Business Correspondence, Organisation and Composition between Atlantic and the Levant during the Age of Merchant Capitalism

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I-Introduction

Institutions are the rules of the game in the economy and society. There is no discussion on the role of the institutional structure for the economic performance in the society. In the age of mercantilism, a crucial role was played by the organisation of trade, especially of foreign trade. Certain regulations, companies, and strong organisations played a role in the foreign trade. The monopolistic trading companies chartered by the Western European states were crucial. As an example, the English and Dutch Companies were incorporated into a form of commercial organisation that was quite unique: the joint-stock company, with an incipient separation between the ownership of capital and its management by a professional class of merchants and salaried administrators.

During the early modern era, there was a big difference in the organisation of foreign trade between the Ottoman Empire and Western Europe. In terms of institutional structure, this difference was very significant for the commercial actors in their business in the Eastern Mediterranean (Levant). While the companies and strong organisations were important for the Western Europeans, for the Ottomans, capitulations (privileges) were the main instruments in the organisation of the foreign trade during the mercantilist ages.

As strategic instruments, capitulations were always very crucial for the Ottomans in the economic relations with the European nations. One can easily understand that the privileges played important role in the establishment of the formal economic relations between the Ottoman Empire and the Western Europeans, The French, English and Dutch. However, for the Ottomans the capitulations were more like a decree than a treaty.

For the Ottomans, however, there were both political and economic aims in granting the capitulations, such as coalition formation in the West, protection of traditional trade routes, securing strategic goods, providing plenty of economy and maximizing revenue from tax collection.

When the Western merchants got the knowledge about the capitulations they increased their business in the Levant. Furthermore, they extended this information to their colleagues in their countries. Thus, new merchants appeared in the Levant and the business between the Levant and Western Europe increased. By extending the information about the privileges some merchants got the advantage while some others faced with disadvantage in the Levant trade.

2 There are strong historical backround for the Ottoman interpretation of the ahdnames (capitulations) as privileges granted to the Europeans. The Ottomans used to describe capitulations –imtiyazat ecnebiye or simply imtiyazat– means privileges, grants, or concessions for foreigners.
3 Until the eighteenth century the Ottoman Empire did not enter into a treaty relationship with foreigners which would place it in any form of obligation.
II-The Content, Importance and the role of the Capitulations

Significant details are recorded regarding the privileges granted to French, English and Dutch merchants, especially concerning the economic activity they carried out in the Ottoman territories. However, the Sublime Porte granted not only economic but also certain political rights to them. According to İnalcık⁴, the following provisions concerning the status of non-Muslim merchants in the Ottoman areas were included either explicitly or implicitly in all of the commercial privileges:

- General security of person and property, including:
  - testamentary rights, freedom of worship, burial, and dress;
  - ship repairs, emergency rations, and aid against attack by corsairs;
  - permission to address complaints to the head of the Muslim community.

- Extraterritoriality, including:
  - consular jurisdiction;
  - consular’s salary and other exemptions.

- Abolition of collective responsibility.

A capitulation guarantee had pre-eminence over the laws of the empire and, upon drawing up a capitulation, the sultan sent orders to local authorities to abide strictly by its provisions. It was not a “treaty” but a “freedom” or “privilege” granted to the Europeans to trade freely throughout the Ottoman territories⁵. But in practice the members of foreign nations were permitted residence only in certain ports, and within these ports usually only in specified quarters or caravanserais. However, in İzmir, Aleppo, Galata and in other Ottoman trading cities, they enjoyed considerable freedom of movement.

As and example, here, we will concentrate on the capitulations granted to the Dutch Republic. They were granted twice in the first half of the seventeenth century, first in 1612 and then in 1634, and once in the second half of the century, that is in 1680. In order to understand the new status of the Dutch in the Ottoman area one has to examine the capitulations of 1612. The sultan solemnly promised (articles 6 and 55) that capitulatory guarantees were above the law. Those Ottoman subjects who resisted their application or violated them were declared rebels against the sultan and punishable as such.

All capitulatory privileges and guarantees were granted to the Dutch by these instruments; and all rights included in the French and English capitulations applied to the Dutch. For the Republic, the political-military cooperation with the Empire is quite explicitly mentioned in the capitulations. According to a special provision (article 51), Dutch ships fighting against the ships of non-capitulatory nations were allowed to use Ottoman ports and to replenish their supplies. Article 21 made it clear that corsair ships from Algiers remained entitled, as formerly, to provide themselves with munitions and materials in Dutch ports. If enemy merchants loaded merchandise on Dutch ships, it could not be confiscated on the grounds that it was enemy merchandise (article 38).

The Ottoman government’s regulations regarding precious metals, as formulated in the capitulations granted the English and Dutch, stipulated that no duty was to be levied on the import of gold and silver coins. These coins could not be converted into Ottoman coins in the local mints (article 1) and orders were sent to the provincial authorities to this effect. Such measures served Ottoman finances and the Ottoman economy in general, since exactly at this time the empire was suffering from a dearth of precious metals⁶. But this policy would finally result in financial and economic upheaval with the invasion of the Ottoman market by counterfeit coins imported chiefly by the Dutch. The Dutch were permitted to bring in and

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⁵ İnalcık (1979), p. 1179-80.
take out goods by sea to the Black sea ports, including Trabzon and Caffa, and by land to Azov and Moscow, and Dutch ships coming from Dumyat and Alexandria could carry goods to Istanbul or other places belonging to the Muslims. These clauses were evidently favoured by the Ottomans in order to profit from Dutch shipping and contribute to the feeding of Istanbul from the two most important areas, Egypt and the northern Black Sea (article 6).

In the Dutch capitulations, guarantees against corsair acts show how concerned Western nations had become about increased privateering in this period. The sultan promised that any Dutch subject, enslaved by the corsairs of Algiers, would be freed and his property returned in its entirety (article 17). The consuls could not arrest the Dutch merchants nor seal their houses. Merchants’ lawsuits involving consuls and dragomans (translators) had to be heard at the Sultan's Court (article 6).

In comparison with Venetians and French, the Dutch capitulations provided more extensive privileges and guarantees. The Dutch were granted a 2-3% rate of customs duty\(^7\) (article 46) instead of the 5% paid by the Venetians and French\(^8\). No authority could levy more customs duty than 3% (article 56).

Freedom of trade within the Ottoman dominions had been the primary aim which the Dutch had set for their embassy to Turkey. This had been well served by the capitulation, which was mainly a set of regulations for trade in addition to articles defining the legal status of Dutch subjects residing in Ottoman territory for the purpose of trade. The document did not contain any clauses regarding reciprocal benefits for Ottoman trade or clauses of a political nature (article 21). The Dutch capitulations of 1612 acknowledged the request for friendship and freedom of trade as transmitted by the ambassador. As to trade, in general, the principles of free shipping and trade were conceded (article 21, 43).

In spite of the fact that Ottoman trade regulations occasionally forbade the export of some luxury commodities such as leather and precious metals and some bulky commodities such as grain, as a result of the capitulations Dutch merchants were allowed to export non-strategic goods, such as cotton, cotton yarn, leather and beeswax (article 3). As for the most significant trade items, reference is made to silk from Aleppo and other places, and to Dutch exports of lead, tin, iron, and steel (articles 43 and 46). A purpose was to import unprocessed war materials to the Ottoman Empire. In the capitulations the statement that “the Dutch import into our well-guarded dominions of lead, tin, iron, steel and other scrap metal merchandise may not be hindered” (article 46) was very clear.

Dutch subjects would be free to transport their goods on ships of non-capitulatory powers, or corsairs, without confiscation by Ottoman authorities. Furthermore, the security of person and property was guaranteed, including testamentary rights, ship repairs, emergency aid and the abolition of the sultan’s rights in case of a shipwreck. In case of complaints, redress might be sought from the Porte (article 1).

The Dutch capitulations, like others, contained an article stating that rights mentioned in the first French and English capitulations apply to the Dutch. Any major differences of opinion that might arise between subjects of the Sultan and the Republic were to be referred to the Sublime Porte and to the Dutch ambassador residing there.

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\(^7\) In the capitulation of 1612, the phrase “adet ve kanun üzere” (in accordance with tradition and the current regulations), appears to determine the customs rate. In the sixteenth century, the general rate was 5%, but the Ottoman customs tariff rate varied according to the status of the merchant, and the nature of the commodity. The Dutch merchants were also exempt from kassabiye, masdariye, reftiye, yasakçı and bac duties (BBA ED 22, 39). They were Ottoman taxes levied on all merchants trading in the market, except merchants with privileges such as granted in the Dutch capitulations.

\(^8\) There was a common view that the first single 3% customs was first granted to France with renewed their capitulations of 1673 (Halil İnalcık, Keçe Defteri, (Ankara, 1959), p. 96. However, the registers of the Dutch capitulations clearly show that the Dutch were the first who were legally granted the maximum 3% rate (see article 46, 56 in the Dutch capitulations).
The first capitulations granted the Dutch were renewed by Sultan Murad in 1634. The second capitulations contained the same rights for the Dutch merchants in the Ottoman territories as the first.

III-The Ottoman Authorities and the Western Communities

According to some historians, the Ottomans were more receptive to the Dutch and English states because they were not Catholic and not encumbered by a tradition of ideological strife with Islam. Along with the economic problems and transformations of the Ottoman Empire in the seventeenth century, this may explain why English and Dutch merchants were given more liberty than other western merchants.

One can easily understand that both the central and local Ottoman authorities paid a great deal of attention towards providing security on the land and sea for the western merchants, and thus earning income for their treasurers and meeting the needs of Ottoman people. The Ottoman provisionist mentality especially played a crucial role in this process. In order to realise this aim, the western merchants were very important, while security was of primary concern to the traders in the Ottoman territories.

After establishing diplomatic relations in 1612, the Dutch ambassador in the Sublime Porte, Cornelis Haga, exerted great efforts and paid special attention to developing economic relations between the two nations by entering into close cooperation with the Ottoman authorities to protect the right of the Dutch merchants in the Levant. Theoretically, Dutch merchants were protected from piracy and enslavement at the hands of the corsairs thanks to the capitulations. In spite of significant efforts deployed by the Ottoman bureaucrats and officials, establishing a safe commercial area was not easy to accomplish.

After 1612, it also became possible for the Dutch to appoint consuls. According to their capitulations, the Dutch ambassador had the right of appointing the consuls and other personnel whenever Dutch commercial settlements might require this. Thus, in April 1613, Haga was able to accept the oath of allegiance of a travelling companion, Cornelis Pauw, as the Dutch consul in Aleppo. The role and the duty of the consul was also to protect the rights of the merchants and develop their trading capability in the region.

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9 Although Sultan Ahmed I died in 1617 and two successive sultans ascended the Ottoman throne, only Murad IV renewed the Dutch capitulations in 1634.

10 Halil İnalcık, Economic and Social History of the Ottoman Empire, 1300-1914 (Cambridge, 1994); D.M. Vaughan, Europe and the Turk: A Pattern of Alliances, 1350-1700 (Liverpool 1954).


12 For more information on the importance of the Haga in the economic relations between the two nations and his diplomatic mission and achievement in the relations see G.R.B. Erdbrink, At the Threshold of Felicity: Ottoman-Dutch Relations During the Sublime Embassy of Cornelis Calkoen at the Sublime Porte, 1726-1774 (Ankara 1975; Alexander H. De Groot, Ottoman Empire and The Dutch Republic, A History of the Earliest Diplomatic Relations 1610-1630, (Leiden 1978).

13 According to the Ahidname, the Dutch ambassador in Istanbul could establish a consulate where he wanted. The primary purpose of the ambassador was to promote the trade of his nation. Haga established new consulships at Aleppo (1613), Larnaca (1613), and Algiers (1616). And now under the supervision of the ambassador in Istanbul and the consuls in the other trading centres of the Porte, the Dutch commercial network and business expanded in the Levant. From 1657 onwards the Dutch consuls began to be directly appointed by the States General from Holland. For more information on the function of the consuls in the Levant see Niel Steensgaard, “Consuls and Nations in the Levant from 1570-1650” in Scandinavian Economic History of Review XV (1967).

14 The Dutch representatives in the Empire shared all the problems of their merchants such as trading activities, loans, and credit relations. Furthermore, they were interested in building problem of the merchants’ houses. The Dutch merchant Alexandre Colyer gave money to the consul Hochepied in Izmir in order to have his house rebuilt (ARA, LH 27).
The Dutch ambassadors at the Porte had both diplomatic and commercial roles. The ambassador was located in the centre of the Empire, the capital, with his appointment of 12,000 pounds per year, paid out of the general trade duties levied in the Republic (convooien en licenten). In addition, he had a share of the income from the Dutch consulates in Istanbul, Izmir, Cyprus and Chios. The Consuls were allowed to levy consular duties on all goods carried by Dutch ships passing through ports under their jurisdiction. Consuls in other parts of the Mediterranean only served the private interests of the merchants, ship owners, and captains.

Haga as the first Dutch ambassador (1612-1639) contributed greatly to the development of the Ottoman-Dutch commercial relations. His successors tried to follow him in building up the relations between the two countries.

Levinus Warner, another Dutch representative was important scholar in the field of Oriental studies at Leiden University prior to his arrival in Istanbul. After Warner, Justinus Colyer became the Dutch resident ambassador in Istanbul. During the mission of Colyer (1668-1682), new regulations were drawn up concerning the Dutch community in the Levant and their business in the Levant. His first aim was to renew the two earlier capitulations of 1612 and 1634. He managed to do this, resulting in the third capitulation granted to the Dutch in 1680. Colyer died in Istanbul in December 1682. At the end of the seventeenth century, his elder son Jacobus Colyer (1684-1725) succeeded him as the Dutch ambassador at the Porte. In 1699, Colyer played a significant role in establishing peace between the Ottoman Empire and the Austrian Hapsburgs. Together with his English colleague, Colyer was involved in the negotiations, and mediated between the two powers.

A consul was also empowered by the Sultan’s berat to supervise the affairs of his millet, to register incoming goods and to collect the appropriate dues for the ambassador and the consul.

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15 According to the Resolution of the States-General in April 1675, new regulations were set up concerning the residence of Dutch citizens and the manner of conducting business in the Levant. According to the 1675 regulations, the principal task of the ambassador and of the consuls in the Ottoman Empire was to ensure that the capitulations were properly observed and implemented. The Directorate also envisaged assessors, members to be chosen from the Dutch nation in every port, who would control the consul’s action and financial management (Erdbrink 1975, p. 28).


17 Warner studied Oriental languages at Leiden University in the Netherlands. Prior to his departure for Istanbul in 1644, he had already written four short works. After residing in Istanbul for ten years, he was appointed ambassador of States General in 1654. He carried out extensive research on the Middle East and Islam and compiled a huge collection of works on the region. This collection is located at Leiden University now. For more information on this collection and Warner see G.W.J. Drewes, “The Warnerianum of the Leiden University Library” in Catalogue of the Commemorative Exhibition held in the Bibliotheca Thysiana from April 27th till May 15th 1970, Levinus Warner and His Legacy, (Leiden 1970). Erdbrink gave the following information about him: “…a young orientalist called Levinus Warner, born in the Germany city of Lippe, he had come to the Republic in 1629 to read Arabic at Leiden University under the famous Professor Gool (Golius) who was well known for his travels in the Near East and for the manuscripts he had collected there for the University Library at Leiden. Upon completion of his studies in 1644, Warner himself set out on an oriental journey and finally arrived in Istanbul... As secretary t Ghijsberti, a function for which he was qualified by his knowledge of the language, he retained close connections with the Dutch embassy in the Ottoman capital, Warner started to write newsletters in Latin to the States-General and various officials in the Republic... After Ghijsberti’s death from the plague Warner applied for the position of resident minister in Istanbul. In the Republic this request was firmly supported by Professor Golius” (Erdbrink 1975, p. 19-20). Warner died in Istanbul in June 1665.

18 At the end of the negotiations, during the peace conference that was held in the Slavonian town of Carlowitz (Karlofca in Turkish), a peace agreement was signed. With this, the Ottoman Empire, for the first time in its history, accepted the principle of uti possidetis- both parties being allowed to keep their conquered territories. This meant that they had to cede Transilvania and Hungary, with the exception of the Banat of Temesvar.

19 ARA LH 127.

20 A diploma bearing the Sultan’s official seal.
No ship of his nation could leave port without his authorisation, and he resolved disputes and settled suits between members of his nation according to his home country's laws and traditions. His person, servants, and animals were immune from interference, at his residence, on the road, or at overnight halts; his personal goods were exempt from custom dues. However, protection by the Dutch ambassador or consuls was not sufficient in the long run. With the increase in Dutch trade, there was an increase in harmful interference by the business rivals, among whom were the Venetians, French, and English. They had lots of disputes with the other western merchants as well as with the Ottoman parties in the market. In addition, some Ottoman government officials occasionally wanted more customs than stipulated in the capitulation articles.

Most problems encountered by the Dutch merchants in the Ottoman territories came from assessing the value of the commodities and thus the paying of taxes or custom duties. According to the capitations, the Dutch merchants had to pay a maximum of 3% customs duties to the tax farmer of the imperial customs, *gümrük emini*. The customs duties were paid on the value of the commodities. Occasionally, a controversy occurred between the Dutch merchants and the Ottoman officials. The conflict mostly resulted from disagreement on the value of the commodities.

Various taxes had been levied to be paid by traders such as *masdarîye* (on the goods imported by the Ottomans), *müürüriye* or *bac-ı umur* (transit permit) and *selamet ızn-i* (permit for passage of vessel) in the Ottoman Empire; and finally, the merchants were given the *tezkere* (licence) that permitted the goods to be transported to any part of the Empire, without being subject to any other tax. According to the regulations, the Dutch merchants were exempt from the duties of *kassabiye*, *masdarîye*, *reftiye*, *yasakça* and *bac*. The archival documents indicate that local customs officers caused the problems for the Dutch traders by demanding such taxes nonetheless. However, the Dutch merchants also tried to avoid paying official custom duties in the ports of the Empire.

The Ottoman Empire began to establish the new tax farming system in the last decade of the sixteenth century. Thus, in the following century, most *gümrük emins* of the Ottoman ports

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21 See Capitations of 1612: article 9, 21, and 39.
23 The Dutch representative applied to the Porte for these problems. In these situations stipulated in the Sultan sent the *firmans* to the local Ottoman authorities in order to solve the problem (BBA ED 22, 79). In another register dates 15 April 1680, the Sultan sent a firman to the *kadi* of Istanbul for a problem occurred between the Dutch merchants and Ottoman custom officials. The sultan sent his order the *kadi* to prevent the abuses of local officer that *gümrük emini* Hüseyin asked 5% rate custom duty instead of 3% (BBA ED 22, 1).
24 BBA BA 902, 116.
25 Dutch merchants objected to high customs duties and as a result the Dutch ambassador at the Porte appealed to the Ottoman administration to take action (BBA, ED 21/12). These types of cases were also prohibited by the Sultan. "Elçi-yi mezbah arz-u hal gönderip yedlerinde olan nişan-i hümayunda *gümrük* için hazine-i umire alındığı üzere cari olan nakuda (Nederlanda tacirleri) ahidname-i hümayunum mucibince vermeğe razılar iken *gümrük* emini hilaf-i ahidname ve nişan-i hümayun...gurar alarum deyu rencilde olumnumak habinda emr-i şerifim verilmek rica etmeğin ahidname-i hümayunumuna müracat olandıktı Nederlanda tüccar vãoyleterinden getürdükleri ve alub goûtürdükleri metalardan *Haлеп* ve *İskenderiye* vesayir yerlerde yize üç akçe *gümrük* vereler ziyade vermeyeler..." (The Dutch ambassador has conveyed a petition to my court and has complained that although certain Dutch merchants are ready to pay the customs duties according to the exchange rate of the imperial treasury, the local customs authority claimed excessive amounts contrary to the capitulations... Custom duties have to be charged to the Dutch merchants carrying goods from Alexandretta, Aleppo, etc. are, as before, 3% but not more, and merchants must not be disturbed...) (BBA ED 22, 5).
26 BBA ED 22, 39.
27 "...cezire-i Sâzî ve İzmir gümrüği mukatta eminlerinin itizamına tabi iskelelerine gelen sefinelere *gümrük* kaçırmamak için bekçi ve arayıcı konulagediğim iken İngliz ve Felemenk taifesı getürdükleri metalari gece ile *gümrükten* kaçırmak için..." (Not to cause any leakage from Chios and Izmir ports, customs and control officers were assigned by the tax farmers. The English and Flemish communities are used to unload at night to escape from customs duties...) (BBA BHM 20, 56).
were individual and private. There were also many non-Muslim tax farmers in the Empire during the same period, who tried to obtain as much custom duties from the merchants in the Ottoman territories as possible. Throughout the period under study, there were numerous complaints from the merchants that the custom officers were abusing their authority. These complaints usually fell into two generalised categories. The first was related to the gümruk emins attempts to alter the procedure for taxation on items stipulated as taxable, while the second was related to the claim that customs officers tried to tax items which had been traditionally exempt from taxation. The Dutch merchants complained that the custom officers often tried to tax the merchants not by a percentage of the assessed value of the commodities they had imported or exported but rather by their volume and type.

The consular representatives of the foreign merchants of each nation were paying ‘avanias’, or arbitrary payments to the local authorities. The Dutch merchants were also comforted with the avanias, frequently required by the local officials. Occasionally, the foreign merchants managed to avoid paying avanias by offering gifts to the local authorities. The avanias constituted 1 to 2 % of the value of a merchant’s imported and exported commodities. These accounts were kept by the ambassador and consuls, respectively. Since the Dutch merchants in the Levant tried to avoid paying the avanias, Dutch representatives applied to the Ottoman government for a solution to these problems.

For instance, there were two non-Muslim tax collectors, Sonos Karagözoglu and Bedik who were brothers and settled in Aleppo during the first half of the seventeenth century. By 1616, Bedik was in the position to negotiate directly with the Dutch consul over the amount of tariffs to be paid by the Netherlanders in Aleppo (BBA MD 80, 1339).

In the Ottoman territories, the obstacles for the Dutch merchants were not only on the seas. Occasionally, they faced some conflicts with tax collectors (miilitlezim) custom officials (gümruk emini), and western consuls in the Empire. The Dutch Levantine merchants in Amsterdam realised that they had no knowledgeable enough to compete with the established consuls of rival states, and therefore employed members of the cosmopolitan communities resident within the Empire, such as Armenians, Greeks, and Jews, and the brigands such as Kalenderoğlu, Cennetoğlu, and Ilyas Pasha in the first decades of the seventeenth century (De Groot 1978, 216-17). In fact, these communities were engaged in large commercial operations in the Empire, and they controlled, to a great deal extent, the foreign trade of the Balkan countries, the Aegean part of Anatolia, Crete, the Peloponnesus, and Greece, having at their disposal a considerable number of shipowners, sailors, merchants, brokers, usurers, etc. Particularly the Jews in the Empire, acted as agents between the Ottomans and the western merchants. Thus, the Dutch merchants also faced some problems with these communities in the Levant. The question had not been seen only among the merchants and these communities but also between the consuls and these nations. The Dutch consul in Izmir, Orlando, in collaboration with the Levant Directorate in Amsterdam tried to employ some cavalrmen to compete with the established consuls of rival states (F.C. Lane, “Economic Consequences of Organised Violence” Journal of Economic History XVII (1958), p. 401-17. For instance, Cennetoğlu was such a person in Anatolia. Orlando’s intervention with this cavalryman freed Dutch merchants and their representatives not only from the ever-present menace of raiders and pillagers, but also from the restrictions and tolls the Ottoman state imposed, thereby foreshadowing the rise of provincial notables who later were to strip Istanbul of much of its authority in local politics and commerce (Halil Inalcık,”Centralisation and Decentralisation in Ottoman Administration” in T.Naff and R.Owen (eds.) Studies in Eighteenth-Century Islamic History, (Illionis 1977), p. 27-29.

The Dutch ambassador reported to the Ottoman government in 1625 that Orlando and the Dutch merchants of Izmir had ‘had to send a letter and tribute to him so that the brigands of Cennetoğlu would not do them harm’ (BBA, MM 6004, 124). By April 23, 1659 together with other western traders the Dutch merchants in Izmir complained to the Sublime Porte that they resented the collection of import and export duties there. They insisted that they already gave forty gürüs per ship to the law courts and twelve gürüs to the guards on the wharf, and proclaimed that an additional surcharge was excessive (BBA A.DVN 30, 76).

“Conflicts between the nations and the local authorities generally involved avanias, i.e. arbitrary payments extorted from the nation as a whole by the Turkish authorities to meet their own or their clients’ claims. The vast majority of these avanias fall into two groups, firstly unilateral increases of duty, often as a once-for-all sum to commute an increase of duty, secondly collective responsibility for claims that according to European ideas of justice ought properly to be raised against individuals” (Steensgaard 1967, p. 20).

The regular levies, called *tanza*, were paid by the captains of Dutch ships to their consuls in Aleppo, Cyprus, İzmir, and so on. The complaints of the Dutch consuls to the Porte and their reports to the States General indicate that the Dutch ships avoided paying these levies and that a number of ships sailed under foreign flags to escape the payments. After 1612, the expenditures of the Dutch consul were compensated by a tax that was paid by Dutch merchants to the consul. Most of these expenditures were incurred in Istanbul and Aleppo. However, a majority of the revenues were paid by İzmir merchants, which sometimes caused a conflict between local consuls and merchants. Since consulate fees levied on foreigners for the right to trade under the protection of the flag of a European nation was an important source of income, the consuls competed with each other in order to induce other nations to ask for protection. The consuls of the Netherlands in the Levant followed this policy and sometimes tried to collect more consulate fees from both Dutch merchants and foreigners protected by them. The complaints of the merchants in the Levant indicate that paying consulate fees (cottimo) caused some problems between the merchants and the consuls. Evidence indicates that after getting their own capitulations, occasionally Dutch ships sailed under French or English or Venetian flags in order to avoid paying these fees. The complaints of the Dutch merchants show that the Dutch consul in İzmir, Jacob van Dam, tried

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33 Both the Ottoman and the Dutch archival documents show these kinds of situations (BBA ED/22; BBA MM 2765 and ARA LH 97-101, 123-126).
34 BBA BA 902, 116, 2.
35 The report of the Dutch consul in İzmir indicates that their consular revenues were the following in the 1680s: 7/10 from İzmir, 2/10 from Aleppo, and 1/10 from Istanbul (ARA LH 125).
37 Niel Steensgaard (1967, p. 32) states that “the conflict is very well illustrated by a petition by the Levant merchants in Amsterdam to the States-General in 1615:

1. The consul should be a scrupulous man, and must not carry on business on his own account.
2. A cottimo on the Venetian model ought to be established in the nation.
3. The consul should receive a fixed salary.
4. Gifts must only be made with the nation’s approval, and they should be paid from the cottimo, as is done by the Venetians.
5. Other extraordinary expenses on the nation’s behalf should be paid from the cottimo as well, including the frequent gifts now being neglected on account of the consul’s economic situation.
6. Should the cottimo not suffice in case of a large extraordinary expense, a *tansa* (special duty) as large and as protracted as necessary should be imposed on the members of the nation, only of course with the nation’s consent.
7. The consul will be shown due respect.”
38 In January 1636, after two Dutch capitulations were granted, ambassador Cornelis Haga reports that “…nederlands schippers in Smirna met een Engelshe vlagge op de Roode goer nieveent deselve met neemen ende in plaate vatien de gessonelijk he vlagge van haer ho mog van delfsefs…” (On the Roode ship, instead of their own flags the Dutch shipmen came with the English flag in İzmir) (ARA LH 97). The letters of the Dutch ambassador, Warner, to the Ottoman Sultan also indicate that the Dutch merchants avoided from paying consulage fees by using foreign flags, French or English, in the Ottoman territories. Warner requested an order from the Sultan to the kadi of Aleppo for solving the problem. “Saadetli develpili Sultanım hazretlerininiz hazzur-u şeriflerine arz-u hal budur ki Halep iskelesi İskenderuna ticaret ile gelen Felemenk kalyonları ve kapudanları geldikte ahidname-i hümâyün mucibince Felemenk konsoloslara elçilik ve konsolosluk avaidın virmemek için hileye salı olup Felemenk bayrağın kaldırup Fransız bayrağın dikmekle Üstad Generalleri vaz’ ettği üzere ol makule hile eden kapudanları Felemenk konsolosu götürün ayininiz üzere mukem mubeh ve te’kid edip men ni def eyleye ahidname-i hümâyün mucibince… babında Halep beylerbeysine ve kadi efendiye hüküm arz olunub. Baki ferman sultanımindir. Elçi Varner.” (It is our petition to the high court and the Sultan that when Dutch ships arrive at the port of Alexandria to transport goods to Aleppo, the captains should raise the French or English flags to escape from paying consulary duties to the Dutch consul in Aleppo which is stated in the Dutch capitulations. Such captains should be severely punished by the consul in Aleppo in accordance with the orders of the States General. The governor and kadi of Aleppo were informed about the issue. The ultimate order is expected from my honourable sultan. Ambassador Varner) (Leiden Univ.Oriental Manuscripts, code 1122, 45).
to obtain as much consulate fees as possible\textsuperscript{39}. In 1673, Leiden merchants\textsuperscript{40} asked for the dismissal of the Dutch representative in Izmir, Van Dam. His reaction to the conduct of some merchants and his treatment of them in general were unacceptable in their eyes. In their opinion Van Dam had harmed the relations between the Netherlands and the Ottoman Empire\textsuperscript{41}. Indeed, although these consulate fees might be seen as a revenue for the Dutch mission in the Levant, it was harmful for the Dutch merchants as well as for the Ottoman-Dutch commercial relations because these fees would discourage the merchants from trading in the Ottoman lands.

The other complaints of the traders were related to the monetary conditions of the Ottoman Empire in the seventeenth century. According to some Dutch merchants, the most important problem was created by the Ottoman money market. It is a fact that the Ottoman Empire was a great empire and had large public expenditures. That is why it absorbed most of the money from the market. Thus, occasionally merchants could not find enough money to trade in the market, and this caused a rise of interest rates in the market. This was true for all merchants, both Ottoman and western merchants. There were also differences between the Ottoman market and Amsterdam in the value of the Dutch \textit{leeuwendaalders}\textsuperscript{42}.

Consequently, various problems occurred in the Levant in the relations between two communities, the Dutch and the Ottomans as well as with the other westerners. Official authorities from both sides extended great efforts to solve these problems. But there was a big difference between theory and practice.

\textbf{IV-The Composition of the Business}

The commercial ascendency of Northern Europeans in the Mediterranean began with the massive influx of Dutch and Hanseatic grain ships. Baltic grain was the key to their commercial supremacy in the Mediterranean from the end of the sixteenth until the mid-seventeenth century\textsuperscript{43}. However, it seems that the trade in luxurious commodities such as textiles, sugar, spices and silver is more important for the prosperity of Dutch trade in the Mediterranean than their trade in bulky goods like grain\textsuperscript{44}. Dutch trade in the Levant was an import trade, in which merchants exchanged money for silk, cotton, mohair yarn, wool, currants, and other exotic commodities\textsuperscript{45}.

Regular trade in grain was not at all a new feature of Mediterranean life. Putting the Roman past aside, Salonica, Crete, Cyprus, Anatolia and Egypt were all areas outside the Black Sea where traders could usually or very often find surpluses of grain in the period immediately preceding the Ottoman era. Therefore, the Ottomans supplied a great deal of grain to the West\textsuperscript{46}.

According to Braudel, the external drain on Ottoman grain supplies to the west tapered off rapidly around 1590. Stimulated by attractive prices, Italian merchants turned to investing in agriculture on a large scale. Venice had expanded its rice production and was practically self-sufficient in food in the last decade of the sixteenth century. A dramatic improvement in the

\begin{flushright}
\textsuperscript{39} ARA LH 98.
\textsuperscript{40} These merchants are: Adrien en Jean le Pla, Charles Wasteau, B. Hoogmade, David en Elize de Bane, Pieter le Pla, A de Visscher, Dr. van Peene, Marinus adr. Veer, and Hosson Compte.
\textsuperscript{41} Leiden Gemeentearchief, Stadsarchief II, 1280.
\textsuperscript{42} ARA LH 126.
\textsuperscript{46} I am indebted to Halil Inalcik for this point which came out in our meeting at Bilkent University Ankara on Tuesday, 15 February 2000.
\end{flushright}
Italian supply situation as a whole occurred with the arrival in Leghorn and other ports of grain transported all the way from Danzig by the Dutch. This began during the last decade of the sixteenth century and continued in the following decades.

As major exporters of grain, the Ottomans every year had to take decisions about the control of these exports to the West. During good harvest years grain continued to be exported to the West with permissions of the Sultans. The grain prices in the west were mostly higher than in the territories of the Empire. Therefore, during bad harvest years in spite of Ottoman restrictions, western merchants exported grain from the Levant to the West Mediterranean. Freight contracts reveal that thanks to Dutch business there were strong commercial connections between the Baltic, Atlantic and the Western and Eastern parts of the Mediterranean. Most ships transported bulky goods like wheat, along with other cereals such as rye and barley to the French, Italian and Spanish ports. These ships also transported salt, fish, wood, tin, tar, wax etc. Some freight contracts also included remarks about sugar, cheese and salted meat. One cannot be sure whether all these products arrived in Ottoman ports. The contracts indicate that some Dutch ships unloaded the grain in the West Mediterranean and sailed with silver to the eastern ports of the Mediterranean. Then mostly luxury goods, but also bulky commodities were loaded on these ships. The main imports from Ottoman areas were textile products, such as cotton, mohair yarn, raw wool, and silk, but there was also grain, especially from North African coasts.

According to the freight contracts, grain was the main commodity transported in the beginning by Dutch merchants to the Mediterranean ports. During the first decade of the seventeenth century, the carriage trade from Northern Europe to the Mediterranean was probably of more importance for the Dutch merchants who had settled in that area than their carriage services in the Mediterranean itself. But the latter should not be overlooked, since earning money by these services, merchants could restore the negative trade balance with the region. Silver Spanish reals were especially very useful in trade with the Levant. Spanish silver was minted in the Republic as the Dutch leeuwendaalers (lion dollars). These lion dollars were the main export brought to the Levant by Dutch merchants.

During bad harvest years export of grain from Ottoman lands was prohibited in the Empire, but its import was encouraged. In spite of the ban on grain exports, the Ottoman sources indicate that grain smuggling intensified throughout the Levant from the last decade of the sixteenth century, especially during the years of poor harvests in Europe. It continued in the following century too. Both freight contracts in Amsterdam and the Ottoman archives reveal that like other Westerners, Dutch merchants traded in grain between the East and the West.

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49 BBA MD 90, 91.
50 BBA MZD 8; MD 73; 90; 6973.
51 AGA, NA 98/151v, 97/142 (September 1604), NA 97/187-220v (October 1604), NA 102/ 103 (October 1605), NA 103/105v (July 1606), NA 103/145-146 (August 1606), NA 105/33-34 (October 1606), NA 112/ 152-153 (October 1608), NA 113/ 62-63, 87-89 (August 1608), NA 132/200v (October 1613), NA 378/158 (March 1615), NA 148/34 (April 1617).
52 AGA NA 87/185, NA 97/142, NA 148/34, NA 170/1, NA 201, 220, 251, NA 227/52v, NA 381, NA 631/68-70v, NA 679, 759, NA 878, 899, NA 941-951.
55 BBA MD 107, 22; 39; 64; 99.
56 BBA MZD 6, 8.
Mediterranean. This situation continued till 1630s, even later. Since the Porte encouraged the import of cereals, there is no doubt that the Dutch merchants were also active in the import of grain to the Ottoman Empire from the European side. However, the price of grain was the main factor in this traffic and most transportation took place from the Empire in a westward direction.

In the vast Ottoman Empire the annual grain harvest was poor in some regions, while in the others it was usually good. According to Güçer, the Ottomans began to manage the sale and distribution of grain because of the frequent problems posed by grain scarcity, not only in large cities but also particularly in areas where drought, locusts, or other natural disasters had struck. This practice became an important element of Ottoman economic policy. Although the East Mediterranean had a sizeable grain surplus, the Sublime Porte forbade the export of grain to foreigners, on account of domestic needs. According to Aymard, the Ottomans’ policy was frequently implemented until the end of the sixteenth century. Braudel believes that “in good years”, the Ottoman territories had “plenty of grain to sell” to Italy, where the price of grain was two or three times higher.

The issue of Ottoman control of trade in grain began to be integrated, after a certain delay, into the so-called ‘capitulations’ granted to foreign merchants. The first such capitulations, granted to France in 1569, contains no mention of grain trade. The second capitulation granted to France in 1597, still permitted the export of grain. The third, granted in 1604, contained several clauses extending certain immunities to French merchants. It allowed them to purchase and ship certain specific items but yet permission was withheld to trade in other banned commodities which were not specified. Prior to 1612 the Dutch traded under French and English flags. In this respect, the following Goffman’s statement gives an impression on the grain trade in the Levant.

“The combined Ottoman prohibition and Baltic penetration did not halt international commerce in Levantine grains. It simply forced business underground. During the late sixteenth and early seventeenth centuries, disruptions along commercial routes and diversions from the capital city occurred with alarming regularity. Since the market in Europe was almost insatiable, Ottoman consent for the export of certain grains and other restricted goods led to these crops finding their way not only into the hold of ‘enemy infidels’, i.e. probably Venetian vessels, but even into friendly Dubrovnik and French’ ship bottoms in quantities greater than agreed upon in the capitulations. Both the merchants of the city state of Dubrovnik, which enjoyed singular trading arrangements with the Ottomans because of its tributary status, and France, which, despite Dutch and English pretensions, retained its most-favoured-nation status due principally to its longstanding and acrimonious opposition to the Hapsburgs, strained Ottoman relations by routinely abusing their privileges”.

As stressed above, Dutch merchants were very active in grain trade between the Baltic and the Mediterranean. They were also very active in this trade between the Ottoman Empire, Italy and Spain. One of these merchants was Abraham Aerts in Sayda, who was sent to the Levant by Jonas Witsen in 1622 to organise grain trade from Palestine. The other Dutch merchants

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57 BBA MD 90; 91; 333; 364; 599; 1143; MZD 6; 8. According to a notarial record in Amsterdam, in 1608, a Dutch ship Sampson was loaded to North Africa with wheat, rye and barley (AGA, NA 113/62-63).
58 BBA MD 90, 333, 364.
60 Raymond has shown clearly how the price of wheat fluctuated greatly from year to year in the early modern period. A. Raymond, The Great Arab Cities in the 16th-18th Centuries, (New York 1984).
63 Braudel (1972), p. 583, 591,1090.
64 Halil İnalcık“The Turkish Impact on the Development of Modern Europe”, in Kemal H. Karpat (ed.) The Ottoman State and Its Place in World History, (Leiden 1974).
involved in Levant grain trade were Abraham De Ligne, Jacob Stalpert and Jan Van Peenen in Aleppo, and Daniel Van Steenwinckel in Cyprus. In the first decades of the seventeenth century, most of the time Mediterranean grain was not as cheap as Baltic grain. In the Mediterranean region, grain could be obtained from Sicily, Apulia, Egypt, Asia Minor, Salonica, Macedonia, Syria and the Barbary region. In fact, from the beginning of the century, the export of grain from the different parts of the Ottoman realm had only been possible with special permission. Often Dutch seamen in the service of Italian merchants tried to circumvent the measures of the Sultan. In the second decade of the seventeenth century the grain trade was facilitated by Fakr-ad-Din, the son of a Lebanese emir who, after the conquest of Syria by the Ottomans, had freely submitted to the Ottoman Sultan. He allowed the export of grain to Tuscany, although this was officially forbidden. Therefore, the export of grain from Syria flourished during the 1620s. Dutch ships were regularly involved in transporting this commodity from the Ottoman area to Tuscany during that period.

The continuation of the Dutch exporting Ottoman cereals to its enemies led to complaints in Istanbul. Their transport activities came to be seen as the main reason for high grain prices in the city in the 1630s. Ottoman authorities put the blame entirely on the Dutch. In a letter dated 23 December 1630, the Dutch ambassador in Istanbul, Haga, asked his government in Holland to warn the merchants and shippers not to violate Ottoman rules. The ambassador was asked to ensure that such activities involving the export of grain from territories of the Empire such as Lebanon, the Aegean archipelago and the Dardanelles be halted.

It was extremely hard to ban exports grain trade outside the Dardanelles in 1600s, partly because the trade was only fragmentarily recorded, and partly because by its very nature this trade was irregular. Dutch and English ships were used by Genoese, Leghornese and Greek merchants to take wheat from Greece and the archipelago and rice from Egypt throughout the seventeenth century. It seems that these cargoes helped the northern captains to fill their slack season. These exchanges often involved wheat from mainland Greece and perhaps sometimes from the Anatolian shore as well.

Certain freight contracts contained special stipulations which prohibited going to the Ottoman archipelago for grain. A number of Dutch ships and crews, trading under foreign flags were caught in that area, and Dutch sailors were imprisoned. This situation clearly indicates that in spite of Ottoman prohibition on the export of grain, Dutch ships were engaged in grain trade in the Aegean Sea archipelago during the first decades of the seventeenth century.

Starting in the last quarter of the sixteenth century, merchants from Antwerp also traded luxury commodities with the Ottoman Empire. And later on they imported raw textile materials like mohair yarn, cotton, wool, silk etc., and exported Dutch manufactured textile products to the Ottomans. But when did the combination of luxurious and bulky goods traded change? According to Van Dillen, this happened towards the middle of the seventeenth century. He is of the opinion that military and political factors were possibly decisive in

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67 Güçer (1964).
69 ARA LB 6900, 6901.
70 The letters of Cornelis Haga from Istanbul show that the Dutch merchants were very active in grain export from the Empire in the first decades of the seventeenth century. These letters also indicate that the Dutch merchants caused a conflict due to their smuggling and corruption in grain trade (ARA, LB 6900, 6901, letters sent by Haga in 1630).
72 AGA NA 140/232v-233v (October 1615), NA 145/130 (October 1616), NA 155/67v (September 1619) and NA 200/378 (July 1619).
73 AGA NA 2/187 and NA 1500/54.
shaping the patterns of trade, and that the Dutch role in the Mediterranean entered its most flourishing period only after 1645. According to Israel, for the Dutch, the balance between ‘bulky-carrying’ and ‘rich trades’ changed and consequently the importance of ‘rich trades’ increased in the seventeenth century. After 1645, the Dutch Republic emerged much more strongly in the international arena as a producer of industrial products than before.

V-Conclusion
While the the Dutch nation established monopolistic trading companies for controlling the trade in the East (Asia) and the West (America) they did not organise the Levant trade by the monopolistic companies. Because the structural situation and organisation of the trade were different in the borders of the Ottoman Empire than the East and the West.

In terms of the establishment of the institutional structure, the capitulations granted by the Ottomans to the foreign merchants played crucial role in the expansion of their commercial activities in the Levant during the mercantilist ages. In the establishing and increasing their commercial relations with the Ottoman Empire this structural situation played important role for the Dutch nation in the Levant.

In the first decade of the seventeenth century, the Dutch had lacked the textiles and spices needed for a more significant role and had been greatly impeded by the Spanish embargoes and high freight costs in the Levant trade. In the second decade Dutch enterprise in the Mediterranean continued to flourish. They returned to Spain in large numbers, began servicing transports between Spain and Italy, used more silver and shipped a much wider range of fine goods, including for the first time large quantities of pepper, spices, Ibero-American dyestuffs, Swedish copper, and munitions. Consequently, carrying Baltic grain and timber to the Mediterranean ceased to be the driving force behind Dutch enterprise in the region.

Therefore, in the western and eastern parts of the Mediterranean political conditions played an important role in the activities of the Northwestern merchants. The policies of the Pope, Spain, Persia and the Ottoman Empire affected commercial networks and businesses. Because of that, the capitulations of 1612 were very important for the Dutch community involved in the Levant trade. It can be said that due to the regulations by the capitulations, luxury commodities became more important than the bulky ones for the Dutch in the Levant trade. However, Dutch bulk carrying and their grain trade continued to be important in the first three decades of the seventeenth century.

In the beginning, trade in bulk commodities such as grain, salt, fish, copper etc. was very important for the Dutch Mediterranean trade. In the region, the Dutch trade in luxury commodities such as silver, silk, spice, cotton etc. flourished as well. The end of the Spanish embargo’s in 1609 and the Ottoman capitulations in 1612 presented fresh possibilities for the Dutch in the West as well as in the East Mediterranean. Therefore, from the last decade of the sixteenth century, the Dutch merchants brought bulk commodities to the Western Mediterranean ports and from there they brought silver to the Levant. The silver was used to buy luxury commodities such as cotton, linen, silk, mohair, wool, gallnut etc. in the Ottoman ports. After obtaining capitulations, they also continued to trade in bulk commodities but these had a smaller share in the total Dutch Levant trade than that of the luxury goods. However, since the commodities transported were highly valuable, the ‘rich trade’ was also more exposed to the attacks of commercial rivals or corsairs.

74 Van Dillen, Van rijkdom en regenten; Handboek tot de economische en sociale geschiedenis van Nederland tijdens de Republiek, (The Hague 1970).
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