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THE ECONOMICS OF BRITISH FOREIGN POLICY, 1825-50

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THE development of England's Near Eastern policy in the period between the Greek War for Independence and the Crimean War is one of the best examples of the interrelation of history and economics. In 1827 George Canning, in co-operation with Russia, intervened in behalf of the Greeks, who sought their freedom from the Ottoman Turk; yet twenty-five years later Palmerston and Russell were ready to risk war to prevent the final disintegration of the Turkish Empire. This complete lack of continuity in British policy cannot be explained by glib allusions to the weaknesses of the cabinet system of government or by the statement that Palmerston was the exact opposite of his illustrious predecessor. Actually Palmerston prided himself on being a disciple of Canning and, like him, opportunistically fitted his policy to his nation's needs. Moreover, it is now a well-established fact that British policy during the years that Palmerston dominated the foreign office was not always constant. Palmerston was more or less indifferent to the future existence of the Ottoman Empire when he took office; yet when he left it the welfare of Turkey was one of the most important aspects of his many-

sided program. The explanation of this diplomatic inconstancy¹ is found in large measure in economic facts—in short, in the development of Britain's overseas trade with Turkey in the twenty-five years prior to the outbreak of the Crimean War. The following article is an attempt to place Palmerston's foreign policy in its true economic setting, to show in this one instance the effect of economics upon history.²

Britain's anxiety to maintain "the territorial integrity of the Ottoman Empire" is often erroneously considered as an integral part of her foreign policy throughout the whole of the nineteenth century. Several attempts³ have been made to correct this false impression, but it has continued to persist. When and for what particular reasons did the protection of Turkey become a cardinal principle of British policy? The attitude of the British foreign office with respect to Near Eastern affairs underwent a profound change in 1833. Prior to that date the British government did not pursue a definite policy toward the Turkish state. The death of Canning in 1827 left British policy in the Near East confused, and Wellington and Goderich were unable to establish a fixed program until the Greek war was ended.⁴

¹ The most authoritative recent treatments of British diplomacy in this period to 1855 are: H. W. V. Temperley, *England and the Near East: the Crimea* (London, 1936), and V. J. Puryear, *England, Russia, and the Straits question, 1844-1856* (Berkeley, 1931). Professor Puryear's *International economics and the diplomacy of the Near East, a study of British commercial policy in the Levant, 1834-1853* (Stanford, 1935) adds little to his earlier diplomatic study of the problem.

² The material used for this article has been taken from foreign office documents, board of trade reports, Whitehall, and customs reports, housed in the Public Record Office, London and Canterbury, cited respectively as "F.O.," "B.T.," "Customs," and "P.R.O."

³ In addition to the accounts already noted, mention should be made of F. S. Rodkey, *The Turco-Egyptian question in the relations of England, France, and Russia, 1832-1841* (Urbana, 1921), and J. E. Swain, *The struggle for the control of the Mediterranean prior to 1848, a study of Anglo-Turkish relations* (Boston, 1933). The following articles were also useful: R. L. Baker, "Palmerston and the treaty of Unkiar Skelessi," *English historical review*, XLIII (1928), 83-89; C. W. Crawley, "Anglo-Russian relations, 1815-1840," *Cambridge historical journal*, III (1929), 47-73; and F. S. Rodkey, "Lord Palmerston and the rejuvenation of Turkey, 1830-1841," *Journal of modern history*, I (1929), 570-93, and II (1930), 193-225.

⁴ C. W. Crawley, *The question of Greek independence* (London, 1930).

Palmerston entered the foreign office in 1830. During his first three years his attention was held by events nearer home, namely, the problem of Belgian independence. The French revolution of 1830 had been followed by a new interest in Belgium and the Rhine region, and this temporarily blinded British statesmen to what was taking place in the Mediterranean, with the result that Palmerston maintained the negative interest in Turkey's welfare which he had inherited.⁵ With the signing of the treaty of Unkiar Skelessi between Turkey and Russia, by which the Ottoman Empire virtually became a protectorate of the great Russian state,⁶ British policy changed abruptly, and for at least a quarter of a century after 1833 the fate of the declining power of the sultan was of utmost concern to Downing Street. Likewise, the British public⁷ in the first quarter of the century had very little interest in the affairs of Turkey. A few Englishmen realized the importance of Turkey's geographical location across the Mediterranean trade routes, but the great majority were apathetic. British indifference was natural perhaps, since in 1827, the year in which the Greek war became an international question, only 3 per cent of British imports came from the Ottoman Empire, and exports to Turkey amounted to less than 2 per cent of Britain's total exports. By the same token British interest in Turkey twenty-five years later (1852) can be explained in large measure by the fact that Britain's exports to Turkey had increased from £1,078,920 to £8,489,100 and amounted to more than 3 per cent of Britain's total exports. Herein lies one explanation of why the disintegration of the Ottoman state became in the second quarter of the

⁵ Swain, chap. v.

⁶ According to Hoskins (*British routes to India* [New York, 1928], p. 146) prior to 1833 "Britain had played a defensive role in the Near East," and the treaty of Unkiar Skelessi tended to "focus British attention and concern on the Mohammedan countries of the Mediterranean."

⁷ The first attempts to educate public opinion in England toward a higher regard for Turkey were David Urquhart, *Turkey and its resources: its municipal organization and free trade; the state and prospects of English commerce in the East, the new administration of Greece, its revenue and national possessions* (London, 1833), and David Ross, *Opinions of the European press on the Eastern question* (London, 1836).

nineteenth century a major problem not only for the British people but for the foreign office as well.

Palmerston's failure to foresee in early 1833 the Russian threat to British interests in the eastern Mediterranean and especially his failure to prevent the consummation of the Unkiar treaty by prompt action on the part of his own government were not due to his lack of knowledge of the Turkish situation. For two years he had been busy with the liquidation of the problems resulting from the Greek war. Moreover, he was well informed of Turkey's weakness and Russia's desires by his able ambassador Stratford Canning.⁸ Yet, neither Palmerston nor the public at large considered the Russians a threat to British interests in the Mediterranean. France, which had just begun to establish a great overseas empire in Algeria, was regarded as the more dangerous rival in that region.⁹ The conclusion between Russia and Turkey of the treaty of Unkiar Skelessi in July, 1833, brought the foreign office and the British trader to a realization of the dangers ahead, and a positive interest in the maintenance of the Ottoman state developed which really constituted a new policy on the part of England.

The aims of this new policy were twofold: first, to preserve the territorial integrity of the Ottoman Empire against foreign aggression, and, second, to encourage the internal development of that state so that it would become strong and prosperous, and thus a greater outlet for Britain's expanding trade. That this new policy of watchful guidance for Turkey's welfare, a policy largely the result of Russian aggression, was maintained for the next twenty-five years is explained only in part by Palmerston's long service as foreign secretary; of equal importance is the fact that the British people recognized after

⁸ Canning to Palmerston, No. 12, Mar. 7, 1832, F.O. 78/209; Canning to Palmerston, No. 34, confidential, May 17, 1832, F.O. 78/210; and especially, Canning to Palmerston, Dec. 19, 1832, F.O. 78/211. The letter of December 19 is particularly interesting because the marginal notes in Palmerston's own hand show how far he was from a definite Turkish policy.

⁹ In March, 1832, Sir Robert Peel expressed great apprehension as to the maintenance of peace if French aggression in the Mediterranean continued. See Hansard, *Parl. debates* (3d ser.), X, 1229.

1833 the real significance of Turkey to their economic prosperity and to their access to India. Traders and travelers who visited the Near East in ever increasing numbers in the 1830's returned with stirring accounts of Turkey's economic and strategic possibilities to the British Empire. Suddenly the maintenance of the "territorial integrity of the Ottoman state" had meaning for all Britishers.

As a pathway to the east the Mediterranean did not take on real significance until the second quarter of the nineteenth century.¹⁰ The new interest in the Mediterranean route which showed itself in the eighteen-thirties resulted from certain industrial changes of the preceding era—the need for more raw materials and especially for new and larger markets—which need no elaboration here. The exchange of raw materials for manufactured goods, especially where foodstuffs were involved, called for a shorter route, a more speedy means of transportation.¹¹ The new steam vessels, largely because of their speed, were more dependable than sailing ships against the elements natural and human; but for long voyages so much fuel and water were needed that there was left little space for cargo. A shorter passage with frequent stopping places for supplies was necessary.

As early as 1784 English traders, the chief of whom was George Baldwin, saw the possibility of a shorter route to India by way of the Mediterranean and the Isthmus of Suez,¹² but it

¹⁰ In spite of the fact that Britain's first contacts with India had been by way of the Mediterranean and the overland route, that passage held second place to the Cape route until the eighteen-thirties; see Hoskins, p. 1. "General European exhaustion following the long wars and lack of motive for the development of new routes to the East made for a policy of *laissez-faire* in eastern matters. Besides the Cape route with the new way station at Table Bay sufficed for English transportation needs" (*ibid.*, p. 129). Cf. Swain, p. 86.

¹¹ The voyage around the Cape occupied from five to eight months. Although the passage of the first steamship, the "Enterprize," from an English port to Calcutta by way of the Cape in 113 days was considered a feat, it was not fast enough. Moreover, this route was a most hazardous one; often whole cargoes were lost in storms encountered in the African seas, and shipowners operated in constant fear of pirates. See Hoskins, p. 94.

¹² *Ibid.*, p. 7.

was not until 1830 that English surveyors seriously considered an all-water route to India via Egypt. The reports of their findings, printed by order of parliament,¹³ aroused so much interest that the house of commons established a select committee to consider a shorter route to India.¹⁴ Agitation for a canal across the isthmus increased in the following decade. The distance from England to India by way of Suez was little more than one-third that of the Cape route,¹⁵ and this appealed to the small independent traders as well as the great companies.

Had the canal not met with such strong opposition in the foreign office, it is quite possible that it would have been undertaken much earlier and as an English enterprise. Palmerston considered the canal nonsense writ large. He opposed the proposal from the start, declaring that it was not only a physical impossibility but a politically dangerous undertaking as well.¹⁶ He considered a railway across the isthmus more practical as well as much cheaper.¹⁷

Palmerston did appreciate, however, the need of more direct communication with India. Proof of this lies in the fact that he was an ardent supporter of the Euphrates development projects.¹⁸ Not only did communication with India via the Eu-

¹³ *Parl. papers*, 1834, Reports; Committees, Steam Navigation to India, XIV, 1-234, and Appen., pp. 1-197.

¹⁴ Hansard (3d ser.), XXIV, 142.

¹⁵ Hoskins, p. 88.

¹⁶ Hansard (3d ser.), CXLVI, 1043-44. To Palmerston a canal in such a position would become a second Bosphorus, with all the accompanying difficulties, as is now the case.

¹⁷ Swain, p. 136. On February 8, 1847, Palmerston wrote to Murray, his agent in Egypt, directing him to urge upon the Pasha the costliness and impracticability of a canal and pointing out "that the persons who press upon the Pasha such a commercial scheme [as the canal], do so evidently for the purpose of diverting him from the railway which would be perfectly feasible and comparatively cheap" (F.O. 97/411). Four years later he expressed the same opinion to the English ambassador at Constantinople. "A ship canal," he wrote Canning on July 24, 1851, "from the Mediterranean to the Red Sea, if such a work were practicable, would be a different thing; and it is needless to point out how such a work, changing as it would the relative position of some of the maritime powers of Europe toward each other, would involve the possibility of political consequences of great import and might seriously affect the foreign relations of the Turkish Empire" (F.O. 78/411).

¹⁸ Hoskins, p. 155.

phrates and the Persian Gulf appear more direct,¹⁹ but that route also would avoid the dangers of the Red Sea as well as the southwest monsoon, which swept the Arabian Ocean for four months of the year. All these arguments were used by Palmerston to strengthen his opposition to the canal project, which carried with it so many political difficulties. In pursuing this line of thought, Palmerston was representative of an earlier era, which frowned upon the railway and the expensive ocean steamship. River transportation had proved its effectiveness on the Rhine and the Danube. "Why should it not be extended to the Euphrates?" asked Palmerston and the opponents of the canal.²⁰ Yet, more important than any of these ideas in Palmerston's mind was his belief that the political situation in the Near East after 1833 made the Euphrates route the only feasible one. This explains why he exercised such caution lest he lend governmental sympathy to the canal supporters and thereby aggravate an international problem already critical.²¹ Palmerston favored the route which was more directly under the sultan's control, because he then enjoyed the friendship of the Mahmoud II.²² And the reverse is likewise true: his interest in a shorter route to India via Syria and Mesopotamia strengthened his desire to befriend and support the sultan's empire against those who would destroy it.

Enough has been said to demonstrate that, from the point of view of protection of her Asiatic interest, British foreign policy in the Near East after 1833 was in large measure determined by the geographic position of the Ottoman Empire. Any student of European history can multiply these examples, and it is useless to labor the point. Yet, it should be borne in mind that an

¹⁹ Early surveys incorrectly announced this to be shorter than via Suez, with the result that it came to be known as the direct route, whereas Suez went by the misnomer, the "overland route" (*ibid.*, p. 154).

²⁰ *Ibid.*, p. 148, n. 57.

²¹ Hansard (3d ser.), CXLVII, 1652-62, 1676-83. Occupation of Aden by Britain in 1839 did not necessarily mean that Palmerston had been convinced by the supporters of the canal. Throughout the whole period Palmerston opposed the canal as impractical and politically dangerous.

²² Hoskins, p. 147.

equally important reason for Britain's solicitude, in the second quarter of the nineteenth century, for the sultan and his dominions was the direct trade which existed between the United Kingdom and the vast stretches of territory under the sultan's control.

Unfortunately, no accurate figures exist for the total exports and imports of the United Kingdom during the twenty-five years from 1825 to 1850, but Table 1 indicates the degree of expansion of British commerce during that period. From this table will be noted that the exports of the United Kingdom increased almost £141,000,000, while British imports increased more than £56,000,000 in the twenty-five years between the Greek war and the Crimean struggle.²³ Since these represent official values (according to the rates of 1696), better evidence of the expansion of British industry and commerce in the period can be found in a comparison of the exports of certain manufactured articles and some of the principal imports of raw materials at the beginning and the end of the period. For example, cotton goods, which were the chief export of Britain during this era,²⁴ increased more than 66 per cent, rising from £18,788,016 in 1825 to £28,257,401 in 1850. Iron and steel output rose almost fourfold (seven fold by 1855), while hardware and cutlery advanced from £1,656,039 in 1825 to £2,641,432 in 1850. Woolen manufactured goods, another staple export of the United Kingdom, increased in value by more than £2,000,000 in the three decades between 1825 and 1855. The average declared value of exports for the United Kingdom for the five-year period of 1825-30 was £42,913,654; for 1850-55, £129,013,568. This seems all the more significant when one recalls that price levels were falling because of more efficient methods of production.

Imports of raw materials also show great increases. In 1825 the United Kingdom imported 1,829,379 pounds of raw silk;

²³ These are official values, about 30 per cent larger than real values. The real value of exports increased approximately £98,692,786, while imports increased £39,070,141. These increases were significant, especially since prices were falling. Cf. J. H. Clapham, *An economic history of modern Britain* (Cambridge, 1926), I, 476.

²⁴ Cotton goods made up almost half of Britain's total exports in this period.

twenty-five years later (1850) this item amounted to 4,942,407 pounds, and in 1855 to 6,618,862 pounds. Imports of sheep and

TABLE 1
OFFICIAL VALUE OF EXPORTS AND IMPORTS OF THE
UNITED KINGDOM, 1825-50*

Year	Official Value of Exports	Official Value of Imports	Trade Balance
1825	£ 56,320,182	£ 44,208,803	£ 12,111,379
1826	51,042,023	37,813,890	13,228,133
1827	62,052,755	44,908,173	17,144,582
1828	62,734,635	45,167,443	17,567,192
1829	66,838,127	43,995,286	22,842,841
1830	69,700,748	46,300,473	23,400,275
1831	71,431,490	49,727,828	21,703,662
1832	76,070,148	44,610,546	31,459,602
1833	79,821,110	45,944,426	33,876,684
1834	85,397,268	49,364,733	36,032,535
1835	91,157,783	49,029,334	42,128,449
1836	97,611,856	57,296,045	40,315,911
1837	85,779,568	54,762,285	31,017,283
1838	105,165,479	61,258,013	43,907,466
1839	110,190,656	62,048,121	48,142,535
1840	116,481,005	67,492,710	48,988,295
1841	116,902,887	64,666,268	52,458,619
1842	113,841,802	65,253,286	48,588,516
1843	131,832,947	70,214,912	61,618,035
1844	145,956,654	75,449,374	70,507,280
1845	150,877,902	85,297,508	65,580,394
1846	148,609,056	75,934,022	72,675,034
1847	146,172,008	90,921,866	55,250,142
1848	150,996,040	93,547,134	57,448,906
1849	190,010,394	105,874,607	84,135,787
1850	197,309,876	100,460,433	96,849,443

* William Page, *Commerce and industry, tables of statistics for the British Empire from 1815* (London, 1919), p. 70, Table 23. It was impossible to secure accurate totals of exports and imports from the customs ledgers, since exports are listed there in official values (according to the rates of 1696) for all years except 1849 and 1850, in which years they are listed in declared values. The abstract for the year 1846 is missing from the ledger. Imports are likewise listed in official values until 1870, and there is no abstract for the year 1847. According to John Marshall, *A digest of all the accounts relating to the population, productions, revenues, financial operations, manufactures, shipping, colonies, commerce, etc. etc., of the United Kingdom of Great Britain and Ireland, diffused through more than 600 volumes of journals, reports, papers, presented to parliament in the last 35 years* (London, 1833), p. 65, the real value of exports and imports was about 70 per cent of the official value. Because of the incompleteness of the figures in the customs reports I have used the above table, which is based on customs tariffs of the United Kingdom, 1800-96, *Parl. papers*, 1898 (c. 8706); though not as accurate, it is nevertheless expressive of the great rise in British overseas trade between 1825 and 1850.

lamb's wool increased 50 per cent between 1825 and 1855, while cotton wool rose from 226,052,135 pounds in 1825 to 907,676,094 pounds in 1855.²⁵ English imports increased at the rate of

²⁵ Since imports are listed in official values, I have compared quantities, rather than import values, wherever possible.

$3\frac{1}{2}$ per cent per annum from 1826 to 1846, rising to 6 per cent per annum in the next quarter of the century.²⁶ From 1825 to the outbreak of the Crimean War British exports surpassed imports on an average of £44,000,000, beginning as low as £12,000,000 in 1825 and rising to almost £97,000,000 in 1850. In the year 1853, the year in which the war actually broke out, the balance in Britain's favor was approximately £119,000,000.

That the horizons of the British merchant were broadened by this steady expansion of trade no one can deny. The point of view of the foreign office, which was more and more forced to hear the complaints of the trader and assist him in marketing his goods, likewise was enlarged. It was no mere coincidence that this period of rapid economic development in Britain was also the period in which her interest in the welfare of the Ottoman Empire was greatest, for Turkey between 1825 and 1855 was one of England's best customers. In order to appreciate the importance of Turkey as an outlet for England's ever expanding trade, the situation on the continent is worth noting.

In the second quarter of the nineteenth century England's trade with the European states was limited because of the barriers which these countries raised in order to foster their own industrial development.²⁷ France, which began to realize the possibilities of industry and commerce after 1815, took the lead in this respect. Textiles were absolutely barred until 1834, when this unconditional prohibition was replaced by high duties. The German Zollverein, while not specifically prohibiting English goods, did tax foreign manufactures. Although its duties were not heavy at the start, there was a tendency to move upward. Trade channels with the Germanies existed, however, via Belgium, Holland, the Hanse towns, and states not mem-

²⁶ A. L. Bowley, *Short account of England's foreign trade in the 19th century* (London, 1905), p. 39.

²⁷ G. R. Porter, in *Progress of the Nation* (London, 1936), reported (p. 482 of the 1912 edition): "That part of our commerce which, being carried on with the rich and civilized peoples of Europe, should present the greatest field for extension, had fallen off in a remarkable degree. Our average annual exports to Europe were less in value by nearly twenty per cent, in the five years from 1832 to 1836, than they were in the five years that followed the close of the war. . . ." Cf. Clapham, pp. 476-80.

bers of this economic league, carrying goods across Europe to the Austrian and Russian frontiers. To keep these channels open was "the prime object of British commercial diplomacy."²⁸ In the same way the Austrian lands²⁹ were protected by high tariffs, one of which (1835) prohibited some sixty-nine articles and levied exorbitant duties on as many as sixteen hundred items. The Russian tariff of 1833, which replaced the absolute prohibition of all foreign manufactures established in 1810, proscribed more than three hundred articles; this became the basis of Russian tariff policy until 1844. Yet, as has been pointed out, there was a steady increase in the outward flow of goods from English factories.

Where were these manufactures sold? Britain's Asiatic and African possessions consumed large quantities, as did the new South American markets,³⁰ but large and frequent shiploads of manufactured products went out to the Turkish ports as well.

While the German market remained stagnant, and the French market shut, the markets of the Turkish Empire and of the East were in brisk motion. Between 1839 and 1849,—half way through the early railway age and about its close; both years of normal good trade, whose figures would fall on or near the ascending line of exports,—the plain cotton goods shipped overseas more than doubled (380 to 795 million yards); those shipped to India and Ceylon and to the Turkish Empire more than trebled: . . .³¹

Table 2, giving official values, indicates the significance of the Levant trade in this period. Yet this table does not give a true picture of Anglo-Turkish trade between 1825 and 1850, both because of the incompleteness of the records upon which it is based and because of the variation in the way in which values were listed. It is obvious that the Levant trade was a very small proportion of Britain's total commerce.³² Nevertheless, the figures do prove that the favorable trade relations with Turkey, which began about 1830, were well worth continuing; and, as will

²⁸ Clapham, p. 480.

²⁹ Hungary was not included in the Habsburg tariff in the period under study.

³⁰ The South American markets, won from Spain when their colonies in South America revolted during the Napoleonic period, practically balanced Britain's losses on the continent until 1855. Cf. Puryear, *International economics*, p. 108.

³¹ Clapham, pp. 481-82.

³² Cf. Table 1.

be shown later, they were so regarded by English commercial men. The very fact that between 1825 and 1850 exports to Turkey increased seven fold (reaching a high of £11,186,524 in 1848), while imports were reasonably steady with some increase

TABLE 2

OFFICIAL VALUE OF EXPORTS FROM THE UNITED KINGDOM TO
TURKEY COMPARED WITH IMPORTS INTO THE UNITED
KINGDOM FROM TURKEY, 1825-50

Year	Exports*	Imports†	Trade Balance
1825.....	£ 1,079,671	£1,207,172	£ 127,501
1826.....	1,104,897	818,516	286,381
1827.....	1,078,920	598,650	480,270
1828.....	423,151‡	731,943	308,792
1829.....	1,394,588	431,062	963,526
1830.....	2,745,723	726,065	2,019,658
1831.....	2,113,928	759,797	1,354,131
1832.....	2,091,590	654,146	1,446,444
1833.....	2,450,204	654,958	1,806,246
1834.....	2,467,944	741,280	1,726,664
1835.....	2,706,591	879,089	1,827,502
1836.....	3,649,925	1,030,110	2,619,815
1837.....	2,747,807	841,395	1,906,412
1838.....	4,672,720	789,118	3,883,602
1839.....	3,578,561	1,196,430	2,382,131
1840.....	3,673,903	1,240,812	2,433,091
1841.....	3,630,792	1,212,749	2,418,043
1842.....	4,688,207	1,168,036	3,520,171
1843.....	5,440,941	1,243,759	4,197,182
1844.....	7,688,406	1,292,989	6,395,417
1845.....	7,620,140	1,465,972	6,154,168
1846.....	.....	1,071,340||	.....
1847.....	7,619,106	.....	.....
1848.....	11,186,524	.....	.....
1849.....	2,373,669§	.....	.....
1850.....	2,515,821§	.....	.....

* Customs 9/12-24 and 8/47-71. There are no abstracts for the year 1846.

† Customs 6/20-50. Abstracts are missing for years 1847-50.

‡ Blockade became effective October, 1828.

§ Declared values. || Exclusive of Moldavia and Wallachia.

after the signing of the Anglo-Turkish commercial treaty (signed at Balta Liman on August 16, 1838), gave England a most favorable trade balance in the two decades prior to the outbreak of the Crimean War.³³ By 1845, £6,000,000 were

³³ Beginning with an unfavorable trade balance in 1825, on the eve of the Crimean War the balance in England's favor was almost twenty-two times greater. Since customs reports contain no abstracts of imports for the years 1847-50, it was necessary to use the year 1852 instead of 1850.

available from this one source alone for reinvestment and expansion, not only in the Levant but also at home and in various parts of the world.

In the first half of the nineteenth century the Turks gave little thought to an equal balance of trade. Few attempts were made to equalize their imports and exports, and every regulation which might hinder the free exchange of goods was shunned. Manufactured goods imported were paid for with agricultural produce, and the country was forced to increase its production in proportion to its need of foreign articles.³⁴ The fact that Turkey paid her creditors with products valued in their currency tended to reduce the sum total of the nation's resources, since the exchange was always against them.³⁵ For this reason the repeal of the Corn Laws in 1846 was not as beneficial to the Turkish traders as it was to commercial men in some of the other grain-producing states.

A large proportion of the Turkish balances were paid in bullion or specie.³⁶ Since they did not resort to borrowing until after 1850,³⁷ depreciation of the currency was necessary in order to produce the needed specie to meet their annual payments.³⁸ Devaluation of the Ottoman currency, which in turn caused an ever increasing price level, raised havoc with Turkish finance and tended to weaken the whole economic structure of the Ottoman Empire to a degree that a less rich country could not have withstood.³⁹ From the British viewpoint, however, as

³⁴ Ross, p. 291. Turkey did not balance the manufactures she imported with her grain, as is generally stated. As a matter of fact, wheat ranked eighteenth in importance on the list of Turkish exports to Britain until 1845. After the repeal of the Corn Laws it became the fourth most important export in 1850, and in 1855 was second.

³⁵ Ed. Engelhardt, *La Turquie et le Tanzimat, ou histoire des réformes dans l'Empire ottoman depuis 1828 jusqu'à nos jours* (2 vols.; Paris, 1882), I, 100.

³⁶ Paid in London in sterling, a great disadvantage to the Turks (M. A. Ubcini, *Letters on Turkey* [2 vols.; London, 1856], I, 301).

³⁷ D. E. Blaisdell, *European financial control in the Ottoman Empire; a study of the establishment, activities, and significance of the administration of the Ottoman public debt* (New York, 1929), p. 27.

³⁸ Sixty million piastres (£552,000) in paper currency was issued in 1841 (Ubcini, I, 299).

³⁹ *Ibid.*, p. 330. Abuse and lack of currency was particularly hard on the agricultural classes, which provided the products by which foreign manufactured goods were secured.

long as investment sources remained, the transfer of gold was very beneficial. This explains why the business groups in England were so anxious to maintain amicable relations with the Ottoman state in the first half of the nineteenth century. In order to appreciate the real significance of Britain's trade with Turkey in this period, a glance at the Turkish side of the picture is equally important.

The Ottoman Empire in the nineteenth century was primarily an agricultural country.⁴⁰ Its products were chiefly those of the soil, tobacco, grains, cotton wool, sheep and lamb's wool, valonia, etc.⁴¹ Yet, the Turkish state was never self-contained, both because agriculture was never developed to the point of complete self-sufficiency⁴² and because of the almost total absence of manufactured articles. Turkey's dependence upon outside states for manufactured goods later proved her undoing because it led to exploitation by the more advanced states which Turkey was not able to prevent by countercompetition. The great variety of her soil products, however, was one of the reasons why Turkey so long survived her weak governmental administration within and the frequent attacks of neighboring states from without.

Except for the silk manufactures of Brusa, there was little or no industry in Turkey prior to 1850. The industrial revolution, in the sense of changes in methods of production and distribution, has only come to Turkey in recent times, and then largely through foreign exploitation.⁴³ The Turks remained content with the easier method of trading the products of the soil and

⁴⁰ *Ibid.*, especially letter No. 15, pp. 307-38. For the influence of geography and climate on agriculture see L. J. Gordon, *American relations with Turkey; an economic interpretation* (Philadelphia, 1932), pp. 74-81.

⁴¹ Other products were rice, honey, olive oil, fruits and vegetables, wine, opium, flax, hemp, silk, sugar cane, timber, resin, turpentine, cattle, gold, silver, iron, tin, lead, salt, marble, sponges, and fish. The predominance of soil products is most striking.

⁴² Lack of knowledge, dearth of labor, want of capital, and poor transportation and communication were the reasons for Turkey's agricultural deficiencies (Ubicini, I, letter No. 15, pp. 307-38).

⁴³ To effect a real industrial system and thereby make Turkey self-sufficient was one of the aims of the late Mustapha Kemal, Ataturk Ghazi.

small luxury articles for manufactured necessities. More specific reasons for Turkey's industrial backwardness were the lack of capital, the limited resources of coal and iron, and the absence of protective tariffs to encourage industry. The traditional dependence on outside sources (encouraged by foreign traders) and the character of a people satisfied with the usual necessities of life tended to keep industry in the handicraft stage—small shops employing a few men. Turkey's foreign trade, in particular her commercial relations with Britain to 1850, cannot be understood without the above facts.

The most cursory study of Turkish commerce proves that the Turks as a people were not a nation of traders. That as individuals they drove shrewd bargains, no traveler in Turkey would dispute; but collectively, when compared with some of the western states, they appear most uncommercial. The fact that the majority of merchants and bankers in Turkey were not Turks, but Armenians, Greeks, Franks, or Jews, is but one instance of Turkish commercial backwardness. The complete absence of any protective system is an even more striking example. From the time of Suleiman the Turks allowed foreign goods to enter their country freely.⁴⁴ A 3 per cent ad valorem duty on imports and a small anchorage fee were the only taxes on foreign trade.⁴⁵ On the other hand, the Turks suffered an export duty of 12 per cent on native products.⁴⁶ Why the Turkish government reversed the usual action of tariffs has never been fully explained. The need of more money to manage their ever growing governmental administration was not enough to induce them to change their traditional tariff policy. Instead of introducing a tariff for revenue purposes, the government preferred to increase taxes or depreciate the currency. When

⁴⁴ In almost every case the dues levied on British ships were no greater than those charged Ottoman vessels. Firmans to pass the Bosphorus and the Dardanelles could be procured by British captains for approximately the same fee as Turkish masters paid. See Cartwright to Ponsonby, Sept. 11, 1839, F.O. 78/358.

⁴⁵ An additional tax of 2 per cent was levied on the consumer of foreign goods, thereby making a total tax of 5 per cent. See J. R. McCulloch, *A dictionary, practical, theoretical and historical of commerce and commercial navigation* (London, 1834), p. 394.

⁴⁶ Seller paid 9 per cent; buyer, 3 per cent (*ibid.*).

these methods were not sufficient, the sultan, rather than borrow,⁴⁷ debased the coinage still further, thereby subjecting the people to double taxation.

While such a commercial system as has just been described spelled backwardness for Turkey, it meant wealth for English tradesmen. It was no wonder, then, that they exerted all the pressure they possibly could upon the foreign office to act in behalf of Turkey to prevent such a valuable market from being lost to other powers, especially Russia. One of the most ardent advocates of the advantage to Britain of a free and independent Turkey, David Urquhart, expressed the sentiments of many of his countrymen in his many books and pamphlets, in particular his *Turkey and its resources*, written in 1833. His conclusion to the chapter on the "Commercial resources of Turkey"⁴⁸ was an appeal in which many joined:

Turkey is a country having three thousand miles of coast still remaining, and a territory of five thousand square miles, under the happiest climate, possessed of the richest soil, raising every variety of produce, having unrivalled facilities for transport, abounding in forests and mines, opening innumerable communications with countries further to the east with all which our traffic is carried on in English bottoms, where labour is cheap, where industry is unshackled, and commerce is free, where our goods command every market, where government and consumers alike desire their introduction. But all the advantages that may accrue to us from so favourable a state of things, is contingent on her internal tranquillity and political re-organization. Here is a field for diplomatic action of the noblest and most philanthropic character, where our interests are so much at stake as to call forth our most strenuous exertions, and where that interest is so reciprocal as to involve no selfish motives, and to introduce no invidious distinctions.

What of the antecedents of this commerce which was so important in the two decades prior to the Crimean War? Before discussing specifically the various articles of commerce between the United Kingdom and Turkey, it seems pertinent to treat briefly the background of British trade in the Levant in the years prior to 1825. Anglo-Turkish commerce antedated Anglo-

⁴⁷ The problem of international loans and foreign indebtedness did not become acute until the last quarter of the nineteenth century.

⁴⁸ Pp. 216-27.

Turkish political relations by more than two centuries. England, like most of the western states in the middle ages, had been a market for the Genoese traders bringing goods from the Levant, but commercial intercourse in the real sense of the term did not begin until the second half of the sixteenth century. By 1579 English merchants were recognized at Constantinople, and two years later the Levant Company was established.⁴⁹ English trade in the Near East improved under this organization and by 1700 had surpassed that of the French in spite of Richelieu's and Colbert's efforts to strengthen French commerce in that area. The Levant Company existed until 1826; but, since it was an open or regulated company, i.e., dependent on the government for protection, the British government had been forced to enter into many entangling capitulations and articles of peace in the seventeenth and eighteenth centuries.⁵⁰

While steady progress had been made since the early seventeenth century, it was not until 1733 that the ships of the Levant Company were free to enter any Turkish port for the uniform fee of £20, instead of fees varying from £25 to £50 according to the good will of the local pasha. In 1758 all territory within the company's sphere of influence was placed under an embargo against foreign importations, which gave the company a virtual monopoly in certain areas.⁵¹ Finally, a decree of the sultan (October 30, 1799) gave to British merchants the long-

⁴⁹ The Levant Company was reincorporated and given a new charter by James I in 1605, just five years after the East India Company, which always overshadowed it in importance, received its charter (E. Lipson, *Economic history of England* [3 vols.; London, 1915-31], II, 335-52). For a recent treatment of the Levant Company see A. C. Wood, *The history of the Levant Company* (London, 1935).

⁵⁰ For a complete list of capitulations see Lewis L. Hertslet (ed.), *A complete collection of the treaties and conventions . . . as they relate to commerce and navigation* (30 vols.; London, 1840-1924), II, 346-69. A brief summary is to be found in McCulloch, pp. 1349-50.

⁵¹ John MacGregor, *Commercial statistics, a digest of the productive resources, commercial legislation, customs tariffs, navigation, port, and quarantine laws, and charges, shipping, imports and exports, and the monies, weights, and measures of all nations including all British commercial treaties with foreign states* (4 vols.; London, 1847-48), II, 65.

sought privilege of commerce on the Black Sea.⁵² All these rights and many others were eventually confirmed in the treaty of the Dardanelles, concluded January 5, 1809,⁵³ which provided for freedom for British ships on the seas surrounding Turkey; the right to enter any port for stores, safety, etc.; protection of British nationals in all trading centers; the right to maintain consuls in some of the lesser ports; and, generally, that all Britishers should have the same rights and privileges as the French or other traders. The reason for this clarification and restatement was that during the period of the French Revolution, English merchants had secured control of most of the foreign trade in Turkey, and they needed adequate protection in their new field. Such was the situation when the wars on the continent ended. Previously of secondary importance, Turkey by 1815 was a prime outlet for British production, though even the most optimistic traders did not dream of the great significance it was to become in the future.

In the decades after 1815, an era of ever increasing economic activity for Britain, the direct trade between England and the Ottoman Empire⁵⁴ became steadily more important, partly because of the prohibitions and restrictions which existed in the European markets. In the two decades after 1830 Britain sold increased quantities of goods in the Levant, until by 1850 Turkey was surpassed only by the Hanse towns and Holland as an outlet for British manufactures. Italy, France, Russia, and the Austrian territories were all less significant than the Ottoman Empire, Russia by more than a million pounds sterling and Austria by more than two million. The importance of the Ottoman Empire to British traders is shown by Table 3, which gives the declared value of exports from the United Kingdom for 1850.

Thus, as was so often true of foreign policies in general in the nineteenth century, self-interest was one of the primary motives

⁵² *Ibid.*, p. 30.

⁵³ Hertslet, p. 371.

⁵⁴ Direct trade between England and Turkey was enhanced by the modification of the navigation laws, June 25, 1821, removing trade restrictions with Turkey as well as with Russia. See Hansard, N.S., V, 1289-1310.

for Britain's determination to maintain the Ottoman state.⁵⁵ A more detailed examination of the various articles exchanged between England and Turkey will provide more specific proof of the place of the Ottoman Empire in British trade and, correlatively, of her importance in British foreign policy in the decades prior to the outbreak of the Crimean War.

Although tabular presentation of actual articles exported to, and imported from, Turkey—the best proof of the importance

TABLE 3*

To Hanse towns.....	£6,755,000
Holland.....	3,542,000
Turkey.....	2,811,000
Italy.....	2,791,000
France.....	2,401,000
Russia.....	1,455,000
Austrian territories.....	607,000

* L. Levi, *History of British commerce, 1763-1870* (London, 1870), p. 502. The declared value of British exports to Turkey in 1850, as shown in the customs reports, was £2,515,821.

of the Ottoman Empire in British commerce—is not feasible here, a few remarks on the nature of British exports and imports from and to Turkey in the three decades preceding the Crimean War are worth while. Two facts stand out in the most cursory analysis of the customs records. First, the great increase in the number of articles exported to Turkey prove that Turkey became steadily more important as an outlet for British manufactured goods; moreover, since the number of imports from Turkey only doubled, while the number of exports trebled between 1825 and 1855, there was a tendency toward a balance in England's favor. Second, and of consequence, was the steady predominance of agricultural products coming into Britain from the Levant, while the British goods exchanged were primarily manufactured products.

A comparison of the exports to Turkey in the years 1825 and

⁵⁵ "Commercial opportunity for foreigners in free-trade, non-competing Turkey . . . was one of the principal reasons for the British policy of maintenance of the Ottoman Empire, . . . especially after the signature of the Russo-Turkish alliance of Unkiar Skelessi in 1833 . . ." (Puryear, *International economics*, p. 1).

1850 shows the relative importance of the Levant trade to British commercial activity as a whole. In 1825, for example, the number of articles valued at £100 or more exported to Turkey was twenty-eight. This figure was not passed until 1845; but from that date on, the increase was very rapid, especially in the years 1850–55, when the number of articles of similar value which were exported to Turkey increased from thirty-nine to eighty-four. This sudden upturn was due to certain developments of that half-decade. One of the new items in 1855, for example, was naval stores. That one-third of the total British production of naval stores went to Turkey in 1855 was due, no doubt, to the increased needs resulting from the Crimean War. Another example is that of telegraph materials. The extension of the telegraph to Constantinople necessitated a purchase of £71,000 worth of telegraph wires in 1855, when the total production of this item in the United Kingdom amounted to approximately £163,737.

There were few changes in the general character of the export trade, however, manufactured goods predominating throughout the whole three decades. It is interesting to note that practically no foodstuffs were exported to Turkey in 1825;⁵⁶ but, in 1855, when the Crimean War was still in progress, thirteen of the forty-five new articles listed were foodstuffs, some of which were of considerable importance. For example, one-third of the provisions produced in Britain in 1855 were exported to the Ottoman state, as well as one-half of the salt pork and one-fifth of the beef. Yet, of all the eighty-four items, more than sixty must be classed in the category of manufactured goods.

The single most important manufactured article exported to Turkey was cotton cloth, which held first place during the whole of the thirty years. After cotton, in order of importance, came refined sugar, iron and steel (exclusive of ore), woollens (yarn and manufactures), unwrought tin, and hardware and cutlery. Turkey became an important outlet for English textiles during the Napoleonic period. At that time England's

⁵⁶ Items valued at less than £100 were not considered in this survey of the customs ledgers.

rivals, Austria and Switzerland, were unable to compete with Britain's more substantial output.⁵⁷ After 1815 Britain was able to maintain control of this new market because of the steady lowering of price levels which a larger market and more efficient methods of production made possible. For example, transport costs notwithstanding, British merchants were able to sell cotton goods on the Turkish frontier cheaper than the neighboring Austrian traders.⁵⁸ While Turkey imported in 1825 but a small part of the total production of cotton goods in England (approximately one thirty-eighth), the Turkish market became a very significant outlet in the next three decades. By 1825 Britain produced cotton goods worth some £18,000,000; yet the quantity sent to Turkey was valued at but £490,413. In the next five years cotton goods exported to Turkey almost doubled, and a steady increase followed until, in 1850, almost £2,000,000 worth of cotton goods, out of a total of £28,257,401 exported, went to the Ottoman Empire. In 1855, when the total production was valued at £34,763,792, over £3,700,000 (more than one-ninth of the total production) was the return from the sale of this item in Turkey.

Largely because of the climate and habits of the Turks, the Ottoman state was not an equally important outlet for English woolens. Yet, the exports of woolen yarn and manufactures increased seventeen fold, from £8,318 in 1825 to £143,379 in 1850. A decrease in 1840, after several years of increasing consumption of English woolens, is partly explained by the fact that Carcassone and Austrian woolens, dyed to suit the Turkish taste, were becoming real competitors. The British manufacturers did not study the oriental desires as did the French, Swiss, or Germans; and when the cheaper English woolens fell off in total production, as they did in 1840, it was easier for the other traders to press their dyed-to-order products.

In some respects tabular analyses of Britain's exports to Turkey are most deceiving. For example, in 1825 refined sugar was second in importance on the list of British exports to Turkey; but, on account of extreme increases in other items, by

⁵⁷ McCulloch, p. 395.

⁵⁸ Urquhart, p. 170.

1850 refined sugar was the sixth most important export, and five years later it was seventeenth, though the actual quantity sold to the Turks increased from 10,930 to 14,149 hundredweight in the three decades. Thus, instead of Turkey consuming but one thirty-eighth of British refined sugar as in 1825, because of a decrease in the total production of this product from 400,000 hundredweight to slightly over 40,000 hundredweight Turkey imported almost one-third of all the sugar refined in Britain in 1855. The figures for iron and steel are equally elusive. Here we find an increase from £12,527 in 1825 to £93,052 in 1850 and £187,017 in 1855,⁵⁹ but this represents not a corresponding increase in the amount of iron and steel exported to Turkey but an increase in price; the actual quantity of this product sent to the Ottoman Empire merely advanced from 6,223 tons in 1830 (no quantity figure listed for 1825) to 15,332 tons in 1850 and 20,439 tons in 1855, little more than a three-fold increase.

Likewise Turkey imported but a small percentage of British unwrought tin in 1825 (about one-seventeenth of the total produced); by 1855, however, she took almost one-fifth of the production of that article. Tin plates exported to Turkey increased fivefold in the same period; and hardware and cutlery exports to Turkey jumped from 914 to 8,330 hundredweight, while the total production little more than doubled. Although there is a limit to the efficacy of illustrations, the importance of Turkey as an outlet for British manufactured goods seems abundantly clear.

Aside from the principal exports to Turkey mentioned above, most of the other items increased, though to a more limited degree. There were only three items which declined in importance over the three decades. Lead and shot went down steadily, until, by 1850, it amounted to only £179 in the Turkish trade.⁶⁰ While this was about one twenty-fifth of the 1825

⁵⁹ Consumption of British iron seems to have been little affected by the increased production of the Samakoff mines, near Philipopolis, which produced a cheaper grade of iron, except in the year 1842. See MacGregor, II, 89.

⁶⁰ In 1855 the Ottoman Empire used £813 worth of this British export out of some £44,447 worth exported, or about one fifty-fifth of the total production.

figure (£4,495), it will be noted that the total exports of lead and shot dropped from £239,788 to £36,534 in the same period. Military stores fell off abruptly in the years 1825 to 1830 and were never thereafter valued at more than £547, the figure reached in 1845. The number of watches exported to Turkey decreased almost 50 per cent in the thirty years after 1825, but, because of the advancing prices of this item, the Turkish market produced as large a sum in 1855 as in 1825. Yet these decreases were slight compared to the increases and were more than made up for by the new items which appear in 1855, such as tarpaulins, half of which were manufactured for the Turkish trade alone, and tobacco, more than half of which was exported to Turkey to be mixed with their own product.

When one turns to Britain's imports from Turkey, the whole picture is seen in better perspective. The most important imports from Turkey in order of importance were madder root, raw silk, raisins, sheep and lamb's wool, and valonia. In 1825 Turkey was also an important source of cotton wool and yarn, camel and mohair yarn, and opium; but other sources of these materials developed in the next three decades.⁶¹ The predominance of agricultural products imported from Turkey is at once observed. Of the sixteen articles listed in 1825, no more than four could be catalogued as partial manufactures; the number of manufactured articles remained fixed through the next three decades, but the total number of imports increased to thirty-nine.

While Turkey's exports to the United Kingdom were primarily soil products, they included not only foodstuffs and luxury articles but raw materials for manufacturing as well. One of the most important in this last category was madder root, used in the dyeing of textiles. In 1825 England imported 21,910 hundredweight of madder root from Turkey, or almost 50 per cent of the total used in Britain. From 1850 on, madder root was Turkey's chief export to England, Turkey supplying more than two-thirds the amount used in 1850 (109,312 hun-

⁶¹ India, Egypt, and the United States were the principal sources of raw cotton by 1840.

dredweight out of a total of 161,637 hundredweight), and in 1855 almost half (93,775 hundredweight out of 175,046 hundredweight).

Turkey was also an important source of raw silk, an item which ranked third in the list of imports in 1825 and rivaled madder root in most of the years studied until it dropped from second to fourth place between 1850 and 1855. In 1825 Turkey produced one-third of all the raw silk consumed in the United Kingdom, ranking second only to Italy. Italy was displaced by France in 1840 as a source of raw silk, and Turkey had difficulty in withstanding the competition of the East India Company for second place. By 1845 Turkey supplied England with more than half of the raw silk used, but the opening of certain Chinese ports as a result of the First Opium War added the necessary impetus to place the Far East well ahead of the Near East. In 1850 Turkish producers almost equaled their former figures, but the entrance of Egypt into the market in 1855 forced Turkey once again into fourth place, after China, Egypt, and the East India Company.

The steady increase in the consumption of raisins in the United Kingdom was a boon to the Turkish growers and exporters except for the years 1830 and 1850.⁶² Turkey was the principal English source for raisins in 1825, but after 1830 Spanish raisins⁶³ were more popular. After that date Turkish raisins varied from the fifth to the tenth most important export to Britain. The amount of sheep and lamb's wool imported by the United Kingdom increased from 63,000,000 pounds to more than 97,000,000 pounds in thirty years. While Turkey supplied but a small percentage of that total, nevertheless this item was a notable import from Turkey. The great variation in the quantity imported from the Ottoman state is explained by the new sources which were found during the period. For example, in 1840 Turkey supplied little more than half her 1835 figure; yet in that year an increase of more than 7,000,000 pounds ap-

⁶² Turkish raisins fell off in proportion to the total decrease in 1830 but dropped more severely than the total in 1850.

⁶³ Spain was Britain's chief source of raisins until 1855, except for the year 1845, when Sardinia supplied a slightly larger quantity.

peared in the total imported; Turkey ranked seventh after the East India Company, New South Wales, Cape Colony, Peru, Chile, and Sweden. By 1855 Turkey held sixteenth place, the chief sources being New South Wales and British India.

The one raw material on which Turkey had a virtual monopoly, as far as Britain was concerned, was valonia,⁶⁴ a by-product of acorns, which was used by tanners in the English leather industry. While the total consumption of this material augmented almost fourfold in the three decades, the quantity imported from Turkey increased more than sixfold. In the peak year, 1845, when Britain used 19,077 tons, 15,354 tons came from Turkey. The falling-off which appeared in the years 1850 and 1855 was not caused by the opening of new sources but by the fact that new processes made it less important.⁶⁵

Wool manufactures (i.e., carpets), olive oil, oil (Otto of Roses), and sponges were other items which Turkey sent to Britain in ever increasing quantities. While threefold increases are seen in both the total number of carpets imported and the number purchased in Turkey, olive oil and sponges increased twelvefold each, while their respective totals increased sixfold and eightfold. Throughout the whole period Turkey was the primary source of perfumed oil, known as Otto of Roses.

Although there was a general increase in Turkish products coming into the United Kingdom, there were some notable losses. During the three decades under study, certain items on the 1825 list fell off or disappeared entirely as imports into Britain. Cotton wool, which was Turkey's chief export to England in 1825 (though only one-twelfth of the total imported by Britain), ranked twenty-second in the list in 1850 and thirty-eighth in 1855, diminishing from almost 19,000,000 pounds to 5,700 pounds when the Crimean War was in progress. This decrease is all the more remarkable when one notes that the total amount of cotton wool imported increased from 226,052,135

⁶⁴ The name "valonia" was derived from the Albanian seaport of Valona, which was the outlet for this whole region, where oak forests abounded.

⁶⁵ In 1850 the total importation into Britain of valonia had dropped to 12,562 tons, of which 10,822 tons came from Turkey; in 1855 Turkey supplied 8,753 tons out of a total of 10,838 tons used.

pounds in 1825 to 796,207,100 pounds in 1855. The only explanation is the fact that, while the United States remained the principal source throughout the period, new sources, such as Brazil, Egypt, and India, appeared. Cotton yarn followed the same course as raw cotton, falling from 67,228 pounds in 1825 to 3,314 pounds in 1855, while the total increased from 67,228 to more than 1,000,000 pounds. Turkey's monopoly of this article lasted barely a decade, when she was superseded by Holland and Belgium in 1835.

Camel and mohair yarn was almost a Turkish monopoly for the United Kingdom, since 90 per cent of this product (and in 1845 more than 99 per cent) came from the sultan's dominions. The years 1840 and 1850 show tremendous decreases in the quantity purchased in Turkey, but there is a corresponding decrease in the total amount imported. Opium was another item which showed fluctuation as far as the English market was concerned. After a decade as the fifth most valuable import from Turkey, opium fell to thirteenth position; and, though it came back to seventh place in 1845, it dropped to eleventh place in 1850, and the period closed with opium listed after seventeen other articles. This variation is explained partly by the presence of new items on the list and partly by the fact that the demands of Britain for opium were not constant. In general, however, England depended on Turkey for this important drug; except for the year 1840,⁶⁶ when Turkey produced but 65 per cent of British opium, 90 per cent of all the opiates consumed in the United Kingdom was made from poppies grown in the Ottoman Empire, and in two of these years, 1825 and 1845, Turkey supplied 94 per cent.

Two items present in 1825 are not found in 1850: wet hides were no longer sold with profit to British traders by the Turks after 1840 because of the competition offered by the Argentine, Brazil, and the United States; and goat's hair, after increasing steadily, suddenly ceased to appear in 1845 except in very small quantities. But these losses and the decreases mentioned

⁶⁶ In 1840 the East India Company sent more than one-fifth of all the opium used in Britain, valued at £2,629.

above were of no great significance because they were replaced by so many new articles: copper, brass, corn (wheat, barley, Indian corn), seeds, tobacco, figs, nuts, and other products of the soil. Further comment on the data provided in the customs ledgers seems unnecessary; the steadily increasing place of Turkey in the commercial relations of the United Kingdom is obvious.

The progress of industrialization in Britain, not to mention the development of the free-trade principle,⁶⁷ increased the need of outlets for the productions of the factories,⁶⁸ and this in turn brought new sales methods which eventually expanded the Turkish market. In the late twenties individuals, like C. H. Burgess, and small companies, such as the Bells or Briggs and Company, assumed the role of the old Levant Company in the eastern trade. The competition which developed between these individual traders tended to increase the amount of trade previously enjoyed by the Levant Company; old ports were revived and many new ones were established.⁶⁹

The demise of the Levant Company in 1825 had a significant effect likewise on the British government, since the new obligations which the government was forced to assume brought it into closer touch with the Ottoman state and thereby increased its interest in preventing further disintegration. Prior to 1825, for example, the company had appointed its own consular agents;⁷⁰ after the government assumed the task,⁷¹ many ports

⁶⁷ The petition of the London merchants (1820) was followed by a number of pamphlets on the subject of free trade, the most significant of which was Sir Henry Parnell's *On financial reform* (1830). Parnell argued that the only way to increase the national wealth was expansion of the overseas trade and that this was best accomplished by a limitation of duties on goods entering the country. Villiers, Cobden, and Bright carried on the crusade until, by the middle of the century, free trade in England was an accomplished fact.

⁶⁸ Puryear, *International economics*, p. 181.

⁶⁹ The best example is Trebizond, the greatest development of which dates from 1830.

⁷⁰ The government began to appoint representatives about 1800. John Barker went to Aleppo in 1799, and Morier to Morea in 1804. See Wood, pp. 184-85.

⁷¹ For the act authorizing this transfer, see *British foreign and state papers*, XII, 531-35, or Hertset, IV, 484-89. Had the Levant Company been a joint-stock company, the transfer would have been more difficult.

of the Turkish Empire were in as close touch with London as Constantinople itself. Brant at Smyrna, Blunt at Salonica, and Kerr at Adrianople, to mention only three consuls, were invaluable aids to the British ambassador at Constantinople in reporting conditions within the Turkish dominions. On August 13, 1836, parliament passed an act "to enable His Majesty to make regulations for the better defining and establishing the powers and jurisdiction of His Majesty's consuls in the Ottoman dominions."⁷²

As British trade with Turkey advanced under these new conditions, attempts were made to extend it farther. The old law requiring that all articles from Turkey must be imported in British bottoms had been annulled in 1822, and a few minor prohibitions had been removed at the same time.⁷³ Among the obstacles to a free interchange of products that remained very important was the high prices placed on English products. Urquhart was one of the first to perceive that a reduction in the prices of British goods would enhance the Turks' buying-power and thereby expand the Turkish markets for British products. "Reduce prices," he explained in 1833,⁷⁴ "so as to make it to their interest to purchase—present the goods and the means of exchange, the whole scene instantly changes; communications are opened, connections established, desires created, energies raised, and progress commences."

Yet the complete emancipation of commerce from the Levant Company and a reduction of British prices were not the only obstacles to free intercourse. In his triumphant report on British commercial gains between 1827 and 1830 Urquhart regretted the absence of "corresponding increase in returns."⁷⁵ British import duties must be lowered, if not abolished, he argued, especially on such imports as valonia, fustic, madder

⁷² MacGregor, II, 30–32. This act was supplemented (Aug. 24, 1843) by the foreign-jurisdiction act, which fixed consular jurisdiction in Turkey more definitely. See Hertslet, VI, 500–506, 840–41.

⁷³ Levi, p. 161.

⁷⁴ *Turkey and its resources*, pp. 142–44.

⁷⁵ *Ibid.*, p. 195. Urquhart was afraid that the Turks would one day perceive that their duties were too low in proportion to the British customs and that, if the Porte adopted England's tactics, a valuable market would become worthless.

root, galls, and sumac. He pointed out the almost incredible fact that for every £100 of English goods sold in Turkey the Porte exacted but £3 in customs duties, whereas English duties on Turkish products of equal value amounted to £60. "The quantity and quality of our imports from Turkey have greatly depended on our own duties," he wrote.⁷⁶ Naturally, however, the British merchants were less ready to grasp the significance of the changes in their own regulations proposed by Urquhart than to complain against the trade restrictions which existed within Turkey itself. Thus, one sees why, at least a decade before free trade was adopted in practice as well as in theory, commercial men had exacted from the sultan the Anglo-Turkish commercial convention of 1838.

The principal restrictions against which British commercial men complained were transshipment duties (levied on goods transshipped across Turkey and in some cases for goods shipped between Turkish ports) and the arbitrary levies of the local pashas.⁷⁷ All goods transported across Turkey were subject to a $2\frac{1}{2}$ per cent duty, which was a great handicap to trade between England and Persia, especially in the port of Trebizond, where the transit trade was heaviest.⁷⁸ In some cases the transshipment fee was applied to goods transported between two Turkish ports; and often British vessels which touched at Smyrna or Beyrout to unload a part of their cargo before proceeding to Salonica or Constantinople were taxed as were the smaller carriers in the coastwise trade. Although these duties were not large, British merchants rightfully maintained that they were a restraint of trade.

The arbitrary levies of the government were no less significant. For example, there existed in 1829 a tax of 20 per cent on yellowberries transshipped at Enos for British ports, and

⁷⁶ *Ibid.*, p. 175.

⁷⁷ Memorandum of grievances of British merchants of Smyrna, July 25, 1829, P.R.O., State Papers Foreign 110/74. Cf. also letters of merchants to the *London Times*, Aug. 28 and Dec. 28, 1835, and Jan. 12, Apr. 4, and May 28, 1836.

⁷⁸ Exports to Persia amounted to almost £1,500,000 annually (Crawley, *loc. cit.*, p. 67).

Constantinople possessed a similar levy of $1\frac{1}{4}$ per cent on all silk sent to England from the capital city. The *mirigi*, or license fees, levied by the local pashas, were another source of complaint. Britishers regarded these as a surcharge in violation of the capitulations, since they already paid the regular 3 per cent export duty. When English merchants were discriminated against while French and German traders enjoyed most-favored-nation treatment, the government authorities were forced to protest.⁷⁹ Yet these difficulties were of secondary importance compared to the monopolies which the Porte maintained. On December 6, 1833, Palmerston had declared for a definite policy with respect to the strengthening and upbuilding of the Ottoman state. In the same dispatch the foreign secretary instructed Ambassador Ponsonby to remind the Porte that monopolies were

not only at variance with the engagements subsisting between Great Britain and the Porte, but tend necessarily to limit and contract the commercial intercourse between the subjects of His Majesty and those of the Sultan in a manner and to an extent which cannot fail to be injurious to the industry of both nations, and in the end detrimental to the financial interests of the Porte.⁸⁰

Palmerston urged the ambassador to point out to the sultan that the profits from the monopolies could not possibly compare with the enlarged revenues which a greater volume of trade would make possible; freer trade in Turkey would make for wealth and prosperity of a larger number of Turks instead of the few privileged monopoly holders.

Ponsonby, fully aware of the economic potentialities of the Ottoman Empire, needed little encouragement. On November 25, 1834, he wrote: "Protection given to our political interests will throw open sources of commercial prosperity perhaps hardly to be hoped from our intercourse with any other country upon earth."⁸¹ From the moment that he sent in his first com-

⁷⁹ Granville to Broglie, Dec. 30, 1833, B.T. 1/298.

⁸⁰ No. 22, Dec. 6, 1833, F.O. 78/220. Cf. also Palmerston's instructions to Ponsonby relating to a commercial convention proposed by Nouri Effendi on Oct. 23, 1835, No. 59, July 28, 1836, F.O. 195/130.

⁸¹ No. 187, Nov. 25, 1834, F.O. 78/240.

plaint⁸² he continued to work for revision of existing schedules, trusting that eventually the monopolies which were so detrimental to British commerce would be abolished entirely.

Finally, after years of urging, the sultan was ready to negotiate, and in November, 1836, Ponsonby was given instructions regarding the appointment of commissioners to frame a new tariff treaty.⁸³ The three commissioners named were Messrs. Black, Ferrell, and Wright, and negotiations began at once with the chief customer, Tahir Bey. Early in 1837 Ponsonby gloomily reported that success could not be expected,⁸⁴ but six weeks later he hopefully informed his chief that the sultan had consented "to abandon the Russian tariff and to content himself with the same tariff as shall be agreed upon between Turkey and the other great European powers."⁸⁵ Negotiations were further delayed by the illness of the chief customer, and in the meantime the French chargé d'affaires began to make similar proposals, which the British feared might foil their plans.

The Ottoman government hesitated to adopt the arrangements proposed by the British commissioners, because, as Ponsonby explained, "the Porte feels acutely the shackles imposed upon it by the conventions that exist."⁸⁶ The British ambassador countered that "if the sublime Porte will not revise and ameliorate its system, the time will soon come when the country will no longer be able to support the expense of its army."⁸⁷ The British commissioners consented to the continuation of opium and corn as government monopolies but con-

⁸² No. 46, Aug. 26, 1833, F.O. 78/224. Enclosures from Cartwright and Brant explain the difficulties under which British merchants worked in Galacz and Smyrna.

⁸³ Marchant to Backhouse, Apr. 3, 1837, B.T. 3/27.

⁸⁴ Ponsonby to Palmerston, Jan. 4, 1837, B.T. 2/8.

⁸⁵ Ponsonby to Palmerston, Feb. 18, 1837, *ibid.* Ponsonby reported (No. 39, Mar. 1, 1837, *ibid.*): "The Russian agents and partisans boast extremely of the Liberality of the emperor of Russia in consenting to cancel the Russian tariff. Well informed people seem to understand very well how little solid ground there is for such boasts. The spell is broken by which Russia cheated the eye."

⁸⁶ Ponsonby to Palmerston, No. 103, May 9, 1837, *ibid.* The Porte was also anxious to raise its duties from 3 to 5 per cent ad valorem in order to secure money to improve its regular army and to make up the losses resulting from a depreciated currency.

⁸⁷ Ponsonby to Pisani, Apr. 17, 1838, F.O. 78/330.

tended that all others must be abolished. Also, while recognizing the 3 per cent duties on exports and imports, they insisted on a strict definition of all other charges, and these were not to be altered without due notice.

The committee of the privy council for trade insisted upon the following stipulations⁸⁸ being written into the proposed treaty:

Nothing beyond the 3 per cent duty on imports and exports to be acknowledged by us.

The British merchants however are to be left at liberty to pay or not the duties imposed by the Porte in the interior trade on Turkish commodities which duties are paid by all Ottoman subjects, and thereby to obtain for themselves, having purchased these commodities at the places where they are produced, and having paid this interior duty to export them at the 3 per cent under the privilege accorded by the stipulation.

That these duties shall be strictly defined and that the foreign merchants shall be at liberty to pay their whole amount at one time and in one place: that they shall not be altered in any way or degree without a previous notice of the alteration intended to be made in them, which shall be formally notified to the British mission several months previous to the operation of any alterations to be made.

That every monopoly or prohibition to export which the Porte may choose to enact shall be a real and effective prohibition that no exemption whatever shall be allowed from its operation: that no one whatever shall be authorized or entitled to export the article so prohibited until the removal of such prohibition and that when removed the operation of the removal shall be universal and every British subject shall be entitled to export it without exception.

Ponsonby, the chief sponsor of the proposed convention, was frank to admit that Britain would gain from the treaty, but not at the expense of Turkey; Britain would gain by having a more prosperous customer.⁸⁹ He argued that monopolies weakened the country in that they were the principal cause of high prices,⁹⁰ which in turn caused poverty and a falling-off of the population. Aside from increasing the wealth of Turkey and thereby making for prosperity, the abolition of monopolies would "cut up by the roots the power of Mehemet Ali in Egypt

⁸⁸ Marchant to Backhouse, July 20, 1837, B.T. 3/27.

⁸⁹ In this he was strongly supported by the foreign secretary. See Palmerston to Ponsonby, No. 21, Feb. 6, 1838, F.O. 78/328.

⁹⁰ Necessities of life were six times costlier in Constantinople than in Adrianople, which did not suffer from monopolies (Ponsonby to Palmerston, No. 19, May 10, 1838, F.O. 78/331).

and Syria. . . ."⁹¹ Palmerston and Ponsonby were one in believing that if the sultan adopted a new commercial code (without monopolies) and wrote it into a treaty with England, the latter could demand its execution in Egypt as a part of the Turkish Empire. By so doing the sultan would not only ruin Mehemet Ali financially but would also reassert his power over Egypt.⁹² Thus, while Britain "took advantage of the sultan's hatred for Mehemet, in order to secure concessions favorable to English trade,"⁹³ she really attempted more than that. For, from the political point of view, anything which would free the sultan from the Egyptian menace would make him less dependent on Russia, in which case the treaty of Unkiar Skelessi would become a dead letter, if it were not abolished completely. This is the thought behind the modern view that the political aspect of the monopoly question was far more important than the economic one.⁹⁴

In return for the Porte's relinquishing monopolies, British merchants were to agree to export duties above 3 per cent, provided they were "settled between the two governments,"⁹⁵ and favorable arrangements in the interior trade were to be secured by individual traders, the committee of the privy council for trade⁹⁶ believing that this was beyond its sphere.⁹⁷ Although

⁹¹ Ponsonby to Pisani, Apr. 17, 1838, F.O. 78/330.

⁹² P. E. Mosely, *Russian diplomacy and the opening of the Eastern question in 1838 and 1839* (Cambridge, Mass., 1934), p. 99. British policy in this respect proved to be a boomerang. Mehemet Ali agreed to apply the arrangements of Aug. 16, 1838, to his territories, but he did not regard this as any surrender of his power to the sultan. By a slight alteration of his economic organization Mehemet remained master of industry and commerce. Thus, Egypt escaped unscathed, while the sultan undoubtedly suffered considerably (until the readjustments began to show their effects) from decreased revenue (*ibid.*, p. 101).

⁹³ *Ibid.*, p. 94.

⁹⁴ Puryear claims that by fostering the abolition of monopolies in Egypt as well as in Turkey the British reopened the whole Near Eastern question once more. See Puryear, *International economics*, p. 84, and Mosely, p. 115.

⁹⁵ Marchant to Backhouse, July 20, 1837, B.T. 3/27.

⁹⁶ The Committee of the Privy Council for Trade had supplanted the council on trade and plantations in 1786; it was not known as the "board of trade" until 1861.

⁹⁷ The government could not recognize private bargains between merchants and the Porte, and the committee frowned upon such bargains the purpose of which was to

the committee insisted on the right of transit, duty free, a right which had been violated by the local pashas in the past,⁹⁸ this was not granted by the Turkish commissioners. Thus, after much dickering, the treaty was finally signed on August 16, 1838.

The Convention of Balta Liman,⁹⁹ as this commercial treaty was called, written by Reschid Pasha and Lord Ponsonby, provided that the old privileges and immunities be confirmed, that the monopolies be abolished and Britons be allowed to trade freely anywhere in the Turkish dominions, that British merchants be subject to uniform taxes in the internal trade, that the 3 per cent import duty be continued, and finally that the export tax be limited to 9 per cent ad valorem. The treaty was to become operative March 1, 1839.

Although all Britishers were not satisfied with the convention,¹⁰⁰ Palmerston considered the treaty a success in that, while some rights "supposed to have belonged to British Trade, are abandoned; . . . no real loss is sustained," and he expected commerce to benefit.¹⁰¹ Although the year 1839 showed increases in British exports to Turkey of such articles as corn, flour, sugar, and hardwares and although imports of wool, dye-stuffs, oil and opium likewise increased,¹⁰² these increases did not represent the whole story. For at the same time there were slight decreases in the quantity of indigo and cloth exported in 1839, and the value of importations of dried fruits, sponges, valonia, and gums was less. It would be impossible to state

secure lower duties because the merchants were not guaranteed a fixed rate of exchange, as they were under the regular system. See Marchant to Backhouse, Feb. 8, 1838, B.T. 3/27.

⁹⁸ Marchant to Backhouse, Apr. 3, 1837, *ibid.*

⁹⁹ *British foreign and state papers*, XXVI, 688-92. Cf. also Ponsonby to Palmerston, No. 190, Aug. 19, 1838, F.O. 78/332, and "The Turkish treaty," *British and foreign review*, IX (1839), 247-72.

¹⁰⁰ David Urquhart, who had urged a commercial agreement between England and Turkey, criticized the final draft of the treaty, which he felt had been warped to England's disadvantage in the negotiations. For Palmerston's defense of Ponsonby's diplomacy, see Hansard (3d ser.), XLVII, 74 and 76.

¹⁰¹ Palmerston to Strangways, Sept. 26, 1838, B.T. 3/28. ¹⁰² MacGregor, II, 101.

definitely how far these gains or losses were directly the result of the new convention, because the Near East trade in general showed only slight gains between 1839 and 1841, owing to the unrest in Egypt and Persia, and it did not return to normal until 1842.¹⁰³ Yet there is little question, as one surveys the trade over the whole decade following, that both Britain and Turkey (but especially Britain) benefited from the treaty of 1838.¹⁰⁴

There were infractions of the convention, as it was undoubtedly expected there would be. For example, certain British cottons (grays) paid a duty of $7\frac{1}{2}$ per cent and occasionally as much as 12 per cent, with the result that this type of goods was sought in Switzerland. Yet British merchants had a new advantage which was a real impetus to trade in that the monopolies no longer existed. Similar conventions were arranged with Austria and France, and later with Prussia, China, and Russia (1846),¹⁰⁵ all based to a great extent on the Anglo-Turkish treaty.

From the political point of view the Convention of Balta Liman was a significant step in the policy outlined by Palmerston in 1833,¹⁰⁶ because to strengthen the economic relations of the two powers was to prepare the way for closer political co-operation. Palmerston himself recognized this fact as early as 1835. "An increase of the commercial intercourse between the subjects of the two states," he wrote, "must tend necessarily to strengthen the political union between the two governments."¹⁰⁷

To what extent did the new commercial relations actually determine Anglo-Turkish political co-operation during the two decades prior to the Crimean War? There is no definitive answer, since it is impossible to measure precisely the direct relation between trade expansion and diplomatic policy. Swain main-

¹⁰³ See Table 2.

¹⁰⁴ B.T., G. 1550/54, Minute paper No. 1550, Aug. 23, 1854, and Clarendon to Canning, No. 698, Nov. 13, 1854, B.T., G. 1550/54.

¹⁰⁵ Ubicini, I, 349.

¹⁰⁶ Palmerston to Ponsonby, No. 23, Dec. 6, 1833, F.O. 78/220.

¹⁰⁷ Palmerston to Nourri, Oct. 23, 1835, F.O. 195/122.

tains: "Diplomacy . . . followed the British trader in the Mediterranean and attempted to promote his interests. . . ." ¹⁰⁸ No one could deny that Britishers were alarmed by the continued existence of the treaty of Unkiar Skelessi and that they made themselves heard. Puryear states that the new economic concessions which threatened to replace Russia as the protector of Turkey "reopened the whole Near Eastern question." ¹⁰⁹ By 1850, in addition to insuring access to India by the overland routes, Palmerston had another motive in freeing Turkey from Russian domination. That was the trade relations of the two states. In a speech in parliament on March 22, 1849, Palmerston defended the independence of the Ottoman Empire for both economic and political reasons, stating that he believed that trade with the Turks could be greatly improved if certain internal reforms were carried out in the sultan's dominions. ¹¹⁰

For a time after the conclusion of the commercial treaty in 1838, however, Palmerston continued his former tactics of subtly undermining Russia's prestige and increasing that of his own nation. He was not yet ready for a bold policy. To attempt openly to undo in 1839 the harm which had been done in 1833 would have caused a definite rupture between England and Russia. Two years elapsed before Palmerston administered the coup de grâce to Russian interference in Turkish affairs. In the interim he continued his policy of freeing the sultan from his difficult position. What that policy was and how Palmerston promoted it (from 1836) until he fell from power in 1841 is a subject well known to all students of British policy. It was, however, no mere coincidence that the period during which Britain developed and pursued a definite policy with respect to the maintenance of the territorial integrity and independence of the Ottoman Empire (i.e., 1833-53) was also the era in which Britain increased her commerce with Turkey most rapidly and profitably.

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¹⁰⁸ Swain, p. 54. "The protection of trade interests was the keynote to British interests in the Mediterranean" (*ibid.*, p. 108).

¹⁰⁹ Puryear, *International economics*, p. 84.

¹¹⁰ Hansard (3d ser.), CIII, 1144.