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CONTRIBUTIONS TO THE OTTOMAN INSTITUTION
OF THE *İLTİZÂM*¹

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1. *On the nature of the Ottoman iltizâm*

Until the mid-twentieth century the researchers dealing with the Ottoman economic history were unanimously of the opinion that the Ottoman *iltizâm* was to be regarded as tax-farming.

In 1955 L. Fekete the well-known Hungarian historian of the Ottoman studies disagreed with this opinion in so far as he declared the view that in the case of the *iltizâm* one cannot speak of tax-farming.² In order to be able to open a debate with his opinion we present his arguments in English translation - as far as it is relevant to our formulation of the question :

«The taxes paid by the subjects either in kind or in cash, the duties, the wages and rents of the state-owned real estates were handled by the Ottoman administration of inland revenue according to the Arabian or Persian system³ inasmuch as these services were held together by certain delivery units or districts. The area and the boundaries of these delivery units or districts were determined (to determine =

1 This paper was presented on the international symposium «Staatliche Dezentralisierungstendenzen und Steuerpacht 1500-1850 : Osmanisches Reich, Iran und Indien [= State-decentralization Trends and State-lease 1500-1850 : Ottoman Empire, Iran and India] which was held in München on 2nd-5th of May, 1990.

2 *Die Siyâqat-Schrift in der türkischen Finanzverwaltung*. Beitrag zur türkischen Paläographie mit 104 Tafeln. Erster Band : Einleitung, Textproben. Budapest, 1955, 85 sqq.

3 Cf. Berthold Spuler, *Iran in früh-islamischer Zeit*. Wiesbaden, 1952, p. 457, 464 sqq. - This note is originated from Fekete and its original number was 27.

qaf' etmek) and these delivery units were called *muqâṣa'a* or 'determined delivery units'.

Therefore the expression *muqâṣa'a* meant a determined delivery unit, a taxing district, a unit of a state-property, or a unit of a stately-supervised public property or the right of its utilizing, as well as the mode of its administration and exploitation, furthermore it also meant an actual lease or rent.

Consequently in the Ottoman Empire there were remarkably numerous and extraordinarily many kinds of *muqâṣa'a* since in a district all the incomes belonging to the state were presented as *muqâṣa'a*. So the collection of each different tax could constitute a distinct *muqâṣa'a* such as for example the sheep-tax or the must-tax of a district (or only that of a community), in cities the collection of the obligations due by the slaughterhouses or boza-pubs [boza = beverage made of fermented millet], the price of the market-places, the ferry-fee, and the duty paid at city-gates. Therefore the number of the *muqâṣa'a*-s in the Ottoman Empire came up to several thousands so in the *deftershâne* of Istanbul quite a few departments were occupied with them.

According to the dictionaries *muqâṣa'a* has the following meanings: 'delivery' (Ablieferung), 'rent' (Pacht), 'lease' (Pachtung), 'state-lease' (Staatspachtung), 'financial lease' (Finanzpachtung) and other similar meanings. The word *muqâṣa'a* is used in the same sense in history works too. (Fekete, the author in his earlier works wrote Pachtung and Pächter as well.) Nevertheless in the light of archival research this question should be judged in a significantly different way, which now will be touched upon more deeply.

The state assigned a person to be in charge of the collection of the handing in (or simply the money) coming from the *muqâṣa'a*. That person won the assignment who competed for it and as an applicant (*şâlib*) either by auction or in the form of a written proposition committed himself to hand in the biggest sum and besides could present one or more guarantors (*kefil*) for the money in question. The assignment (Betrauung) was valid for a year or for an even shorter period of time.

The assigned person was called *emîn* 'assigned' (Beträuter), or *mültezim* 'who undertakes the business' so he was indicated as the person who undertakes' (Übernehmer) or 'entrepreneur' (Unternehmer). These two words could stand in status constructus as well: *emîn-i mültezim* or 'the assigned one who undertakes the business'. The enterprise was called *emânet* 'assignment' (Betrauung) or *iltizâm* 'enterprise' (Unternehmung). Another frequent expression in the same context is *der 'uhde-i...* 'in the enterprise of...'

Concerning the assignment the state allocated the enterprise with a decree (*nişân-i şerif*) with a *ṣugra*. For the time of his activity the

emin was granted a daily salary (*'ulûfe*) and was compelled to do bookkeeping on the incomes. Consequently the *emin* was a state-employee obliged to do accounting.

For those who were not in know, who noticed merely that every year or every half-year there was another person at the ferry or in the market-place collecting state-dues, it might have seemed that the collector was a lessee for the collecting of certain dues. But getting to know the data presented above it is doubtlessly mistaking to define the position of this person as that of a lessee. The *emin* was not a *renter* but an entrepreneur or commissioner who undertook this business because he received a daily salary for the term of his office and in addition he could obtain unauthorized extra earnings. The administration of inland revenue demanded that he should pay the sum which he had taken upon himself to collect, he was punished severely if he postponed paying but most of the time the administration did not bother about the circumstances to the collecting.»

According to Fekete's approach, which is not without contradictions, the *emin* or *mültezim* or *emin-i mültezim* was not a tax-farmer because

- 1) «he was a state employee obliged to do accounting»
 - 2) «he was assigned»
 - 3) he was a «person who undertakes»
 - 4) «he was an entrepreneur»
 - 5) «he was an assigned person who undertook the business»
- and «he undertook the business because he received a daily salary for the terme of his office...». The fact that «in addition he could obtain unautorized extra earnings» was a less significant one for Fekete.

Let us examine Fekete's arguments one after the other. The designations «assigned» (*Beträuter*) and «one who undertakes» (*Übernehmer*) can be easily straighten out since these are not technical terms. If someone is assigned to a business or he undertakes it hereby the nature of the business is still not defined. The same applies to the designation «the assigned who undertakes the business».

The term «entrepreneur» (*Unternehmer*) is a different matter. This word, as one of the terms of economics, is generally known in the meaning of «the owner of an enterprise who on his

own responsibility (independently) takes the risk of acting». Here the question emerges: to what extent can we find Fekete's attempt valid when he indicates the *mültezim* as an «entrepreneur». Without doubt it is true that he took his own risk in his activity. But it is questionable that to what extent did he act on his own responsibility (independently) when it was the administration of inland revenue which gave the assignment. Even if the *mültezim* is considered to be an entrepreneur there is still no evidence that he was not a tax-farmer. Throughout history in the field of production and services the most various kinds of enterprises appeared and appear. Why could not tax-farming be regarded as an enterprise?

That argument of Fekete which says that «the *mültezim* should be regarded as «a state employee obliged to do accounting» seems to be more significant since the free enterprising activity can hardly be connected with the functions of an official who is confined by state-instructions.

To solve this problem it seems to be appropriate to compare the Ottoman *mültezim* with the range of activity of the European tax-farmers. The general definition of the European tax-farming is the following:⁶ «Generally every kind of tax-collecting in the name of the state done by private individuals but to the indivi-

4 'Action de se séparer; contribution, revenu ferme pour un an'; *muqâ'at'a bağlamaq* 'prendre à ferme' (Bianchi-Kieffer, II, 971); 'für bestimmte Zeit eingegangene Pachtung, Staatspachtung, Finanzpachtung' (Zenker, 869); 'a branch of the public revenue of Turkey farmed out for a term of years for a fixed sum, the farmer collecting the dues for his own account'. *مقاطعه باغلامق* to' let out (a branch of the revenue) for a fixed sum' (Redhouse, 1937). - *Muqâ'at'ağî* 'préposé des douanes; fermier; 'ta revenue-farmer'. - This note is also originated from Fekete and its original number was 28.

5 J. Hammer, *Staatsverfassung* I, 333 sqq. (Similarly earlier times it is «tax-farming» for the Persians as well. See B. Spuler, op. cit., p. 457). What is said about the *muqâ'at'a* in new Turkish works is summarized rather shortly and is not always verifiable. - The German original of this note is also from Fekete, its original number was 29.

6 This definition is provided in German by Eugen Heberkern/Joseph Friedrich Wallach, *Hilfswörterbuch für Historiker. Mittelalter und Neuzeit*. Zweiter Teil, L-Z. Dritte Auflage, München, 1972, 598 sq.

dual's own account. In the narrow sense the tax-collecting is passed to a private individual for an annual lump-sum.»

This definition is valid for the Ottoman *iltizâm* as far as in this business the collection of the taxes (and that of other state revenues) are similarly done «to the individual's own account» and «in the name of the state». In the case of the *iltizâm* the tax-collecting was accomplished for an «annual lump-sum» and here the question whether this lump-sum was fixed for a year or for any shorter period of time is irrelevant.

Finally there is one issue to be cleared and that is the legal position of the *mültezim*. In contrast with the European tax-farmers he was not exclusively a private entrepreneur since as an *emîn* he received salary from public funds. On the other hand he was not exclusively a state employee either, considering that during his activity he had his own risk and his own economic interests. Considering the laws of economics he was in an ambiguous position although his two Janus-faces were not entirely identical. In the definition of his nature out of the two features that is the significant what he himself considered to be the more important one.

Did he undertake this serious financial risk in order to receive the regular salary of a state executive, in which case he could also improve his pay with a small and not really legal «extra». Or was the income of the taxation more important to him and the only purpose of the salary was to ease the risk undertaken or to provide the prestige of a state official?

This question can be understood only after we acquired data on the *mültezim*'s income of two kinds contrasted to each other. If the salary was higher than the income of the taxation then he was a corrupt official. In the other case he was rather a private entrepreneur, more precisely a *tax-farmer*, who sought and found his economic goal in the maximization of the profits.

2. *A firman on the Remittance of the Ottoman Tax-Farming Units in the Sixteenth Century*

The firman on the administration of inland revenue, which is the basis of our following argumentation is found in the Prime Minister's Archives of Istanbul (Başbakanlık Arşivi)⁷.

Considering the fact that it provides an interesting insight into the Ottoman tax-farming system, it is of some interest to publish it here *in extenso* together with an English translation and a short comentary.



⁷ More precisely it can be found in the collection of documents called : «Ali Emiri Tasnifi, Kanunî».

سليمان بن سليم خان مظفر دايا

- (۱) فدوة القضاة والحكام معدن الفضل والكلام
----- قاضيي زيد فضله توقيع رفيع
همايون واصل اوليچاق معلوم اولاً كه
- (۲) حاليا محروسهء سلائيكدن موسى نام يهودي دركاه
معلامه كلوب سلائيكده واقع اولان كمرك
مقاطعه منه ناظر تعين اولنوب
- (۳) حاصل اولان اقچه بنم معرفتمله ضبط اولنوب
وبنم مهرم داخي بييله اولمق بيورلورسه حاليا
مقاطعهء مزبوره يه سنه اثني وخمسين وتسعمائه
- (۴) ذي الحجه سنك يكرمي يدسيئده واقع اولان مارت
اولندن اوچ بييله يكرمي اوچ كره يوز بيك وداخي
اللي بيك
- (۵) اقچه محصول كوئترمكه بر وجه التزام كاتب اولانلر
يرلنده شرطلري موجبنجه مقرر طورمق شرطيله
- (۶) تحويل آخونده مزبورلوك التزامندن قرق بييك
اقچه زياده ويرمكه التزام ايدهرم وضرر ماله
- (۷) يرار و ماله قادر كفييلر داخي ويره يم ديو بلدردي
امدي بيوردم كه حكم شريفمكه واردقده مزبور موسىء
- (۸) وكفييلرين احضار اتدرب اوكات وجهله تفتيش
ايدوب كوره سن مزبور ملتزم وكفييلري يرار
- (۹) و ماله قادر اولدقلى تمام اصلي وصحي اوزره
معلوم اولدقندنصكره مزبورك التزامن وكفييلريتك
- (۱۰) اسملرن واشقهارلرن وساكن اولدقلى يرلريله سجلاته
قيد اتدردكدن صكره دركاه معلامه
- (۱۱) مفصل يازوب بلدره سن نويله بلاسن علامت شريفه
اعتقاد قلاسن تحريرآ في اليوم الثالث والعشرين
- (۱۲) شهر ربيع الاخر سنه ثلث وخمسين وتسعمائه

بمقام
قسطنطينيه

Süleymān bin Selīm Han, muzaffer dāymā!

- (1) Qudvet ül-quzāt vel-ḥükkām, ma'den ül-fazl vel-kelām
---- qādisi, zīde fazlühü. Tevqī'-i refī'-i hümāyün vāşıl oli-
çaq ma'lüm ola ki :
- (2) Ḥāliyā maḥrüse-yi Selānīkden Mūsā nām yehūdī dergāh-i
mu'allāma gelüb : «Selānīkde vāqī' olan gümrük muqa-
ta'asına nāzır ta'ayyün olunub
- (3) ḥāşıl olan aqçe benüm ma'rifetümle zabt olunub ve be-
nüm mührüm daḥı bile olmaq buyurılırsa ḥāliyā muqā-
ta'a-yi mezbüreye sene-yi işnā ve ḥamsīn ve tis'ami'e
- (4) zıl-ḥiccesinüḡ yigirmi yedisinde vāqī' olan mārṭ evvelin-
den üç yıla yigirmi üç kerre yüz biḡ ve daḥı elli biḡ
- (5) aqçe maḥşül göstermege ber vech-i iltizām kātib olanlar
yerlerinde şartları mücibince muqarrer turmaq şartıyle
- (6) taḥvīl-i aḥırında mezbūrlaruḡ iltizāmından qırq biḡ aqçe
ziyāde vərmege iltizām ederim. Ve zarar-i māla
- (7) yarar ve māla qādir kefiller daḥı vėreyim» dėyü bildürdi.
İmdi buyurdum ki ḥükm-i şerifümle varduqda mezbūr
Mūsā-yi
- (8) ve kefillerin ihzār etdürüp oḡat vechle teftiş edüp göre-
sin. Mezbūr mültezim ve kefilleri yarar
- (9) ve māla qādir olduqları temām aşlı ve şaḥḥı üzere ma'lüm
olduqdan şoḡra mezbūruḡ iltizāmın ve kefillerinüḡ
- (10) isimlerin ve iştiḥārların ve sākin olduqları yerleriyle si-
cillāta qayd etdürdükten şoḡra dergāh-i mu'allāma
- (11) mufaşşal yazub bildüresin. Şöyle bilesin, 'alāmet-i şerife
i'timād qılasın. Taḥrīren fil-yevm üş-şāliş vel-'ışrīn-i
- (12) şehr-i rebī' ül-aḥır sene şelāş ve ḥamsīn ve tis'ami'e

8
f (?)^s

bi-maqāmı
Qoşanḡniyye.

[*Tuğra* :] *Süleymān, son of Selīm Khan, always victorious!*

- (1) Paragon of the Cadis and Judges, Treasure of Virtue and Wisdom, Cadi of ----, may his virtue increase! As soon as this Exalted Imperial Rescript arrives, it should be made known :
- (2) A Jew called Moses (*Mūsā*) came recently from the Well-Guarded Salonica to my Sublime Court and reported⁹ [as follows] : If I should be appointed superintendent (*nāzır*) of the farming of the customs being in Salonica
- (3) and the resulting money should be earned by my means applying my seal, [in this case]
- (4) I take upon myself the aforesaid farming for three years from the first of March, taking place at the 27th of [the month of] Dhu-l Hıjja, 952 [= March 1, 1546] for the proceeds of 2 350 000 as-
- (5) pers¹⁰, taking the post of the clerks (*kātib olanlar yerlerinde*) as required in accordance with their [= the clerks'] conditions, with the provision that these [conditions] remain valid.
- (6) I take upon myself to given 40 000 aspers more than the aforesaid have given when they were appointed for the last farming.
- (7) I appoint [besides] guarantors, capable of compensating for material damages and being in possession of means.» I order now, as soon as he [= the above mentioned Moses] arrives with my Noble Order, to summon the aforesaid Moses
- (8) and his guarantors. Investigate [this affair] according to the law, look into it. If it can be shown in all respects that the aforesaid farmer [of customs] and his guarantors are capable [men]

9 *dēyü bildürdi* is below, in line 7.

10 Literally 23 times 100 000 and 50 000 aspers.

- (9) and in possession of means, let the tax farm of the aforesaid [Moses] and his guarantors with their
 (10) names, reputations and with their place of residence be written into the judicial record, and thereafter communicate it to my Sublime Court
 (11) in detail in writing. This you must know. Trust the Noble Sign. Written at the 23rd day
 (12) of the month Rabi' II in the year 953 [= June 23, 1546]

8
 f (?)^s

bi-maqāmi
 Qoştanşınıyye.

Commentary :

The document which provides an insight into the Ottoman tax-farming conditions during the 16th century, is one of Süleyman the Magnificent's financial *firman*-s. It consists of an answer to the presumably oral proposal of a Jewish tax-farmer who had turned to the appropriate organ of the state administration. His proposal is that if he gets the tax-farming proceeds of the customs of Salonica for three years he would be willing to pay not only the hitherto usual rental of 2.350.000 *asper*-s, but 2.390.000, increase by 40.000 *asper*-s.

Moses would undertake the tax-farming on condition that the guaranteed conditions for the clerks would remain valid for those three years. Moses is willing to provide wealthy guarantors who could pay compensation in case of any material damage.

What lesson can we learn from this proposal? First of all there is the fact that Moses was not a Muslim but a Jew. As a matter of fact, this is not something new since it was already known that in the Ottoman Empire a great number of Jews¹¹

11 Cf. Bistra Cvetkova : «Recherches sur le système d'affermage (*iltizam*) dans l'Empire Ottoman au cours du XVI^e-XVIII^e s. par rapport aux contrées Bulgares», *Rocznik orientalistyczny*, XXVII/2 (1964), 111-132.

and Christians took part in the very profitable business of tax-farming. It might be mentioned that most of these wealthy Jews had escaped to the Ottoman Empire from the inquisition of the ultra-Catholic Spain. At this time the land was almost entirely state property so they could not buy estates; neither could they buy higher state offices for religious reasons. Since they were not able to invest their wealth in anything else, they threw themselves into the business of tax-farming.

The proceeds resulting from amount of the tax-farming are of some interest also in their quantitative respect. As was mentioned before, Moses accepted to pay 2.390.000 *asper-s* to the State Treasury for this three-year-long period. This means that the customs-revenue of this significant port, Salonica, must have been more than 800.000 *asper-s* annually : Moses accepts to pay 796.667 *asper-s* per annum; naturally he wants to gain from this business and the guarantors do not take the risk because of their unselfish friendship. The amount of money is approximately ten times higher than the annual customs revenue of Buda for the same period.¹²

Clearly, the Ottoman administration of inland revenue in the middle of the 16th century did not demand the payment for the tax-farming in advance. Had it been paid in advance, there would have been no need for appointing wealthy guarantors. Moreover it seems that the renting procedure was accomplished properly, so it could seem from the accurately determined three-year-long term. There is no sign at all that Moses fraudulently wanted to edge out his predecessors of their lease, but presumably after the expiration of their lease he rather planned to replace them with the help of proposing a higher amount. To our knowledge, this procedure was considered legal in the Ottoman Empire at that time.

It is of some interest that Moses wants to undertake this tax-farming as a superintendent (*nāzir*). From the document it does not become clear whether another tax-farmer (*mültezim*) or mo-

12 Cf. *Budai török számadáskönyvek 1550-1580*. Közzétette Fekete Lajos és Káldy-Nagy Gyula [= *Turkish Account-Books of Buda 1550-1580*. Published by Lajos Fekete and Gyula Káldy-Nagy], Budapest, 1962, p. 13.

ney-collector (*'amil*) took part in the business. It is also significant that Moses lays claim to the position of clerk (*katib*). From this fact two conclusions can be drawn: This position could be taken not only by a Muslim but also by a Jewish candidate. Presumably this is why he does not ask for the rank of *chiaus*, a military rank reserved for the Muslims. The promotion to a government office was important because only with this could be obtained the respect due to a state-office holder. Being a clerk Moses was naturally given a salary. The amount of it was not mentioned in the document. However, from other sources it is known that in the first half of the 16th century the clerks of the administration of the inland revenue received 5-50 *asper-s* for a day.¹³ In the case of Moses who had an important position, we have to count at least the average of the two extremes, which is about 25 *asper-s* a day. Consequently the annual salary is 9.000 *asper-s*.

This salary must have been only a fraction of the tax-farmer's income. He does not take this risky activity because this relatively small civil-servant salary satisfied him. The biggest part of his income came from the difference between the money paid to the State Treasury and the customs effectively collected. To my knowledge there is no date concerning how much more the tax-farmers collected comparing to the money which they delivered to the State Treasury. Naturally they had to conceal the real amount since it was not quite legal to collect more - the state turned a blind eye to this practice only because of its own interests.

The addressee of the document is a judge (*qādī*) from a juridical district (*gazā*) not precisely defined. The issuing authority left the name of the place blank, evidently so as to be filled in at a later date. Obviously the task to be the inspector of the tax-farming place fell to the *cadi*. In the Ottoman Empire it was general practice that for the inspector's post a *cadi* was appointed whose juridical district was different from the place of the tax-farming, consequently he could represent the interest of the state regardless of his personal contacts. The principle which was in force at

¹³ Cf. Josef Matuz: *Das Kanzleiwesen Sultan Süleymāns des Prächtigen*, Wiesbaden 1974, pp. 50, 61 sq.

the beginning, even in our case, was later not fully operative any more, since for the tax-farmer the possibility was given to ask that *cadi* to be an inspector, who seemed to be appropriate for a harmonious cooperation.

In the commanding part for the document the *cadi* receives strict instruction to revise the case, especially the financial conditions of the tax-farmer and his guarantors.

Otherwise the *firman* meets the formal requirements of the decrees of the administration of the inland revenue, as, for example, the date was written onto the document not by the issuing person of the document while its dating also showed the exact day of promulgation.¹⁴

14 Cf *ibid.*, 111 sqq.
