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# Ottoman Trade Policy and Activities in Europe and Asia

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## ABSTRACT

**Purpose:** This discussion aims to provide an overview of Ottoman activities and policies in the field of trade and explain the factors that have led to support the economic progress and decline of this Empire.

**Design/Method/Approach:** This discussion uses a literature study with a content study approach (content analysis) that is qualitative.

Findings: Turkish Ottoman is traversed by an old trade route, which then develops into a country that is crossed by strategic trade routes from East to West with various commodities, including spices from Indonesia. One factor in the economic development of the Ottoman Empire is that the dense trade routes make this Ottoman state a political climate in Europe and Asia. Treaties and treaties and foreign capitulations are given to European countries, which only pay a 3-5% tax. To reduce Western European pressure on the Ottoman Turks in dealing with the Hapsburg family. This made traders who were 80% made up of Muslim traders drastically reduced. The treaty that was signed was like a double-edged knife for the Ottoman Turks, which was of little use in the glorious days and harmful in the weak. International trade agreements should be reviewed again in a strict manner because many of the points of the agreement are detrimental. An agreement that has eliminated much sovereignty from weak countries due to monopoly. But the Ottoman Turks had signed the deal when the Empire was at the peak of its power.

**Originality/Value**: The contribution of this study is guidance in taking independent economic policy steps in developing trade networks and not easily giving in to foreign pressure except in emergencies.

## INTRODUCTION

At the end of the 13th century, the Ottoman Sultanate was a small kingdom located between the rule of the Seljuq and Byzantium (Eastern Roman). In a short time turned into an empire that controls the political balance of the three continents traversed by many trade routes from various directions, including the old trade route (silk route). However, trade activity, which is also relatively increased due to trade treaties between France and the Ottomans, whose negative impact can only be seen for some time and anticipated in a slow time. The novelty of this research is the description of the Ottomans trade route in the spice trade with Asia and Indonesia, which was formerly called the spice island. This article also illustrates the impact of trade agreements that seem beneficial but have a very detrimental effect on Muslim traders who have become one of the factors in the collapse of the Ottoman Empire.

The purpose of this writing is to reveal the vast and diverse trade networks and commodities of the Ottomans. This discussion was not written by many authors in the country, especially about the impact of the French and Ottomans trade treaties, which harmed Muslim traders and indirectly affected trade in Indonesia. The Indian Ocean and Aceh Darussalam. The Ottomans had expanded their trade wings in all directions by providing trade facilities to importers who came from Western Europe, especially Venice, Geneva. They were given tax relief on housing complex facilities, printing their own currency (Ducati). What has been highlighted in Western literature is that Ottoman is a backward dictator and colonizes the entire Middle East, North Africa, and the Balkans without thinking about the benefit and progress of the economy. Ottoman does not have an established economic system so that it becomes a sick man in Europe (The Sick Man from Europe), which is also caused by various other factors.<sup>1</sup> The author wants to describe the role of the Ottomans in world trade even to the archipelago once dominated trade in the Indian Ocean. The ladder of abundant money trading channels has made this Empire rich. The stretching of the Ottomans economy was reduced after the trade routes were controlled by the British one by one in the East coupled with the discovery of a gold mine in Mexico by Spain, making silver money flooded in the Ottomans region causing inflation. Does the question arise whether the dominant factor that caused the increase and setbacks of the Ottomans, the printing of large amounts of currency and silver imports? Or is the trade agreement signed with France that has been misused (Imtiyazat Ajnabiya / Foreign Capitulation), or are there other more dominant factors? As a trade route that is no longer controlled by Muslims.

Ibnu Khaldun said in economic theory, "printing and supplying too much money without being offset by factors of production can cause

<sup>&</sup>lt;sup>1</sup>V. Necla Geyikdağı, Foreign Investment in the Ottoman Empire: International Trade and Relations 1854-1914, Library of Ottoman Studies 27 (London; New York: Tauris Academic Studies, 2011).p.115

inflation."2SevketPamukraged in his book Monetary History of the Ottoman Empire, explaining that Spain had a monopoly on imports, gold, and silver for making currencies, which according to HalilInalcik in his book with title "Ottoman Empire the Classical Age 1300-1600", was the cause of very high inflation <sup>3</sup>. "This Turkish empire. The author has also compared the book Abdulrazak Sanhuri al-Imtiyazat al-Ajnabiyah, which tells about the Ottomans trade agreement, which had an impact on the economic downturn. Because the Muslim community living in the Ottoman territory experienced discrimination while non-Muslims instead got the privilege because it was considered as part of the Foreign Capitulation agreement signed by the Turkish sultans. They enjoy the same facilities as Western Europe, such as impunity, tax breaks, uncontrolled investments, including in public services and market policy settings, as told in a book compiled by Muhammad Farid Bek al-Muhami, entitled Daulat Iliyah al-Osmania. They cannot be tried in a local court, but they are tried in a court that has been provided by foreign consulates, which are sometimes not processed at all.<sup>4</sup> The novelty of discussion is an explanation of foreign capitulation impact on the stretching trade, the economy of the Ottomans throughout its territory.

I did an analysis of the problem based on the study of literature, with a content analysis approach from the history books, by collecting sources and data in the form of research related to discussions originating from literature to and internet sites, to be verified, which are associated with the history of the Ottomans trade. With qualitative methods, the writer makes interpretations from existing sources and synchronizes the chronology that has been presented.

## **RESULT AND DISCUSSION**

In the 13th century AD, Anatolia was not only the link between East and West, but it was also the gateway of trade between North and South, between the Golden Horde region of Russia and Eastern Europe and the Arab countries. Spices, sugar, colorful clothes were coming from the South in exchange for leather, slaves from the North.<sup>5</sup> The Italians carry goods by sea, while Muslims prefer land routes from Antalya to Konya and Sivas or from Aleppo, Caesarea, Sivas, Sinope to Samson. Cities around Anatolia (Sivas, Caesarea, Aga Saraii, Konya, Amasia, Ankara) had become essential

<sup>&</sup>lt;sup>2</sup>"Ibn Khaldûn: A Fourteenth-Century Economist," *Journal of Political Economy* 79, no. 5 (September 1971): 1105–18, https://doi.org/10.1086/259818.

<sup>&</sup>lt;sup>3</sup>Erol Özvar, ed., Turk Tarihciliginde Dört Sima: Halil İnalcık, Halil Sahillioğlu, Mehmet Genç, İlber Ortaylı, 1. baskı, Timaş Yayınları 3237 (İstanbul: Timas, 2013).p.166

<sup>&</sup>lt;sup>4</sup>Muhammad Farid Bek Al-Muhami, *Tarij al-dawla al-'aliyya al-'utmaniyya* (Beirut: Dar al-Nafa' is, 2009).p.233

<sup>&</sup>lt;sup>5</sup>Charles Issawi and Charles Philip Issawi, An Economic History of the Middle East and North Africa, The Columbia Economic History of the Modern World (New York: Columbia Univ.Pr, 1982).p.212

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trading centers at that time.<sup>6</sup> Bursa has been the center of trade and politics for the Ottoman empire until the end of the 14th century AD. The exchange has become the most important trading center in Anatolia and the most significant market where transactions of all kinds of commodities come from all over Asia and Europe.



Map of the Ottoman Region (1683 - 1914)

In the 15th century AD, the European silk industry had overgrown, the Exchange had become the world silk market both for ready-made silk and in the form of raw materials. In Bursa, exceptional silk yarn is sold made in Istrbad and Jilan in northern Iran. So, it goes on in 1501 AD Maringhi said the envoys from the Maditci family and others from Florence on the Exchange "every year there were many caravans from Iran to Bursa. In his letter said, "Italian traders lost their patience to buy Iranian silk, and they waited expectantly and competed to buy as much as possible when the caravans arrived.<sup>7</sup> This trade is very profitable because every more or less Fardello (150 kg), produces a profit of 70-80 Ducat gold (the gold currency of the countries of Italy). In Bursa, about one thousand weaving machines produce 5 Fardello every day around 750 kg. The price of silk rose slowly starting from 50 aches for each Fardello in 1467 AD One medium-sized caravan alone brought the Exchange 200 Fardello silk. If we look at the table after this, which will explain the tax income from silk on the Exchange within a few years, we can imagine a large volume of silk imports:<sup>8</sup>

Walter Terence Stace, التصوف والفلسفة, vol. I (Madbuli, 1999).

<sup>&</sup>lt;sup>7</sup>Suraiya N. Faroqhi and Kate Fleet, eds., *The Cambridge History of Turkey*, 1st ed. (Cambridge University Press, 2012), https://doi.org/10.1017/CHO9781139049047.

<sup>&</sup>lt;sup>8</sup>Halil İnalcık, *The Ottoman Empire: The Classical Age, 1300-1600*, Second Impression, History of Civilization (London: Phoenix, 1995).p.235

The income of Trade of The Ottoma			
	Years	Year of Entry with Ducat Gold Coin (Italy)	
	1487	40.000	
	1508	33.000	
	1512	43.000	
	1521	13.000	
	5123	17.000	
	1557	24.000	

Tabel 1.The income of Trade of The Ottoman			
	Years	Year of Entry with Ducat Gold Coin (Italy)	
	1487	40.000	
	1508	33.000	

It can be noted that tax revenues dropped dramatically after 1512 AD because there had been a war with Iran and again increased after the peace in 1555 AD with Iran, but tax revenues could no longer be achieved like the year before the war. <sup>9</sup>The conquest of Iranian territory did not bring much profit to the Ottomans, due to French agitation. So that expansion into the heart of Europe was halted. Until after Constantinople became the Ottoman capital, Bursa remained one hundred years after that became one of the largest trading centers in the entire Ottoman territory. At that time, Aleppo was a silk trading center that competed with the Exchange. Caravans were carrying Persian silk to Aleppo through Erzurum and the Furat Basin or through Tabriz through Wan, Bitlis (Georgia), and Divarbakir. In 1432 AD Bertrand an adventurer from France described the journey he took with the caravan of pilgrims who joined the merchants returning from Makkah with 3000 camels. In the procession, there are officials appointed by the Ottoman state as official traders of the Exchange. After walking for 50 days, Bertrand arrived at Bursa and met with many traders from Florida, Genoese (Geneva), and Pera. They buy spices from the archipelago (Indonesian archipelago).10

The merchandise carried by these caravans consisted of light items such as spices, gemstones, dyes, medicines, various clothes. Tax income derived from Zafar oil, grains, and spices imported into the Exchange reached 2000 Gold Ducat in 1487 AD. These caravans had monopolized the Muslim trade with huge investment capital. Most of them come from Aleppo and Damascus. Prosperous trade originating from Damascus had sold the cargo of one ship filled with spices on the Exchange for 4000 Ducat Gold. In early 1480 AD, a minister named Mahmud Ghawan from the Indian

<sup>9</sup> Şevket Pamuk, "Prices in the Ottoman Empire, 1469-1914," International Journal of Middle East Studies 36, no. 3 (2004): 451-68.

<sup>&</sup>lt;sup>10</sup>Farid Bek Al-Muhami, Tarij al-dawla al-'aliyya al-'utmaniyya.p.223

Bahmani kingdom. He sent a trading attaché to the Bursa to market his merchandise to the Balkans.<sup>11</sup> A Florence trader named Benedetto Dei had written in 1470 AD; he bought spices, cotton, candles at the Exchange. Maringhi's explanation explained that Bursa was exporting spices, cotton to Italy even though the amount was not so large. And also obtained information in 1501 AD he sent a letter to his friend in Florence that he had bought three bags of spices, and he was preparing to purchase additional. From this it can be analyzed that the spice price difference between the Bursa and Florence is not so significant that it is not comparable to the expensive silk trade clappings, Marighi also noted in 1503 AD<sup>12</sup>

The price of one Qintar (56 Kg) of black chilies in the city of Pera can reach 27 Gold Ducat if the city does not yet have new stock. While in Edirne, the official price for one qintar 18 Ducat Gold in 1501. However, Portugal at that time took spices directly from the Archipelago (Indonesia now) to Europe.<sup>13</sup>

#### The Trade Routes of the Ottoman with India and Indonesia

Although Portugal always tried to block the trade routes between the Near East with India and Indonesia through the Gulf region, the Red Sea. However, he was forced to allow the sale of spices in the mid-16th century AD in the bay of Hurmuz. After Portugal destroyed a large part of the Mamluk sultanate's fleet at Chaul in 1509 AD, the Mamluk Sultan asked for help from the Ottomans. Finally, the assistance was sent by the Sultan of Turkey with several engineers, materials to make the ship. In 1516-1517 AD, the Ottomans annexed Syria and Egypt and the Hejaz while Portugal continued to move back and forth in the Red Sea and threatened to rule Mecca and Medina. When Sultan Salim was in Egypt in 1517 AD, he ordered to build a fleet of ships in Egypt to hunt Portuguese vessels in the Indian Ocean. The Ottoman Admiral Salman, named in 1517-1525 AD, was able to block the Portuguese naval fleet at Jidda and chase it to Aden (Yemen).<sup>14</sup>

In fact, Portugal avoided a direct confrontation with the Ottoman Empire, which had changed its position to become an aggressor after getting information about Portugal. The Ottoman Empire had sent its fleet in 1538 AD consisting of 30 ships to drive out Portuguese ships from Diu in northern India but failed. The leading cause was the local Muslim ruler Sultan Bahamani, who did not want to cooperate because he

<sup>&</sup>lt;sup>11</sup>Issawi and Issawi, An Economic History of the Middle East and North Africa.p.267

<sup>&</sup>lt;sup>12</sup>Dina Rizk Khoury, "Halil Inalcik and Donald Quataert, Ed., An Economic and Social History of the Ottoman Empire, 1300–1914 (New York: Cambridge University Press, 1994). Pp. 1,057.," *International Journal of Middle East Studies* 28, no. 2 (May 1996): 289–91, https://doi.org/10.1017/S0020743800063376.

<sup>&</sup>lt;sup>13</sup>Khoury.p.117

<sup>&</sup>lt;sup>14</sup>Halil İnalcık, An Economic and Social History of the Ottoman Empire. Vol. 1: 1300 - 1600, 1. paperback ed., 5. print (Cambridge: Cambridge Univ. Press, 2005),p.115

thought the Ottoman fleet had not come to help and would continue to take over his territory. Even so, the Ottomans could occupy Aden and Yemen after so long being Portuguese naval bases.<sup>15</sup>

Spices to India and Indonesia directly to the Ottoman Empire throughout the 16th century AD Sometimes goods are scarce. Still, in general, the flow of merchandise and commodity exchanges remain smooth originating from India, Indonesia (spice islands) with trade commodities originating from Europe at the Port of Aleppo, Alexandria-Sues, Istanbul, and Bursa. In 1554, Venice bought thousands of Qantar consisting of spices in Alexandria. Whereas in 1560-1564 AD, the volume of trade commodities brought to Europe before Vasco Da Gama found a new path to India and Indonesia. The crisis hit the market in Lisbon from time to time. Portugal tried to anticipate this by sending spies to Egypt in 1564M. The spy told his government that it had reached Alexandria 300 thousand Qantar spices. Spices reaching Jeddah each year are around 20 ships. The results obtained from the spices at Damascus in 1526 AD through pilgrim's caravans from Indonesia concluded 110 gold, Ducat.<sup>16</sup>

European traders bought some of this spice at Damascus then took it to Beirut to be forwarded to Istanbul and Bursa and brought to Northern Europe via the Balkans in vast quantities. Tax records obtained at the Exchange provide information that European traders bought spices in 1545 AD, generating a tax income of around 7250 Ducat gold, and that lasted until 1582 AD. This is four times what was obtained from 1457 AD From the archives obtained showing wool trading activities that Venice continued to carry out its trade activities until 1590 AD, Venice brought wool from various European cities and exchanged it with spices in Istanbul. In 1547 AD, Hungarian traders sold large quantities of yarn on the Exchange and traded it for muchneeded spices in Europe at that time. Spices come from India and Indonesia not only through the port of Basra but also through the Red Sea. J. Eldred had noted that when he visited Basra in 1583 CE, he delivered every month to the port of Basra from Hurmuz various ships containing goods produced by Indian products, such as spices, medicines, clothing, silk, and cotton. While the sea lane that connects the ports of Syria and Egypt with Antalya, Alania, and Istanbul is no less important than the land route. Millipore, which is the heart of Antalya in the 70s of the 15th century as the center of the spice trade. There were 15 spice trade centers in Asia Minor based on excise records in Antalya in 1559; about 50 ships had arrived there in the span of one year. Each ship carries 20-30 traders, most of whom are traders. If we review the records of the customs and excise offices in the 15th and 16th century AD, we got the essential commodities from Asia Minor to Syria and Egypt, building wood, iron, iron tools, carpets, prayer rugs, opium, dried fruits, leather, wax, and asphalt. Then these items were exchanged in the ports of Syria and Egypt for spices, Egyptian / linen, Rice,

<sup>&</sup>lt;sup>15</sup>İnalcık, The Ottoman Empire.89

<sup>&</sup>lt;sup>16</sup>İnalcık.p.241

Sugar, and Syrian Soap. And so on, the amount of excise duty in Antalya and other ports connected to it reached 7000 Ducat Gold.<sup>17</sup>

Building wood was sent from the port of southern Anatolia to Egypt long ago. In the Taurus mountains, the Turks work as loggers and send it to Antalya, Alania, Phoenicia, and other ports that provide insignificant income from the asphalt trade, which produced 3500 Ducat gold. In 1477 AD, Antalya is the center of the slave trade, who brought white slaves to the South and brought black slaves from the South. In Antalya also settled traders from the Exchange who carry out their trading activities periodically. However, after Egypt was conquered in 1516-1517 AD, trade commodities were brought to Istanbul by sea. This caused the trade traffic in the port of Antalya to be deserted and lost its function. In the 17th Century, Antalya only became an ordinary port used by fishermen to carry out their activities.<sup>18</sup>

Syria, Egypt, has played an essential role in the economy of Istanbul and the Ottoman Empire. Egypt sent foodstuffs such as rice, wheat, barley, spices, sugar to the Sultan's Palace.<sup>19</sup> Whereas the surah in the 16th century AD carried 50,000 kg of soap and washing soap. Gold from Sudan is brought through Egypt, which adds to the country's foreign exchange every year by around one million Ducat gold combined with a surplus generated from Egypt. The central government always wants income derived from each province in the form of gold currency. Not only that, but Egypt also has another financial burden, namely providing operational costs to the two holy cities of Mecca and Medina, as much as 40 thousand Ducat gold. For the benefit of the Egyptian palace, it must also donate 13,866 Ducat gold for the purchase of sugar, spices, medicines, and 13,053 for the purchase of gems and clothing needed by the royal household in Istanbul. Egypt and Syria are regions rich in natural resources, agriculture, animal husbandry, trade traffic through Suez, and land routes through Damascus and brought to the port of Beirut. These two countries are the primary sources of income for the Ottoman Empire. In 1528 the revenues of these two countries reached 1/3 of the total income of the Ottoman Empire, which also had a large area in Central Europe and around the Black Sea.<sup>20</sup>

From this, it can be seen why Christian pirates survived on the islands of Rhodes, Cyprus, and Crete, which were used as pirate Markaz. They attacked Muslim ships laden with merchandise that would be brought to Istanbul via the islands. More and more vessels pass from Alexandria (Egypt) to Istanbul; the activities of Christian pirates are increasingly becoming supported by the Catalans. The Hospitaller Crusaders

<sup>20</sup>Inalcık, Essays in Ottoman History.p.111

<sup>&</sup>lt;sup>17</sup>Halil İnalcık, *Essays in Ottoman History* (Beyoğlu, İstanbul: Eren, 1998).p.221
<sup>18</sup>İnalcık.p.226

<sup>&</sup>lt;sup>19</sup>Andreas Birken, *Die Provinzen Des Osmanischen Reiches*, 1. Aufl, Beihefte Zum Tübinger Atlas Des Vorderen Orients : Reihe B (Geisteswissenschaften) ; Nr. 13 (Wiesbaden: Reichert, 1976).p.251

remained on the islands of Rhodes and Malta until 1522 AD. They continued to undermine ships passing from Alexandria to Istanbul. When Egypt was conquered in 1517 AD, Rhodes naturally had to be captured. That was what Suleiman al-Qanuni did in 1522 AD after laying siege to the island for months. So that the Ottomans merchant ships are not disturbed by pirates who pass through this route, the ships are accompanied by Ottomans warships. Samuel is a Jew; he recounted the situation in 1641 when he joined the caravans carrying merchandise by sea, consisting of 50 Ships from Istanbul awaited by warships in the Dardanelle Strait led by Ottoman Admiral to be escorted through the Aegean Sea (Italian waters).<sup>21</sup> Ottomans Empire and Black Sea Trade Activity

Trade on the Black Sea is the most important branch of trade for the Ottoman economy, which has been going on for a very long time without being rivaled by any country. Because of the Ottoman-controlled, the Dardanelle Strait. Italian ships are inspected as they pass through Istanbul and Gallipoli. This foodstuff is the leading trade in the Black Sea, which is a closed trading area for foreigners, which is a trading area that is a captive market. The Ottomans controlled the entire Black Sea, including the main ports named Caffa and Azof. While the ports of Kilian and Akerman were occupied in 1484 AD After that foreigner was prohibited from carrying out trade activities in the area for security and military reasons. This caused Italian ships to no longer be able to enter the Black Sea region at all except to take shelter under the Venetian flag, which carried heavy smokes from the islands of Crete and Chios or the merchant settled in Crimea after he obtained Ottoman citizens. He was able to operate his ship again and resume activities as an Ottoman citizen.

Ottomans handed over trade management in Black Sea ports such as Moldovia, Polonia to the Armenians of Kafa origin, and Jews, Greeks, and Turks in exchange for the dominance of Italian merchants. In 1456 AD, two years after the Moldavian duke declared submission and came under the rule of the Ottoman Empire. This Ottoman Sultan gave privileges to Moldavian traders, and they were allowed to carry out trading activities in Akerman, Edirne, Bursa, and Istanbul. This trade had taken place in Akerman and Kilya in the 15th century AD until Moldavia entered its heyday. The old trade route through Akerman Kilya, Polonia (Poland) through Moldavia, therefore the city of Suceava in Moldavia and the city of Lwow (Lemberg) in Polonia have turned into vibrant trade centers. Polonia tried to conquer Moldavia, Akerman, and Kilya but failed because these cities are potential cities that must be maintained by the Ottomans.

From records from the Ottomans customs office in 1490 - 1512, it was explained about life in Akerman and Kilya, which are one of the major ports in the Ottoman territory, that these ports were connecting ports to the North. Know 1490 AD for just four months, and70 ships had docked at the port of Kafa. The ships are

<sup>&</sup>lt;sup>21</sup>İnalcık, The Ottoman Empire.234

eight ships from Greece, seven ships from Italy, and one from Russia (Vasilan); the rest are Muslim-owned vessels. Of the many crafts, only two are of ethnic Turkish origin, Masih Basya, and Sinan Beik. These ships are from Istanbul, Galata, Trabzon, Azov, Sinope, and Izmit. The average vessels that are anchored are small ships that only carry 3-5 traders. While the giant ship was carrying 175 traders, consisting of 12 Greek traders, 4 Italian traders, 3 Jewish traders, 2 Armenians as well as a Moldavian trader and a Russian trader, while the rest are Muslim traders. These traders brought merchandise from Istanbul, Bursa, the highlands to the south of the Black Sea, such as (Trabzon, Safri Hisar, BeikSehir, Awsyaq, and Ghurdus).<sup>22</sup>

Istanbul uses these ports as a transit center for certain trade commodities such as European clothing, Bursa silk, Indonesian spices, clothing dyes, cotton clothes from West Anatolia. From the Kastamonu region under rice, iron, cotton clothing, moher soap. The country of Tosya is very famous for its moher production (typical soap originating from Ireland). This region also produces local handicrafts as its port is used as a transit port for goods from Indonesia-India, Arabia, such as silk, henna, and spices. From the harbor of Sinope, they were taken to Kafa, dressed in gilded models, soft clothes made of silk, and other materials. The clothes are made in Amazia, a city that is part of the silk route traversed by traders who come from Iran. The goods below are items that are very in demand, and the need for these commodities arises from various walks of life, including the Palace itself. Besides that, cotton clothing is no less important in this trade. Merzifon near Amasia is a center for the production of cotton clothing since 36 CE, which was sent to Crimea. These commodities are sent to the port of Kafa along with other products originating from the Trabzon region, especially Nabiz (fresh fruit/beer), seeds, sails. Whereas the commodities brought from central Anatolia were cotton clothing, many of which were brought to the port of Kafa, and then produced Moher, Beas in Ankara, opium from Bushehr (Iran). While the famous carpet comes from Awsyak and Ghurdus. From the Aegean Sea, the port of Kafa unloads Olives, Olive oil, raisin nuts, Nabiz, vinegar in the particular form of the ships that dock there. Whereas traders from the Bursa carry silk and carpets and clothing dyes. Cotton clothing, food products, yeast are relevant merchandise shipped from Anatolia via the port of Kafa to Kremia, Poland, Russia, and the Tatars around Qabjaq and the Volga Lace plain. Through this road, Kafa is connected with Istanbul, whose main commodity is European clothing and goods from Indonesia, India, and Arabia.<sup>23</sup> Kafa is the main port of loading products to the South by bringing wheat, wheat flour, butter, zabadi, cheese, honey, bread to take to Istanbul, which is a staple food for residents of Istanbul and the Ottomans Palace. Thus in 1600 AD, the Palace kitchen requested that the Kafa port administration send 2000 Qintar (112 tons) of cheese.

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<sup>&</sup>lt;sup>22</sup>Inalcik, *Essays in Ottoman History*.p.223

<sup>&</sup>lt;sup>23</sup>Khoury, "Halil Inalcik and Donald Quataert, Ed., An Economic and Social History of the Ottoman Empire, 1300–1914 New York."p.234

Because the demand from the markets was very high, the Duke of Kermian began to increase the production of legumes by increasing the concentration of the population in the steppe's region, some of his workers were thousands of prisoners of war originating from Russia. Semi-nomadic communities were mobilized to grow crops around the North of Crimea to meet the increasing market demand. Sturgeon fishers who produce eggs (caviar) increase their production. Usually, these fishermen do their activities in the upper Don River. Caviar is the primary source of income, which will also be sent to Istanbul and the South. Geneva, Venetian traders, also loaded wheat flour, fish, and caviar to Italy, but most of the commodities were brought to Istanbul. The Ottomans levied a 10% tax on fishers who put it in drums to be loaded onto ships for safekeeping.<sup>24</sup> Before 1490 AD, the annual production of these sturgeon fishers reached 100,000. This commodity also reaches the port of Kafa, which consists of Kaluga fish, caviar, honey from the coast of Circassians (Russia) from the port of Koppa and Taman.

Salt production is closely related to fishing. In Crimea, there are many underground salt mines in the Sevastopol region. The salt is sent in large quantities to Istanbul and Azof for fish preservation. Thus, until the end of the 16th century AD, the Lord of Crimea sent 1000-12,000 tons of salt to Istanbul for sale on the Istanbul market. Kafa was a connecting port with Azof and Kerch and Taman and Kupa and a center for the slave trade that was captured by the Tatars when they conducted military operations in Poland and Russia. These prisoners were brought from the Garden and Kafa to be exchanged for clothes brought by the Anatolian merchants to Crimea. In the mid-16th century, the Ottomans made 100,000 Ducat gold from the slave trade.<sup>25</sup> It can be imagined how much profit the other commodity trading activities will achieve by this Ottoman state. Tax for every four gold Ducat slaves, some of them were sent to Istanbul, and the rest were sent to Sinope and Inebolu. Before Ottomans rule took root in Anatolia, the slave trade was controlled by Geneva and European countries. Through Turkish ethnicity in Russia-Tatar, the brand sends to the south cattle, horses, bows, and arrows of the famous Tatar, the skin of Alemrakachih from Kazan (now Russia). Cultural relations in common customs between the Ottomans and Muslim residents who live in the North Black Sea region has dramatically helped the development of trade. The Ottomans also established trade relations with Russia in the 15th - 16th centuries. Until the end of the 16th century, good relations between the Ottomans, Duke of Crimea, and Russia were harmonious. This makes the trade of the Ottoman Empire and Russia rapidly developing. Merchandise from Moscow reaches Kilya (Ukraine) and Acreman through Chernigov and Kiev. While the road to Azov and Crimea through the Kursk and Belgorod and Circassian countries. Feathers and tools made of iron are Russian export commodities, but the most important export

<sup>&</sup>lt;sup>24</sup>İnalcık, Essays in Ottoman History.p.22

<sup>&</sup>lt;sup>25</sup>İnalcık, The Ottoman Empire.p.56

commodities are Russian linen, seahorse teeth, mercury, and mercury. In 1497 AD, Russia was privileged in trading with tax breaks and the freedom of Russian citizens living in the Ottoman territory to conduct trading activities with low taxes.

It does not stop there when a legal case occurs; the law used is Russian law, which is held by the Consul in Istanbul or other ottomans provinces. This agreement is called the capitulation agreement is known in Arabic is المتيازات الاجنبية. Not only did Russian traders come to the ports of Kafa, Akerman, and Kilya, but they also reached Bursa. Cities in the Ottoman region are the primary market for marketing fur (fur made from jackets and coats), nails, Russian wolf leather. This continued until the 16th century AD when this trade activity increased European attention. At the Ottoman Palace, giving prizes in the form of expensive feathers (leather) are an award and the highest respect. Thus, Sultan Bayezid II sent the feather to the Pope in 1492 AD as a gift consisting of a furry robe, silk clothing. When the Moscow rulers monopolized the fur trade, the Ottoman sultan sent merchants who were also palace employees to bring a letter of assignment to Moscow to buy the fur. The Sultan sent Mustafa Jalbi in 1577 AD to buy the feather with 4000 ducats of gold. And the Russian Tsar also sent money to purchase gold-plated Brocar (woven cloth). Russian traders bought it for 800 Ducat Gold along with Taf cloaks and fabrics.<sup>26</sup>

Trade between North and South through the ports of Akerman and Kilya, which were previously the same goods, underwent inspection in Kafa. Commodities brought to these two ports vary even up to 120 types of goods transported from Turkey. Like glass, cotton yarn, silk clothing, women's sandals. This shows the strong trade relations between the two ports and the southern region. Customs records say in 1490 AD within four months, and it was anchored at the port of Akerman 25 ships. Fifteen of these ships came from Greece and six ships belonging to Muslims, three Italian ships, and one belonging to Armenia. While the Kilya port is a transit center for Nabiz commodities, which are brought in from the south. That is how customs records say that drums filled with liquor made of wood are brought from Peloponnese and Crete (Greece) and Trabzon to the port of Kilya. However, it was not sold in Kilya, but after paying the tax, the goods were sent to Russia and Poland. The Ottoman government did this because the majority of the Ottoman people were Muslims and were forbidden to drink liquor. The results of the taxation of these goods in the transit port reached 6000 Ducat gold per year. In the mid-16th century AD, the Ottoman government handed over the Nabawi trade monopoly to Jews from the Eastern region named Yusuf Nasi. This Jewish wealth increased rapidly and gained privileges while at the same time having an influence on government and political policies to be taken by the Ottoman government. This Jewish rice was able to revoke the exclusive rights (capitulation) of the King of Poland (Lwow) given by the Sultan to him so that the Jew

<sup>&</sup>lt;sup>26</sup>Inalcık, Essays in Ottoman History.p.81

could expand trade on a large scale. Though these Jews already have these privileges in the form of tax breaks, legal protection, and many others. Tax and excise records contain information that Venice brought a massive amount of nabiz (liquor) from Crete (Greece), but after the Ottoman government banned foreign ships from entering the Black Sea, Crete traders tried to supply alcohol to Poland through Friuli.<sup>27</sup>

Kilya and Akerman are the trade gateways to Moldavia, most traders in these two ports are from Moldova, Romania, Armenia, Greece, and Tatars or Jews. These traders brought wax, honey, oil, zabadi, brown leather. They also brought these items to the North and brought goods from the north and the southern Black Sea lowlands. These traders also brought from Kilya to the south of Cod Fish, salted golden fish in drums that were captured at the mouth of the Danube river. In Akerman, the Russians trade knives and feathers and the equipment needed for raising horses.

Not only that, but the Black Sea is also a strategic place for military activities. When the war between Turkey and Iran occurred, large quantities of grain were transported from the ports on the Danube river to Trabzon. As combat cannons and other firearms were brought from Kigi near Erzurum to Trabzon via the Black Sea and vice versa during the war with Hungarian artillery equipment and the army could mobilize quickly through the Black Sea.<sup>28</sup>

#### Ottoman trade with Europe

Until 1569 AD, the Ottoman trade with the Christian world in the West through the brokerage countries, namely Italy, especially Venice. Venice has a powerful fleet in the Mediterranean Sea for a long time. So far, Venice and Geneva have never paid any taxes and are not subject to any supervision. Local governments in the East, such as in Azov to Alexandria, get special privileges in trade. The citizens of Geneva and Venice are scattered everywhere they have impunity because they are considered a state that is under the protection of their consul (Foreign Capitulation ).<sup>29</sup> At first, the Ottoman state allowed the situation as it was despite the intention of the Ottoman government to uphold the country's sovereignty, which began to turn into an empire.<sup>30</sup>

After the Ottoman Empire expanded in the 14th and 15th centuries AD, Venice was determined to take a stand against this new empire; therefore, Venice preferred to be an aggressor. Venice began to control the coastal areas threatened by Ottomans. Venice in the 14th - 15th century AD began to control strategic areas in Albania, Moriah (Greece), and the Ionian Sea. They also controlled the islands in the Aegean Sea to Cyprus in 1489 AD Venice ruled Salonika in 1423-1430 AD and even

<sup>&</sup>lt;sup>27</sup>İnalcık, An Economic and Social History of the Ottoman Empire. Vol. 1.p.62

<sup>&</sup>lt;sup>28</sup>Khoury, "Halil Inalcik and Donald Quataert, Ed., An Economic and Social History of the Ottoman Empire, 1300–1914 (New York."p.224

<sup>&</sup>lt;sup>29</sup>Meirison Meirison, "Legal Drafting in the Ottoman Period," *Jurnal Ilmiah Al-Syir'ah* 17, no. 1 (June 30, 2019): 39, https://doi.org/10.30984/jis.v17i1.806.

<sup>&</sup>lt;sup>30</sup>Geyikdağı, Foreign Investment in the Ottoman Empire.p.211

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thought to conquer Constantinople before the Ottomans overtook it. Venice is trying to adapt to the new situation for profit by making the Ottomans a trading partner at the same time as bitter enemies. Venice avoids direct armed contact with the Ottomans as long as their trade benefits are not disrupted. Ottoman, using various methods in dealing with Venice. When diplomatic relations began to strain during the time of Sultan Bayezid I. The Ottomans encircled the Dardanelle Strait is building a fortress around the strait which was equipped with various weapons including combat cannons. The fort was called Anatolia Hisar (the siege of Anatolia). A similar fort was built in Gallipoli and a port built inside was equipped with a wall around the port and the fort. At the port, there is a small naval fleet to anticipate attacks from the Venetian Fleet. Venice attacked Gallipoli in 1416 AD and burned the Ottoman fleet. And they entered the harbor to destroy this Ottoman base. These attacks did not end until the time of Sultan Muhammad al-Fateh. With the conquest of Constantinople, the rule of the Ottomans became even more reliable.<sup>31</sup>

Another tactic used by the Ottomans is to collaborate with Geneva, a rival of Venice, which also has long carried out its trading activities. Geneva was given capitulation rights in 1352 AD and was allowed to monopolize alum stone in Manisha (Magnesia). Which was the primary source in producing European weavings? Geneva residents on the western edge of Anatolia, Foca, Chios Island, moved to ports to load goods from Anatolia. As an expression of this cooperation agreement, Geneva sent their ships at critical times to help the Ottomans to pass through the Dardanelle Strait in 1421 - 1444 AD. At that time, the Dardanelle Strait was still under Venetian rule. Geneva's attitude did not change when Muhammad al-Fateh surrounded Constantinople, and the Geneva ships continued to help this Ottoman state.

In this political and military struggle, the Ottomans took economic steps. Sometimes the Ottomans renewed the foreign capitulation agreement by allowing Venice to make the grain trade. With the facilities provided to Venice, they will reduce the concentration of military fleets in strategic areas. Given the grain are an essential commodity for Venice and its islands. These seeds from Anatolia, Macedonia, Trivia, Thalia, and Muhammad al-Fateh played these seeds as a political tool to reduce the pressure exerted by the Venetian navy. After conquering Constantinople, the Ottomans immediately provided facilities to Venice by only imposing a tax of no more than 2% on all commodities. They are free to load any merchandise. Political conditions are increasingly sharpened, there was a long war with Venice in 1463-1479 AD, making the Ottomans forced to change economic policies again. Every Venetian trader was captured, all their wealth confiscated. The Ottomans sought another way to keep trading with the West by persuading Florence and Ragusa to occupy the Venetian position as intermediary traders throughout the Ottoman territory. At that time, Venice

<sup>&</sup>lt;sup>31</sup>Inalcık, Essays in Ottoman History.p.115

did not produce its own clothing but only as a broker or intermediary trader. Venice bought clothes from Florence and sold them in the East. Muhammad al-Fateh gave Foreign Capitulation Florencia, which was very profitable in trading activities in the Ottoman territory in 1469 AD.<sup>32</sup>

It can be seen from the influence of the capitulation that every fifty houses in Florence, one of which has become a trader in the Ottoman territory. The title of the word, answered by Leonardo Medici (1469-1492 AD), the ruler of Florence, wanted the same as Sultan Muhammad al-Fateh because the Ottoman market was an essential income for this noble family. After Bosnia and Herzegovina became the new Turkish province in 1463 AD Muhammad al-Fateh had opened a new road to Florence via Ragusa (Dubrovnik / Croatia) from Istanbul and Bursa via Foca and Nove. The economy of the cities traversed by traders began to stretch. Like Azar, Edirne, Gallipoli. This is itself a demand for this Ottoman state to increase security. In 1501 AD, there was a theft and robbery of silk traders originating from Florence. The Sultan sent his envoys to the scene and got the rest of the stolen property while the loss was borne by local residents and taken by force. These goods are brought from Ragusa to Ancona to a free port in the region to Pausan (Papacy). From the Pope's territory came the trade commodity to Florence. An increasing number of Ottoman, Greek, Jewish traders brought silk, spices, and sugar through this road to Italian markets. This is very worrying for Venice.33

There were even rumors that Ancona would become the protectorate area of the Ottomans. Residents along this trade route, such as Kaskup, Scopia, Futsa, and Mostar, were influenced by Eastern culture. No different from Sarajevo is a Turkish village in Eastern Europe, which is loaded with trafficking of traders from the port of Dalmatia and also other ports such as Split and Sibenik. So,Sarajevo has turned into a significant and growing city. The trade route from Sarajevo has a famous bridge on the Drena river from the town of Visegrad, where the caravans rest. The town was a trade icon of the Ottomans in the 16th century AD Ragusa was the luckiest region with the opening of this new trade route to Italy. This province usually pays annual jizya to the Ottomans during Sultan Murad II. But Ragusa felt his benefit must also be guarded by Venice, King of Hungarian which Ragusa is the city of Hong Kong in de facto. In 1444 AD, he provided several ships to be used by the Crusaders in fighting against the Ottomans. Italy's trade with the Balkans at that time was through the port of Arta, which contained grains, candles, gold, florins' clothing. After the Ottomans expanded their territory to Bosnia and Herzegovina, the overland route through the Balkans was already open. Be Ragusa (Dubrovnik) was entirely under the rule of the Ottomans. Ragusa paid an annual Jizya of 12,500 Ducat gold. As compensation for paying the jizya, Ragusa only pays 2% of trade and excise taxes. Ragusa pays less than Venice at 4-

<sup>&</sup>lt;sup>32</sup>Pamuk, "Prices in the Ottoman Empire, 1469-1914."p.116

<sup>&</sup>lt;sup>33</sup>Terence Stace, *التصوف و الفلسفة*, p.141

5%. Ragusa trade continues to grow and become a significant trading partner for the Ottoman Empire. Ragusa sends grain, wax, leather, raw silk, and Bursa silk to the West and sends wool from West to East.

The Ottomans built a factory in Ragusa to produce their own woolen clothes like those in Western Europe in the final quarter of the 5th century CE Venice continued to block the shipment of wool from Western Europe to the Balkans through ports on the Adriatic Sea. This ended in 1463 AD, after the road to Central Europe was opened and fully controlled by the Ottomans. In the mid-15th century, wool production increased in Ragusa, although the quality was not as good as that in Western Europe, but the price was much lower. Wool from Ragusa sells well in the markets of Istanbul, Bursa, and Kafa. Woolen warehouses in Sofia (Romania), turned into a hotel where Ragusa merchants are staying. The traders established lodgings in several cities such as Belgrade (Hungary), Sofia, Sarajevo, Edirne to Istanbul and Bursa. Ragusa has been the mediator in the war between the DaulatOsmanliand Venice in 1463-1479 AD, 1499-1503 AD, 1537-1540 AD, 1570-1573 AD. This brought benefits to the Ragusa trade, by increasing the volume of loading and unloading it did in various ports it reached 20,000 tons at the beginning of the 16th century to 65,000 tons in 1580 AD In 1537-1540 AD Ragusa had become a new competitor for Venice in the spice trade. The spices are transported through ports in Egypt, Syria, through Central Europe, Germany, and other Western European regions.34

The traders who were in the area traversed by the Ragusa merchants loaded the Ragusa ships and brought them to London. From London, they were carrying 25,000 thick and rough wool clothes to be marketed in Istanbul markets. Ragusa is very attached to the Ottoman economy, which is also linked to Italy and Western Europe. Ragusa's economy became resplendent under the patronage of the Sultan of Turkey. It will remain after the economy of the Ottoman state retreats and depends on the Atlantic countries in the 17th century AD the Ragusa economy collapses. The Ottomans were accustomed to giving Venice the right to Capitulation when political and military disputes subsided. The Republic of Venice has always monopolized the spice trade in the ports of Egypt and Syria. Ottomans granted Venice the privilege of 1546 AD to mine sodium alum with a compensation of 25 thousand Ducat Gold. Even though wars and dissension always occurred, the Venetian economy continued to develop stably in the 16th century AD Venetian ships sailed to the eastern ports carrying a woolen cloth, Venetian silk, Satin cloth, paper, jars, glass pots, and mirrors. Coming home from Egypt and Syria, the ships brought spices, medicines, natural dyes, silk, cotton. While the ships were originating from Anatolia, these Venetian ships

<sup>&</sup>lt;sup>34</sup>Terence Stace.p.126

carried seeds, leather, sheep's fur, silk, and cotton. The market in the East in the 16th century AD under the administration of Turk.<sup>35</sup>

#### Foreign treaty and capitulation of the Ottomans

After Sultan Suleiman I ascended the throne, he entered into a Capitulation agreement (1535 AD) with France to pressure the Habsburg family to rule Germany, the Netherlands, Spain, and Portugal. A capitulation agreement that reads: <sup>36</sup> *First*, The French Consul accepting complaints and lawsuits in civil and criminal cases will be decided following applicable law in France for all people who are under the French flag in any Turkish territory. Judge of the Ottomans must not execute offenders under French protection (impunity). *Second*, religious judges, or any employee, are not entitled to settle any cases that occur in a community under French protection, be it French traders or French people who live in the Ottoman territory. Although the French citizens requested the Ottoman court to settle it, the law that was issued was considered null and void until the French consulate in the Ottoman territory recognized it. *Third*, Judges of the Ottoman Empire must not accept complaints or suits against French citizens filed by Ottoman citizens against French traders. Let the judge call accused France to face the prime minister's residence.

*Fourth*, It is not permissible to impose a verdict on French traders who also function as missionaries on religious matters and force them to do other tasks. *Fifth*,It is forbidden to arrest a stranger or enter his house or submit a court decision or force him to appear before a judge, or implement the law decided upon except through the intermediary of the consul of his own country. *Sixth*, It was permissible for Sultan Suleiman following an agreement with the King of France to determine the residence of the French consul in all Ottoman territory. As allowed the presence of French envoys in witnessing the judicial process which French citizens are involved in.

This foreign capitulation began in the conquest of Constantinople in 1453 AD or 857 AH, by Sultan Muhammad al-Fateh. This is to show a sense of tolerance towards the conquered Christians. They are free to domicile wherever they are, and they get facilities and get special treatment. They get special treatment in applying the law. Christian priests, patriots may use their own law and justice in the treatment of the transaction, criminal acts, and this then applies also to Armenian patriots, then to Jewish priests.<sup>37</sup>

When Egypt became the new Ottomans province in 1517 AD, France renewed its Capitulation after the New Sultan sat on his throne. In February 1536, AD Jean De

<sup>&</sup>lt;sup>35</sup>Terence Stace.p.p.114

<sup>&</sup>lt;sup>36</sup>Farid Bek Al-Muhami, Tarij al-dawla al-'aliyya al-'utmaniyya.p.223

<sup>&</sup>lt;sup>37</sup>Stanford J. Shaw and Ezel Kural Shaw, *History of the Ottoman Empire and Modern Turkey. Vol. 1: Empire of the Gazis: The Rise and Decline of the Ottoman Empire; 1280 - 1808,* Reprinted (Cambridge: Cambridge Univ. Press, 1995).p.198

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La Forest requested that this capitulation be expanded again. He discussed it with Ibrahim Pasha (prime minister, or grand vizier). However, Ibrahim Pasha was subsequently sentenced to death due to the palace political upheaval, and the new agreement was not implemented. Even so, the French state was a Western European country that succeeded in getting the Capitulation agreement after Venice, which was signed on October 18, 1569 AD This agreement was the pattern for the countries that got it after that. After gaining this privilege, France immediately seized the position of Venice in conducting trading activities in the Adriatic Sea. Not only that, but France also opened its consuls in all regions of the Ottomans, such as Istanbul, Beirut, East Tripoli (Shams). French ships sailed to the East with Normandy woolen cloth, paper, and metal materials from Germany. French ships returned with Turkish wool, cotton, clothing, carpets from Anatolia, spices, silk, perfume seeds, medicines, Moher from Aleppo, and Damascus. After the war ended between the Ottomans and Venice in 1570-1573 AD, France began to shift Venice from the world stage of trade in the East. And so on until the beginning of the 17th century AD, a thousand French ships were active in their trade activities in the East. The French trade surplus reaches 30,000,000 livers. Trade in the East constitutes 50% of the overall trade carried out by France. Not to mention the countries that are under the banner of French trade such as Britain, the Netherlands, which provide a tribute to France on an ongoing basis.

The capitulation used by the Ottomans is a political weapon that is quite dangerous for the Ottomans themselves. It is only advantageous for use in a state of being strong, and it is complicated to eliminate it when it is weak. But the target of capitulation itself is not achieved. For example, military operations carried out in Italy, Corsica, and Sardinia in 1541 AD. However, only small towns such as Nice were conquered. France suddenly retreated on the battlefield due to pressure from the Pope, who considered France out of the Catholic Community (Excommunication). This split concentration of troops prevented military operations from achieving the goal of conquering all of Italy and Venice. Likewise, when the siege of the city of Vienna also failed.

France supported Kelvin in France in 1553 during Suleiman I, but he did not immediately take advantage of this capitulation agreement. They first conducted a field survey by trading. They buy spices at meager prices through the traders directly. After that, they looked for other ways to go so that the trails used by traders could be diverted.<sup>38</sup> This is very detrimental to the Ottoman Empire. From Western Europe, they head to Moscow, which can be traversed by roads and rivers with large branches, reaching Hurmuz Bay through Iran. But the Ottomans soon learned of this effort. In 1562 AD, the emissary of the Ottomans came to interest the Shah of Iran to block the way of traders who came from the West through his country aimed at changing the

<sup>38</sup>Farid Bek Al-Muhami, *Tarij al-dawla al-'aliyya al-'utmaniyya*.p.115

trade routes that had been through the Ottoman region. In 1578 AD, the Ottomans conquered Azerbaijan and Shriven. In this way, the Ottoman Daulat could regain control of the trade routes from North and South to the East (Beik, 1988, p.346). At that time, the British traders again tried to improve relations again with the Sultan. Spain is the enemy of both sides (Ottoman and Britain). Therefore these two countries need good diplomatic relations. Although France and Venice interfered with the effort, the British finally got the Capitulation agreement in 1580 AD, then were granted even more privileges again in 1583 AD.

The British Levant Company was founded on September 11, 1581 AD, under the command of the kingdom of Great Britain. The Ottomans gave a tax break of England by 3% while France and other countries paid a tax of 5% until 1673 AD. Until then, they could reduce it by 3%. While the Netherlands remained under the British flag until 1612 AD At that time, the Netherlands also had the privilege of trading in the Ottoman Empire. They are free to load and unload at any port. British pirates sometimes collaborated with al-Jazair pirates in hijacking trading ships. After this was conveyed to Queen Elizabeth I (1558-1603 AD) about the pirates who came from England, the queen gave no response. The UK sells high-quality fabrics and wool materials at low prices. The Turkish military industry badly needed the import of iron and tin from Britain. Venetian and French trade fell dramatically to 50% in 1630 AD While the British-owned Levant Company controlled the Ottomans markets, so the British established consuls in all major cities in the Ottomans. British business people believe that the exploration of trade to the East will bring abundant profits. This business has been initiated since 1591 AD. In 1596 AD, the Levant Company bought spices from Egypt and Syria. Western countries that are mercantilist-oriented change the direction and use of the capitulation given to them. Capitulation is a double-edged weapon for the Ottomans.<sup>39</sup> The existence of capitulation during this Ottoman state experienced degradation in various fields has made him a sick man in Europe. So be the Ottoman Empire to be a country that is dependent on Western countries that began in the economic field and then spread to the political field.<sup>40</sup>

## CONCLUSION

The Ottoman territories are spread over three continents, which are important trade routes. Various commodities flow from East to West, which made the Ottomans very rich and able to regulate the political temperature in Europe, Africa, and Asia. However, the Ottomans did not pay attention to significant domestic production

<sup>&</sup>lt;sup>39</sup> Desmadi Saharuddin et al., "Capitulation and Siyasah Syar'iyah Al-Maliyah Impact on Economic Stability of the 18th & 19th Ottoman Turks," *QIJIS (Qudus International Journal of Islamic Studies)* 7, no. 2 (January 6, 2020): 329, https://doi.org/10.21043/qijis.v7i2.4847. <sup>40</sup>Inalcık, *An Economic and Social History of the Ottoman Empire. Vol. 1*.p.216

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factors, except for the traditional handicraft industries which did not keep up with industrial developments in Western Europe and Russia. Turkey and only rely on the movement and exchange of goods from East to West, which is sometimes much affected by the political temperature between countries and continents. With the Foreign Capitulation Treaty, which provided tax breaks to France and states under the French flag initially benefited the Ottomans because this empire at that time was more inclined towards intermediary regions that collected taxes and were free in determining trade policies. Flooding of foreign currencies will bring prosperity. However, too many imports will harm domestic production factors. The capitulation agreement has also castrated local production activities by giving foreign countries the right to have low taxable production factors. While the indigenous population cannot move with high production taxes. The old economic theory does not fully apply, namely, with the amount of gold, the country will prosper but must also be balanced by existing factors of production. And this was made worse when the Ottomans no longer controlled the trade routes after being taken by Western countries and Russia while the domestic industry was unable to move and work due to high taxes. This is the impact of a hereditary trade agreement signed by the sultan trapped in the pressure of European and Russian countries.[]

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