

# The Diplomats' Debts: International Financial Disputes between the Ottoman Empire and Prussia at the end of the Eighteenth Century

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*Diplomatların Borçları: Onsekizinci Yüzyılın Sonunda Osmanlı İmparatorluğu ve Prusya Arasındaki Uluslararası Mali İhtilâflar*

Öz ■ Osmanlı İmparatorluğu ile Avrupa Devletler Sistemi arasındaki artan temaslar neticesinde, Osmanlı Devleti, Prusya'ya 1763 ve 1806 yılları arasındaki iki orta elçi, bir büyükelçi ve dört maslahatgüzar yolladı. Osmanlı diplomatlarının Berlin'deki görevleri boyunca ortaya çıkan yolculuk, konaklama, tayinat ve harçlık gibi masrafları ilk başta ev sahibi ülke karşıladı. Ancak, 1798'de Berlin'e ilk daimi Osmanlı büyükelçisinin gönderilmesinin ardından, Prusyalılar diplomatların finansal sorumluluğunu reddetmeye başladı. Bu karar, diplomatlar ve hükümetler arasındaki karşılaşmaları yoğunlaştırdı ve Osmanlı diplomasisinin artan bir şekilde profesyonelleşmesiyle sonuçlandı. Değişen tahsisat uygulamalarının sonucunda, artık yabancı başkentlerin günlük yaşamına daha çok katılmak zorunda olan Osmanlı diplomatları, maaşlarını almak ve başkentlerdeki ikametlerini organize etmek için yeni kanallar bulmak zorunda kaldılar. Hem Osmanlı, hem de Prusya kaynaklarını kullanan bu makale, uluslararası bankalar gibi resmi kuruluşların ortaya çıkmasından önceki uluslararası tahsisat uygulama ve ağlarını tekrardan inşa etmeyi hedeflemektedir.

Anahtar Kelimeler: Osmanlı diplomatları, Osmanlı-Prusya ilişkileri, tahsisat, profesyonelleşme.

When the Ottoman chargé d'affaires Mehmed Esad Bey passed away in April 1804 after lying ill for several months in Berlin, he left an open promissory note along with many uncovered bills.<sup>1</sup> One of the unpaid bills was issued by the Prussian cook named Mehlbär, from whom Mehmed Esad had regularly ordered

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1 Geheimes Staatsarchiv Preußischer Kulturbesitz (GStA), HA I, rep. 11, no. 10552, Berlin, April 1801 and September 1804 *Conto pour Monsier Esad Bey Effendi*, Mehlbär.

lunch for two, mostly veal and chicken soups, piling up an open account of 201 *Reichstaler*. When Mehmed Esad had arrived at his post in Berlin almost four years earlier, in June 1800, he carried an imperial letter from Sultan Selim III (1761–1808), who had dispatched the diplomat to Prussia in order to perpetuate friendly relations established with a defensive alliance in 1790.<sup>2</sup> Yet, instead of the friendly terms, the open accounts and outstanding salary payments accumulated by Mehmed Esad in Berlin would lead to a long lasting dispute between the Ottoman and Prussian governments.<sup>3</sup>

Until the sixteenth century, the material requirements of diplomatic mission were in the care of the host countries. With the establishment of permanent embassies throughout Europe this practice began to change and diplomats became increasingly concerned with financing their needs abroad. For instance, by the end of the seventeenth century, the Habsburg Empire and Russia agreed on reciprocal withdrawal from financing each other's embassies.<sup>4</sup> The Ottoman Empire as the first non-Christian country introduced reciprocal diplomacy with Europe at the end of the eighteenth century and was subsequently also faced with the challenge to finance its diplomatic missions.<sup>5</sup> Arguments about money involved not only the Ottoman Empire and the hosting European countries, but also a broader network of bankers, agents, and trading houses. Addressing the history of Ottoman-European encounters, this paper inquires if changes in the funding were indicating a growing professionalization of the Ottoman diplomats through increased everyday life encounters in the hosting countries at the end of the eighteenth century? By scrutinizing how creditors were reimbursed on the occasion of a sudden death of a diplomat, this paper further illuminates how international transactions and cases of indebtedness were handled practically.

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2 GStA, HA I, rep. 11, no. 10562, June 1800, *Traduction substantielle et abrégée de la lettre de créance de SM sultan Selim trois, qui constitue Son Charge d'Affaires près la Cour de Berlin, Mehemmed Essad Bey Effendi, Assesseur de la Chancellerie Impériale Ottomane. faite à Berlin le 28. Juin 1800.*

3 GStA, HA I, rep. 11, no. 10562, Berlin, June 1800, foreign minister Count Christian von Haugwitz (1752–1832) to the Prussian envoy Friedrich Wilhelm Ernst von Knobelsdorff (1752–1820), Berlin; *Başbakanlık Osmanlı Arşivleri* (BOA), C.HR, no. 35/1715.

4 Neumann, Iver B. "Sustainability and Transformation in Diplomatic Culture: The Case of Eurocentrism." In *Sustainable Diplomacies*, eds. Costas M. Constantinou and James Der Derian, Basingstoke: New York: Palgrave Macmillan, 2010, 128–50, 139.

5 Hurewitz, Jacob C. "The Europeanization of Ottoman Diplomacy: The Conversion from Unilateralism to Reciprocity in the Nineteenth Century." *Belleten* 25, no. 99 (1961): 455–66, 455.

I suggest that a shift in funding practices had a significant impact on the intensification Ottoman-European contacts and compelled the diplomats to participate in the daily life of the visited cities. Additionally, the altered funding situation of Ottoman diplomats, after the establishment of the first permanent embassies in London (1793), Vienna, Paris and eventually in Berlin in 1797, gave space for new financial as well as communicational networks. These changes, as the following discussion elaborates, played an important role in the delimitation of the diplomatic profession at the end of the eighteenth and the beginning of the nineteenth centuries.

Diplomacy and intercultural relations have been in the focus of several recent studies, which challenge the binary model of separate Ottoman versus European cultural realms. Most strikingly is their turn to the actor-oriented perspective and micro-historical case studies, which enable a distinct picture of contacts and encounters between Ottomans and Europeans.<sup>6</sup> Research by Christian Windler, Mehmed Yalçinkaya, Nathalie Rothman and Jean-Paul Ghobrial examines the hybrid identities and transcultural practices of diplomatic agents along with the exchange of information and material culture.<sup>7</sup> As for the financial aspect of diplomacy, Harriet Rudolph suggests that a comparative approach can further shed light on the institutionalization processes of diplomacy.<sup>8</sup> Diplomatic salary patterns along with other financial privileges were detrimental not only for an effective and successful diplomacy, but also to the development of the diplomatic profession. Following the calls for a re-examination of funding practices as well

6 Kühnel, Florian. "Berichte und Kritik: Westeuropa und das Osmanische Reich in der Frühen Neuzeit." *Zeitschrift für Historische Forschung* 42 (2015): 251–83, 276.

7 Windler, Christian. *La Diplomatie Comme Expérience de L'autre: Consuls Français Au Maghreb (1700-1840)*. Genève: Droz, 2002; Yalçinkaya, Mehmet Alaaddin. *The First Permanent Ottoman Embassy in Europe: The Embassy of Yusuf Ağâh Efendi in London*. Istanbul: Isis, 2010; Rothman, E. Natalie. *Brokering Empire Trans-imperial Subjects between Venice and Istanbul*. Ithaca; London: Cornell University Press, 2012; Ghobrial, John-Paul A. *The Whispers of Cities: Information Flows in Istanbul, London, and Paris in the Age of William Trumbull*. Oxford: Oxford University Press, 2013.

8 Rudolph, Harriet. "Diplomatiekosten als Transaktionskosten? Ein Forschungsansatz zur vergleichenden Analyse der Finanzierung außenpolitischer Kommunikation," In *Politische Kommunikation zwischen Imperien*, eds. Gunda Barth-Scalmani, Christian Steppan, Harriet Rudolph, Innsbruck: Studien Verlag, 2013, 69–86; *ibid.* "Ökonomische Grundlagen der habsburgisch-osmanischen Diplomatie im 16. und beginnenden 17. Jahrhundert. Ein Problemaufriss" In *Frieden und Konfliktmanagement in interkulturellen Räumen: Das Osmanische Reich in Europa (16.–18. Jahrhundert)*, eds. Arno Strohmeyer, Norbert Spannenger, Stuttgart: Steiner 2013, 239–263.

as the new trends in diplomatic history reflected in the present edition, this paper examines the role of governments, diplomats and their networks in jointly solving financial disputes and disagreements.<sup>9</sup>

The documents from the collections on Ottoman diplomats in the *Geheimes Staatsarchiv Preussischer Kulturbesitz* (GStA) in Berlin and from the *Başbakanlık Osmanlı Arşivleri* (BOA) in Istanbul illuminate how the Ottoman and Prussian governments approached the funding of diplomats as well as subsequent financial disputes. The GStA collections give an insight into cases of international disputes and their resolutions with the help of various networks. In addition, notes mostly from the collection *Cevdet Hariciye* (CH) of the BOA provide an accurate account of Ottoman diplomatic finance and show the salaries along with travel allowances paid for the Ottoman diplomats abroad. The combination of both archives allows an inquiry of both sides of the disputes as well as an account of the funding of diplomacy around 1800 at large.

Using case studies from petitions and diplomatic correspondence this paper examines the funding of Ottoman diplomats in Prussia until the first permanent Ottoman embassy to Berlin in 1797. It then addresses the shifts which followed the establishment of permanent embassies by Sultan Selim III and finally illuminates how Mehmed Esad's debts to the cook Mehlbär and other creditors were eventually covered and what sort of new diplomatic practice this dispute came to represent.

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9 For more examples of the *New Diplomatic History* see: Carrió-Invernizzi, Diana. "A New Diplomatic History and the Networks of Spanish Diplomacy in the Baroque Era." *The International History Review* (2013): 1–16; Frigo, Daniela. "Prudence and Experience: Ambassadors and Political Culture in Early Modern Italy." *Journal of Medieval & Early Modern Studies* 38, no. 1 (2008), 15–34; Gelder, Maartje v., and Tijana Krstić. Introduction: Cross-Confessional Diplomacy and Diplomatic Intermediaries in the Early Modern Mediterranean, *Journal of Early Modern History* 19 (2015): 93–105; Goffman, Daniel. "Negotiating with the Renaissance State: The Ottoman Empire and the New Diplomacy." In *The Early Modern Ottomans: Remapping the Empire*, eds. Virginia H. Aksan and Daniel Goffman. Cambridge University Press, 2007; Mcenaney, L. "Personal, Political, and International: A Reflection on Diplomacy and Methodology." *Diplomatic History* 36, no. 4 (2012): 769–72; Watkins, John. "Toward a New Diplomatic History of Medieval and Early Modern Europe." *Journal of Medieval & Early Modern Studies* 38, no. 1 (2008): 1–14; Yurdusev, A. Nuri. (ed.) *Ottoman Diplomacy: Conventional or Unconventional?* New York: Palgrave Macmillan, 2004.

## 1. Funding Ottoman Diplomats in Prussia before the Permanent Embassies

As part of the increased participation of the Ottoman Empire in the European state system, the Sublime Porte dispatched three ambassadors – two *orta elçi* (envoys) and one *büyükelçi* (great ambassador) – and four *chargés d'affaires* (*maslahatgüzar*) to Prussia between 1763 and 1806. Before the end of the eighteenth century, European governments imitated Ottoman practice and paid the travel expenses as well as the daily allowance (*tayin*) to Ottoman ambassadors, envoys, lower ranking emissaries and other prominent members of the diplomatic mission residing in Venice, Paris, London, Vienna, Warsaw/Krakow, Moscow/St. Petersburg and Berlin. Originally, it was an Ottoman practice to defray the expenses of the journey and pay a *tayin* to foreign ambassadors and representatives in Istanbul. These customs were applied to ad-hoc missions, which were sent to congratulate a ruler, announce a royal succession or for any other ceremonial event. The payment of the *tayin* also eased the troubles of international financial transactions and relied on reciprocal hospitality. Rather than having the guests bring large sums of cash along on a strenuous and dangerous journey or receiving a periodical payment from their governments, the host country would fund the main expenses of the embassies.

When the first Ottoman envoy Ahmed Resmi Efendi (1694/5–1783) came to Berlin in 1763, the Prussians – just as the other Europeans – aimed to imitate the Ottoman practice, providing the Ottoman diplomats with a daily *tayin* and covering his travel expenses. Yet, when Ahmed Resmi arrived at the Ottoman-Polish border, the first disagreements regarding his travel expenses and allowances arose between the Prussians and the Ottomans. Ahmed Resmi's mission, which the Ottomans dispatched to urge Frederick II (1712–1786) to conclude a defensive alliance, had been planned meticulously. Before the Ottoman ambassador's departure to Berlin, the Prussian ambassador in Istanbul had promised Ahmed Resmi that all travel expenses would be covered and that he would receive a *tayin* of 100 *Reichstaler*. However, once Ahmed Resmi had reached the border of the Polish territory, the Prussian government refused to pay for his travel expenses through Poland, arguing that all the other European countries had only paid for the journey once the Ottoman missions had reached their borders.<sup>10</sup> Moreover, instead of the promised 100 *Reichstaler*, the Prussian foreign minister Karl Wilhelm Fink von

10 Prussia was one of the few European countries, with which the Ottoman Empire did not share a direct border or which the Ottoman diplomatic missions could not reach by water.

Finkenstein (1714–1800) offered the Ahmed Resmi only 50 *Reichstaler*.<sup>11</sup> After a prolonged argument during which the Ottoman ambassador declined to continue his journey from Jaroslaw (nowadays Poland on the Ukrainian border), where he and his mission came to a halt, the Prussian minister complied to refund the ambassador's journey costs as well as to pay him a daily *tayin* of 60 *Reichstaler*.<sup>12</sup>

The argument between the Ottoman ambassador and the Prussian government was resolved with the help of Ahmed Resmi's dragoman and merchant Abraham Camondo (also: Commandi), who advanced the ambassador the amount of money needed for his mission to reach the border of Prussia.<sup>13</sup> After these initial complications, the Prussian foreign ministry took all the responsibility for further costs of maintaining the mission within the Prussian lands and particularly in Berlin, organizing various details of daily life such as food supply, purchase of wood for heating and furnishing the lodgings. The Prussian ministry kept a careful log of all the services provided to the Ottoman missions. The accurate lists in the cash book show the monthly allocation of 5000 *Reichstaler* from the Prussian treasury for the use of various expenses such as presents, crockery, and drapery as well as the fodder for the horses.<sup>14</sup> Since these expenditures of Ahmed Resmi's mission strained the Prussian treasury, Frederick II had to find ways to balance the costs. One such solution was to sell the gifts, which the Ottoman envoy had brought along with him, using the money to make up the spending.<sup>15</sup>

Both governments were eager to receive as much as possible for spending as little as possible. At the same time, financial questions also exhibited cultural demarcations and commonalities. Disputes regarding the salary and the travel expenses were representative of the honor and respect two rulers were paying to each other, yet money was more important to the Prussians than the prestige of presents. This practice might have also been known and accepted by Ahmed Resmi, as the sale of the gifts was processed by Ephraim & Söhne, the close associates of his dragoman Abraham Camondo, who might have also been involved in the business. Unlike many other cultural performative contacts and encounters,

11 Volz, Gustav B. "Eine türkische Gesandtschaft am Hofe Friedrichs des Großen im Winter 1763/64." *Hohenzollern-Jahrbuch* 11 (1907): 17–54; GStA, HA I, rep. 11, no. 10553, Berlin October 1763, Finkenstein to Georges Pirch

12 GStA, HA I, rep. 11, no. 10553, Jaroslaw, September 1763, Johan Alexander Hevelcke to Finkenstein.

13 GStA, HA I, rep. 96, no. 71 Q.

14 GStA, HA I, rep. 11, no. 10554.

15 GStA, HA I, rep. 96, no. 71 Q, April 1764, Ephraim & Söhne to Frederick II.

this was a very real commodity, which determined the success or failure, but also the pleasure and discomfort of a diplomat abroad.

The manner in which diplomatic missions were financed remained consistent also with the succeeding Ottoman diplomat. Ahmed Azmi Efendi (ca. 1740–1821) returned to Berlin in 1791 as the new Ottoman envoy after having accompanied his brother-in-law Ahmed Resmi to Berlin almost thirty years earlier in 1763. He also received a *tayin* and free passing through the Prussian territories along with a daily *tayin* of 40 *Ducats*<sup>16</sup> for the period of six months from February until August 1791.<sup>17</sup>

The funding of Ahmed Azmi's embassy in Berlin soon became an issue, this time involving wider international networks. In April 1791, a short time after Ahmed Azmi's arrival in Berlin, the foreign minister Ewald Friedrich Graf von Hertzberg (1725–1795) received a letter from the Prussian diplomat Girolamo Lucchesini (1751–1825), who was at that time attending the Sistova Conference, where Prussia mediated the end of the Austro-Turkish War (1787–1791). In the letter Lucchesini explained that he was addressed by Alexander Mourousis (d. 1816), the Great Dragoman of the Ottoman Empire, with the request to allocate a daily *tayin* not only to the ambassador but also to his dragoman Constantin Caradja (Karatzas or Karacas) (1735–1811) and to the mission's secretary Mustapha. Following such an explicit request, the Prussian ministry distributed three *Ducats* to Caradja and of two *Ducats* to Mustapha daily, paying not only from the moment of Mourousis' inquiry, but also retroactively.<sup>18</sup> The Ottomans' request to pay not only the Ahmed Azmi but also his dragoman and his secretary was not unreasonable as the Ottoman government had generously rewarded the Prussian ambassador and his secretary for the mediation of the Treaty of Sistova in 1791.<sup>19</sup>

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16 It is difficult to determine if forty *Ducats* corresponded to Ahmed Resmi's sixty *Reichstaler*, but most likely the Prussians tried to emulate the honors given to the previous envoy in order not to offend Ahmed Azmi.

17 The amount of the daily allowance to Ahmed Azmi was based on the amount of *tayin*, which the latest Prussian envoy to Istanbul Heinrich Friedrich von Diez (1751–1817) had received from the Ottoman government (GStA, HA I, rep. 11, no. 10556, February 1791, *Extrait über Einnahme und Ausgabe*).

18 GStA, HA I, rep. 11, no. 10556, Berlin, April 1791, Ewald Friedrich von Hertzberg (1725–1795) to Frederick William II (1744–1797).

19 Naff, Thomas. "Reform and the Conduct of Ottoman Diplomacy in the Reign of Selim III, 1789-1807." *Journal of the American Oriental Society* 83, no. 3 (1963): 295–315, 307.

The Prussian treasury also kept a cash register of money allocated towards the expenses of Ahmed Azmi's mission along with a list recording the *tayin* and the rent for Ahmed Azmi's residence. Following the precedent of the previous Ottoman mission, Frederick William II (1744–1797) designated a monthly sum of 5000 *Reichstaler* for the costs of Ahmed Azmi's embassy. The money had to cover, among other things, the carpentry work and the salaries of servants in addition to the bills of merchants, who had brought clothing, wood, and food. In total, the Prussians treasury disbursed almost 50,000 *Reichstaler*, from which the daily allowances accounted for 33400 *Reichstaler*.<sup>20</sup> These lists kept for Ahmed Resmi's and Ahmed Azmi's missions testify precisely the everyday needs and errands involved in sustaining an Ottoman embassy. As the records show, besides representative and political matters such as ceremonies and gift exchanges, daily matters had to be addressed and resolved swiftly. In the early 1790s, it was still the responsibility of the Prussian authorities to take care of seemingly minor questions regarding the travel expenses, pocket money but also regarding interior design of the diplomats' rooms, their eating habits and medical treatment. The registers of the Prussian foreign ministry give an impression of the contact between Ottoman diplomats and European subjects, thereby illuminating the extent of the encounter with the everyday life of a European capital which became necessary once the hosts stopped paying for their diplomatic guests.

In August 1791, the Prussian ministry learned that Ahmed Azmi was not leaving Berlin after six months as originally planned and it was decided that the treasury will continue paying the mission's expenses for an additional two months. Yet, once the two months had passed and September came, Ahmed Azmi announced that he would again prolong his stay. Yet, this time the Prussian king decided to cease all payments, including the *tayin* and the rent, by the end of the month. It is not clear how Ahmed Azmi and his entourage financed their lives in Berlin for another three and a half months, but they might have used their private assets or the savings of their *tayin*. The embassy finally departed in January 1792, after staying almost six months longer than they had initially indicated at their arrival.<sup>21</sup> Upon departure the envoy rejected the offer of the Prussian foreign ministry to proceed with the usual organization of their return journey and to provide him with accommodation, horses and a military guide until the Habsburg border. Instead, Ahmed Azmi preferred to receive a cash payment of

20 GStA, HA I, rep. 11, no. 10556, *Recapitulation aller Ausgabe*.

21 *Ibid.*, Berlin, January 1792, *Ausgabe*.

2500 *Reichstaler* for his return, which he then would use to cover his mission's expenses during the journey.

The Prussian king's refusal to cover additional months of the Ottoman mission's stay and Ahmed Azmi's choice to organize his own return to Istanbul – not surprising after his journey to Berlin was marked by various impediments and difficulties<sup>22</sup> – point to beginning changes in Ottoman and European funding practices of diplomatic missions. The Prussians were increasingly unwilling to pay for their guests and their guests were increasingly willing to organize their own sojourns in exchange for cash. Against the established practice of financial reciprocity, Frederick William II decided to cut the finances of the Ottoman mission. And Ahmed Azmi, rather than relying on Prussia's assistance, preferred to take care of his own return journey – a task not to be underestimated considering the distance, language barriers, and other challenges involved in travelling overland from Berlin to Istanbul at the end of the eighteenth century. The Ottoman-European diplomatic exchanges were beginning to take a different shape and the diplomats had to find new channels to organize and finance their residence abroad. Professionalization of diplomacy also meant finding official permanent means, which would enable the Ottomans and Europeans to encounter each other in the political arena.

## 2. Permanent Embassies and their Funding

In his article from 1963 Thomas Naff addresses the practice of funding diplomatic missions after the reforms of Sultan Selim III, yet without elaborating on the implications for the general course of diplomatic exchanges. According to Naff, the first permanent mission to London received a generous fund of 10,3000 *kurus*, but remained the only mission with sufficient funding, since the rest of the Ottoman diplomats to Europe constantly complained about financial shortages.<sup>23</sup> The funding of the diplomatic missions came from the newly established *Treasury of New Revenue* (*irade-i cedid hazinesi*), which was supposed to cover Selim's reform

22 For the obstructions during the journey of Ahmed Azmi to Berlin, see Minaoglou, Charalampos. "Harassing the Enemy's Diplomats: The Embassy of Azmi Effendi Travelling through the Austrian-Occupied Balkans and Habsburg Lands during the Austro-Ottoman War (1787-1791)." In *Forschungswerkstatt: Die Habsburgermonarchie im 18. Jahrhundert = Research Workshop: The Habsburg Monarchy in the 18th Century*, eds. Gunda Barth-Scalmani and Peter Andorfer, Bochum: Dieter Winkler, 2012, 15–26.

23 Naff, *Reform and the Conduct*, 305.

projects, or from the *darbhane*, the mint or regular treasury.<sup>24</sup> In theory, the diplomats would receive their salaries quarterly, but in reality these payments were often delayed due to a lack of communication and other circumstances. Some of the Ottoman diplomats seem to have received only a one-time payment of their salary and travel expenses upon departure from Istanbul. Naff also suggests that there were no clear regulations on how much diplomats were to receive for their salaries, which depended on their personal connections and influence.<sup>25</sup> Even more nebulous was the situation of the *chargé d'affaires*, such as Mehmed Esad Bey, whose income could vary between 20,000 and 30,000 *kurus*.<sup>26</sup>

Before Sultan Selim III introduced permanent missions to Europe, there was no regulated system to resolve issues of monetary transactions or to address financial disputes between the Ottomans and Prussians. Although by the end of the eighteenth century information and money were regularly flowing between the Ottoman Empire and Europe, their pathways were rarely intertwined. The communication passed mostly along postal channels and money moved along the networks of trade. European states such as Britain and France used their trading companies and other commercial resources to send money to their envoys in Istanbul. Prussia, which did not have an enterprise resembling the Levant Company, probably equipped its diplomats with a large sum of money before their departure to Istanbul and also used the commercial connection of Jewish and other merchants to the Ottoman territories.<sup>27</sup> Despite the existence of a vibrant community of merchants trading between the Ottoman Empire and Europe the contacts between diplomacy and trade were rare and often only temporary. The permanent missions were, therefore, facing the challenge of finding new ways and networks to receive the salaries and to deal with general questions of finance.

Ali Aziz Efendi (1748/9–1798), who was the first permanent Ottoman ambassador to Berlin, arrived in the Prussian capital in 1797 and, like his predecessors, was not spared from an argument regarding his funding and the organization of his mission. The trouble began with the Ottoman's request to the Prussians to treat Ali Aziz just "like all other European ambassadors." The Ottoman government was probably not aware that this meant that Ali Aziz would not be funded

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24 Ibid., 306.

25 Ibid.

26 Ibid.

27 The *Levantinische Compagnie*, established by Frederick II in 1764, was not successful and ceased to exist in 1769.

in any way, as none of the European envoys – except those from Kur-Mainz and the Netherlands – received a *tayin* or a compensation for their travel expenses.

At the beginning of 1797, while Ali Aziz was still on his way to Berlin, another misunderstanding between the Prussian embassy and the Prussian foreign ministry regarding the rank of the Ottoman ambassador added to the confusion. Alexander Callimachi (1737–1821), the *Voyvoda* (lord) of Moldavia and former Great Dragoman, had sent a letter announcing the arrival of a new diplomat with the rank of a full “ambassadeur” to the foreign ministry, yet the Prussian ministry mistakenly considered Ali Aziz as a second ranked diplomat. Subsequently, the foreign minister Haugwitz not only refused to pay for his travel expenses but also to organize an official reception at the court in Berlin.<sup>28</sup> Once Ali Aziz realized that he had been denied the privileges of a full ambassador, he refused to continue his journey from the Polish-Prussian border to Berlin.<sup>29</sup> Only after the Prussian minister agreed to pay the travel expenses and to grant him military escorts, the ambassador resumed his trip to the Prussian capital. The expenses of Ali Aziz’s journey amounted to 1003 *Reichstaler*, of which most was spent on horses brought by the ambassador as presents for the Prussian king and on some minor expenses for housing and food supplies.

As the first permanent Ottoman ambassador to Berlin Ali Aziz had to fend for himself and organize his own supplies and lodgings. Unlike for previous missions the Prussians did not prepare a residence for the ambassador, who at first had to stay temporarily in the *Ephraïmische Palais*, and then move for one year to a private house, which he eventually exchanged for a hotel.<sup>30</sup> At both residences, Ali Aziz had been involved in an argument regarding the rent, when either misunderstanding or intentional misinterpretation of the rent contract caused further trouble for the Ottoman diplomat and his entourage.<sup>31</sup> The establishment of the perma-

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28 GStA, HA I, rep. 11, no. 10559, Jassy, April 1797, Scarlat Callimachi; H. Achmed Schmiede, “Vor 190 Jahren ... Tod des türkischen Botschafters Ali Aziz Efendi,” *Mitteilungen des Vereins für die Geschichte Berlins* 84/4 (1988), 102–107, 102; H. Achmed Schmiede, *Osmanlı ve Prusya Kaynaklarına Göre Giritli Ali Aziz Efendi'nin Berlin Sefareti*, İstanbul: Türk Dünyası Araştırma Vakfı [1990], 22–23.

29 GStA, HA I, rep. 11, no. 10559, May 1797, Haugwitz to count Karl Georg Heinrich von Hoym (1739–1807), minister in Silesia.

30 GStA, HA I, rep. 11, no. 10559.

31 Cf. GStA, HA I, rep. 11, no. 10550, Berlin 1799–1802, *Acta das Gesuch des Balluseck wegen seiner Forderung an den türkischen Gesandten*; GStA, HA I, rep. 11, no. 10563; Berlin 1799–1812, *Acta betr. die Forderung des Petschke an den verstorbenen, türkischen Gesandten Aziz Ali Effendi*.

ment embassies and the ceasing of funding by the hosts meant that the Ottoman diplomats now had to deal with matters of everyday life and to address challenges such as finding suitable housing or paying the rent. The requirement to arrange basic needs in a foreign country was a further step from the highly formal practice of diplomacy to a more practical and professional activity – a trend of integration of Ottoman diplomats and diplomacy into the European diplomatic system and a more frequent encounters and contacts, which continued with Ali Aziz's successors.

The task of funding a diplomatic mission in a foreign country while being unfamiliar with local languages, laws, and customs proved to be challenging. Like his predecessors Ali Aziz too used his salary, which he received from the regular imperial mint, the *darbhane*, to cover his everyday life expenses such as rent, salaries for servants and bills for food in Berlin.<sup>32</sup> The ambassador obtained his salary through the channel of the same Prussian banker-merchant and Jewish court factor Mendel Oppenheim (1758–1820), which Mehmed Esad would come to use several years later.<sup>33</sup> One can only speculate if Oppenheim had been recommended or was the only and best available channel for diplomatic money transfer. Around 1800, he was, however, a contact point for Ottoman diplomats traveling to Prussia.

Oppenheim, as probably other merchants and bankers moving between the two regions, was using the promissory notes to transfer money between the Ottoman Empire and Prussia. Unlike mercantile activities diplomatic exchanges did not involve the exchange of products for money. Instead, funds had to move from one country to another without any obvious exchange in the form of goods. An alternative way to the physical carrying of cash or jewels, were promissory notes. The instrument of banking, resembling the idea paper money, was commonly used by merchants and governments alike, also playing an important role not in contacts between the governments. The changed funding of diplomatic missions opened new opportunities for bankers and contributed to the growing importance of new financial means such as the promissory notes.

### 3. Solving Disputes

According to the cook Mehlbär, the Prussian foreign ministry declared in local newspapers that after Mehmed Esad's death his debts would be covered

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32 Unlike the salary of Ali Aziz's successor Mehmed Esad's salary came from the *darbhane* rather than from the *irade-i cedid hazinesi* (cf. BOA, C.HR, 35/1716; BOA, C.HR, 101/5045).

33 GStA, HA I, rep. 11, no. 10562, Berlin, November 1802, Oppenheim to Frederick Wilhelm III.

by the succeeding Ottoman envoy to Prussia.<sup>34</sup> Following the announcement Mehlbär approached the new chargé d'affaires Jacques Argyropoulo (Yakovaki) (1776–1850), who had arrived in Berlin in September 1804, with his demands. Argyropoulo, however, rejected any claim and referred the cook to Mendel Oppenheim, who was Mehmed Esad's main creditor.<sup>35</sup> As also Oppenheim's efforts to obtain a repayment were not immediately successful, Mehlbär composed a petition to the Prussian foreign ministry asking for assistance in regaining the repayment of the 201 *Reichstaler*.<sup>36</sup> The Prussian foreign minister, Christian von Haugwitz (1752–1832), forwarded Mehlbär's claim to the Prussian chargé d'affaires in Istanbul, Friedrich Wilhelm von Knobelsdorff (at his post from 1790–1803), ordering him to demand the cook's paycheck from the Reis ül-Küttab (the chief scribe, later assuming the responsibilities of a foreign minister).<sup>37</sup> Mehlbär's bill was added to Mehmed Esad's debts of 19,000 *Piasters* to several creditors, among them Oppenheim, who had advanced a large sum of money to Mehmed Esad as part of the diplomat's salary.<sup>38</sup>

Oppenheim had approached the foreign minister von Haugwitz already in 1802 regarding two outstanding promissory notes that he had received from Mehmed Esad. He explained that the Ottoman chargé d'affaires normally drew his salary, which he received regularly from the Ottoman government, from Oppenheim's bank in Berlin and in return provided him with a promissory note. This promissory note would then be cashed by Oppenheim's agent in Istanbul – probably either from the *darbhane* or from the *irade-i cedid hazinesi*. Yet, when Oppenheim's agent approached the Reis ül-Küttab with Mehmed Esad's latest promissory notes, the Ottoman minister rejected them rigorously, adding that

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34 GStA, HA I, rep. 11, no. 10552, Berlin, March 1806, Mehlbär to the Prussian foreign ministry.

35 Jews such as Mendel Oppenheim had been court factors (*Hofjuden* or *Hoffaktoren*) at the Prussian court since the end of the seventeenth century, financing the Prussian kings and noblemen through moneylending, trade, and other financial enterprises such as coinage. Oppenheim was a prominent Prussian master of the mint, thus, considering the importance of Oppenheim to the Prussian treasury, the government was inclined to solve the financial dispute of one of its main financiers (cf. Keuck, Thekla. *Hofjuden und Kulturbürger: die Geschichte der Familie Itzig in Berlin*. Göttingen: Vandenhoeck & Ruprecht, 2011, 56.)

36 GStA, HA I, rep. 11, no. 10552, Berlin, March 1806, Mehlbär to the Prussian foreign ministry.

37 GStA, HA I, rep. 11, no. 10552, Berlin, July 1806, Haugwitz to Knobelsdorff.

38 The exchange rate of *Ottoman Piaster* to *Reichstaler* was 5:3 around the year 1790 (cf. Karamuk, Gümeç. *Ahmed Azmi Efendis Gesandtschaftsbericht als Zeugnis des osmanischen Machtverfalls und der beginnenden Reformära unter Selim III*. Bern: Herbert Lang, 1975, 232, fn. 3.)

he would not cover them under any circumstances.<sup>39</sup> It is unclear why the Reis ül-Küttab had rejected Mehmed Esad's notes, but as a consequence the Prussian foreign ministry as well as Oppenheim and Mehlbär – along with several other creditors – were facing a tedious dispute with the Ottoman government.

More than a year before his death in March 1803 and half a year after Oppenheim's first complaint, Mehmed Esad attempted to defend himself in a letter to the Prussian foreign minister Haugwitz claiming that he had not received his salary from the Ottoman government for more than a year. Mehmed Esad further explained that he had spent all his resources due to a long disease and did not have any private funds, therefore being completely dependant on the Sublime Porte's salary.<sup>40</sup> Despite Mehmed Esad's personal letter to the foreign ministry and the official termination of his diplomatic work after three years along with the Reis ül-Küttab's request to let their diplomat return to Istanbul, the Prussian foreign ministry revoked the travel papers of the indebted diplomat.<sup>41</sup> Several months later, the Reis ül-Küttab finally agreed to cover Mehmed Esad's debts, but first Mehmed Esad had to be allowed to return to the Ottoman Empire.<sup>42</sup> The Prussian foreign ministry informed Oppenheim about the Reis ül-Küttab's request to issue travel papers to Mehmed Esad despite the open accounts, but Oppenheim objected and insisted that the Prussian government would continue to withhold the diplomat's passport.

In April 1804, while the negotiations between the Prussian and the Ottoman foreign ministries were still ongoing, Mehmed Esad, still in Berlin, had succumbed to his disease. In the following months the Reis ül-Küttab informed the Prussian minister that Mehmed Esad had been wealthy and that the liquidation of his estates would cover the outstanding debts.<sup>43</sup> At the same time, the Ottoman government requested from its chargé d'affaires Jacques Argyropoulo in Berlin the resolution of the debts not according to Prussian demands, but according to "the Ottoman needs."<sup>44</sup> This meant that Argyropoulo was ordered to send Mehmed Esad's remaining possessions from Berlin to Constantin Ypsilantis

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39 GStA, HA I, rep. 11, no. 10562, Berlin, October 1802, Mendel Oppenheim to Frederick William III (1770–1840).

40 *Ibid.*, Berlin, March 1803, Mehmed Esad Efendi to Haugwitz.

41 *Ibid.*, Berlin, October 1803, Haugwitz to Anton von Bielfeld.

42 BOA, HAT, 122/4989; GStA, HA I, rep. 11, no. 10562.

43 GStA, HA I, rep. 11, no. 10562, May 1803, Knobelsdorff to Frederick William III.

44 BOA, HAT, 1350/52722 F.

(1760–1816), the Vovvoda of Wallachia, where they should be used to cover a part of the debt.<sup>45</sup>

In June 1805, the Sublime Porte informed the new Prussian chargé d'affaires in Istanbul, Anton von Bielfeld (at his post from 1803–07) that Mehmed Esad's assets had finally been sold and that the profit will be used to pay off his creditors.<sup>46</sup> Thereupon, the Prussian ministry proposed that Oppenheim, who had already forwarded a list of all other creditors to Istanbul, would receive the entire payout of Mehmed Esad's debts, which totaled 35,783 *Piaster*, with the Istanbul based banking house Hübsch & Timoni as an intermediary.<sup>47</sup> Oppenheim's agent in Istanbul would then draw the money from Hübsch & Timoni and the banker would then, after taking his part, disburse the rest among Mehmed Esad's other creditors in Berlin. After both governments came to this agreement the actual repayment took another year, mostly because it was implemented by the Ottoman government in three installments. Finally, in May 1806 a note by Hübsch & Timoni to Bielfeld testified that all of Mehmed Esad's debts had been settled.<sup>48</sup>

This case study shows the actors involved in the financial exchanges between the Ottoman Empire and Europe. Diplomacy was not merely a political or elite practice, but also involved the contacts between bankers, merchants and trading houses of different religion and origin. Money was not simply a means to acquire material or cultural products and to engage in social exchange, it was itself a commodity of culture and encounter through which two governments and their subjects communicated and encountered each other. It was further also a reflection on the process of normalization and institutionalization of diplomacy. The financial sources of diplomacy such as the state treasury, private bankers or funds are indication of the state-building process.<sup>49</sup>

A major challenge of living abroad during the early modern period was the organization of finances and the surrounding networks of merchants, agents, and bankers. Understanding how and through whom money, promissory notes, and other financial resources moved gives an insight into these inter-cultural and trans-regional networks, which spanned from the Ottoman Empire to almost

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45 Ibid.

46 GStA, HA I, rep. 11, no. 10562, September 1804, Karl August Freiherr von Hardenberg (1750–1822) to Oppenheim.

47 GStA, HA I, rep. 11, no. 10552, Berlin, March 1806, Mehlbär to the Prussian foreign ministry.

48 GStA, HA I, rep. 11, no. 10562, May 1806, Hübsch & Timoni to Bielfeld.

49 Rudolph, *Diplomatiekosten*, 84.

every major city in Europe. These networks intensified their activities towards the end of the eighteenth century and eventually received a more permanent and official character, thereby supporting the professionalization of diplomacy and the contact between the Ottomans and Europeans. In the early and mid-nineteenth century, diplomats could increasingly count on these networks, which would prevent their sudden bankruptcy and support them in cases of emergency during their stays in European capitals.

The study shows how changes in funding also resulted in diplomats' increasing participation in everyday life of the visited cities. Taking up loans and accumulating debts forced the diplomats to deal with ordinary Prussian subjects and matters of everyday life – a practice earlier hospitality conventions did not require. Finally, the inquiry implies that by linking the financial networks of two separate political systems such as the Ottoman and the European – in this case the Prussian – both became internationalized. Diplomacy between Europe and the Ottoman Empire was shaped not only through shifted military and administrative reforms, but also through financial changes prompted by very real and immediate needs of Ottoman envoys abroad.

*The Diplomats' Debts: International Financial Disputes between the Ottoman Empire and Prussia at the end of the Eighteenth Century*

Abstract ■ As part of the increased contact between the Ottoman Empire in the European state system, the Ottoman Empire dispatched two envoys, one ambassador and four chargés d'affaires to Prussia between 1763 and 1806. At first, the hosts had funded the diplomats' stays in Berlin including their travel expenses, housing, provisions and daily allowances, but following the sending of the first permanent Ottoman ambassador to Berlin in 1797, the Prussians rejected financial responsibility for the diplomats. This resulted in the intensified encounters between diplomats and governments and eventually in the growing professionalization of Ottoman diplomacy. As a consequence of changing funding practices, Ottoman diplomats had to find new channels to receive their salaries and organize their stays capitals being now compelled to greater participation in the daily life of in the foreign capital. Using both Ottoman and Prussian sources this article is able to reconstruct funding international practices and networks in a period before the establishment of official institutions such as international banks.

Keywords: Ottoman diplomats, Ottoman-Prussian relations, funding, professionalization

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