

The British Mercantile Interest and Influence in the Ottoman Trade Market: A Historical Analysis of the Levant Company

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Abstract

Commercial relations between the Ottoman Empire and Britain started with the Levant Company, William Harborne as a merchant of London obtained concessions which were already granted to the French. Capitulations were also granted to the British merchants in 1580s and followed with a concession; the Levant Company established and this was the start of the economic and diplomatic relations with Britain. Over centuries the relations were based on the trade practice of the Levant Company and had been reshaped by the 18th century with the decline of the Company.

Great Britain, as a forerunner country, had a significant influence over the Ottoman foreign trade as it was more commercialized. The period after the second part of the 18th century, with a trade convention signed in 1838 is better known and studied more because it was believed to increase the trade volume steadily and involved of British traders in the interior trade of the Empire. However before this agreement the two countries were having commercial relations which were mainly agricultural products and raw materials from the Ottoman Empire and colonial fabricated goods from Great Britain.

Operations of foreign firms, particularly the British Levant Company, were based on certain agreements with the corresponding country and Ottoman foreign trade policy. Foreign firms benefited from anti-mercantilist Ottoman economic system which was different from the protectionist Western Europe; in the Ottoman Empire where export was not encouraged and prohibited by custom barriers and quotas while import was promoted as fulfilling the domestic demand of cities were a priority of the Empire. This allowed mercantilist foreign firms and merchants as well as the privileged British firms bringing new and cheap products in.

The Levant Company was a charter company operated in the Ottoman territories and had trading activities by carrying monopoly rights and privileges for the British trade after the 16th century. British merchants signed an agreement called capitulations over trading activities with the Ottoman authorities. The Company established certain centers in some port cities and British merchants and ships enjoyed trading in Mediterranean privileges.

Keywords: Levant Company, Ottoman foreign trade, British merchants, commercial relations, trading capitulations.

Introduction

Political and commercial relations between the Ottoman Empire and Britain went back to the early 16th Century with the Levant Company, but trading activities and the strong interest of Britain in the Ottoman market started in the 19th century mainly with another commercial agreement that lasted until the end of the Ottoman Empire and allowed free trade activities to the British merchants.

British merchants were concerned about the necessary input for the massive production as well as a market to sell the finished goods. Therefore the British Levant Company, founded in the 16th century, allowed free trade to its members, the member merchants had trade privileges in engaging trade in the Ottoman Empire, mainly in Eastern Mediterranean. The company was abolished in 1825 and the British tried to issue a new type of protection and Commercial Agreement which was signed in 1838.

Establishing the British Levant Company was closely related with the trade and privileges provided by the Ottoman government. Already during the 14th and 15th centuries the Ottoman government granted privileges to some merchants from Great Britain that they were allowed to trade in the Empire. The Ottoman Sultan extended capitulations to the British merchants in 1580s and the Levant Company was established by the trade practicing certificate from Queen Elizabeth I. The Ottoman government decreased the customs tariffs to 3% and this rate was kept at 5% for the other European countries such as France and Holland for about a century until they obtained the same privilege. (For further information, Inalcik & Quataert, 1994, p.127-145).

When studying British commercial interest to the east, general focus has been on the East India Company as it was dealing with about half of the total world trade and the British Levant Company receives less attention by scholars. Developing the diplomatic relations effected also the commercial relations which benefited the merchants mainly in the Mediterranean. This paper attempts to analyze the British-Ottoman commercial relations from the beginning with the development of the Levant Company. The focus is to the British Levant Company and its operations, the capitulations and commercial concessions granted to the British merchants.

Later, deepening of the relations, trade activities and volume and effect of the Company on the Ottoman foreign trade is analyzed. Also analyzed is the transaction of certain goods in some trade hubs of the Empire where the Company was concentrated, as well as the decline of the Company as the final stage was studied until 1820s.

International Trade and Engagement of European Merchants into the Ottoman Trade

The Ottoman Empire as a Muslim state and European Countries as Christian have made a long effort to fight with each other during the Middle Ages with trade

embargoes. However, in later centuries both European and Ottoman merchants were eager to develop trade relations by exporting the products and raw materials of the east and bringing war materials and European products to the Ottoman territories. Trade relations increased and reached to a level that some European nations such as France and Great Britain were granted capitulations, which gave them the right to import some non-strategic goods and in return some metal and war materials.

The Ottomans had trade relations with the west through the Italian states especially Venice until the middle of the 16th century. After the conquest of Constantinople, the Ottoman Sultan issued them capitulations and kept the custom duties at 2% (Inalcik, 2011, p. 139, 141). Later the capitulations were signed with France and French merchant were issued with some privileges in 1569. They settled in Constantinople for political and trading reasons and founded consulates in the other centers of the Levant.

British merchants were granted the same privileges in 1583 with 3% of customs duties and traded in East Mediterranean; this resulted in competition with French and Venice. The other countries, such as Holland and Austria, were also granted trade agreements to trade in the Ottoman lands as it provided raw materials and a market for manufactured goods that were crucial for the European production and merchants.

After the 16th century the trade in and within the Ottoman Empire changed dramatically and British traders also entered the Ottoman territories and benefited from the foreign trade. Political and economic relations improved and changed the structure of the international trade and European merchants were involved more and more with Ottoman export and import. Foreign merchants started to have an active involvement in the international trade which brought the growing integration of the Ottoman economy and their goods into the world market.

Economic relations between the Ottoman Empire and Europe developed with the Levant Company which referred to the trade mainly in the Mediterranean and included territories of Greece and some islands, Syria, Turkey, Egypt, Lebanon and Israel and capitulatory regimes would assume a new direction. Western national economies benefited from the Ottoman economic system and promoted their own mercantilist policies as the Ottoman economic system was completely contrasting with the mercantilism. The Ottomans considered the capitulations beneficial for the Empire and they were thought to be issued for the best interest of the Empire. (Inalcik & Quataert, 1994, p. 48-49).

The Ottoman Empire did not follow the Western type of development and industrialization. The economy was focused on agriculture rather than manufacturing (Quataert, 1994, p. 90-91). Despite the significance of agriculture, Ottoman maritime trade with the European countries contributed to the growth of maritime trade and economic development of the Empire as Europeans, and particularly the British, with the Levant Company predominated the Ottoman trade with different commercial routes.

Commercial activities between the two states were via the commercial agents which were mainly non-Muslim Ottoman citizens. Many scholars agreed on the great control of the non-Muslims over the commercial affairs of particular cities. The majority of working non-Muslims were occupied in various professional categories such as textiles, tobacco and financial sectors.

Anglo-Ottoman Trade Relations and the Founding the British Levant Company

During the Middle Ages Britain was in a rather inactive position and obtained goods from the east via Genoese and Venetian merchants or middlemen. The profit of these middlemen attracted British merchants as well after the 15th century. They wanted to establish direct commercial connections to the east, but it was rather difficult and insecure. Conversely the trading opportunities and privileges provided by the Ottomans to the European merchants was another attraction of the eastern trade. On the other hand, the British interest to the Levant trade was important for the Chinese silk that they also wanted to import it into their own market without the intervention of merchants of other nations in Ottoman dominions (Kutukoglu, 1974, p. 6, 7, 9).

British trade in the Ottoman Empire after the 16th century became very important and Great Britain was the most important supplier of the Empire. Anglo-Ottoman diplomatic relations contributed trade and the share of British merchants within the Empire. The relations were improved after the deepening of the conflict between the Catholic part of Europe and Great Britain with the excommunication of Elizabeth I. That allowed the British merchants to demolish prohibitions and embargoes and profit freely from the trade of the Ottoman Empire (Skilliter, 1997, p. 23).

British merchants aimed to create a direct trade contact with the eastern trade and eliminate intermediaries of trade. However, as mentioned above, certain political motives when Britain was experiencing problem with the Catholic world motivated traders for initiating relations. On the other hand, British merchants wanted to establish trade relations to increase their share from such an important trade. At the time of British interest in the Levant France was the most privileged nation and these traders were having majority of the trade of the east.

In May 1580, Ottoman Sultan Murad III issued a charter of privileges granted to the British merchants which formed the basis of Anglo-Ottoman trade relations for many centuries. It was almost the same as that given to the French traders in 1569. Anglo-Ottoman trade relations were strengthened by the work of the first British diplomatic mission, led by Harborne between 1583-1588, and by the British consulates founded in Egypt, Syria, Algeria, Chios and Patras (Skilliter, 1984, p. 10-25).

With the capitulations in 1580, the British merchants were given the same rights with the French merchants that were given in 1569 and they both had equal

status in terms of the Ottoman trade. The custom duties were reduced to 3% for the British merchants but was still 5% for the other European nations granted capitulations. Britain kept the privileged position in trade with the customs duties as they paid lower duties until they were reduced to the same percent for French in 1673 (Kutukoglu, 1974, p. 51).

Privileges granted to British merchants were known to be the start of British Ottoman trade relations. Over the centuries diplomatic attempts by the consulates increased the trade volume. Supplying material and particularly military materials made Britain one of the most important suppliers of the Empire. Moreover, relations between Great Britain and the Latin world and Papacy made British merchants more active in the Ottoman trade with an increasing profit (Wood, 1964, p. 1-14).

The company of merchants of Britain in the Levant was called “The Levant Company” and it was located and had management and administrative bodies in London. It granted monopoly rights and capitulation to its members by the Ottoman authorities who were allowed to operate their own businesses. Later there was an order of Charles II to the commissioners of the customs for not allowing any goods passing without licence from the Company’s officers (SP. 105/109, F 207). *“The type of opportunities available, the methods of transactions, the type of resources utilized by the Freemen and their factors depended also upon local conditions and could differ in Constantinople, Smyrna, Aleppo, Salonica and Patras. Each member judged circumstances, utilized private resources, followed an individual strategy to seize different opportunities. Each factory developed eventually to a local cluster of business interests”*(Vlami, 2011, p. 8-9).

Having the headquarters based in London, the Company was provided with an easy and direct access to state officials and the capital market. The Company’s exclusive character and connections with the British social, political and business establishment is revealed by the fact that many of its directors and high officials occupied a string of directorships in the Bank of England, the London Assurance, the South Sea and East India Companies; they also filled state positions and became city aldermen. (Davis, 1967, pp. 67-74).

The Company opened factories in various outposts in the Eastern Mediterranean. Since the early times in its history it followed a protective policy of concentrating its activity around a small number of important operational centers (initially in Constantinople, Smyrna and Aleppo) reflecting a strategy for safe and high profits, combined with limited stocks. From the middle of the 17th century, consulates and vice-consulates were founded in Salonika, Larnaca, many Greek islands, in Athens and Arta. Until the 19th century the Company was also represented in various ports in the coasts of Syria and also in Dardanelle, Bucharest and Adrianople. Consuls, vice consuls, treasurers and chancellors were appointed by the Company and sent to the Levant to ensure the operation of the capitulations, represent the Company to local authorities and provide various bureaucratic services to freemen and their factors. The members of each factory participated in an assembly called regularly by consuls to discuss and decide upon vital issues,

exchange opinions and propose various projects to the administration in London. The factories utilized interpreters and assistants who were selected from among the local population and were paid for their services. Duties, fines and brokers (?) charged upon members and foreigners trading under British protection, were collected by the treasurers (Wood, 1964, p. 122-123, 164, 196, 213).

After founding of the Levant Company in the late 16th century it prospered in the 17th century. From the early 18th century, which can be called a central period of the Company, trade was promoted. In the final phase, the Company started to decline due to its poor performance and some other factors and finally dissolved in 1820s. In the 18th century, there were number of wars and conflicts among European countries especially Franco-British conflict which had a significant effect on the Levant trade.

The Role of the British Levant Company in the Ottoman Foreign Trade

The Genoese and Venetians were cooperating in Levantine trade alone until the establishing of the British Levant Company and capitulations were granted to these trading communities. Britain had been trading with the East Indian Company but trade with the Ottoman Empire was not developed. Therefore merchants of London requested Queen Elizabeth I to have an exclusive right for trade in the Levant with the Ottoman Empire. British traders gained the right to carry on trade and permission to govern themselves in the Ottoman cities. They started to trade and contributed both to the trade volume of two sides of traders and accumulation of capital over two centuries. Therefore, the founding of the British Levant company had a significant impact on British and Ottoman commercial systems and their development. After the establishing the Company there was a growing interest into the Levant trade and, apart from the trade, Anglo-Turkish political relations gained an importance.

The first permission to an Englishman was given in 1553 at Aleppo by the Ottoman Sultan Suleyman I. An Englishman, Antony Jenkinson, was allowed to visit “the Ottoman ports to load and unload goods wherever he wished and trade throughout the Empire”; it was a personal privilege and cannot be considered as a real capitulation to a western nation. The British merchants traded under the French banner until granted capitulation as a nation. (Skilliter, 1997, p. 7, 9-22). Later the Company was reorganized as the Levant Company in 1592, and was granted a monopoly to trade in the eastern Mediterranean with the Ottoman Empire. British traders started to operate independently in the main centers of the Empire such as the Aegean coast mainly in Smyrna, in the capital Constantinople, Aleppo and across the Middle East regions.

In 1575 Edward Osborne and Richard Staper, distinguished members of London’s merchant community, sent their agents to Constantinople to explore the possibility of establishing commercial relations with the Ottoman Empire (Macpherson, 1805, p. 165). Representatives of the two merchants obtained permission of residence and the commitment of the Ottoman authorities to allow and protect British trade inside their dominion. In 1580, the concessions granted to

Britain were confirmed in an official document signed by Sultan Murat III and Queen Elizabeth I. The “capitulations” comprised twenty two articles outlining the privileged status, the rights and obligations of the British who would operate in the Ottoman Empire.

A documentary report on “Trade with Turkey” mentioned about the necessity of trade with the Ottoman Turks and it says “before they fell into strangers” “they should take goods from Turkey to England and other parts of Europe that will enrich England” (Skilliter, 1997, p. 28). After establishing political relations trade flourished and diplomatic relations aimed to be strengthened by granting the same privileges on accession of new Sultan to the throne. For example Charles I sent a request to grant an audience with the Ottoman Sultan while congratulation him on his accession to the throne (State Paper (SP), 105/109, f 156) or James II to the Ottoman Sultan Suleyman II to promising to carry out diplomatic and trade relations namely capitulations as long as the Ottoman authorities kept them active (SP, 105/109, F 271) and at the same time to the Ottoman Grand Vizier continuing peace and protecting British merchants and their trading activities (SP, 105/109, f 159). In return, Ottoman Sultans aimed to maintain peace with England (SP, 105/109, f 162). Also a parliamentarian, Oliver Cromwell sent his desire to the Ottoman Sultan, Mehmet IV, for amity and trade between Britain and Ottoman Empire (SP, 105/109, F 203). Concisely, the accession of the new sultan to the Ottoman throne followed with a salutation and congratulation of British authorities and wishing to continue commercial rights given or approved by the previous sultan.

British Merchants’ Activities and Transaction of Goods

The general view of Anglo-Ottoman relations was to bring a new era which increased the trade volume in between the two nations. Within the establishing of the Levant Company, British ships started to carry British manufactured goods and military materials to the Mediterranean and Ottoman raw materials and some other goods to the British market from the east. British export to the Ottoman market mainly consisted of textiles which were very important for the trade and it turned to be the growing importance for the export of the Ottoman Empire. A large variety of goods, raw materials and colonial finished goods were subjected to the exchange as well as barter trade.

On the other hand, there are other views that the Company could not be influential in expanding British trade and increasing the trade volume of the country. However they managed to obtain grants for trading with a privilege and operated its trade in the Ottoman market. (Unwin, 1958, p. 465).

The Company exported textile products to Constantinople, the island of Chios, Syria and Egypt and imported raw silk, cotton, mohair and woollen yarn, carpets, goats’ hair for the textile production dyes and also drugs, fruit, coffee, spices as foodstuff. Linen, colonial goods, clocks and jewelry, tin, lead, iron, guns and powder were also exported to the Ottoman Empire and imported raw materials in exchange (Vlami, 2011, p. 6-7). Among the textile products of the Company, British

cloth, namely broadcloth, *finely woven and heavy cloth of high quality*, started to be sold in the Levant market and the demand was increasing until the end of 18th century. The Anglo-Spanish War of 1739-1748 disrupted trade with the Levant and did not recover after the war (Davis Ralph, 1967, p. 97).

Skilliter made four different categories based on the origin of the import of the Levant and these are; Anatolian goods (cotton, carpet, gallnut), Iranian goods (raw silk), Greek island products (currants, wine, olive oil), Indian and Indonesian products (spices, drugs, dyes) (Skilliter, 1977, p. 22). Silk and raw silk was the most important import of the Levant Company from Persia to the Mediterranean port cities to the warehouses of the Company. Particularly mohair-wool yarn from Ankara was becoming important among the Levant goods. Exports of the Company consisted of textile goods as the most important ones. Minerals, metals and certain foodstuff and spices were also exported directly from Europe or over India (Kutukoglu, 1974, p. 18-19).

As mentioned above, apart from the foodstuff the export of the Empire mainly composed of textile materials which Europe was lacking and the Empire had a vast variety of them. Cotton and silk were the main materials due to the cultivation there and therefore they prospered Ottoman exports. For example in the 18th century the cotton import from Ottoman Empire to British and French market increased 6.6 and 8.4 times and this amount also created an imbalance of exports over imports in some ports of the Ottoman Empire and this resulted a deficit for the Company (Panzac, 1992, p. 192, 203). In return from Europe woollen textiles were almost the only colonial good needed in the Ottoman Empire. British export to Ottoman market was totaled 234.000 sterling while import was 320.000 sterling by the end of the 17th century and export dropped to 152.000 sterling while import 179.000 sterling and the amount for import had to be paid (Davis, 1967, p. 31).

Britain and the British Levant Company had some certain advantages in the Levant trade. Above the British goods sent to the Ottoman market woollen cloth were the main textile products although it was high in price but also in quality. Also demand for tin and lead in the Ottoman market was high due to wars and exportation of such items from Europe to the east were prohibited by the Papacy but British merchants continued the trade of them to the Ottoman market (Kutukoglu, 1974, p. 16-17). On the other hand, barter trade and not requiring the use of money in export and import was another advantage for British trade which generated high levels of profit. This type of trade brought an advantage and high profit the Levant Company but later lost its importance by the last period of the 17th century and Dutch and French traders benefited from that (Kutukoglu, 1974, p. 18, Lipson, 1956, p. 345).

Main Ottoman Cities the Levant Company Represented

The Ottoman industrial development showed differences based on different regions. Generally cities with a port expanded and developed as important trading cities and other cities in the hinterland of the Empire remained stagnant and agricultural with limited access the other markets. Cities with limited access to the

main trading regions or centers produced and sold the goods in their local markets but due to the obstacles in transportation facilities and the foreign policy of the state, expansion of the production did not occur. Therefore, local and foreign merchants were mainly active in cities with ports as well as the Levant Company.

The Company had its headquarter and some main centers for certain regions. Coastal urban cities for maritime trade and ship routes within east and west played an important role in the trade with the Empire. They were the core of the international trade for transporting local production and raw materials from inland regions to the coastal ports and foreign goods from coastal ports to the inland regions. Therefore the main locations of the Company were focused on some certain ports in order to create commercial networks.

Is this a heading for the next section? Economic activity in ports cities

“Trade was the principle mechanism of incorporation into capitalist circuits: traded commodities crossed political boundaries only after they were channeled through port-cities by merchants who inhabited these same cities.” The port cities were important for another reason they were the first trade penetration for the foreign merchants. Transporting the commodities from and to the agrarian periphery, foreign and local merchants, intermediaries and colonials lived in port cities and acted as a network of commerce of the region or the state (Keyder, Ozveren, Quataert, 1993, p. 519-520).

Merchants living in the port cities were well educated and well organized and therefore they were effective in promoting their economic interests. They were also linked with other merchant communities in other cities (Keyder, Ozveren, Quataert, 1993, p. 555-556). Sea played an important role in linking different ports of the Empire for different centuries and therefore the Levant Company also found it convenient to import European manufactured goods and export Ottoman raw materials and other goods.

The Levant Company and the other local or foreign merchants considered some of the well known Ottoman cities as an outpost for their trading activities. Therefore, the headquarter of the Levant Company was in Aleppo and they established commercial centers also in Constantinople, Smyrna and Alexandria. These were the largest and the most important overseas centers for the Company. A close look at the trade volume of different trade cities of the Ottoman Empire provides a precise evaluation. For example, in Aleppo there was the exchange of silk with woollen cloth, but in Constantinople British traders were selling cloth and there was nothing to buy in return and therefore the trade was with the cash.

Davis focused on three (should this be four?) different trade centers where the Levant Company and traders concentrated: Aleppo, Constantinople, Smyrna and Cairo (Davis, 1967, p. 35-37). Aleppo served the port of Scanderoon (Iskenderun), which was an important trade hub for the neighboring cities in the region for both export and import. Constantinople, as the capital of the Empire and the main

consuming city with a significant population, made the supply of products very important. However the export offer of the city to Europe was limited. Although it lost its importance after the 17th century due to the diminishing quantity of foodstuff, Smyrna was one of the other main trading cities. By the end of the 18th century it gained its importance again for the British trade and cloth was imported as well as silk, cotton and foodstuff exported from this secure port city. Cairo was another important center for European traders, mainly for French and British traders, and cloth and coffee were exchanged. They both had an ambassador, a representative or an administrator in these centers and most of these cities are known to be port cities as maritime transportation was crucial for the trading activities. Some of the main Ottoman cities for trading practices are Constantinople, Aegean islands, Aleppo, Alexandria, Salonika, Smyrna, Trabzon, as well as some inland cities such as Adana, Diyarbakir, Erzurum, Mosul and Tokat. Apart from the inland cities, the port cities represented an exception with the population and economic activities as non-Muslims of the Empire and foreigners, either consulates or merchants, inhabited such cities.

Constantinople was the principle city for the international maritime trade and on the shipping routes as the capital of the Empire and therefore the Company had a certain interest in the maritime trade with Europe. It needed to have certain commercial networks within the other port cities. Market opportunities, population, geographical position, growth potential and extension attracted merchants of the Levant Company.

British and as well as Dutch trade in the port of Constantinople had reduced due to the French woollen cloth as they could not compete with the French textile. The main export was cotton as raw material but in return they were selling woollen cloth. Exports to Constantinople exceeded imports as it was the biggest consuming city of the Empire which needed a certain level of supply (Issawi, 1966, p. 31-32).

Salonika had been considered an exclusive outpost of French trade where certain development took place before the British interest. British merchants were not represented there before the Levant Company, and even after the establishment of the Company, until the beginning of the 18th century. After that period, British traders were stationed in Salonika which was an important intermediate maritime station in the network of commodity transport routes and also was a common port for British ships returning to London from Smyrna (Vlami, 2011, p. 13, Wood, 1964, p. 164).

European ships with commodities arrived at Smyrna then to Salonika and raw materials of the region such as grains, tobacco, cotton and silk were transferred from Salonika to Smyrna. The British and French wars at the end of 18th century blocked maritime transports that necessitated alternative routes to continental Europe. Therefore, the port of Salonika became the gateway of British commerce to Central Europe and the Balkans (Vlami, 2011, p. 14). However the textile industry of

Salonika, abandoned due to the cheap British and western European countries goods, made the local factories nonviable.

Smyrna also played an important role for the Ottoman economy and maritime trade along with other coastal cities particularly with Salonika and Aegean islands. It was also an important port and therefore a transit trading city and was hosting a significant number of foreign merchants living there because of some economic benefits and opportunities. Within the Levant Company the city held the position of an important accessible sale terminal for the Asia Minor trade, especially Iranian silk, which played an important role for the development of the city. The Levant Company contributed to the city in becoming an important in trade center, in addition to being a port city.

Alexandria was also one of the major port cities as it was connecting certain trade routes to the capital and being an important commercial hub for the Middle East regions. It was connecting the inland trade mainly of agricultural products as well as raw materials from Egypt to the other regions and port cities of the Empire. Egypt was important not only for the international trade but also for the domestic trade of the Empire and certain supply of the capital was provided from Egypt.

Aleppo was the first center where the Company experienced high and rapid growth of exports and this high volume of trade continued during the decline of the Company in general and in other centers such as Constantinople and Smyrna (Davis Ralph, 1967, p. 97). On the other hand, it was a significant trading station for inland cities of the Ottoman Empire such as Adana, Diyarbakir, Erzurum and Mosul, Tokat where imported goods from the Empire were stationed, first in Aleppo before they were transported to the port Scanderoon.

Decline of the Company

British trade volume increased three or four times more within the second part of the 17th century after establishing the Company. It was due to the trade conditions between the Ottoman Empire, namely capitulations and low custom duties to British traders as well as French-Venetian competition over the Ottoman market, which benefited the British; new merchants joined the Company and increased trade capacity (Davis, 1967, p. 62).

The British Levant Company declined after the 17th century and there are a number of reasons for this decline; however a deterioration period followed with a recovery at different times depending on the trade relations of the Ottoman Empire with the competitors of the Levant Company or a war period between one of the competitors. French-British factions and competition were some of the most important factors, if not the most important in the decline of the British trade in the Levant. However a general decline in the demand for the European market for the Levant goods, conquest of India and its cheaper supply and commercial operations of the East India Company, the image, monopolistic nature of the Company and also

critics received from other traders, doctrine of free trade and wartime conditions were all reasons for the decline.

During the Russo-Turkish War of 1768-1774 Britain was an ally to Russia because trade in between these two countries dominated especially after the industrial revolution and massive needs for manufacturing. In 1770, cooperation of Britain with Russia to destroy the Ottoman fleet at the Battle of Cesme also damaged the Anglo-Turkish diplomatic and trade relations, which brought a decline to trade volume of the British Levant Company. However, an improvement occurred substantially due to the French invasion in Egypt. British traders got a unique opportunity to trade in the Levant as the trade with France diminished within the invasion and British merchants had a power of monopoly in the Ottoman market. English goods were needed once again and purchased for military equipment against the French army and that was an exceptional opportunity for the Britain and the Company itself.

While the British trade in the Levant started to experience a recession by the end of the 17th century, the Nine Years' War broke out and the British trade in the Mediterranean suffered seriously. Navigation was unsafe and most of the time impossible for British trading ships and was attacked both by the pirates and French fleet. Therefore, Constantinople did not receive any commercial ships for a certain period. In addition, after the French victory over the Anglo-Dutch fleet, British trade was completely interrupted for a certain time. Also the American War by the end of the 18th century affected Britain and naval supremacy was not regained afterwards (Kutukoglu, 1974, p. 51-52; Wood, 1964, p.147). The Franco-Spanish War after the second part of the 17th century also had an effect on the decline of the trade as the Mediterranean became an insecure destination for British ships as well as the other traders. The Company could not have its dominance back, but by the end of the century trade increased considerably during the French Revolution; however it dropped and fluctuated after a couple of years. The French revolution of 1789 resulted in less French but more British trade operations in the Levant but it also ended by the declaration of war by Great Britain and the Dutch.

Expansion of British trade in the Levant slowed down again by the beginning of the 19th century due to the Russo-Turkish War. However after the war a new period started to the benefit of the British merchants as British goods started to invade into the Ottoman market, especially textile and cotton products and competed with the local manufacturers (Wood, 1964, p. 192).

Despite the competition between France and Britain over the Levant trade, Dutch traders entered to the Levant, although they could not be as strong as the French against the British traders. However they provided carriers for the Levant goods to Britain via Holland. By the middle of the 17th century, the Second Anglo-Dutch War had a very negative effect on the British trade. On the other hand, Dutch merchants were targeting the port of Smyrna and later preferred to improve trade with Indian so they were less competitive in the Levant trade (Kutukoglu, 1974, p. 48-49). Therefore the main competition was between French and Britain.

The long existence of the French in Levant trade had a certain effect: French politicians and merchants were active, had strength and prestige in both political and trade relations. This resulted in a triumph over the British trade with the Levant and preserved their predominance in the trade.

A decline in European demand for Levant goods brought a decline and difficulty in export from the Ottoman lands and therefore Dutch, Venetian and British trade volume decreased. By the middle of the 17th century, British traders did not import textile products due to the decrease in demand, and as well as the support of prohibition of import of Indian and Chinese textiles. (Davis, 1967, p. 28, 29, 62).

The Ottoman textile products, cotton, mohair yard and wool cloth lost their European markets and therefore declined. There was also a decline in textile production and manufacturing and this affected Salonika cotton and wool cloth production, Ankara mohair yarn, Diyarbakir cotton cloth weaving. Indigo-dyed blue textiles and cotton cloth weaving. This meant that the export capacity of a number of centers of the Empire diminished. These were important centers for manufacturing and export for international markets and their decline and collapse affected trading activities of the British Levant Company (Quataert, 1993, p. 92-93)

For example, the conquest of India started a new colonial period for British traders and replaced a certain trade from the Ottoman Empire. The East India Company was another reason for the decline of the Ottoman trade; the East India Company imported silk from Bengal which brought competition with the Ottoman silk market. As mentioned before silk and raw silk were very important component of the British trade in the Levant. Bengal silk as a raw material was not better quality but offered a much cheaper price.

The other claim on the decline of the Company is the image of the Company: the Levant trade was in the monopoly of a small but rich and powerful group of merchants. The members ran for their own best interests and the company reflected the aim of its members. It both destroyed the image of the Company and caused a decline in membership. (Davis, 1967, p. 28, 29, 62). The critics of the Company for its monopolistic position in the Levant trade resulted with some petitions for actions of the Company and their ambassador in the Ottoman Empire (SP, 105/109, f 186).

Free traders and their doctrine and proponents of free market economics were defending liberalizing trade and removing barriers to trade. Liberal trade policies might have been contributing to the decline and abolition of the Levant Company in 1820s and brought an end to the Anglo-Turkish trade relations.

Anglo-Ottoman military conflict brought a gap to the trade relations however it was restored couple of years later by the beginning of the 1800s. The company officers tried to increase and restore British merchant navigation. Ottoman and British vessels were protected and foreign vessels, excluded Ottoman origin, carrying goods from the Ottoman territories were not allowed to in Great Britain (SP, 105/124).

There was an attempt to restore British trade in the Levant and there were certain efforts of the Company and British Consul General in Egypt, George Baldwin, wrote about diminishing of British trade in the Levant and worked to restore British existence in the Ottoman Market (India Office Records (IOR), G17/5, ff.383-387).

On the 19th May 1825 the Levant Company was dissolved with a government's degree ratified by the British parliament. Its final act was preceded by decades of intense criticism over its exclusive character and monopoly rights by advocates of free trade. By that time its authority had already been undermined by direct interventions of the crown since the 18th century. On the other hand, in the beginning of the 19th century conditions were mature for the state to undertake the design and implementation of a national policy of trade; this was an idea supported by many government officials who put their influence to succeed in the disbanding of the Company (Wood, 1964, p. 199). Despite the dissolution of the Company, the new era started in between British and Ottoman trade practice and a new commercial treaty signed which allowed British traders to operate more freely in the Ottoman territories.

Table: Import and Export with the Ottoman Empire (Sterling)

Years	Import from Turkey	Export to Turkey
1662-1663	367.595	167.661
1697-1698	162.018	172.049
1699-1700	303.072	224.342
1714-1723	290.523	213.755
1724-1733	278.629	212.364
1734-1743	181.985	151.874
1744-1753	170.164	121.421
1754-1763	130.028	71.337
1764-1774	135.119	76.461
1774-1783	105.477	88.065
1793	184.681	45.270
1794	324.906	117.700
1795	84.299	149.938
1796	150.182	132.776
1797	104.838	23.532
1798	42.285	56.585
1799	33,091	200,505
1800	199,773	157,550
1806	136.153	129.695
1807	113.258	19.167
1808	57.357	13.686
1809	184.920	101.860
1812	243,894	313,029
1817	186,289	299,241
1818	369,052	806,530
1820	417,158	551,791
1824	746,848	747,738
1825	1,207,035	633,147

Source: Whitworth, 1969; Wood, 1964.

The table above lists the volume of exports and imports of the Levant Company during the period of prosper and decline. Import from exceeded export to the Ottoman market most of the time, but the Company had a drop in import from Turkey after the beginning of the 18th century; it had a sharp slump by the end of the century with some recovery in some few years. Export to Turkey had the same path; however it did not show a recovery similar to the import by the end of the 18th century. The fluctuation in import and export proceeded in early 1800s until the dissolving of the Company.

Despite the competition, political stability between trading nations in the Mediterranean secured marine trade and that brought a better commercial link in the Levant trade. As mentioned above military conflicts either partly destroyed or negatively affected the trade volume of the Company. Apart from the conflicts between trading nations, founding new trade routes providing raw materials and goods with a low cost affected the Ottoman market and the commercial activities of the Levant Company. The founding of the East Indian Company and its commercial activities in 17th and 18th centuries could be an example of the diminishing trade of the Levant Company.

Conclusion

The Ottoman Empire was subjected to the European countries with a socio-economic formation politically and economically from the middle of the 16th century. Organization of the economic and trading life in the Empire was not different and disconnected from the European market; external trade was carried out by the local and foreign merchants and long distance trade contributed to the Ottoman economy. (Sunar, 1987, p. 64).

Trade of the Ottoman Empire was conducted with the Italian states, France, Spain and Portugal within and after the ages of discovery in oversea trade. Britain attempted to be part of this trade by the beginning of 1500s; however diplomatic and economic relations with the officials of the two states started by the end of the 16th century with William Harborne who was commissioned as the first ambassador and a merchant of Great Britain to the Ottoman Empire.

The Ottoman authorities granted some major European countries such as France, Great Britain and Holland, some commercial privileges and it made the European countries merchants operating in the Ottoman territories (rich?). The British Levant Company was one of the trading companies provided with commercial rights for its exclusive privileged merchants for trading in the Ottoman market.

The British Levant Company was a chartered company constituted by the support of Queen Elizabeth I in the 16th century and was not itself a trading company. With the establishing of the Company the British merchants were granted

trade privileges so that they enjoyed being the most favored trading nation in the region. The foundation of the Company allowed free trade to British merchants and later capitulation allowed the British merchants to benefit from the Levant trade in the region along with the French and other Christian allies. Within the agreement British merchants and consulates appointed at certain trading regions and port cities of the Empire from Balkans to the Middle East, including Salonika, Smyrna, Constantinople and Aleppo.

Ottoman European trade flourished in the Mediterranean with the merchants of the Levant Company in the 17th century but experienced a decline by the beginning of the 18th century. There are a number of reasons for the decline such as competition, changing in trade routes, having other raw materials and goods with a low cost, monopolistic power of the Levant Company.

British direct trade started by the end of the 16th and grew during the 17th century with certain privileges. British woollen cloth, that found a great favor with the Ottomans, was exported into the Ottoman market and raw materials which were essential for the British textile industry such as cotton, silk, mohair yarn and also some foodstuff were imported into the European market. However the Levant trade of the Company dropped due to the growing alternatives both for trade routes and also demands for the Levant products started to fall in Great Britain. Increased competition with other European countries trading in the Levant and mainly increasing competition with France was one of the most important causes of the sharp decline. The monopolistic policies of the Levant Company also contributed to the decline of its share in trade.

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