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Economic Policy and Budgets in Ottoman Turkey, 1876–1909

ENGIN D. AKARLI

Budgetary deficits need not always worry a government; in fact, they can even be a positive blessing under certain circumstances.¹ For the Ottomans, however, chronic budget deficits did constitute an important problem throughout the nineteenth century.² Government revenues lagged behind expenditure, and finding the means to pay the ever increasing expenditures occupied Ottoman statesmen continuously. During the 'Reform' (*Tanzimat*) period (1839–71/6), 'cash' in itself was seen as the remedy to the problem. The Grand Vezir Fuad Pasha once commented that the Ottoman Empire was the sick man of Europe all right, but there was a cure for his sickness: money.³ Money, the reformers did find. They borrowed it liberally from wealthy West European countries for the principal purpose of covering budget deficits, but not to improve the productive capacity of the country. Thus, they put a burden on future generations without bequeathing equivalent benefits.

Having shouldered such a burden, the statesmen of Abdulhamid II's reign (1876–1909) had to operate from a disadvantaged position; Nevertheless, they benefited from the mistakes of their predecessors.⁴ They realized the importance of increasing the productive capacity of the country and that this necessitated the building of a modern economic infrastructure. Respectable progress was achieved in this area. The taxable capacity of the producers increased towards the end of Abdulhamid's reign, but not enough to cure the chronic budget deficit. Borrowing from Europe remained the inevitable measure of last resort. Budgetary problems plagued the next generation of Ottomans as well. The Young Turks, that is, the driving group of the Second Constitutional period (1908–18), borrowed heavily, but they also spent large sums on infrastructural projects. Farsighted as they were, however, the Young Turks too failed to raise the Ottoman lands from economic backwardness.

Each generation, 1839–71/6, 1876–1909, 1909–18, was stymied by the same economic backwardness; and, throughout, balancing the budget loomed as a crucial issue in the eyes of successive Ottoman administra-

tions. Budgets offer us then a window on the nature of the economic problems that the Ottomans had to deal with and how they approached these problems.

There were about forty Ottoman budgets promulgated from 1860–61 to the end of the First World War.⁵ Among these budgets those pertaining to the years 1879–1908, the core years of Abdulhamid's reign appear to be pivotal. It was during this time that the consequences of the earlier organization (*Tanzimat*) efforts became fully clear. The Young Turk movement which culminated in the foundation of the Republic also took root during the same years. In this article references are made to periods before and after Abdulhamid but main attention is devoted to bringing the economic problems of his reign into clearer focus in the light of budgetary and other official documents.

Most budgets of Abdulhamid's time were prepared in a four-phase process. First, the government departments reported their cash requirements for the next fiscal year. At the same time, the revenue departments assessed revenue prospects on the basis of provincial reports and the records of previous years. Second, a special committee of ministers and administrators evaluated, compared and adjusted the statements by different departments on projected expenditures and revenues. Third, the preliminary budget was discussed by the Council of Ministers, which also had to deal with the task of narrowing or eliminating the deficit. Finally, the budget was submitted for the Sultan. The Sultan either accepted the budget as presented by the Grand Vezir or suggested revisions in it. In either case a special committee of his trusted advisors assisted him. The most important reason behind this four-phase process was the extensive lobbying and maneuvering and the continuing political struggle over scarce resources among the senior officials (*pashas*) in charge of the governmental departments.⁶

In general, two separate budgets were prepared for each year during Abdulhamid's time. One was the 'ordinary' budget, (*adi bûdce*) and the other the 'extraordinary' one (*fevkalade bûdce*). Theoretically, the ordinary budget was based upon the customary and recurrent expenditures and revenues of the state. The extraordinary budget was created to deal with the unexpected, unusual and temporary needs of the state. During an unexpected military engagement, for example, extra cash was needed. Such needs were met in one or several of the following ways: (a) additional taxes (*i'ane*); (b) transfers from the Privy Purse; (c) diversion of funds from, or savings in, the ordinary budget; (d) discounting a portion of the next year's revenues; and (e) short- or long-term loans. The last three were the most usual. (The deficit of the ordinary budget also was covered in a similar way.) This 'double budgeting' was by no means

peculiar to the Ottomans. Many other governments had a similar practice, and probably for good reasons too.

The peculiarity of the Ottoman extraordinary budgets, however, was that they were essentially lists of expenditures which occurred too frequently to be called ‘extraordinary’. Some Ottoman statesmen argued quite sensibly that dividing the budget into two mutually exclusive parts was a ‘self-deceptive’ attitude and confused the real situation.⁷ Unfortunately, it is not possible to make the necessary adjustments on the available budget figures in order to merge the extraordinary budget figures with the ordinary. It is even difficult to tell whether the deficit in the extraordinary budget of one year actually pertains to that year or is carried over from previous years. The extraordinary deficits are indicated in Table 1, but there is only one conclusion that can be derived from this piece of information: Ottoman budget deficits were in reality much higher than those suggested by the ordinary budgets.

As for the ordinary budgets, it must always be kept in mind that they are budgets – that is, they contain estimated figures, not actual expenditures and revenues. They must therefore be used cautiously as historical documents. One cannot determine the exact financial situation of the Ottoman state in terms of its proposed budgets. A general idea may be obtained, however, which can serve well for the purpose of this article.

Like most budgets, Ottoman budgets can be interpreted as attempts to apportion available financial resources through political processes among competing groups of people and purposes. In this sense, the budgets indicate Ottoman preferences about how much revenue to take from whom and among which groups and in what proportions to distribute it. This is how I have viewed them. Consequently, I have preferred to base my arguments on percentages rather than on absolute figures. To the extent that it was possible, I have reclassified the revenues according to the social groups that provided them and the expenditures according to the social functions that they served. By social groups I mean segments of the Ottoman society, as the Ottoman government perceived them. According to Ottoman authors who had reason to discuss the subject in the late nineteenth century, society had two major components: government employees (*memurin ve mustahdemin-i devlet*), and the people (*ahali*). The latter was composed of three main groups: merchants, artisans and rentiers (*ashab-i ticaret, ehl-i hirfet ve sanayi*’, *ashab-i ‘akar*), farmers (*erbab-i zira‘at*), and nomads (*‘eshair*).⁸ Revenue figures available in the tables give a fairly good picture of the distribution of the tax burden among these groups.

REVENUES

Category 1 in Table 2 indicates the revenues collected exclusively from the peasants and nomads. It includes the tithes, livestock and fishing and hunting taxes, as well as the duty on salt used in animal husbandry. Peasants also bore a considerable portion⁹ of the land and property taxes, professional tax, the excise on tobacco and alcohol and the registration and stamp fees, which are grouped in Table 2 under category 2 as 'revenues collected from both the villagers and the town dwellers'. The military exemption tax (category 3) was paid exclusively by the non-Muslims who lived in the provinces. Customs duties (category 7) were paid by large merchants, both foreign and native, who were involved in import-export business. Government employees' share in the direct taxes is indicated under category 6. Court fees and the miscellaneous fees and fines are indicated under category 4. Revenues of state economic enterprises, including the postal services, and state farms and lands, and monopoly annuities are put under category 5, 'state enterprises'. It is difficult to determine the shares of different social groups in categories 3–5. Notwithstanding these difficulties, Table 2 clearly indicates that the peasants contributed by far the greatest portion of the revenues, mainly through the tithes and livestock taxes they paid.

Livestock Taxes and the Tithe

In the collection of livestock taxes, the discrepancies between the tax rates and the market values of dairy and meat products created important problems. Reports from the provinces in the 1890s indicated that increases in the tax rates after 1872 discouraged the producers from expanding the number of animals they bred. In addition, some producers felt justified in concealing the actual number of their animals through various subterfuges which included bribing government agents. Furthermore, a portion of the tax revenues was left in arrears because of the inability of the breeders to meet their obligations. Thus, the high tax rates undermined the legitimacy of the tax and encouraged fraud.¹⁰ Still, the livestock tax remained among the most dependable sources of the state; it certainly did not cause as many problems for the Ottomans as did the tithes.

Earlier in the nineteenth century farming out of the tithes was the common method of collecting this largest single revenue item in the Ottoman budgets. In an effort to increase the central government's authority deep in the provinces, the reformers (1839-71/6) attempted to collect the tithes directly, first by seasonally employed government agents, then by regular government officials. In this way, the government

also shouldered the responsibility of marketing the tithe revenues which were, by tradition, collected in kind. The lack of appropriate storage and transportation facilities, however, thwarted the Treasury's efforts to maximise the tithe revenues by selling products at the best market prices and at the most appropriate times. Furthermore, misappropriations by government agents and officials cut into the revenues of the Treasury and also caused great disturbance among the producers. Soon, tithe-farming was resumed in most provinces while the government undertook detailed cadastral surveys in selected provinces with the objective of switching to a land tax to be collected in cash. Also, elaborate laws and regulations were prepared in a vain effort to curtail official abuses in the collection of the tithes.¹¹

Abdulhamid inherited this ineffective and confused tax structure and tried to improve it. New regulations were created and repeated attempts were made to streamline the administration of the Tithe Directorate. In some areas and for some years a new tax collection policy was tested. The five-year average of the tithes of individual villages was computed on the basis of past records and each village was held collectively responsible for the payment of the resulting sum in cash. All these efforts helped create more regulations and greater confusion but little improvement in the efficiency of the collection of the tithes or in the lot of the producers. Rich archival material clearly illustrates these points.¹² Reports of Shakir Pasha, a senior advisor to the Sultan and a provincial inspector, are representative. In 1890 Shakir Pasha argued that switching from one obviously harmful and inefficient tithe collection method to another in the name of tax reform was a mockery of reform. He maintained that improprieties in the collection of tithes continued to cut into the revenues of the Treasury and to disrupt the relationship between the government and the producers. Peasants were unable to comprehend either the exact range of their tax responsibilities or the detailed procedures necessary for their fulfilment. Consequently, the peasants could not argue self-confidently against the middlemen who operated between themselves and the government. Employment of the tithes in commercial transactions among the profiteers had to be prevented.

Tithe-farming was a system which encouraged profiteering. The imposition of a fixed sum (the five-year average of the tithes paid) upon a village community had similar effects. Management of the tithes was entrusted by the village community to an agent who acted like a tithe farmer most of the time. Collection of the tithes by government officials was scarcely better. In fact, all the evidence gathered by Shakir Pasha in his tours of inspection clearly indicated that the collection of tithes through officials aggravated the damage done to the producer while it put

the revenues of the Treasury into a most ambiguous situation. As for the areas where the land tax system was being tested, the idea behind the system was correct, according to Shakir Pasha, but the approach was so perfectionist and costly that these projects were left in abeyance, and hopes for the extension of the land tax system to other areas were abandoned. In quite a few of the pilot areas the land tax system had already degenerated into the imposition of a fixed sum upon the village community collectively.¹³

In his later reports (1890–97) from the provinces, Shakir Pasha added some important details regarding the collection of tithes. He argued that for any commodity to attain its proper value in an auction there needed to be several bidders. In the case of the tithes, however, the number of bidders decreased continuously. Consequently, a few tax-farmer notables, who were usually unwilling to settle for a profit of less than fifty per cent, cornered the market by means of agreements among themselves. They abstained from offering a bid at the official time of the auction because they knew there were no other rich and powerful people around who would enter the bidding. Consequently, the local Director of Finance summoned the leading notables and tried to persuade them to make a bid. They did so reluctantly and as if out of their personal respect for the director. Finally, even the tithes of the villages with increasing productivity were purchased by the notables at the previous year's prices at best. The notables refused to bid for a great number of the poor villages or for villages with decreasing productivity. As a result, the local officials began to search for other, more tractable tax-farmers. They created these new tax-farmers out of financially weak people who almost always accepted the arrangement because of some personal advantage they sought to gain by co-operating with the authorities.

As for the tithes of the areas dominated by tribes, nobody but the tribal chiefs could dare offer a bid. After much pleading by the Director of Finance, the chiefs finally agreed out of their generosity to offer a sum which was always less than the previous year's tithe returns from these areas. If, after all the 'cajoling' of the officials, there still remained villages that were not 'auctioned off' to tax-farmers, then the village communities were 'persuaded' to be collectively responsible for the payment of the cash equivalents of their tithes by either false promises or sheer force and terror. Shakir Pasha also discussed other abuses by the officials:

In the case of tithe farms which are certain to bring a profit and which are auctioned off to competent tithe farmers, a partner of the official in charge of auctioning almost certainly accompanies the

tithe farmers' men to the villages (in order to collect whatever is the due share of the official) but other immoral finance officials also participate in the spoils [*nefis ortaklığına dahil olurlar*] . . . In fact, these immoral officials seek the acquaintance of potential tax farmers, and pull them into partnerships in tax-farming. These officials thus acquire extra-legal benefits in return for guidance in and connivance at illegal practice.¹⁴

Partnerships formed among the tax-farmers and 'immoral' officials harassed the producers as much as they 'deceived' the government, according to Shakir Pasha. Although the tithes were in general supposed to be auctioned off before the end of July, the auctions actually took place in late September because of delays resulting from the extensive bargaining described above. The delay suited the tithe farmers as they could 'harass' the peasant producers by putting off the enumeration of the sheaves until the rainy season, unless they had ascertained that the producers were going to agree with the tax share they suggested. The producers filed complaint after complaint, thus confronting the 'honest' officials with a difficult dilemma. If they fulfilled their duties and punished the tithe farmers, then they would have caused further delays and, ultimately, the loss of a much needed portion of the state revenue. If they ignored the losses inflicted upon the peasants by the tithe farmers 'who after all were acting in an official capacity', then they would have been dishonored by suspicions of corruption. Consequently, even the 'upright' officials let the tithe farmers enjoy a free hand, a situation which caused arrears in taxes, reduction in state revenue and great harm to the peasants. Shakir Pasha was convinced that the tithe-farming system severely hurt both the prestige and the treasury of the government. The legitimacy of the government was undermined in the eyes of the people.¹⁵

Collection of the taxes directly by government officials, however, was in essence no different from the tithe-farming system. Local officials were reluctant to collect the tithes directly in view of the difficulties involved in marketing the tithe revenues. If the officials in some areas were not worried about this problem, then one could be certain that they were using methods similar to those of the tax-farmers and probably with greater abuse of authority and less concern about the waste of revenue. The end result was the same: delays occurred, producers complained, and the Treasury lost. Shakir Pasha argued that the increasing difficulty encountered in marketing the agricultural products of the Empire because of international competition was a crucial aspect of the tithe problem.¹⁶ Shakir Pasha's last point about the non-competitiveness of the Ottoman crops in world markets deserves to be treated separately.

THE INABILITY OF OTTOMAN PRODUCERS TO MATCH DECLINING
WORLD FOOD PRICES

Ottoman agricultural products could not compete in international markets. Cheap North American crops had invaded world markets, causing a sharp decline in the prices of food that mattered most to the Ottoman producers. Parvus claimed (in 1913) that the Americans cut international food prices in half between 1865 and 1896 thanks to cheap transportation and modern production techniques applied to fertile land that was acquired at low costs. The industrial countries of Europe, the major food importers of the world, were forced to raise their customs tariffs against the flood of American products. This hurt the agricultural countries even more and made heavy investments in agriculture neither feasible nor profitable. The Ottoman Empire was not a grain exporter but it was an open market. The flood of foreign grain onto its markets severely impaired domestic production. In order to reduce the costs of production and transportation to competitive levels, the Ottomans had to invest large sums in an infrastructure of railroads, highways, land development and agricultural machinery. The most rational way of raising these funds was by increasing exports. That, however, was out of the question at a time of declining prices. According to Parvus, this vicious circle was the most important reason for the decline of the Ottoman Empire.¹⁷

The Ottomans were not unaware of the problems discussed by Parvus. Early in the 1870s they considered helping the farmers reduce their production costs by improving transportation facilities in order to stimulate commerce, and by encouraging industrial production through the adoption of a wise credit policy and fighting back the harmful effects of the Capitulations.¹⁸ Little came of these considerations, however. Abdulhamid believed that his predecessors' efforts had been frustrated because of foreign interference in the affairs of the state and continuous wars and uprisings.¹⁹ He himself drafted a plan of general policy early in his rule (1879) in which due attention was paid to the development of commerce, agriculture, industry, and the construction of public works.²⁰ In fact, almost all documents dating from Abdulhamid's sultanate related to economic issues paid at least lip service to the 'fact' that the essence of a state was its finances; the finances of a state depended on the wealth of its subjects, and the wealth of the subjects depended on the liveliness of commerce and agriculture, which could be improved by the construction of roads, bridges and ports.²¹

This general statement was substantiated in quite a few documents with detailed discussion of the costs and returns to the Treasury of various

public construction projects.²² The most important of these documents is the report of the Ministry of Public Construction which was presented to the Grand Vezir in 1880 by the Minister Hasan Fehmi Pasha.²³ In his introductory statement Hasan Fehmi argued that:

[if] no roads and ports and the like are built in a country, if it is left in its natural state, then the material and spiritual progress of that country cannot even be hoped for. Should a proof of this be sought, there need not be shown any other example than the most regrettable situation of our country. It is well-known that the enlargement of the circle of national welfare, and the multiplication of [commercial] transactions among people and the ways and means of civilization that befit the times and circumstances are all related to the construction of such public works. It can even be argued that it is a matter of fact that the orderliness of roads produces the abundance of wealth and [commercial] transactions, and not vice versa. . . .

Although there seems to exist a consensus about the uses and advantages of public works and about their positive effects on the prosperity of the country, I humbly believe that in general not enough importance has been attributed so far to putting such projects into execution.²⁴

Hasan Fehmi's report discussed in detail the railroads, highways and ports that should be built and the marshes that needed to be developed into cultivable fields in Anatolia, Syria, Iraq and the Arabian Peninsula. Each project's degree of importance and the probable cost were also indicated. In addition, the existing economic conditions of the areas that would be affected by these projects, the possible effects of the projects on agricultural productivity, and on commercial and industrial activities in these areas were elaborated upon.

There is no doubt that at least some of the projects advocated in Hasan Fehmi's and others' reports were put into practice,²⁵ but not enough to break the vicious circle that Parvus was talking about. In spite of their increasing concern over the formation of an economic infrastructure in order to improve the revenues of the Treasury, the Ottomans were unable to raise the productive capacity of the country to viable levels. The returns for agricultural outlays remained low, given decreasing international food prices. In the early 1880s the Ottomans had been concerned about increasing exports,²⁶ but by the 1890s they would have been pleased if the shrunken domestic production could have competed against imported crops. Shakir Pasha discussed the situation as of 1897 in detail:

The revenues of the Treasury are in proportion to the wealth and

[economic] strength of the subjects from whom the revenues originate. So any measure related to the revenue problem has to take the subjects' wealth into consideration. Otherwise, it is bound to fail. The purpose of increasing the revenues of the Treasury must be based on increasing the wealth of the people and on extending commerce and agriculture. Otherwise, all measures will remain on paper and will even damage the existing revenues in due course, even if they yield positive results at the beginning. The starting point of action must therefore be people's wealth and the value of their production. . . .²⁷

Agriculture is the principal source of wealth for the people of the Well-Guarded Provinces. For some time now, however, the agricultural producers of the provinces have faced the fearful competition of the American crops. The prices constantly decline on a daily basis, and the usual transportation costs become unbearable. Consequently, production for distant markets is cut down. If something is not done about reducing the transportation costs soon, and if the competitive strength of the domestic production is not increased, this situation will have grave political and financial repercussions. The present poverty in the Anatolian provinces is a direct consequence of this competition. Agriculture is declining day by day because of the failure to find markets for the local production.

Commercial activities also suffer and earning a livelihood becomes more and more difficult for the people. The state revenues follow suit and decrease in direct proportion with the wealth of the people. Poverty makes people feel helpless; helplessness causes them to cast greedy glances at one another's possessions . . . It is not difficult to imagine the eventual consequences of this situation.

To facilitate transportation and, thus, revitalize commerce and agriculture is the only way of eliminating the causes of this miserable situation which carves out a bleak future for the country. . . .²⁸

Present transportation facilities in Anatolia are not of the quality and quantity to aid the revitalization of commerce and agriculture . . . Given the existing conditions of the roads, the only vehicle that can be used on them is the two-wheeled ox-cart [*kağni*] which can carry a load of at best 200 *kiyyes* [*okkas*, 2.8 lbs.]. Consequently, transportation on animal back becomes a necessity, and the shipment costs of the internal production reach such levels that they often exceed the value of the commodity itself at the closest outlet

where the prices are low due to foreign competition. This situation is killing internal commerce which once prospered. Agriculture follows suit because of its dependence on commerce.

Internal tolls that are added on to the transportation costs render [internal, local] products even less competitive. This blow to commerce causes despair among the producers as well, for they see no benefit in increasing their production. For example, cooking fat sells for 12 piasters. in Istanbul and for 6–6.5 piasters. in Aleppo. Good quality cotton cloth is 1.25–1.5 piasters. in Aleppo and as low as 4–5 piasters. in Istanbul. The difference between the Istanbul and Aleppo prices does not cover the transportation costs, including the tolls, and allow a profit. Naturally, the producer of these commodities gives up on the Istanbul market and is forced to be satisfied with meeting the local demand.²⁹

According to Shakir Pasha, the ideal remedy to this problem was the extensive construction of railroads. Sufficient investment funds, however, were not available. The Government was ‘understandably’ reluctant to contract railroad projects to foreigners at the cost of enormous and uneconomical kilometric guarantees. Development of waterways wherever possible and the improvement of the existing roads and ‘trails’ could serve the purpose for the time being. If the roads were only to permit transportation by four-wheeled horse carts like the ones used in Rumelia, it would be quite possible to carry as much as 400–500 *okkas* at a time, and transportation costs would thus be cut in half. When conjoined with the abolition of the internal tolls, this measure would revitalize commerce and cause an increase in production. An increase in production would further stimulate business, which was ‘almost dead’ by the late 1890s.³⁰

Shakir Pasha and other Ottomans advocated additional measures, together with better transportation facilities and a more developed infrastructure to improve agricultural production and to revitalize commerce. The most important of these measures were the formation of land development projects, the establishment of model farms, the encouragement of cash-crop cultivation (fruit, opium, tobacco, hemp, flax, cotton, etc.), the provision of credit and technical assistance to the farmers and, above all, a reconsideration of the tax burden of the peasants.³¹ Obviously, the application of these measures depended on the availability of investment funds which, in turn, depended on the success of the same measures. Abdulhamid and his colleagues tried to break this vicious circle by increasing state revenues other than the tithes and livestock taxes.³²

OTHER TAXES

Table 3 indicates that in a period of 30 years between 1876 and 1906, the total revenues of the Ottoman government decreased at an annual rate of 0.1 per cent while tithes and livestock taxes together declined at an annual rate of 1.3 per cent. If allowances are made for the effects of the Russo-Turkish war (1877), as a consequence of which the Ottomans lost a considerable amount of territory and population, then it will become clear that the tithe and livestock tax revenues actually increased, but at a meager annual rate of 0.25 per cent. During the same period total revenues increased 1.4 per cent annually.

Among other income to the Treasury, revenue produced by the government's active involvement in economic affairs, either directly or by creating monopolistic concerns, increased sharply. This activity was in contrast to the liberal approach to economics common among the more outspoken Ottoman officials. There is little mention of any concern over the government's involvement in economic production in the documents dating from Abdulhamid's period, although in at least one document the government is warned against any such involvements, and especially against establishing monopolies, governmental or otherwise.³³ The only reference to possible advantages of monopolistic enterprises that I have come across appears in the reports of Wuttendorf, the German advisor to the Ministry of Finance, in the 1880s.³⁴ The Ottoman government seems to have been dragged into creating monopolies not as a consequence of their economic views but as a result of their efforts to attract foreign capital into the Ottoman Empire.

By 1909, annuities from monopolies (salt, tobacco, alcohol, railroads, and other) constituted 9.7 per cent of total revenues. Almost all of these monopolistic concerns were foreign corporations. Other enterprises that appeared under the caption of 'state enterprises' in the budgets (and which contributed 1.3 per cent of the total revenue in 1909) were again mostly run by foreign corporations: Ereğli Coal after 1892, many other 'state' mines, the Public Gas Corporation, and the Golden Horn Bridges were among such enterprises. (One major exception in this category was the Hijaz Railroad). In addition to the monopoly annuities and 'state enterprises', the rents and returns on state-owned lands and forests brought in about 3.5 per cent of the total revenues and the Post Office 3.2 per cent. Government banking activities (the Agricultural Bank), ports, lighthouses and other miscellaneous activities provided 2 per cent of the revenues. Thus, the active involvement of the 'state' in economic activities was responsible for 19.7 per cent of the total revenues in 1909.³⁵ That constituted a sharp increase from 7 to 8 per cent in 1874-76. The service

fees charged by various government offices also increased during the same period.

Although not very clear in Table 2, the taxes paid by artisans and merchants also increased, albeit moderately. The Ottoman government was reluctant to put pressure on the artisans and tradesmen so as not to impair their ability to compete against foreign merchants and manufacturers. Most foreigners were immune from the professional tax in accordance with the various treaties signed with the European powers between 1838 and 1871. During Abdulhamid's sultanate, the Ottoman government tried hard to change the nature of this tax so that European businessmen would be included as well. However, the government's efforts to persuade the relevant powers in this direction failed. The professional tax remained the lowest tax of its kind in Europe even when it was raised to 4.5 per cent in 1887 from 3 per cent of the annual earnings of merchants and artisans. The tax rate was increased once again in 1914, soon after the Ottomans entered the First World War, and this time it was extended to European businessmen.³⁶ Until 1914, practically the only taxes that most of the foreign businessmen paid to the Ottoman government were the customs duties.

Customs duties were among the steadiest sources of revenue for the government. Customs administration was significantly improved during Abdulhamid's sultanate. Although these improvements left much to be desired, they were nevertheless responsible for an increase in customs revenues.³⁷ The government could not change customs tariffs at its own discretion, however, as they were governed by bilateral treaties between the Ottomans and European powers. Most of these treaties were subject to renewal in 1882 and at that time the Ottoman government demanded an increase of about 3 per cent in the tariffs. Negotiations continued for 26 years, from 1881 to 1907. Abdulhamid sighed in the midst of them (1901):

[What] a horrible injustice this is! The Europeans deny us the right that they so easily acknowledge among themselves. We have to improve our financial situation quickly. We want to raise the import duties . . . This is our manifest right. Nobody can argue against it. Yet the Ambassadors oppose it. We must blush for having been subjected to this kind of injustice.³⁸

When the European Powers finally yielded to the Ottoman demands it was on condition that the additional revenues be placed under the control of the Public Debt Administration, which would use 25 per cent of these new revenues to pay off the debts of the Ottoman government. The

remaining 75 per cent would be applied to the specific purpose of financing the 'reform' project advocated by the powers in the Macedonian provinces.³⁹ This was not an unusual arrangement given the foreign yoke on Ottoman finances. It must be kept in mind that an ever larger percentage of the revenues of the Ottoman government fell under the control of the Public Debt Administration after its establishment in 1882. Revenues of the Ottoman government continued to increase, but its expenditures increased even faster. Borrowing, either from European money markets or from the Public Debt Administration and the Ottoman Bank, made up the difference. In either case the creditors demanded that new sources of revenue be put under the administration of the Public Debt.⁴⁰ After each loan the Ottomans found themselves forced to create new sources of revenue to cover their expenditures. Somehow, however, they left government officials and employees tax-exempt.

State officials did not contribute to the revenues except through certain fees, duties and sales taxes. A certain sum was withheld from their salaries in 1876–77 with the purpose of creating a circulating capital out of which retirement allowances would be paid. This fund was expended for other purposes during the Russo-Turkish war (1877). Nevertheless, the government kept paying pensions to officials, apparently without deducting these amounts from the retirement fund account. This disbursement was acknowledged as a 'sacred' debt of the state to its officials. Later on, in 1911–12, a certain percentage of the salaries began to be withheld for the pension fund once more. In addition, the war surtax that was levied on all groups during preparations for the First World War was extended to state officials as well. Other than these, government officials paid no taxes on their earnings. Although belated payments and occasional salary reductions can be considered as informal income taxes, one must still make the point that official earnings were in principle tax-exempt,⁴¹ a clear indication of the privileged position enjoyed by government employees within Ottoman society. Thus it is no wonder that the concept of an equitable income tax never gained popularity among the Ottomans in their desperate search for funds to cover their ever increasing expenditures.

EXPENDITURES

Expenditures of the Ottoman government for the years 1872–1916 are indicated in Table 4, under three functional categories: military and administrative expenditures, which include the expenditures on army, navy, arsenal, gendarmerie, civil and fiscal administration, privy purse

and retirement fund (categories 1–5 in Table 4); public welfare and social service expenditures, which include funds for the ministries of Public Education, Agriculture and Mines and Forests, Commerce and Public Works, Sanitary Services, Posts and Telegraphs, and the railway administrations (categories 6–7 in Table 4); and public debt service (category 8 in Table 4).

Public Debt Service

Twenty-five to thirty per cent of the Ottoman expenditures were devoted to the service of the public debt. The Ottomans recognized three kinds of public debt: regular debts (*duyun-i muntazama*); floating debts (*duyun-i gayrimuntazama*); and debts related to paper money (*kava'im*).⁴² Only the first two of these debts concern us here, for the last was a temporary issue.

Regular debts were those administered by the Public Debt Administration (1881–1924). Interest and sinking fund charges on them constituted about three quarters to four-fifths of the total public debt service or 20 to 24 per cent of the total expenditures. Almost all the revenues of the Public Debt Administration found their way abroad in payments to foreign bond holders. There are a number of good studies on the formation of the Public Debt Administration, on how it operated as an agent of foreign powers as much as a representative of the European creditors of the Ottoman government, and on how it eventually came to control about a quarter of the Ottoman revenues. Leading the field are the works of Blaisdell, Suvla, and Yeniay.⁴³ There is little that can be added to the findings of these studies within the framework of this article, except to mention a point raised in Parvus' book on the subject. According to Parvus, the system on which the Debt operated forced the Ottomans to pay back their debts at an ever-increasing speed. This involved the Ottomans in further debts and it thus became more and more difficult for them to reallocate funds for the purpose of increasing the productive capacity of the economy. To finance most capital investments the Ottomans had to rely on the assistance of the Public Debt Administration on terms which were hardly optimal from the Ottoman point of view.⁴⁴

Abdulhamid and his officials became aware of this defect in the agreement with the Public Debt Administration only after some time. Initially, their objective was to get rid of the debts as quickly as possible in order to secure the future of the state. When they realized that this arrangement deprived the government of more and more of its revenue, their attempts to alter the debt service system met with the ardent

opposition of both the Public Debt Administration itself and of the European Powers. Although the Ottomans succeeded in wresting some concessions while revising the relevant statutes in 1903, by that time close to a quarter of Ottoman revenues had already fallen under the control of the Debt Administration.⁴⁵ No matter how hard the Ottomans tried, the European grip grew tighter and tighter. The Public Debt Administration played an important part in this process.

Abdulhamid is often held responsible for facilitating European penetration because he permitted the establishment of the Debt. This view overlooks the financial mess created by the 'reorganizing' (*tanzimat*) 'reformers'. It also overlooks Abdulhamid's borrowing policy which was more cautious than those of his predecessors and successors. The Ottomans effectively borrowed 244.3 million Ottoman pounds between 1854 and 1877 at an average interest rate of 5.2 per cent (an average annual sum of 10.6 million over a period of 23 years). They received only 128.1 million (or 52 per cent) of this sum. By December 1881 the total debt amounted to 252.1 million Ottoman pounds, including the interest charges. After the consolidation of the debts at that date, the Ottomans effectively borrowed 51.5 million Ottoman pounds at an average interest rate of 4.1 per cent up to the declaration of the Second Constitution (an average annual sum of 1.8 million over a period of 28 years). They received 45 million (or 87.4 per cent) of this sum. Between 1908 and 1914, they borrowed 46 million at an average interest rate of 4.6 per cent (an average annual sum of 6.6 million over a period of seven years). They received 39 million (or 84.8 per cent) of this sum. In the final analysis, however, it did not matter how much each generation borrowed at what rates of issue and interest. They all failed to develop a viable financial system to confront the Western challenge. In 1922 the creditors revealed that, of the Ottoman debts, 161 million gold liras were still unpaid.⁴⁶

Flotation of debts was yet another way of meeting budget deficits. Although the budgets indicate that between about one-fifth and a quarter of the total public debt service (or five to six per cent of total expenditures) was spent on the payment of interest and principal on floating debts, even the Ottoman authorities were confused about the exact amount of these debts given the complicated conditions under which they had been contracted.⁴⁷

A good portion of the floating debts resulted from money transfers from official or semi-official funds (such as the retirement fund, orphan and widow allowances, and development funds of various cities and provinces). The most important cause for the floating debts, however, was the issuing of vouchers on future revenues as a method of payment to contractors and other creditors. Several reports preserved in the archives

maintain that the actual burden of this practice was more than the interest charges involved. The vouchers were handled at exorbitant discount rates, and the prices charged to the government naturally included these rates. The costs of purchases increased. It became even more difficult for the government to pay back its debts, and its credit was increasingly jeopardized. Interest rates rose, and it became impossible for the government to calculate its future financial prospects. If the government were to save on its expenditures, the system of paying for purchases with these vouchers had to be terminated, and all purchases by the military and other departments had to be centralized. The departments would thus be forced to spend within the limits of the budget, while the government would be able to make purchases at much lower prices. Time after time the issue of centralizing government purchases or bringing them under some control was discussed at the Council of Ministers. Several projects were presented to the Sultan, who approved them. Yet the issuing of vouchers continued, and the Ministry of Finance failed to establish any meaningful control over the expenditures of the departments.⁴⁸

Failure to bring departmental transactions under control was related to misappropriations by the senior officials in charge of these transactions. A report presented to the Sultan in 1891 indicates that petty officials indulged in misappropriations out of need while top officials did the same out of avarice. Senior officials and officers were paid almost twice as much as their European counterparts. Still, the commissions they extorted on government purchases were shocking. For example, when a certain sum was earmarked for the purchase of the best quality of a particular merchandise for one of the departments, the senior officials in charge of the transaction bought the worst quality instead and pocketed the difference. The state was being robbed, yet the robbers, because of their entrenched position in the government, could not be removed from their places.⁴⁹

Sometimes men who were very close to the Sultan indulged in similar corrupt activities. Ahmet Refik Pasha (the long-time Minister of Internal Affairs), for example, enjoyed the favor and full confidence of the Sultan. There is no doubt, however, that Ahmet Refik abused his ministerial powers and proximity to the Sultan to enrich himself.⁵⁰ Another case was that of Hasan Pasha, the Minister of Naval Affairs. Vambéry relates that one day it was reported to Abdulhamid that a conjurer had performed the feat of swallowing knives, forks and spoons, upon which the Sultan remarked, 'I find nothing miraculous in that; my minister of naval affairs swallows big ironclad frigates without doing harm to himself.'⁵¹ In other words, Abdulhamid was aware of the big fortunes some of his ministers and other pashas were amassing, but he did not

replace them. He was afraid of the political opposition of these powerful pashas. Besides, he believed that corruption was too advanced an ailment among officials to be easily cured.⁵² Indeed, political corruption was widespread among senior Ottoman officials long before Abdulhamid came to the throne. It continued with no less intensity through his reign as well as under his successors.⁵³

Officials who acted as intermediaries between the government and the European concessionaries, as well as creditors and businessmen, amassed the greatest fortunes. This does not mean that all top officials indulged in such activities. Perhaps most of them were ardent defenders of the interests of the Ottoman State and would not accept commissions or presents even when the foreigners' and the government's interests coincided. Because the holding of top offices enabled at least some officials to become rich through commissions or other extortions, it was necessary that all senior officials be paid well so that corruption could be minimized. The hope was to prevent abuses of power by satisfactory rates of salary. Even if one assumes that this precaution worked, one must still deal with what the senior officials did with their high income. They had the highest standard of living in Ottoman society, but they did not consume all of their income in luxurious living.⁵⁴ Quite a few of the pashas invested their money in various businesses, often in co-operation with the agents of Western business and financial enterprises. The case of the Sultan himself is the best example. He took pride in the fact that he invested his savings in very profitable European shares, thanks to the guidance of Agob Pasha and Michael Pasha. Abdulhamid justified his behavior by arguing that this was the best available option for the optimum utilization of one's wealth in Ottoman lands during the latter half of the nineteenth century. Had the banking system and entrepreneurship been more developed, then one could have invested one's wealth within the Empire.⁵⁵

Military Expenditures

Military expenditures increased significantly throughout the period under review. They used up about 50 per cent of the revenues, constituting close to 40 per cent of total government expenditures. About six per cent of these expenditures (over 2.5 per cent of total expenditures) was spent on the war industry. About 12.5 per cent (five per cent of the total) was spent on the gendarmerie – that is, on forces maintaining law and order in the countryside. These two items must have had an effect on the overall economic development and social well-being of the country. One might consider also the educational and training expenses of the military branches as an essential contribution to the well-being of Ottoman

society. Still, military expenditures constituted an enormous burden on the Treasury, driving the Ottomans into suicidal financial straits, although the rationale behind these huge expenditures was to prevent the collapse of the Ottoman Empire. The burden of the military expenditures on the Treasury appears even more drastic if one takes into consideration that the greatest portion of the 'extraordinary expenditures' were military.

Other Expenditures

Administrative expenditures and public welfare and services consumed the remaining funds available to the Ottoman government. One striking aspect of the administrative expenditures is that they increased steadily between 1872 and 1916, although the Ottoman Empire lost significant portions of its territory and population during the same period. This situation was due to the deeper penetration of the government into the provinces. The fiscal burden of this penetration is traced through the years in Table 5 where increases in various expenditures are compared to increase in total expenditures and revenues.

Table 5 is based on Table 4, except that the 'arsenal' and 'gendarmierie' are separated from the strictly military expenditures. The former is treated as a distinct category, while the latter is regrouped with the expenditures on the 'administrative machinery'. Two different sets of numbers are provided in the case of administrative expenditures – one including the retirement fund, the other excluding it. Table 5 indicates that the total expenditures increased at an average annual rate of 1.9 per cent while the total revenues increased only 0.9 per cent between 1872 and 1916. With the exception of war industry, all major expenditure categories also increased during the same period. A closer examination of the figures indicates that administrative expenditures decreased during Abdulhamid's reign, especially in the earlier years of his rule. Total revenues also decreased, but at a slower rate than that of the costs of administration and of the public debt. However, the average annual decrease in the public debt service is misleading. A significant portion of the Ottoman debt was consolidated prior to the foundation of the Public Debt Administration in 1881. If the effect of this consolidation on the public debt service is ignored, then it will become clear that from 1881-1906 the debt service was increasing at an average annual rate of 2.6 per cent rather than decreasing. The increased indebtedness of the government during the Second Constitutional period, on the other hand, caused a 6 per cent average annual increase in the funds devoted to the service of the public debt. Administrative expenditures also increased during the

Second Constitutional period, more than either the total expenditures or the total revenues.

A similar pattern to that of the Second Constitutional period can be observed in Table 5 for the period before Abdulhamid, but the brevity of the span of time involved in that case really forbids one from making generalizations. Moreover, there was a fundamental difference between the pre-Abdulhamid statesmen and the Young Turks. While the former borrowed heavily to cover budget deficits resulting from unproductive expenditures, the latter spent a considerable portion of the borrowed money on public welfare and social services – essentially on infrastructural projects.⁵⁶ In other words, the Young Turks projected onto future generations the benefits from borrowing as well as its burden. Table 5 indicates that expenditures on the public welfare and social services increased at a much higher rate than total expenditures during the Second Constitutional period. The same is also true for Abdulhamid's reign, but the rate of increase looks modest in comparison.

Abdulhamid, however, took special care to see to the financial self-sufficiency of the various public welfare and social service organizations and departments.⁵⁷ He was not as cautious with expenditures on the army and navy, which increased at a faster rate during his time than they did even during the pre-First World War days. Military expenditures were deemed inevitable but the most important aims of Abdulhamid's fiscal policy lay elsewhere, namely, paying back the debt in order to attain financial freedom, and building an economic infrastructure that would help the production capacity grow and thus increase the revenues of the government. These objectives were to be achieved in spite of exorbitant military expenditures and with as small a budget deficit as possible. This left salaries as practically the only item that could be economized on. Notwithstanding the large sums allocated for the 'gendarmierie', money spent on the administrative machinery declined during Abdulhamid's reign. Furthermore, salaries were frequently left in arrears, causing a breach between the Sultan and the bureaucrats, a breach which operated as a crucial force in his eventual downfall.⁵⁸

CONCLUSION

In 1908 a group of vigilant – if inexperienced – officials and officers known as the 'Young Turks' seized political power in the Ottoman Empire. They had a number of advantages in the economic field. Abdulhamid's efforts to build an economic infrastructure had finally begun to exert a positive influence on agricultural production.⁵⁹ Furthermore, world food prices had begun to go up by the turn of the century, increasing the competitive-

ness of Ottoman products in both the domestic and international markets.⁶⁰

Parvus, who served as an economic advisor to the Young Turks, claimed that the future of Turkish agriculture would be secured thanks to the upward trend in the trade cycle of agricultural products. Turkish farmers would be assured of favorable returns for their investment in better agricultural methods and machinery. They would have easier access to financial credit because the value of their land would also increase in proportion to the price of their crops. In addition, foreign capital would be attracted to the Ottoman Empire on more advantageous terms than had been possible previously. Parvus believed that the upward trend of agricultural prices would continue for some time to come. A bright future was awaiting the Ottomans. These were the times to take advantage of opportunities and bring the economic and political decline of the state to a halt through sagacious policies. Otherwise everything would be lost.⁶¹

The Young Turks were only partially successful in meeting the challenge articulated by Parvus. On the verge of the First World War, the major European Powers sought to strengthen their economic and political control over the Ottoman Empire, accelerating its dismemberment and restricting the original advantage of the Young Turks. Nevertheless, the Young Turks were able to lay the foundations of a national economy within the bounds of Anatolia. Earlier achievements during Abdulhamid's reign in creating an economic infrastructure no doubt facilitated their efforts.

Equally important was the liquid capital that had accumulated in the hands of the senior officials and provincial tax farmers during Abdulhamid's reign. Thanks to favorable economic conditions and the protectionist policies of the Young Turks, especially after the outbreak of the First World War, this liquid capital was diverted to profitable investments in Anatolia and Istanbul. The new rich from among the Young Turks joined the old rich to constitute the core of a national bourgeoisie whose principal aim was to replace the Christian intermediaries in commercial relations between Europe and Anatolia. This bourgeoisie did not represent an innovative element in the Ottoman economy, but they had vested interests in the existence of an independent Anatolian state under whose protection they could perpetuate their wealth.

The national bourgeoisie coalesced with the official cadres to mobilize the human and material resources of Anatolia during the Turkish War of Independence. It was the nature of this coalition that set the course of the new Turkish state.⁶²

TABLES: NOTES AND SOURCES

'Other expenditures' include mainly benevolent expenditures (such as the construction and maintenance of mosques, payments to the needy, i.e. widows and orphans of deceased officials, and war immigrants), the imperial pilgrimage caravan, and government payments to non-official personages (i.e. the tribal leaders, and other provincial notables).

1288 (1872–73): Reşat Aktan, 'The Burden of Taxation on the Peasants', *The Economic History of the Middle East, 1800–1914*, C. Issawi (ed.), Chicago, London: University of Chicago Press, 1966, pp.109–113. Aktan's numbers are in terms of *kese* which was equal to about five Ottoman pounds at the time.

1290 (1874–75) and 1291 (1875–76): Yıldız Tasnifi, Sadaret Resmi Ma'ruzatı, 15 Za. 1293 (2 Dec. 1876).

1295 (1879–80): Yıldız Esas Evrakı: 24/150/162/VIII, defter 9, pp.42–121.

1296 (1880–81) and 1300 (1884–85): Yıldız Tasnifi, Sadaret Resmi Ma'ruzatı [henceforth, YT: Srm], 27 Ra. 1302 (14 Jan. 1885), no.927. There are no figures on the expenditures of the years covered in this document.

1303 (1887–88) and 1304 (1888–89): Yıldız Esas Evrakı [henceforth, YEE]: 19/2376/130/58.

1305 (1889–90) and 1306 (1890–91): YT:Srm, 12 Sh. 1307 (3 April 1890). No.155/3239.

Average of the years 1308, 09, and 10 (1892–95) and 1312 (1896–97): Irade: Maliye: No.27, 19 R. 1314 (27 September 1896), lef. 3.

1313 (1897–98): YT:Srm, 8 B. 1314 (13 Dec.1896), No.2225/4986, and 9 R. 1318 (6 August 1900), No.1098/2938.

1317 (1901–2): YT:Srm, 15 S. 1319 (3 June 1901), No.494/1375.

1318 (1902–3): YT:Srm, 26 Ra. 1320 (3 July 1902), No.735/2610. Revenue figures are not available for this year.

1320 (1904–5) and 1321 (1905–6): Irade, Maliye: No.56, 26 R. 1323 (30 June 1905).

1325 (1909–10): Based on Maliye Nezareti, *Devlet-i Osmaniyyenin 1325 Senesine Mahsus Bütçesi*, Istanbul: Matbaa-i Amire, 1325, on the basis of the edict dated 1 Ağustos 1325 (14 August 1909).

1326 (1910–11): Based on *1326 Senesi Bütçesi*, Istanbul, 1326, on the basis of the edict dated 2 Haziran 1326 (15 June 1910).

1327 (1911–12): Based on *1327 Senesi Bütçesi*, Istanbul, 1327, on the basis of the edict dated 25 Mayıs 1327 (7 June 1911).

1330 (1914–15): Based on *1330 Bütçesi*, Istanbul, 1330, on the basis of the edict dated 20 Temmuz 1330 (2 Aug. 1914).

1331 (1915–16): Based on *1331 Bütçesi*, Istanbul, 1331, on the basis of the edict dated 15 Şubat 1330 (28 Feb. 1915).

TABLE 1
OTTOMAN BUDGET DEFICITS, 1872-1916 (IN 1,000 OTTOMAN LIRA)

	1288 (1872-73)	1290 (1874-75)	1291 (1875-76)	1295 (1879-80)	1296 (1880-81)	1303 (1887-88)	1304 (1888-89)	1305 (1889-90)	1306 (1890-91)	1307 (1891-92)	1309 (1893-94)	1308-1310 (1892-95) Average
Expenditures	21405	25134	28929	15814	16716	20474	19824	18733	18285	18954	18886	19796
Revenues	21435	24807	23883	14286	16156	17514	18092	17940	-17767	17817	18300	18928
Deficit	-30	327	5046	1528	560	2960	1732	793	518	1137	586	868
Extraordinary Deficit				7648	2110	-1228	1649	?	1802	955	645	=1500
Total Deficit	-30	?	?	9176	2670	1732	3381	?	2320	2092	1231	=2368

TABLE 1 (cont'd)

	1312 (1896-97)	1313 (1897-98)	1316 (1900-01)	1317 (1901-02)	1320 (1904-05)	1321 (1905-06)	1325 (1909-10)	1326 (1910-11)	1327 (1911-12)	1330 (1914-15)	1331 (1915-16)
Expenditures	22448	18449	20878	21280	21232	22981	30540	32998	36233	34012	35637
Revenues	18291	18511	19946	19634	20258	20240	25079	26015	28477	31890	26836
Deficit	4157	-62	932	1646	974	2741	5461	6983	7756	2122	8821
Extraordinary Deficit	161	?	239	?	?	?	1500	2696		-717	
Total Deficit	4318	?	1172	?	?	2741	6961	9679	7756	1405	8821

TABLE 2
REVENUES OF THE OTTOMAN GOVERNMENT, 1872-1916 (%)

Revenues	1288 (1872-73)	1290 (1874-75)	1291 (1875-76)	1295 (1879-80)	1296 (1880-81)	1296-98 (1880-83) Average	1299 (1883-84)	1300 (1887-88)	1303 (1887-88)	1304 (1888-89)	1305 (1889-90)	1306 (1890-91)
1. Revenues collected from nomads and farmers ^a	52.0	50.4	52.1	48.6	46.0	41.5	41.1	40.7	38.8	38.1	38.8	38.1
2. Revenues collected from both villagers & town dwellers ^b	25.0	25.0	23.7	21.4	23.4	24.3	25.4	25.1	25.4	27.0	27.0	26.7
3. Military exemption tax		3.3	3.4	2.4	2.9	3.2	3.2	3.4	3.4	4.5	4.5	4.6
4. Other fees collected by government offices		1.9	2.1	1.5	0.9	1.6	2.7	3.0	4.9	5.1	4.8	4.7
5. State enterprises ^c		7.7	6.6	9.5	8.6	9.6	9.1	8.5	9.4	7.6	7.4	8.1
SUBTOTAL 1 to 5	23.0*	88.3	87.9	83.4	81.8	80.2	81.5	80.7	81.9	82.3	82.5	82.2
6. Government employees' share in direct taxes:												
(war surtax)	[-]	-	-	-	-	-	-	-	-	-	-	-
(retirement fund)	[-]	-	-	-	-	-	-	-	-	-	-	-
7. Customs duties		8.4	8.7	11.2	11.1	12.0	11.5	11.9	11.5	11.3	11.0	11.4
8. Tributes		3.3	3.4	5.4	7.1	7.8	7.0	7.4	6.6	6.4	6.5	6.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL (in 1,000 L. Ottoman)	21,435	24,807	23,883	14,286	16,156	14,990	16,355	15,769	17,514	18,092	17,940	17,767

* Total of 3 through 8

^a Tithes, livestock, fishing-hunting taxes, salt consumption fee

^b Land and property tax, professional tax, excises on tobacco and alcohol, registration and stamp taxes

^c Includes post office, revenue from state lands and annuities from monopolistic concessions

TABLE 2 (cont'd)
REVENUES OF THE OTTOMAN GOVERNMENT, 1872-1916 (%)

	1296-98 (1883-84)	1312 (1896-97)	1313 (1897-98)	1316 (1900-02)	1317 (1901-02)	1320 (1904-05)	1321 (1905-06)	1325 (1909-10)	1326 (1910-11)	1327 (1911-12)	1330 (1914-15)	1331 (1915-16)
Average	38.1	37.1	38.6	38.6	41.0	39.5	38.4	31.4	34.0	32.1	32.6	29.0
1. Revenues collected from nomads and farmers ^a	25.4	26.4	24.7	23.5	24.0	23.7	23.3	21.4	18.5	17.2	18.9	19.6
2. Revenues collected from both villagers & town dwellers ^b	4.7	5.1	4.8	4.7	4.8	4.8	5.0	5.1	5.0	3.6	3.7	2.9
3. Military exemption tax	5.2	4.7	5.3	4.7	4.3	5.3	6.2	3.2	3.7	3.3	4.4	4.7
4. Other fees collected by government offices	8.9	9.5	9.3	9.5	9.9	10.2	9.4	19.7	19.2	19.8	17.0	17.9
5. State enterprises ^c	82.3	82.8	82.7	81.0	84.0	83.5	82.3	80.8	80.4	76.0	76.6	74.1
SUBTOTAL 1 through 5												
6. Government employees' share in direct taxes:												
(war surtax)	-	-	-	-	-	-	-	-	-	-	0.8	1.0
(retirement fund)	-	-	-	-	-	-	-	-	-	4.4	4.2	5.0
7. Customs duties	11.7	11.0	11.1	13.3	10.2	10.9	12.1	15.7	16.2	16.5	15.6	16.6
8. Tributes	6.0	6.2	6.2	5.7	5.8	5.6	5.6	3.5	3.4	3.1	2.8	3.3
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL (in 1,000 L. Ottoman)	18,928	18,291	18,511	19,946	19,634	20,258	20,240	25,079	26,015	28,477	31,890	26,836

^a Total of 3 through 8
^b Tithes, livestock, fishing-hunting taxes, salt consumption fee
^c Land and property tax, professional tax, excises on tobacco and alcohol, registration and stamp taxes
 Includes post office, revenue from state lands and annuities from monopolistic concessions

TABLE 3
 PERCENTAGE INCREASE OF TITHE AND LIVESTOCK TAX REVENUES OF THE
 OTTOMAN GOVERNMENT, 1874-1916

Budget years	Years in between	Total Revenues		Tithe and livestock tax revenues		
		1000 L Ottoman	% increase	1000 L Ottoman	% of total revenue	% increase
1290 (1874-75)		24,807		12,510	50.4	
1291 (1875-76)	1	23,883	-3.7	12,425	52.0	-0.7
1290-91						
TOTAL		48,690		24,935	51.2	
Annual average		24,345	-3.7	12,458	51.2	-0.7
1295 (1879-80)	4	14,286	-40.2	6,935	48.5	-44.2
1296 (1880-81)	1	16,156	13.1	6,650	41.2	-4.1
1299 (1883-84)	3	16,355	1.2	5,952	36.4	-10.5
1300 (1884-85)	1	15,769	-3.6	5,688	36.1	-4.4
1303 (1887-88)	3	17,514	11.1	6,058	34.6	6.5
1304 (1888-89)	1	18,092	3.3	6,143	34.0	1.4
1305 (1889-90)	1	17,940	-0.8	5,987	33.4	-2.5
1306 (1890-91)	1	17,767	-1.0	6,166	34.7	3.0
1308-10 (1892-95)	4	18,928	6.5	6,277	33.2	1.8
1312 (1896-97)	2	18,291	-3.4	5,874	32.1	-6.4
1313 (1897-98)	1	18,511	1.2	6,244	33.7	6.3
1316 (1900-01)	3	19,946	7.8	6,668	33.4	6.8
1317 (1901-02)	1	19,634	-1.6	6,991	35.6	4.8
1320 (1904-05)	3	20,258	3.2	6,803	33.6	2.7
1321 (1905-06)	1	20,240	-0.1	6,727	33.2	1.1
1291-1321 ^a						
TOTAL	30	535,766	-3.3	191,635	35.8	-37.7
Annual average		17,859	-0.1	6,388	35.8	-1.3
1325 (1909-10)	4	25,079	23.9	7,591	30.3	12.8
1326 (1910-11)	1	26,015	3.7	8,543	32.8	12.5
1327 (1911-12)	1	28,477	9.5	8,832	31.0	3.4
1330 (1914-15)	3	31,890	10.2	9,615	30.2	8.9
1331 (1915-16)	1	26,836	-15.8	7,020	26.2	-27.0
1321-31 ^b						
TOTAL	10	277,314	31.5	83,604	30.2	10.6
Annual average		27,731	3.2	8,360	30.2	1.1
1290-1331						
TOTAL		861,770	24.5	300,174	34.8	-27.8
Annual average		20,518	0.6	7,147	34.8	-0.7

^a c. Abdulhamid II's reign

^b c. The Second Constitutional Period

TABLE 3 (cont'd)
 PERCENTAGE INCREASE OF TITHE AND LIVESTOCK TAX REVENUES OF THE
 OTTOMAN GOVERNMENT, 1874-1916)

Tithe revenues			Livestock tax revenues			Budget years
1000 L. Ottoman	% of total revenues	% increase	1000 L. Ottoman	% of total revenues	% increase	
10,335	41.7		2,175	8.8		1290 (1874-75)
10,405	43.6	0.7	2,020	8.5	-7.1	1291 (1875-76)
						1290-91
20,740	42.6		4,195	8.6		TOTAL
10,370	42.6	0.7	2,098	8.6	-7.1	Annual average
5,535	38.7	-46.8	1,400	10.0	-30.7	1295 (1879-80)
5,000	31.0	-9.7	1,650	10.2	17.9	1296 (1880-81)
4,345	26.6	-13.1	1,607	9.8	-2.6	1299 (1883-84)
3,913	24.8	-9.9	1,775	11.3	10.4	1300 (1884-85)
4,168	23.8	6.5	1,890	10.8	6.5	1303 (1887-88)
4,323	23.9	3.7	1,820	10.0	-3.7	1304 (1888-89)
4,200	23.4	-2.8	1,787	10.0	-1.8	1305 (1889-90)
4,400	24.8	4.8	1,766	9.9	-1.2	1306 (1890-91)
4,539	24.0	3.2	1,738	9.2	-1.6	1308-10 (1892-95)
4,060	22.2	-10.6	1,814	9.9	4.4	1312 (1896-97)
4,306	23.3	6.1	1,938	10.5	6.8	1313 (1897-98)
4,653	23.3	8.1	2,015	10.1	4.0	1316 (1900-01)
5,020	25.6	7.9	1,971	10.0	-2.2	1317 (1901-02)
4,895	24.2	-2.5	1,908	9.4	-3.2	1320 (1904-05)
4,931	24.4	0.7	1,796	8.9	-5.9	1321 (1905-06)
						1291-1321 ^a
138,692	25.9	-54.4	52,943	9.9	-2.9	TOTAL
4,623	25.9	-1.8	1,765	9.9	-0.1	Annual average
5,794	23.1	17.5	1,797	7.2	0.1	1325 (1909-10)
6,747	25.9	16.4	1,796	6.9	-0.1	1326 (1910-11)
6,886	24.2	2.1	1,946	6.8	8.4	1327 (1911-12)
7,518	23.6	9.2	2,097	6.6	7.9	1330 (1914-15)
5,400	20.1	-28.2	1,620	6.0	-22.8	1331 (1915-16)
						1321-31 ^b
64,763	23.4	17.0	18,841	6.8	-6.6	TOTAL
6,476	23.4	1.7	1,884	6.8	-0.7	Annual average
						1290-1331
224,195	26.0	-36.7	75,979	8.8	-16.6	TOTAL
5,338	26.0	-0.9	1,809	8.8	-0.4	Annual average

TABLE 4
EXPENDITURES OF THE OTTOMAN GOVERNMENT, 1872-1916 (%)

	1288 (1872-73)	1290 (1874-75)	1291 (1875-76)	1295 (1879-80)	1303 (1887-88)	1304 (1888-89)	1305 (1889-90)	1306 (1890-91)	1309 (1893-94)	1308-10 (1892-95) Average	1312 (1896-97)
1a. Army	16.5	13.5	22.1	33.9	30.5	30.5	29.3	28.1	28.6	26.8	32.9
1b. Navy	4.0	2.8	4.0	3.8	3.4	3.4	3.2	3.1	3.0	3.3	3.2
1c. Arsenal	3.6	2.8	6.1	2.8	4.6	4.6	4.3	3.4	3.1	2.8	3.1
1d. Gendarmerie	-	-	-	6.5	5.8	5.8	5.9	6.5	6.5	6.3	6.0
1. Military expenditures	22.1	24.1	19.1	32.2	47.0	44.3	42.7	41.1	41.2	39.2	45.3
2. Civil administration other than 3 & 6 below ^a	13.6	13.8	12.4	20.3	8.2	8.8	9.4	9.6	9.6	9.8	8.8
3. Fiscal administration	4.6	5.7	6.0	5.8	4.6	5.0	5.3	5.3	5.3	4.9	4.4
4. Retirement fund	≈2.5	2.6	2.1	2.5	2.5	2.6	2.8	3.0	2.9	2.8	2.5
5. Royal family	6.1	5.2	4.6	6.9	4.3	4.5	4.7	5.1	4.9	4.7	4.2
SUBTOTAL 1 through 5: Military & administrative expenditures	48.9	51.4	44.2	67.7	66.6	65.2	64.9	64.1	63.9	61.4	65.2
6. Public welfare & services ^b	6.0	5.6	4.3	4.4	5.5	5.0	5.9	5.0	4.9	4.7	4.6
7. Other	≈0.9	0.6	0.1	2.4	0.8	0.9	0.7	0.6	1.6	1.1	1.3
SUBTOTAL 1 through 7: Military, Administrative & other public expenditures	55.8	57.6	48.6	74.5	72.9	71.7	71.5	69.7	70.4	67.2	71.1
8. Public Debt Service	44.2	42.4	51.4	25.5	27.1	28.9	28.5	30.3	29.6	32.8	28.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL in 1000 L. Ottoman	21,405	25,134	28,929	15,814	20,474	19,824	18,733	18,285	18,886	19,796	22,448

^aIncludes parliament when in session

^bPublic education, health, commerce, agriculture, public works, state enterprises (including post office)

TABLE 4 (cont'd)
EXPENDITURES OF THE OTTOMAN GOVERNMENT, 1872-1916 (%)

	1313 (1897-98)	1316 (1900-01)	1317 (1901-02)	1318 (1902-03)	1320 (1904-05)	1321 (1905-06)	1325 (1909-10)	1326 (1910-11)	1327 (1911-12)	1330 (1914-15)	1331 (1915-16)
1a. Army	24.3	25.8	25.9	21.8	24.0	29.1	27.1	27.3	24.8	17.6	17.0
1b. Navy	3.0	2.7	2.8	4.1	2.5	2.6	4.0	5.0	4.6	3.9	4.5
1c. Arsenal	2.5	2.6	2.7	2.4	2.4	2.5	1.4	1.5	1.4	1.3	1.2
1d. Gendarmerie	5.5	5.5	5.6	5.5	4.7	4.5	5.9	5.3	4.8	6.5	6.2
1. Military expenditures	35.3	36.7	37.0	33.8	33.6	38.7	38.4	39.1	35.6	29.3	28.9
2. Civil administration other than 3 & 6 below ^a	10.5	10.1	10.5	10.9	11.4	10.6	10.3	10.8	10.1	9.7	9.0
3. Fiscal administration	5.3	5.4	5.9	5.5	6.4	5.9	8.9	7.8	8.5	7.4	9.0
4. Retirement fund	2.7	3.0	3.1	3.1	1.9	1.7	1.2	2.3	8.9	9.0	9.3
5. Royal family	4.8	4.0	4.2	4.3	4.3	4.0	1.7	1.5	1.4	1.5	1.4
SUBTOTAL 1 through 5: Military & administrative expenditures	58.6	59.4	60.7	57.6	57.6	60.9	60.5	61.5	64.5	56.9	57.6
6. Public welfare & services ^b	5.1	4.8	4.9	5.3	5.5	5.2	11.4	11.9	10.8	7.0	7.1
7. Other	1.3	1.4	1.6	1.7	2.4	2.4	1.8	1.8	1.0	1.0	0.9
SUBTOTAL 1 through 7: Military, Administrative & other public expenditures	65.0	65.6	67.2	64.6	65.5	68.5	73.7	75.2	76.3	64.9	65.6
8. Public Debt Service	35.0	34.4	32.8	35.4	34.5	31.5	26.3	24.8	23.7	35.1	34.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL in 1000 L. Ottoman	18,449	20,878	21,280	21,340	21,232	22,981	30,540	32,998	36,233	34,012	35,657

^aIncludes parliament when in session

^bPublic education, health, commerce, agriculture, public works, state enterprises (including post office)

TABLE 5
 PERCENTAGE INCREASE IN VARIOUS EXPENDITURES OF THE OTTOMAN
 GOVERNMENT, 1872-1916

Budget years	Number of years in between budget years	Percentage increase in total revenues	Percentage increase in total expenditures	Percentage increase in expenditures on Administrative machinery including the gendarmerie	Administrative machinery incl. gendarmerie & retirement fund
1288 (1872-73)					
1290 (1874-75)	2	15.7	17.4	19.7	19.6
1291 (1875-76)	1	-3.7	15.1	7.2	5.8

1288-1291					
TOTAL	3	12.0	32.5	26.9	25.4
Annual average		4.0	10.8	8.9	8.5

1295 (1879-80)	4	-40.2	-45.3	-3.5	-6.1
1303 (1887-88)	8	21.8*	29.5	-24.7	-21.6
1304 (1888-89)	1	3.3	-3.2	-1.1	-1.0
1305 (1889-90)	1	-0.8	-5.5	-0.8	-0.5
1306 (1890-91)	1	-1.0	-2.4	2.3	2.5
1308-10 (1892-95)	4	6.5	8.3	5.0	4.6
1312 (1896-97)	2	-3.4	13.4	3.2	3.0
1313 (1897-98)	1	1.2	-17.8	-8.3	-8.6
1316 (1900-01)	3	7.8	13.2	9.3	10.8
1317 (1901-02)	1	-1.6	1.9	6.0	5.9
1318 (1902-03)	1		0.3	0.3	0.3
1320 (1904-05)	2	3.2	-0.5	1.8	-2.5
1321 (1905-06)	1	-0.1	8.2	1.0	0.7

1291-1321 ^a					
TOTAL	30	-3.3	0.1	-9.5	-12.5
Annual average		-0.1	0.0	-0.3	-0.4

1325 (1909-10)	4	23.9	32.9	42.5	39.4
1326 (1910-11)	1	3.7	8.0	2.4	6.9
1327 (1911-12)	1	9.5	9.8	7.2	33.6
1330 (1914-15)	3	10.2	-6.1	-5.0	-5.0
1331 (1915-16)	1	-15.8	4.8	6.9	7.3

1321-1331 ^b					
TOTAL	10	31.5	49.4	54.0	82.2
Annual average		3.2	4.9	5.4	8.2

1288-1331					
TOTAL	43	39.5	82.0	71.4	95.1
Annual average		0.9	1.9	1.7	2.2

*The revenue figures for the years of 1880-81, 1883-84, and 1884-85 are included in computing this number.

^a c. Abdulhamid II's reign

^b c. The Second Constitutional Period

TABLE 5 (cont'd)
 PERCENTAGE INCREASE IN VARIOUS EXPENDITURES OF THE OTTOMAN
 GOVERNMENT, 1872-1916

Budget years	Percentage increase in expenditures on			
	Army and Navy	Arsenal	Public welfare & social services	Public debt service
1288 (1872-73)				
1290 (1874-75)			5.2	12.6
1291 (1875-76)	-8.5	-10.5	-18.3	39.5
1288-1291				
TOTAL			-13.1	52.1
Annual average	-8.5	-10.5	-4.4	17.4
1295 (1879-80)	-12.5	19.1	-15.6	-72.9
1303 (1887-88)	87.0	-40.6	20.0	37.6
1304 (1888-89)	-12.9	59.2	-19.3	3.3
1305 (1889-90)	-9.4	-11.6	5.6	-6.8
1306 (1890-91)	-6.3	-22.8	-17.2	3.8
1308-10 (1892-95)	4.4	-10.9	12.1	17.2
1312 (1896-97)	36.0	25.6	15.3	-0.1
1313 (1897-98)	-37.8	33.8	-10.8	-0.5
1316 (1900-01)	18.1	17.8	9.6	11.2
1317 (1901-02)	2.6	5.9	6.9	-2.8
1318 (1902-03)	-9.5	-11.0	8.0	8.2
1320 (1904-05)	1.8	0.4	12.2	-3.0
1321 (1905-06)	29.5	12.5	4.2	-1.2
1291-1321 ^a				
TOTAL	63.4	9.8	41.0	-6.0
Annual average	2.1	0.3	1.4	-0.2
1325 (1909-10)	30.4	-25.4	130.7	11.0
1326 (1910-11)	12.2	15.6	12.2	1.9
1327 (1911-12)	-0.0	2.4	-5.4	4.9
1330 (1914-15)	-31.3	-12.8	-36.4	39.0
1331 (1915-16)	4.8	-3.2	4.9	2.8
1321-1331 ^b				
TOTAL	16.1	-23.4	106.0	59.6
Annual average	1.6	-2.3	10.6	6.0
1288-1331				
TOTAL	71.0	-24.1	133.9	105.7
Annual average	1.7	-0.6	3.1	2.5

NOTES

1. E. D. Akarlı, 'Problems of External Pressures, Power Struggles and Budgetary Deficits in Ottoman Politics under Abdulhamid II (1876–1909): Origins and Solutions', unpublished Ph.D., diss., Princeton University, 1976, where additional references and a detailed discussion of the sources can be found.
2. I use the term 'Ottomans' in its more restricted sense, those who had satisfied three conditions: 'serve the state; serve the religion; and know the Ottoman Way': N. Itzkowitz, *Ottoman Empire and Islamic Tradition*, (New York, 1972), p.60. The Ottomans were an elite group among officials and officers who constituted the political elite of the Ottoman society.
3. E. Z. Karal, *Osmanlı Tarihi VII, Islahat Fermanı Devri, 1861–1876*, (Ankara, 1956), p.129.
4. See Başbakanlık Arşivi Yıldız Esas Evrakı [hereafter cited as YEE]: 11/1326/120/5, and YEE: 14/1443/126/10.
5. S. Shaw in 'The 19th Century Ottoman Tax Reforms and Revenue System' and 'Ottoman Expenditures and Budgets in the late 19th and Early 20th Centuries', *IJMES*, VI (1975), pp.412–59 and IX (1978), pp.373–78, respectively, provides figures for the estimated and actual revenues and expenditures. His data are reproduced in Justin McCarthy, *The Arab World, Turkey, and the Balkans, 1878–1914: A Handbook of Historical Statistics*, (Boston, 1982), pp.160–9 and 182–7. The data I use in this article are somewhat different from Shaw's and so is my line of analysis, as explained in the Notes to the Tables and the text.
6. YEE: 24/150/162/VIII, defter 9, pp.42–121; YEE: 19/2376/130/58; Irade, Meclis-i Mahsus [hereafter cited as I.MM]: 4226; YEE: 14/1513/126/10; YEE: 18/416/7/45, Gömlek 3; YEE: 18/1858/93/39; I.MM: 4677; Irade, Maliye (cited hereafter as I.Ma.), no.19, 19 R 1314; I.Ma: no.30, 21 R 1314; YEE: 13/112–16/112/6; I.Ma: no.30, 18 S 1322; I.Ma: no.27, 20 S 1320. Also see the documents mentioned in the notes for Tables 2 and Said Pasha, *Hatrat*, 3 vols., Dersa'adet, 1328 AH, I, pp.180–202.
7. I.Ma: no.27, 19 R 1314; YEE: 13/112–16/112/6; YEE: 14/88–65/88/13; YEE: 14/1443/126/10; Said Pasha, I, p.192.
8. See, for example, Shakir Pasha's reports from the provinces, YEE: 14/2287/126/11. Compare with Cevdet Pasha's similar views: Ü. Meriç, *Cevdet Paşa'nın Cemiyet ve Devlet Görüşü*, (Istanbul, 1975), pp.61 ff.
9. Probably over 50 per cent. See V. Eldem, *Osmanlı İmparatorluğu'nun İktisadi Şartları Hakkında bir Tetkik*, (Ankara, 1970), pp.245–6.
10. YEE: 14/88–37/88/12 and YEE: 14/2287/126/11, pp.46, 70 and 100. Also see YEE: 14/88–44/88/13; and Süleyman Sudi, *Defter-i Muktesid*, 3 vols., Dersa'adet, 1306 AH I: 26–31, II: pp.113–41.
11. Sudi I: pp.53–58 and II: pp.48–112, and YEE 9/1315/72/4, and YEE: 24/150/162/VIII, defter 8, pp.1–78.
12. Akarlı, 'Problems', 157–64.
13. YEE: 14/2287/126/11, pp.44, 50–59 and cf. p.92.
14. Shakir Pasha's report after 1890: *ibid.*, pp.62 ff., esp.64–70 and 92; last quotation, pp.69–70.
15. *Ibid.*, pp.68–9 and 91–5.
16. *Ibid.*, pp.64–5, 67–70, 92 and 96–8. Cf. Sudi, II, 102–12.
17. Parvus [Alexander Helphand], *Türkiye'nin Can Damarı: Devlet-i Osmaniyye'nin Borçları ve Islahı*, (Istanbul, 1330), pp.152–62.
18. See Abdulaziz's letter to the Grand Vezir, Nov. 1871, translated in J. L. Farley *Modern Turkey*, 2nd. edn., London, 1872, pp.272–3. For additional sources see Akarlı, 'Problems', p.255 n. 6.
19. YEE: 9/1110/72/4, c. 1879.

- YEE: 14/88–44/88/13 (1893). For long-term cycles of Ottoman foreign trade from 1840 to 1913 see Ş. Pamuk, *The Ottoman Empire and European Capitalism, 1820–1913*, (Cambridge, 1987).
31. YEE: 14/2287/126/11, pp.72–78 and 96–106; YEE: 14/88–44/88/13, and Said Pasha, II: pp.151–54. For a critical evaluation of Ottoman efforts to improve agricultural output see D. Quataert, 'The Commercialization of Agriculture in Ottoman Turkey, 1800–1914', *International Journal of Turkish Studies*, I (1980), 38–55.
 32. I. Ma, no.27, 19 R 1314 (27 Sept. 1896).
 33. YEE: 14/2287/126/11, pp.104/06 and 125, Cf. Cevdet Pasha's similar views, in Meriç, p.116 ff. Also see YEE: 13/112–16/112/6.
 34. YEE: 14/88–65/88/13, pp.4–5.
 35. *Devlet-i Osmaniyye'nin 1325 Senesine Mahsus Bütçesi*, (Istanbul 1325 AH), pp.150–54. For an interesting discussion and criticism of the monopolistic policies of the government see Parvus, pp.218–46.
 36. Sudi, II: pp.20–33; YEE: 11/1326/120/5 (1887); YEE: 19/2376/130/58 (1888); YEE: 14/88–40/88/13; YEE: 14/2287/126/11, pp.66–7., 108; Parvus, pp.172–4; Eldem, pp.254–5, and Said Pasha, I: pp.132–3, 143–5 and II: pp.149–50.
 37. YEE: 24/150/162/VIII, defter 9, pp.67–70 (1879); Said Pasha, I: pp.26 ff., and YEE: 14/88–40/88/13.
 38. II. Abdulhamid, *Siyasi Hatıralarım*, Ali Vehbi (ed.), (Istanbul: Hareket, 1974), p.93.
 39. Sudi, III: pp.20–157; I.M.M, 3033/2; Said Pasha, I: pp.136 ff.; D. C. Blaisdell, *European Financial Control in the Ottoman Empire*, (New York, 1929), pp.158–76.
 40. Blaisdell, p.92.
 41. Akarlı, 'Problems', p.263 n.63.
 42. Yıldız Tasnifi, Sadaret Resmi Ma'ruzatı, 15 Za 1293, and YEE: 24/15/162/VIII, defter 9, pp.46–7 and 100–101.
 43. Blaisdell's work mentioned in note 39 above; R. S. Suvla, 'The Ottoman Public Debt, 1850–1939', *The Economic History of the Middle East*, ed. C. Issawi (ed.), (Chicago, 1964), pp.94–106; and İsmail H. Yeniay, *Yeni Osmanlı Borçları Tarihi*, (Istanbul 1964). Also see Adam Block, *Ottoman Public Debt* for the 24th to 42nd financial years of the Debt Administration, London, 1909–1925, and A. Roumani, *Essai historique et technique sur la dette publique ottoman*, (Paris, 1927). For more recent studies see Pamuk, Ch. IV; and J. Thobie, *Intérêts et impérialisme Français dans l'Empire Ottoman, 1895–1919*, (Paris, 1977).
 44. Parvus, pp.1–151. Cf. Charles Issawi (ed), *The Economic History of Turkey, 1800–1914*, (Chicago and London, 1980), pp.363–5.
 45. R. Owen, *The Middle East in the World Economy, 1800–1914*, (London, 1981), pp.191–200; and Yeniay, pp.90–93.
 46. Suvla, pp.100–106, and Yeniay, pp.99–111.
 47. YEE: 24/150/162/VIII, defter 9, pp.44–8; I.M.M. 3033/2 and 2389; Said Pasha, I: pp.193 ff.; YEE: 14.88–65/88/13; Block, for the 27th year, (1909), pp.73–5.
 48. Sources mentioned in note 47 and YEE: 24/150/162/VIII, defter 9, pp.86–7; YEE: 19/2376/130/158; I.M.M, 4226; YEE: 14/1513/126/10; YEE: 18/416/7/45, Gömlek 3; YEE: 14/2287/126/11, p.41; Parvus, pp.68–70.
 49. YEE: 14/1299/126/10.
 50. H. Mutluçağ, 'Bir İşbirlikçi Vezirin Maarifetleri', *Belgelerle Türk Tarihi Dergisi*, VI, no.33, pp.21–31; no.34. pp.64–7, and no.36. pp.74–8.
 51. A. Vambéry, 'Personal Reflections of Abdulhamid II and His Court', *The 19th Century and After*, LXVI (1909), p.79.
 52. Abdulhamid, *Siyasi Hatıralarım*, pp.71–6, 96–7.
 53. Akarlı, 'Problems', pp.85–6, 93–4; T. Alangu, *Ömer Seyfeddin*, (Istanbul, 1968), pp.521–31, and D. Avcıoğlu, *Türkiyenin Düzeni*, (Ankara, 1968), pp.127–33.
 54. Eldem, pp.205–17.
 55. Abdulhamid, *Siyasi Hatıralarım*, pp.100 and 196–7. Cf. the Sultan's conversations with his doctor Atif Hüseyin, manuscript no.255, Library of the Turkish Historical Association, defter 10, pp.21 ff.

46. Suvla, pp.100–106, and Yeniay, pp.99–111.
47. YEE: 24/150/162/VIII, defter 9, pp.44–8; I.MM. 3033/2 and 2389; Said Pasha, I: pp.193 ff.; YEE: 14.88–65/88/13; Block, for the 27th year, (1909), pp.73–5.
48. Sources mentioned in note 47 and YEE: 24/150/162/VIII, defter 9, pp.86–7; YEE: 19/2376/130/158; I.MM, 4226; YEE: 14/1513/126/10; YEE: 18/416/7/45, Gömlek 3; YEE: 14/2287/126/11, p.41; Parvus, pp.68–70.
49. YEE: 14/1299/126/10.
50. H. Mutluçağ, 'Bir İşbirlikçi Vezirin Maarifetleri', *Belgelerle Türk Tarihi Dergisi*, VI, no.33, pp.21–31; no.34. pp.64–7, and no.36. pp.74–8.
51. A. Vambéry, 'Personal Reflections of Abdulhamid II and His Court', *The 19th Century and After*, LXVI (1909), p.79.
52. Abdulhamid, *Siyasi Hatıralarım*, pp.71–6, 96–7.
53. Akarli, 'Problems', pp.85–6, 93–4; T. Alangu, *Ömer Seyfeddin*, (Istanbul, 1968), pp.521–31, and D. Avcioglu, *Türkiyenin Düzeni*, (Ankara, 1968), pp.127–33.
54. Eldem, pp.205–17.
55. Abdulhamid, *Siyasi Hatıralarım*, pp.100 and 196–7. Cf. the Sultan's conversations with his doctor Atif Hüseyin, manuscript no.255, Library of the Turkish Historical Association, defter 10, pp.21 ff.
56. Suvla, pp.100–101, 102–104.
57. See, e.g. YEE: 14/1513/126/10, and I.MM, 4677.
58. E. D. Akarlı, 'Friction and Discord Within the Ottoman Government under Abdulhamid II', *Boğazici University Journal-Humanities*, VII (1979), pp.18 ff.
59. Abdulhamid, *Siyasi Hatıralarım*, pp.89–90; Block, the 24th year (1906), pp.22–43; D. Quataert, 'Ottoman Reform and Agriculture in Anatolia, 1876–1908', unpublished Ph.D. thesis, UCLA, 1973, pp.347–62; *idem*, 'Limited Revolution: The Impact of the Anatolian Railway on Turkish Transportation, 1890–1908', *Business History Review*, LI (1977), pp.139–50.
60. Pamuk, Ch. VII, and Appendix 2.
61. Parvus, pp.154–64. The Ottomans were not anticipating such a turn in economic conditions: I.Ma. no.14, 11 Ca 1316 (1898).
62. Z. Toprak, *Türkiye'de 'Milli İktisat', 1908–1918*, (Ankara, 1982), Feroz Ahmad, 'Vanguard of a Nascent Bourgeoisie', *Social and Economic History of Turkey, 1701–1920*, O. Okyar and H. Inalcık (eds.), (Ankara, 1980), pp.329–50; and T. Çavdar, *Milli Mücadelenin Ekonomik Kökenleri*, (Istanbul, 1970).