Sacred Obligations, Precious Interests:

Ottoman Grain Administration in Comparative Perspective

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November, 2010

In 1793, the Ottoman administration established a seperate institution in charge of grain provisioning for the capital. With the establishment of this institution, the role of the state in the Ottoman grain trade was redefined: most of the grain for Istanbul came to be purchased by state funds. In the secondary literature, the institution has been understood as both a practical response to the deteriorating problems of Istanbul's provisioning and a part of the early reform attempts of fiscal centralization in the Empire (the New Order of Selim III, 1789-1807). This paper examines the rationales behind the establishment of this institution from a broader perspective. Focusing on the factors behind changing preferences in pricing policy and how they relate to the establishment of the Grain Administration, it shows that the reform attempts did not merely aim at centralization; it consisted of a partial liberalization where restrictions on internal trade were not totally abolished, but price controls were relaxed. Based on an analysis of the texts in which the reformers discussed the grain trade policies, the paper argues that the policy shift was not only a response to practical problems of provisioning, but also reflected a new concern with the state of agricultural production, embedded in the emergence of mercantilistic ideas. Furthermore, by analyzing the interaction between various interest groups (primarily bakers' guild) and the administration, the paper tries to show that the permanence of the new policy was determined by the ability of the central administration to distribute the burdens of the new arrangement (relatively higher purchase prices) among various interests groups with minimum threat to political stability, against the background of pre-existing institutional organization.

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A Note on Some Ottoman Terms

ayan is best left untranslated, although "local notables" is close. It refers to Ottoman provincial notables in the second half of the eighteenth century.

Devlet (state) is the enduring political community. In the ordinary political rhetoric, "the state" represents the common interest and the valid claims of the whole against the part. There is no separate term used for the executive branch in the Ottoman documents. I chose to use the term "government" to refer to the center of decision making -the rulers in the Sublime Porte and the *Divan-ı Hümayun* (the Imperial Council).

habbazan is translated as the guild of bakers.

kapan refers to the site where there is a public weighing machine for whole-sale commodities. Kapan-i dakîk is the port officially designated for the exchange of grain between merchants and bakers. Istanbul's bakers bought their wholesale flour from the state-run flour exchange, the kapan-i dakîk, located at the entrance to the Golden Horn, which housed four independent shops belonging to flour merchants. It is translated as the Grain Exchange in the text and sometimes mentioned shortly as Kapan with the capital letter.

mubayaact can be translated as purchasing or requisition agent. In the text, it refers to the agents assigned for the wholesale purchase of grain.

Tersane Anbari or Tersane-i Amire Anbari can be translated as the Arsenal Storage. It refers to the central granary where the grain purchased by the state was kept. It is left untranslated and mentioned shortly as Tersane in the text.

zahire is translated as "grain." In the Ottoman documents, it sometimes refers to a wider range of foodstuff such as butter, honey, rice, soap, pastrami.

A Note on Units of Money and Units of Measure

1 Istanbul kilesi (bushel) = 25, 7 kgs. = 56.6 lbs.

1 *kile* (in Istanbul) is approximately 37 liters. In wheat and flour, one *kile* equals approximately 20 *okkas*. 1 *okka* (standard measure of weight) = 1,283 kilograms.

1 kile=20 okka=25.656 kilograms 1 ton=38.98 kile

1 kantar=44 okka=56.443 kilograms

akça (or akçe) was the silver coin, the chief monetary unit of the Empire.

The relationship between different Ottoman units of currency: 1 lira = 100 guruş (or kuruş) 1 guruş = 40 para = 120 akça¹ (1 para = 3 akça)

¹ In several documents, 1 guruș is equated to 100 akça (Karadeniz, p. 261 refers to such a change in Amasya in 1768).

Abbreviations

BA: Başbakanlık Arşivi in Istanbul, it is followed by the section designation document number, and the Hicri date followed by the Miladi date in parentheses.

C.İKT.: Cevdet-İktisat.

C.BLD.: Cevdet-Belediye.

DHMD: Divan-ı Hümayun Mühimme Defterleri.

EI²: the second edition of *Encylopedia of Islam*.

H: Hijri (Islamic) calendar.

HH: Hatt-ı Hümayun (the Imperial decrees).

İA: İslam Ansiklopedisi, Türkiye Diyanet Vakfı.

JESHO: Journal of the Economic and Social History of the Orient.

MMD: Maliyeden Müdevver Defterler.

TOEM: Tarih-i Osmani Encümeni Mecmuası.

TTK: Türk Tarih Kurumu.

ZD: Zahire Defterleri or Zahair Defterleri.

To speak to the representatives of the people of the means of providing for its subsistence is not only to speak to them about the most sacred of their obligations, but of the most precious of their interests, for without a doubt they are mixed in with it. It is not the cause of the indigent alone that I want to plead, but that of landowners and merchants themselves.

Robespierre, 1792

Discours et rapports a la Convention.

To hinder...the farmer from sending his goods at all times to the best market, is evidently to sacrifice the ordinary laws of justice to an idea of public utility, to a sort of reasons of state—an act of legislative authority which ought to be exercised only, which can be pardoned only in cases of the most urgent necessity

Adam Smith, Wealth of Nations, IV, 53.

Isn't the sentiment of humanity more sacred than the right of property?

Diderot ²

1. Introduction

The question as to what extent government should intervene in the economy has been the subject of perennial debate throughout modern history. Most economists today maintain that government intervention beyond the minimum necessary for a competitive market system to operate is unnecessary and even counter-productive. A competitive market with little involvement from government is thought to represent the best system of economic organization, implying an efficient allocation of resources and economic growth. The idea that trade interventions ought to be limited prevails even in the agricultural and food sectors, where the high price of food is still not tolerable in many countries and governments continue to intervene in the food sector in varying ways and to various degrees.³

The origins of this economic doctrine, also known as *laissez faire*, can be traced back to the late eighteenth century. The French Physiocratic movement was the first to support a theoretical view that

² Regarding the debate over removal of controls on grain trade, Stephen L. Kaplan, *Bread, Politics, and Political Economy in the Reign of Lout's XV* (The Hague: Nijhoff, 1976), 1: 86.

³ According to Ingersent and Rayner (1999:1), "in the long history of agricultural policy, laissez-faire is the exception rather than the rule." However, among economists, direct involvement with the grain trade and imposition of official prices is in general viewed as counter-productive and income transfers to vulnerable groups are regarded the best policy option. According to the World Bank, trade interventions should be avoided because they might discourage rural investments, distort incentives and promote hoarding. During the recent crisis, however, many countries implemented price controls and export bans in addition to the subsidies. See Valdes (1996) and World Bank (2008). For more theoretical studies discussing the rationales for state intervention in stabilizing agricultural prices and preventing famines, see Newbery and Stiglitz (1981), Drèze and Sen (1989) and Wright (2001).

opposed governmental interference in trade.⁴ Among other things, they demanded deregulation of the grain trade, including a removal of price controls and a relaxation of the laws against exports. Liberalization of the grain trade in line with these Physiocratic premises was not confined to France. Eighteenth-century grain trade liberalization has become a general theme in European economic history. During the second half of the eighteenth century, many European governments attempted to remove controls over their grain trade and establish a free domestic market.⁵ This liberalization was associated with increased market integration and agricultural output that enabled escape from the Malthusian trap, and hence linked to the superior economic performance of the European countries.⁶

In conventional textbooks of economic history, these early attempts of liberalization and integration of grain markets were understood as part of a linear trend in political economy that evolved through subsequent phases: from an economic principle that supports government intervention in the economy to further wealth and power of the country, namely mercantilism, to another that favors markets unfettered by governments, namely liberalism. The conventional paradigm in Ottoman history, on the other hand, has suggested that the most important principles of the Ottoman political economy (the degree and nature of the economic interventionism) were quite different from those in Europe. Hence, it was argued that the Ottoman political economy cannot be understood with reference to these European categories. On the other hand, comparative questions that concern the specific implications of these differences have rarely attracted interest among the historians of the Ottoman Empire.

This paper is motivated by the broad question of whether and to what extent Ottoman economic policy shared the European trajectory of grain trade liberalization. The aim is not to insert the Ottoman case into the mainstream of European historiography, but to understand the peculiarities of the Ottoman case in relation to the broad questions of the comparative history of redistributive institutions.⁸ To this

⁴ The Physiocrats are generally regarded as the first school to have developed a coherent economic theory. See Schumpeter (1954).

⁵ The liberalization of grain markets across much of continental Europe was first promoted during the second half of the eighteenth century by Enlightened rulers. For the attempts at deregulation in the French grain trade (1763-64), see Kaplan (1976) and Fox-Genovese (1976). For the deregulation in Austrian grain trade (1765-1786), see Grab (1985). For the deregulation in Tuscany (1767), see Mirri (1972). For the deregulation in Sweden (1775), see Åmark (1915). England proves to have been anomalous in its provisioning policies, as it had already established a relatively free trade in the seventeenth century. Although it intervened in the grain market to defend consumer interests like other countries, its degree was much less than other countries and was basically limited to storage and export policies. With the Corn Laws adopted in 1688, there was a definite shift towards a policy favoring farmers. See Outhwaite (1981). See Persson (1999: 131-156) for a brief discussion of this literature.

⁶ For recent studies that link market integration and economic growth see O'Rourke and Williamson (2004) and Acemoğlu, Johnson and Robinson (2002). For a broader debate on the paradigm of the Rise of the West, see Goldstone (2001, 2008), Gran (2009), Landes (1998), North (1990), Pomeranz (2000), Goody (1996), Wong (1997), Allen (2003) and Clark (1993).

⁷ The most distinguished historians of Ottoman Empire have held that the Ottoman interventionism in the economy was different from that of the Europeans who pursued their "capitalistic pursuits" through mercantilist policies: "[S]tate interventions in the Ottoman Empire, namely regulations for customs and guild manufacture, fixing maxima in prices, market inspection on the quality and measures of goods, monopolies on the manufacture and sale of certain necessities, were different in essence and in intention from the regulation of a mercantilist state." See İnalcık (1994: 51).

⁸ By peculiarities I mean elements that can account for the specific trajectory of economic policy. These "peculiarities" can be shared by other (European or non-European) cases and not necessarily imply an overall

end, the paper focuses on a particular insitutional innovation designed, in part, to solve the problems of Istanbul's grain provisioning.

In 1793, Ottoman administration established a seperate institution in charge of grain provisioning of the capital. With the establishment of this institution, the role of the state in the Ottoman grain trade was redefined: Most of the grain for Istanbul came to be purchased by state funds. In the secondary literature, the institution has been understood as both a practical response to the deteriorating problems of Istanbul's provisioning and as part of the early reform attempts of fiscal centralization in the Empire (the New Order of Selim III, 1789-1807).9 From this perspective, the changes in Ottoman grain trade policies in the second half of the eighteenth century stand in complete contrast to the European experience. It could be argued that "[t]he idea of loosening grainmarketing controls to give incentives to growers and stimulate increased production, as carried out in France nearly contemporaneously, never even crossed the minds of Ottoman planners. The 18th century seems to have witnessed, if anything, a tightening of state controls."

This paper suggests otherwise. It examines the rationales behind the establishment of this institution from a broader perspective. By focusing on the factors behind changing preferences in the pricing policy and how they relate to the establishment of the Grain Administration, it shows that the reform attempts did not merely aim at centralization. Indeed it consisted of a partial liberalization: Although restrictions on internal trade were not totally abolished, price controls on wholesale of grain were gradually relaxed. Based on an analysis of the texts in which the reformers discussed the grain trade policies, the paper argues that the policy shift was not just a practical response to the problems of provisioning, but also reflected a new concern with the state of agricultural production, embedded in the emergence of mercantilistic ideas among Ottoman reformist elite. Furthermore, analyzing the interaction between the administration and the main interest groups, it tries to show the permanence of the new policy was dependent on the ability of the central administration to distribute the burdens of the new arrangement (relatively higher purchase prices) among various interests groups with minimum threat to political stability, against the background of pre-existing institutional organization.

Sources

There have been several studies on the Ottoman Grain Administration. Yavuz Cezar transliterated and published the whole text of the statute of the Grain Administration's Treasury which was established in

[&]quot;peculiarity" or "uniqueness" for the Ottoman case. By the broad questions of history of economic development, I refer to the questions raised by recent literature on economic growth. Pomeranz (2000, 2002), North (1990), Epstein (2000).

⁹ Güran (1998), Cezar (1978).

¹⁰ Murphey (1988: 220)

1795.¹¹ Tevfik Güran focused on the later accounts of the Grain Administration and published some of the registers regarding the purchases and sales of the Administration.¹² Lütfi Güçer, Salih Aynural and Lynn T. Şaşmazer used a variety of archival sources concerning grain policies of the Ottoman Administration from eighteenth century.¹³ This study combines these sources with the analysis of contemporary reform proposals, official correspondence between bakers' guild and the Sublime Porte as presented in the archival sources, and the available data concerning grain, flour and bread.

2. A Bird's Eye View on Istanbul's Grain Provisioning prior to the late 18th Century

This part summarizes general characteristics of Istanbul's grain hinterland and how its grain supply was organized prior to the establishment of the Grain Administration.

- i) Istanbul had an exceptionally adventageous sea-borne access to a vast grain-producing region (primary grains: wheat and barley) and its grain supply was mostly procured from the regions within the political realm administered by the Ottoman government.
- iii) Most of the grain was brought to Istanbul in grain-form, rather than flour or bread. There was a highly developed and highly regulated milling-baking industry in the capital, which did not have direct access to grain owners or grain merchants.
- iv) The entry into grain trade was restricted through license requirements (granted upon collective guaranty by merchants/transporters) and the authorized merchants were granted preemptive priviliges.
- v) The geographical rivalry between Istanbul and the towns surrounding the primary grain supply zones was relatively insignificant due to institutional and demographic peculiarities of the Empire.
- vi) The pricing of grain in local markets were highly erratic; there was no centrally-set maximum price for whole of a region.

A Vast Hinterland

Istanbul had an "exceptionally advantageous seaborne access to a vast region," ¹⁴ but more importantly to a region which was geographically more accessible from the Ottoman core than from foreign lands. Navigable rivers on the Danubian Plain ¹⁵ connected Ottoman urban centers (primarily Istanbul) to grain producing areas of the Balkans through the Black Sea while mountains in the northeastern part of the Peninsula (Carpathian Mountains and Transylvanian Alps) restricted competing access to these plains from the west. Furthermore, since the late fifteenth century, the Ottomans had an exclusive control over the Black Sea trade. ¹⁶ The Black Sea shores and the lower Danube were relatively isolated from the

12 Güran (1998).

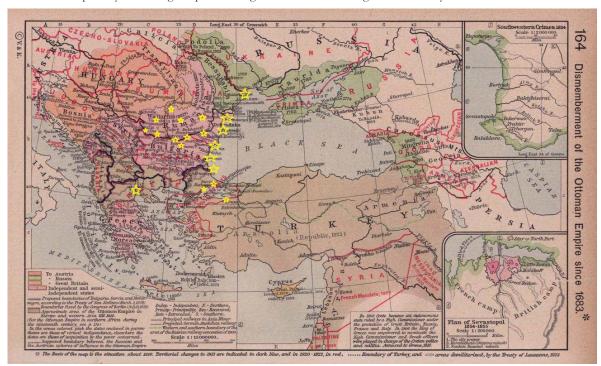
¹¹ Cezar (1978).

¹³ Aynural (2001), Güçer (1952) and Şaşmazer (2000).

¹⁴ Özveren (2003: 225).

¹⁵ However, one should note that transportation through waterways in the Balkans was not always easy. See Mazower (2001): "Before the Second World War, the lower Danube iced over for four to five months of the year." ¹⁶ Beydilli (1991: 687) highlights the fact that the Ottoman authorities never let the articles of capitulations (*ahdnames*), which grant signatories of certain nations the right to trade freely in the Ottoman realms, to be put into

impact of foreign demand through effective controls on the straits.¹⁷ The abundance of waterways and seacoasts, the cheapest way of grain transportation in the pre-industrial era,¹⁸ allowed the administration to access to a vast region for the procurement of required grain and would provide more flexibility in times of regional scarcity—as long as smuggling and black marketeering could be prevented.



Picture 1: The primary zones of grain provisioning for Istanbul in mid-eighteenth century.

In the second half of the sixteenth century, Istanbul's grain supply was provided from a vast hinterland: The Silistre Province (present-day Bulgarian and Rumanian Black Sea shores), Wallachia and Moldavia, the Dobrudja, and the ports at the mouth of the Danube were the main repository of grain for Istanbul.¹⁹ Thracian plains connected by Meriç, Ergene and Arda rivers, Rumelian coasts of Aegean Sea, Marmara shores from Izmit to Edremit and their hinterland such as Kocaili, Hüdavendigar and Karesi

practice in the Black Sea seaborne trade. For instance, according to an agreement in 1612, the Dutch were allowed to trade freely along the Black Sea ports; however this right was never actually put into effect. Until the nineteenth century, no foreign ships were allowed to trade in the Black Sea, except very few occasions. See Beydilli (1991).

17 Ottomans drove the Italians from the Black Sea in the late fifteenth century and until the late eighteenth century Ottoman monopoly over the region remained. McGowan (1977: 14-5).

¹⁸ Over-land transportation of grain for a distance around 200-300 miles was more than enough to double the price of grain. See Güçer, XVI-XVIII. Asırlarda Osmanlı İmparatorluğu'nda Hububat Meselesi, 29 and Castro, El pan de Madrid, 57. Water transportation was much cheaper than land transportation. In the early seventeenth century, official price for a kile of wheat was 55 akças while shipping cost per kile varied between 8 to 14 akças which means that overseas transportation amounted between 15% and 25% of the intrinsic value of the goods shipped. See Kütükoğlu, Osmanlılarda Narh Müessesesi ve 1640 Tarihli Narh Defteri, (Enderun Kitabevi, 1983), 92. However, one should keep in mind that these transportation prices were also officially set.

¹⁹ Bruce McGowan, "The Middle Danube cul-de-sac," 13 and Güçer, "Hububat Ticaretinin Tâbi Olduğu Kayıtlar".

also dispatched substantial amounts of grain to Istanbul.²⁰ Surplus grain produced in these regions was saved for Istanbul, meaning that the grain sale to places other than Istanbul without official permission was strictly prohibited. Since the transportation of grain surplus produced in the Empire's Balkan and Thracian provinces to other places could easily be prevented through the control of the Dardanelles, smuggling from these regions was difficult. Accordingly, these regions were preferred to other places in Istanbul's grain provisioning.²¹ The coasts of Western Anatolia were considered only as secondary option.²² When the shortage was severe and grain brought from these regions did not meet the needs of the capital, orders for grain dispatches were sent to places as far as Kefe, Tripoli, the Eastern provinces (such as Erzurum, Sivas and Tokat) and the former grain depot of Istanbul, Egypt.²³

Segmentation of Economic Space: Integration through Regulation

During sixteenth century Ottoman administration started to intervene in the grain trade in a more regular and more formalized manner: The previously sporadic export bans were set as a general rule, the hinterlands of the capital cities were clearly mapped out, and the rules regulating the involvement of the private actors in the grain trade were more rigorously defined during this period.²⁴ The aim was to organize geographical space into a more or less self-sufficient unit through barriers and incentives both imposing self-sufficiency and enabling cooperation within that unit. The boundaries of a geographical region responsible for providing sustenance to the capital city were drawn; these, coupled with regulation, restricted the outflow of grain from the hinterland abroad or to other places in the Empire and enabled the easy flow of grain within that area. The political domination over this surplus-producing region—that is, the capacity to enforce, at least legally, export bans and internal barriers—enabled the city to create a redistributive network that guaranteed the affordable and abundant supply of the primary necessities.

It was forbidden to take staples and strategic raw materials out of the Empire under normal conditions. Permission to export such commodities from Istanbul's hinterland was granted only

²⁰ Mantran, XVII. Yüzyılın İkinci Yarısında İstanbul, vol. 1, 174-75 and Kütükoğlu, "Osmanlı İktisadi Yapısı", Osmanlı Devleti Tarihi-II, (Istanbul: IRCICA, 1999), 569.

²¹ Mantran, XVII. Yüzyılın İkinci Yarısında İstanbul, vol. 1, 175. The docks (especially the ones on the Aegean coast of Rumelia and Macedonia) that were known to be more open to smuggling were shut down and docks that were relatively easier to control (such as Tekfur Dağı (Rodoscuk), Ereğli and Mihalıç) were preferred to others. See also Gücer, "Hububat Ticaretinin Tâbi Olduğu Kayıtlar," 87.

²² Central Anatolia, Western Anatolia, the Marmara Region and the Anatolian Coasts of the Black Sea were listed as the secondary zones in Feridun M. Emecen "XVI. Asrın İkinci Yarısında İstanbul ve Sarayın İaşesi İçin Batı Anadolu'dan Yapılan Sevkiyat," İstanbul Semineri, (1984): 199 and Mantran, XVII. Yüzyılın İkinci Yarısında İstanbul, vol. 1, 182.

²³ See Güçer, "Hububat Ticaretinin Tâbi Olduğu Kayıtlar," 87-88, Mantran, XVII. Yüzyılın İkinci Yarısında İstanbul, vol. 1, 174-75 and Kütükoğlu, "Osmanlı İktisadi Yapısı", 569). Also see C. İKT. 651. During the Ottoman period, Egypt was an emergency source, rarely sending grain to Istanbul, instead sparing its surplus for the unproductive southern lands of the Empire. See Rhoads Murphey, "Provisioning Istanbul: The State and Subsistence in the Early Modern Middle East," Food and Foodways, no. 2, (1988): 232.

²⁴ See Stoianovich (1960: 239-40), Güçer (1951-52, 1964), Beydilli (1991), Faroqhi (1979-80), Yıldırım (2002). By the second half of the sixteenth century, all grain owners were required to sell their grain to the ship owners with the official permit (*tezken*).

occasionally, through particular licenses granted to merchants for one-time use only.²⁵ The government desired not only to keep surplus grain for Istanbul but also to ensure sufficiency of other Ottoman towns. Despite these bans, grain was exported in significant quantities from Ottoman territories outside this core provisioning region around Istanbul.²⁶ On the other hand, we barely find any evidence for the import of foreign grain into the Ottoman territories, even when there were frequent local grain famines between mid-sixteenth century and mid-seventeenth century.²⁷

The free trade and exchange of grain was permitted only within the administrative district (*kaza*). Trade between different districts was conditional on official permission and limited to those with the licenses in the same manner as the exports to foreigners were conditional on official permissions.²⁸ When there was grain shortage in a certain locality, the closest surplus-producing regions were asked to send certain amount of grain.²⁹ In order to receive trade permits, merchants had to sign a contract where they pledged to carry grain to the approved destination and had to provide a guarantor (*kefil*) for the contract.³⁰ After examining and approving these contracts, the *muhtesih* submitted them to the Imperial Council which then issued the permit. These permits had to be presented to the local kadis at the place of purchase; in return, the kadi provided the merchants with a sealed document recording the amount and type of grain purchased. This document would be presented to the authorities at the place of delivery. This elaborate procedure aimed to prevent the participation of unauthorized merchants in the grain trade and the transportation of grain to other places in the Empire or beyond.³¹

Jurisdictional-Administrative Framework

Istanbul did not have an autonomous city administration. What one might call "city government" consisted of representatives of vocational organizations, inhabitants of each locality (neighborhood-district) and numerous government officials appointed to regulate and supervise economic and social life in the cities.³² Judicial authority of the Sultan in the Ottoman cities was represented by the judge (*kadi*)

²⁵ Various documents that prohibit exportation of grain in the second half of the sixteenth century were transliterated by Lütfi Güçer. Edicts addressed the judges of various Aegean and Adriatic towns (Bergama, Manisa, Hersek, Avlonya, Arnavudbelgradı) urging them to prevent the sale of grain and similar strategic commodities (i.e. horse, gunpowder, cotton, honey, candles, leather) to the foreign merchants. Only merchants with an imperial decree (*emr-i şerif* or *bükm-i şerif*) could make purchases. Export permits were an exception and granted to the foreign countries as a political favor. In 1678, the Sultan granted a one-time permission for exportation of grain to France. See Güçer (1951-1952: 79-82) and Mantran (1990, vol. 1: 169-170).

²⁶ At least prior to the second half of the sixteenth century, regular exports of grain from areas outside the Black Sea region (such as Salonica, Crete, Cyprus, Anatolia, Egypt) were recorded. See McGowan (1977: 32). In 1555, following a three-day scarcity of grains in Istanbul, the Sultan prohibited export of grains. See Demirtaş (2008: 141). ²⁷ Güçer (1964: 28).

²⁸ See Güçer (1951-1952: 71-82).

²⁹ For an account of supplying regions for the major cities, see Güçer (1951-1952: 86-7).

³⁰ Güçer (1951-1952: 90-91).

³¹ This procedure is described in Güçer, Yıldırım, and Kütükoğlu.

³² In the Ottoman cities, each neighborhood (*mahalle*) was administered by its own headman (*muhtar* or *şeyh*). Craftsmen were organized into guilds which were represented by an elected officer (*kethiida*) who negotiated with the government officials. Also apart from guild official, another agent with the same title (*kethiida*) functioned as the city's agent to take the grievances of the inhabitants to the capital. The urban administrative organization consisted

appointed to each administrative unit (*kaza*).³³ However, Istanbul was under the direct control of the Sultan and its provisioning was supervised directly by the head of the Imperial Council—the Grand Vizier. He had the final authority to ensure the abundant and cheap grain supply in Istanbul and assisted by the kadi and the market inspector (*muhtesib*).³⁴

The practical matters of grain provisioning, such as supervising merchants bringing grain to the city and distribution of this grain to the bakers, were administered by the office of *muhtesib*.³⁵ He informed the Grand Vizier about the supply conditions in the city and when there was shortage, suggested introduction of necessary measures to correct the problem. The bakers' guild first had to inform him when they needed / wanted to raise the price of bread (or decrease the standard weight of bread loaf) for legitimate reasons (i.e. higher input prices). It was also *muhtesib* who communicated the merchants' requests for grain trade permits to the Imperial Council.³⁶ In other words, the *muhtesib* was the principal intermediary agent who communicated between market actors and the government. In addition, he was in charge of supervising the market and preventing illegal activities such as hoarding, smuggling and black marketeering.

During the eighteenth century, the office of the *muhtesih* seems to have transferred its primary functions to the kadi and the wardens (*kethüda*) of the guilds.³⁷ In addition to the officials authorized by the Judge for the supervision of the official exchange at the flour market (*kapan naibi*),³⁸ commissioners (*emins*) were appointed to take charge of various duties such as storage and weighing.³⁹ The disputes among or between private merchants, these state officials and the bakers were taken to the office of the

of these representatives; the administrative network in a district was headed by a centrally-appointed judicial-administrative authority (kadi). See Sugar (1993), especially Chapter 4.

39 Yıldırım (2002: 7).

³³ Kadis were chosen among the lettered men trained in Islamic jurisprudence in the Ottoman religious schools (*madrasas*) and appointed by the Sultan to each district to prosecute the Sultan's orders and perform other administrative and judicial tasks. The residents of a district could communicate their petitions and requests through appealing to the kadi. For the role of kadi in the provincial administration see Gerber (1994) and the article *kadi* in IA.

 $^{^{34}}$ Muhtesih, also known as ihtisah ağası, was the holder of the office concerned with enforcing the rules and regulations in the market place. This institution was based on the Islamic notion of \rlap/p isha. For a more detailed discussion of this institution, see chapter 2.

³⁵ The office of market supervisor was contracted out for a year to those who were willing to pay the required amount (*bedel-i mukataa*) and capable of fulfilling the requirements of the position. However, it was an important post and not sold to simply anyone who could afford the price. Furthermore, these functionaries had to act as guarantors for each other in order to occupy the office. See Kazıcı (1996: 307, 311-2). This office should have been profitable as the Sultan sometimes rewarded those who made an important service with the position –and revenues accruing from it. See Kazıcı (1996: 308).

³⁶ The documents issued by the Sultan to grant licenses to the merchants refer to the *muhtesib*'s demand. See Güçer (1951-1952: 83-84).

³⁷ Yıldırım (2002: 5) points to the conspicuous absence of the *muhtesib* in the documents (*İstanbul Ahkam Defterleri*) he surveys. He suggests that most probably "the local judge of Istanbul together with his various agencies (*naib*) throughout the city and the Imperial Council were the primary official mechanisms in charge of the capital city's provisioning" during the eighteenth century.

³⁸ The price of grain arriving at the *kapan* was determined between the ship captains and the guild representative at the office of the *kapan naihi*, namely the *çardak*. See Güçer (1952).

kadi. Sometimes bakers and merchants bypassed the judge and took their cases directly to the Imperial Council.⁴⁰

Another office that was specifically in charge of grain trade was that of *arpa emini*. The man occupying this office was at first merely in charge of procuring grain for the army. However, over time it turned into a post that dealt with all grain-related issues such as setting official grain prices, dispatching in-kind grain taxes to Istanbul, and ensuring storage of grain in state granaries.⁴¹

In terms of the implementation of the laws across localities, the legal-jurisdictional institutions that defined the relationship between the center and the grain procurement areas are also important. The Ottoman rulers⁴² organized the administration of the towns and villages they conquered into a hierarchical system in which all of the Empire was divided into provinces and sub-provinces.⁴³ There were not any representative institutions corresponding to these provincial administrative units.⁴⁴ As mentioned above, the judicial authority of the Sultan was represented by the kadi appointed by the central government to each district (*kaza*).⁴⁵ Most of the time the kadi functioned as an intermediary between the centrally-appointed administrative authorities (such as governors) and local interest groups.⁴⁶ Social

⁴⁰ Yıldırım (2002: 6).

⁴¹ Demirtaş (2008: 26) refers to the article of *Arpa Emini* in İA. Also see Mantran (1990:158).

⁴² The most important organ of the Ottoman central administration was the consultative council consisting of high bureaucrats appointed by the Sultan (*Divan-ı Hümayun*). It was similar to the Council of Castile (also known as Royal Council) which aided the king in exercising his executive and law-making power. Both councils functioned also as high courts of appeal.

⁴³ The governor of each province (*beylerbeyi*) was appointed by the center. Sub-provinces were governed by officials (*sancakbeyis*), selected from high military ranks by the central government. *Beylerbeyis* had authority over all the *sancakbeyis* in a region (i.e. Rumelia, Anatolia). *Kaza* is a subdivision of *sancak* and refers to the basic administrative district. It is governed by a kadi. Sugar (1993) notes that "the "core" *eyalets* of Rumelia and Bosnia were organized along similar lines" whereas cities in Hungary and the Aegean region offer significantly divergent patterns. See Sugar (1993) Chapter 4. Since there were not many Muslim settlers in the cities in Hungary, "[t]hese towns ruled themselves; the representatives of the authorities appeared only to collect taxes. They had no *kadis* and only limited jurisdictional rights; certain litigants were forced to travel long distances to reach their "legal superiors," their old feudal lords, to get rulings". Also in these cities, there was "double suzerainty. The Hungarian nobility did not give up its legal rights to territories under Ottoman rule and even claimed the right to travel and temporarily reside unmolested and tax free on "their" Ottoman-held lands. They also laid claim to income and taxes". There were some self-governing regions also on the Greek mainland and Albania. However, most of the towns situated within Istanbul's traditional hinterland were typical ones except Dubrovnik, Wallachia and Transylvania.

44 In the *beylerbeyliks*, councils met to discuss the political and administrative affairs of the province. However, these

provincial councils did not consist to discuss the pointer and administrative artians of the province. Trowever, these provincial councils did not consist of elite members representing the inhabitants of the region (during the classical age of the Empire). Neither, were they to appoint provincial representatives who would participate in the central council. Even though until the 18th century, provincial governors (even the governors-generals (*beylerbeyis*)) could participate in the Council meetings, they were not among the official members of the Imperial Council. They were to leave the submission room after completing their submissions. By the 18th century, they were not even allowed to participate in the Council meetings or attend to the submission sessions. Ahishalı (2000: 511, 521-522). See also Mumcu (1976: 151-152). Ursinus (2005: 8) who examined the grievance registers (*şikâyet defterleri*) demonstrates that Ottoman provincial divan functioned "as a kind of *mazalim* or equity court" where *mazalim* means the removal of wrongs by a secular, as opposed to a religious, authority.

⁴⁵ For the role of kadi in the provincial administration see Gerber (1994).

⁴⁶ It had been argued that the separation of judiciary and administrative-military offices were crucial to the proper functioning of the provincial administration. However, the degree of this separation has been a matter of dispute. Whether the kadi was a member of the *divan of the beylerbeylik* or not, is uncertain, and yet to be documented. See Ahıshalı (2000: 522). For the 15th century central Balkan territories, Gradeva (2002: 506) argues that "[t]he basic and leading principle in building the administrative structure of the expanding state was the military (. . .) The parallel

groups (the officers of the religious endowments, representatives of the non-Muslim communities) and city notables (wealthy merchants, provincial officers—timarli—and ayans living in the cities) took part in the local decision-making process mostly in informal ways. Local interests (including the ones concerning provisioning of the basic supplies) were represented by these community or vocational representatives and / or notables (kethiida, ayan), through petitions to the officers appointed by the central government (kadi, beylerbeyi, sancakbeyi) or through direct communication of the grievances to the Porte.⁴⁷ The use of economic resources in the Ottoman core regions was formally regulated by the central administration through Sultanic law (kanun).⁴⁸

Control of the grain trade in the Ottoman provinces within the provisioning network first and foremost concerned the office of the kadi. The edicts and imperial decrees promulgated by the Ottoman Sultan about the grain trade, prohibitions on exports, and obligations of merchants were dispatched to the kadis of each *kaza*.⁴⁹ Sometimes, provincial administrators as well were addressed in the imperial edicts that granted trade permissions to the merchants and ordered transfer of the grain from a region by enumerating the reasons for inter-regional (*inter-kaza*) transportation.⁵⁰ The sultan addressed local authorities in charge of security (*çavuş*) for the transportation of the grain and its dispatch to the required places.⁵¹ The central administration also appointed specific officials to supervise the transactions between grain holders and merchants.⁵²

During the late seventeenth century, the sale of state-owned land and redistribution of fiscal resources⁵³ accompanied by transformations in the administrative organization⁵⁴ led to the rise of the

kadi network that was being constructed at the same time did not yet have the importance of a real counterweight of the military principle, and very often the kadis themselves were included in the military organization."

⁴⁷ In the Ottoman Empire, the complaint mechanism was one of the central mechanism that provided a channel from local to the center and was significant in maintaining legitimacy of the central government. It is known that "the governors of the periphery were appointed, checked and investigated, in case of any complaint, by the Council. Some governors were called to the Council to be interrogated. Those governors who had been found guilty were not only removed from office but also sentenced to serious punishments. Further, upon the will of the Sultan, the Council frequently promulgated declarations addressing the governors of the periphery so as to warn them to rule justly". Those who were not satisfied with the local court's judgment could take their case to the Imperial Council which would hear the plaintiff and the defendant; require further information from the local judge or appoint an official inspector. See Ahıshalı (2000: 515). Only local administrations with a semi-independent state status (i.e. Wallachia, Moldavia, Transylvania, Dubrovnik, the Crimean Khanate, the Hejaz Emirate) were exempt from these regulations.

⁴⁸ See Barkan (1943) for the laws concerning the Ottoman land regime. For a brief definition of the Ottoman land system, see article of *timar* in *EI*².

⁴⁹ See decrees restricting or allowing grain trade in the second half of the sixteenth century. In all these decrees judges were addressed. See Gücer (1951-1952: 79-82).

⁵⁰ However, most of the time it was only judges who were addressed in these edicts. Güçer (1951-1952: 84).

⁵¹ Güçer (1951-1952: 83).

⁵² Güçer (1951-1952: 93-93). The officials assigned for the supervision of grain (*miibaşir*) were not necessarily assigned by the center, but their salaries had to be paid by the central administration. See C. BLD. 86/4720, 17 M 1175 is about the payment of the salaries of the 18 *miibaşir*s placed by the Crimean Khan in the ships sent to Istanbul.

⁵³ Introduction of the life-term contract (*malikâne* system) in 1695 signaled the development of private property rights on land in the Ottoman Empire since the *malikâne* holder had the "right to sell the tax farm to another individual as long as the buyer of the *malikâne* paid a transfer fee equaling ten percent of the *muaceele*" and since the *malikâne* was transferable to the heir if the *muaceele* (the sum paid in advance to buy the tax-farm) was paid in full, see (Zens, 2004: 35). Also see Çizakça (2000: 129) for an account of how the government tried to solve its fiscal

local notables to status of the political-administrative representatives of the provinces (*ayan*) during the eighteenth century.⁵⁵ Transfer of fiscal resources from state-owned to private (through the use of tax-farms) brought about the formation of local elite in the peripheries that would eventually gain relative autonomy from central government.⁵⁶ While the local judges sought assistance from these *ayans*, the Ottoman central authorities also started communicate with them directly.⁵⁷ After seventeenth century, in addition to the judges and local governors, *ayans* were also addressed in the correspondences about provisioning issues and asked to help state agents.⁵⁸

Agents Involved: Limitations and Privileges

Segmentation of the economic space through barriers to internal and international trade was accompanied by restrictions on entry into the trading professions. The involvement of the agents within the trade chain in which grain was transferred from producers to consumers was regulated by the designation of special rules regarding who can trade, and when and where.

Until the late eighteenth-century, most grain was brought to Istanbul by private merchants (mostly ship-owners themselves). The private merchants' entrance into the trading business was restricted through requirement of licenses. Ships-owners were allowed to make purchases from the official hinterland of Istanbul as long as they had long-term collective contract with the official grain market in Istanbul (kapan), acquired by providing the guarantee (kefalet) of other merchants. These ships, known as "defterlii sefineleri" or "kapan sefaini," had priority in making grain purchases (pre-emptive privileges) in the designated docks. However, grain trade was not confined to this group with their collective contract. With the approval of the officials in Istanbul (unkapan naibi and kadi) and

problems through introduction of the tax-farming system. For various views on Ottoman decentralization see Inalcık (1994b) and Salzmann (2004). The Porte opened the auctions for life-term leases for public revenues (malikâne) to the "notables of the province" (ayan-i vilayet) which, according to Salzmann, marks an important departure from the past. Salzmann (2000: 135) refers to Çizakça (1996: 171).

54 See İnalcık (1994: 28).

⁵⁵ "The acquisition of posts such as *mittesellim* and *voyvoda* opened the door to the more prominent positions of *muhafiz* (guardian of the city), *sancakbeyi*, and *vali*, transitioning local notables from possessing *de facto* to *de jure* authority" (Zens, 2004: 43). Emergence of local notables as political agents (as intermediaries between the central government and the subjects) does not imply a decline in the political authority of the center. As Zens (2004: 42) notes "[T]he once mighty provincial governors slowly were stripped of power paradoxically in order to strengthen the central government's hand in the provinces."

⁵⁶ For the rise of ayan as provincial notables, see McGowan (1994), Zens (2004), Nagata (1976: 346-61).

⁵⁷ As Zens (2004: 39) puts it, "[t]he nascent alliance between the *kadis* and ayans created a direct line of communication between the central government and the people living in the provinces, preparing the way for increased responsibility and authority for the ayans within their respective province." After seventeenth century, in addition to *beylerbeyis* and *sancakbeyis*, *mittesellims* and *ayans* were addressed in the correspondence from the central government.

⁵⁸ Aksan (1994[2004]: 209) demonstrates that as *ayans* started to usurp *muhayaaa* positions, normally reserved for Istanbul appointees, "[t]he Ottoman government had to come to rely on a provincial class of notables, consistently called *ayans* in the documentary evidence, for the oversight and completion of transactions driven by the exigencies of a wartime economy." Aksan cites Nagata (1976: 74-80).

⁵⁹ Mantran (1990, 1: 174).

⁶⁰ Güçer (1951-52: 90-91)

⁶¹ Güçer (1952: 400). These collective contracts presented by Güçer belong to the second half of the eighteenth century and regard grain procured from the Marmara and Black Sea coasts of Rumelia.

authorization from the Imperial Council, independent merchants could also receive individual permits for transporting grain to Istanbul.⁶² In general, these merchants operated in the Aegean coasts of Rumelia, but were occasionally allowed to buy grain from regions where *kapan* merchants were traditionally authorized to make purchases.⁶³ The government sought to prevent entry of the unlicensed merchants in the grain trade using logistical means—the designation of docks for grain exchange—and supervision (local registers about the quantity and quality of the grain and the name of each ship-owner were sent to the officials of Istanbul's grain exchange –*kapan naibi*).⁶⁴

The Ottoman central administration authorized private merchants to purchase grain from the easily-controlled European Black Sea littoral, but needed another strategy for zones more vulnerable to foreign demand. There, they used state assigned officials (*mubayaact*) who transported the grain to Istanbul by state-owned or rented ships.⁶⁵ The grain brought to Istanbul by private merchants could only be unloaded in the dock designated for grain exchange (*Unkapani*).⁶⁶ The grain brought by the state commissioners was stored in the naval storages (*Tersane-i Âmire Anbarlari* or *Tersane* hereafter) to be distributed to the bakers in times of scarcity in Istanbul.⁶⁷

Istanbul's bakers, like other craftsmen, were organized into guilds. The number of bakers in Istanbul was fixed through the guild regulations.⁶⁸ The opening of new bakers and mills without the permission of the central administration was strictly forbidden. This type of restriction, known as *inhisar*, was a legal right granted by the state in order to limited entry into a certain branch of production or trade.⁶⁹ Its alleged aim was to provide the subjects of the Sultan with the necessary means of subsistence as well as to control the quality and quantity supplied in the marketplace.⁷⁰

Pricing Grain

Price regulation in Ottoman grain markets was imposed in an erratic way: The center imposed no maximum price on the whole of a region. Instead, it used two types of price in two types of purchase.

⁶² Güçer (1952: 403-404). These merchants also needed gurantor for their contracts to be approved.

⁶³ Güçer (1952: 403-404).

⁶⁴ Mantran (1990, 1: 176).

⁶⁵ The Ottoman government generally assigned officials to procure grain from the Aegean coasts of Rumelia—from İnoz to Morea. See Güçer (1952: 408) for the eighteenth century and Mantran (1990, 1: 178-9) for the midseventeenth century.

⁶⁶ Other commodities brought to Istanbul also had designated docks. This specialization of docks helped the distribution of raw materials among guild members and the collection of custom duties on these items. See Mantran (1990, 1: 172).

⁶⁷ Güçer (1952: 408).

⁶⁸ See Aynural (2002) and Ergin (1995) The number of bakers and mills increased throughout time according to the increase in population. See Demirtas (2008: 80). Around mid-seventeenth century, there were around 130 bakers in Istanbul. See Mantran (1990, 1: 169).

⁶⁹ See *inhisar* in EI² and also Gerber (1970) for monopolies and restrictive practices of the guilds in the Ottoman Empire.

⁷⁰ Ergin (1995: 628). For instance, when grocers complained about greengrocers who sell cheese, the government decided to prohibit the sale of cheese —a trade that traditionally belongs to their sphere of economic activity—by greengrocers in order to protect the livelihood of the grocers.

Miri Price

Miri price was the kind of price that was used in obligatory transactions between grain producing regions and the government, where each region (kaza) was asked to deliver a certain amount of grain collectively, regardless of the specific amounts held by producers and grain holders, in return for a constant price. This price was much lower than the standing market price. It was not adjusted according to the ups and downs of supply, there was no bargaining involved and the price remained constant for long stretches of time.⁷¹ As such, miri purchases resembled an in-kind tax. This sort of pricing was originally used in the procurement of grain for the needs of the military forces. However, starting in mid-eighteenth century, the government adopted this method also in purchases for provisioning grain supply of the capital.⁷² Purchases for miri price clearly resembled or could be considered some sort of an in-kind tax. The government indeed defined it as one of its taxes in several documents and accordingly certain groups required exemption from this sort of transaction, even though the government dismissed many of these requests.⁷³ The provincial authorities negotiated with the Porte on the amount to be delivered from their region and the Porte left it to the provincial authorities (judge and local notables) to assess and collect the *mubayaa* responsibility of each individual according to their conditions and bearing capacity ("hâl ve tahammülüne göre"). 74 The estimates of individual's tax-paying capacity was based on the amount of land that they were entitled to use (in terms of cift)75 and these amounts were recorded in the registers for distribution (tevzi defteri). For instance, in 1758, the local authorities assigned 3 kile 4 keyye (80 kilograms) of wheat per each cift in Yenişehir. 76

Ravic Price

The other type of price set in the grain trade was called *rayii* price;⁷⁷ it literally meant "current price" and was supposed to be adjusted regularly according to the supply conditions.⁷⁸ Yet, in general it was lower than the price offered by the unauthorized agents—the smugglers—but higher and more flexible than the

⁷¹ Güran (1984: 30) and (Aynural, 2001: 73). In mid-eighteenth century, miri price of 1 *kile* wheat was set at 20 *para*, and *miri* price of 1 *kile* barley was set at 10 *para*. See also **C. İKT. nr 2214**, (5 Ca 1125/8 June 1810). In 1830, *miri* price of wheat was eventually raised to 100 *para* and *miri* price of barley was raised to 50 *para*.

⁷² Güran (1998: 19).

⁷³ C. İKT. nr. 2507. Certain groups refused to deliver grain on the grounds that they were exempt from tax (C. BLD 192). In a document dated 1839, the government defined miri mubayaa as taxation: C. BLD. nr. 450, 5 L 1255, 12 December 1839: "...Devlet-i aliyyenin tekâlif-i şâkkası kâbilinden olan miri mubayaasıyla..." In 1831, the Porte notes that the tax-farmers and notables of Salonica atempt to avoid delivering their share in miri assignment. See Güran (1998: 24) partly transliterates MAD. 7930, p. 145, 10.6.1247 (16.11.1831): "Selanik sancağında kâin bazı kazalarda olan çiftlikât ve alaka ashâbı muafiyet iddiasıyla ve sâir türlü gadr ve bahane ile mübayaa hissesi vermeyerek mübayaât-ı miriyye bütün bütün rençberan fukarasına tarh ve taksim olunageldiği..."

⁷⁴ Güran (1998: 20) refers to MAD. 7609, p. 4-5, 8 3 1192 [6 4 1778], MAD. 7930, pp. 135-6, 2 4 1247 [10 9 1831], and MAD 8510, p. 38, 19 8 1171 [28 4 1758].

⁷⁵ Cift is a fiscal term meaning an amount of land that could be worked by two oxen and a family.

⁷⁶ MAD 8510, p. 38, 19 8 1171 [28 4 1758].

⁷⁷ In modern Turkish, "rayic fiyal" refers to the current market price. However, in the Ottoman documents most of the time it was used along with some qualifications that emphasize the moral and political "acceptability" of the price.

⁷⁸ Tapu-Tahrir Kanunu (Kanunnâme-i Kitâbet-i Vilâyet), written during the reign of Murad I or Mehmet II. See Akgündüz (1990, 1: 371).

miri price.⁷⁹ For each locality in which licensed merchants or state-assigned requisition (mubayaaat) bought grain to be brought to Istanbul –the rayic price was set through a negotiative process whereby the local administrator could intervene to keep prices at socially acceptable levels and not to let the negotiation cause substantial delays in timely delivery of grain.⁸⁰ In mid-eighteenth century, when the government iniated the quota assessment system (it will be discussed in detail below), each region in Istanbul's primary grain supply zone was assigned a certain amount of grain, like in miri purchases, to be delivered to the requisition agents or the licensed merchants, for rayic price. This sort of transaction was definitely not considered a form of tax. When certain groups were asked to be exempt from the rayic assignment on the grounds that they were exempt from taxation, it was maintained that this sort of purchase was indeed a market transaction (aliqueriq kabilinden), but not a tax.⁸¹

In mid-eighteenth century, most purchases made by licensed merchants were made from the primary supply zones (Black Sea coasts and docks along lower Danube) for rayic price. Most state purchases, on the other hand, were restrained to the Mediterranean regions and made for miri price. The grain bought by licensed merchants were brought to Kapan (central grain exchange) to be sold to bakers' guild and the grain bought by requisition agents were brought to Tersane (granaries attached to arsenal) to be distributed to the bakers in case of urgency. For their service, requisition agents (*mubayaaci*) received 1 kile per 10 kile they purchased (*ondaluk*: tithe). They could sell this amount in *kapan* and profit from this exchange.⁸²

Bread Prices

The grain brought to the official grain exchange (*kapan*) at Istanbul was sold to the bakers for a set price, taking into consideration purchasing prices and officially set transportation fees.⁸³ In legal discourse, price of bread had to be set according to input price and price of transportation, allowing a moderate profit for bakers. In reality, there were several procedures that determined the final price of bread. If the price of grain left from last year was high because of, say, weather conditions and grain prices were lower this year; the price for grain could be set by calculating the average of two prices.⁸⁴ The price of the grain purchased for miri price was not always set according to a "moderate profit" rule (i.e. adding up the miri price paid for the grain and transportation costs). Especially after the establishment of Grain Administration, price of grain bought for *miri* price was determined according to the price set at the exchange where the grain

⁷⁹ Mantran (1990, 1: 173, 176). According to an official document, the external price of wheat was sometimes more than double of its price in the domestic market: The *voyvodas* in the Mediterranean coasts who collaborated with the judges in violating the export-bans, sold the wheat that they bought for 1 *guruş* to the foreigners for 3 *guruş*. Özkaya (2008: 328) referring to C. Orhonlu, "Risale-i Terceme," TTK, *Belgeler*, nos: 3-4 (1965), pp. 14-16

⁸⁰ The procedure of price-setting was described in detail in the Ottoman lawcodes: Price should be set through formation of a commission composed of unbiased experts, parties to the exchange and government representatives. It was constantly emphasized that the price should be set in such a way that none of the parties to the exchange would be harmed. See *Evliya Çelebi Seyahatnamesi*, vol. 3, p. 258 transcribed in Ergin (1995: 380). Also See "Tevkiî Abdurrahman Paşa Kanunnâmesi," *Milli Tetebbular Mecmuası*, vol. 1, n. 3.

⁸¹ MAD, 8571, p. 226, 8.3.1205 (15.11.1790) referred in (Güran, 1998: 23).

⁸² MAD, 8571, p. 21, 28.5.1204 (13.2.1790) and MAD, 8571, p. 233, 9.8.1205 (13.4.1791) in (Güran, 1998: 24).

⁸³ There were significant differences in purchasing prices both due to local supply conditions and the quality of the grain. These will be discussed in the following part.

^{84 (}Aynural, 2001: 78) referring to HH 13442 (1210 /1796).

bought for *rayic* price was sold; allowing a higher profit margin in these sales.⁸⁵ The grain bought for different prices at different localities were *sometimes* sold for different prices to the bakers and millers. Sometimes, they were sold for the same price by taking into account the average of these different purchase prices.⁸⁶ According to these sale prices, the weight (hence the price) of bread was supposed to be set so as to allow the bakers a moderate profit.⁸⁷ In Grain Exchange, the purchase prices of grain was set according to the formal negotiations between guild representatives and the merchants, under the supervision of government officials. The sale prices for the grain to be distributed from the State Granary were set by the Sultan, but could be revised and changed upon requests of the bakers' guild.

3. The Quota Assessment System88 (1748-1778?)

Our information on government regulation in grain trade prior to mid-eighteenth century is highly sporadic. Although we have evidence that help us define the general framework, the picture is far from complete due to lack of continuous, quantifiable data. We are able to say more about mid-eighteenth century, as the efforts of the government became more systematic during this period. In 1748, the Ottoman government introduced a system of quota assessment (*mukayese nizami*) in order to control the movement of surplus grain from the farther regions within the traditional hinterland of Istanbul more effectively.⁸⁹ The objective of the system was to evaluate the surplus capacity of each of these regions accurately. Through an investigation of the past *kapan* registers which contained data on how much grain was sent to the capital in previous years, the authorities tried to determine how much surplus each region and each district was able to produce in normal years.⁹⁰ According to these estimates, each region was assigned a quantity to be delivered to a designated dock where it was to be sold to the officially-authorized private shippers.

By introducing such a system, the government aimed to improve its control over the circulation of the grain surplus. Until then, the ships that were allowed to purchase grain were sent to the docks randomly, not by any systemic data compilation but according to hearsay estimates. This caused not only frequent delays in delivery but also often led to a mismatch between supply and demand, with some docks left abandoned as grain accumulated while some ships waited for the delivery of grain at others. Under such a system, it was also difficult to verify ship-owners' statements about local supply—the actual

 $^{^{85}}$ Aynural, 2001: 78, HH 53907, HH 9361 (1790) Sultan Selim III urges this sort of pricing and investigates the amount of profit accrued from these sales.

⁸⁶ Aynural (2001: 79, 82).

⁸⁷ According to the Ottoman law, legitimate profit was 10%, however for certain services that require certain skills and involve hardships (toilsome), a higher profit rate was also acceptable. For instance, second-hand booksellers in the city could raise their prices as much as 40% above its purchasing price. See Ergin (1995: 391-2, 395).

⁸⁸ It is generally referred to as the "*mukayese muhayaasi*" or the "*zahire system*." See Alexandrescu-Dersca Bulgaru (1988), Aksan (2006), Güçer (1952).

⁸⁹ Güçer (1952: 405–407). This system was implemented continuously in the Danubian and Black Sea regions, and sometimes in Mihalıç (Karesi). In the regions much closer to Istanbul (such as Tekirdağ and Ereğli, docks along the Thracian coast), this system was not implemented, as it was relatively easier to supervise and control movement of grain. Between 1748 and 1758, the amount of grain to be procured by private merchants from these regions through mukayese nizum was constant except during some years of shortage

⁹⁰ See BA, ZD, nr. 8, p. 174, hk. 2, fi Evail-i N 1161 [1748] cited in Aynural (1992: 5).

grain shortage at certain docks compounded by ship-owners misinforming the authorities in accordance with their own interests. 91 Hence, in order to have a more precise estimate about the production capacity of the supply regions as well as to prevent smuggling and black marketeering, the amounts that each region contributed were examined and assignments were made according to these assessments. 92 Accordingly, each producing zone was asked to transport the amount assigned to a designated dock. 93

If the amount received from a place was less than in previous years, the reasons were investigated. If there was no legitimate (natural) cause for scarcity, such as drought and other natural disasters, then the officials in charge of grain purchases (*zahire miibaşiri* and *kapan naibi*) were held responsible. Pa Regions which were not able to meet their requisitions were allowed to buy grain from neighboring villages on the condition that these villages had already sent the amount required of them.

Examining the accounts of grain purchased and distributed from the Grain Exchange (*Kapan*) and the main state storage (*Tersane*) during the period 1755-1762, we observe the following (See Appendix):

- 1. Most of the grain (93 %) to be distributed to the bakers of Istanbul came from Grain Exchange, i.e. through purchases of the licensed merchants [See Table 1]. 96
- 2. Most of the grain (72 %) was distributed to the bakers/millers in the form of unprocessed wheat [See Table 1].
- 3. No barley or wheat is distributed from Tersane. Only in cases of urgency, Tersane distributed flour [See Table 1].
- 4. Most of the grain bought by licenced merchants (85 %) come from Black Sea regions [See Table 2].
- 5. During 1755–'62, the annual average amount of grain brought to Istanbul by *kapan* mercants was around 3,5 million *kile* (90.000 tons) wheat and 1,2 million *kile* (32.000 tons) barley.
- 6. During the period when the quota assessment system was used, the quantities that were assigned to each province did not change much. [Aynural shows that the quantity of grain assigned to the regions under the quota assessment system remained were the same in 1759, 1761 and 1768. These quantities were slightly different from the quantities assigned to the same regions when the system was first introduced. The amount of quota assigned for certain regions (Ismail, Kili) were reduced, but more regions (Tekfurdağı, Silistre) were brought under the system, leaving the total quantity to be collected through the assessment system almost the same (See Table 3 and Table 4 in the Appendix).]
- 7. There was small difference between the total quota amount assigned to the Black Sea regions and the actual amount bought by licensed merchants from these regions. [We are not able to compare actual

⁹³ See Özveren (2003: 229) for the list of the designated docks along the Black Sea and Danubian coasts and the corresponding producing regions.

⁹¹Ship owners sometimes declared amounts less that the actual amount they loaded in order to sell the undeclared amount of grain on the black market.

⁹² Güçer (1952: 405).

⁹⁴ Aynural (2002: 6).

⁹⁵ Aynural (2002: 6). See BA, ZD, nr. 11, s. 57, hk. 1 and s. 140, hk. 1.

⁹⁶ This finding is in line with Güçer (1950: 410) showing that only less than 9 percent of grain was delivered to Istanbul by state funds, based on a document pertaining to 1758.

amounts delivered from each region under the quota system with the assigned amounts. But if we assume that the annual amounts assigned to the regions where licensed merchants made their purchases were the same throughout 1759-1768 and if we compare this amount with the average grain purchased by licenced merchants in these regions througout 1755-1762, we see that the amount of wheat purchased by the licensed merchants was around 87% of the wheat assigned under the quota assessment system. The amount of barley purchased by licensed merchants on the other hand, was 53% more than the amount of barley assigned for this region. The regions might have sent the less-valued grain, barley, more than its assigned amount, in order to compansate when they could not meet the requirement for wheat].

Limits of the quota assessment system

From the beginning, the allocation of the assigned quotas among the inhabitants (farmers and grain holders) in each region⁹⁷ brought about conflicts and strong resistance. Both communities and individuals resisted the forced sales. In some regions, grain producers and grain holders acted collectively and refused to deliver the designated amount of grain to the official collectors.⁹⁸ Powerful grain owners refused to sell their grain, claiming that they were exempt from taxation.⁹⁹ The central administration responded to these claims by asserting that these obligatory sales should not be considered taxation but rather a form of market exchange.¹⁰⁰ However grain owners were forced to sell the grain sometimes for a very low, even symbolic, price and to transport it to the designated port using their own resources. And the assignments were made regardless of the actual amount of grain held by the residents of the region. In this sense the quota purchases were a form of taxation. By calling it an exchange, the government tried to force those who were tax-exempt to contribute as well.

Parallel to the attempts to formalize grain procurement through introduction of the quota system, central authorities heightened their emphasis on mutual consent in grain purchases. They warned intermediaries not to impose prices that were too low, since low prices would discourage grain holders from bringing their grain to the official markets. In 1756,¹⁰¹ an imperial decree proclaimed *mutual consent*

⁹⁷ Local authorities decided which residents were responsible for which portions of the total requirement that had been assigned to that region. Sometimes, local notables (*ayans*) were asked to determine how much each grain holder should contribute to the region's obliged quota according to the registers (*tevzi defteri*). BA, ZD, nr. 11, s. 239, hk. 2 and s. 240, hk. 2 [1764] cited in Aynural (2002: 8). In some places, half of the grain was taken from grain appropriators (tax-farmers, *mültezim*) and half from producers. Aynural (2002: 7) refers to a document (BA, ZD, nr. 11, s. 57, hk. 1) related to the distribution of required grain in Hazargrat.

⁹⁸ BA, ZD, nr. 11, s. 324, hk. 3, evâsit-ı Ra 1180 [1766] refers to, BA, ZD, nr. 11, s. 344, hk. 1, evâhir Ş 1180 [1767] refers to Çorlı, Hasköy, Dimetoka; BA, ZD, nr. 11, s. 325, hk. 1, evâsit Ra 1180 [1766] refers to Silistre, who refused to sell grain for three years in row.

⁹⁹ BA, ZD, nr 11, s. 135, hk. 2 and s. 239, hk.2 [1764] cited in Aynural (2002: 6) refers to the objections of privileged groups (i.e. military cadres, villages on *vakif* lands, *malikâne* lands) to the quota obligations (*askerî taifesi, selâtin vakıfları köyleri, mirî malikâne, züema, erbab-ı tımar köyleri balkı).*

^{100 &}quot;...mukâyese zahîresi tekâlif makulesinden olmayup alış ve veriş kabilinden olduğına binâen mu'âf ve gayr-i mu'âf ve mâlikâne ve evkâf ve zeâmet ve sâir bil-cümle kurâ ve ahâli mukâyese-i mezbûreye dâhil oldığı malumunız oldukda..." BA, ZD, nr. 11, s. 13, hk. 1 and s. 74, hk. 2, transliterated in Aynural (2002: 6).

¹⁰¹ The quota system was extended into the Romanian principalities in this year, according to Alexandrescu-Dersca Bulgaru (1988).

and *moderation* to be the basis of legitimate exchange in the grain market.¹⁰² The importance of mutual consent by both parties in exchange was emphasized in several documents in subsequent years as well.¹⁰³ These documents suggested that the quantity of the grain supply be taken into consideration in setting the price and that third parties should not intervene in the negotiation. However, it was also emphasized that the price should be set according to moderation and justice.¹⁰⁴ It was claimed that these principles would maintain abundant supply and preserve affordable prices. The fact that the government promulgated edicts to underline the importance of mutual consent in the exchange does not imply that a free price regime was enforced in practice. Numerous complaints indicate that intermediary agents, including gorvernment officials assigned to supervise purchases, kept interfering with the price-setting process in line with their interests. Yet, there was a general recognition that the offered purchase prices were much lower than the acceptable levels.

Towards the end of the eighteenth century, the agents who were commissioned to buy grain for Istanbul frequently declared that they were not able to convince the local agents to sell grain at the *miri* price. They reported that they had to bargain with the local grain owners (primarily local notables – *ayan*) and generally had to offer higher prices. In addition to the reluctance of the grain owners, many documents referred to the abuses of the agents commissioned for making purchases for Istanbul and supervising transactions in the provinces (*mubayaacı* and *mübaşir*). As the resistance grew, the government viewed this system of grain provisioning increasingly as a burden on the producers. The central administration acknowledged the problems embedded in the system of forced purchases. Through several decrees promulgated during 1774-1783, the government tried to abolish the quota system, claiming to end the oppression of the poor. These decrees sent to the traditional supply regions

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^{102 &}quot;...zehâir-i cedîdenin şimdiye dek itidal vechile ol tarafda bahâsı kat' ve nizâm verilmesi eğerçi melhuzdur, ancak eğer henüz bu ana dek kat' olunmamış ise bundan sonra bir an ve bir saat tevakkuf etmeyüp ittifak-ı ârâ ile bayi ve müşteri muvâcehelerinde marifet-i şer' ve mübaşirler marifetleriyle zehâirin kesretine göre it'idâl üzre kat-ı bahâ-i zehâire müsaraat..." transcribed in Ergin (1995: 743–44) from Divân-ı Hümâyûn Mühimme-i Zehâyir Defteri, numara 10, Evâsıt-ı Zilhicce 1169 [1756]: Local authorities and government agents were urged to ensure that the price was set by mutual consent and moderation (tarafeynin rızaları ve itidal vechile).

¹⁰³ Transcribed in Ergin (1995: 746-49) from Divân-1 Hümâyûn Mühimme-i Zehâyir Defteri, numara 16, Evâhir-i Şevval 1203 [1789]: "ashab-1 zehâir ve ashâb-1 sefâin rızâlarıyla hıntanın kesret ve kılletinde kıyasen hak ve adl üzre hıntanın fiyatını kat(. . .)bey' ü şirâları tarafeynin rızalarına mevkuf olup min-ba'd âhardan müdahale olunmaya..."

¹⁰⁴ The use of the terms such as *it'idâl üzre* and *adl üzre* indicates that the price set should meet some criteria other than the mutual consent of the parties. *It'idâl* is one of the repeated terms in these documents, and signifies a middle way far away between opposite extremes (*ifrat ve tefrit*). In Arabic, the word justice (□ *adl*), moderate (*mutadila*) and balance (*itidal*) originate in the same etymological rootand have positive connotations in Islamic texts.

105 See Şaşmazer (2000: 116, 131).

¹⁰⁶ It is difficult to know to what extent these statements reflected the truth, as the merchants had an incentive to misinform the central administration by inflating the prices to pocket the difference. However, the measures taken by the government indicate that the authorities verified these claims. In order to ease the procurement and keep the prices in check, "the state had adopted the practice of appointing mubāya □acı from among the very same group of notables." See Şaşmazer (2000: 116, 157).

¹⁰⁷ C. BLD. 38/1875, 12 Ra 1198 [1784] is about punishment of the agent in Varna (Danubian kaza) who used falsified scales to profit from his service at the expense of the locals and the government.

¹⁰⁸ Divân-ı Hümâyûn Mühimme-i Zehâir Defteri, numara 13, transcribed in Ergin (1995: 739): "Âsitane-i Aliyyem ahâlisinin akvât-ı rûzmerreleriyçin mukaddemâ tertib olunan mukâyese zehâiri fukaraya mûcib-i zulm ü te'addi idüğü bi'l-ihbar malûm-ı mülûkânem olmaktan nâşi rahmen lil-ibâd mukâyese-i merkûmenin ref'ine irâde-i merhamet-ifâde-i şâhânem taaluk

required that from then on all grain owners and producers would send all surplus grain, except seeds for cultivation, to Istanbul.¹⁰⁹ By abolishing forced quota sales, policy-makers expected more grain to be sent to Istanbul.¹¹⁰ The policy-makers believed (or had no choice but to believe) that managing the grain business with exhortation instead of coercion would stimulate grain supply.¹¹¹ It had been proven that enforcing the producers and grain holders to sell their grain for fixed prices (against their will) was counterproductive: The producers, if they were not strong enough, would get poorer and leave their lands; and if they were strong enough, they would refuse to deliver grain to the purchasing agents.¹¹²

Yet, even after the above-mentioned decrees were promulgated, the adminitration had recourse to assignment of local notables as agents for grain purchases to be sent to Istanbul and the complaints about their abuses continued. Although government documents noted the oppressive quality and the problems inherent in the *mubayaa* system, they kept justifying intervention (forced purchases including the imposition of the *miri* price) on various grounds. For instance, grain owners in the secondary supply zones (Mediterranean coasts) would not be willing to sell their grain to Istanbul for low prices voluntarily while foreign merchants offered them much higher prices. At the same time, they tried to induce grain owners to sell their grain to the *mubayaacts* with their consent by way of mentioning the profits they could incur through these sales.

Letting go of the Prices

Up until the late eighteenth century, government decrees referred to the *particular* causes of grain shortage when they allowed an increase in prices for grain procured for Istanbul. For instance, authorities allowed moderate price rises in bad-harvest years in order to protect producers against the effects of drought on

etmeğin..." This text is dated 1776. Aynural (2002: 11) suggests that the system was abolished in 1783. Alexandrescu-Dersca Bulgaru (1992: 76) notes that the system was abolished in 1774. These confusion about when the quota system was ended can be attributed to the fact that the forced purchases continued even after the quota system was removed.

¹⁰⁹ BA, ZD, nr. 14, s. 157, hk. 2, evâsıt-ı Z 1197 [1783] in Aynural (2002: 11).

¹¹⁰ BA, ZD, nr. 14, s. 239, hk. 2, evâhir-i S 1200 [1785-1786] cited in Aynural (2002: 12).

^{111 &}quot;Ve zikrolunan sefâin bu vechile idâre olundukda Âsitane'nin tertîb-i seneviyesi tekmile karîb olub bâyi ve müşteri mezalimden sâlim ve bu vetire-i adl ü insaf mer'i oldukda Akdeniz ve Kırım ve mahall-i sâireden zehâir yürüyüp aun-i Bâri ile zehâir kendü kendüye rahîs olur''. Exgin (1995: 739).

¹¹² Yavuz Cezar (1978: 117).

¹¹³ HH. 188/9076, 1204 [1790] is about the measures to be taken against the oppression of the public agents in charge of grain procurement (*zahire mühaşileri ve nazırlari*). HH. 205/10732, 1204 [1790] is about the measures taken to prevent abuses by purchasing agents and their oppression on the tax-paying population. HH. 206/10768 and HH 206/10768B, 1210 [1795-96] is about the oppression inflicted upon the producing population by the agents of grain procurement (*mühaşir*) by not paying peasants' share and measures taken against them.

¹¹⁴ Transcribed by Ergin (1995: 739) quotes from Tatarcıkzâde Abdullah Efendi, *TOEM*, numara 44, p. 771-3. Tatarcık's ideas on the provisioning will be dealt more in detail below.

¹¹⁵ Transcribed in Ergin (1995: 749) from Divân-1 Hümâyûn Mühimme-i Zehâyir Defteri, numara 16, Evâhir-i Şevval 1203 [1789]: "Bahr-i Sefid'in Rumeli ve Anadolu sahillerinden dâr'ül-harbe ve âhar mahallere zahire bey' u furuht olunmaması (. . .) zikrolunan mahallerde hâsıl olan zehâiri ashâbı Deraliyyem'e getirtüp revâcıyla ibadullaha bey' u furuht eyledikleri halde hem zehâir ashâbı müteneffa olacakları ve hem ibadullâhın zaruretleri indifânı mucip olacağı..."

their livelihood and probably to discourage hoarding. The decrees stated that under normal conditions, the price of grain was to be adjusted due to *particular* supply conditions (scarcity or abundance caused by natural conditions of agriculture). Scarcity (and the resulting high price of grain) was either attributed to these natural-yet-temporary supply conditions or to the illicit acts of the market actors. While to a certain extent the central authorities adjusted the price controls according to the exigencies of the times; they did not consider totally abolishing them. More importantly, the idea that price controls themselves might cause hoarding or smuggling and consequently scarcity and high prices, expressed by some medieval Muslim scholars or contemporary European writers for instance, did not find any echoes in Ottoman political writing. Towards the end of the eighteenth century, however, scarcity of grain came to be attributed for the first time to the low price for which it was purchased rather than any particular, natural cause.

In 1788, upon the request for his evaluation of the reasons for scarcity in Istanbul, the judge of Istanbul pointed to the price differentials between the supply zones and Istanbul's city market. The purchasing price in Istanbul, he maintained, was much lower than the price in the places where the grain was bought, and this differential discouraged the grain owners to bring the grain to the designated markets. As a solution, he suggested increasing of the grain purchasing prices in the locations where grain was bought from.¹¹⁸ In addition, a decree promulgated in 1789–'90 attributed the low quality of bread to the scarcity of grain, which was itself the result of low purchasing prices.¹¹⁹ What is striking in this and similar decrees is that government agents did not blame producers or grain holders for asking exorbitant prices but rather acknowledged that if prices were not raised, the grain production and circulation would be disrupted as a matter of fact. Eventually in 1793, in order to encourage producers to release more grain and ease its flow to the capital, the Imperial Council ordered that the purchasing prices should reflect the *rayic* price.¹²⁰ This was also the year when a central administration was established to regulate the grain supply of Istanbul and radically changed the way that the Ottoman state dealt with the provisioning matter.

¹¹⁶ C. BLD. 67/3336, 29 C 1170 [21 03 1757] is a decree written to the authorities in Edirne urging them to raise grain prices in Tekirdağı where grain owners were reluctant to sell their grain and expected a rise in prices due to draught.

¹¹⁷ In 1763, an imperial decree stated that the price of grain would not be reduced despite the fact that the produce was abundant, as an exception to the general rule. This might show that grain price were generally sticky downwards: "bu sene zahire bereketli olduğu cihetle fiyatları geçmiş senelere nisbetle ucuz olmak lazım gelirken, ziyade fiyat takdir olunmuş ise de gönderilecek zehair pak ve safi olmak şartıyla kabul olunduğundan..." in C. BLD. 11/503, 29 S 1177 [September 7, 1763].

¹¹⁸ HH 23/1158, 1202 [1788]: "İstanbul'da hıntanın fiyatı zahair vürûd edecek mahallerden noksan olmakla reaya taifesinin hıntayı iskelelerine nakle rağbet etmeyerek mahallerinden satmalarından dolayı Tekfurdağı İskelesi'ne civardan nakledilecek zehairin beher kilosu altmış paraya tenzili ve Karadeniz'den naklolunacaklara zam edilirse Asitane'ye zehair geleceği kadının takririnde beyan edilmekle..."

¹¹⁹ HH 266/15437, 1204 [1790] explains that since grain is scarce due to its low price, breads are of low quality (dark-colored), and investigates solutions.

¹²⁰ Güran (1984: 31). See also BA, ZD, no. 15, 7/1207 [1793] and Cevdet, *Tarih* III, p. 1484 cited in Thornton (2000: 131, 157). Thornton calls this "de facto abandonment of the mīrī". Here I refer to "*rayii*" as "current" because in this context it is used not to refer to a price-setting process but to the price valid in the marketplace. To be sure, it still implies a socially legitimate price and not just any price emerging in the market.

4. Establishment of the Grain Administration (1793–1807/1839)

The most important development that accompanied the loosening of price controls in the Ottoman realms was the augmentation of the governmental agents' direct engagement in grain trade. In 1793, the Grain Administration (*Zahire Nezareti*) was established for the broad task of ensuring the grain supply in Istanbul.¹²¹ Ebubekir Ratib Efendi, assigned to be the first head of the Administration,¹²² was in charge of spending the funds of the Administration.¹²³ Any profits accrued from the transactions of the Administration would be added to the initial funds (revolving funds). ¹²⁴ The tasks of the Grain Administration as they were defined by the by-laws issued in the same year were summarized by Güran: ¹²⁵ 1. securing the flow of surplus grain by supporting and supervising the merchants (for instance, ensuring that the bakers pay their debts to the merchants, giving the merchants credit, investing in transportation infrastructure, and taking measures against smuggling).

- 2. ensuring the flow of surplus grain to Istanbul by engaging itself directly with the grain purchases from Wallachia, Moldavia, ¹²⁶ Danubian and Black Sea coasts (and Mediterranean coasts, if necessary) and to keep at least 2.000.000 kile (5.120 tons) grain in state storages.
- 3. keeping detailed financial accounts of the revenues and expenses.
- 4. keeping track of the merchants' purchase prices at localities (*mubayaa fiyatlari*) and their sale prices at Istanbul and instructing accordingly the Judge of Istanbul to set bread prices according to these prices.
- 5. supervising the price and quality of bread in Istanbul.
- 6. recording and collecting bakers' debts to the merchants and the administration.
- 7. increasing the number of ships for grain transportation and regulate sea traffic.
- 8. ensuring the delivery of grain from Rumelia to Istanbul, preventing all sorts of smuggling from the region.

In 1795, an independent budget (*zahire hazinesi*) was designed to finance the state operations in the grain trade centered on Istanbul.¹²⁷ After the establishment of an independent budget, the supervisor

¹²¹ Cezar (1978: 119) refers to BA, HH 13951. In this document, the sultan orders the grand vizier to assign a high-ranking official for the task of procuring grain for Istanbul alone. Up until then, this business was under the control of *defterdar*. There was a lower-ranking official for the supervision of grain supply (inspector of grains, *hububat nazırı*) Formation of a separate office indicated that this was an important task that required utmost attention. Güran (1984-85: 29) refers to BA, MMD, no. 8591, pp. 4-5, 19 03 1208 [25 10 1793].

¹²² See Cezar (1978: 122). Also see BA, HH 13591 [1208] cited in Thornton (2000: 139).

¹²³ Cezar (1978: 122–23). In 1793, the funds summed up around 5,100 kise (250,000 kurus).

¹²⁴ The principal funds were given from the Imperial Mint (*darbhane*). Any profits accrued from the operations of the Administration were to be added to this principal. Cezar (1978: 122).

¹²⁵ Güran (1998: 17-18) referring to BA, MAD 8591, pp. 4-5, 19 03 1208 [25 10 1793].

¹²⁶ Wallachia, a part of present-day Romania situated north of the Danube and south of the southern Carpathians, accepted the suzerainty of the Ottoman Empire in 1415 and stayed under Ottoman rule until 1878, with brief periods of Russian occupation betwen 1768 and 1854. Moldavia corresponds to the territory between the Eastern Carpathians and the Dniester river. Although these regions were not under the Ottoman Sultan's direct rule, they were obliged to sell their grain exclucively to the Ottoman state according to vassalage traties.

¹²⁷ The treasury was established after the *nizamname* promulgated in September 1795 (05 Ra 1210). Yavuz Cezar (1978: 122, 125). The initial funds were provided by the royal mint. Later on, the central treasury (*Irad-i Cedid Hazinesi*) lended money to the Grain Treasury several times.

of grains (*hububat nazırı*) was raised in status and assigned more authority to enforce the grain regulations recently enacted by the Ottoman government.¹²⁸ The funds at his disposal (initial funds had already diminished to 20000 guruş) were raised to 2.500.000 kuruş. With this institution, fiscal and administrative control of the provisioning policy was placed under a single authority and the previously dominant form of grain provisioning—the regulated private trade where *kapan* merchants were assisted and supervised by the state functionaries—changed significantly. The administration became the major grain merchant in the capital, buying most of the grain needed for Istanbul (mostly at *rayie* price), storing it in the various granaries (some of which were newly built), and selling them at fixed prices to the bakers.

4.1. Implications of the Establishment of Grain Administration:

i. Increased Storage Capacity: If we assume that the annual amount of grain needed for Istanbul's population at that time was around 4.000.000 kile (10.240 tons),¹²⁹ then it becomes clear that the Administration aimed to keep *at least* half of the city's annual consumption (5.120 tons) in its storages. In the beginning of the eighteenth century, the government was able to store only 40 days of grain supply in its storages.¹³⁰ Hence, this was a major attempt to increase government capacity for grain storage.

For the period 1795-1800, the average annual grain distributed by the Grain Administration was around 1.1 million kile (27.987 tons). 92 % of this amount was wheat and 6.5 % was barley. 131 We do not know the amount that was purchased by the Grain Administration each year and how much grain on average was kept in the storages. However, it is clear that the government increased its storage capacity significantly since 1760s. During the period 1755-62, the annual average amount of grain distributed from the state storages was 367.730 kile (9434 tons). In 1795, the amount purchased by the state funds and distributed from the state storages was its threefold.

ii. Replacing in-kind service payments with salaries for official agents and *mubayaacr*. One of the aims of the establishment of Grain Administration and a seperate budget, explicitly stated by the

¹²⁸ Shaw (2002: 175-76).

¹²⁹ Aynural (2001: 4) bases this estimation on the grain distributed from *kapan* and state storaged to the bakers during **1756-62**. Also, he supports his estimate with reference to **the number of milling stones** in the city: Bakers had 1118 stones and flour-makers had 382 stones. Each stone is assigned 9 kile wheat (230.4 kilograms) per day and each flour-maker stone is assigned 8 kile wheat per day; then the total amount of grain processed into flour and bread in Istanbul is estimated to be 4.788.070 kile (122.574 tons). In some official sources though, Istanbul's grain consumption was reported as 3.6 million kile (BA, Cevdet Maliye, nr. 23347). Güran (1998: 16), on the other hand, assumes that one person needs 8 kile (201 kg) wheat per year, ¹²⁹ and assuming that the populaton of Istanbul was 450.000 in 1830s, he estimates the annual wheat consumption of the city as 3.600.000 kile (92.400 tons). He supports this estimation with an account from Cevdet Paşa, who records that the grain requirement of the city was around 3.000.000 kile when the Grain Administration was established (1795). Taking into consideration that between 1750s and 1790s Istanbul's population rose significantly and that Aynural overestimates the grain need of the city due to negligience of excess capacity of milling/baking facilities; we tend to assume Istanbul's grain need was at most around 4.000.000 kile at the time of the establishment of the Grain Administration.

¹³⁰ Murphey (1988: 231) estimates according to the information provided in Vasıf, *Mehasin'ül-asar ve hakayik'ül-ahbar*, vol. i, p. 147.

¹³¹ Güran (1998: 31).

reformers, was to remove the in-kind payment system for the requisition agents and other officials assigned for the local handling of the provisioning matters.¹³²

iii. Potential for competition with Kapan merchants: The statute book of the Treasury explicitly stated that the aim of the Administration was not to reap profits from the trade that licensed merchants were already engaged in.¹³³ It was maintained that after the establishment of the Treasury, the state grain purchases would make up around 55 % of the grain required for Istanbul's annual consumption. 134 In other words, the aim was not to create a state monopoly over grain trade at the expense of grain merchants. I believe this was not only a rhetorical position taken by the Administration not to offent the merchants. The Grain Administration actually made most of its purchases from the Mediterranean coasts (including coasts of Marmara) and left the Black Sea and the Danubian coasts to the kapan merchants. The Porte sometimes assigned requisition agents (mubayaacı) to these regions, but only in cases when the kapan merchants were not available for some reason. Hence, in specific documents addressing the requisition agents, they were urged not compete with the kapan merchants in this region and should only make purchases in order not to allow serious delays in the transportation of the grain already available at the docks. 135 Nevertheless, purchases made by the Grain Administration made up two thirds of the total grain purchases destined to Istanbul. Compared to the earlier period, 1755-62, (%14.21), a much larger portion of the grain during this period (1795-1800) was purchased from the Mediterranean regions (% 66.4).136

iv. Higher purchasing prices: Another aim of the Grain Administration was to allow higher purchasing prices. The Grain Administration statute book (*nizamname*), abolished the official price of grain (*fiyat-1 miri*) and ordered that all purchases to be made for *rayic*. ¹³⁷ The preference for rayic price also implied that grain would be bought directly from grain owners and the quantities to be procured would not be assigned to the unit of jurisdiction (*kaza*) as a whole (i.e. collective tax). ¹³⁸ This organizational

¹³² See Cezar (1978: 149)

¹³³ Cezar (1978: 149): "İstanbul ehâlisine senevi iktiza edecek otuz altı tük mikdarı zahirenin cümlesini miri mühayaa ve habbazana tevzi eylese tüccar meyus olup, "zahirenin menafini miri kendüye hasr eyledi" deyu eracifiye sebep olmağla, tüccarın kudretleri mertebe zahireyi tüccara getürdüb, maadasını Devlet-i Aliyye celb ve tedârik eylemek muktezi oldu ise, farza otuz altı yük zahirenin yigirmi yük mikdarını Devlet-i Aliyye celb ve habbazana hin-i tevzi'de her kilede onar pare nef' görünse..."
134 See the previous footnote.

¹³⁵ A document sent to Seyyid ali, who was assigned as requsition agent for Bergos was warned as such: "Senin memuriyetinden maksud-i asli daima kapanlının tedarik ve nakl edegeldikleri zahireden fazla külliyetli zahair mühayaa olunmak ve iskeleye zahire geldikde kapanlı sermayesi ve ademleri bulunmaz ise ashab-i zahaire güçlük olmayub bir sefer ziyade etmeleri için derhal gelen zahirenin akçesini sen verib ol vechile mutaddan ziyade zahire cem ve nakl kılınmak maslahatı iken gemileri ve sermaye akçeleri mevcud olan kapanlının alacağı zahireyi sen aldığın suretde meram hasıl olmayacağı..." (Güran, 1998: 22) refers to MAD nr. 7549, p. 200, 27.8.1207 (9.4.1793).

¹³⁶ Güran (1998: 31).

¹³⁷ See Cezar (1978: 141): "fiyat-ı mîrîye ile mübâyaât-ı mu□tade merfû□ ve İstanbul ahalisinin senevî ideare-i maaşlarına kifâyet idecek zehâyir râyicile mübâyaâ olınmak hasebiyle"

¹³⁸ **Karaferye Sicil (KS) 101/27** (9-17 July 1795) and **KS 101/33** (5-14 September 1795) refer to the purchase of cereals at market price (*rayii*) and not from the *kazu* as a whole but directly from specifically named notables and officials who were big landowners, tax-farmers of the tithe and granary owners (*ashab-ı alaka ve aşar ve erbab-ı çift ve ziraat* [or *çiftlik*] ve *enbar*). Certain quantities were still allocated to the people collectively. (Anastasopoulos, 2007: 52).

arrangement would be later considered as the main cause of the requisition agents' corrupt practices and serve anti-reformists as a justification for abolishing the Grain Administration.

The year price controls were left, the license requirement for grain sales in the designated markets of Istanbul was lifted.¹³⁹ Merchants, with no prior conditions, were allowed to bring grain to Istanbul, to any place they wished and ask for any price they wanted. This meant that the bakers would be able to buy grain directly from merchants in places other than the *Kapan*. But, it is not clear whether these transactions were allowed in the subsequent years.

The free-price attitude was not maintained consistently. The government continued to make purchases for miri price inspite of previous decrees pronouncing its abolishment.¹⁴⁰ Nevertheless, the removal of price controls over purchases in Istanbul could be considered part of a trend in which old system of coercion was tried to be replaced by one of consent. It was the expected result of the move away from *miri* pricing towards *rayiv* pricing accompanied by the emphasis on the benefits of higher prices and less coercive attitude in price-setting during the second half of the eighteenth century.¹⁴¹

v. Financial Burden associated with higher costs (purchase prices) and risks (spoilage of stored grain) The administration was aware that meeting all the objectives above implied huge expenses for the Grain Treasury. The salaries were to be paid in cash. The purchasing prices would be higher than old *miri* price (The administration still expected to make a profit of 10 para per kile for the resale of grain). Higher storage capacity implied higher costs, including risks related with the spoilage of the stored grain. Furthermore, in addition to the freight costs or ship rentals; there were losses that might occur during transportation, such as sea accidents. All these potential costs and risks that were likely to cause a budget deficit were mentioned in the statue book. As a solution to the transportation-related problems, the Administration aimed to contract with private merchants on the grounds that the liability for any loss or damage during carriage will be on the merchants. In return, the merchants will be paid 3-5 para less than the sale prices at the Grain Exchange. The Grain Administration aimed to sell the purchased grain at the

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¹³⁹ HH 7906 (1210) [1795-96] cited in Cezar (1978: 126): "...zahîrenin kılleti hasebiyle mücerred reâyâya şefkaten fiyata zamma müsaâde olunub... etmeklere dahi yeni bir nizâm virilüb... zahîrenin Kapan fiyatı etmeklerin dirhemlerine muvafıkdır... Şimdi herkes zahîresini getürüb istediği bahaya füruht eylesün deyu külli müsaâde olunsa, nâsda insâf olmamağla, getürdiği zahîrenin be-her keyline 5 guruş ister. 5 guruşa zahîre almak habbazânın bir vechile işlerine elvermez. Bu sûretde etmeklerin dirhemleri tenzil olunmak lâzım gelür. İbâdullaha hasârati mûcib bir keyfiyet olacağına binâen, zehâyirin fiyatı etmeklerin dirhemlerine tevfîk olundı. Maamafih herkes zahîrelerini getürüb, Asitâne-i Saadet'de dilediği baha ile dilediği kimesneye füruht eylesün, kimesne mani olmaz deyu... em-i şerif gönderildi..."

¹⁴⁰ I do not know whether the above-mentioned decree was ever explicitly revoked. However in May 1796, a decree ordered *miri* purchases from many kazas around Rumelia. C. BLD. 29/1410, 29 L 1206 [May 6, 1796].

¹⁴¹ C. BLD. 73/3612, 25 Za 1216 [March 29, 1802]. A decree ordering purchase of grain from Eğriboz for the *rayic* price by the *mittesellim*. Also see the document [1810] cited above, from Aynural (2002: 19), which shows that most of the state purchases were made according to the *rayic* price (more than two-thirds of the grain procured from the Mediterranean region and almost all grain procured from the Black Sea region). Also, the *rayic* price was considered the valid price for state purchases made from Wallachia and Moldavia. In order to protect merchants from loss and facilitate the smooth functioning of the market, the price of grain bought from Wallachia and Moldavia for Istanbul was raised. See HH. 225/12550B, 1212 [1798]. See also HH. 7/ 1853, 29 Z 1215 [13 05 1801], which refers to the *rayic* price as the preferred price in the purchases so that grain would be abundant in winter months.

current sale prices set at the Exchange, which means contracting with the merchants it expects to reap a profit of 3-5 para per kile. The Administration regarded this option more preferable to the one that included assignments of salaried officials and direct engagement with transportation.

If we evaluate the actual fiscal performance of the Grain Administration. According to this data, all the months (5 out of 12) in 1210 (1795-96) that we have data about ended with net loss, 7 out of 10 months that we have data in 1211 (1796-97) ended with net loss. Out of 7 months in 1212, 5 ended with net profits, 2 ended with loss. 143 During the period, however, most of the revenues were recorded as the value of the grain distributed to the bakers from the storages. Hence, we do not know the exact proportion of the bakers' actual payments out of their total debts. It is also clear that the Administration received further money from the Central Treasury (*İrad-ı Cedid Hazinesi*) in 1795.144

We also have a document that shows the balance of the Grain Administration during the period when Azmi Efendi was the Superintendent of the Grain Administration (1 Ramazan 1210-21 Sefer 1213 [4 8 1798]), analyzed in Cezar:¹⁴⁵

-The cash in the coffers: 183280.5 guruş

-The cash value of grain in the state storages: 1 947347 guruş

The receivable:

Merchants and mubayaacı
Bakers
State (Miri)
115710.5 guruş
715925.5 guruş
1888837.5 guruş

Total receivable 2720437.5 guruş

According to Azmi Efendi, it was very difficult to collect the amount owed to the Treasury by the merchants and the requisition agents (This was the amount paid in advance for grain purchases, for which there was not yet any delivery made). The debt owed by the bakers could be classified into two: Old (atik) and new (cedid) debts (zimemat). This debt summed upto 345000 guruş for the period 1192-1208. According to Azmi Efendi, only a portion of this debt could be collected and this would take a lot of time. During the term of his office, he says, he was able to collect 283794 guruş from the bakers and he expected to be able to collect another 86000. The amount that is owed by the State is explained as following: Before the establishment of the Grain Administration, the grain budget was held in the Mint and 425000 guruş was borrowed from this budget in order to pay state debts.

Two similar documents in addition to the one above were examined and the accounts presented in Güran. 1998: 30):146

¹⁴⁴ Cezar (1978: 119). In two months, the Grain Treasury received 1.350.000 guruş from the Central Treasury.

145 Cezar (1978: 124-25).

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¹⁴³ Cezar (1978: 124).

	20.4.1208 (25.11.1793)	21.2.1213 (4.8.1798)	11.7.1213 (19.12.1798)
The cash in the coffers:	270 000	183 280.5	83 652.5
The cash value of grain in the state storages:	1 300 000	1 947 34 <mark>1</mark>	2 161 938.5
The receivables:			
- Merchants and mubayaacı	482 000	<mark>5</mark> 15 710.5	469 056.5
- Bakers	320 750	715 925.5	514 953
- State (Miri)	180 750	1 888 837.5	2 186 513.5
Total receivable	983 500	3 120 473	3 170 523

If we take Cezar's data as accurate, merchants and requisition agents accumulated further debts between 1793 and 1798. As Azmi Efendi predicted, some of the money owed by the bakers were collected.

Scholars suggested that the Grain Administration managed to accrue revenues in excess of its expenses and the reason for the establishment of such an institution (state's increasing engagement with the grain trade) was primarily fiscal. However, as we see from the above data, this might bot be the case. It is true that the government took substantial amounts of loans from the treasury of the Grain Administration. But, it is also true that these loans were given from the funds assigned to the Grain Administration by the Central Treasury, not raised out of the Administration's profitable activities.

All in all, we can say that the Grain Administration came to manage procurement, storage and distribution of a very high portion of the grain supply of Istanbul. It bought grain from merchants and purchasing agents, stored it in the state granaries and then distributed it among bakers. As such, it took its place in the provisioning chain as the main intermediary. Through this intermediary role, the Grain Administration managed to increase central rulers' capacity to transfer costs of increase in grain prices and to make regional transfers. Additionally, this institution signified an attempt to centralize and rationalize the management of grain provisioning. Through systematic reporting of the expenses and income and through registration of all transactions, the Administration tried to preserve its fiscal solvency.¹⁴⁸ The effectiveness of the Grain Administration in the control over grain supply was further strengthened by initiatives to improve supply infrastructure and promote agricultural production.

¹⁴⁶ He uses **MAD 8591, p. 7**, 20.4.1208 [25.11.1793], **MAD 19265, p. ?** 21.2.1213 [4.8.1798] and MAD nr. 19265, 11.7.1213 [19.12.1798]. Note the discrepancy in some figures in Güran and Cezar.

¹⁴⁷ Şaşmazer (2000: 146) suggests that the Grain Administration became one of the few fiscally rewarding institutions of the Empire. Based on the data complied by Güran (1984-85: 37), she argues that the increasing debt and outstanding cash figures reflect an expansion of the Administration's financial operations as well as cash transfer to other projects rather than its poor financial practice. See Güran (1984-85: 37) for the figures of outstanding debts and the active and passive cash accounts of the Grain Treasury. Yeşil (2002: 172) supports this argument with the account found in a contemporary treatise -*Yahya İmamı Risalesi* transliterated in Derin (1972: 216–17)—that attests to the transfer of funds from the treasury of the Grain Administration to the government.

¹⁴⁸ Here we refer to the long-term ability of the institution to meet its financial obligations. See Cezar (1978: 120–21) for an an account of the monthly reports for the years 1795–'98. See Thornton (2000: 147). "One of the chief duties assigned to the grain superintendent was to monitor salaries and wages and to prevent unlawful collection or use of state funds."

4.2. Understanding the Grain Administration: Old Interests, New Obligations

I argue that the motives of the policy-makers in establishing the Grain Administration can be understood within the context of following information:

- i) During the second half of the eighteenth century, the traditional hinterland that provided Istanbul with its grain was shrinking due to military reasons.
- ii) The state of agriculture in the Ottoman Balkans were becoming an increasing concern for the Ottoman reformist elite, who not only aimed to ensure military competence and fiscal solvency, but were also eager to emulate "more developed" states in their agricultural and industrial efforts.
- iii) The quality of bread and affordable bread prices in the capital were still highest-ranking concerns for the administration.

While the first two items dictated higher purchasing prices, the third required that these higher prices would not push bread prices up to socially unacceptable levels. In an attempt to meet these objectives, the government decided to control a larger share of grain trade destined to Istanbul. This, in theory, would enable the government to keep profit margins of the various intermediaries in the trade chain at a socially acceptable minimum. The permanence of the new policy on the other hand was determined by the ability of the central administration to distribute the burdens of this new arrangement (relatively higher purchase prices) among various interests groups with minimum threat to political stability, against the background of pre-existing institutional organization.

The shrinking of a vast hinterland

The changes in price policy overlapped with the geographical shift in the supplying zones of the capital. In the mid-eighteenth century, the Black Sea was still "an exclusive Ottoman reserve" and most of the grain for Istanbul could be procured from the Black Sea ports, including the Danubian ports and the ports of the Marmara. The quota assessment system was introduced mostly for the grain produced around these regions close to the Black Sea coasts of Rumelia and the Danubian plains. As we have seen in the previous part, an overwhelming proportion of the grain produced here was brought to Istanbul by private merchants. On the other hand, the grain from the Mediterranean coasts where "the likelihood or smuggling and cheating was high" was procured by the state functionaries and stored in the *Tersane* as emergency stores. For emergency storage, the government preferred grain procured from Mediterranean zones because Mediterranean grain was more durable than that from the Danubian or Black Sea regions and could be stored for longer periods. However, the grain coming from these regions summed up less than 15 percent of the total grain arriving in Istanbul. San Parket P

¹⁵² Aynural (2002: 13) refers to BA, HH, nr. 13048, 1208 [1793].

¹⁴⁹ Prior to Küçük Kaynarca Treaty, the Black Sea was still under exclusive Ottoman control. See Beydilli (1991), M. M. Alexandrescu-Dersca (1958: 15) and Özveren (2003: 228).

¹⁵⁰ Özveren (2003: 229): "When it came to the ports of Marmara, the same regime was not enforced because year round navigation was easier and a more flexible mode of procurement could be afforded."

¹⁵¹ Özveren (2003: 228).

¹⁵³ This is based on Aynural's study on grain trade covering the period 1755–'62. See Aynural (2002: 64–65).

In the second half of the eighteenth century, especially in 1780s, the government had to expand Istanbul's supply zone. After the treaty of Küçük Kaynarca (1774), trade along the Black Sea shores was opened to foreign ships. This process, which started with the expansion of the Russian presence along the northern coasts of the Black Sea region, was formally acknowledged by the Ottoman authorities. In 1802, the Ottoman government decided to grant trade permits to foreign ships under certain conditions (e.g., grain should be bought for the *rayic* price and be delivered to Istanbul). Accordingly, Mediterranean coasts and other regions in Anatolia became more important in the provisioning of the city. The expansion of the supply zone towards Mediterranean regions is proven by the documents ordering large purchases to be made from Arabian ports, Jaffa, Acre, Sidon, Latakiya, Aleppo and mostly Egypt. In addition to these places, government had to have recourse to the grain produced in the regions along the Aegean coast to be transported to docks such as those in Kuşadası and İzmir. Certain places in the Aegean, like Salonica or Serres, became important ports of grain transfer during this period. As the Grain Administration tried to ensure an abundant grain supply in the capital, it ordered purchases from more distant regions and even allowed exceptional permits for grain imports.

¹⁵⁴ See Bevdilli (1991: 691–93).

¹⁵⁵ Özveren (2003: 225). Anatolian grain was transported to the state granaries located in the Anatolian side of the Bhosphorus. Shaw (1971: 29–30) cited in Thornton (2000: 156).

¹⁵⁶C. BLD. 4/177, 20 S 1209 [September 15, 1794]: The high judge of Jerusalem was urged not to allow smuggling of grain from Arabian and Jaffa ports abroad and to ensure that only merchants with licenses to bring grain to Istanbul should be allowed to make purchases in these places. C.BLD. 4/180, 10 S 1219 [May 20, 1804]: In 1804, the abundance of grain in certain regions (Bosnia, Egypt, Jaffa, Acre and Sidon) led the authorities to make large purchases (200,000 kile). C.BLD. 7/305, 1 R 1225 [May 5, 1810] is about the public purchase of 440,000 kile grain from Latakiya and Aleppo. HH. 15/620, 29 Z 1203 tt [1789] is about a purchase of grain from Aleppo. C. BLD 28/1367, 20 \$ 1209 [12 03 1795]. C. BLD. 66/3256, 10 \$ 1210 [26 08 1795]. C. BLD. 71/3527, 16 Ca 1217 [14 09 1802]. C.İKT. 14/656, 18 C 1205 [22 02 1791] is about the transfer of grains from Egypt to Istanbul. The last document concerns grain to be sold for rayic price in Istanbul by an Egyptian merchant who rented two Venetian ships. C.İKT. 13/638, 29 N 1210 [07 05 1796] is about the purchase of grain from Egypt by Egyptian captains for Istanbul (on the account of mir). 1794-95 was one of those years where the Danubian ports could not provide sufficient grain for Istanbul. C. BLD. 38/1882, 19 S 1209 [15 09 1794] (grain to be brought from Biga and Siğla) and C. BLD. 38/1887, 10 N 1209 [31 03 1795] (grain to be brought from Egypt). To be sure, grain had been brought from Egypt in years of scarcity. However, it was a less common practice: C. İKT. 11/505, 29 S 1127 [06 03 1715] is written to the governor of Egypt to send grain and other foodstuff to Istanbul on Muslim ships. C.İKT. 11/525, 29 § 1176 [15 03 1763] is about the transportation of coffee and rice from Egypt to Istanbul through Izmir. ¹⁵⁷ This decree addresses the captain of a ship to be sent to the Mediterranean to prevent smuggling of the grain that was to be brought to Istanbul from Kusadası and Ayvalık. C. BLD. 58/2892, 10 Ca 1209 [03 12 1794]. C. BLD. 82/4097, 06 Za 1221 [15 01 1807] is about public grain purchase from districts around İzmir, Tire, and Kuşadası. ¹⁵⁸ C. BLD 7/311, 29 R 1181 [September, 23, 1767]: The deputy-governor (mutasarrif) of Salonica is urged to prevent those who sell grain to British and French ships in Salonica. C. BLD. 76/3763, 11 Ca 1172 [Jan 9, 1759]. C. BLD. 79/3925, 29 Za 1186 [Feb 21, 1773]. C. BLD. 7/314, 29 C 1187 [September 16, 1773]. C. BLD. 77/3802, 09 Z 1214 concerns the public purchase of grain around Salonica dock. C. BLD. 79/3905, 29 S 1205 (tt) [07 11 1790] is about the grain requested from the rich grain owners around Salonica and Yenisehr-i Fener. C. BLD. 91/4515, 14 N 1161 [07 09 1748]: Purchase of grain from Salonica, Karaferye, Avrathisar and Yenice-i Vardar for Istanbul. C. BLD. 10/484, 29 L 1220 [14 01 1786]. C. BLD. 52/2592, 18 Za 1182 [27 03 1769] is about the transportation of the grain from İştib, İstrumca and Radovişte to the dock in Salonika dock before being transported to Istanbul. C. BLD. 78/3860, 09 B 1198 [29 05 1784] concerns purchase of grain from Serres. C. BLD. 79/3904, 05 L 1220 [26 12 1805] is a about a correspondence with ayan of Serres, İsmail Bey, regarding the price of grain that was purchased for Istanbul.

¹⁵⁹ C. BLD. 84/4066, 12 M 1204 [02 10 1789] orders transfer of grain from Erzurum Vilayeti since there is abundance this year through the port of Trabizond. HH. 188/8964, 29 Z 1205 tt [1791] is about the transportation of 100.000 kile grain from Samsun dock to Istanbul and 50,000 kile grain from Çankırı to the dock of İznik and

supply zone implied higher costs because the government had to prevent contraband trade (either through higher investment in policing or through higher prices offered to grain owners in these regions) and because purchases from these relatively far regions meant higher transportation costs. Both should have caused an upward pressure on the purchasing prices in Istanbul.

Agricultural Concerns: The Ottoman Reformers' Ideas on Grain Trade

Towards the end of the eighteenth century, high-ranking bureaucrats began to criticize coercive pricing and the system of public purchasing, particularly underlining the negative effects of coercive pricing on the well-being of the producing population and on agricultural production. The memoranda produced during the reign of Selim III in order to address problems of the Empire¹⁶⁰ suggested that the level of agricultural production could be increased, or at least recovered to what was considered normal, through higher prices to be offered to the grain-holders.

Ebubekir Ratib Efendi,¹⁶¹ writing a report after his visit to Austria, described in detail how Austrian authorities ensured peasants' well-being and abundance of grain.¹⁶² Although he did not make an explicit comparison between the Austrian system and the Ottoman one, his remarks clearly pointed to the problems he perceived in the Ottoman system: In Austria, there were no purchasing agents who forced grain owners to sell their grain for low prices on the basis of the official documents they held. Nobody was able to confiscate grain by force. Hence, there was no motivation to hoard. Consenting producers and grain owners sold the entire surplus for the current price.¹⁶³ Ratib Efendi links the welfare of the subjects and the ease with which the state agents were able to procure goods and collect taxes to the freedom the subjects had over the use of their commodities—to the fact that no one intervened with what they produced or consumed.

Another high-ranking bureaucrat of Selim III's administration, Tatarcıkzâde Abdullah Efendi (d. 1797),¹⁶⁴ was also concerned with inherent drawbacks of the public purchasing system. He viewed acts of the public purchasing agents (*mubayaact*) as one of the central problems of provisioning. He argued that these purchasing agents abused their positions and tormented the peasantry to such an extent that the

thereof to Istanbul by Cebbarzade. HH. 189/9076, 29 Z 1204 tt [1789-90] grants permission to French merchants to bring grain to Istanbul. HH. 38/1945, 29 Z 1220 [20 03 1806]: Since Serbians closed the road to Belgrade, the grain for the army and the people should be bought from Austrians. HH. 39/1991, 23 Za 1221 [01 02 1807] is about transfer of Russian ships loaded by grain kept in Amasra to Istanbul. At times, authorities were asked to neglect and even support officially forbidden imports of grain by the bakers since the grain stored in granaries was not enough to meet their demands, See C. BLD. 72/3551, 18 Za 1212 [04 05 1798].

¹⁶⁰ See Shaw (1971), Öğreten (1989) and Beydilli (1999) for general information about the major treatises written upon the consultation of the Sultan Selim III.

¹⁶¹ Assigned as the head of the Grain Administration in 1793.

¹⁶² Ebubekir Ratib Efendi was sent to Vienna as ambassador during the period 1791-'93.

¹⁶³ Arıkan (1996: 197).

¹⁶⁴ The treatise he submitted to the sultan, along with other high-ranking officials of his time in 1789 contributed directly to the formation of the reform initiatives of the period. For a brief summary of Tatarcıkzâde's memorandum, see Özcan (1988).

peasants abandoned cultivation and migrated to other places. ¹⁶⁵ However, he did not suggest removal of the purchasing system. He devoted paragraphs to explain why, despite its all problems, public purchasing system had to remain in practice:

Abdullah Efendi was concerned that the removal of the system would lead to further abuses by the private intermediary agents: For instance, the quality of the wheat produced in the Mediterranean area was different from that of the Black Sea wheat. And with the removal of the public purchasing system, the merchants would be able to mix both types and sell it for the higher prices. The quality differences required price differentiation. However, it was hard to impose price controls for the grain produced in the Mediterranean region because it was more difficult to prevent smuggling from this area. The alternative would be the removal of all price controls. This would, on the other hand, cause substantial increases in the bread prices, and was not tolerable.

Yet, Abdullah Efendi did not argue that the prices should be left at their previous artificially low levels. Rather, he advocated an increase in the public purchasing prices. For him, the low grain prices set in Istanbul's market were disastrous for producers and agricultural production. However, it was not the price regulation per se that was conceived as harmful. The level of price set in the existing system did not permit sufficient profits for producers and caused agricultural sluggishness. Tatarcıkzâde proposed that the grain should be purchased at the price set by administered bargaining (namely *rayii*), higher in general than the centrally set prices on the grounds that low purchasing prices threatened producers' livelihood and forced them to abandon their lands, also resulting in a loss of agricultural production. ¹⁶⁶

In his report, the Grand Vizier Koca Yusuf Paşa also focused mostly on the abuses of the public agents involved in grain procurement for the capital: *Mubayaacı* agents took advantage of their privileges (money and human resources granted by the state and other official privileges) to exploit producers (by forcing the peasants to contribute more than their obligation or by paying them less than their share) with the support of some people in Istanbul (those with status and power) and local power-holders (*kadi, naib, ayan*).¹⁶⁷

Koca Yusuf Paşa described in detail how public officials should be chosen and which rules and regulations they should be subjected to. According to him, if rules about the supervision over the storage and transportation of grain could be imposed properly, then grain could be bought even below its *miri* price. He adds that the *rayic* price of grain produced in the Black Sea littoral was already lower than its *miri* price, and the reason why *rayic* price of grain produced in the Mediterranean zones was high was the smuggling to the foreigners. Hence, according to Koca Yusuf Paşa, prices could be easily brought down (to their normal or desirable levels) if profiteering by public or private agents could be prevented.

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¹⁶⁵ Ergin (1995: 739–42). Tatarcıkzâde points to such abuses in his report: "[M]ubayaacıların vesair zehâir memurlarının hilâf-ı rıza-yı ilâhi ve mugayir-i evamir-i şehenşahî mezalim ve ta'addiyât-ı takat-güdâzlarını külliyen defa ikdam ve yalnız ber-vech-i mutad on keylde bir keyle kani olmalarına ihtimam..."

¹⁶⁶ Transcribed by Ergin (1995: 739) from Tatarcıkzâde Abdullah Efendi, *TOEM*, No. 44, pp. 771−73. (*ihtiyar-ı terk-i zira* □ *at u hıraset edecekleri*).

¹⁶⁷ Çağman (1995: 21).

The reformers submitted by other Ottoman reformers to the Sultan also attested to the abuses of the commissioners and problems of the public purchasing system. ¹⁶⁸ Yet, only Mehmed Şerif Efendi suggested abolishing the entire *muhayaa* system. Most reformers seem to have believed that if the abuses of intermediary agents had been prevented, then the prices could have been kept at reasonable levels because the producers would keep producing at current levels. ¹⁶⁹ In other words, removing the abuses in the system, as long as it was possible, would ensure the well-being of the peasants and eliminate disincentives for agricultural production. Furthermore, it also seemed impossible to provide the sufficient amount of grain at desired prices just through the dealings of private merchants. ¹⁷⁰ Hence, instead of abolishing the public purchasing system, they suggested replacing corrupt agents with honest and decent officials; a tighter supervision and control over the provisioning process; and adopting the *rayie* price instead of *miri* price. ¹⁷¹

In line with these reports, the government did not remove the purchasing system but sought to support producers and stimulate agriculture by way of reducing forced purchases and allowing current prices to prevail in purchases. However, in addition to this relatively flexible attitude towards price formation, the government became engaged in the grain trade more actively, as the supervision of the central administration and the share of state capital in the grain trade increased. In other words, a more liberal attitude towards prices was accompanied by tighter regulation and supervision of the central administration over grain trade network as well as a more direct involvement in the grain market.

The relaxation of price controls in addition to the removal of license requirements for trading in grain was viewed as an incentive that would ensure delivery of sufficient grain to Istanbul. However, one should also keep in mind the underpinnings of this liberal attitude on behalf of authorities: The monopsonistic¹⁷² advantage of the Grain Administration. With both authority and capital at his disposal, the head of the Grain Administration should have been able to control the purchasing prices in Istanbul to a significant extent, even though merchants were formally allowed to sell their grains for any price in the market.

⁶⁸ In addition to the fact

¹⁶⁸ In addition to the fact that the local notables (*ayan*) were also recruited for the provisioning as *mubayaaa*, they were criticized for damaging the well-being of the local population (*reaya*) in general. The central bureaucrats raised these complaints about the *ayan* in a fashion similar to the way they complained about the abuses of the local officials (i.e. *vali, hakim, zabit*). Öğreten (1989) refers to Koca Yusuf Paşa, El-Hac İbrahim Efendi, Tevki El-Hac Mehmed Hakkı Bey. The oppression of the bandits in Rumelia was also one of the common points in these treatises and the fact that Rumelia was hitherto the state's grain repository made the suppression of insurrections in these regions more important. Öğreten (1989: xxxv) refers to Firdevsi Efendi. El-Hac İbrahim Efendi and Defter Emini Ali Ra □ik Efendi mentioned the problem of banditry in Rumelia as well.

¹⁶⁹ In his report, Şerif Efendi suggests complete removal of the state purchasing system (*muhayaa*), after a one-time precautionary purchase for the state storages. He argues that private merchants, instead of the *muhayaaa*, could procure grain necessary for *Tersane*. He also notes that "[m]uch better yields might be possible if grain were purchased directly from the producers, with the added benefit of increasing currency circulation between the center and the provincial periphery" cited in Thornton (2000: 135-136). See the report submitted by Şerif Efendi, transliterated by Çağman (1997: 217-233).

¹⁷⁰ See Thornton (2000: 136–37). One should note that at least some of the reformers (Tatarcık for instance) views *mubayaa* system and a system based on private merchants as imperfect alternatives.

¹⁷¹ See Thornton (2000: 107).

¹⁷² Monopsony refers to a situation where there is a single buyer. In this case, monopsonistic advantage refers to the power of the Grain Administration to affect the price of the grain it buys.

Promoting agricultural production was central to Ottoman reformists' ideas on grain price policy. The reformers advocated policy measures such as raising grain procurement prices and a reduction in compulsory procurement quotas, with the explicit objective to encourage rural re-population and cultivation. Other aspects of agricultural policy also indicate that both Ottoman policy-makers were concerned with providing incentives for peasants. Some reformers had already suggested that the isolated lands in the Balkans should be handed over to farmers without land, for free.¹⁷³ The depopulation of the Balkans and the state of agricultural production were also discussed in ambassadorial reports. Ebubekir Ratib Efendi, for instance, first discusses the lamentable state of agriculture in the Ottoman regions across which he traveled on his way to Austria, then gives a detailed account of how the local authorities and the Austrian emperor encouraged agricultural production by distribution of land and tools required for production and temporary tax exemptions.¹⁷⁴

The extent of devastation and the deserted villages in the productive zones of the Empire were also mentioned in various memoranda. Ensuring the prosperity of the Balkan villages was not only crucial for the repopulation of these areas and the resumption of prosperous agricultural production, but it was also seen as a remedy for the overpopulation of Istanbul. In almost all memoranda submitted to Selim III, the writers assigned great importance to the economic and social development of the provinces, since the population rise in Istanbul and the resulting societal problems were thought to have been caused by these provincial problems. ¹⁷⁵

Furthermore, economic factors underlying the wealth and power of other states also became subject of interest for the first time. 176 The new Ottoman attitudes towards price-fixing not only coincided with the keen observations made by the first permanent ambassadors regarding agricultural and trade policies of neighboring countries, but also accompanied first serious policy proposals to improve

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¹⁷³ This idea can also be found in Penah Efendi's treatise. See Cezar (1988: 123-26) for Penah Efendi's ideas on agricultural production. Penah Efendi suggested some changes in the tenure system that would enable the peasants' abiding use of land.

¹⁷⁴ Arıkan (1997: 413–15). The reference to European practices in the proposals concerning agricultural production goes back to Penah Efendi. See *Penah Efendi Mecmuasi* (p. 399).

¹⁷⁵ The issue was dealt in Tatarcık and Mehmet Şerif Efendi. See above. McGowan (1981: 121, 148) shows the connection between the rise of *çiftlik* (arable land converted from *timar* to semi-private property owned by someone other than the cultivator) and increasing migration to İstanbul and other big towns in Macedonia. Above I mentioned that Penah Efendi viewed the relationship between the population of Istanbul and provincial welfare in opposite direction. He suggested that the high population of Istanbul rendered *mubayaa* a necessity and thus became a source of oppression for the rural producers. See Penah Efendi (1769: 230).

¹⁷⁶ The ambassador to Russia, Mustafa Râsih, notes that the success of Russian reforms under Peter the Great was also based on the observations of the European institutions and policies. Hence, the emulation for the Ottoman reformers seems to be the subject of emulation See Mustafa Râsih's memorandum (1793) translitarated by Karakaya. (1996: 110-112). The idea of emulation as a strategy can be traced back to İbrahim Müteferrika (d. 1745) who founded the first Islamic printing press in the Ottoman Empire. Müteferrika maintained that the Ottomans, like other empires before them, had to learn from strategies of their successful enemies. Müteferrika cites the reforms of Peter the Great "as an example of how a ruler succeeded in rebuilding his army and navy by modeling himself on the organization of victorious nations." See Aksan (1993: 56, the original article) referring to Müteferrika's *Usul ül-Hikem* (1731), which was translated to French in 1769.

productive sectors.¹⁷⁷ The notions of balance of trade and import substitution, albeit in primitive forms, were used by the Ottoman bureaucrats to advocate protectionist policies.¹⁷⁸ Furthermore, a more lenient system of taxation was advocated, not only to protect the tax-payers, but also to promote the economic activities that would create further taxable wealth.¹⁷⁹

These emerging ideas concerning protection of the revenues accrued from trade and industry and a heightened emphasis on the establishment of the transportation infrastructure within the empire¹⁸⁰ reveal a proto-typical concept of "national market" and an incipient idea of protectionism among the Ottoman elite. The notion of "wealth" (*zenginlik*), distinct from the notion of "welfare" (*refali*) that was central to the old rhetoric of "circle of justice," became a component of the Ottoman political discourse. It was within the context of these ideas that willingness to follow the examples of the more developed nations started to become one of the currents of Ottoman economic thought.

Balancing the interests: Abominable Profit (kâr-1 mekruh) or ordained susteanence (rızk)

As a result of rising prices, the state procurement of grain for emergency stores (to be distributed from the *Tersane*) had become more costly. As long as the authorities desired to keep the price of bread at moderate levels, the grain sold from the *Tersane* to the bakers needed to be sold still much below the current price, and the cost of this subvention fell upon the Central Treasury. In order to maintain financial solvency, however, the differential between the price of grain sold in the *kapan* and the price of grain sold from the *Tersane* had to be narrowed. When the state procurement of grain started to be made more and more for the *rayie* price, the price of the grain sold from the *Tersane* storages to the bakers was

¹⁷⁷ Beydilli (1999: 50-52) is the first to note Behic Efendi's emphasis on the domestic industry and trade. Like Penah Efendi, Behic Efendi thinks that the consumption of domestic manufactures should be encouraged. See the

transliteration of his *Sevânihü-l-Levâyih* by Ali Osman Çınar (1992). As Beydilli (1999: 50) notes, the success of Russia constitutes an important model for Behic Efendi. The fact that Russia could improve its international position through reforms in military and economic realms in such a short period of time (a late-comer phenomenon as it would be defined in the developmental discourse) should have made it a suitable model for the Ottoman bureaucrats who emphasized "catching-up" the already-developed European countries in their writings.

178 See Behic Efendi (1992 [1803]: 66-71] for the proposals to support domestic production. His ideas on the development of domestic trade are remarkably similar to those expressed by Süleyman Penah Efendi thirty years ago and could be qualified as "infant industry arguments." See Penah Efendi (1769: 312, 399-400, 475-76) for the balance of trade and infant industry arguments. Behic Efendi also argues that it is better to import craftsmen rather than foreign commodities. A similar willingness to import foreign industries can be found in Ebubekir Ratib Efendi. Ratib Efendi hopes that upon political troubles in Europe, merchants and industrialists would move to the Ottoman Empire and create wealth that could be taxed. See Yesil (2007: 300).

¹⁷⁹ See Yalçınkaya (1993: 169) for Yusuf Âgâh Efendi's observations on the negative impact of an oppressive tax regime on trade. A similar view is expressed by Ebubekir Ratib Efendi on Austrian practices.

¹⁸⁰ See Stein (1985a) and Stein (1985b) on how Ebubekir Ratib Efendi viewed Austrian financial practices as a model to be imitated. See

¹⁸¹ Aksan (1993) shows that the notion of "circle of justice" (or "circle of equity") was eroded from the political discourse during the interval of peace from 1740 to 1768, primarily due to continuous defeat in the battlefield, and domination of scribal bureaucracy in the administrative affairs. Aksan (1993: 63) suggests that the ideology of the "circle of equity" was slowly replaced with that of sercice to faith and Empire (*din ii devlet*). I argue that this change was accompanied by a broadening of the idea of international rivalry to include the productive realms of the economy. The new emphasis on economic development and identification of wealth of the state and its people attest to this transformation.

¹⁸² As mentioned above Penah Efendi (1769: 476) was the first to raise the question of how a state and its people become rich. Also, like Penah Efendi, Behic Efendi (1803: 67) writes about "wealth of state" (devletin zenginliği).

also raised (narrowing the gap between the price of the grain sold from the *Kapan* and the price of the grain sold from the *tersane*).¹⁸³ This, on the other hand, would mean either an increase in the price of bread or a decrease in the profits of the bakers.

According to the official documents, just administration required that the bread prices would be allowed to increase in proportion to the rise in grain price. The bakers could preserve their income only by reflecting the increase in their costs (i.e. grain prices or transportation fees) to the price of the final product.¹⁸⁴ Accordingly, the official prices for bread, like other staples, were adjusted frequently.¹⁸⁵ In this adjustment, the price of a bread loaf was rarely raised. Instead, the standard loaf-weight was reduced when the grain supply decreased or when the grain price increased significantly.¹⁸⁶

It is difficult to determine, however, to what extent these weight decreases reflected the increase in input prices in the second half of the eighteenth century. Since the government tried to keep bread prices at reasonable levels, it is very likely that it forced the bakers to incur some decrease in profit by not allowing a rise in bread prices fully proportional to the rise in grain price. The rise of purchasing prices and the corresponding sale prices of the grain bought by the state came before the establishment of the Grain Administration. Şaşmazer examines one such case: ¹⁸⁷ When in 1789 the price of grain at the *Kapan* increased sharply, the bakers asked for the distribution of grain from the *Tersane*. The government approved this on the condition that the purchasing price for the bakers would be *rayic*. ¹⁸⁸ In return, the bakers' guild demanded the reduction of the weight of a loaf so that they could preserve their income; this meant passing the increase in the cost of their inputs on to the consumers. This demand was accepted, but the reduction in weight was not as large as bakers had asked for. ¹⁸⁹ The bakers' guild threatened government officials by stating that if they were not allowed to reduce the weight of a loaf; individual bakers would reduce the weight illegally (as a result of a threat to their subsistence), which would in turn create even stronger resentment among the population.

There is further evidence from the latter period suggesting that higher purchasing prices were passed on to the bakers (at least partially) and the loaf of bread was reduced (or the bakers withdrew from production) according to these new sale prices: In 1793, the administration had refused bakers' demands to increase the price of bread by stating that the bakers were not disadvantaged by the price set by the authorities, contrary to what they claimed. According to this document, the bakers' demands were

¹⁸³ See Sasmazer (2000: 110, 112).

¹⁸⁴ HH. 212, 11491, 1205 [1791] is about resetting-up the price of bread according to the increase in the grain prices and freight charges.

¹⁸⁵ See C. BLD. 44/2198, 12 N 1199 [19 07 1785] and C. BLD. 145/7228, 07 S 1201 [28 11 1786]. Also see C. BLD. 112/5585, 29 C 1203 [26 03 1789], which is about the book of official prices set for grain and other foodstuff over the period of a month.

¹⁸⁶ HH. 15/635, 1203 [1789] In this decree, Abdulhamid I orders the reduction of the loaf weight due to scarcity of grain. Transcribed in Ergin (1995: 746-49) from Divân-1 Hümâyûn Mühimme-i Zehâyir Defteri, numara 16, Evâhir-i Şevval 1203 [1789]: "mahallinde fiat-1 hınta rahîs oldukça ol sene zarfında nân-ı azîz dirhemi arttırıla(. . .) Maazallah aksi zuhûrunda navlunciyan ve habbâzâna zarar olmayacak vech-i insâf u itidal üzre tenkîs oluna..."

¹⁸⁷ BA, HH, 15437 (1204) [1790] cited in Şaşmazer (2000: 116-117).

¹⁸⁸ C. BLD. 89/4421, 1203 [1789] is also about distribution of 150,000 *kile* grain to the bakers of Istanbul in three weeks (at the *rayie* price) due to adverse winter conditions in transportation from the provinces.

¹⁸⁹ See Şaşmazer (2000: 112).

baseless and motivated by their greed.¹⁹⁰ Furthermore, they were held responsible for the low quality of bread. ¹⁹¹ Based on the repetition of bakers' petitions, it is reasonable to conclude that the weight of the bread loaf was allowed to be reduced to cover only a certain portion of the increase in expenses. Consequently, the year after the establishment of the Grain Administration, the public took to the streets to protest the shortage, low quality and decreased weight of bread.¹⁹² (See Graph 1 in Appendix)

In following years, the loaf weight was raised several times to appease the crowds.¹⁹³ Keeping weight of bread loaf constant while the input price was going up was only possible by diminishing the profit margin of the bakers or through a substantial subsidy on behalf of the Treasury (a transfer of funds to the Grain Administration). In doing both, the government managed to keep bread loaves at sizes acceptable to the consumers while allowing the purchasing price of grain to rise, which was the only possible way to ensure grain flow to the capital.

During this period, parallel to the larger involvement of the state in grain transactions, prices were allowed to increase so as to satisfy producers. In order to protect merchants from loss and facilitate the functioning of the market, the price of grain bought from Wallachia and Moldavia for Istanbul was raised. 194 A decree declared that the purchases made from these two provinces (mostly timber and grain purchases) would not be made according to the *miri* pricing. The purchases would instead be made on current (*rayii*) price determined by the principle of moderation (*vech-i itidal iizre*). 195 This way, the needs of the residents of Istanbul could be met during the winter as well. 196 According to a document from 1810, most of the state purchases were made according to the *rayii* price (more than two-third of the grain procured from the Mediterranean region and almost all grain procured from the Black Sea region). 197

For the Grain Administration to profit from the grain business, like any commercial enterprise, it had to buy low and sell high, and its privileged position allowed it to do so. Selling high, though, would have led to higher prices for consumers and worked against the original purposes of the Grain Administration. The Grain Administration was established precisely to meet social and political needs by securing an abundant and affordable supply of grain, even if it would be not profitable. How was the Grain Administration then able to achieve a positive balance of budget while serving its primary purposes? There is little evidence about official prices from the first half of the eighteenth century. But,

¹⁹⁰ HH 210/11245, 1208, [1793-1794]: "itidal üzere kâra adem-i kanaatlerinden."

¹⁹¹HH 210/11245, 1208, [1793-1794].

¹⁹² BA, CB, 5243 and BA, HH, no. 10794A (1211) [1796-97] cited in Şaşmazer (2000: 117–18).

¹⁹³ HH. 207/10937, 29 Z 1210 [1796] is about the rise of weight of the loaf of bread (80 *dirhem* = 1 *para*) due to the arrival of large amount of grain to the Kapan. HH. 201/10262, 29 Z 1211 [1797] is about the rise of the weight of bread upon consultation with the director of Zahire Administration, Azmi Efendi. HH. 201/10329, 29 Z 1209 tt. [1795] is about the necessity of setting up the weight of bread according to the needs of the population. ¹⁹⁴ HH. 225/12550B, 1212 [1798]. The *rayic* price was taken as the valid price for the purchases made from these regions

¹⁹⁵ HH. 225/12550B, 1212 [1798]: "Memleketeyn'den alınacak kereste ve zahire bedelinde fiat-ı miri cari olmayıp vech-i itidal üzere paralarının verilmesi, rayic fiyatla hayvan alınması, hüsn-i hizmet eden voyvodaların müddet-i medide ibkası, voyvodaların sanayi, ticaret ve ziraat-i memlekete son derece çalışmaları, memleketeyn müstesna bir memleket olmakla Devlet-i Aliyye memleketinde cari olan tekalifin oraya şamil olmaması, memleketeyn geçiş yerleri İsmail, İsakcı, Hırşova ve Maçin olduğu..."
196 HH. 7/ 1853, 29 Z 1215 [13 05 1801].

¹⁹⁷ Aynural (2002: 16).

when we compare the flour price/bread price ratio from the second half of the eighteenth century to the late seventeenth century, we observe an important difference:

Table 1: Flour Price - Bread Price Ratios¹⁹⁸

	official flour price/ bread price
1693-1696	11,25
1785-1793	17,05
1785-1800	16,62
1795-1800	15,85

It seems that at the end of the eighteenth century, the official price of flour (primary input of bread) increased more than the official price of bread did (primary output of flour). This meant that during this period (especially 1785-1793) bakers had to bear higher costs while they were not able to raise the price for their final product.¹⁹⁹ Clearly, such a strategy on behalf of the bureaucrats governing the Grain Administration was formed by the awareness that it was much easier to supervise the bakers than other actors placed in other parts of the grain provisioning chain. Bakers, unlike merchants, would not be able to smuggle bakery or hoard bread. Although they might be involved in black-market dealings, they would probably be more prone to public scrutiny due to the nature of their vocation and of the institutional organization. However, such a strategy could not be sustained in the long-term. The authorities eventually had to allow bread price to increase against the background of continuing rise in the input prices (grain and flour); otherwise the bakers, whose profit margins were already low, would find ways to circumvent the regulations or withdrew from the industry. The decrease in the number of bakers in Istanbul during the period 1768–'87 proves that despite the strict rules against shutting down of the bakeries; bakers went out of business when their profit margins were narrowed.²⁰⁰

Although rise in grain prices was not fully passed on to the prices of consumer commodities,²⁰¹ authorities could not prevent the diminishing quality and weight of bread. The public took to the streets to protest the shortage during the reign of the Selim III, especially in years of severe scarcity.²⁰² The

¹⁹⁸ Values are generated by the data compiled in Pamuk (2001: 102,106, 110, 114, 118, 122, 126, 130). The numbers in the table show the averages of the figures calculated as the percentage ratio of the value (in ak ca) of 10 okka of flour per the value (in ak ca) of 10 okka of bread. We disregard how much flour was to be used to make one loaf of bread as the weight of bread changes frequently.

¹⁹⁹ One should keep in mind that the bakers might have lowered the labor costs by various measures to keep their incomes constant.

²⁰⁰ Aynural (2002: 118) shows that between 1768 and 1787, the number of bakers in Istanbul decreased inspite of the population increase. There is no data concerning the latter period; however, he shows that the number of bakeries was not sufficient for the city's needs in 1803 and the authorities allowed bakeries restricted to baking high-quality bread (*francala*) until then to produce common bread (*nan-1 aziz*). See Aynural (2002: 111). In 1796, bakers complained that the wheat distributed from Tersane was not sufficient; they had to buy grain with credit and shut down their millers because of their loans. See HH. 258/14903, 29 Z 1210 [05 07 1796].

²⁰¹ See C.İ 1085 (1209) [1795] referring to the rise of all commodity prices due to rise of grain price.

²⁰² BA, HH. 55177 (1204) [1795], BA,CB, 5243 and BA, HH, no. 10794A (1211) [1796-97] cited in Thornton (2000: 117–18).

government attributed these disturbances to the corrupt practices (i.e. hoarding and black marketing) of "some people in the marketplace" and to the incompetence of the officials in charge of supervising the marketplace. The bakers were constantly blamed for the poor quality of bread and its scarcity. I tend to think that these statements did not reflect what the high-ranking bureaucrats actually thought but rather were a rhetorical tool to preserve political legitimacy by making market agents scapegoats for officials' own failure to secure sufficient grain for the city.²⁰³

Though singled out for public disapprobation, blaming the bakers did not help supply problems. The scarcity and low quality of bread continued to threaten public order and recurrent riots proved that the authorities had to acknowledge that the supply problems in the capital had deeper reasons and should be put into order immediately. At the same time, abuses by officials in charge of public grain purchases for Istanbul were mentioned in many correspondences between the central administration and the provincial authorities. Eventually, Selim III was dethroned by the anti-reformists following a popular revolt in which the low quality of bread was one of the issues raised by the rioters challenging the sultan's legitimacy.²⁰⁴

The statute book (nizamname)²⁰⁵ that defined the tasks of Grain Administration issued prior to the establishment of the budget remained in force until 1807 when the Nizam-i Cedid was abolished. The nizamname was revoked on the grounds that it was an innovation that was harmful to the people and the state. ²⁰⁶ One of the reasons for the abolishment of the Administration put forward in this decree was "the harm inflicted on agricultural production by the requisition agents' acts enabled by authorization of their purchases for rayic price (rayic muhayaa)". The decree stated that the abuses (bribes etc.) were common in rayic purchases and that it would be better if the grain was procured for miri price, according to the tax registers (tevzi defterleri mucibince icab ve iktiza edenlerden fiyat-i mukarrere ile). ²⁰⁷ This would imply not removing requisition agents, but their replacement by other persons and reassignment of the grain quotas to the administrative regions (resembling a collective tax obligation) instead of to individual grain owners. The Grain Administration was reinstituted in 1808²⁰⁸ and remained in force until 1839. ²⁰⁹ In 1839, the Grain Administration and its statute book was abolished once more and transferred to the newly-established Trade Ministry (Ticaret Nezarett). ²¹⁰ The same year, the requisition procedure (muhayaa usulii)

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²⁰³ BA, HH, no. 10794A cited in Şaşmazer (2000: 118). Selim III viewed the poor quality of bread as an excuse to send Albanians working as bakers to the front. In the year Selim III ascended to the throne, difficult transportation conditions due to war and harsh winter had made supply of grain to the city extremely difficult.

²⁰⁴ Danacı Yıldız (2008: 723) refers to a dialogue between one of the riot leaders, Kabakçı Mustafa, and the Şeyhülislam. Kabakçı Mustafa displays a loaf of low-quality bread, as a demonstrative symbol of the gap between the types consumed by the poor and the elite.

²⁰⁵ CM, no: 23347 and MAD 8591, pp. 11-17. The full transliterated text of this *nizamname* can be found in Cezar (1978: 134–52).

²⁰⁶ Cezar (1978: 122, 126–27). "...bidâ ve muhdesât kabilinden olub, ibadullaha ve umûr-ı mülkiyyeye mazarr olmakdan nâşi..." cited in Cezar (1978: 127) refers to BA, MAD 8591, p. 38. The administration was not totally abolished. ²⁰⁷ Cezar (1978: 127) cites from BA, MAD 8591, p. 38.

²⁰⁸ Güran (1998: 18) refers to BA, MAD, 8571, p. 313, p. 29, 29 8 1223 [20 10 1808].

²⁰⁹ Cezar (1978: 128).

²¹⁰ Cezar (1978: 131) refers to BA, Ali Emiri Tasnifi, Abdülmecid Devri, No: 107 and CM, 12566. The second document is transliterated by Cezar in (1978: 153-54).

was abolished.²¹¹ In previous year, the famous Ottoman-British Balta Limani Treaty had ended the monopolistic priviliges (*yed-i vahid*) of the Ottoman state in domestic trade, inluding the preemptive purchasing rights of requisition agents in grain trade.²¹² Even though the government argued that the abolishment of monopolistic rights would not require removal of the *mubayaa* procedure, they eventually did abolish *mubayaa* on the grounds that the British government would consider it as a monopolistic practice.²¹³ However, the same year *mubayaa* was abolihed, export of grain was prohibited on the grounds that domestic production was very low in that year.²¹⁴ As a result of these changes, the bakers of Istanbul were allowed to buy grain directly from foreign merchants.²¹⁵

Concluding Remarks

In 1795, Selim III promulgated a decree that abolished price controls in the grain trade and lifted restrictions on sales. The decree was restricted only to the grain to be brought to Istanbul. Its objective was to encourage grain holders and farmers to bring the entire surplus at their disposal to the capital by removing the barriers to entry into Istanbul's grain market and by abolishing the official maximum price. By promulgating the free trade of grain in the city, the government expected to discourage grain holders from smuggling grain abroad or to other places within the imperial realms that might offer higher prices. This would ensure an ample and affordable supply of grain and bread in the city. At first glance, this policy bore no similarity to the fully-fledged liberalization that the European reformers initiated in the second half of the eighteenth century.

Aside from the scope of the policy, the immediate motivations behind liberalization appear at first glance to be different as well. The Ottoman Sultan promulgated a decree declaring that anybody who would like to bring grain to the capital was free to do so (implying that there was no requirement for licenses at sale) without being obligated to accept an official price ceiling. Granting the right to ask for *any* price, with no qualification regarding the fairness of the exchange, was a deviation from the government's strict adherence to a just-price policy, which persisted, at least at the level of rhetoric, until the adoption of this new policy. If examined within a narrow frame, this extraordinary policy can be seen as a tool meant to prevent inflation due to short-term cost-push factors such as wartime scarcity,²¹⁶ that is to say, merely a practical response to a severe food crisis in Istanbul.

However, when we examine the rationales behind the establishment of this institution from a broader perspective, we see that the reform attempts did not merely aim at centralization; it consisted

²¹¹ Cezar (1978: 131) refers to CD, 4280. The text is transliterated by Cezar in (1978: 155-56).

²¹² M. Kütükoğlu, *Osmanlı-İngiliz İktisadi Münasebetleri*, vol. 1, 1974, p. 108 and vol. 2, 1976, p. 28 (C) Even though during the negotiations British authorities promised that in years of scarcity, the Ottoman government retained the right to bar foreign merchants in grain trade, this promise was never recorded in the formal agreement.

²¹³ Cezar (1978: 131-32) refers to HH. 50000. The text is transliterated by Cezar in(1978: 155).

²¹⁴ Cezar (1978: 132).

²¹⁵ M. Kütükoğlu, Osmanlı-İngiliz İktisadi Münasebetleri, vol. 2, 1976, p. 29. C.

²¹⁶ The Ottoman war against Russia and Austria in 1787–1792 threatened Istanbul's provisioning in several ways. The needs of the military forces, disrupted transportation and disorder in the supplying regions due to war conditions caused the gap between supply and demand to widen.

of a partial liberalization where restrictions on internal trade were not totally abolished, but price controls were relaxed. The policy shift was not only a response to practical problems of provisioning, but also reflected a new concern with the state of agricultural production, embedded in the emergence of mercantilistic ideas. Furthermore, the permanence of the new policy was determined by the ability of the central administration to distribute the burdens of the new arrangement (relatively higher purchase prices) among various interests groups with minimum threat to political stability, against the background of pre-existing institutional organization.

APPENDIX

 Table 1: The amounts of grain distributed to the bakers and millers from Grain Exchange and Tersane.

		wheat (ki	le)	ba	rley (kile)		m	illet (kile)		flou	r (çuval) ²¹	7
	exchange	tersane	total	exchange	tersane	total	exchange	tersane	total	exchange	tersane	total
1755	3708289	207000	3915289	1191510	0	1191510	51640	0	51640	1462	0	1462
1756	3822145	96765	3918910	1387810	0	1387810	407141	0	407141	7983	0	7983
1757	3434003	230000	3664003	1302252	0	1302252	218194	0	218194	3543	0	3543
1758	2598891	197445	2796336	962001	0	962001	981362	0	981362	46	17800	17846
1759	3927828	496385	4424213	1079155	0	1079155	120505	0	120505	1743	0	1743
1760	3473861	688819	4162680	1350729	0	1350729	42230	0	42230	998	0	998
1761	3869628	526932	4396560	1361923	0	1361923	142820	0	142820	1127	0	1127
1762	3155351	498490	3653841	1253296	0	1253296	233315	0	233315	272	0	272
Average	3498750	367730	3866479	1236084.5	0	1236085	274650.9	0	274651	2147	2225	4372
Average (bar 1758)	3627301	392056	4019356.57	1275239.29	0	1275239	173692.1	0	173692	2447	0	2447
Average (bar 1758, in tons)	93055	10058	103113	32715	0	32715	4456	0	4456	63	0	63

Source: İKS, nr. 26, var. 102 in Aynural (2001: 63-64).

²¹⁷ 1 *çuval* (sack) of wheat is estimated to be around 80-100 kilograms.

Summary Table 1

	kile	tons	0/0
Average total wheat (exchange)	3498750	89757.6	90.49
Average total wheat (tersane)	367730	9433.8	9.51
Average total wheat	3866480	99191.4	100
	kile	tons	%
Average total wheat	3866479	99191.4	71.90
Average total barley	1236085	31710.7	22.99
Average total millet	274651	7045.9	5.11
Average total	5377215	137948.1	100
	kile	tons	%
Average total grain from exchange	5009485	128514.2	93.16
Average total grain from tersane	367730	9433.8	6.84
Average total grain	5377215	137948.1	100

Table 2: The grain purchased for Kapan from Black Sea and Mediterranean regions

		wheat (kile)			barley (kile)		m	illet (kile)		flou	r (çuval)	
	Black Sea	Med.	Total	Black Sea	Med.	Total	Black Sea	Med.	Total	Black Sea	Med.	Total
1755	2875704	832585	3708289	1023670	167840	1191510	47520	4120	51640	221	1241	1462
1756	3196647	625498	3822145	1118426	269284	1387710	399607	7534	407141	5760	2223	7983
1757	2790004	643999	3434003	946619	355633	1302252	214611	3583	218194	1111	2432	3543
1758	2189947	408944	2598891	625401	336610	962011	980205	1157	981362	8842	9004	17846
1759	3582456	345372	3927828	896815	182340	1079155	120425	80	120505	1287	456	1743
1760	2918271	555590	3473861	1150750	199979	1350729	29633	12597	42230	304	694	998
1761	3592464	277174	3869638	1245337	116586	1361923	141093	1727	142820	0	1127	1127
1762	2974373	180978	3155351	1098126	155170	1253296	220940	12375	233315	0	272	272
Average	3014983	483768	3498751	1013143	222930	1236073	269254	5397	274651	2191	2181	4372
Average (bar 1758)	3132846	494457	3627302	1068535	206690	1275225	167690	6002	173692	1240	1206	2447
Average (bar 1758, in tons)	80370.6	12684.9	93055.5	27412.4	5302.5	32714.9	4301.9	154.0	4455.9	31.8	30.9	62.8

Source: İKS, nr. 26, var. 102 in Aynural (2001: 63-64).

Summary Table 2

		kile	tons	%
	Black Sea	3014983	77346.9	86.17
Average total wheat	Med	483768	12410.7	13.83
	Total	3498751	89757.6	100
	Black Sea	1013143	25991.4	81.96
Average total barley	Med	222930	5719.1	18.04
	Total	1236073	31710.4	100
	Black Sea	269254	6907.5	98.03
Average total millet	Med	5397	138.5	1.97
	Total	274651	7045.9	100
	Black Sea	4297380	110245.8	85.79
Average total grains	Med	712095	18268.2	14.21
	Total	5009475	128514.0	100
		(sack)		
	Black Sea	2192		50.14
Average total flour	Med	2181		49.89
	Total	4372		100

Table 3: Quantities of grain **required** from the regions assigned to below docks, 1759, 1761, 1768

,		
	wheat	barley
Köstence	400000	50000
Bergos and Ahyolu	346000	67000
Varna	350002	100000
Karaharman	312500	62500
Balçık	300000	100000
Akkirman	253500	10000
Kıvarna	200000	50000
Tekfurdağı	189500	42000
Mangalya	350000	50000
Silistre	180000	0
Kili	150000	50000
İsakça, Kartal	125000	25000
İsmail	110000	40000
Maçin, Tolca	62500	12500
Rusçuk	60000	0
Niğbolu	50000	0
Ziştovi	40000	0
Total (kile)	3479002	659000
Total (tons)	89250.95	16906.11

Source: BA, ZD, nr. 11, p. 17, 85; ZD. nr. 13, pp. 278-79 in Aynural (2001: 9-10).

Table 4: Quantities of grain **required** from the regions assigned to below docks in 1748

	wheat	barley	
Köstence	400000	50000	
Mangalya	350000	50000	
İbrail ve Kalas	350000	250000	
Varna	350000	100000	
İsmail	350000	100000	
Kili	350000	50000	
Balçık	300000	100000	
Akkirman ve Balaban	250000	100000	
Dayaköyü, Maçin,			
Kartal	250000	50000	
Karaharman	250000	50000	
Kıvarna	200000	50000	
Total (kile)	3400000	950000	
Total (tons)	87224.22	24371.47	

Source: BA, ZD, nr. 8, pp. 165-66 in Aynural (2001: 11).

Summary Table 2-Table 3

	w	heat	barley			
	Assigned	Purchased	Assigned	Purchased		
kile	3479002	3014983	659000	1013143		
%	100	86.662296	100	153.739454		

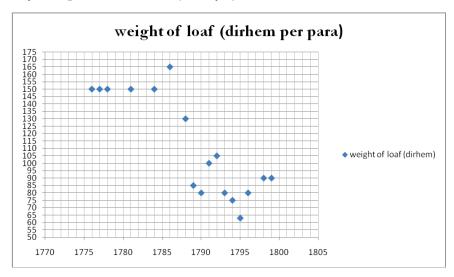
Source: Table 2 and Table 3.

Table 5: Price ratios of	grain,	flour	and	bread
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Table 5: Price ratios of grain, flour and bread								
	weight of bread (dirhem)	ratio of waqf wheat price/bread price	ratio of palace flour price/bread price	ratio of flour price (narh)/bread price	ratio of G.A. wheat price/bread price			
1776	150	0.899	2.25	1.500				
1777	150							
1778	150		3.75					
1779								
1780								
1781	150		2.05					
1782								
1783								
1784	150	0.792	2.24					
1785								
1786	165		2.85	1.623				
1787								
1788	130	0.946	2.26	1.517				
1789	85	1.233	2.64	1.204				
1790	80		2.97	1.600				
1791	100	1.487	3.53	1.583				
1792	105	1.313	2.50	1.663				
1793	80		1.77	1.300				
1794	75		1.56					
1795	63	1.275	2.36	1.733	0.966			
1796	80	1.427	3.00	1.667	0.936			
1797								
1798	90	0.900		1.560	1.123			
1799	90			1.725	0.884			
1800					0.736			

Source: Bread weights from Aynural (2001: 152); waqf wheat prices, palace flour prices, set flour prices in column 3, 4 and 5 are from Pamuk, bread prices based upon weight data from Aynural; G.A. Means the Grain Administration, wheat prices come from Güran (1998: 33).

Graph 1: Weight of standard bread loaf (dirhem/para)



Source: Aynural (2001: 152).