
The Greeks of Asia Minor

*Confession, Community, and Ethnicity
in the Nineteenth Century*

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*Prospering on the Periphery:
The Anatolian Economy
and the Greeks*

The Shape of the Ottoman Economic World

The Ottoman Empire, as it was created, quite literally operated as a command economy. By the end of the sixteenth century the royal domain that stretched from the fertile world of Mesopotamia to the luxuriant grassland of the Hungarian plain served essentially two grand purposes in the sultans' schemes: These territories and their peoples provided the resource base that supported the Ottoman war machine. They also supplied the financial and material needs of the imperial centerpiece, the City, as both Byzantines and Ottomans knew it. In turn, both the urban and rural worlds of the empire were subordinated to the requirements of the state.

The Ottoman capital quickly came to overshadow all other urban centers in the empire. Not only did Istanbul outstrip, in size and wealth, the other cities in the realm, but it became an entity unto itself. Pressed to maintain the gigantic dual enterprises, the capital and the military, the state administrative apparatus of necessity intervened to control and regulate the productive operations in the empire, including commerce and manufacturing.

Ottoman attempts to create a self-sufficient world in the early period of the empire dictated the manner and direction of development for the urban and rural areas in Anatolia. Some towns were designated as centers primarily for the two basic functions carried on by the state, administration and garrison service. Places like Smyrna and Bursa, however, remained the foci of commercial networks, serving the interior of Asia Minor and linking it to other major regions in the empire. Although these cities prospered, encouraged by official patronage, they remained far behind the City in size and wealth. Smaller urban centers like Konya and Afyon, which served as links in the primitive transit network, had

even less opportunity to grow. In Anatolia, especially, the difficulty and high cost of transport and primitive market conditions coupled with significant taxation on the movement and selling of goods combined to limit production and trade. This state of affairs, however, was not at odds with the primary interest of the Ottoman government—maintaining the supply of provisions to meet state needs. Providing commercial opportunities for a market economy was strictly subordinated to the financial and military considerations of the rulers. Thus, the imperial desire for economic self-sufficiency coincided with and encouraged local economic self-sufficiency.¹

The towns of Anatolia that survived the Ottoman conquest, whether they suffered little or extensive physical damage, maintained their established roles or in some cases were given new ones. Some kept most of their population intact while others experienced dramatic changes through resettlement and colonization. Whatever their fate, the urban centers retained much of the form of life that had existed during Byzantine times. With a multiethnic and sectarian environment in Anatolia, communal compartmentalization in the urban centers antedated the conquest. The rise and spread of Ottoman power made it definite and permanent. Rather than a central locale focusing all major public phenomena of urban life, Ottoman towns might contain several physically delimited areas, each with a specific role within the general pattern of life. Segmentation, therefore, was both physical and functional.

Ottoman cities functioned as aggregations of ethnically distinct peoples who lived in separate quarters. The *mahalle* (Greek *mahalas*) defined a town spatially and socially. Open or public areas linking the urban landscape coexisted with the closed and private space of neighborhoods. Individuals carried on their public lives in the economic and governmental areas of the town by extending themselves from the private world of their communities. Through this contrastive symbiosis that existed within Ottoman towns, the state was able to maintain order while the various peoples preserved their relative autonomy.

Since the state was concerned primarily with maintaining order and promoting its power, it fell to the subject peoples to look after the institutions necessary to their communal life. The residents of each *mahalle* mobilized as a community to provide and maintain their religious establishments, educational institutions, health services, and the welfare of the physically and economically disadvantaged. These considerable undertakings demanded perseverance and resourcefulness and encouraged self-sufficiency among the inhabitants of the *mahalle*. But such

practices also meant that change and innovation within communities were reduced while dependency on state power beyond this level was heightened.²

During the second half of the nineteenth century, several urban centers in Anatolia experienced considerable growth. Some of the underlying causes were the expansion and upgrading of the communications network, growth in trade, administrative reforms by the central government, and increased opportunities for social mobility. In the wake of these developments there was a notable increase in the urban population. By 1880, nearly a quarter of the population in Anatolia and the region surrounding the capital was living in cities of ten thousand or more inhabitants. The number of towns in Anatolia with a population of 10,000 rose to seventy-seven by the end of the century. As part of the absolute increase in cities, the size of the bourgeois and petite bourgeois sectors, especially among the Orthodox Christians, grew accordingly. Because the structure and psyche of the urban culture in Asia Minor until the latter part of the nineteenth century retained many elements of a customary ethos, the growth of towns created contradictory tendencies that produced social and economic tensions.³

To secure social and economic order and to provide for the material needs of the empire, the state soon imposed restrictions on the domestic market, while allowing trade to operate freely on the international level. From the beginning the Ottoman government recognized two socioeconomic groups in the commercial life of the towns. Artisans, or *esnaf*, who supplied the basic manufactured goods in this premodern economy, found favor with the state. Merchants, or *tüccar*, who engaged in the transportation and sale of goods, were tolerated but viewed as benefiting mainly themselves rather than the society at large.

The artisans fit admirably well into the Ottoman scheme of a productive and harmonious society. Like agricultural laborers, they were considered necessary figures who produced needed goods through their own labor while living upright lives consonant with established religious moral prescriptions. To ensure the social stability and economic reliability of this class, the state closely regulated its work. Through the guilds to which artisans belonged, the state controlled the purchase of raw materials, the production, and finally the sale of finished goods. Ethical prescriptions against profit taking or fraud were enforced through the application of traditional rules, *hisba*, by the Muslim authorities. Favored and secure, the artisans' world was dominated by order, tradition, dependence, circumscription, and certainty.

During the heyday of the Ottoman Empire, merchants conducted their affairs in a relatively free manner. Since they were not subject to the regulations of the *hisba*, merchants could speculate, invest, and accumulate capital. Though Ottoman administrators and religious foundations might voice concern over the potentially disruptive effect such practices might have on society, they were willing to encourage, and themselves invest, in these operations. Given the difficult and inaccessible geography of Anatolia, to undertake commercial ventures in this region required a significant incentive. Even if this area did not afford merchants as easy a path to social status and influence as did the Arab lands or the Balkans, in Anatolia they could still expect to turn a decent profit based on economic conditions characterized by a limited number of commodities and a low volume of goods. These conditions, to a large extent, remained the basis of trade in Anatolia into the nineteenth century.⁴

To prevent practices considered deleterious to the economic and moral health of society, such as hoarding, cornering the market, and profiteering through secret commercial combinations, and to guarantee social and financial order, the Ottoman state had imposed detailed restrictions on the marketplace. Key instruments in maintaining that control were the professional organizations, the guilds. Though free associations of merchants and artisans predated the imposition of Ottoman suzerainty over Asia Minor and the Balkans, guilds became part of an activist state policy of social and economic control.⁵

Vested by the government with the authority to carry out important public functions, the guilds gained a prominent role in the local affairs of the towns. Their leaders, along with the religious authorities and the wealthiest merchants, became the spokesmen for the urban population. As for the Greek guilds, one historian has seen them as emanating "from the very heart of each community" and therefore able to "both express and explain the innermost intellectual and artistic impulses of the folk."⁶

Certainly the guilds along with the ruling elites, both administrative and military, shared an interest in maintaining the traditional social structure and economic order in terms of the prices, supply, and quality of the goods in the marketplace. A mutually beneficial relationship developed between the political authorities at the imperial and provincial levels and the guilds' leaders. One supported the other in order that each might maintain their control over those responsible to them. Finally, by imposing restrictive codes on the guilds, the state limited what these professional organizations could do to raise the productive capacities of the Ottoman urban economy.⁷ Although the basic forms of the urban economy survived into the nineteenth century, now they jangled alongside new thinking by Ottoman government leaders and a growing entrepre-

neurial class seeking new opportunities. Both of these elites recognized the potential of the growing European economic interests in the empire.

The Ottoman Economy Reshaped: The Impact of Europe

Foreign merchants and their diplomatic representatives often extolled the market potential of Anatolia in the nineteenth century. It seemed a land of opportunity for trade in imported manufactures from Europe and the export of agricultural and other products to the West. A stream of economic reports from the European consuls stationed there, documenting the steady and sometimes significant rise in trade from the late 1830s on, served to confirm this perception.⁸ This increase in trade, at least for British merchants, was facilitated by the signing of the Anglo-Turkish commercial convention in 1838.

Known also as the treaty of Balta Liman, this agreement was a turning point in trade relations between the Ottoman Empire and the European states. Besides confirming the privileges of the capitulatory regime, the treaty gave British merchants, as well as those of any other state with which the Porte might sign a similar agreement, several other commercial benefits. For centuries, as I have noted, the Ottoman government had tried to exercise a restrictive influence on the internal industrial and agricultural market of the empire. Now the Porte committed itself to ending these controls, which were in the form of monopolies, especially on agricultural goods. Furthermore, in the past the government had required a foreign merchant to obtain a *tezkere*, or permit, issued by a local official, before purchasing and transporting native goods. This practice was to cease. To make the British merchant competitive when purchasing local articles and produce, the Ottoman government agreed to give him a status equal to the most favored native merchant, Muslim or non-Muslim, when required to pay internal duties on those goods. If these goods were intended for export they were to be subject to a 9 percent tax on their value in lieu of any other internal duties. Merchandise that was being exported or imported paid an *ad valorem* duty of 3 percent.⁹

Once the treaty took effect it seemed to work well, with few complaints from the British consuls. It was soon clear to native merchants, however, that unless they obtained the protection of a European power, they would be at a disadvantage in terms of duties to be paid and freedom from local commercial restrictions.¹⁰ Further changes in the customs rates were envisioned in a commercial convention negotiated in the spring of 1861 between Britain and the Porte and scheduled to take effect the following year. Again, in lieu of internal duties on goods purchased by English merchant houses or their agents and intended for

export, a tax of 8 percent was to be paid at the place of shipment. But the tax was then to be reduced by 1 percent each year until the duty stood at only 1 percent, where it would remain fixed. British manufactures or colonial goods were to have an 8 percent import duty placed on them at their point of arrival, with no additional tax if they were transported elsewhere. This afforded little solace, however, to native industrialists like the textile manufacturers, whose cloth could not compete in the mass market where attractiveness *and* cost counted.¹¹

With the end of controls on native products by the Ottoman government, agricultural exports from Asia Minor rose significantly in the three decades after 1840. At the same time the import of British manufactures into the empire increased steadily. Profit levels were maintained on many items by increasing the volume of sales rather than through a large markup. The balance of trade between imports and exports varied from place to place among the major ports of Asia Minor, owing to the lack of suitable local goods for the return trade. But on the whole the levels of trade in and out of the empire, both in volume and in value, were not far apart in the years from 1840 to 1870.¹²

The growth of Ottoman trade with Europe opened up considerable opportunities for Greeks and other non-Muslims who were able to benefit from the new conditions. Because of the European powers and the capitulations, they managed to gain a significant advantage over their Muslim counterparts—freedom from the jurisdiction of Ottoman laws and regulations. Greek tradespeople gained this benefit in several ways. Many were citizens of the Hellenic Kingdom. Others, like those from the Ionian Islands, were British subjects by virtue of the territorial spoils ensuing from the Napoleonic wars. They would remain so until 1864, when the island were ceded to Greece. Ionian Greeks carried on a flourishing trade in the eastern Mediterranean with all the major European states from England to Russia.¹³ Finally, there were the Greeks and other non-Muslim subjects of the Porte, who were able to obtain the protection of a foreign power.

Under the capitulations regime, representatives of foreign powers had the right to issue patents of protection to those who were not necessarily their nationals but served their countries' interests in the Ottoman Empire. Originally intended for a few, such as translators, the practice burgeoned in the hands of European consuls, especially Austrian and Russian, to the point where tens of thousands of Ottoman Christian subjects enjoyed this privilege. While decried as a scandalous and nefarious practice contrary to the best interests of the empire, it must be seen for what it was, a practical assistance in a changing economic world. For-

eign protection provided Greeks and other non-Muslims with economic and legal advantages as the Ottoman state grappled with the stiff competition of the world market. To view these individuals as direct and dependent extensions of foreign economic interests in the empire is an oversimplification. The Greeks and others who availed themselves of consular protection did so to remain competitive on their own ground, as the Ottoman economy opened up to the larger economic world.¹⁴

The Fate of Traditional Commercial Institutions and the Significance for Non-Muslims

As local merchants and producers interacted with the foreign market, commerce in the urban centers increased in both volume and value. At the same time, trade that had been carried on for centuries at fairs in the Balkans and in Anatolia began to decline. Indeed, a dramatic reversal occurred in these two economic worlds. During the previous century many towns, particularly in the Balkans, went through an economic crisis of industrial production and trade. As the demand in Europe grew for the raw materials and agricultural products of the empire, including cotton, grain, and silk, the traditional handicraft industries in these regions went into a slump. Paradoxically, trade fairs in the empire were thriving in the mid-eighteenth century. In a still traditional economic world, this method of exchanging and distributing goods admirably met the needs of local inhabitants. Native products were disposed of while goods from other areas or even other countries found a market.¹⁵ A regular network existed in the Balkans and Asia Minor, with fairs being held throughout the year, one following upon the other. Orthodox Christian merchants who were willing to travel and deal with outsiders soon came to dominate the fairs in both regions.¹⁶

Trade fairs continued to be held throughout Anatolia in the nineteenth century, but three stood out in importance. At Balikesir in the northwestern part of the peninsula a fair was held for two weeks in August. The other two took place in north-central Anatolia at Yaprakli near Çankiri, and Zile close by Tokat. Merchants from the Ottoman capital and the major cities of Anatolia took part, as well as those from the neighboring Middle Eastern countries. Native products and European manufactures, including cotton goods and woolen cloths, were bought and sold. Transactions were usually on a cash basis, with money changers handling currency problems on the spot. Although there was some buying on credit, barter was even less frequent. In a good year a major fair like that at Zile might see upwards of 50,000 people attending.

The fortunes of these fairs rose and fell in conformity with the general economic conditions of the region. A drought or a plentiful harvest had a direct impact on what people could buy, and merchants were affected accordingly.¹⁷

By the 1840s it was already apparent that a significant, long-term trend was developing that would have an adverse and irreversible effect on the fairs. The British consul at Samsun, R. W. Stevens, recognized it when he reported:

Before the introduction of steam navigation into this quarter, a journey to Constantinople . . . was considered a very great undertaking, independent of the risk of plunder on the road. . . . The facility afforded by the steamers, and the security for travellers . . . have worked a complete change and people now find it more advantageous to proceed with their cash to Constantinople where they can adapt their purchases precisely to their wants. Thus the business that has been hitherto transacted at Zilleh will be transferred to Constantinople, and a portion perhaps to Samsun, if there should be at the latter place a deposit of the proper goods.¹⁸

Those who reckoned that the fairs were about to decline precipitously overstated the matter, however. If there was prosperity, the fairs could still meet a demand for goods in the interior of Anatolia. Besides, the Ottoman government did its best to encourage the fairs, establishing a new one at Eskişehir, where the railway divided, as late as 1890.¹⁹ Yet, the consul's observations pointed to the altering nature of the opportunities for the Greek and Armenian merchants who predominated at the Anatolian trade fairs. There was still a future for merchants at fairs if they recognized the nature of their market. It was in the less accessible places of the interior, serving the needs of the local people.

If trade fairs faced competition from Europeans and their innovative ways, the challenge was even greater for the guilds that had been a fixture on the Ottoman urban scene for centuries. Before the Crimean War their numbers and economic and political influence had given them considerable power. By the 1870s, however, observers were noting the guilds' inability to regulate their professions, their nonproductive role, and their general decline.²⁰

The assault on the guilds' *raison d'être* was supported by the British. In a memorandum to the foreign secretary regarding the meaning of the 1838 commercial treaty, the ambassador to the Porte wrote in 1860:

I hold, consequently, that according to the Treaty [of 1838] . . . we should take our stand on these grounds: With respect to retail trade, exercise of professions, residence and the like, the same privileges as the Turkish subjects—no more, no less; and in order to make this condition more clear

and more beneficial, I would bargain for the abolition of all corporations which are in a certain extent monopolies, which ought, in my opinion, to have long since been done away with.²¹

Between the growing inability of the Ottoman government to secure and protect native crafts and their professional organizations, and the Europeans' demands for trading rights, the guilds were placed in an increasingly difficult position. In an age that trumpeted the advantages of free trade, they stood out as an anachronism. Realistically, the usefulness of guilds to the Ottoman state and to its commerce was rapidly diminishing.²²

By the mid-nineteenth century the Greek guilds in the empire were facing strong competition from Greeks abroad. As war blazed in the Crimea, the Hellenic and Ottoman governments attempted to put their relations on a better footing, despite Greece's evident leaning toward Russia. The two states signed a "commercial and naval treaty" at Kanlica, a suburb of the Ottoman capital, on May 27/June 8, 1855 (the first date referring to the Old Style calendar, and the second denoting the Gregorian calendar). Subjects of the Hellenic Kingdom who traded in the empire were to receive the same treatment as those of other foreign states. Greeks from the kingdom needed no urging to engage in business in the empire. Indeed, numbers of them entered into local trades there and even joined guilds. While the Ottoman government tried to protect its native artisans by prohibiting foreigners from practicing trades reserved to the guilds, businessmen from many nations ignored the prohibition, and the Ottoman government tacitly tolerated the practice. Greek subjects of the sultan found themselves competing with Greeks from the kingdom in various trades. Moreover, as foreigners, the Greek businessmen resisted paying the taxes demanded of all who engaged in trades regulated by guilds.²³

Whatever the Porte tried to do about such situations, there is little doubt that the guild system in many towns was being effectively undermined by Europeans through their manufactures and commercial practices.²⁴ It made good sense to many Greek businessmen to adapt and make the best of the changing economic scene in the empire.

An accurate picture of the number and size of the guilds, or *esnafia* (the term *syntechnia* was seldom used at the time), to which Greeks belonged around the mid-nineteenth century is difficult to ascertain. Those in the capital were among the oldest and the most influential of all. In many guilds the members came from one place, and they virtually monopolized the membership of that profession. Such was true of the Greek caviar producers in Istanbul, who were from the town of Sinasos in Cappadocia. Around 1850 there were some forty Greek guilds in the

capital with an average of 350 members each. These figures are suggestive of the economic significance of Greek artisans in Istanbul. One must also note that, at this time, sections of the city were on the verge of an economic florescence. The commercial and financial opportunities to be found in Pera and Galata, the business and residential centers for Europeans in the capital, attracted Greeks and Armenians. By 1870 the British embassy, with figures furnished by the Greek consulate, was reporting that in Pera and Galata alone there were more than 4,500 members of Greek guilds, by far the largest ethnic group.²⁵

Though they engaged in all types of commerce, Greeks tended to be more prevalent in certain trades. Numbers of them were bakers, furriers, shoemakers, tailors, and cloth merchants.²⁶ While many were from Istanbul, a continuous stream of young men came in from the provinces in search of work. Usually single, these men often left their families for years at a time. Searching out relatives or fellow countrymen who were already guild members, they apprenticed themselves to a master tradesman. The single artisans from the provinces usually shared a room at an inn. In return for a small rent they were provided with a bed and one meal a day. Located on the premises of the inn were a coffeehouse with pipes and drink and a small shop where basic household articles including food were sold. The young men lived in these places while they served their apprenticeship, which was usually some three to five years, though it could last as long as seven. When it came time for a master craftsman or tradesman to pass on his business, he would often turn it over to a relative or fellow villager who had learned the trade. In this manner, the guilds helped to maintain social as well as economic continuity among the Greeks.²⁷

The general operating principle of the guilds might be described as the mutual but limited preservation of self-interest. This could take a negative form through the constriction or suppression of competition as happened in Bursa one year. In this instance a dyer from the interior had found a way to produce a better dyed silk cloth. The local guild, however, succeeded in having the threatening newcomer banished. In another case an Ionian citizen opened a shop with the British consul's support to sell cotton goods. Both the Muslim and Christian tradespeople in the town tried to have him ousted. Guild members also engaged in constructive self-regulation.²⁸ It is clear that the guilds varied greatly in their goals, operations, and tactics. Whatever practices a guild might employ, it still had to contend with the broader economic changes the empire was experiencing.

The relationship between the guilds and the Orthodox church could be as simple as having a patron saint or as sensitive as deciding on a new

patriarch. In other words, it was close, direct, and mutual. Fortune would smile on an artisan or merchant now and then, but faith was there for eternity. When guilds set down their bylaws in written form the church gave its stamp of approval. In the capital the rules were submitted to the patriarch, while the metropolitans handled this matter in the provinces. No matter that the church gave its pro forma blessing without scrutinizing the ordinance; the tie between the two institutions was there. So when the time came, as it often did, that ecclesiastical leaders faced a problem with members of the millet, they turned to guild officials as well as to priests and notables for support.²⁹

The guilds in the capital exercised an even greater role in the affairs of the church. Because of their importance to the state, the social prestige of their leaders in the community, and the collective wealth they represented, the guilds performed several important functions. Until the reorganization of the Greek Orthodox millet in 1862, the patriarch relied on a committee to oversee the management and disbursement of funds among the community in the capital. The committee, which had been established in the mid-eighteenth century by the patriarch Cyril V, included among its members men elected by the guilds. Just as important, the Istanbul guilds regularly participated in the election of the patriarch by giving their approval. After the reorganization of the millet by the Temporary Assembly limited the role of the guilds in the temporal affairs of the church (see chapter 5), only the most important guilds in the capital furnished lay representatives, who dealt with the problems of the Greek millet.³⁰

If the influence of the professional corporations in the affairs of the national community was mitigated by changing economic conditions and governmental reforms, these groups still performed some useful functions within the individual communities. As noted earlier, guilds maintained a common fund in the case of business losses due to illness or physical disasters. How it was administered depended on the place and the particular trade. In some instances a modest sum was collected when a person was admitted to the guild. Another practice was to ask for a contribution based on a percentage of the value of the guildsman's business for the year. The monies that were collected allowed the guild to make loans to members in need, which were to be repaid if and when the unfortunate individual could do so. If an epidemic struck, the fund might be used to defray the funeral expenses of deceased members. Since resources were limited, a guild took care of its own members in the town in which it was organized.³¹

Guild leaders remained prominent figures in the community and were elected to the council of notables, the *dimogerontia*. Because of their

social standing they were frequently called upon to act as witnesses or to affix the guild seal to all kinds of public and private documents including property registers, petitions, certificates, wills, dowry agreements, bills of sale, and school papers. Trusting in the integrity of guild leaders, individuals sometimes left funds as gifts to be managed by them.³²

Though their economic significance was steadily undermined after 1840, guilds continued to play an important role in the social life of the ethnic communities in the cities of the empire.

Roads, Steam, and Rails: Communication and Commerce in Anatolia

In Anatolia at least five economic worlds coexisted and overlapped to a considerable extent. Narrowest in geographic limits was the trade and production that took place within each region in the interior. This world was largely self-sufficient and economically traditional. Trade carried on between regions in Anatolia, usually involving areas of the interior with the coast, formed the next and wider economic arena. It was considerably greater in volume and more attuned to the forces and demands of the marketplace. Another economic complex or series of complexes was the coastal trade that linked a number of towns along the littoral, including the islands offshore in the Aegean, with trading activity focused on a main port. Anatolia itself was tied to the other major regions of the empire and served as a focus of exchange, either by ship or overland trade, for goods from the Balkans, the capital, and the Arab lands. Broadest of all in scope was the transnational trading network that brought Anatolia into commercial relations with southern Russia, Persia, the lands in the Mediterranean, and on out to the maritime states of the Atlantic. The efficacy of this interdependent commercial system was no doubt determined to a large extent by the quality and extent of the communications network in and around Asia Minor. It is important, therefore, to see how it figured in the commercial activities of producers and merchants.

The oldest and, indeed, most basic element in the communication network that served Anatolia was of course the road system. Harking back to the days of the Roman *oikoumene*, it linked the great plateau with the important coastal areas, mostly to the west. Later, under the Byzantines, the system was expanded on a north-south axis to link Constantinople commercially and administratively with the Cilician coast. Under Ottoman rule the principal routes through Asia Minor remained much as they had developed over the centuries, their direction determined by the natural features of the land and by the location of the most important commercial zones beyond the peninsula.

Far to the east, caravan routes wound out of Persia and Mesopotamia north to the Black Sea coast, where they terminated at Trebizond and Samsun (Amisos). On an east-west axis, Asia Minor was served by roads that began at Chalcedon (Kadikoy), across the Bosphorus from the capital, and either followed the coast or went south to Dorylaeum (Eskişehir) and from there east to Ankara, Sebastea (Sivas), and Erzurum. In the twelfth century when the Seljuks controlled the heart of Asia Minor, the main highway, *ulu yol*, linked the capital at Konya with Kayseri, passing first through Aksaray and Incesu. From there it branched and, as in earlier times, one route led north to the Black Sea through Sivas and Amasya while the other continued east to Malatya.³³

On a map at least, Anatolia appeared to be well connected, with roads serving all the important towns. But tracings on paper belied actual conditions. Though these routes had been established centuries before, their physical condition had not changed much since then. For the most part these roads were nothing more than narrow trails or paths, wide enough for animals but not for the carts, wagons, or carriages they could have drawn. Thus the conveyances that at least facilitated the movement of people and goods overland in Europe before the coming of the railroad were almost useless for long-distance travel in Asia Minor. Bridges to take the hardy traveler across the rivers that run in many of the valleys were few and had been built centuries before, when long-distance trade was indeed a risky and adventurous undertaking. With the onset of winter, the rains that lashed the land turned even these simple tracks into impassable strips of mud.³⁴

Poor overland communications not only limited the quantity and types of goods that could be carried but jeopardized the very trade itself by necessitating transport charges so high as to make commercial ventures unprofitable. Well into the 1870s, however, efforts by the state to remedy the situation remained at best halfhearted, carried out on a piecemeal basis with many financial and labor liabilities. It was usually up to some energetic and enterprising *vali* or *paşa* to initiate and oversee such a project. Needed labor might be obtained through the imposition of a *corvée*. If capital were required, however, loans were not easily obtainable locally, and interest on them might run anywhere from 15 to 40 percent. The primary beneficiaries of road construction at this time, not unexpectedly, were the leading commercial centers that served the coast, including Trebizond and Bursa, Smyrna and Adana.³⁵

If an improved and expanded road network held out the promise of facilitating and expanding the movement of goods overland, the appearance of steamships along the coast of Asia Minor in the late 1830s foreshadowed a significant transformation in the very nature of commerce.

The cities mentioned above benefited as much, if not more, from maritime improvements in the decades around the middle of the nineteenth century. Indeed, the immense commercial potential inherent in a closer relationship between sea and land communication was quickly and often noted by contemporaries.³⁶ This included both the regional or coasting trade, where "not only native, but also foreign produce . . . is conveyed from one point of the coast to the other," and, what seemed even more promising, long-distance trade with western Europe. In a widening horizon of opportunity Anatolian merchants, especially in the interior, found it easier to acquire needed goods, while surplus native produce such as grain acquired a larger export market. From Europe, manufacturers and shippers were able to reach the mass market they needed for profitable enterprise.³⁷

Technological advancement in maritime transportation, however, required better anchorage facilities. Consequently, along the Ionian coast Smyrna soon emerged as the preeminent port by improving its docks and harbor. Up on the Black Sea littoral there were several roadsteads, but only two, Samsun and Trebizond, possessed the physical potential and location to become suitable harbors for the growing maritime trade along the Pontos.

Regular steamship service in the eastern Mediterranean commenced in the late 1830s when the Austrian Lloyd Company established a line from the Adriatic ports of the Habsburg monarchy. The ships made regular runs from Istanbul to Smyrna in thirty-six hours and along the Black Sea coast to Trebizond in sixty hours. By dint of good service, attractive rates, and excellent organization, the Austrian firm maintained the lead against the French Messageries, the British Peninsular and Oriental Company, the Russian Steam Navigation Company, and companies set up by the Ottoman government, all of which eventually had ships plying the waters around Asia Minor. Though the number of steamships placed in service increased yearly, there were still significant profits to be made in the coasting trade.³⁸

The coming of the steamship to Anatolian waters had a direct and noteworthy impact on trade carried on by Christian merchants. To begin with, simply by the choice of stopping place, the steamship lines affected local enterprise. For example, of the two ports of Bursa, Gemlik (Kios) and Mudanya, steamers preferred the former because its harbor was better protected. The population of Gemlik, which was overwhelmingly Greek, benefited by this preference.³⁹

Establishing a steam service was just as significant to businesses in the interior. To reach the capital by an overland route required between twenty and twenty-two days while Smyrna lay some thirty-five days'

travel time away. After 1837, when steamships began to make regular stops at Samsun, the required journey to Constantinople was no longer necessary and travel to the Black Sea port took only fifteen to sixteen days. Similarly, when steam service was extended to Mersin on the Cilician coast in 1853, merchants could reach that port in seventeen days and conduct their business there. This did not mean that business in the capital and Smyrna was adversely affected. There were goods that only these great ports could furnish. Equally important, the merchants and producers in the interior served established customers, whom they would not easily give up.⁴⁰ Nevertheless, the introduction of steam service opened up new alternatives to the spatial and temporal framework of Anatolian commerce.

Important as the development of the steamship was, the technological darling of the nineteenth century was the railroad. Not only did Europe become a mighty continent because of it, but Europeans were determined to spin out the iron lines all over the world to replicate the unifying, civilizing, and modernizing experience they believed this invention could bestow on all people and lands. The years when Asia Minor shared in this vision of progress lie at the end of the era that we are examining. It was not until the last decade of the nineteenth century that German firms began to create the line that conjured up the romantic interludes associated with the Berlin-to-Baghdad railway.⁴¹

Among European and Ottoman statesmen, interest in rail lines through Anatolia dated to the years immediately following the Crimean War. In 1856 the Ottoman government awarded a concession to British business interests for the construction of a railroad that would link Smyrna with Aidin, some eighty miles to the south, and serve the fertile and productive surrounding countryside. After more than a decade of work the line was finally completed and opened in 1867. In the meantime, a second concession, again going to a British firm, was awarded in 1863 to begin construction of a rail line from Smyrna to Kasaba in the interior following the Meander valley. Eventually both lines were extended and by the end of the century stretched as far as Kayseri in one direction and Adalia in the other.⁴² Covering more than a thousand kilometers, these railways primarily served the Aegean coastal region of Asia Minor.

From the vantage point of the early 1870s, when only a relatively small amount of railway line had been completed around Smyrna, the impact on the local population indeed seemed limited. Before the last quarter of the nineteenth century, many people probably saw no economic sense in investing in railroads in Asia Minor, given the condition of the road system and the level of agricultural productivity. The railroad

could not take the place of a road network but only facilitate communications in tandem with it. Both were needed, but improving the roads of Asia Minor held little promise of rapid and sizeable returns to the foreign investor. The real beneficiaries of better roads were the indigenous population. Yet the expansion of the railroad lines in Asia Minor did offer potential gains for both foreigner and native. Such gains took time. It was not until the end of the century that the railway was extended to interior towns like Ankara and Kayseri.

Once it became feasible to move surplus agricultural produce to distant markets for sale, Greeks in the villages of the interior began to expand the amount of land under cultivation. Fields that had lain fallow, as well as former pastureland (*yayla*), were turned into gardens and vineyards. In turn, the growth in the amount of land under cultivation led to an increase in the demand for laborers. For the underutilized Christian male population of the interior there now was an alternative to migrating to the major urban centers to find work. Even the railway itself offered opportunities to Muslim and non-Muslim alike. These conditions, however, took years to develop.⁴³

Until the 1870s, when the government was able to establish a network of post offices in the key towns of Asia Minor and require their use, communication by mail was a rather primitive affair. A town like Konya was indeed fortunate to be on several routes that ran through the interior from the capital. Smaller and less well-situated places had to manage for themselves. Hamlets and villages relied on the muleteer, or *katirci*, to handle their mail. Once a month even the smallest settlement would send a *katirci* to the nearest town where there was mail service to post the mail and pick up whatever had arrived. He would then return and distribute it. The *katircis* in western Asia Minor were mostly Greeks, paid in part by the government and the local merchants.⁴⁴

The most rapid means of communication at that time made its appearance around the time of the Crimean War. The telegraph linked the empire with the outside world, and by the late 1850s lines were being planned, under the supervision of a British firm, to connect the capital with the major islands in the Aegean and Smyrna. By the early 1870s Greek communities in the interior of Asia Minor were negotiating directly with individuals in Athens by telegraph.⁴⁵ These same communities were also subscribing to Greek language papers published in Constantinople and Smyrna. The slowness of news gathering and distribution at the time meant that Greek papers in places like Smyrna, besides printing official decrees, reprinted articles from the Constantinople and Athens press. Indeed, in Smyrna the papers often contained more on two- or three-week-old political happenings in the Hellenic Kingdom than on local affairs.

It was premature and an overstatement in 1842 to say of the Asia Minor Greeks as an American missionary did that "the extremities of their community are now so united by means of their newspapers, and of steam communication, that here, as in America, an event occurring in any one of their most distant settlements interests the whole body."⁴⁶ Asia Minor was not only large but geographically diverse, and its overland transportation network remained rudimentary. The new modes of transportation and communication were gradually and unevenly established, for the most part, after the Crimean War. The towns along the Asia Minor littoral, where most of the Greeks resided, felt the impact of these changes earlier and benefited the most. Those in the interior, as we saw, were affected more slowly. Overall, as some of the regions of Asia Minor became more closely linked, the non-Muslim communities were able to take advantage of the better communications with the outside world to improve their economic and social position.

Greek Commerce in Asia Minor: The Primacy of Smyrna

As we noted earlier, a number of towns in Asia Minor, whether on the coast or inland, steadily accumulated residents during the nineteenth century. The network of medium-sized cities that resulted from this growth more adequately served the needs of the region and to some extent offset the formidable hold of the capital over commerce. Through this urban grid ran the unmistakable line of a key trade axis. Though towns like Trebizond, Kayseri, and Adana collected their share of the commercial harvest, Istanbul and Smyrna (Izmir) stood out as the pivotal points of the Anatolian economic cosmos. That axis shaped and in turn was shaped by the Asia Minor Greeks' commercial activities. It is from Smyrna that we must trace the economic geography of Greek trade in Asia Minor.

Located felicitously on the Aegean coast, Smyrna had attracted shipping as well as overland traffic from the interior for centuries. However, its rise to preeminence among the cities of Asia Minor began in the eighteenth century when a considerable European market developed for the products of the Ottoman lands. Trade between the ports of Odessa, Salonika, Beirut, and Alexandria placed Smyrna in the enviable position of a safe and convenient transfer point. Even the caravans that transported goods overland from the capital to cities throughout the East wound their way past the Ionian port. By the beginning of the nineteenth century Smyrna was handling much of the long-distance trade from as far away as India. Important as this was, the full extent of Smyrna's significance can be appreciated only when its role as a regional center is considered. The agricultural products and handicrafts of an area roughly

encompassing the land to the north of Smyrna as far as the Troad and inland toward Bursa, and south of the city as far as the coast opposite Rhodes and into the interior to Denizli, were funneled to the port for export. Indeed, Smyrna's commercial shadow reached to the heart of central Anatolia in trade with Kayseri. While other cities in Anatolia prospered, including Trebizond and Samsun, which handled much of the Black Sea trade, Smyrna's economic florescence outpaced all the rest.⁴⁷

Possessing natural assets, Smyrna early on attracted foreign residents who gradually formed a district of their own in the town. The European quarter, or *Frango-mahalas*, as one might expect from its residents' economic interests, was located along the waterfront. Europeans began erecting residences there in the latter part of the seventeenth century. By the nineteenth, the district formed an elongated commercial and residential rectangle that in age and size was surpassed only by Pera and Galata in the capital. An enthusiastic American missionary pointed up its significance and that of the city in general. "Smyrna is comparatively a free city. The Frank residents enjoy complete freedom, and their customs and fashions are gaining very rapid ascendancy. And the natives themselves possess here more liberty than is enjoyed either at the Capital or in the Interior. . . . A Frank Consul has as much influence here as his Ambassador at Constantinople, while a private Frank resident weighs more in this community than two or three of his equals would do in the Metropolis."⁴⁸ With such natural and human assets, Smyrna became a magnet for enterprising Greeks and Armenians.

The largely Greek-populated islands that ringed the western coast of Asia Minor were an early source of migrants to Smyrna. A large number came from nearby Chios. Toward the end of the eighteenth century, when trade patterns shifted in the Aegean and Smyrna grew in importance at the expense of Salonika, hundreds of Chiotis took up residence in the Anatolian port. There they established commercial houses, the most prosperous of which had agents in ports on the Black Sea, across the Mediterranean, and along the Atlantic coast of Europe. They traded in goods from all these areas as well as in the produce and textile manufactures of their native island. Smyrna's favorable business climate attracted Greeks from islands even further out in the Aegean, including Tinos and Naxos. Not all who came were entrepreneurs or would-be merchants. A number of islanders migrated there with their wives to work as servants for wealthy Greeks and Turks. The outbreak of the Greek revolt in 1821 led many to return to their islands in search of safety from reprisals. But their number began to grow again once things quieted down. By 1870 it is estimated that there were three thousand Greeks in Smyrna from the Cycladic islands alone.⁴⁹

Smyrna, as well as every other town of any commercial significance along the Aegean and Black Sea littoral, attracted scores of Greeks from outside the empire. While some settled in one place to carry on their business, others were itinerant traders. The Greek consul in Smyrna estimated that in 1859 there were more than 4,500 from the Hellenic Kingdom. This did not include the numbers who came from the Ionian islands, which were under the British crown until 1864, nor those from the Russian Empire. Holding foreign passports and enjoying the protection and commercial privileges accorded the nationals of these states, these Greeks proved to be sharp competitors even against the local Greek merchants. Traveling the ports and interior cities of Asia Minor, they traded in goods imported through Smyrna or through the capital, which they purchased there or at trade fairs they attended along the way. Besides articles of foreign manufacture they dealt in basic goods needed for local consumption such as oil, grain, rice, and soap. Since their goods were taxed only once at the point of entry, these Greeks often enjoyed a cost advantage over the local merchants. The local population of the smaller towns benefited from the trade flowing out of Smyrna, which provided an alternate and competitive source of needed goods.⁵⁰

Capitalizing on their economic power, leading Smyrniots petitioned the Grand Vizir in 1860 to grant the city the legal status of a municipality to allow its citizens to better manage their own affairs. After some time they were successful, and Smyrna entered a new era. A municipal council was created to oversee the city's needs, with twenty-four members elected from the various millets. The day-to-day direction of affairs was placed in the hands of an executive body of the council, but all twenty-four officials were required to decide on important issues. Six of the twenty-four were Muslims, five were Greeks, three were Armenian, and one was Jewish. The importance of the European residents in the city is reflected by their nine seats on the council. They were chosen according to the particular nationalities resident in the city. In the election in June 1868, two Greeks, two Austrians, one Russian, two Frenchmen, one American, and one Italian were selected to represent the European residents. Elected from the full body, the executive council apparently consisted of two Muslims, two non-Muslims, and four foreigners.⁵¹

Traditional practices rather than standardized procedures were the rule in business at the time. A bewildering assortment of weights, measures, and coinage burdened and complicated the marketplace. Banking and the handling of finances remained a local but not necessarily simple affair associated with specific nationalities. The inadequacy of the banks in coping with the volume of long-distance trade persuaded merchants in Smyrna to resort to selling imported goods on credit. Agents for the

seller and for the buyer worked out financial arrangements that ran for as long as six months. Under these circumstances, foreign traders and their consular representatives often distinguished between various merchants and financiers on ethnic grounds.⁵²

The economic bounty that many native and foreign Christian inhabitants of the entrepôt on the Ionian coast harvested during the second half of the nineteenth century was not without its price. After the Crimean War, as demand for European goods rose, the cost of living in the major cities of the empire rose steadily. By 1870 the British consul in Smyrna estimated that inflation had resulted in a doubling of prices for "nearly all the necessaries of life." While Smyrniot merchants and tradespeople might cope and even prosper, the laboring class in the city and surrounding countryside, both Christian and Muslim, was less fortunate. The wages they received meant that many of these people were forced to survive at little more than subsistence level.⁵³

Although Smyrna did not fulfill the material aspirations of all those who came to live or work there, the port city's commercial assets were undeniable and hard to resist. Greeks from all over the Anatolian plateau were attracted to its bazaars and commercial quarter. Some came to stay permanently, others to reside for periods of several months or even years before returning to their native towns and villages.

For the Greeks the rewards of commercial activity in Smyrna were well worth the risk. Some engaged in short-term, high-yield financing or invested in real property; many others ventured to establish flourishing commercial enterprises. Those who were successful eventually advertised in commercial yearbooks that began to appear in the latter part of the century. The others were cited in notices of bankruptcy in the local papers.⁵⁴

Greeks and Trade in the Anatolian Interior

Towns in the interior like Ankara and Kayseri nourished a steady export trade for most of the eighteenth century. British, French, and Dutch merchants had established themselves there and carried on trade in native products and imported manufactured and colonial goods. Of the country's indigenous wealth the chief articles of trade were mohair and wool from around Ankara, and the hides and plants that supplied the dyestuffs from the Kayseri region. The great struggle between France and the other major states of Europe at the end of the century disrupted this traffic and led to the withdrawal of the foreign merchants. Napoleon's eventual defeat did not restore trade to its former status. Ottoman clashes with Tsarist Russia in 1828–29 and more significantly for Asia

Minor, with the Egyptian viceroy, Mehmed Ali, during the 1830s further unsettled matters in the interior.⁵⁵ When trade picked up again in the 1840s it was under different circumstances and conditions.

As European merchants, their agents, and their diplomatic representatives withdrew from the interior of Asia Minor during the difficult years of the French wars, local individuals, mostly Greeks and Armenians, ventured forth to fill the trade vacuum. Acting as factors for foreign firms or establishing their own commercial outlets in Europe, the native businessmen gradually came to dominate the lucrative trade in wool and other natural products. As their profits rose they were able to employ more of their fellow Christians and to create close ties with those who supplied the articles for trade. In the long run the entrepreneurial success of the governments and Armenians made them influential figures in the affairs of their towns.⁵⁶

Whatever prosperity the local native merchants in the interior achieved came as part of a continuing struggle against obstacles imposed by both man and nature. Down to the mid-1840s provincial merchants found themselves at a financial disadvantage when trying to obtain funds locally against an account in the capital. Agents for the *sarrafs*, or moneylenders, added a surcharge on money they advanced the traders. Local businessmen often complained that the *ihtisab*, the internal duty levied on goods imported into the interior, was managed arbitrarily and indiscriminately, unduly raising the selling price of goods and thus hurting trade. Natural disasters produced dramatic swings in business fortunes. During 1848, Kayseri and the surrounding areas suffered from a heavy frost that damaged the yellow berry crop, a major export item. There was also an outbreak of cholera that lasted almost five months, significantly affecting business. Within a year, however, the disease had disappeared, and the local harvest was bountiful once again.⁵⁷

Even though markets in the interior presented problems of accessibility, stability, and sometimes security, European merchants, led by the British, were eager to cultivate trade in manufactures. Mostly native Greek and Armenian Christians, however, actually carried on the commerce, acting as agents and enjoying foreign protection. The reasons for their predominance in this trade are few but significant. As might be expected, the native Christian merchants were more familiar with business practices locally. In many instances the reward to the European merchant for supplying the needs of the local population with manufactured goods was not sufficient for him to enter directly into the interior market.⁵⁸ But perhaps the most important reason for the preponderance of the native Greeks and Armenians in the import trade was the very nature of the

business. A spokesperson for a British firm trading in the interior of Asia Minor explained the issue succinctly:

Ever since the establishment of our firm in this place [Smyrna], . . . we have regularly traded in the interior of Asia in . . . manufactured goods from Great Britain, mostly for account of our correspondents there, and as an extensive business of this kind was carried on, an agency was formed, some twenty years ago at Ushak managed by Costandi and Dimitri Dimitoglu, brothers and Greek rayas, who sold and purchased goods for our account. . . . All sales in the interior are made on credit, and . . . the payments thereof are effected in produce of the country, when the crops are gathered in, thus for instance, we give sugar, coffee, . . . Indigo, iron, manufactured goods . . . several months in anticipation, in order to supply the wants of the agricultures, who never have ready money to dispose of, but who meet their engagements by giving their produce, as agreed when the barter is effected, the price of our goods being fixed when delivered plus an interest thereon and the produce being taken at the market price of the day.⁵⁹

Clearly, the interior of Asia Minor at midcentury was still a limited and difficult economic environment where the foreign merchant and the native agent complemented one another in a mutually beneficial arrangement. The firm provided the financial backing and arranged to supply the goods to be sold. The native agent, acting as an intermediary, used his knowledge of local conditions to create profits not only by the volume of sales but through the financial agreements he made with buyers, which were subject to scrutiny by the local authorities.⁶⁰

Whether they acted for others or engaged in business on their own, Greek tradesmen in the interior of Asia Minor were tied to Smyrna by economic interest, personal relationships, and simple habit.⁶¹ Time and distance dictated the rhythm and regularity of their business dealings with the great port on the Ionian coast. For those who engaged in trade with Smyrna from the interior, the movement of men and goods was a major undertaking. Bringing the produce of Asia Minor's heartland to market and purchasing foreign manufactures and colonial products required a merchant to be away from home anywhere from three to six months.

Ioannis Kougioumtzoglou, a Greek carpet merchant from Kayseri, whose business eventually took him to England, has described what was involved in such ventures. Preparations for business trips of such length needed to be handled with the precision of a military campaign, according to Kougioumtzoglou. The merchant put all his affairs in order at least a week in advance of his departure. On the trip he carried with him official identity papers, which were checked as he passed through major

regional centers. To protect against robbers and bandits, the departing merchant armed himself with pistols, knives, and a rifle. To ward off the elements there was nothing better than a good, thick overcoat and a plain black umbrella. The protection of the Almighty was invoked by carrying a small icon, preferably of St. George, and, if possible, a small piece of a candle that had been lit on Easter Sunday. Since the trip was rather lengthy, it was best to wear a new pair of boots, which the merchant's wife would break in for him by wearing them around the house for a few days.

How a traveler dressed reflected his social status. Kougioumtzoglou noted that a merchant of some wealth would wear the full breeches (*salvari*) common in the East, as well as a shawl (*sali*) of fine wool. He carried his money in a belt around his waist and on his person, matches, a candle, and a small bottle of rum. Servants accompanied the merchant to tend to his daily needs. Though the distance traveled might not be great in absolute miles, the Anatolian businessman took enough provisions to last two months, including staples such as rice, butter, coffee, sugar, dried meat (*pastirma*), bulgur, and sweets. It was best to buy only poultry for cooking along the way. To ensure good relations with innkeepers and other Muslims whose services might be needed, small presents such as inexpensive fezzes were brought along.

Merchants traveled together in groups of fifty or more for safety. A prudent and seasoned traveler always stayed in the middle of the group as it moved along and allowed others to go ahead of him whenever a stream was forded. The journey to the coast took place in stages with six to nine hours of travel each day, organized so that the merchant would find a place to lodge every evening. Kougioumtzoglou himself made the trip from Kayseri to Mersin, a distance of some 180 miles, in eight days on horseback. From there he went on to England. He pointedly noted that, although the distance from London to Manchester was approximately the same as that from Kayseri to Mersin, it took only 4½ hours to make the journey by train.⁶²

The goods that merchants sent from central Asia Minor to Smyrna took much longer to arrive, coming as they did on the backs of camels. Yellow berries, a major product of the Kayseri region, were packed in parcels each weighing approximately 260 pounds. Once the packages were loaded, a caravan driven by muleteers took an average of five weeks to reach its destination. The drivers knew to whom each parcel belonged by the distinctive manner in which the bag had been sewn up.⁶³

By 1870, the geographic parameters of the Asia Minor Greeks' commercial world had crystallized, defined by a few basic factors. The flow of imported, manufactured goods into Asia Minor through the major

ports steadily increased, as did the demand for native agricultural and animal products. Thus, Greek and Armenian artisans with venturesome spirits were drawn to those places where commercial activities were most intense.⁶⁴ They migrated in sizeable numbers to the major urban centers of the interior, but most of all to the two great commercial entrepôts, Istanbul and Smyrna.

Greeks in Trade and Manufacturing: The Textile Industry in Bursa

In Bursa's economic history one can see reflected in microcosm the potential and liabilities of Greek commercial fortunes in Asia Minor.⁶⁵ The city was well situated for trade and manufacture. Nestled in the shadow of Mt. Olympus to the south, it was near enough to the Marmara coast to afford easy access to Istanbul and the major trading centers in the Mediterranean. A mild climate and good soil encouraged the cultivation of the silkworm in the surrounding plain. The demand for Bursa's fine, costly silks meant that the raw silk produced nearby could be worked right on the spot by the thousands of artisans in the city and its environs. Not only silk but cotton and mohair were also woven into cloth of high quality.

The city's residential and commercial quarters spread from the base of the pre-Ottoman citadel onto the surrounding hillsides. The Greek and Armenian communities were situated, respectively, to the west and east of the fortress along the banks of the major streams that ran down from the hills. There and among the neighboring villages and towns such as Demirtaş and Gemlik the silk-weaving industry was located. In the early nineteenth century, it was an industry in the premodern, prefactory sense of the term. The hundreds of looms were housed in individual quarters looked after by their merchant owners. A foreign observer noted that the silk industry was "spread all over the city, but there is nothing that can be called a silk factory. The weaving is all done by job work . . . and these stuffs, so remarkable for their beauty, are wove in miserable little rooms, only large enough to contain the loom and the weaver, or two weavers, as the case may be."⁶⁶ Production of the raw silk, including raising the silkworm and reeling the thread, was also dispersed among many individual producers in the region.⁶⁷ But, while the production of silk thread continued to increase during the nineteenth century, the production of woven silk cloth went into a sharp and irreversible decline.

Figures supplied by the British consul in Bursa offer striking testimony to the fate of the silk-weaving industry. In the early years of the nine-

teenth century, he estimated that there were 4,000 to 5,000 looms in and around the city. By 1835 the number had fallen to 800. At the time of his report, 1840, only around 300 were left. Part of the fault for this lamentable situation lay at the government's doorstep. When villagers in nearby Demirtaş complained to a British visitor about the taxes and duties levied on the silk cloth they produced, they were reacting to the long-established government practice of controlling the internal market of domestic manufactures. When this now anachronistic policy ran up against the Europeans' aggressive marketing of more cheaply priced goods in the empire, the result proved disastrous for the native silk-weaving industry.⁶⁸

The silk business survived in Bursa, however, by adapting to the conditions of the market and through state intervention. Although European manufacturers were not interested in finished cloth, they did desire greater quantities of silk thread produced to uniform specifications. Seizing the opportunity to satisfy this demand, European and later native Christian entrepreneurs began to invest in silk-reeling machinery. Sometime in the 1840s the first factory was constructed in Bursa. By 1855 there were almost two dozen such enterprises, some of which were owned by local Christians.⁶⁹ The machinery was driven by water power, which was plentiful. The state also did what it could through both indirect and direct intervention. In the mid-1840s the government sent imperial commissioners on a fact-finding mission to the province in which Bursa was located to make recommendations on ways to encourage trade and manufactures.

Following the report of the commissioners, the government attempted to undertake active measures. "Proposals were also made to some of the Greek merchants here [Bursa] to establish manufactories with European machinery and directors, for various purposes according to their choice, and for which the government would be ready to advance the necessary funds at 12 percent interest per annum." Government officials must have been surprised when the "merchants declined engaging in such undertakings, . . . stating that they were foreign to their pursuits, and themselves not possessed of the requisite knowledge for conducting them."⁷⁰ That may have been only part of the reason for the Greek businessmen's reticence in such matters. They were perhaps also wary of becoming involved in operations that were to a large part overseen by the government, and no doubt they believed trading in such manufactures to be a more lucrative enterprise.

To ensure that its own needs were met, the imperial government opened a silk-reeling factory in Bursa in 1852. The manufactory's silk

thread output was used at the imperial weaving factory at Hereke. Though apparently not efficiently run, these operations, as well as the government's continuing controls on prices and exports, helped to keep the domestic silk industry going for some time.⁷¹

The silk industry entered on difficult times in the second half of the nineteenth century, however. From the late 1850s to the 1870s the filatures of the city operated at considerably less than their capacity, despite attempts to increase production locally. In the 1850s large areas of the countryside around Bursa were planted with mulberry trees. Misfortune followed when disease struck and damaged the cocoons. Though many remedies were tried, including spraying with various substances, the disease took its toll on the silkworms. Further damage was sustained by the venerable industry when silk from the Orient became more easily available in European cities with the opening of the Suez Canal. Bursa's silk factories survived into the twentieth century, however, by remaining mechanically more advanced relative to other silk-reeling centers in the empire, like Salonika, and by having the silk duties come under European supervision.⁷²

Given the varying fortunes the silk industry experienced because of significant changes that occurred in consumer tastes, markets, technology, and supplies of the product, it is not difficult to see why Greeks preferred to engage in the trade of textile commodities rather than in their manufacture. In the first place, they could deal in one or more markets, while retaining more flexibility in choosing when and where to sell. Also those engaged in exchanging goods ranged from the small local trader to large import-export houses with international connections. The Bursa market encompassed a variety of textile goods, both imported and domestically produced, including cloths of silk, cotton, and wool as well as the thread that went into their making.

Bursa's textile producers enjoyed their largest markets in the capital and Smyrna. Merchants or their agents in these cities acquired the goods in small amounts on the weekly markets. The textiles were then shipped to the two great entrepôts where they were stored for resale locally or to other merchants in the interior. One of the most successful trading companies at the time, Rallis Brothers, a Greek firm in Istanbul, carried on an extensive business in and out of the empire. Unlike some of their smaller competitors, they were able to "have agents constantly purchasing throughout the year for them in each of the internal markets on this side and on an extensive scale." They could, therefore, take advantage of supplies of goods wherever they might be found in the empire. The firm was under Russian protection, but this did not give it any undue advantage when purchasing on the internal market.⁷³

Greek traders in Bursa began creating their own international commercial successes in the early 1840s. With the enthusiastic support of the British consul stationed there a "native Greek firm the most opulent here of their community has taken the lead during the last year in importing goods from England and thus assumed the first rank in the direct import trade." The consul also was able to induce some local merchants to try their hand at exporting goods directly to England instead of going through a firm in the capital. Two years later the Greek house that had "taken the lead" was still doing well and now was exporting silk to England while continuing to import goods. The men who ran the business were able to succeed in part because they possessed "sufficient capital to wait for their reimbursement according to the usually slow process of retail and payment in this market and the nature of the trade, which few others can thus support."⁷⁴

A key factor in the survival of both foreign and native Christian merchants in the Bursa textile trade was their ability to adapt to the considerable shifts in the market for that industry. Developments in the 1840s provide ample proof of the problems involved. By the beginning of that decade cotton goods from Manchester and the other mill towns of Britain were already enjoying a marked success in the domestic Ottoman market. Textile manufacturers from France, Germany, and the United States were also vying for the favor of consumers. In such a fiercely competitive market both quality and price played roles. Imitating one another's products, including those produced locally, foreign manufacturers tried to undercut each other. Nevertheless, the British more than held their own in the textile free-for-all, even beating out manufacturers from their former colonies in New England.⁷⁵

There was danger to both foreign manufacturers and native traders in this competition, however. Creating goods that would find acceptance in the traditional markets of Asia Minor involved a process of trial and error. Tastes and preferences changed, as some foreign manufacturers found to their dismay, while locally traders had to take care to maintain the favor of their client shopkeepers. In a town like Bursa, where the economy was based largely on one commodity, any difficulty in that sector would have an adverse effect on trade in imported goods.⁷⁶

Naturally, domestic production and sales of silk and cotton goods suffered where markets were easily accessible to importers. But the local industry in Bursa managed to survive. Producers and traders in textiles still had a market in the interior, where their goods could compete with imports. There was always the threat, however, that internal transportation duties would wipe out whatever advantages the native Christian merchants enjoyed in the interior market. Besides maintaining their

traditional internal trade, Bursa's manufacturers adapted to the changing demands of foreign markets. As noted earlier, the emphasis in silk production shifted from finished goods to the making of silk thread. Also, local manufacturers relied more on cotton thread imported from England, which was "found to be the cheapest and most convenient with every variety of numbers of and quality easily procurable," to satisfy the market in the countryside for durable cotton goods.⁷⁷

Though Bursa continued to be an important center for the exchange of goods, especially silk, between the surrounding countryside and the capital, its merchants were now but one factor in a market shaped and controlled by foreigners. Asia Minor was not only a producer of silk but a transit point for the transfer of that commodity to factories in Europe from other production centers further east. Among the Christian silk merchants in Bursa, the Greeks were the most active, but they were also more susceptible to the economic vagaries inherent in this business. One such swing, a downward one, was noted by the British consul resident in Bursa at midcentury. "Of their [the Greeks] former respectable merchants and families very few indeed are left who have preserved the same property and credit, owing finally to overspeculation in foreign trade, particularly in silk when on the eve of its last extreme depreciation [*sic*]."⁷⁸

Between the 1850s and the 1870s the mechanization of the silk industry in Bursa was completed. Since the business required a plentiful supply of water and labor, the owners constructed their factories alongside the two main streams that ran through the town and near the Greek and Armenian quarters. As a result, thousands of Christians were employed in these plants and soon formed the core of Bursa's working class. To remain competitive with other silk producing centers the foreign and native factory owners sought out cheap, unskilled laborers. These they found among the Christian female population of the city. Young women, orphans, and widows came to comprise almost the entire work force. They were easily managed, and because the work was seasonal, it did not conflict with demands for their labor in the other major economic sector, agriculture. The Christian female workers were paid a daily wage. If they asked for more money, a factory owner could threaten to hire Muslim workers, who would do the job for even less. A work-pass system sanctioned by the state further enabled the owners to control the labor force and the wages it received. By 1870 the British consul in Bursa estimated that although only 10 to 12 percent of the population in the district consisted of traditional artisans, there were now silk-reeling factories that employed up to three hundred workers. He estimated that there were some 6,000 filatures in operation requiring approximately 9,000 workers, and all of them were women.⁷⁹

From the example of the manufacture and trade in textiles in Bursa, one can discern both the economic possibilities and the predicaments of the Greeks in Asia Minor during the nineteenth century. The traditional crafts and manufactures that they and others engaged in had begun to decline before the inroads made by imported goods. In places such as Bursa, industry survived and developed by adapting to the increasing impingement of foreign commerce and retaining the less accessible markets in the interior. As factories were constructed, Greeks were willing to invest in manufacturing enterprises like the silk industry, but many more preferred to engage in trading ventures, which required less capital to begin with and offered quicker rewards. On the whole they flourished in both of these sectors, though not without difficulties at times.⁸⁰ In the cities where industrial manufacturing was developing, Greeks were also to be found as part of an emerging working class. However, as in Bursa, they still retained ties to the land. To this world I now briefly turn.

Ties With the Land: Cultivation and Commerce

Although the cities of Asia Minor, especially those along the western coast, contained the most significant Greek presence, a large number of Greeks resided in the small towns and villages in the countryside. In one way or another they were associated with the land; either working it for themselves or others or marketing the products that came off it. By the third quarter of the nineteenth century conditions were favorable for marketable crops, making land an attractive sector to invest in, an investment many Greeks in the countryside and the cities chose to make.

Contemporary observers who visited western Asia Minor around the middle of the century were struck by the extent of uncultivated good land in desirable locations. Even before he journeyed to the region, Nassau Senior was forewarned about what he would find. "When you are at Smyrna visit Ephesus. You will ride through fifty miles of the most fertile soil, blessed with the finest climate in the world. You will not see an inhabitant nor a cultivated field." The lack of a plentiful, cheap and reliable labor supply, modern technology, ready capital, a good communication network to tie local production to distant markets, and efficient agricultural practices all contributed to such conditions.⁸¹ In the second half of the century, however, the rising demand in Europe for the agricultural products of the empire did provide needed incentive for investment in this sector.

In the late 1850s the Ministry of Finance set out to conduct a survey of those residing in the empire and their property. Natives as well as foreigners were included. When it was completed all males had been registered and given a tax certificate. Based on this survey, the state

introduced a property tax (*vergi*) and an income tax (*zemetua*). The overall impact of these taxes, which disturbed the British consul in Trebizond but nevertheless made sense, was the "actual tendency of capital in the Ottoman dominions to flow together in commercial speculation, and towards the sea-coast towns leaving the inland empty and its tillage neglected."⁸²

Since the coastal regions were also the most fertile in Asia Minor, agricultural production there benefited as well. By 1870 about two-thirds of the arable land in the Smyrna sancak was under cultivation, and half of that had been cleared in the preceding two decades. Much of this development was a result of Greeks investing in and working the land. Despite the drawbacks to rural investment that still existed, Greeks recognized the potential for profit in agriculture. Some bought up uncultivated land that the General Administration of Smyrna put up for sale and worked it themselves. Merchants in Smyrna, Constantinople, and other large centers either rented large estates or bought up *çiftlik*s when they were put on the market. Unlike the traditional peasant cultivators, the Greeks who invested in these ventures had capital and were looking for good returns on cash crops such as sugarcane, tobacco, grapes, and mulberries, which could be easily marketed.⁸³

By the late nineteenth century, this process had spread to the interior. For example, in the past Greeks in Sinasos had migrated because there was little to be made in agriculture. The soil in the surrounding area was not particularly suitable for cereal cultivation, but grapes and vegetables could be grown. As long as poor transportation restricted producers to a local market, there was little incentive to take on the risks of business in agriculture. But once roads improved and railway lines were extended into the interior, Greeks there followed the practice of many of their compatriots along the coast and turned to the land for capital profit.⁸⁴

Economics and Ethnicity: The Greeks and Commerce

Foreign observers persistently commented on the marked ethnic character of trade in the Ottoman Empire. Whether correct or not, the perception existed that trade was mostly in the hands of the Christians, Greeks and Armenians. The Muslim Turkish merchants and artisans seemed to recede in importance and prominence while the Christians steadily advanced to the forefront of commerce. Trade seemed to reflect ethnic differentiation.⁸⁵

The commercial success of the Greeks has been explained as resulting from a negative stimulus. Like other non-Muslims, the Greeks were excluded from political power. Tolerated but restricted, the Greeks were

stimulated to excel in the only societal arena left relatively free, the world of commerce. Though compatible with current thought on ethnic development (and conflict), the theory emphasizes an external and negative instrumentality that was not always there. Greeks and other peoples long settled in the Near East were active and prospering in trade well before the Ottomans set foot in Asia Minor.⁸⁶

An alternative explanation for the Greeks' commercial success again posits an external stimulus, but this time it is a positive and rationalist one. During the eighteenth century when the trade of the empire stretched beyond the Balkans, the Black Sea, and the Aegean, Christian subjects of the sultan took advantage of the commercial opportunities and gradually raised their economic and social standing. The West provided both material and intellectual sustenance for an emerging Greek bourgeoisie in the Ottoman Empire that aspired to a political role to match its economic achievements. Because this essentially secular and open vision was impossible to fulfill in a religiously defined and politically closed society, however, the incipient bourgeoisie instigated a revolt that eventually resulted in the formation of the Hellenic nation-state. This argument too can lead to oversimplified assumptions about the bourgeois nature of the Greek mercantile element, how it managed to benefit economically from its European commercial contacts, and its political outlook.⁸⁷

During the first half of the nineteenth century the economic progress of the Greeks in the empire presented a mixed picture. Those from the islands and coastal areas in the eastern Mediterranean prospered as merchants and transporters in the east-west trade in the late eighteenth and early nineteenth centuries. In the Balkans Greek and other Orthodox merchants did not fare as well. Overland trade became more competitive and concentrated, with Europeans actively entering the region. The Greek struggle for independence during the 1820s, followed by increased political ferment among other Balkan peoples, unsettled the area. For decades thereafter, the Ottoman government as well as those of the newly emerging national states fought to control the spread of brigandage, so deleterious to trade.⁸⁸

When the Greek revolt broke out, the flourishing Greek communities along the littoral of western Asia Minor and the nearby islands suffered inevitable reprisals. The communities on Chios and at Kydonies (Ayvalik) were devastated. In Smyrna the properties of Greek merchants were sequestered. Although they did not regain the position of influence they had held in the service of the Ottoman government, the Greeks recovered commercially after the conflict was resolved. By the early 1860s, a British observer well acquainted with the area could write with evident

satisfaction about increasing trade between his country and the empire, which he attributed "to the energy and perseverance of the Greeks, who now supply the connecting link so long wanting between Eastern and Western Europe. . . . [British goods,] . . . exported chiefly by Greek merchants in the first instance to Alexandria, Beyrout, Smyrna, and Constantinople, are again shipped on board of Greek vessels and carried to the various ports along the coasts of Asia Minor."⁸⁹

In this unfolding story of Greek entrepreneurial success, what weight might be given to an ethnic factor? Putting aside simplistic and stereotypical references to abilities stemming from ethnic qualities, a number of factors touched by ethnicity may be mentioned. To begin with, Greek businessmen did not wait for Europe to come to them. Well back in the eighteenth century Greek traders were already to be found in the capitals of neighboring states in Europe. They also followed the trade routes across the Mediterranean and out along the Atlantic coast to the major commercial centers in the West. Those who succeeded in establishing commercial links between their homeland and the world outside usually relied on family and relatives to do so. Such operations were close personal affairs of business. A prime example is that of the Rallis family from Chios, noted earlier, whose commercial affairs extended from London to Bombay.

Within the Ottoman Empire Greek merchants in areas like Asia Minor found that maintaining close ties with their community, even after they left it, was to their commercial advantage. As trade developed between the coast and the interior, those with personal or communal links to the two worlds were in a good position to benefit commercially.⁹⁰

Though the European merchants knew their products, to market them they had to turn, often of necessity, to the native merchant. Greek and other native traders familiar with the customs of their homeland and willing to do business according to established local practices were equipped to survive in what was an unfamiliar and often unprofitable market for a foreign merchant.⁹¹

As long as the peoples of the empire were objectively organized around communities and not subjectively based on territory, and as long as this world remained economically open even as European influence grew, these ethnically tinted factors were advantageous in the conduct of commerce.

In the decades under consideration, trade in manufactured goods from Europe and domestic natural products from the Ottoman Empire increased significantly, and Asia Minor's economic importance grew accordingly. Whether natives of Asia Minor or citizens of the Hellenic

Kingdom, the Greeks benefited from this change by taking account of two critical factors: the difficult nature of trading conditions in Asia Minor and increased access to quantities of inexpensive and well-made manufactured goods from Europe. Trade offered the promise of a large profit on a small or moderate investment over a short period of time and could be worked easily into the Greeks' social and cultural world, which was focused on the community.

From the mid- to latter nineteenth century, the focus of commerce in Anatolia shifted towards Europe. With this the economic geography of the region changed, and the coastal towns grew significantly in size and importance as the focal points of growing commercial exchange. Since the more important of the Greek communities were located in the towns along the western littoral of Asia Minor, numbers of Greeks flourished by taking advantage of the growing ties with Europe in the competitive but favorable commercial climate of the time. Others, concerned with protecting their handicrafts and customary trade in the interior, managed economically by knowing the demands of the local market.

Many Greeks in Asia Minor thus made the most of the changing economic climate. They became part of the middle class that was comprised of different nationalities in the multiethnic society of that land. As the European economy made itself more forcefully felt in the empire, the Greeks relied on themselves, as individual merchants and shopkeepers, while remaining bound to their ethnic communities to accommodate to the new conditions and promote their well-being. This was their strength through the latter part of the nineteenth century, when economic life was swept up in nationalist politics.