

**HOW DID A SNOWBALL TURN INTO THE AVALANCHE?  
THE OTTOMAN EMPIRE FISCAL AND MONETARY  
POLICY CHANGING AFTER THE TREATY OF KÜÇÜK  
KAYNARCA (1774)**

M. Burak BULUTTEKİN\*

**ABSTRACT**

The Ottoman Empire experienced its first territorial loss with the Treaty of Küçük Kaynarca (1774). The new socio-economic changes brought about by the boundary narrows and the military defeat was forced the Ottoman administration to a number of centralist-policy on military, administrative and financial areas.

Because of the increased defense spending, the growing fiscal deficit of Empire caused the taxes increase and domestic-foreign dept in a short time. The increasing taxes were reduced the production activities of agriculture, trade and industry areas. Because of the using the inefficient court, the foreign debt that was taken at high interest rates had further increased the cash requirement.

Financial instability was also adversely affected the classical Ottoman monetary system that ensured the protection of economic order and the production continuity until that time. Coin regime (akçe) evolved into the kuruş in the year 1757 and the representative money after the Tanzimat. The banknote system was tested with the practice of the esham and the kaime. The currency adulteration could be achieved a short-term and insufficient income.

At the end of 19th century, the financial problems starting in the Treaty of Küçük Kaynarca and further deepening of global economic changes of the century

---

\* Research Assistant Doctor, Dicle University Faculty of Law, Financial Law Department.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

become a major avalanche. From this point, this study aims to explicate the changes of the Ottoman fiscal and monetary policies in this process.

**Keywords:** The Treaty Of Küçük Kaynarca (1774), Ottoman Fiscal Policy (The Revenue-Expenditure Balances and The Foreign-Domestic Depts), Ottoman Monetary Policy (The Esham, Tashih-i Sikke and The Kaime).

## KARTOPU NASIL ÇIĞA DÖNÜŞTÜ? KÜÇÜK KAYNARCA ANTLAŞMASI (1774) SONRASI DEĞİŞEN OSMANLI MALİYE VE PARA POLİTİKALARI

### ÖZET

Osmanlı Devleti ilk toprak kaybını, Küçük Kaynarca Antlaşması (1774) sonucunda yaşadı. Askeri yenilginin ve sınırlarının daralmasının beraberinde getirdiği yeni sosyo-ekonomik değişimler, bu durumu daha önce tecrübe etmemiş Osmanlı yönetimini, askeri, idari ve mali alanlarda bir dizi merkezietçi politikaya zorladı.

Savunma harcamaların artmasıyla devlet içinde sürekli büyüyen finansal açıklar, kısa sürede vergilerin arttırılmasına ve iç-dış borçlanmaya neden oldu. Vergilerin arttırılması, tarım, ticaret ve sanayide üretim faaliyetini azalttı. Yüksek faizlerle alınan dış borçlar, verimsiz sahalarda kullanılarak, finansal kaynak ihtiyacını daha da arttırdı.

Mali istikrarsızlık; o döneme kadar iktisadi düzeni korumayı ve üretim sürekliliğini sağlamayı başaran klasik Osmanlı parasal sistemini de olumsuz yönde etkiledi. Madeni para rejimi (akçe), 1757 yılından itibaren kuruşa ve Tanzimatla birlikte temsili paraya doğru evrildi. Esham ve kaime uygulamalarıyla kağıt para sistemi denendi. Yapılan para taşışlarıyla, kısa süreli ve yetersiz gelirler sağlanabildi.

Küçük Kaynarca Antlaşmasıyla ülke içinde başlayan finansal sorunlar, 19.yüzyılın küresel ekonomik değişimleriyle birlikte daha da derinleşerek, yüzyılın sonunda, büyük bir çığ haline gelmişti. Bu noktadan hareketle, bu çalışma, Osmanlı maliye ve para politikalarının bu süreçteki değişimlerini irdeleme amacındadır.

**Anahtar Kelimeler:** Küçük Kaynarca Antlaşması (1774), Osmanlı Maliye Politikası (Gelir-Gider Dengesi, İç-Dış Borçlar), Osmanlı Para Politikası (Esham, Tashih-i Sikke ve Kaime).

## I. INTRODUCTION

19th-century was a period quite different from the previous century. On the one hand, significant reform moves that had been made modeled the West was decisive in economy, monetary and financial matters in this period. On the other hand, during this period, global markets were opened and foreign-trade expanded rapidly (especially in Europe).<sup>1</sup>

Due to these global changes, the Ottoman Empire economy was also reshaped and new monetary and fiscal policies was put into practice. With the aspect of beginning of this new economy at the micro level, *the Treaty of Küçük Kaynarca* (the Peace of Kuchuk Kainardja; Cemâziyelevvel 8, 1188; July 17, 1774)<sup>2</sup> could be described as a groving snowball of the Ottoman economy in the 19th-century with its economic problems that it caused consecutively.

The Treaty of Küçük Kaynarca, being an important breaking point in political, geographical, economical and legal aspect, is a treaty bringing to an end the 1768-1774 the Ottoman Empire-Russian War between the Ottoman Empire and Russia and causing important territory losses of Ottoman Empire. The Treaty caused new fiscal problems increasing interdependently and being nontrivial in the Ottoman economy. As a result of the Treaty, (a) Crimean State will become independent, (b) the Ottoman Empire will pay war compensation to Russia for the first time, (c) the Russian will trade in the Blacksea, (d) the Ottoman Empire will not levy taxes from Moldavia, Wallachia, Beseraby and some islands in the Mediterranean that it will take back and (e) Russia will interfere in the

---

<sup>1</sup> Şevket PAMUK, “Osmanlı İmparatorluğu’nda Para (1326-1914)”, Osmanlı İmparatorluğu’nun Ekonomik ve Sosyal Tarihi 1600-1914, (Editors: Halil İNALCIK and Donald QUATAERT), Vol:2, pp. 1053-1093, Eren Publishing, 2nd Edition, İstanbul, 2006, p. 1083.

<sup>2</sup> For previous studies related to the treaty, see Osman KÖSE, 1774 Küçük Kaynarca Andlaşması (Oluşumu-Tahlili-Tatbiki), Türk Tarih Kurumu Publishing, Vol: VII, No: 218, Ankara, 2006; Kemal BEYDILLI, “Küçük Kaynarca’dan Yıkılışa”, Osmanlı Devleti ve Medeniyeti Tarihi, Vol: 1, İrcica, İstanbul,1994; Hiroki ODAKA, “Küçük Kaynarca Muahedesi Hakkında Bir Araştırma”, XIII. Türk Tarih Kongresi (04-08 Ekim 1999)-Papers Presented in Congress, Vol: III/I, pp. 361-367, Ankara, 2002; Roderic H. DAVISON, “‘Russian Skill and Turkish Imbecility’: The Treaty of Kuchuk Kainardji Reconsidered”, Essays in Ottoman and Turkish History 1774-1923 the Impact of the West, pp. 29-50, Texas, 1990.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

internal economic affairs of the Ottoman Empire via benefitting from the capitulations. These economic conditions will not only internal- external borrowing process affecting the Ottoman budget balance but also oblige new arrangements to be made in the monetary system throughout the 19th-century.

19th-century Ottoman Economic policy was divided into four periods. The first phase was the period up to 1826. This has been protectionist policies were followed. Raw materials were allowed to be used in domestic production. The second phase of 1826-1860, it could be portrayed to comply with current conditions. This circuit, Ottoman markets was opened outside and domestic markets were partially opened to free trade. As in other countries, the Ottoman trade was liberalized. The third phase, 1860-1908 period, domestic manufacturers were auspices. Customs were raised. Between 1867 and 1874 period, State tried to renew the monopoly of the Ottoman guild (*lonca*) with Industry Reform Commission. But none of these measures that taken to fight against free trade was succeed. The fourth phase began with the Young Turks (*Jön Türkler*) and it continued with the *World War I*. During this period, it was continued fighting and eventually it was passed to the protectionist national economy.<sup>3</sup>

In fact, after the Treaty of Küçük Kaynarca, it increased the centralization and the articulation of international economics tendencies in Ottoman Empire with 1839-1856 Reforms and the 1876 Constitution. The abolition of the Janissary corps (*Yeniçeri Ocağı*) in 1826 was eliminated the opposition forces, although the cause of economic and social responses. The 1838 Treaty of Balta Liman that signed under pressure was eliminated a lot of obstacles for European traders. Bab-i Ali's idea of joining the European economy took place with the Ottoman Public Debt Administration (*Duyün-u Umumiye*, 1881), thus, they gave credence to Western investors.

This macro changes of the Ottoman economy in the 19th-century can be examined fiscal and monetary policies.

The development history of the Ottoman finance can be evaluated over the Ottoman budgets. The most important results achieved with the

---

<sup>3</sup> Donald QUATAERT, "19. Yüzyıla Genel Bir Bakış: İslahatlar Devri (1812-1914)", (Translator: Süphan ANDIÇ), Osmanlı İmparatorluğu'nun Ekonomik ve Sosyal Tarihi 1600-1914, (Editors: Halil İNALCIK and Donald QUATAERT), Vol: 2, pp. 885-1051, Eren Publishing, 2nd Edition, İstanbul, 2006, p. 888.

Tanzimat was a modern budget tradition system. After this time, Ottoman financial administration that had a solid bureaucratic foundation prepared budgets and checked its financial structure regularly.<sup>4</sup>

In the beginning of the 19th-century, the Ottoman administration tried to resolve the growing more and more defensive problems. The efforts to establish new and modern army had increased the need for the central treasury income. The Ottoman administration that struggled to solve the urgent revenue needs in the traditional financial structure had resorted to the easy financial methods, such as the confiscation (*müsadere*), the adulteration (*tağşiş*), the miri emption (*miri mubayaa*) and the commercial monopoly, which provided much revenue to the central treasury in the short term. But in the long term, these practices affected particularly the groups on trade and industry in a negative way and got production activities greatly out of them.

Thereupon, replacing the traditional financial system, the Tanzimat administration put into a new longer-term financial system that providing new sources of revenue and controlling a larger portion of expenditure and income.

At this point, the main target of the Tanzimat administration on state revenues was to impose the direct taxes of income and wealth on everyone who was able to pay taxes without exceptions and exemptions. This new reform process which launched by the Tanzimat administration had continued in *II. Abdulhamid* and the Union and Progress (*İttihat ve Terakki*) period. Even if all this target could not succeed, it allowed a major transformation in traditional Ottoman taxation system.

In line with global economic developments, in 1780-1830 period, the Ottoman economy recovered and evolved. During this period, the economy grew 1.5% per year.

All the same, the beginning of 1840 up to 1870, the Ottoman foreign trade increased rapidly. Imports and exports increased by 5.5% per year and every subsequent decade rised almost doubled.<sup>5</sup> Despite the losing the Wallachia-Moldavia, in 1850 and 1870, the trading with Western Europe had also doubled. With these economic improvements, the demand for

---

<sup>4</sup> Tevfik GÜRAN, *Osmanlı Mali İstatistikleri Bütçeler (1841-1918)*, Prime Ministry-State Institute of Statistics Publications, Historical Statistics Series, Vol: 7, Ankara, September 2003, p. XIX.

<sup>5</sup> QUATAERT, “19. Yüzyıla Genel Bir Bakış: Islahatlar Devri (1812-1914)”, p. 947.

## How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

money had increased considerably, especially in the rising trade districts of Empire.

As well as the circulation intermediary, the money represents power and strength. In all historical states, it was one of the most important basis of economic life. Also, the most obvious element of a state's economic order was monetary and monetary value. All states implements the monetary system and monetary policy that protect their economic structure and provide their stability. So, positive or negative developments in government and economic life is reflected in the money.

The changes occurring in the Ottoman monetary system and financial structure was closely related to the epoch, geography, economic and political conditions. The classical-term Ottoman currency was based on “*the coin regime*”. Despite the downsizing subsequently and becoming unusable, “*akçe*” was used as the unit of account in 1326-1757 period. Since the year 1757, the akçe didn't monetize and “*kuruş* (guruş)” completely replaced it. With the Tanzimat period, “representative monetary (*temsili para*)” policy was gained weight. After the Treaty of Küçük Kaynarca, Ottoman monetary policy -in parallel with the fiscal policy- aimed to fund increasing expense.

In this context, this study will evaluate the arrangements made in the monetary and financial field in the period after the Treaty of Küçük Kaynarca. So firstly, it will examine the Ottoman fiscal policy and budgeting system. Then it will be discussed the 19th-century Ottoman monetary changes and monetary policy.

## **II. THE FISCAL POLICIES OF OTTOMAN EMPIRE AFTER THE TREATY OF KÜÇÜK KAYNARCA (1774): THE REVENUE-EXPENDITURE BALANCES AND THE FOREIGN-DOMESTIC DEPTS**

The 19th-century, with not only the reforms occurring in the fiscal system, but also the results caused by -first internal and then- external borrowings formed a different period in the Ottoman fiscal structure. The

most distinct feature of the period is occurrence of a budget tradition underlying the fiscal system.<sup>6</sup>

The Ottoman Empire was in search of solutions of the growing defense problems in the 19th-century. The efforts in order to form a new and modern army increased further the income need of the centralised treasury. The management trying to solve the emergency income need in the traditional fiscal structure adopted simple methods that could bring- in abundantly to the centralised treasury in a short period such as confiscation, adulteration, public purchase and forming commercial monopolies creating fiscal resources. However, these applications broke significantly off the related groups from the production activities in a long term affecting groups relating, particularly agriculture, trade and industry.<sup>7</sup>

The first budget of the Ottoman economy in a modern sense based on income and expense was formed in 1864. Budgets were prepared again in 1869, 1877, 1880 and 1897 throughout the 19th-century.<sup>8</sup> The main goal in the new fiscal system relating state incomes was increase the tax incomes and facilitation collection of the taxes.<sup>9</sup> In accordance with this goal, a fiscal system taxing directly income and wealth, making everyone taxpayer without giving a place to exception and exemptions and collecting these incomes directly on behalf of the state through an effective fiscal

---

<sup>6</sup> GÜRAN, Osmanlı Mali İstatistikleri Bütçeler (1841-1918), p. XIX. For detailed information, see Ömer Lütfi BARKAN, “Osmanlı İmparatorluğu Bütçelerine Dair Notlar”, Ord. Prof. Ömer Lütfi Barkan Osmanlı Devleti’nin Sosyal ve Ekonomik Tarihi Tetkikler-Makaleler, Vol: 1, (Prepared for publication: Hüseyin ÖZDEĞER), İstanbul University, Department of Economics Publications, İstanbul 2000, p. 607 etc.

<sup>7</sup> GÜRAN, Osmanlı Mali İstatistikleri Bütçeler (1841-1918), p. 3. See Stanford J. SHAW, “The Nineteenth-Century Ottoman Tax Reforms and Revenue System”, International Journal of Middle East Studies, Vol: 6, pp. 421-459, Cambridge University Press, 1975, p. 427 etc.

<sup>8</sup> For original texts and lattice of these budgets, see Erdoğan ÖNER, Osmanlı Bütçeleri: (1864, 1869, 1877, 1880, 1897) Osmanlı Muvazene Defterleri, Republic of Turkey Minister of Finance, Strategy Development Publications, No: 2007/372, Ankara, 2007.

<sup>9</sup> Reşat KASABA, The Ottoman Empire and The World Economy: The Nineteenth Century, State University of New York, Albany, 1998, p. 50.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

bureaucracy, rather than the traditional tax system<sup>10</sup> was aimed.<sup>11</sup> With this aspect, traditional Ottoman finance was undergoing a serious transformation.<sup>12</sup>

Collection of single tax based on the ability to pay was decided, combining various taxes collected under the name of “types of non- islamic taxes (*tekalif-i örfiyye*)” based on household or land and having many kinds and manners of collection before 19th-century.<sup>13</sup> The amount of this new tax named for the first time as “tax” would be determined by the Ministry of Finance only at the provinces level. In every province, this amount would be divided between townships then neighborhoods and villages.<sup>14</sup>

The first attempt in terms of taxation system was made on agricultural production.<sup>15</sup> The “tithe (*öşür*)” collected ranging between by a third and tenth from agricultural products considering the soil productivity and ease of irrigation was the most important income resource of the state also in the new system. Together with the Rescript of Gülhane (*Tanzimat*)<sup>16</sup>, the tax rate for all of the products and regions was reduced by a tenth. The tax rate in 1883 increased at the rate of 1.5%, total tax reached to 12.63% with the increase of 0.5% made in 1897 and 0.63% in 1900 on the purpose of providing financing support to agricultural credit institutions and education.<sup>17</sup>

---

<sup>10</sup> For this traditional tax system, see Ziya KARAMURSAL, *Osmanlı Mali Tarihi Hakkında Tetkikler*, Turkish Historical Society Publications, 2nd Edition, Ankara, 1989, p. 164 etc.

<sup>11</sup> GÜRAN, *Osmanlı Mali İstatistikleri Bütçeler (1841-1918)*, p. 3.

<sup>12</sup> Nihat FALAY, *Maliye Tarihi Ders Notları*, Filiz Bookstore, 3rd Edition, İstanbul, 2000, p. 75.

<sup>13</sup> For detailed information, see Ahmet TABAKOĞLU, *Gerileme Dönemine Girerken Osmanlı Maliyesi*, Dergah Publications, İstanbul, 1985, p. 115-174.

<sup>14</sup> GÜRAN, *Osmanlı Mali İstatistikleri Bütçeler (1841-1918)*, p. 4.

<sup>15</sup> Şevket PAMUK, “Estimating Economic Growth in the Middle East since 1820”, *The Journal of Economic History*, Vol: 66, No: 3, pp. 809-828, September 2006, p. 818.

<sup>16</sup> For detailed information about the Tanzimat economy, see Donald QUATAERT, “Tanzimat Döneminde Ekonominin Temel Problemleri”, (Translator: Fatma ACUN), *Tanzimat Değişim Sürecinde Osmanlı İmparatorluğu*, (Editors: Halil İNALCIK and Mehmet SEYİTDANLIOĞLU), pp. 479-487, Phoenix Publishing House, September 2006, p. 479 etc.

<sup>17</sup> GÜRAN, *Osmanlı Mali İstatistikleri Bütçeler (1841-1918)*, p. 5.

Another important income resource relating the agricultural sector is also taxes collected for sheep and goat. An important income resource of the state in this area was “tenth cattle (*ondalık ađnami*)” tax applicated in the Rumelian region. According to this, tenth of the existing sheep and goats that were out of their lambs and goats in the regions close to Istanbul were being bought with the prices determined by the state. The meat needs of soldiers, palace, public officers were being met bringing sheep and goats bought to Istanbul. On the contrary, this real responsibility was being collected in cash in the distant regions to Istanbul being transformed to charge.<sup>18</sup>

As to the public expenditures could mainly be addressed in three parts. It can be seen in Table 1, during this period, the Ottoman wars were significantly increased. So, an important part of the budget expenditures consisted of the defense expenditures.<sup>19</sup> The expenditures of the army and air forces took part in this part.

---

<sup>18</sup> GÜRAN, Osmanlı Mali İstatistikleri Bütçeler (1841-1918), p. 5.

<sup>19</sup> Haydar KAZGAN and the others, Osmanlı'dan Günümüze Türk Finans Tarihi, Istanbul Stock Exchange Publishing, Vol: 1, İstanbul, 1999, p. 254.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

**Table 1. The Ottoman Wars After the Treaty of Küçük Kaynarca (1775-1923)**

YEAR	WAR
1775-1776	Ottoman-Persian War
1787-1791	Austro-Ottoman War
1787-1792	Russo-Ottoman War
1798-1801	French Campaign in Egypt and Syria
1804-1813	Serbian Uprising I
1806-1812	Russo-Ottoman War
1807-1809	Anglo-Ottoman War
1815-1817	Serbian Uprising II
1821	Wallachian Uprising
1821-1823	Ottoman-Persian War
1821-1830	Greek War of Independence
1827-1829	Russo-Ottoman War
1831-1832	Great Bosnian Uprising
1831-1833	Egyptian-Ottoman War I
1833-1839	Albanian Revolts of 1833-39
1839-1841	Egyptian-Ottoman War II
1848	Wallachian Revolution of 1848
1853-1856	Crimean War
1860	Lebanon Conflict
1861-1862	Montenegrin-Ottoman War
1866-1868	Cretan Revolt
1877-1878	Russo-Ottoman War
1878	Thessaly Uprising
1878	Austro-Hungarian Occupation of Bosnia and Herzegovina
1897	Greco-Ottoman War
1904-1908	Macedonian Struggle
1912	Italo-Ottoman War
1912-1913	Balkan War I
1913	Balkan War II
1914-1918	World War I
1919-1922	Greco-Ottoman War
1919-1923	Turkish War of Independence

**Reference:** It is extended from Charles ISSAWI, The Economic History of Turkey, 1800-1914, The University of Chicago Press, Publications of the Center for Middle Eastern Studies, No: 13, Chicago and London, 1980, p. 4.

Another important expenditure item was administrative expenses. Similar to before the Tanzimat, salaries of officers and the other expenditures of the administrative units such as domestic affairs, foreign

affairs, finance, foundations were important expense areas.<sup>20</sup> The increasing expenses of the sultan and palace constituted another part of the traditional administrative expenditures in the budget.<sup>21</sup>

The Ottoman economy experienced financial crisis between 1844-1851. These crisis experienced by the state turned upside- down the balance between incomes and expenditures. It is seen that state expenses constantly increased in also 1851-1852, great difficulties were had in collecting the incomes.<sup>22</sup> Ultimately, with the Reform attempt made in 1859, the Reform Finance Commission (*Islahat Maliye Komisyonu*, and then *Hazine Meclisi Alisi*) being charged with the examination of the state finance, determination of the amount of tax, limitation of the public expenditures was established.<sup>23</sup> However, the commission could not control the fiscal system.

---

<sup>20</sup> The financial system was restructured in Tanzimat period. The most important decision regarding the finance during this period was established the Finance Treasury (Maliye Hazinesi) that was combined the Mansure and Redif Treasury in 1840. After that, particularly in the institutional fields, the finance-related issues were mostly carried out by the Ministry of Finance and this Treasury (Coşkun ÇAKIR, *Tanzimat Dönemi Osmanlı Maliyesi*, Küre Publishing, İstanbul, October 2001, p. 56). Indeed, shortly after the Tanzimat, the regular budget that was based on the income-expenditure account had been prepared since 1846.

<sup>21</sup> GÜRAN, *Osmanlı Mali İstatistikleri Bütçeler (1841-1918)*, p. 6.

<sup>22</sup> In 1841-42, the Empire revenue was 563 million kuruş and the expense was 567 million kuruş. It was compared with the 1876 budget and the 1841 budget, while the revenues increased up to 4.3 times, the expense consisted of an increase of 5.1 times (Tevfik GÜRAN, “Tanzimat Dönemi Osmanlı Maliyesi”, *Journal of Istanbul University Faculty of Economics*, Vol: 49, 60th Anniversary Special Edition, pp. 79-95, İstanbul, 1998, p. 79 etc.).

<sup>23</sup> Sait AÇBA, *Osmanlı Devleti'nin Dış Borçlanması*, Vadi Publishing, No: 191, Ankara, 2004, p. 50.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

**Table 2. The Revenues and Expenditures of 19th-century Ottoman Empire**

KIND OF REVENUE	1849-50		1861-62		1875-76	
	(Thousand Kuruş)	(%)	(Thousand Kuruş)	(%)	(Thousand Kuruş)	(%)
<b>Total Revenue</b>	<b>710.000</b>	<b>100.00</b>	<b>1.221.184</b>	<b>100.00</b>	<b>2.388.294</b>	<b>100.00</b>
Income and Wealth Tax	242.018	34.10	289.371	23.70	332.850	14.00
Jizya Tax (Cizye)	46.658	6.60	59.609	4.90	80.000	3.30
Lump-sum Tax	37.750	5.30	46.847	3.80	81.772	3.40
Tithe (Aşar)	155.867	22.00	361.355	29.50	875.500	36.70
Camel, Sheep and Pigs Taxes	-	-	88.873	7.40	205.195	8.60
Salt, Tobacco and Spirits Taxes	-	-	41.461	3.40	285.000	11.90
Customs Rate	110.322	15.50	165.228	13.50	207.500	8.70
Other Revenue	117.385	16.50	168.440	13.80	320.477	13.40
KIND OF EXPENDITURE	1846-47		1861-62		1875-76	
	(Thousand Kuruş)	(%)	(Thousand Kuruş)	(%)	(Thousand Kuruş)	(%)
<b>Total Expenditure</b>	<b>633.212</b>	<b>100.00</b>	<b>1.393.407</b>	<b>100.00</b>	<b>2.892.909</b>	<b>100.00</b>
Military Spending	294.408	46.40	525.383	37.70	550.291	19.00
Domestic Affairs	123.290	19.50	207.699	14.90	293.377	10.10
Foreign Affairs	4.561	0.70	14.809	1.10	17.500	0.60
Sultan's Expenses	62.500	9.90	129.864	9.30	133.776	4.60
Finances	-	-	80.744	5.80	174.190	6.00
Domestic Debt Discharge	64.017	10.10	222.257	16.00	766.605	26.50
Foreign Debt Discharge	-	-	104.750	7.50	720.320	24.90
Medical Costs	-	-	-	-	8.539	0.30
Justice Costs	-	-	10.664	0.80	47.897	1.70
Public Transport, Trade, Agriculture, Forestry and Mining Costs	18.844	3.00	4.609	0.30	101.443	3.50
Education Costs	4.253	0.70	2.468	0.20	12.706	0.40
Waqf Costs	18.739	3.00	60.960	4.40	3.500	0.10
Other Expenditure	42.600	6.70	29.200	2.10	62.765	2.10

**Reference:** Derived from GÜRAN, Osmanlı Mali İstatistikleri Bütçeler (1841-1918), p. 12-14.

As shown in Table 2, while it is observed that the first budget have the characteristics of the balanced budget, it could be determined that the amount of the budget deficits and its proportion to the public expenditures significantly increased as term went by.

It is seen again when the 19th-century Ottoman Empire is evaluated as a whole with the distribution according to the kinds of its incomes and expenses that while more than third of total revenues of the state being around 710 million kuruş according to the data of the budget of 1849-1850 financial year being the first budget draft is provided from the tax incomes (from income/wealth taxes and poll tax), it is seen that the taxes collected through production and trade significantly increased, whereas the portion of these taxes in personal nature in 1861-1862 fiscal year significantly decreased. As to 1875, while the tithe seriously increased, the taxes collected

from tobacco, salt and alcoholic drinks also became an important income resource.

When the state expenditures were evaluated, it was seen that 46.4% of the expenditures were set aside for the military spendings, 33.2% of them were set aside for the administrative spendings, particularly salary payments, in the 1841-1842 fiscal year and the portion set aside only for the discharges of debt started to create the 23.5% of the budget expenses increasing significantly with the effect of the Crimean War in 1861-1862 fiscal year. This increase in the external debt also continued in the 1875-76 budget and the amount of the debt dischargings approached to 1.5 million kuruş and half of it was set aside for foreign (external) debt dischargings. Indeed, it could be accessed to support this motion with the balance of payments in Table 3.

**Table 3. The Balance of Payments in Ottoman Financial System (1830-1913)**

YEARS	BALANCE OF FOREIGN-TRADE	THE FUND FLOW OF DEBTS	THE FUNDS OF THE DIRECT FOREIGN INVESTMENT	OTHER ITEMS	BALANCE OF PAYMENTS
1830-1853	-0.9	0.0	0.0	0.9	0.0
1854-1875	-3.1	-1.55	0.35	1.8	0.6
1876-1881	-0.9	-0.24	-0.36	1.9	0.4
1882-1913	-2.2	-1.97	0.69	4.1	0.1

**Reference:** Şevket PAMUK, *Osmanlı Ekonomisi ve Dünya Kapitalizmi (1820-1913)*, Yurt Publications, Ankara, 1984, p. 197-205.

Namely, according to the budget of 1846-1847 fiscal year, while a low budget deficiency not reaching even to 1% of the public expenditures came into question, the coverage ratio of the expenditures by the budget incomes reduced to 43.4% in 1877-1878 fiscal year and a budget deficiency reaching to 1.3 times of the state incomes occurred in this fiscal year. In the end of the century, two thirds of all of the state incomes were being spent only for foreign debt dischargings. It could also be observed this case in the spending plans of this period in Table 4.

**Table 4. The Fiscal Performance of the Ottoman Financial System (from 1860 to 1875 years, million British pounds):**

YEARS	FOREIGN DEPT	DOMESTIC DEBT	EDUCATION	PUBLIC WORKS
1860-1861	0.92	1.32	0.03	-
1862-1863	1.23	1.92	0.05	-
1866-1867	1.76	2.61	0.05	-
1868-1869	2.90	2.80	0.12	-
1869-1870	2.90	0.01	0.06	0.27
1870-1871	6.20	0.01	.011	0.41
1872-1873	6.51	0.01	0.08	0.51
1874-1875	7.84	0.01	0.13	0.76

**Reference:** Stanford J. SHAW, “Ottoman Expenditures and Budgets in the Late Nineteenth and Early Twentieth Centuries”, *International Journal of Middle East Studies*, No: 9, 1978, p. 373-378.

Since 19th-century Ottoman financial management being quite successful concerning increasing significantly the state incomes, could not same success concerning the discipline the expenditures, the application to the internal borrowing initially then foreign dept became obligatory. By force of this borrowing and disuse of the funds and debts obtained by this way with the aim of increasing the production enabling repayment caused the state to fall into a financial crisis and formed the main reason of the failure in the financial area.<sup>24</sup>

The first foreign dept of the Ottoman Empire was for the financing of *the Crimean War* in 1854. A range of debt agreements followed this borrowing. Due to (i) the economic and social deformation caused by wars, (ii) the borrowing on high credit, (iii) non- use of the financing obtained productively, (iv) meeting the borrowing with a borrowing and (v) being affected of the centralized management by the internal-external stakeholders for their own economic interests, Ottoman economy was on the edge of the financial bankruptcy and it is obliged to announce the moratorium in 1876.<sup>25</sup>

<sup>24</sup> GÜRAN, Osmanlı Mali İstatistikleri Bütçeler (1841-1918), p. 16.

<sup>25</sup> Detailed information on the this borrowing process, see Donald BLAISDELL, *Osmanlı İmparatorluğu'nda Avrupa Mali Denetimi*, (Translator: Ali İhsan DALGIÇ), İstanbul Press, İstanbul, 1979; Mehmet Hakan SAĞLAM, *Osmanlı Devleti'nde Moratoryum 1875-1881: Rüşum-ı Sitte'den Düyun-ı Umumiyye'ye*, Tarih Vakfı Yurt Publishings, İstanbul, February 2007; Kırkor KÖMÜRÇAN, *Türkiye İmparatorluk Devri Dış Borçlar Tarihçesi*, İstanbul Yüksek Ekonomi ve Ticaret Okulu Publishings, No: 32, İstanbul, 1948; Emine KIRAY, *Osmanlı'da Ekonomik Yapı ve Dış Borçlar*, İletişim Publishing, No:

### III. THE MONETARY POLICIES OF OTTOMAN EMPIRE AFTER THE TREATY OF KÜÇÜK KAYNARCA (1774): THE ESHAM (1740-1840) AND THE REPRESENTATIVE MONEY (TASHIH-I SIKKE AND THE KAIME, 1840-1923)

At the beginning of 19th-century that the reform movements intensified, getting into world' s markets increased, foreign trade relations developed, railroads/building a harbour works and banking institutions having foreign financier became widespread,<sup>26</sup> the monetary stability for not only the Europeans but also the Ottoman Empire became important and took primacy.<sup>27</sup>

Because of the wars often experienced and reforms undertaken from 1770s to 1840s, the Ottoman finance experienced very important budget deficits.<sup>28</sup> Against the budget deficits culminating in 1820-1830s, the state concentrated on increasing the control of the tax resources, internal borrowing and adulteration application.<sup>29</sup> With the adulteration method that reduced the silver content in the Ottoman kuruş/lira, while a serious fiscal

---

256, 3rd Edition, İstanbul, 2008; Refii Şükrü SUVLA, “Tanzimat Devrinde İstikrazlar”, Tanzimat I, Milli Eğitim Bakanlığı Publishings, Scientific and Cultural Works Series, No: 1184, pp. 263-288, İstanbul, 1999; Faruk YILMAZ, Devlet Borçlanması ve Osmanlı'dan Cumhuriyet'e Dış Borçlar (Düyun-u Umumiye), Birleşik Publishing, İstanbul, March 1996.

<sup>26</sup> For more information on this topic, see Hayri R. SEVİMAY, Cumhuriyet Girenken Ekonomi: Osmanlı Son Dönem Ekonomisi, Kazancı Hukuk Publishing, No: 142, İstanbul, 1995, p. 104-172.

<sup>27</sup> PAMUK, “Osmanlı İmparatorluğu'nda Para (1326-1914)”, p. 1083.

<sup>28</sup> And this period Ottoman territorial losses were as follows:

Year	Territory
1811	Egypt
1812	Bessarabia
1817	Serbia
1828	Greece
1829	Abaza and Mingrelia
1856	Moldovia and Wallachia
1878	Bosnia, Herzegovina, Bulgaria, Kars, Ardahan and Cyprus
1908	Crete
1912	Cyrenaica and Tripoli
1913	Macedonia
1913	Albania

**Reference:** QUATAERT, “19. Yüzyıla Genel Bir Bakış: Islahatlar Devri (1812-1914)”, p. 892.

<sup>29</sup> PAMUK, “Bağımlılık ve Büyüme: Küreselleşme Çağında Osmanlı Ekonomisi (1820-1914)”, p. 21.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

income was provided to the state in a short period in the payments made over *kuruş*, it caused the inflation never encountered in the classical period to occur bringing about the increase in the price. While the adulteration often applied provided additional income, it unbalanced financially and politically with the large wave of inflation at the end of 1830s.

There were various money periods in the Ottoman economic system throughout its long history.<sup>30</sup> These periods occurred as a result of the change of the financial conditions. The Ottomans generally used the metallic standard throughout the classical period. As to together with the Tanzimat reform era, the representative money system started to gain importance. Taking into consideration the point of interest of our subject, in this study, we will only address the developments of the Ottoman monetary system in 19th-century. We could divide in two parts the monetary developments and monetary policies applied in 19th-century: “*transition period* (1750-1840)” and “*transition to the representative money* (1840-1923)”.

“Small silver coin (*akçe*)” was used as the money of account in the Ottoman Empire until the last periods.<sup>31</sup> However, “*pare*” gained importance in the budgetary calculations from the midst of 18th-century. As can be seen in Table 5, in 19th-century, “*kuruş* (*guruş*)” and at the end of this century, “*lira*” were started to be used as the money of account.<sup>32</sup>

---

<sup>30</sup> Monetary period in the all Ottoman economic system is as follows: (a) The Establishment Period: Monometalism (1326-1479), (b) The Commercial Development and Bimetalism (1479-1565), (c) The Price Increase Period (1565-1600), (d) The Coin Revision Period (1600 -1685), (e) The Returning to the Ottoman Money (1685-1750), (f) The Transition Period (1750-1840) and (g) The Transition to the Representative Money (1840-1923) (Ahmet TABAKOĞLU, *Türk İktisat Tarihi*, Dergah Publishing, 7th Edition, İstanbul, December 2005, p. 296-315).

<sup>31</sup> Michael URSINUS, “The Transformation of the Ottoman Fiscal Regime c.1600-1850”, *The Ottoman World*, (Edited by: Christine WOODHEAD), pp. 423-435, Routledge Publications, New York, 2012, p. 424.

<sup>32</sup> TABAKOĞLU, *Türk İktisat Tarihi*, p. 273.

**Table 5. Ottoman Kuruş and Its Exchange Rates**

YEARS	WEIGHT (Gram)	THE PURE-SILVER CONTENT (Gram)	KURUŞ / POUND EXCHANGE
1772	19.2	10.6	-
1788	15.5	7.0	-
1790	12.6	5.9	-
1794	12.6	5.9	-
1800	12.6	5.9	15
1808	12.8	5.9	19
1809	9.6	4.42	20.5
1910	5.13	3.74	19.8
1918	9.6	4.42	29
1820	6.41	2.95	35
1822	4.28	2.32	37
1828	3.20	1.47	59
1829	3.10	0.72	69
1831	3.00	0.53	80
1832	2.14	0.94	88
1839	2.14	0.94	104
1844	1.2	1.0	110
1870	1.2	1.0	110

**Reference:** It was compiled from PAMUK, “Osmanlı İmparatorluğu’nda Para (1326-1914)”, p. 1048 and Şevket PAMUK, 100 Soruda Osmanlı-Türkiye İktisadi Tarihi, 1500-1914, Gerçek Publishing, İstanbul, 1997, p. 186.

There were long and backbreaking wars in the Ottoman Empire starting from 1760s. The severe economic depression caused by the wars accelerated the adulteration of the silver money. Kuruş lost 50% of its silver content from 1760s to 1808. As for *Mahmud II* period (1808-1839),<sup>33</sup> there were reductions in a much higher proportion. Throughout this period, the adjustment and shape of the golden money changed 35 times and those of the silver money 37 times.<sup>34</sup> In a 30 year time, the silver content of kuruş went down from 5.9 gram to below 1 gram. An adulteration rate like about 85% occurred. As in the coins, there were fundamental changes also in the

<sup>33</sup> For developments related to this period, see Niyazi BERKES, Türkiye’de Çağdaşlaşma, (Prepared for publication by: Ahmet KUYAŞ), Yapı Kredi Publishing, No: 1713, 4th Edition, İstanbul, January 2003, p. 169-207 and John FREELY, Saltanat Şehri İstanbul, (Translator: Lale EREN), İletişim Publishing, 2nd Edition, İstanbul, 2002, p. 295-309. For a list of the academic studies in this period, see Erhan AFYONCU, Tanzimat Öncesi Osmanlı Tarihi Araştırma Rehberi, Yeditepe Publishing, 3rd Edition, İstanbul, November 2009, p. 501-517.

<sup>34</sup> Bernard Camille COLLAS, 1864’te Türkiye: Tanzimat Sonrası Düzenlemeler ve Kapitülasyonların Tam Metni, (Translator: Teoman TUNÇDOĞAN), Bileşim Publishing House, Ankara, October 2005, p. 133.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

golden coins in this period. The golden coins called as “*zer-i mahbub*”, “*rumi*”, “*adli*” and “*hayriye*” having the gold contents different from each others were printed in the reign of *Mahmud II* continuing 30 years. Throughout the period, inflation also reached to the highest level.<sup>35</sup>

One of the methods that the Ottoman Empire applied to remedy the situation in such a period was “stocks (*esham*)” application.<sup>36</sup> Esham acceptable as the first messenger of the transition to banknote was issued in 1775 in order to overcome the heavy burden placed to the finance by the The Treaty of Küçük Kaynarca signed as a result of 1768-1774 Ottoman- Russia War.<sup>37</sup> Esham system was the name given to the selling the annual cash incomes of “the muqâtaa (*mukataa*)”<sup>38</sup> dividing a particular amount of them that had the force of interest into the shares to public on the condition of life for the advanced payment called as “due and payable (*muaccele*)”.<sup>39</sup> Although the esham record was issued on the condition of life, starting to buy and sell the shares restrained them from turning back to the state in time. There were important changes in the application of the system especially from the Tanzimat. The old eshams were used as the instrument of payment until the first half of 19th-century reducing the debt stocks and proportion in the budget.<sup>40</sup>

---

<sup>35</sup> PAMUK, “Osmanlı İmparatorluğu’nda Para (1326-1914)”, p. 1082-1083.

<sup>36</sup> Esham is the plural of the word of “*sehm*” which means share or portion (Mehmet GENÇ, “Esham”, İslam Ansiklopedisi, Türkiye Diyanet Vakfı Publishing, Vol: 11, İstanbul, 1995, p. 376).

<sup>37</sup> Yavuz CEZAR, Osmanlı Maliyesinde Bunalım ve Değişim Dönemi: XVIII.yy’dan Tanzimat’a Mali Tarih, Alan Publishing, May, 1986, p. 79; Seda ÖZEKİCİOĞLU and Halil ÖZEKİCİOĞLU, “First Borrowing Period at Ottoman Empire (1854-1876): Budget Policies and Consequences”, Business and Economic Horizons, pp. 28-46, Vol: 3, Issue: 3, October 2010, p. 29; AKYILDIZ, Para Pul Oldu: Osmanlı’da Kağıt Para, Maliye ve Toplum, p. 36.

<sup>38</sup> For detailed information, see Baki ÇAKIR, Osmanlı Mukataa Sistemi, Kitabevi, İstanbul, 2003, p. 31-67.

<sup>39</sup> AKYILDIZ, Para Pul Oldu: Osmanlı’da Kağıt Para, Maliye ve Toplum, p. 36; Şevket PAMUK, Osmanlı Ekonomisi ve Kurumları, (Translator: Gökhan AKSAY), Türkiye İş Bankası Kültür Publishing, 3rd Edition, İstanbul, April 2010, p. 138.

<sup>40</sup> Melike BİLDİRİCİ, Özgür Omer ERSİN and Elçin AYKAÇ ALP, “An Empirical Analysis of Debt Policies, External Dependence, Inflation and Crisis in the Ottoman Empire and Turkey: 1830-2005 Period”, Applied Econometrics and International Development, pp. 79-103, Vol: 8/2, 2008, p. 82.

We have seen that there were two important changes in terms of the monetary policies pursued by the Ottoman Empire management in Istanbul between 1840-1923 years period. The first of them was “adjustment of the coin (*tashih-i sikke*)” made in 1844 and the other was “banknote (*kaime*)” application that we could accept as the beginning of the paper money period.

From the beginning of 19th-century, monetary stability, reform and business promotion were perceived as an important requirement by the state. For this purpose, a financial arrangement was made with adjustment of the coin that was made in 1844.<sup>41</sup> There was a new order based on the golden lira and silver kuruş.<sup>42</sup>

This monetary regulation in 1844 was referred as “currency reform”. The aim of the *1844 Currency Reform* accepted with the decree of “the Amendment of the Adjustment for the New Method (*Usul-ü Cedide Üzere Tashihi Ayar*)” to stabilize the Ottoman money pegging the exchange rate against the English money and to validate use of single currency all over the country. A new monetary system (decimal system, *onluk*) consisting of the currencies of “*Mecidiye Lira*” based on gold and “*Mecidiye Kuruş*” based on silver that<sup>43</sup> we could say bimetal system named as amendment of the adjustment (*tashih-i ayar*, *tashih-i sikke*) started to be in circulation demonetising old silver and gold money that were adulterated.<sup>44</sup> These gold, silver and copper coins were in circulation from February 1844.<sup>45</sup> The price of issue of five kinds of gold coins monetised was 1.208.397.600 kuruş, that

---

<sup>41</sup> In 1843, the British pound was trading at 220 kuruş. But it was supposed to be traded 110 kuruş in the same year. Thus, the monetary chaos deregulated the trading life.

<sup>42</sup> The places where the money coinage were mints. The Mints were operated as muqâtaa. The planchets (*sikke kalıpları*) were sent from Istanbul (TABAKOĞLU, *Türkiye İktisat Tarihi*, p. 293).

<sup>43</sup> 1 golden lira = 100 silver kuruş.

<sup>44</sup> Biltekin ÖZDEMİR, *Osmanlı Devleti Dış Borçları: 1854-1954 Döneminde Yüzyıl Süren Boyunduruk*, Ankara Ticaret Odası Publication, Ankara, September 2009, p. 21; Zafer TOPRAK, “İktisat Tarihi”, *Türkiye Tarihi 3: Osmanlı Devleti (1600-1908)*, (Editors: Metin KUNT, Sina AKŞİN, Ayla ÖDEKAN, Zafer TOPRAK and Hüseyin G.YURDAYDIN), pp. 191-248, Cem Publishing House, 1988, p. 226.

<sup>45</sup> Stefanos YERASIMOS, “Az Gelişmişlik Sürecinde Türkiye”, (Translator: Babür KUZUCU), Gözlem Publishing, İstanbul, 1980, p. 356.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

of silver coins was 414.571.775 kurus and that of copper coins was 17.253.000 kurus<sup>46</sup> and this debt increased the fiscal incomes.<sup>47</sup>

The meciidiyes being valued at gold lira, silver kuruş and twenty kuruş became key.<sup>48</sup> The adulteration application was left after this date.<sup>49</sup>

Along with the monetary stabilization was partially provided, financial difficulties could not be overcome. Ottoman Empire started to use a new method, *kaime system*, having the characteristics of bank note in order to remove these financial difficulties after the Tanzimat.<sup>50</sup> The first banknotes were issued named “valid currency banknote (*kaime-i muteber-i nakdiyye, evrak-ı nakdiyye*)” in order to finance reforms and to close the budget deficits as the solution for the monetary shortage.<sup>51</sup>

Kaimes, the value of each was 500 kurus and totally amounted 16 million, were prepared with the manuscript. The kaimes of five hundred, two hundred fifty, hundred, twenty and ten kuruş were annually with 12.5% interest and valid for 8 years.<sup>52</sup> Kaimes became equal to coin in a short time, because they were accepted by the national treasury and customs and their interest payment were made twice a year and they became a store of value, because of their interest yield.<sup>53</sup>

---

<sup>46</sup> Ekrem KOLERKILIÇ, *Osmanlı İmparatorluğu'nda Para*, Doğuş Press, Ankara, 1958, p. 131-132; AÇBA, p. 42.

<sup>47</sup> Şevket PAMUK, *The Ottoman Economy and Its Institutions*, Ashgate Publishing, Variorum Collected Studies Series CS 917, UK, Cornwall, 2009, p. 17.

<sup>48</sup> Starting from 1844; although the golden lira (altın Mecidiye) that contained 6.6 gram pure gold was generally used for investment, the silver lira (gümüş Mecidiye) was used for the daily needs (ÖZDEMİR, p. 21).

<sup>49</sup> Until 1922, all the gold and silver species were minted in this assay value in Istanbul. Moreover, for the daily needs, the small-units copper and nickel species were also published (PAMUK, “Osmanlı İmparatorluğu'nda Para (1326-1914)”, p. 1084).

<sup>50</sup> For the monetary policy of Tanzimat period, see Şükrü BABAN, “Tanzimat ve Para”, *Tanzimat I*, Milli Eğitim Bakanlığı Publishing, The Scientific and Cultural Works Series No: 1184, İstanbul, 1999, p. 233-262; Ali AKYILDIZ, *Tanzimat Dönemi Osmanlı Merkez Teşkilatında Reform (1836-1865)*, Eren Publishing, İstanbul, 1993.

<sup>51</sup> KAZGAN and the others, p. 260-261.

<sup>52</sup> AKYILDIZ, *Para Pul Oldu: Osmanlı'da Kağıt Para*, Maliye ve Toplum, p. 45.

<sup>53</sup> TOPRAK, p. 232.

The issue of kaime was limited until 1852.<sup>54</sup> So, although counterfeiting problems occurred, banknotes performed well. However, issue a large number of kaimes because of the Crimean War caused the market value decreased in half relatively its par value. A gold coin was interchanged with 200-220 kurus kaime. As a result, the first kaime experience resulted in a large inflation wave. As shown in Table 6, the first kaimes were demonetized with short term borrowings received from the Ottoman Bank on July 13, 1862<sup>55</sup> and any kaimes were issued no more until the *Abdulhamid II period* (1876-1909).<sup>56</sup>

**Table 6. The Number and Amount of the Kaimes Withdrawn from the Market**

The Nominal Value of Kaime (kuruş)	Previous Kaimes (lira)	Recent Kaimes (lira)	Total (lira)	The Number Kaime (piece)
100	-	3.142.435	3.142.436	3.142.436
50	-	3.406.097	3.406.097	4.812.134
20	1.624.818	2.148.145	3.773.063	18.865.218
10	243.913	422.497	666.410	6.664.106
<b>Total</b>	<b>1.868.731</b>	<b>8.119.276</b>	<b>9.988.007</b>	<b>33.483.894</b>

**Reference:** AKYILDIZ, Para Pul Oldu: Osmanlı'da Kağıt Para, Maliye ve Toplum, p. 130.

<sup>54</sup> Until 1852, the kaimes were renewed repeatedly: In the reproduction of 1844, the interest rates were reduced to 6%. Initially, it could not be removed to less than 50 kuruş. In 1850, even the kaimes of 10 or 20 kuruş were published. At the same time the kaimes was removed without interest. These interest-free kaimes was considered the first paper money in the real sense (TOPRAK, p. 232).

<sup>55</sup> M. BELİN, Osmanlı İmparatorluğu'nun İktisadi Tarihi, (Translator: Oğuz CEYLAN), Gündoğan Publishing, Ankara, February 1999, p. 481; PAMUK, "Osmanlı İmparatorluğu'nda Para (1326-1914)", p. 1084.

<sup>56</sup> For *Abdulhamid II*, see Benjamin C. FORTNA, "The Region of Abdülhamid II", The Cambridge of Turkey: Turkey in the Modern World, (Edited by: Reşat KASABA), Cambridge University Press, pp. 38-61, Vol: 4, New York, 2008, p. 39 etc.; Engin Deniz AKARLI, "The Problems of External Pressures, Power Struggles, and Budgetary Deficits in Ottoman Politics Under Abdülhamid II (1876-1909): Origins and Solutions", (Unpublished Ph.D. Dissertation), Princeton University, New Jersey, 1976.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

Because of the financial requirements of the 1877-78 Ottoman-Russia War, kaime was issued for the second time under the control of the *Ottoman Bank*. Although the state accepted to make some payments with banknote, kaimes decreased one fourth of their par value within two years, because they were issued in a large number. After these kaimes were monetized being valid for more than 2.5 years, a new banknote was not issued until the World War I.<sup>57</sup>

The third and last kaime was issued in the World War I years. Even, the finance of the World War I was significantly financed with the issue of kaime. These kaimes were exactly representative money, since they had equivalents. Throughout the war, totally more than 160.000.000 liras kaimes, as seven layouts, were issued in four years and after the war, these kaimes were acknowledged also by Ankara government. These kaimes were demonetized six months later the issue of the first banknote of Republic of Turkey in 1927.<sup>58</sup>

Together with respectively the foundations of *the Ottoman Bank* (Osmanlı Bankası, 1856) and *the Ottoman Şahane Bank* (Bank-ı Şahane-i Osmani, Imperial Ottoman Bank, 1863) with the French and English capitals, the monopoly of issue money was given to these institutions.<sup>59</sup> The Bank kept this monopoly until the World War I issuing banknote in a limited amount. These banknotes that could be transformed to gold were in circulation mostly in Istanbul and close regions.<sup>60</sup>

Silver started to loose value in the world's markets from 1873. This situation made invalid the nearly 1/16 gold- silver proportion of the Ottoman bimetalism. The fact that the public revenues were collected as silver, whereas the expenditures were spented as gold damaged the treasury. So, firstly the mint of "mecidiye" was stopped. "Ottoman gold lira" was accepted as the currency in 1881. However, the difference in the current values and sorts of the money continued even if they were not as much as

---

<sup>57</sup> TABAKOĞLU, Türk İktisat Tarihi, p. 275.

<sup>58</sup> KAZGAN and the others, p. 269.

<sup>59</sup> For detailed information about these banks, see M. Burak BULUTTEKİN, "A City Right At The Core Of Global, Political, Economical And Social Changes Of The 19th-Century: Istanbul", Dicle University Journal of Faculty of Law, Vol: 19, No: 30-31, pp. 149-182, Diyarbakır, 2014, p. 167-168; Edhem ELDEM, Osmanlı Bankası Tarihi, (Translator: Ayşe BERKTAY), Ottoman Bank History Research Center Publication, İstanbul, December 1999, p. 29 etc.

<sup>60</sup> PAMUK, "Osmanlı İmparatorluğu'nda Para (1326-1914)", p. 1085.

they used to be, since the mecdiye and coins demand of the public continued. Therefore, especially money changing (*sarraflık*) became quite widespread.<sup>61</sup>

**Table 7. The Ottoman Money in Circulation (billion kuruş)**

	SUM OF MONEY	ACTUAL MONEY IN CIRCULATION
<b>Gold Coins</b>		<b>3.20</b>
Gold Coinage from the Tashih-i Sikke until 1913	6.62	
Demonetization until 1913	-0.05	
Gold-coin Minting until 1913	-0.35	
Hoarding	-3.02	
<b>Silver Coins</b>		<b>1.16</b>
Silver Coinage from the Tashih-i Sikke until 1913	1.29	
Demonetization until 1913	-0.25	
Debased-coin Minting	4.99	
Demonetization of Debased-coin	-4.87	
<b>Nickel and Copper Coins</b>		<b>0.11</b>
<b>Ottoman Bank Banknotes</b>		<b>1.27</b>
<b>Current Foreign-Moneys</b>		<b>0.50</b>
<b>TOTAL ACTUAL MONEY IN CIRCULATION</b>		<b>6.24</b>

**Reference:** Vedat ELDEM, Osmanlı İmparatorluğu'nun İktisadi Şartları Hakkında Bir Tetkik, Türk Tarih Kurumu Publishing, No: 96, Ankara, 1994, p. 158.

All of these ongoing monetary changes that were seen in Table 7, throughout 19th-century continued also with the Law on Unity of Suspicion (*Tevhid-i Meskukat Kanunu*) published in 1916. With this law, leaving the “limping monetary standard (*topal altın standardı*)” system, “gold standard (*altın standardı*)” based on entirely gold was brought instead of this system that had been applied since 1881 and received its main support from gold, but also allowing use of silver coins.

Tevhid-i Meskukat Kanunu accepts gold as the value criterion. The currency is kuruş and 1 gold lira is equivalent to 100 kuruş.<sup>62</sup> The number of

<sup>61</sup> See Araks ŞAHİNER, The Sarrafs of Istanbul: Financiers of the Empire, (Unpublished M.A. Dissertation) Boğaziçi University, Department of History, Istanbul, 1995, p. 87-99; Yavuz CEZAR, “18. ve 19. Yüzyılda Osmanlı Devleti'nde Sarraflar”, İstanbul Bilgi Üniversitesi Publishing (The gift for Gülten Kazgan), p. 179-207, İstanbul, 2004; Maurits H.van den BOOGERT, The Capitulations and the Ottoman Legal System: Qadis, Consuls and Beratlis in the 18th Century, Brill Leiden Press, Boston, 2005, p. 72-76.

<sup>62</sup> The 1850-1914 period of the Ottoman golden lira which was compared to other currency parities were as follows: 1 British Pound = 1.1 Ottoman lira, 1 French

## How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

coins is limited with law. Different current values of money in various places of the country are put an end.<sup>63</sup> However, the success of law remains limited, because the banknotes put on the market to meet the increasing expenditures together with the war cause coins and minor coins to be withdrawn from circulation. The banknotes issued as kuruş are also not remedy the minor coins problem. Therefore, it is aimed for the stamps issued to have the same function. So, the banknote system is made entirely dominant over the national economy at the beginning of 20th-century.

### IV. CONCLUSION

We see that 19th-century bears a very different economic terms compared to the previous period to the Ottoman Empire. The most important characteristics of the era were Western-style reforms in political, economic, financial and monetary.

Although the 19th-century Ottoman financial management was highly successful at increasing revenue, it failed to make an expenditure with discipline. So, the domestic and foreign indebtment had become a necessity. This borrowing requirement and the funds obtained in this way could not be used retrospectively to increase production so as to allow the redemption of debts. And this was the main cause of failure in the financial field and finally the Empire fell into a financial crisis.

As a matter of fact, according to the first estimate of revenue and expenditure of the Tanzimat period, 1841-1842 financial year, while the revenue was 563 million kuruş, the expenditure was 567 million kuruş. In 1846-1847 year when can be described as the first budget period, the Empire income and expenses were approximately 625 million kuruş.

The subsequent years, the Empire revenues and expenditures continued their steady upward trend. The Empire revenues and expenditures in the 1857-1858 fiscal year were quite over 1 million kuruş. In 1861-62, while the revenue exceeded 1.2 million kuruş, the expenditures reached nearly 1.4 million kuruş. Compared to the 1841-1842 fiscal year, these latest

---

franc = 0,044 Ottoman lira, 1 US dollar = 0,229 Ottoman lira (PAMUK, "Osmanlı İmparatorluğu'nda Para (1326-1914)", p. 1084).

<sup>63</sup> It was adopted the limit that 300 kuruş for silver coins and 50 kuruş for nickel coins (TOPRAK, "İktisat Tarihi", p. 239).

figures corresponded to an increase of up to 2.17 times in the revenues and 2.46 times in the expenses.

In fiscal year 1875-1876, when the Empire revenues reached nearly 2.4 million kuruş, the expenses was nearly 2.9 million kuruş. Also these amounts were compared with the early years of Tanzimat, they represented an increase of 4.3 times in the revenues and 5.1 times in the expenses.

In the 1879-1880 fiscal year, the Empire revenues fell below 1.5 million kuruş, due to the serious loss of population and territory which was caused by Ottoman-Russian War. The expenditures also fell significantly in this time.

But after that, although not in the Tanzimat period rate, the Empire income and expenses showed a steady increase in *Abdulhamid II period*. To the effect that, in the 1906-1907 fiscal year, the Empire revenues had risen to levels in the early years of the *Abdulhamid II period* again. That year, while the revenues was 2.5 million kuruş, the expenses was nearly 3 million kuruş.

However, in this period, it drew attention to two important changes in the monetary field: the first was the adjustment in coin and the second was the kaime minting that could be seen as the beginning of banknote.

In order to handle the heavy financial drain of The Treaty of Küçük Kaynarca (1774) and find solutions to its financial problems, the Esham application was first applied in monetary policy. The esham was a kind of the government bonds. The annual cash interest income of mukataas divided into shares to be offered for sale was called *the esham*. Esham would provide an annual fixed income to the shareholders. Esham system which was introduced in 1775 had remained in practice until about a hundred years.

Although depending on the life-time, after a while, the esham became taken-sold. This situation was impeded the economic return to the state. This situation was impeded the economic return to the state. Thus, the expected benefits from the system became a deficit. Just as the resulting revenues could cover only a part of the interest paid. Finally, the esham system had decreasingly continued until 1860.

*The Kurus* was relatively stable until the end of the 18th-century. The silver content of kuruş had fallen almost 40% in between 1700 and the end of 1760. After that, the impact of the changes occurring inside and outside, it seemed the financial crisis of the Ottoman Empire. During this period, the adulteration had also been much more than before. Kuruş had lost 50% of the silver content in between 1760 and 1808.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

The biggest adulteration was made by *Mahmud II period* in the all Ottoman Empire. During the thirty-year of *Mahmud II period*, the adulteration rate of silver coin were 85%. On top of it, the Empire finance fell into a difficult situation because of the inside political problems and the military expeditions.

With regard to the budget deficit, during the Crimean War, the another financial policy was to get into debt from the European financial markets. During 20 years, these foreign debt process from London, Paris and Vienna was continued in a large amounts and an inconvenient conditions.

The financial crisis of 1873 put an end to this process and the Empire was forced to declare a moratorium on debt payments. Finally it was established a structure that called *Duyün-u Umumiye Administration* by these creditor European countries to ensure the repayment of their debts in 1881.

In addition to the arrangements of the coin system, the kaime application (*kaime-i muteberi nakdiye*) that was a kind of banknote experience and an another monetary policy began to practice in 1840 in order to meet the budget deficit and fund the reforms. It said that initially the first published kaime accomplished its intended purpose. Even, a gold lira as the kaime began to be exchanged with 200-220 kuruş.

But because of the Crimean War, the kaime was published more. Shortly after, the fake of kaimes was printed and they were intensely used around Istanbul. As a result, the market values of kaimes fell by 50% and the inflation was occurred.

The first kaimes were removed from circulation in 1860. The second ones were published as a solution to the financial crisis of 1877-78 Ottoman-Russian War. Two and a half years remaining in the circulation of these kaimes also yielded the desired result. Because of the larger printed, they are reduced to one fourth of the nominal value. And the last printing of kaimes was made to finance the World War I. These kaimes that printed for gold backing literally partaked the representative money.

After the Tanzimat, we see that there are important developments in the banking sector in the Ottoman Empire. The most important feature of these banks that started to be established from the 19th-century was to facilitate the foreign trade financing. First banks that were generally led by the Galata bankers were founded with foreign capital enterprise. However, with the national economic thinking, the national capital of banks began to be established.

M. Burak BULUTTEKİN

After the establishment of Bank-ı Osmani-i Şahane that was established by the French and English capitals, in 1863, the minting monopoly of the Empire was transferred to this foundation. The bank had used this monopoly that printed only a limited amount of banknotes until World War I. These banknotes which could be converted the gold were usually circulated in Istanbul.

In 1917, a gold equaled to six banknotes. Thus, yet again, the using of banknote had resulted in the increase of prices appreciably.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

## BIBLIOGRAPHY

- AÇBA Sait, Osmanlı Devleti'nin Dış Borçlanması, Vadi Publishing, No: 191, Ankara, 2004.
- AFYONCU Erhan, Tanzimat Öncesi Osmanlı Tarihi Araştırma Rehberi, Yeditepe Publishing, 3rd Edition, İstanbul, November 2009.
- AKARLI Engin Deniz, "The Problems of External Pressures, Power Struggles, and Budgetary Deficits in Ottoman Politics Under Abdülhamid II (1876-1909): Origins and Solutions", (Unpublished Ph.D. Dissertation), Princeton University, New Jersey, 1976.
- AKYILDIZ Ali, Para Pul Oldu: Osmanlı'da Kağıt Para, Maliye ve Toplum, İletişim Publishing, İstanbul, 2003.
- AKYILDIZ Ali, Tanzimat Dönemi Osmanlı Merkez Teşkilatında Reform (1836-1865), Eren Publishing, İstanbul, 1993.
- BABAN Şükrü, "Tanzimat ve Para", Tanzimat I, Milli Eğitim Bakanlığı Publishing, The Scientific and Cultural Works Series No: 1184, İstanbul, 1999.
- BARKAN Ömer Lütfi, "Osmanlı İmparatorluğu Bütçelerine Dair Notlar", Ord. Prof. Ömer Lütfi Barkan Osmanlı Devleti'nin Sosyal ve Ekonomik Tarihi Tetkikler-Makaleler, Vol: 1, (Prepared for publication: Hüseyin ÖZDEĞER), İstanbul University, Department of Economics Publications, İstanbul 2000.
- BELİN M., Osmanlı İmparatorluğu'nun İktisadi Tarihi, (Translator: Oğuz CEYLAN), Gündoğan Publishing, Ankara, February 1999.
- BERKES Niyazi, Türkiye'de Çağdaşlaşma, (Prepared for publication by: Ahmet KUYAŞ), Yapı Kredi Publishing, No: 1713, 4th Edition, İstanbul, January 2003.
- BEYDILLI Kemal, "Küçük Kaynarca'dan Yıkılışa", Osmanlı Devleti ve Medeniyeti Tarihi, Vol: 1, İrcica, İstanbul, 1994.
- BİLDİRİCİ Melike, Özgür Omer ERSİN and Elçin AYKAÇ ALP, "An Empirical Analysis of Debt Policies, External Dependence, Inflation and Crisis in the Ottoman Empire and Turkey: 1830-2005 Period", Applied Econometrics and International Development, pp. 79-103, Vol: 8/2, 2008.

M. Burak BULUTTEKİN

- BLAISDELL Donald, Osmanlı İmparatorluğu'nda Avrupa Mali Denetimi, (Translator: Ali İhsan DALGIÇ), İstanbul Press, İstanbul, 1979.
- BOOGERT Maurits H.van den, The Capitulations and the Ottoman Legal System: Qadis, Consuls and Beratlis in the 18th Century, Brill Leiden Press, Boston, 2005.
- BULUTTEKİN M. Burak, "A City Right At The Core Of Global, Political, Economical And Social Changes Of The 19th-Century: Istanbul", Dicle University Journal of Faculty of Law, Vol: 19, No: 30-31, pp. 149-182, Diyarbakır, 2014.
- CEZAR Yavuz, "18. ve 19. Yüzyılda Osmanlı Devleti'nde Sarraflar", İstanbul Bilgi Üniversitesi Publishing (The gift for Gülten Kazgan), p. 179-207, İstanbul, 2004.
- CEZAR Yavuz, Osmanlı Maliyesinde Bunalım ve Değişim Dönemi: XVIII.yy'dan Tanzimat'a Mali Tarih, Alan Publishing, May, 1986.
- COLLAS Bernard Camille, 1864'te Türkiye: Tanzimat Sonrası Düzenlemeler ve Kapitülasyonların Tam Metni, (Translator: Teoman TUNÇDOĞAN), Bileşim Publishing House, Ankara, October 2005.
- ÇAKIR Baki, Osmanlı Mukataa Sistemi, Kitabevi, İstanbul, 2003.
- ÇAKIR Coşkun, Tanzimat Dönemi Osmanlı Maliyesi, Küre Publishing, İstanbul, October 2001.
- DAVISON Roderic H., "Russian Skill and Turkish Imbecility': The Treaty of Kuchuk Kainardji Reconsidered", Essays in Ottoman and Turkish History 1774-1923 the Impact of the West, pp. 29-50, Texas, 1990.
- ELDEM Edhem, Osmanlı Bankası Tarihi, (Translator: Ayşe BERKTAY), Ottoman Bank History Research Center Publication, İstanbul, December 1999.
- ELDEM Vedat, Osmanlı İmparatorluğu'nun İktisadi Şartları Hakkında Bir Tetkik, Türk Tarih Kurumu Publishing, No: 96, Ankara, 1994.
- FALAY Nihat, Maliye Tarihi Ders Notları, Filiz Bookstore, 3rd Edition, İstanbul, 2000.
- FORTNA Benjamin C., "The Region of Abdülhamid II", The Cambridge of Turkey: Turkey in the Modern World, (Edited by: Reşat KASABA), Cambridge University Press, pp. 38-61, Vol: 4, New York, 2008.

- How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)
- FREELY John, Saltanat Şehri İstanbul, (Translator: Lale EREN), İletişim Publishing, 2nd Edition, İstanbul, 2002.
- GENÇ Mehmet, “Esham”, İslam Ansiklopedisi, Türkiye Diyanet Vakfı Publishing, Vol: 11, İstanbul, 1995.
- GÜRAN Tevfik, “Tanzimat Dönemi Osmanlı Maliyesi”, Journal of Istanbul University Faculty of Economics, Vol: 49, 60th Anniversary Special Edition, pp. 79-95, İstanbul, 1998.
- GÜRAN Tevfik, Osmanlı Mali İstatistikleri Bütçeler (1841-1918), Prime Ministry-State Institute of Statistics Publications, Historical Statistics Series, Vol: 7, Ankara, September 2003.
- ISSAWI Charles, The Economic History of Turkey, 1800-1914, The University of Chicago Press, Publications of the Center for Middle Eastern Studies, No: 13, Chicago and London, 1980.
- KARAMURSAL Ziya, Osmanlı Mali Tarihi Hakkında Tetkikler, Turkish Historical Society Publications, 2nd Edition, Ankara, 1989.
- KASABA Reşat, The Ottoman Empire and The World Economy: The Nineteenth Century, State University of New York, Albany, 1998.
- KAZGAN Haydar, Osmanlı’da Avrupa Finans Kapitali, Yapı Kredi Publishing, İstanbul, December 1995.
- KAZGAN Haydar, Toktamış ATEŞ, Oğuz TEKİN, Murat KORALTÜRK, Alkan SOYAK, Nadir EROĞLU, Zeynep KABAN, Güngör URAS, Kenan MORTAN, Osman S.AROLAT and Alpay KABACALI, Osmanlı’dan Günümüze Türk Finans Tarihi, Istanbul Stock Exchange Publishing, Vol: 1, İstanbul, 1999.
- KIRAY Emine, Osmanlı’da Ekonomik Yapı ve Dış Borçlar, İletişim Publishing, No: 256, 3rd Edition, İstanbul, 2008.
- KOLERKILIÇ Ekrem, Osmanlı İmparatorluğu’nda Para, Doğuş Press, Ankara, 1958.
- KÖMÜRÇAN Kırkor, Türkiye İmparatorluk Devri Dış Borçlar Tarihçesi, İstanbul Yüksek Ekonomi ve Ticaret Okulu Publishings, No: 32, İstanbul, 1948.
- KÖSE Osman, 1774 Küçük Kaynarca Andlaşması (Oluşumu-Tahlili-Tatbiki), Türk Tarih Kurumu Publishing, Vol: VII, No: 218, Ankara, 2006.

- ODAKA Hiroki, “Küçük Kaynarca Muahedesi Hakkında Bir Araştırma”, XIII. Türk Tarih Kongresi (04-08 Ekim 1999)-Papers Presented in Congress, Vol: III/I, pp. 361-367, Ankara, 2002.
- ÖNER Erdoğan, Osmanlı Bütçeleri: (1864, 1869, 1877, 1880, 1897) Osmanlı Muvazene Defterleri, Republic of Turkey Minister of Finance, Strategy Development Publications, No: 2007/372, Ankara, 2007.
- ÖZDEMİR Biltekin, Osmanlı Devleti Dış Borçları: 1854-1954 Döneminde Yüzyıl Süren Boyunduruk, Ankara Ticaret Odası Publication, Ankara, September 2009.
- ÖZEKİCİOĞLU Seda and Halil ÖZEKİCİOĞLU, “First Borrowing Period at Ottoman Empire (1854-1876): Budget Policies and Consequences”, Business and Economic Horizons, pp. 28-46, Vol: 3, Issue: 3, October 2010.
- PAMUK Şevket, “Bağımlılık ve Büyüme: Küreselleşme Çağında Osmanlı Ekonomisi, (1820-1914)”, Seçme Eserleri II: Osmanlıdan Cumhuriyete Küreselleşme, İktisat Politikaları ve Büyüme, Türkiye İş Bankası Kültür Publications, 2nd Edition, December 2009.
- PAMUK Şevket, “Estimating Economic Growth in the Middle East since 1820”, The Journal of Economic History, Vol: 66, No: 3, pp. 809-828, September 2006.
- PAMUK Şevket, “Osmanlı İmparatorluğu’nda Para (1326-1914)”, Osmanlı İmparatorluğu’nun Ekonomik ve Sosyal Tarihi 1600-1914, (Editors: Halil İNALCIK and Donald QUATAERT), Vol:2, pp. 1053-1093, Eren Publishing, 2nd Edition, İstanbul, 2006.
- PAMUK Şevket, 100 Soruda Osmanlı-Türkiye İktisadi Tarihi, 1500-1914, Gerçek Publishing, İstanbul, 1997.
- PAMUK Şevket, Osmanlı Ekonomisi ve Dünya Kapitalizmi (1820-1913), Yurt Publications, Ankara, 1984.
- PAMUK Şevket, Osmanlı Ekonomisi ve Kurumları, (Translator: Gökhan AKSAY), Türkiye İş Bankası Kültür Publishing, 3rd Edition, İstanbul, April 2010.
- PAMUK Şevket, The Ottoman Economy and Its Institutions, Ashgate Publishing, Variorum Collected Studies Series CS 917, UK, Cornwall, 2009.

How Did a Snowball Turn into the Avalanche? The Ottoman Empire Fiscal and Monetary Policy Changing after the Treaty of Küçük Kaynarca (1774)

QUATAERT Donald, “19. Yüzyıla Genel Bir Bakış: İslahatlar Devri (1812-1914)”, (Translator: Süphan ANDIÇ), Osmanlı İmparatorluğu’nun Ekonomik ve Sosyal Tarihi 1600-1914, (Editors: Halil İNALCIK and Donald QUATAERT), Vol: 2, pp. 885-1051, Eren Publishing, 2nd Edition, İstanbul, 2006.

QUATAERT Donald, “Tanzimat Döneminde Ekonominin Temel Problemleri”, (Translator: Fatma ACUN), Tanzimat Değişim Sürecinde Osmanlı İmparatorluğu, (Editors: Halil İNALCIK and Mehmet SEYİTDANLIOĞLU), pp. 479-487, Phoenix Publishing House, September 2006.

SAĞLAM Mehmet Hakan, Osmanlı Devleti’nde Moratoryum 1875-1881: Rüşum-ı Sitte’den Düyun-ı Umumiyye’ye, Tarih Vakfı Yurt Publishings, İstanbul, February 2007.

SEVİMAY Hayri R., Cumhuriyete Girerken Ekonomi: Osmanlı Son Dönem Ekonomisi, Kazancı Hukuk Publishing, No: 142, İstanbul, 1995.

SHAW Stanford J., “Ottoman Expenditures and Budgets in the Late Nineteenth and Early Twentieth Centuries”, International Journal of Middle East Studies, No: 9, 1978.

SHAW Stanford J., “The Nineteenth-Century Ottoman Tax Reforms and Revenue System”, International Journal of Middle East Studies, Vol: 6, pp. 421-459, Cambridge University Press, 1975.

SUVLA Refii Şükrü, “Tanzimat Devrinde İstikrazlar”, Tanzimat I, Milli Eğitim Bakanlığı Publishings, Scientific and Cultural Works Series, No: 1184, pp. 263-288, İstanbul, 1999.

ŞAHİNER Araks, The Sarrafs of Istanbul: Financiers of the Empire, (Unpublished M.A. Dissertation) Boğaziçi University, Department of History, İstanbul, 1995.

TABAKOĞLU Ahmet, Gerileme Dönemine Girerken Osmanlı Maliyesi, Dergah Publications, İstanbul, 1985.

TABAKOĞLU Ahmet, Türk İktisat Tarihi, Dergah Publishing, 7th Edition, İstanbul, December 2005.

TOPRAK Zafer, “İktisat Tarihi”, Türkiye Tarihi 3: Osmanlı Devleti (1600-1908), (Editors: Metin KUNT, Sina AKŞİN, Ayla ÖDEKAN, Zafer TOPRAK and Hüseyin G.YURDAYDIN), pp. 191-248, Cem Publishing House, 1988.

M. Burak BULUTTEKİN

- URSINUS Michael, “The Transformation of the Ottoman Fiscal Regime c.1600-1850”, *The Ottoman World*, (Edited by: Christine WOODHEAD), pp. 423-435, Routledge Publications, New York, 2012.
- YERASIMOS Stefanos, “Az Gelişmişlik Sürecinde Türkiye”, (Translator: Babür KUZUCU), Gözlem Publishing, İstanbul, 1980.
- YILMAZ Faruk, *Devlet Borçlanması ve Osmanlı’dan Cumhuriyet’e Dış Borçlar (Düyun-u Umumiye)*, Birleşik Publishing, İstanbul, March 1996.