic thought. However when we see many experiments which the Ottoman Empire tried throughout the nineteenth century which includes reforms in industry and agriculture, it is difficult to say that their economic approach was inept. There were other conditions which forced the Ottoman Empire to sign the 1838 Treaty.

If we examine the opium case alone, the abolition of the monopoly caused by the 1838 Free Trade Treaty was reasonable because exports were decreasing after Britain caused the emergence of India as a producer of opium. The export of Turkish opium was beginning to shift from China, where opium was used exclusively for smoking, to the market of Europe and the United States, where the high morphine content Turkish opium was welcomed for the production of medicines.

The biggest reason for the abolition of the monopolies, including opium, due to the 1838 treaty was a political rather than economic one. The 1830's was one of the most critical times for the Ottoman Empire because it was under tremendous internal pressure. The military expedition of Muhammad Ali from Cairo to Kütahya (only 300 kilometers from İstanbul), must have been taken more seriously by the Ottoman government than the

other events. After all there was civil war in the empire. This creates an analogy with the impact of the civil resistance, Taiping Tianguo uprising, led by Hong Xiuquan in China which lasted much longer than the Opium war². Under such a great threat, the Ottoman Empire was in dire need of British aid in order to fight against Muhammad Ali. The 1838 Free Trade Treaty established an alliance between Britain and the Ottoman Empire.

As Pamuk mentions, the military crisis, as well as political and fiscal problems, was one of the key determinants of the timing and rhythms of European penetration³. The case of opium and the abolition of its monopoly due to the 1838 treaty constitutes another example of the Ottoman economic policy hindered by the political-military events. The Free Trade Treaty began to diminish the revenue of the empire in the long run such as the revenue which the empire had levied from opium production and trade. As a result, this led to the lack of financial revenues for the implementation of the reform movements.

Appendix

Appendix 1 : Measurement

I: Opium Measures

A çeki = 250 dirhem

1 oke(kiyye) = 400 dirhem

1 dirhem = 3.208 grams

1 oke = 1.283 kgs. or 2.8295 lbs.

1 picul = 133.3 lbs.

1 opium chest (Anatolian) = 149.3 lbs.

The chest weight is approximate average for opium destined to Europe and the United States . Chests embarked for China were smaller in order to ease the burden of camels and mules carrying them overland in Egypt. Poroy's calculations based on Jardin-Matheson Archive account books for average Turkish chest is 105-106 lbs. It does not necessarily make sense since the main route of the opium exported to China is shipped from the port of Izmir by the Americans.

Bengal opium chest = 164 lbs.

Bombay Patna opium chest = 140 lbs.

II. Money

1 purse (kese) = 500 kuruş

1 load (yük) = 100,000 kuruş

1 kuruş = 120 akçe (asper)

Pure silver content of kuruş changed dramatically during the reign of Mahmud II. It was 7.0 grams in 1788 which declined to 4.6 grams in 1810 and 0.86 in 1834. The debasement of the coinage was also a means of raising fiscal revenue. It was after 1844 when the Ottoman government set a new bimetallic system whose standard was 1 gold *lira*= 100 silver *kuruş*.. Thereafter pure silver content of *kuruş* was set 1.0 grams until 1914.

III: Exchange Rates (Rate of Pound Sterling in Kuruş)

Date	Place	Rate
1780	Istanbul	11.1
1800	Istanbul	12.0
1806	Istanbul	15-16.7
1810	Istanbul	19.6/19.9
1817-20	Istanbul	average 32
1822	Istanbul	about 40
1826	Istanbul	57.5-58.5
	Izmir	58.5
1827	Istanbul	60.8
	Izmir	58
1828	Istanbul	57-57.5/59.3 (June) /61.8 (December)
1829	Istanbul	64 (January) - 74.5 (December)
	Izmir	70
1830	Istanbul	76.8 (March) - 77.5 (December)
	Izmir	75 (March) - 76.5 (December)
1831	Istanbul	78 (March) - 84.8 (December)
	Izmir	83.5 (March)
1832	Istanbul	87 (March) - 97 (December)
	Izmir	88.8 (July) - 93.5 (December)
1833	Istanbul	95 (March) - 96.9 (December)
1835	Istanbul	98 (March) - 101.8 (December), average 98.7
	Izmir	average 99
1836	Istanbul	98.4 (March) - 103.5 (December)
	Izmir	97.5 (June) - 102.5 (December) / 99
1837	Istanbul	average 108.9
	Izmir	107
1838	Istanbul	104(Janyary)
	Izmir	average 105.5
1839	Istanbul	average 104
	Izmir	75 (March) - 76.5 (December)
1840	Istanbul	109 (March) - 108.3 (June, September) -109.8 (December)
	Izmir	107.5 (June, October)
1841	Istanbul	average 110.5
	Izmir	109 (June) - 113.5 (December)

1842	Istanbul	average 116.6
	Izmir	118.3 (June) - 119 (December)
1843	Istanbul	average 114.3
	Izmir	average 117
1844	Istanbul	average 108.8
	Izmir	average 108

Source : Ibrahim Ihsan Poroy , "Expansion of Opium Production in Turkey and The State Monopoly of 1828-1839," in *International Journal of Middle East Studies* 13, 1981. p. 203.

Şevket Pamuk, "Money in The Ottoman Empire, 1326-1914," in İnalcık, Halil and Donald Quataert eds., *An Economic and Social History of the Ottoman Empire, 1300-1914*, Cambridge: Cambridge University Press, 1995, p.970-971 and p.973, Table A:10.

Charles Issawi, *The Economic History of Turkey, 1800-1914*, (Chicago:The University of Chicago Press), 1980, pp.329-331.

Appendix 2 : Opium purchases by government agents and authorized company merchants in 1252/1835

Locality	Halis(High quality)		Rakoze(Low quality)	
	Quantity Çeki	Dirhem	Quantity Çeki	Dirhem
Sandjak of Kütahya and Eskişehir	19,780	56	223	40
San. of Akşehir	10,051	44	180	
San. of Karahisar-i sahib (Afyon Karahisar)	31,473	40	53	
Kaza of Isparta	4,363	72	82	60
Kazas of Beyşehir and Bozkir	1,699	32	48	32
Kaza of Geyve	955	48	---	
Kaza of Karasi	5,627	24	27	
Sandjak of Amasya	32	20	---	94
Totals	73,983	36	615	27

Source : Ibrahim Ihsan Poroy , "Expansion of Opium Production in Turkey and The State Monopoly of 1828-1839," in *International Journal of Middle East Studies* 13, 1981. p. 207.

Appendix 3: Ottoman opium exports, 1878-1900

Year	Volume (in kilos)	Value (in liras)	% of value to total export value	Export price (liras and kuruş per kilo)
1878	346,443	594,655	7.1	1.72
1879	404,602	701,586	8.0	1.73
1880	257,805	447,618	5.3	1.74
1881	552,704	958,469	8.5	1.73
1882	370,824	511,200	4.7	1.38
1883	473,513	781,207	6.3	1.65
1884	368,176	588,247	4.6	1.60
1885	559,096	901,999	7.5	1.61
1886	485,481	798,181	6.3	1.64
1887	256,966	423,937	3.7	1.65
1888	489,172	804,311	5.9	1.64
1889	383,285	629,385	4.1	1.64
1890	430,185	703,481	5.5	1.64
1891	509,257	840,591	5.5	1.65
1892	424,481	698,335	4.5	1.65
1893	321,634	540,474	4.1	1.68
1894	374,271	615,275	4.5	1.64
1895	441,906	752,124	4.8	1.70
1896	458,071	785,046	5.1	1.71
1897	331,859	550,787	3.7	1.66
1898	378,851	630,180	4.7	1.66
1899	463,725	764,758	4.9	1.65
1900	539,733	869,463	5.8	1.61

Source: Turgay (1982), p.89.

Turkish opium held about 10 to 40 % in value of total opium imported to the United States between 1828 to 1838. Turgay (1982), p.88. Table 1.

The amount of opium shipped to the United States from Izmir fluctuated from 1,630 cases to 11,000 cases during 1868 and 1884. Turgay (1982), p.88. Table 2.

It is difficult to follow the general trend of opium trade. Tables show tremendous fluctuation of increase or decrease of opium trade throughout years.

Appendix 4 : Opium purchased by Country, 1864-1865 (at Izmir)

Countries	Value (in kuruş) 1864	% of total	Value (in kuruş) 1865	% of total
England	12,215,600	46.4	15,519,600	41.8
The United States	7,046,741	26.8	13,651,213	36.8
Holland	4,150,000	15.8	4,455,000	12.0
Austria	1,522,800	5.8	1,701,000	4.6
France	1,155,600	4.4	1,593,000	4.3
Italy	220,400	0.8	172,800	0.5
Hamburg	10,800	0.04	27,000	0.07
Total	26,321,941		37,119,613	

(27.95 piasters = \$ 1.00)

Source: Turgay 1982, p.90. Percentage calculated by the author.

American opium imports direct from the Ottoman Empire hold around 10-20 % of total in value from 1881 to 1900. The number fluctuates from 1 % to 32.6 % in these years. Most of the years the rate is between 9 and 19 %. Turgay (1982), p.90. Table 6.

For the exchange rates at that time, see Appendix 1-III.

Notes

Introduction

¹ Japanese text translated by the author.

² In this thesis, the Chinese names are romanized according to the pinyin system except the names that are long familiar in the West such as Peking and Canton. In pinyin they are Beijing and Guangzhou respectively.

³ The first Opium war lasted from 1839 to 1842 and the second war, also known as the Arrow war, from 1856 to 1860.

⁴ The Treaty of Nanjing in 1842 was the first trade treaty to be signed. Later this treaty was expanded to the Treaty of Tianjin in 1858 with an additional Convention of Peking in 1860. The same kind of treaties were signed between China and other European countries, the United States and later Japan.

⁵ Spence (1990), p.158.

⁶ Cohong, "combined merchant companies" established in 1720, was the authorized Chinese merchant guild which monopolized the maritime trade with Western countries. From 1760, the foreign trade was restricted to Canton through these Cohong merchants, acting as agents of the Qing government collecting duties and handling all negotiations with foreigners. Spence (1990), p.791. Also see chapter 1.

⁷ European expansion itself started in the sixteenth century. In the nineteenth century it gained such a momentum as to establish imperialism.

⁸ The different style of European imperialism such as formal and informal empire indicates the variety of measures they had implemented according to the conditions of each region and different time spans. Pamuk suggests the importance of interaction between internal and external factors in order to evaluate the impact of European expansion. See Pamuk (1987), pp.2-7.

⁹ Faroqhi (1984).

¹⁰ Quataert (1983) and Pamuk (1984).

¹¹ Yamakage (1994), pp.2-3.

¹² Kütükoğlu(1974).

¹³ Poroy (1981).

¹⁴ Turgay (1981) and Turgay (1982)

15 Two important factors in the relationship between the United States and the Ottoman Empire in the nineteenth century were missionary activities and trade.

Chapter 1

¹ Curtin (1984)

² Hamashita (1990), pp.25-47.

³ Kütükoğlu categorized the traders active in Turkey into five groups; (1)Muslim, (2) Non-Muslim(*Reaya*), (3) Turkish (*Türk* or *Hayriye*), (4)Europe(*Avrupa*) and (5)Protectorate (*Müstemin*). The first two groups were involved in the limited interest internal trade dealing with the commodities produced by guilds(*esnaf*) so that they can be considered a branch of the guilds . Kütükoğlu (1974), p.71.

⁴ Faroqhi (1984).

⁵ According to Curtin, cross cultural trade had been conducted by the "trade diasporas." Trade diaspora has two functions; one is the self destructiveness and the other is the creation of a common culture. They trade taking advantage of cultural differences but at the same time by causing an interaction of different cultures and thus bringing about the common culture, the necessity for their very existence would vanish. Curtin (1984).

⁶ It was not until the nineteenth century that its active alkaloids were isolated.

⁷ Morse (1910), pp.171-172.

⁸ Morse (1910), p.173

⁹ Morse (1910), p.174

¹⁰ There was only one exceptional occasion when the East Company ship itself transported opium to China in 1782 in an effort to rectify the company's revenue crisis which turned out to be a failure. Afterwards they never attempted to ship opium themselves. See Greenberg (1951), p.109.

¹¹ The prohibition of the Chinese government prior to 1800 was only on the smoking not on the import.

¹² Morse (1910), p.176

¹³ Morse (1910), p.203]

¹⁴ It should be noticed the East India Company first failed to sell their cotton product. In the early stage, English cotton product could not compete with the indigenous product.

¹⁵ Greenberg (1951), p.106.

¹⁶ Greenberg argues that Morse's speculation that silver flowing towards Europe was actually less than what had flowed into China in the preceding century cannot be proved because there is no comprehensive data of how much silver flowed to China in the eighteenth century. Yet he also concludes that the important thing is the fact that the trend of silver flow was completely reversed. Greenberg (1951), p.142.

¹⁷ Morse (1910), pp.176-177.

¹⁸ Morse (1910), p.177.

¹⁹ See chapter two

²⁰ Extracts from Frederick Hendricks's article cited in Turgay (1981), p.107.

²¹ Cited in Greenberg (1951), p.118.

²² Morse (1910), p.206

²³ Greenberg (1951), p.111]

²⁴ Hamashita (1990), pp.97-110 and pp.145-147.

²⁵ The East India Company's monopoly over Indian trade ceased in 1813. In 1825, Parliament dissolved the Levant Company. 1834 was the year in which the East India Company's monopoly over China trade was abolished.

²⁶ Greenberg,(1951), pp. 112-113.

²⁷ Morse (1910), p.211.

²⁸ The price of Patna for a chest was \$1,300 in 1817, which fell to \$840 in the following season, whereas Malwa opium sold at \$680. Greenberg (1951), p.124.

²⁹ Greenberg (1951), pp.130-131.

³⁰ Cited in Greenberg (1951), pp.114-115.

³¹ Turgay(1981), pp.111-112.

³² Greenberg (1951), p.107

³³ Hamashita (1990), p.50

Chapter 2

¹ Turkish name for poppy is "haşhaş." Baytop (1984), p.245.

² For more details on Dioscorides and his influence in the later period, see Baytop (1984), pp.21-23. Here Baytop explains the influence of Dioscorides work in the Ottoman Empire. His book also contains a vivid picture a poppy by Dioscorides reproduced in O. Mazal's recent work. Ibn Sina mentioned opium in his book "Kânûn fit tıb"(Code of Pharmaceutical Division). Baytop (1984), p.28.

³ Turgay (1982), p.65.

⁴ "Smoking of opium owed its origin to the West. The Spanish brought to the East Indies the New World habit of tobacco smoking. The Dutch seem to have been the first to mix opium with tobacco, and, as the Dutch were in control of Formosa for a period in the seventeenth century, it was probably from this point on that the technique of smoking opium spread to the Chinese coast. Stelle (1940), pp.425-426, note 6. In Iran smoking of opium became popular towards the end of the nineteenth century but it never became that popular in the Ottoman Empire.

⁵ Baytop (1984), p.246.

⁶ Poroy (1981), p.197

⁷ Hayati Zade Mustafa Feyzi Efendi, Hadiye Tuncer transliterated (1978), p.41.

⁸ *Aktar Dükkânı* was important since there were only 150 doctors in Istanbul at that time. Baytop (1992), p.141. Between 1831 and 1861, *eczacı dükkânı* was under the guild system which has its own *gediks* and *tezkire*, license which was needed to operate the shops. Baytop (1992), p.146.

⁹ Baytop (1984), p.245.

¹⁰ Issawi calls this kind *incemal*. Issawi (1980), p.261.

¹¹ Poroy (1981), p.196.

¹² Issawi (1980), p.262.

¹³ İncekara (1949), pp.45-46.

¹⁴ Poroy (1981), p.192.

¹⁵ Stelle (1940), pp.433-434, note42.

¹⁶ Poroy (1981), p.195 & p.209. A decare is 1000 square meters.

¹⁷ İncekara (1949), p.12

¹⁸ Poroy (1981), p.195.

¹⁹ Poroy (1981) p.195. Peasants divided their land into three parts and sowed the seeds of poppies. The best climate condition for opium production is to sow the seed in humid soil and to harvest during dry weather. The seed must have time to germinate before the cold weather. Sowing took place at three different times; *güzlük* autumn opium which was sown in October, *kışlık*, sown between late December to early January, and *yazlık*, sown in February. Peasants could have an insurance by the different sowing times. For example, if the winter was very harsh and *güzlük* did not grow well, they could resow the seed again in January or February. Although these sowing times differ, the harvesting occurred at nearly the same period, from mid-May to mid-June, regardless since *güzlük* and *kışlık* needed a longer period to germinate than *yazlık*.

²⁰ Poroy (1981) p.196.

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- 21 Turgay (1982), pp.65-66.
- 22 İncekara (1949), p.12.
- 23 İncekara (1949), p.12.
- 24 Başbakanlık Arşivi, Cevdet Maliyye(hereafter, BBA, CM), No.4360.
- 25 The map is not for the nineteenth century, but the division of the Antolia province has not undergone for major transformation so that it can be confidently referred.
- 26 Cevad (1898) Vol.3, pp.763-764
- 27 Baytop (1984), p.138
- 28 İncekara (1949), p.12. Also see Baytop (1984), p.138
- 29 For example, see BBA, CM, No.18215.
- 30 Masters (1988).
- 31 Poroy (1981), pp.196-197.
- 32 Poroy (1981), p.209, note 13.
- 33 Baytop (1984), p.140.
- 34 Goffman (1990)
- 35 Goffman (1990), p.77
- 36 The main reason was that the empire was never colonized. On this point see chapter 4.
- 37 Frangakis (1991), p. 97.
- 38 Cotton shared averaging about 48 percent of Izmir's export in absolute value to the West in the 1780s, whereas it shared only 1 percent in 1857. Frangakis (1991) pp. 98-99.
- 39 Frangakis (1991), pp.98-99.
- 40 Field (1969), p.113.
- 41 Field (1969), p.114.
- 42 Field (1969), p.32
- 43 Field (1969), p.113.
- 44 Field (1969), pp.113-114.
- 45 Figs are mainly grown in the Menderes valley and have been shipped from Izmir at least as early as the eighteenth century. The demand rose in the nineteenth century as did its prices which led to the expansion of production and exports. The greater amount of the exports were directed to Great Britain but also to the United States. Issawi (1980), p.160.
- Asia Minor, especially around Izmir region, have large vineyards. Grapes and grape products were Turkey's leading export item. Fresh grapes were shipped from Bursa to Istanbul and also from Izmir to Istanbul and Egypt, but little went outside the Empire. Wine was exported from Izmir in the 1850s to Russia and The United States and in the 1860s to Italy, then to other European countries. By far the most important export grape product was raisins. As early as in

the fifteenth century, raisins penetrated various European markets. In 1784-90 Izmir's exports to Britain alone averaged 7,400 tons a year. The export grew through out the nineteenth century.

Issawi (1980), p.264-265.

46 Field (1969), p.114.

47 Field (1969), p.114.

48 Turgay (1981), p.111.

49 Turgay (1981), p.110.

50 Turgay (1981), pp.119-123. Also Downs (1968), p.436.

51 It is a striking fact that the Armenian merchants were engaged in opium trade at both ends of Asia .

Chapter 3

1 See page 30.

2 See Table I.

3 Greenberg (1951), p.112.

4 cited in Poroy (1981), p.192.

5 Since the Chinese government forbade the importation of opium, all the opium which entered China was after all illicit .

6 cited in Turgay (1981), p.124.

7 Hatt-ı Hümâyûn No. 26681.

8 Kütükoğlu (1974), p.68.

9 Masters (1988), pp.212-213.

10 Kütükoğlu (1974), p.62.

11 For example, in Trabzon (Coast area) *âmediyye* was set 3 percent, *mürûriyye*, 4 percent. In Tokat(interland area), it was set one-fourth, one-third, or a half *kuruş* for each *yük* or 1-10 *kuruş* for whole amount of products. For more details, see Kütükoğlu (1974), p. 63.

12 Kütükoğlu (1974), pp.63-64.

13 Kütükoğlu (1974), p.64.

14 Kütükoğlu (1974), p.65.

15 Kütükoğlu (1974), p.65.

16 Kütükoğlu (1974), p.65.

¹⁷ In China, the merchant guild *Cohong* could not deal in opium trade since it was forbidden by the government. Their monopoly was, at least officially, over other maritime trade commodities from the Western countries.

¹⁸ See Poroy (1981), p.198. and BBA, CM, No.4360. Of the authorized agents, Poroy mentions that only Company merchants were allowed to buy opium from the cultivators. However, the word company merchant(*kumpanya tüccarı*) does not appear in the original text. Poroy explains, "*kumpanya tüccarı* refers to the merchants certified by the Levant Company of England, the only foreign company authorized to act as an "umbrella" for all foreigners except Russians. Poroy (1981), pp.210. note 19.

¹⁹ reaya is tax paying non-Muslim Ottoman subjects.

²⁰ Kütükoğlu (1974), pp.71-73.

²¹ 1,200 kuruş (12 altın) were required for Hayriye merchants and 1,500 kuruş for Azınlık merchants. Azınlık or Avrupa merchants meant the "*milel-i selâse* (three communities), namely Greeks, Jews and Armenians. The former group could purchase and sell their commodities to foreign merchants but were obliged to pay internal duties. For example for the import commodities they paid 3 percent âmediyye and an additional 2 percent, whereas for the exports, it was 9 percent âmediyye and 3 percent reftiyye. Azınlık merchants were not required to pay of these duties. Kütükoğlu (1974), p.72-73.

²² BBA, CM, No. 13860.

²³ BBA, CM, No. 4360.

²⁴ For his office on the monopoly of silk see Cezar (1986), p.223-224. For the report on the monopoly of valonia by Ömer Lütfi, see Başbakanlık Arşivi, Hatt-ı Hümayûn(hereafter cited BBA, HH), No. 23993.

²⁵ Tarih-i Lütfi, vol.I, p.241.

²⁶ BBA, CM, No. 502.

²⁷ Pakalın ed.(1983), Vol. I. p.183. "Bazirgân is a term used for Christian merchants in the twelfth and thirteenth century, Hegira, in this case approximately, from the late eighteenth century throughout the nineteenth century. "

²⁸ BBA, CM, No.13860(1830).

²⁹ Poroy (1981), p.209, note 12.

³⁰ BBA, CM, No. 4360.

³¹ For example, it was reported that the bazirgân was ordered to sell opium to four foreign merchants and the revenue be transferred to the Mint for financing the war with Russia. BBA, HH, no.25863(1252/1836).

³² For the use of opium in the Ottoman Empire, see Chapter 2, page 25.

³³ BBA, CM, No. 13860.

³⁴ Poroy (1981), p. 206.

³⁵ Poroy (1981), p. 207.

³⁶ BBA, HH, No.26681.

³⁷ Poroy (1981), p.199.

³⁸ Başbakanlık Arşivi, Cevdet İktisat(hereafter cited BBA, Cİ), No.228.(17 Cemâziyelâhir 1256/ August 16, 1840)

³⁹ It is also true that the cultivators could find illicit buyers.

⁴⁰ Cezar (1986).

Chapter 4

¹ Quataert & Keyder (1992), p.1.

² Quataert & Keyder (1992), p.1.

³ Quataert & Keyder (1992), p.4.

⁴ Kurmuş (1983).

⁵ Kurmuş (1983).

⁶ The main text regulating the duties on export commodities is as follows;

"Art IV. If any article of Turkish Produce, growth or manufacture, be purchased for exportation, the same shall be conveyed by the British merchant or his agent, free of any kind of charge or duty whatsoever, to a convenient place of shipment, on its entry into which it shall be liable to one fixed duty of nine per cent. *ad valorem*, in lieu of all other interior duties." Hurewitz (1956), p.111.

⁷ The operation of free trade was retarded in many places because of the resistance of the local merchants and the cultivators.

⁸ Mardin (1985), p.621.

Sayar, after investigating Sadık Rifat Paşa's economic thought, notes that it is difficult to categorize his ideas according to the western economic schools. Being influenced most strongly by Metternich, his idea could be interpreted as Neoclassic, having the aspect of protection of the existed system. The paşa had at the same time the idea of introducing western techniques into agriculture or manufacture. Sayar (1986), pp.230-231. He represented the eclectic thought which was difficult to find in Reşid, Fuad and Ali Paşas, who were more conciliatory to the 'laissez-faire'.

⁹ It is also said that the 1830 treaty of commerce with America prepared easier circumstances in which to contract the 1838 treaty.

¹⁰ Public Record Office , Foreign Office Series (hereafter cited PRO, FO)78/224 . R.W. Brant and Cartwright. August 5, 1833.

¹¹ PRO, FO 78/224 August 5,1833]

¹² BBA, Cİ, no.228.

¹³ Topkapı Sarayı Müzesi Arşivi, E.3577. This also implies the geographical advantage in acquiring the world news from the European source. This can be realized even more clearly if we compare the Ottoman's description with the Chinese official's idea. The Chinese officials did not, until much later period, differentiate Iran from Turkey. Thus their accounts of Turkey 's opium often include opium from Iran.

¹⁴ Cezar (1986)

¹⁵ During the reign of Selim III, *İrâd-ı Cedid* treasury was founded in 1793 which was followed by the establishment of two more treasuries, *Tersâne-i Âmire* and *Zahîre* treasuries. Cezar (1986), p.152.

¹⁶ Cezar (1986), pp.151-154.

¹⁷ Cezar (1986), pp.79-88. For the case of Macunhane, see BBA,CM, No.10464

¹⁸ Field (1969), p. 147.

¹⁹ The difficulties which the Ottoman Empire had finding military support was ; " France was now philhellene and worse: she had espoused the cause of Mehmet Ali, whose province she increasingly regarded as Egypt who was building himself a navy at Marseilles. It might seem that Britain, the strongest sea power, would have provided an obvious alternative, but the British had long supplied admirals and artisans to the Czar of Russia, the Sultan's hereditary enemy ; the British were also philhellene; and a British admiral and a British general were directing insurgent forces in Greece. The British government, it is true, had realized the importance of maintaining Turkish control of the straits, but the chosen method was that of the St. Petersburg Protocol and the Treaty of London : to restrain the Russians by joining them, and to prevent a Russo-Turkish war by a settlement of the Greek question. And although that Treaty of London was, as Adams said, "a triple alliance against one of the parties to it, " this cure by amputation was not calculated to endear Great Britain to the Porte[Field 1969: 142-3]."

²⁰ Field (1969), p. 143.

²¹ The measure of foreign borrowing was the next step, which was first acquired during the Crimean war. This led eventually to the imperial debt and the empire's revenue was put under foreign control from 1878. The establishment of the Debt Administration.

²² PRO, FO 195/177. R.W. Brant to Ponsonby, June 29,1840.

- 23 The degree of resistance also shows the local variation. For example, in Mosul, hinterland of the empire, the monopolistic conduct was reported well in to the 1890s, whereas the impact of the treaty was considerable on Egypt's cotton trade. Shields (1992)
- 24 For the details of this incident, see FO 195/177 and Frangakis (1992), pp.94-95.
- 25 PRO, FO 78/701 From Sandison to Palmerston April 9,1841.
- 26 Frangakis (1992), pp. 105-106.
- 27 Turgay (1982), p. 73. BBA, HH, No. 27868(1839).
- 28 Pamuk (1987), p.20.
- 29 Issawi (1980), p.12.
- 30 PRO, FO 195/177. R.W. Brant to Ponsonby, June 29,1840.
- 31 The similar commercial treaties were signed between the Ottoman Empire and other European Powers and eventually with the United States. For example, with France it was signed on November 25, 1838, with the Netherlands on March 31, 1840. Hurewitz (1956), p.110.
- 32 Hurewitz (1956), p.102.
- 33 See Appendix 3 and 4.
- 34 Turgay (1982), p.81.
- 35 Quataert (1973), p.297.
- 36 Ienaga was the first Japanese who traveled intensely in Anatolia in 1899. Okazaki (1981), p.171-172. The main places of production of Persian opium were Yazd and Isfahan. For details see Issawi (1971), pp. 238-241. In a way, it is interesting to notice why the smoking of opium never became popular in the Ottoman Empire when addiction of opium overwhelmed China and began to strongly influence Iran.
- 37 Quataert & Keyder (1992), p.2.
- 38 The White Lotus Rebellion lasted from 1796 to 1804. The Taiping Rebellion 1850-1864, The Nian Rebellion 1851-1868, and there were also the Muslim Revolt from 1855 to 1873. For an overview of these rebellions, see Spence (1990), pp. 165-193.
- 39 Spence (1990), p.805.
- 40 The Treaty of Nanjing included the articles which regulated the opening of five commercial ports and the abolition of the Cohong monopoly system. For more details of this treaty see Spence (1990), pp.158-160. Britain supported the Qing since they were afraid of the extremists in the Taiping groups which could annul the free trade treaty Britain had signed with the Qing after great effort. Spence (1990), p.177 and pp.179-181.
- 41 This distance between Europe and the regions also made the time shift of the starting point of western reforms. In the Ottoman Empire, Tanzimat came just after 1838 and the reform was

exercised from as early as during the reign of Selim III. Whereas in China the real modernizing reform started not after 1842 treaty but after 1860s.

⁴² For a particular comparison between the 1838 Free Trade Treaty of the Ottoman Empire and the 1842 Nanjing Treaty, see Kasaba (1993). The author believes the 1838 Treaty can be better understood if it is compared not only with the 1842 Nanjing Treaty but also with the 1858 Tianjin Treaty and the 1860 Peking Convention. Kasaba's analogy of Muhammad Ali's uprising to the White Lotus Rebellion can be replaced to Rebellion since the timing and the further similarity considering its impact on the trade treaties.

Conclusion

¹ Pamuk emphasizes the importance of the relative strength of the central government of the Ottoman Empire, which was never colonized, and thus the Ottoman government succeeded in imposing their policies such as protection of small peasants. The monopoly of opium can also be viewed from this perspective. Pamuk (1987), pp.132-136.

² Kasaba also emphasizes the importance of internal war as a main factor and condition of decision making process. For a comparative study between China and the Ottoman Empire, see Reşat Kasaba, (1993).

³ Pamuk (1987), pp.133-134.

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