

A Different Way of Foreign Trade with the Soviet Union in the Early Turkish Republican Period: Unlicensed Import Trade

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ABSTRACT

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Unlicensed import trade was the most important right that was given by the Soviet Union to Turkey in order to provide a stable foreign trade between the two countries from 1924 to 1927. The Soviet Union began to nationalize all firms in their domestic economy and imposed a state monopoly on foreign trade after the revolution. In the mean time Turkey did not accept any intervention in its economy, and it was not easy to force the Turkish government to allow Soviet state monopoly foreign trade institutions into Turkey. Hence, the Soviet Union could not establish its trade institutions according to its foreign trade rules. This caused a problematic trade relationship between the two countries until 1927, when a trade agreement was finally signed. Because of the sanctions and trade bans that were implied by Western countries to the Soviet Union, Soviet bureaucrats tried to put higher priority on their trade relationships with Iran and Turkey in the 1920s. Thus, the Soviet Union looked for every opportunity that it could help to sign trade agreements with Turkey and Iran. A trade agreement could establish Soviet trade institutions with all the desired recognitions and bring about an advantage in defending Soviet foreign trade interests in Turkey and Iran. The Ministry of Trade gave permission to import merchandise

without any license from Turkey and Iran to the Soviet Union as long as the origin of them was proved to belong to the two countries. At first Turkish merchants benefited from unlicensed imports to the Soviet Union. Then, Soviet trade institutions, Arcos, Russoturk and the Transcaucasian Trade Organization, also benefited from unlicensed import to the Soviet Union. In a very short time unlicensed import rates caught and passed licensed imports. Consumer goods were most common in unlicensed import trade at the beginning. Later on the Soviet Union imported mostly raw materials by unlicensed import trade from Turkey. Therefore, the unlicensed trade system was thought to persuade Turkey to sign a trade agreement by Soviet bureaucrats. Unlicensed import trade from Turkey provided the material to increase industrial production in the Soviet Union, and contributed to foreign trade between the two countries.

Keywords: Soviet Union, Unlicensed Import Trade, Arcos, Russoturk, Transcaucasian Trade Organization, Soviet Fairs, Turkey

ÖZ

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Sovyetler Birliği ve Türkiye arasındaki dış ticaretin normal bir seyir izlemesini sağlayan unsurlardan biri 1924-1927 yılları arasında Sovyetler Birliğinin Türkiye'ye tanıdığı lisanssız ithalat yapma hakkıdır. Ekim devriminden sonra Sovyetler Birliği iç ekonomisinde kamulaştırmalara giderken dış ticaret üzerinde ise devlet tekeli uygulamıştır. Bu arada, Türkiye ekonomisinde herhangi bir müdahaleyi kabul etmemiş ve Türk hükümetini Sovyet devlet tekeli dış ticaret kurumlarının Türkiye'ye girmesine izin vermeye zorlamak kolay olmamıştır. Sovyetler Birliği ile Türkiye arasındaki ticaret ilişkisi Sovyetlerin kendi ticaret kurumlarını kendi kanunlarına göre 1927 yılında imzalanan ticaret anlaşmasına kadar oluşturamadığından dolayı sorunlu olarak yürümüştür. Batı dünyasının uyguladığı ticari baskılardan ve yaptırımlardan bunalan Sovyetler Birliği hükümetleri Türkiye ve İran ile ticari ilişkilerini 1920'li yıllar boyunca üst seviyelerde tutmaya çalışmıştır. Bu yüzden, Sovyetler Birliği, İran ve Türkiye ile ticaret anlaşması imzalanması için zemin aramıştır. Ticaret anlaşmasının imzalanması Sovyetler Birliğinin kendi ticaret kurumlarını bu iki ülke içerisinde oluşturmasını sağlayacak ve Sovyetlerin dış ticari çıkarlarının Türkiye'de ve İran'da savunulmasında avantaj sağlanmasına yardımcı olacaktır. Sovyet Ticaret Bakanlığı, Türkiye ve İran'a menşei kendi ülkeleri olduğunu kanıtladıkları birçok ürünün Sovyetlere ithal edilmesi için lisanssız mal getirme izni vermiştir. Başta bu durumdan faydalanan Türk tacirler olsa da zaman içerisinde Türkiye'de bulunan Sovyetler Birliği ticaret kurumları olan Arkos, Russoturk ve Kafkaslar Üzerinden Ticaret Yapan Kurum da bu hakkı kullanmaya başlamışlardır. Kısa sürede her iki ülke ticaretinde lisanssız ithalat rakamlarının lisanslı ithalat rakamlarını geçtiği görülecektir. İlk başlarda tüketim mallarının büyük bir çoğunluğu oluşturduğu bilirse de sonraki dönemlerde Sovyetler Birliği lisanssız ithalat yolu ile Türkiye'den daha çok hammadde almıştır. Dolayısıyla Türkiye'yi Sovyet bürokratlarla bir ticaret anlaşmasına yönlendirmek için kurulan sistem Sovyetler Birliğinin sanayi üretimine katkı sunan bir ticaret sistemine dönüşmüş ve iki

ülke arasındaki dış ticarete katkıda bulunmuştur.

Anahtar Kelimeler: Sovyetler Birliği, Lisanssız İthalat, Arcos, Russotürk, Kafkaslar Üzerinden Ticaret Yapan Kurum, Sovyet Fuarları, Türkiye

Introduction

New circumstances in world trade after the First World War and new methods in import and export were the main factors that determined the foreign trade of the Soviet Union. Due to the hostility of western countries, there were no diplomatic relations with Soviet Union governments. Sanctions and embargo on the Soviet economy that was imposed after the revolution continued after the Brest-Litovsk treatment. Soviet Union Trade Agencies were not recognized in many countries. Foreign banks avoided financing Soviet foreign trade and demanded high credit interests. Until the trade agreement which was signed with Britain in 1921 there was no country willing to sign any trade agreement with the Soviet Union. Later on Germany, Finland, Poland, Austria and Italy signed trade agreements with the Soviet Union.¹

The first alteration in the foreign trade system was made on December 29, 1917, after the revolution. The authority on import and export operations transferred to the Trade Ministry. Thus, license practice on import and export operations began. However these important actions did not contribute to any change in the Soviet foreign trade operations, and between 1918 and 1920 there was no significant amelioration in the terms of trade in the Soviet Union. Considering the civil war that was going on in the country with these situations, agricultural and industrial production almost stopped. The government decided to establish the Foreign Trade Ministry Of Nation in order to decide, imply and take actions immediately on foreign trade. The Ministry with its Trade Delegations abroad tried to create trade networks, and import domestic production surplus and export all needs of economic institutions and factories in the country.²

State monopoly on foreign trade continued in the NEP period. By doing this the Soviet government tried to protect its domestic production from foreign competition. Import quantities and volume were determined by import licenses that were given by the government to Soviet trade institutions.³ In the middle of the NEP period the Soviet Union succeeded in restoring the terms of trade. In that time Soviet bureaucrats decided to allow Turkey and Iran

¹ Aleksandr Baykov, *Soviet Foreign Trade*, Princeton University Press, Princeton, 1946, p.7.

² Baykov, *ibid.*, p. 8-9.

³ Baykov, *ibid.*, p. 10.

unlicensed import trade into country. Soviet economists thought that this authorization which was given to eastern countries could have improved foreign trade with non western countries, and increasing the terms of trade, especially export, from Iran and Turkey would have led to intensifying their political relationships.

The second reason that the Soviet government accepted unlicensed import trade from eastern countries was to allow Soviet trade organizations to operate in Turkey and Iran according to Soviet foreign trade laws. Due to this, not many countries accepted the Soviet Trade Agency to establish an office in their lands and did not allow it to work and manage according to the Soviet monopoly foreign trade system. The specialists of the Trade Ministry thought that if the foreign trade system will allow unlicensed import trade from Turkey and Iran it will be easier to persuade their governments to sign trade agreement with the Soviet Union. In this way of thinking, allowing the unlicensed import trade can be thought of as a bribe to entice eastern countries to the negotiation table for a trade agreement. When Arcos⁴, Russoturk⁵ and Transcaucasian Trade Organization⁶ tried to improve their relationships with the Turkish bourgeois with unlicensed import trade, then the allowance of unlicensed import trade of the Soviet Union meant that Soviet economists tried to improve and tighten trade relations with new trade networks and merchants in the rest of Turkey. In this manner it can be said that the Soviet Union wanted to ameliorate, consolidate and develop the local Turkish bourgeois in the whole country.

The Soviet Union always needed well organized merchant networks in the 1920s for its important export goods. By using the method of unlicensed import trade allowance Soviet economists hoped that these merchant networks that exported local goods to the Soviet Union would import Soviet goods to their countries. At first unlicensed import from Turkey was only allowed from the eastern side of the country and from land routes. Moreover it was decisively announced that unlicensed goods must be local goods and merchants had to prove it by applying to chamber of commerce offices in Turkey. By the time the list of unlicensed import goods was expanded by Soviet authorities and the import of unlicensed goods rate caught the rate of licensed goods imported from Turkey in a very short time.

⁴ A joint stock company that was established by Soviet Foreign Trade Ministry in London. One of the filial of the company was in Istanbul until 1927.

⁵ A joint stock company that was established by Soviet Foreign Trade Ministry and in cooperation with Turkish bourgeois in Istanbul in 1924. Company ended its business activities after 1927 trade agreement.

⁶ A Soviet trade organization that was established in March 1922 to improve foreign trade activities of Georgia, Armenia and Azerbaijan. The center of the institution was in Tbilisi.

The 1920s Soviet bureaucrats⁷ and diplomats that worked in Turkey aimed to force the Turkish government to sign a trade agreement with the Soviet Union with the full reorganization and recognition of the Trade Agency. On the other hand Soviet economists were aware of the merchant networks in Eastern Anatolia that could provide many opportunities and an unlicensed import trade allowance could provide chances to create trade networks with them. Therefore until signing a trade agreement with Turkey unlicensed import trade was seen to be a contemporary solution. Moreover, as to gather closer the import and export rates between the Soviet Union and Turkey unlicensed import trade became an important tool. Because of this merchants who were able to sell their goods that were imported with unlicensed procedures to the Soviet Union made high profits.

Although unlicensed import trade proclaimed to serve expanding the Soviet Union foreign trade, in fact it brought about some harm to Soviet Union trade rates. First of all, unfinished conflicts between Soviet trade organizations caused an uncontrolled import product flow from Turkey and this led to currency loss for the Soviet Union. Unlicensed trade between two countries did not cause a passive trade for Soviet Union, however trade institutions paid for their import in Turkish Liras when they purchase the goods by themselves in Turkey. That means many times they applied to foreign banks or Soviet Bank filial in Istanbul for import credits. On the other side there were endless problems of the origin of goods at the Soviet customs. This was because of the delayed information from the customs which were located on the land route with responsible Soviet trade institutions in Turkey.

Unlicensed import trade allowance firstly was given to merchants from eastern countries who tended to import their local goods to Baku, Nijegorod and Kulyadinskiy expositions. In addition, in some circumstances the Soviet Trade Ministry allowed import of unlicensed goods to places which were closer to far east markets in order to decrease the effects of the economy on households, decrease costs of raw materials and to avoid the harmful situations on production. For example, the materials that were used in the production of gold in Sahalin were allowed to be imported with any license from Japan. Other

⁷ Here by bureaucrats mentioned the specialists who worked in Arcos and Russoturk. The most officers of these institutions were appointed from Soviet Union. Some of them were the members of the Bolshevik Party and some of them were not. No matter they were the member of the Party or not their first aim was to contribute Soviet Foreign Trade as possible as they could.

than Iran and Turkey, from time to time unlicensed import allowance was given to Mongolia, East China and Afghanistan.⁸

Bagirov and some other authors claim that the foreign trade between the Soviet Union and Turkey was regulated by single side enactments. According to them the Soviet Union considered their friendly relations with Turkey and especially the characteristics of Turkey's economical structure, that's why it was allowed to import some products without any license. In order to attract devastated Turkish capital after the war, the Soviet Trade Ministry permitted Turkish merchants to import local goods to the Caucasus and to harbors of the Black Sea.⁹

As Tacibayev mentions the Soviet Union gave a special status to people who lived on the Caucasian border. On the Turkish side of the border people who lived closer to the Georgia Soviet Republic were named 'Mınatık-ı Hududiye Ahalisi'.¹⁰ In that region Artvin province was the closest city to the Soviet border, so the Soviet government performed some special rules for Artvin's population. The Soviet Union tended to enact these kind of implementations in order to decrease smuggling to the Soviet borders.¹¹ At the border of Turkey and Georgia contraband of goods was caught by Soviet border security totaling 205,280 rubles in the 1923-1924 accounting year, in the 1924-1925 accounting year 214,049 rubles, in the 1925-1926 accounting year 310,092 rubles, and in the 1926-1927 accounting year 298,976 rubles.¹² On both sides of the border, Batumi and Artvin, the same goods had high differences in prices because of the smuggling of products. In some ways people who lived on the Turkish side of the border were economically dependent on the Soviet side of the border. In this case the Soviet government tended to join economic life in the region and most probably tended to manage it to its advantage.¹³ It can be thought that the Soviet government intervened in the border economy by using unlicensed import trade, but it could not drop the smuggling rates and reduce high price differences.

⁸ Goldstein and others, *Entsiklopediya Sovetskovo Importa*, Tom: Perviy, Izdatelstvo Narkomtorga SSSR i RFSR, Moskva, 1929, page. 47.

⁹ A. Şemsutdinov, Y. A. Bagirov, *Bir Karagün Dostluğu Kurtuluş Savaşı Yıllarında Türkiye-Sovyetler Birliği İlişkileri*, Bilim Yayınları, Çev. Hasanoğlu A., İstanbul, 1979, page. 250.

¹⁰ Soviet Union bureaucrats perception of this region was stricted only in the view of foreign trade relations and contraband. They wanted to reach the foreign trade numbers that was in Russian Empire.

¹¹ Raşit Tacibayev, *Kızıl Meydandan Taksime, Siyasette, Kültürde ve Sanatta Türk-Sovyet İlişkileri 1925-1945*, Truva Yayınları, İstanbul, 2004, page. 47.

¹² Vinkonur A. ve Bakulin S., *Foreign Trade Of The Union Of Socialist Soviet Republics Over The Period 1918-1928*, page. 249

¹³ Tacibayev, *ibid.* page. 47.

Soviet Foreign Minister Chicherin presented a report to Soviet Politburo on June 19, 1924 which tells about Western Companies attempt to dominate the Turkish economy.¹⁴ Although Soviet documents demonstrate that Soviet Politburo decided to allow unlicensed import trade before this meeting, it can be said that Politburo was influenced by the report of Chicherin and decided to increase contacts with the Turkish bourgeois.

The Soviet government forced foreign traders to get import and export licenses on December 29, 1917. After that date foreign trade institutions were allowed to import goods only when they got a license to buy the products. The government announced that every foreign trade operation without a license will be considered as contraband to the country. After a short time, on April 22, 1918, the government enforced a law that accepted a state monopoly on the foreign trade. Therefore the Soviet government could have full control on imports and exports.¹⁵

Unlicensed import trade rights firstly were given to Iran's merchants before their Turkish counterparts. In August 1921 a Soviet trade specialist from the Foreign Trade Ministry was sent to Iran to negotiate a trade agreement. In June 1922 deliberations on the trade agreement began, but Iranian politicians were really against signing an agreement with a government that had a state monopoly on import and export. On the 9th of November the Soviet government accepted unlicensed import trade rights from Iranian land routes. On the other hand, regulations which had arrangements that organized foreign trade with eastern countries were accepted in a conference. This conference brought about more flexibility on foreign trade with eastern countries than the capitalist western ones. It also led that eastern countries being required to export their local goods to the Soviet Union on favorable conditions. The main logic of Soviet economists accepting these arrangements is that Afghanistan, Mongolia, Iran and Turkey did not have any goods that could compete with Soviet products. However unlicensed import trade rights could not persuade Iranian politicians to sign a trade agreement. Even Iranians did not want to begin any negotiation. Moreover in July 1924 Iran signed a trade agreement with the Soviet Union, but the parliament did not recognize it.¹⁶

The Soviet Union exported agricultural and intermediate goods to western countries, and imported industrial products from them. On the other hand the

¹⁴ Samuel Hirst, 'Georgiy Çeçerin, Sovyet Dış Politikası ve Türk İhtilali', *Toplumsal Tarih*, sayı. 298, İstanbul, Ekim 2018, page.27.

¹⁵ Alan Wood, *Stalin and Stanilism*, Routledge, New York, 2. Print, 2005, page. 28.

¹⁶ Edward H. Carr, *Bolşevik Devrimi 1917-1923* 3. Cilt, Metis Yayınları, İstanbul, 1989, page. 438.

Soviet Union exported industrial goods to eastern countries in return for agricultural goods and livestock. Moreover Soviet economists knew that there was no market or production center which could compete with Soviet finished products in eastern countries like Turkey and Iran. Thus, Soviet bureaucrats did not hesitate to modify its state monopoly on foreign trade with them. Unlicensed import trade permission and allowance to merchants from eastern countries to trade in the Soviet Union is one good example of these arrangements.¹⁷

Unlicensed import trade between the Soviet Union and Turkey began on January 31, 1924, with the permission of the Foreign Trade Ministry.¹⁸ The Ministry announced in instructions that some goods¹⁹ can be imported from Turkey if the amount does not exceed 20,000 liras in the invoices, then they could be sent to the Soviet Union without any license or obstacles. Moreover it was underlined in the instructions that invoices and other import documents that especially showed the origin of the products must have signs of the Turkish chamber of trade and Arcos. The certificates that were given by commerce chambers would be enough to prove the origin of products. Furthermore it was decided that imports that over 20,000 liras must have been organized by Soviet trade organizations which were located in Turkey.²⁰ According to the instruction that were announced on November 24, 1924, it was permitted to import from Turkey lemons, oranges and olive oil without any license. The Soviet archive shows that lemon and orange purchases occurred in Mersin-Dörtyol, however all products were loaded at the Iskenderun harbor which in that time belonged to Syria.²¹ In time the Soviet Trade Ministry expanded the list of unlicensed import products from Turkey.

Soviet foreign trade specialists and especially diplomats believed that if the Soviet Union could improve trade relations with Turkey, then the political relations would also improve. However improving trade relations did not mean that Soviet Union trade balance would be negative with Turkey. Moreover Soviet trade organizations in Turkish markets could not sell their products easily. This is because the Soviet Trade Agency was not yet recognized in Turkey. More often Soviet trade specialists preferred to sell goods to a merchant with monopoly agreements. Hence the profitability of Soviet goods dropped in Turkish markets.²² In addition Soviet economists believed that if the

¹⁷ Baykov, *ibid.*, p. 69.

¹⁸ Soviet Foreign Trade Ministry gave two instructions demonstrate that unlicensed import trade was allowed to Turkish merchants in 24 November 1924 and 19 October 1924.

¹⁹ Soviet government allowed to import over 20 goods without license.

²⁰ RGAE, fon: 413, opis: 2, delo: 2043, page. 51-54

²¹ GARF, fon: 374, opis: 28, delo: 1873, page. 20

²² By using the words Soviet trade organizations it was mentioned Arcos and Russoturk.

bourgeoisie could be powerful in Iran and Turkey, then it would be easy to struggle against imperialism. After establishing the new republic Turkish statesmen were eager to create a nation state. National bourgeois was the key point of a nation building process. So a powerful national bourgeois could struggle with the hostility of the imperialism. That means the Soviet Union must have had a good relationship with these people in order to achieve its political aims. The first right to import goods without license was given to Iranian merchants. On May 5, 1923, in return for kerosene and sugar from the Soviet Union Iranian merchants had the right to unlicensed import trade. Afterwards the Near East Trade Institution prolonged the unlicensed import trade from Iran until June 18, 1925.²³

Indeed improving the trade relations between two countries is the first thing that needs to be done to sign a trade agreement. Unlicensed import trade was a temporary solution in order to expand the volume of foreign trade between the two countries. However it was not aimed to a surplus for the Soviet side of the trade by allowing the new system. In these years the Soviet Union implied different tariff rates to European countries. In addition if eastern countries, like Turkey, shipped its products to Black Sea harbors of the Soviet Union it also paid tariff rates like European countries. Asian tariff rates²⁴ were valid on products brought to the Soviet Union on land routes. In addition many goods that were traded between two countries were shipped and unloaded at Soviet harbors. So Turkish merchants paid high customs tariffs. Hence, the goods that were imported on maritime lines caused to drop terms of trades. However, after the permission of unlicensed import trade, intentions of Turkish merchants and politicians caused an increase in trade with the Soviet Union. Especially Turkish bureaucrats insisted to expand the list of unlicensed import trade. Olives, cured meat, sausages were desired to be added to the unlicensed import trade list. On the other side Soviet Union foreign trade specialists realized that lemons and oranges from Italy and Greece were sold to Arcos as they had Turkish origin. As a result the Soviet side seriously thought to exclude lemons and oranges from the unlicensed import trade list. Moreover the Turkish Ambassador in Moscow Zekai Bey informed Soviet bureaucrats if other goods would be added to import list, then Turkish Foreign Ministry would not protest the Soviet decision.²⁵

On November 2, 1925, Zekai Bey asked the Soviet Trade Ministry via the Foreign Ministry to include olives, not only imported ones by land route from

²³ GARF, fon: 374, opis: 28, delo: 1872, page. 165-172.

²⁴ Asian tariff rates was accepted in march 1922.

²⁵ GARF, fon: 374, opis: 28, delo: 1872, page. 169.

Artvin, but also by shipping, into the list of unlicensed import trade. Karahan answered this suggestion positively and asked the Trade Ministry to announce the decision. Chicherin also supported Karahan's decision evidenced by his letter to him. He mentioned the importance of the demand of Zekai Bey in his letter which he underlined through the importance of expanding the unlicensed import list. Zekai Bey's letter also mentioned to count raisin and fig with Asian tariff rates.²⁶ Obviously Zekai Bey wanted to increase the export of not only products of East Anatolia but also products from Western Anatolia.

The Soviet government gave authorization to Trade Agencies, domestic factories and cooperatives to establish joint stock companies with foreigners in order to get the attention of foreign investment in the NEP period. Many joint stock companies, like Arkos in Turkey, were assigned to import and export goods that were determined by Trade Ministry. Soviet joint stock companies had two forms. First of all, like Arcos, all capital belongs to the Trade Ministry. The second type of joint stock company, like Russoturk in Turkey, had two sides of investors. The Trade Ministry had the 51% majority share of the company the rest belonged to foreign investors. (Russangloles, Russgertorg, Russgollandles, Russkoe Lesnor Agenstvo). Trade Delegations and joint stock companies directed Soviet foreign trade among the NEP era.²⁷

Arcos which was the main Soviet trade institution in Turkey until 1927 had two important tasks. First of all Arcos officers had to control commodity flow, had to prepare and control the export and import, as well as accounting and finance documents. Secondly Arcos gave licenses to Turkish import goods that will be sold to the Soviet Union. The logic of giving licenses to import products was to avoid European originated goods and hasten the import process. However there was an important problem that caused Soviet trade institutions to fall into a dilemma. Giving a license to a commodity meant that Soviet trade organization had to buy it, or at the Soviet harbors import goods must be accepted by customs. That's why Arcos trade specialists had to control the import goods several times in order to not allow European originated products imported from Turkey. Moreover in order to supply currency in foreign markets for import purchases Arcos was also responsible to find financial sources. Furthermore license procedures began with the Soviet institutions giving approval to an import good then Arcos managers gave the consent to find goods in the markets of Turkey. After the consent an import license number was given and the document of the product that would be imported to the Soviet Union sent to departments of the import office in Arcos. There import and export office documents and the demand of the import goods was

²⁶ GARF, fon: 374, opis: 28, delo: 1877, page. 330.

²⁷ Baykov, *ibid.*, p. 12-13.

controlled one last time. At the same time the accounting department of Arcos also controlled the documents of import goods which already received the license.²⁸ Arcos was authorized to give licenses for import goods on October 3, 1923, by the Soviet Trade Ministry. In 1924 it gave 106 licenses for export and 79 licenses for import in Istanbul.²⁹ On the other hand unlicensed import trade eased all these steps, it was enough to import one product to the Soviet Union from Turkey if it was on the unlicensed import trade list and if the merchant proved the Turkish origin of the product.

Turkish merchants that wanted to import unlicensed goods firstly had to inform the managers of Arcos. The first registration of their goods was checked in the Arcos office. However the registration of unlicensed goods quantity and value in currency had to be done when the invoice of the product was received by the Arcos office, not after the shipping of the products. Thus, when merchants were preparing invoices of unlicensed import goods there had to be an officer from the Arcos Istanbul office present. As officers did not deal with mess Arcos and the other export and import departments, they sent the import control cards that had been prepared to compare quantity of import with Trade Ministry data to Moscow at the end of every month.³⁰ Although it was very easy to complete the tasks that were mentioned in instructions, Soviet trade organizations both in Istanbul and Moscow lost connection many times. Hence, they could not inform each other of the exact numbers of the import and export.

Arcos could not inform the Trade Ministry of the numbers of licensed and unlicensed imports at the right time. The lists that were sent to Moscow always contained problems and missed pieces of information. Hence, the lack of information created conflicts between Soviet trade institutions. Because of this, Arcos managers blamed the allowance to unlicensed import trade creating problems with the other organizations. They underlined that it was proved many times in the departments that work under the control of Arcos that did not inform and register the quantity of unlicensed goods properly. In addition, several times Arcos departments did not pay any attention to the origin of the products. In the present case the responsibility was put on Soviet officers on customs. Soviet custom officers only controlled the origin certificates that were given by Istanbul Commerce Chamber. However many times merchants loaded their goods without any origin certificates. Some other merchants who lived away from Istanbul and Ankara applied to other Soviet diplomatic missions in

²⁸ GARF, fon: 374, opis: 1, delo: 1877, page. 9-10.

²⁹ GARF, fon: 374, opis: 28, delo: 1109, page. 6-7.

³⁰ GARF, fon: 374, opis: 1, delo: 1877, page. 10.

order to get permission to import their products to the Soviet Union. Applying to Soviet diplomatic agencies did not change anything, because the Trade Ministry did not give any authority to give permission import products. Moreover it was known that these Soviet institutions gave origin certificates to merchants and they loaded their goods in Istanbul harbor. Hence, there was a chaos that was created by Soviet institutions and it caused a lack of information of values and quantities of the import products. Consequently, the exact information could gathered later, only if the import goods cleared through customs.³¹

Another reason the exact amount of unlicensed import trade could not be accounted for was that the Transcaucasia Trade Organization usually sent import data very late, because the organization cleared through custom on Soviet land. Although the Soviet Trade Ministry did not give any authorization to them, the organization continued to accept import goods especially from the eastern side of Turkey on the Soviet side. It was because the demand and needs of the other side of border line forced the trade organization to organize import goods customization there. Thus, the Trade Ministry gave instructions to the Transcaucasia Trade Organization who's specialists sent monthly reports to other trade institutions in order calculate the amount of total Turkish import to the Soviet Union. On the other hand there was one more Soviet trade organization that was allowed to exist with unlicensed import trade, Russoturk. Arcos could not audit how Russoturk gave unlicensed import certificates and visas to merchants. Moreover in some conditions Arcos trade specialists realized that Russoturk gave licenses and certificates to goods which were banned to be imported to the Soviet Union. Furthermore Arcos had not been informed by the management of Russoturk which trade agreements were completed and which ones were not. For these reasons the Trade Ministry thought that no matter which trade organization dealt with unlicensed import trade, it had to inform the Arcos accounting department. Hence they could gather the exact quantity of the Turkish import to the Soviet Union.³²

Arcos, Russoturk, Transcaucasia Trade Organization and the Unlicensed Import Trade

The statistical import figures of the Soviet Union and Turkish Republic reveal that there are some inconsistencies between these numbers. The main reason for this fact is that the accounting period for the above mentioned countries is different in the 1920s. The Turkish Statistics Institute keeps import export numbers between January and December whereas statistical institutions

³¹ GARF, fon: 374, opis: 1, delo: 1877, page. 11.

³² GARF, fon: 374, opis: 1, delo: 1877, page. 15.

of the Soviet Union and its literature keep their records between the Octobers of each calendar year starting from the October Revolution until the beginning of 1929. Another reason for the discrepancy of the Soviet Union's statistical figures from the Turkish ones is that the Soviet institutions that dealt with foreign trade were organized under different structures until 1927. The most import institutions among these are Arcos, RussoTurk and the institution that traded through the Caucasian border. These companies never had a stable and steady relation with each other. Moreover, they even competed with each other, although rarely. This situation led to considerable delays in informing Arcos, which is capacitated by the Soviet Union as the leading institution for foreign trade, about the import and export numbers. Although, the import and export data of the Turkish Statistics Institute, foreign trade institutions of the Soviet Union and the literature that contains the Soviet Union's foreign trade numbers differ, they have a common point which is the increase in both the quantity and the value of imported goods from Turkey to the Soviet Union.

Looking at the data of the trade between the Soviet Union and Turkish Republic in the 1920s through the reports generated by Arcos; in the 1923-1924 accounting year, the exports of the Soviet Union to Turkey total 3,060,891 TL, the imports of Soviet Union from Turkey total 2,046,824 TL and the total foreign trade volume totals 5,107,715 TL. In the 1924-1925 accounting year, the exports of the Soviet Union total 6,842,991 TL, while the imports of the Soviet Union from Turkey total 3,963,996 TL. It is seen that the total foreign trade volume has increased to 10,806,987 TL in this accounting year. Moving on to the 1925-1926 accounting year, the exports of the Soviet Union total 7,834,387 TL, while its imports from Turkey total 6,009,356 TL. The numbers of the trade that occurred though the Caucasian border are not included in the previously mentioned values. It is approximated as 1,000,000 TL.³³The data shown in Table 11, which is based on the numbers taken from the Turkish Statistics Institute, does not completely overlap with the numbers of the Arcos reports but it is observed that both the quantity and the value of imported goods from Turkey to the Soviet Union increase throughout the unlicensed import period. The amount of import has increased 50% from the beginning of the unlicensed import period to the date when the trade agreement was signed in 1927. According to the data shown in Table 12, which is gathered from the Soviet statistics literature, the import values have a steep increase right after the accounting year which the unlicensed import was permitted. This can be seen in both quantities and Ruble values of imported goods. The import from the

³³ GARF, fon: 374, opis: 28, delo: 1873, page. 111.

Turkish Republic had increased fivefold until the unlicensed import period ended. Thus, it can be said that Soviet bureaucrats' policy was successful by implying unlicensed import trade, the volume of trade between Turkey increased.

The distribution of licensed and unlicensed import numbers in the 1924-1925 and 1925-1926 accounting years according to Arcos reports are given in Table 4. The amount of import is doubled. In one accounting year, the unlicensed import has quadrupled whereas the licensed import has decreased to one-third of its previous value. The main reason that led to the increase in unlicensed importation is the increase in total trade amount between the Turkish Republic and Soviet Union. Moreover, the Soviet trade institutions increased their Turkish originated commodity purchase while they tended to buy European originated transit goods, previously.³⁴ Table 5 compares the trade institutions that have imports from the Turkish Republic to Soviet Union for two consecutive accounting years. According to the table, the import amount of each individual institution has increased while the total amount of import from the Turkish Republic to Soviet Union has also increased. Although the share of Soviet trade institutions has decreased within the total amount, their import quantity has increased threefold. Similarly, Russoturk has a decline in its share within the total import amount, but its import quantity has increased threefold. At this point, it is important to note the increase in Turkish merchants' trade numbers. Their shares within the total import have increased while the amount they imported quadrupled. The two main reasons behind this are the speedup in import paperwork due to it being unnecessary to get an import license from Arcos and the removal of import quantity quotas. In addition, these figures do not contain the numbers of import that occurred through the Caucasian border because Arcos reports keep marine import trade information only.³⁵

Table 6 compares the unlicensed import amounts of industrial goods, raw materials and consumer merchandise that occurred in two consecutive accounting years that unlicensed import was permitted. The bigger portion of import in the 1924-1925 accounting year was industrial goods and raw materials. In the next accounting year, the increase in the import amounts of industrial goods and raw materials has exceeded the increase in the import amount of consumer merchandise. On the other hand, the share of the import amount of industrial goods and raw materials within the total unlicensed import has decreased even though the total Lira values of these imported goods have

³⁴ GARF, fon: 374, opis: 1, delo: 1876, page. 104-105.

³⁵ GARF, fon: 374, opis: 28, delo: 1873, page.63 and 63 ob.

increased more than threefold. The increase in the consumer merchandise is fivefold for the given period.

The Arcos reports in the 1924-1925 accounting year do not contain the import figures that occurred through the Caucasian border given the fact that they do not have a branch in the Eastern Anatolian Region. Those numbers, which are gathered by the employees of the Soviet Union trade institutions, are solely related to the trade through marine transportation. The import value that occurred through the Caucasian border is 1,169,291 TL, of which 729,281 TL is from unlicensed trade activities. The share of consumer merchandise inside the import numbers that occurred through the Caucasian border is 12.9%. The share and value of live cattle and hay is 76.6% and 558,797 TL, respectively. Lastly, industrial goods have 10.5% shares and 76,301 TL value within the total import that occurred through the Caucasian border.³⁶

The records indicate that the majority of unlicensed import in 1924 was dedicated to Valonia and Valeksa, which are required to process leather. These import activities were mainly carried out by private companies. In January of 1925, there is an increase in the import of unlicensed goods due to the purchases of Soviet Trade Institutions. In February and March of the same year, there is a substantial increase in the number of merchants who obtained certificates for their products in order to attend the trade fair that would be held in Baku.³⁷

Similarly, after September of 1925, there is an increase in the number of merchants who obtained certificates for their products again, only this time for the trade fair in Nijegorodskiy. The catch point is that the goods that were sent to the fair rapidly got import licenses from Arcos as well as customs fare discounts. Due to these reasons, the trade fairs were favored by the entrepreneurs and led to the increase in the import figures. Some of the important merchandise that was sent to the fairs and was applied customs discounts was Sesame, Tahini, Olive and Rose Oil. Their total import value was 401,773 TL.³⁸

In the 1925-1926 accounting year, the share of the consumer goods, purchased from the Turkish merchants, with respect to the total import was 59.6% with a value of 1,345,428 TL. This group of goods mainly consisted of orange, with a 714,662 TL value, lemon, olive oil, fig, dried fruits and nuts, tobacco, and tahini. The imported products from the Turkish merchants

³⁶ GARF, fon: 374, opis: 1, delo: 1876, page. 34.

³⁷ GARF, fon: 374, opis: 1, delo: 1876, page. 23.

³⁸ GARF, fon: 374, opis: 1, delo: 1876, page. 24.

consist of 40% industrial goods while the rest is consumer merchandise. The import amounts of Arcos and the institutions organized under it are presented in Table 7, Table 8, and Table 9. The total unlicensed import amount is 3,255,426 TL. The share of Arcos is 78.2%, the institution that trades through the Caucasian border is 7.2%, and Russoturk is 14.6% within this amount. The rest of the import trades were carried out by merchants.³⁹

The Turkish authorities were aware of the fact that the unlicensed export to the Soviet Union was in favor of them and increased Turkish export to the Soviet Union. Due to this, Turkish authorities insisted on having this clause in the 1927 trade agreement while the negotiations among the diplomats of the respected countries were still ongoing. The authorities from the Soviet Union who were running the negotiations agreed to this idea in the first place, but later on Soviet authorities backed up and offered to create a list of merchandise, which were subjects of unlicensed import, and declare them free of quotas. Finally, the Soviet authorities completely revoked their offer during the negotiations in July.⁴⁰

Before the offer from the Soviet Union authorities were withdrawn, Arcos prepared a report for the 21-month period regarding the beginning of unlicensed import trade and the creation of a list of merchandise to be declared free of quota. The amounts and Lira values of imported goods by Soviet Trade Institutions through Turkish merchants during this time is listed in Table 1, Table 2, and Table 3. The consumer products cover 42% of the total unlicensed import during this period. Additionally, 31% of these consumer products were imported by Soviet Trade Institutions while 69% of it was made by merchants. Considering the previous years, the consumer products that were imported from the Turkish Republic had significantly increased.⁴¹ During the 21-month period, which started on October 1924 and ended on July 1, 1926, 5,400,000 TL of unlicensed import had occurred excluding the trade that was made through the Caucasian border. These import activities were carried out by Soviet Trade Institutions with 47.4%, Russoturk with 6.7% and by individual merchants with 45.9%.⁴²

The sum of the values of consumer goods inside the unlicensed imported merchandise is 2,866,916 TL, while 27.8% of this importation, which is worth 788,330 TL, is carried out by private merchants. Turkish merchants, later, focused on leather related raw materials, valonia and moved their interest to wool and tobacco. Expansion of merchandise groups within imported

³⁹ GARF, fon: 374, opis: 1, delo: 1876, page. 108.

⁴⁰ GARF, fon: 374, opis: 1, delo: 1874, page. 1-57.

⁴¹ GARF, fon: 374, opis: 1, delo: 1876, page. 29.

⁴² GARF, fon: 374, opis: 28, delo: 1873, page. 110.

industrial materials did not affect the Soviet economic policy. The import from Turkish merchants helped to improve small-sized production and sales and this situation did not disturb Soviet objectives at all, on the contrary, it completely overlapped with the goals of the State Economic Organizations.⁴³

The purchases of the State Economic Organizations consisted of consumer goods with 24%, industrial and intermediate products with 76%, while the purchases of merchants consisted of consumer goods with 64.3%, and industrial and intermediate products with 35.7%. It is obvious that unlicensed import favored Turkish export numbers. But this raise in import was not merely due to the imports of Soviet Economic Institutions, but also the import activities of Turkish merchants who resided in Russia. There is growth in both consumer merchandise and industrial materials. The imported goods from Turkey never caused a problem for the Soviet domestic economic situation. But the increase in unlicensed import affected the Soviet trade regime and foreign currency outputs. In order to level out this complication, a quota system might have been introduced. This offer was forwarded to the related authorities in order to be used in trade agreement negotiations.⁴⁴

The primary objective of the foreign trade of the Soviet Union with the Turkish Republic was to close the gap between the import and export figures. Because there were a tendency that Turkish export rates could not enough to catch import numbers to Soviet Union because of the Soviet trade system. Actually Soviet side succeed to increase volume of trade as well as helped Turkey to balance its foreign trade with the Soviets. Therefore, allowing the unlicensed import from the Turkish Republic contributed towards this goal. The increase in the import of unlicensed goods raised the sales of Turkish merchants along with the growth of Soviet Trade Institutions' purchases from the Turkish Republic. In the 1924-1925 and 1925-1926 accounting years, there is an increase in food commodity import due to the allowance of unlicensed imports, but the expansion in unlicensed importation mainly relies on industrial goods and raw materials. The rare increments of food commodity in unlicensed importation did not put the Soviet Union's economy in jeopardy. Moreover, if foodstuffs were not allowed as unlicensed import, smuggling would definitely increase in the region. On the other hand, Soviet Institutions tried to specialize in the acquisition of industrial goods and raw materials and to organize to put pressure on the prices using their purchasing power.⁴⁵

⁴³ GARF, fon: 374, opis: 1, delo: 1876, page. 33.

⁴⁴ GARF, fon: 374, opis: 28, delo: 1873, page. 111.

⁴⁵ GARF, fon: 374, opis: 1, delo: 1876, page. 39.

Unlicensed Import Trade List and the Velichko Report

At the beginning of the 1925 a letter was written to Karahan from the Soviet Trade Ministry. In the letter it was mentioned that Arcos did not have any plan which could contribute to increasing Soviet foreign trade with Turkey. Trade specialist Velichko, who worked in Arcos for a time, underlined in his letter that in order to improve Soviet import and export the Trade Ministry must increase unlicensed import trade with Turkey. Until that time the Soviet Trade Ministry permitted only valonia, valeks, lemon and orange from the maritime line, and a few products from the land route in the eastern region. Velichko asked the ministry to expand unlicensed import trade, while specifying it had to be chosen very carefully. The trade specialist underlined that the import of goods had to contribute to the political relationship with Turkey and must provide for the Soviet local demand. Thus it can be said that the list of unlicensed import goods has to be chosen in a decided category. On the other hand Velichko's report demonstrates that unlicensed import for the maritime route was valid firstly from Istanbul harbor to some determined Soviet harbors. In addition Velichko insisted that in order to achieve political aims the Soviet Trade Ministry had to include all cities from Eastern Anatolia to unlicensed import trade.⁴⁶

Velichko insisted on including fruit and vegetables from West Anatolia and rock salt from East Anatolia on the unlicensed import trade list. He underlined that it would have prevented contraband goods especially from the Caucasian border. He also explained in his report not to include the products from Turkey which can easily be confused for European ones. This was because many Turkish merchants tended to fix their products with European ones and import them to the Soviet Union as an unlicensed import product. Using this logic, Velichko suggested banning goods like silk from Bursa and fabrics from Izmir markets which could have mixed with European ones. At first raw materials that could have helped to increase production in Ukrainian leather factories were not included on the unlicensed import trade list. Velichko noted that it was because Soviet trade specialists hesitated that it could be easy to give Turkish origin certificates even to the products from European factories. On the other hand, before the unlicensed import trade application 90% of foreign trade between the two countries occurred on the maritime line. This caused fewer products to be imported from Turkey, because on the maritime line the Soviet Union implied high tariffs, called European tariffs, to all goods. First Turkish merchants that sent their products to the Nijegorod fair concluded their import operations with losses because of the European tariffs rates. When Velichko realized that applying European custom tariffs to Turkish merchants

⁴⁶ RGAE, fon: 413, opis: 2, delo: 2044, page. 190.

who imported their goods via the maritime line caused imports from Turkey to drop, he immediately warned his managers to apply discount rates to these Turkish merchants.⁴⁷ Reports of Velichko that insisted on expanding the list of unlicensed import trade, applying discounts on tariff rates to products which were imported from the maritime line and increasing interest of merchants to Soviet fairs had worked. Increasing rates of unlicensed import from Turkey proved that Moscow responded to recommendations of trade specialists.

Velichko predicted that unlicensed import trade would catch the value of licensed import value in a very short time. After a while import results showed that he was right about his prediction. He was only not on the side of adding Iğdır's cotton to the unlicensed import list, because he was concerned that European products could have been brought to the Soviet Union from Eastern Anatolia.⁴⁸

Soviet diplomats and trade specialists reported that unlicensed import trade helped to fix the political relationship with Turkey after a few years of tension. They thought in that way, because Turkish government had not warned Arcos and Russoturk dealt with the export import operations instead of Trade Agency. Moreover beginning the negotiations of trade agreement relieved Soviet diplomats. Due to fact that there was a chance Turkey will accept the existence of the Trade Agency in Turkey at the end. In addition increasing the import of lemons and oranges strengthened the merchant network of Arcos and Russoturk. However, the Turkish government banned the Soviet Foreign Trade Bank Istanbul office from making transactions in Chervonets.⁴⁹ Thus Soviet currency was not accepted in the Istanbul stock market. Another problem was faced when merchants wanted to ship their products to Soviet fairs, because Soviet customs gave no Asian discounts, instead imposing European custom rates. This was because the Soviet Trade Ministry only imposed Asian tariffs for the products that were brought on maritime line. The Turkish government insisted for a very long time that the Soviet Trade Ministry impose Asian tariffs to goods that unloaded at the Black Sea harbors of the Soviet Union.⁵⁰

At the beginning of 1925 foreign minister Chicherin wrote to the Trade Ministry that he hoped Soviet Union diplomats would begin the negotiations for a trade agreement with Turkey very soon. He added that unlicensed import

⁴⁷ RGAE, fon: 413, opis: 2, delo: 2044, page. 189.

⁴⁸ RGAE, fon: 413, opis: 2, delo: 2044, page. 183-186.

⁴⁹ The Soviet currency that was used in early 1920s.

⁵⁰ GARF, fon: 374, opis: 1, delo: 1875, page. 2.

trade and custom tariffs discounts would show the good intentions of the Soviet Union. According to Chicherin both actions eased and strengthened foreign trade with Turkey. Moreover increasing import from Turkey brought about the enrichment of merchant networks in Turkey. In addition Chicherin knew that unlicensed import trade did not help to create an equal effect on merchants and regions. However, he underlined that especially for Kars the aims were achieved both in import and export. Furthermore it can be understood from Chicherin's letter that the trade between Artvin and Batumi increased after the unlicensed import trade decision. New ways of importing from Turkey helped merchants in Artvin increase their sales which lead to an increase in purchasing power in the province. Unfortunately increasing demands in textile, food stuffs and consumer goods could not be directed to Soviet products. Households in Artvin preferred to buy Italian and English products.⁵¹

Turkish merchants provided most of the consumer goods in unlicensed import trade like oranges, lemons, valonia, and figs. Merchants supplied almost all the foreign demand of the Soviet Union for these goods. Moreover increasing terms of trade in the Soviet Union helped to increase unlicensed import goods from Turkey. This brought about eastern merchants including Turkish ones to increase their profits, because import of these products from other countries that could have been provided cheaper was not possible. In that manner merchants were aware of high profit opportunities in unlicensed import trade with the Soviet Union. On the other hand Soviet trade institutions in Turkey were also interested in high profits in unlicensed trade.⁵² They also tried to maximize their profits. No matter what Soviet trade organizations imported these kinds of goods they could not supply all the needs of the Soviet Union. The supply deficit provided them higher profits in Soviet markets, than any market in the world.⁵³

Unlicensed Orange and Lemon Import Trade to the Soviet Union

In 1925 Arcos bought 44,154 sterling of oranges in Istanbul markets. However, soon after, Soviet trade organizations decided to buy oranges from the nearest markets to the production fields. In order to complete the import of

⁵¹ RGAE, fon: 413, opis: 2, delo: 2043, page. 216-290.

⁵² Soviet Foreign Trade Institutions that located in other countries worked on the principal collect commissions. However, in the NEP period they had permission to buy unlicensed goods from Turkey and sell them to local trade institutions in Soviet Union. Of course the most aim of the these institutions not to make profits, but on the other hand they sent annually reports to Foreign Ministry. Their managers always wanted demonstrate their success by increasing their commission amount.

⁵³ GARF, fon: 374, opis: 1, delo: 1876, page. 27.

oranges from the province of Dörtyol in Mersin, Arcos sent trade officers who did not know anything about prices, loading conditions, packaging and trustable firms in the region to purchase goods in Mersin. Arcos made deposits worth 20% of the amount of products. One of the firms that took deposits did not supply any goods and also did not pay the deposit back to Arcos.⁵⁴

Before shipping, the loading conditions and quality of the products was not controlled by Arcos officers. Even they did not realize the awful conditions of the products until the ships arrived to the Soviet Union harbors. The officer Koten from the Ukrainian State Trade Organization in Arcos went to Mersin in order to organize shipping. He reported that the oranges were of higher quality than Syrian ones. Although Koten went to Mersin, he was not an expert in purchasing consumer goods, and Arcos managers had already been suspicious that oranges and lemons would have arrived to Odessa in good quality. After Koten, another Soviet trade specialist Olsha was sent to Mersin. He reported that the conditions of the fruit trees were undesirable. Farmers there did not know about new technologies of farming and enculturation of trees. Moreover, he added that farmers were harvesting fruits in unhealthy conditions. He underlined that the worst aspect of the shipping was the packaging of the goods. This brought about casualties and losses. This was the primary reason that in 1925 Soviet trade organizations ended orange and lemon imports with losses.⁵⁵

In 1925 not only Arcos, but also Russoturk could not organize purchasing oranges and lemons in Turkey. Koten suggested to top managers from Arcos and the Ukrainian State Trade Organization to send an officer to work in the region all year to control production, harvest, shipping and the other things involved with import operations. However Yuryev, who was the head of Arcos in that time, did not accept the suggestion. The purchasing parties of Russoturk also caused big losses for Soviet trade organizations. Considering the loss of currency Moscow blamed Arcos for causing the loss of Russoturk's orange and lemon import. It was obvious that sending Olsha to Mersin after Koten did not solve the problem. Problems continued throughout the year, but Koten also blamed Odessa customs for accepting the goods very late, and harming them while unloading. Careless unloading processes contributed to increasing the loss according to him. In addition, the Odessa customs office informed Moscow that the only fruit import which causes losses were sent from Turkey.⁵⁶

⁵⁴ GARF, fon: 374, opis: 28, delo: 1873, page. 16.

⁵⁵ GARF, fon: 374, opis: 28, delo: 1873, page. 16 ob.

⁵⁶ GARF, fon: 374, opis: 28, delo: 1873, page. 17-17 ob.

One of the ships that was loaded with fruits from Mersin was named Twilight and belonged to a White Russian immigrant Nerimonov. His ship planned to be at Odessa harbor on the 5th of December. Twilight arrived to Odessa with a huge loss of goods. A total of 6,106 boxes did not arrive to Odessa out of 35,029. Firstly, the ship was unloaded late at the harbor. Secondly, nobody from the Soviet specialist signed with Nerimonov to compensate for harming the goods. After five months the Ukrainian State Trade Organization sent documents to Arcos in order to pay them the loss of the shipment that Nerimonov caused. However, Arcos knew that Nerimonov was the owner of the ship, and that somebody else's name was written on the documents. Therefore, Arcos could not force Nerimonov to pay for the loss.⁵⁷

The Odessa custom office accepted only 29,903 boxes of oranges from Nerimonov's ship. However only 13,030 boxes remained after the losses from damaged packages. That means only 44% of the imported oranges arrived without any damage. According to the invoices, the import of oranges cost 305,115 rubles. Without the damaged product it should have cost 189,934 rubles. High loss of product caused an increase in market prices in Odessa and Hark. The amount turnover of oranges was 192,934 rubles. The difference between cost and sale was 112,181 rubles. On the other hand damaged packages cost 2,200 rubles. In addition, during the accounting year of 1925-1926 lemons were imported as a unlicensed trade good and cost 104,231 rubles paid by Arcos.⁵⁸

Ships that belonged to the Soviet Trade Fleet also carried oranges and lemons from Turkish harbors many times. However most of the time they did not arrive on their planned loading dates. The other problem with the import of fruits from Turkey was that Soviet custom officers mixed up the goods which belonged to merchants and Soviet trade organizations. This was one of the reasons that Moscow wanted to change the loading center from Istanbul to Dörtyol, but it did not help to better the situation. The Trade Ministry decided to send Soviet ships every ten days to Mersin and Alexandretta, but this too had little positive effect. Then Soviet trade specialists gave orders to ships to avoid Istanbul harbor altogether and cruise directly to Odessa. In addition specialists banned loading goods onto Italian ships because they preferred to unload in Constanta harbor. It caused the delayed unloading of ships at Soviet harbors. Thus, the loss of products increased.⁵⁹

According to Turkish statistics lemon production in Dörtyol dropped four times compared to the pre-war production numbers. Arcos record shows that

⁵⁷ GARF, fon: 374, opis: 28, delo: 1873, page. 18 ob.

⁵⁸ GARF, fon: 374, opis: 28, delo: 1873, page. 19 - 19 ob.

⁵⁹ GARF, fon: 374, opis: 28, delo: 1873, page. 104.

Soviet lemon purchases in the region were 3,500,000 units. However Soviet trade specialists knew that Turkey's harvest was 100,000 units. The difference between the harvest and Soviet import demonstrates that Italian lemons were sold to Arcos and Russoturk. In addition, in those times Italian lemons were cheaper than Turkish ones threefold. That means that the Soviet Union purchased goods that were banned by its own import law. For this reason the Trade Ministry accused Arcos and its manager Yuryev of this illegal importing.⁶⁰

Arcos, Russoturk, and the Ukrainian State Trade Organization competed with Turkish merchants and each other in purchasing lemons and oranges. Turkish merchants imported goods with unlicensed import permission and they received high profits. However Soviet trade organizations imported these products at losses, whereas they could have learned the conditions of the market, prices and competition environment in order to make consistent profits. Although it was forbidden to give unlicensed import trade certificates to other nations merchants, in some cases the Soviet trade specialist Koten gave the right to import unlicensed products to Greek merchants. Moreover Koten claimed that the certificates given by the Istanbul Commerce Chamber were imitation.⁶¹

Noodles imported in 1925 at the amount of 50,000 rubles were also on the list of unlicensed trade. Like other products, the Trade Ministry reports demonstrate that Soviet trade organizations did not pay any attention to the market when they bought noodles that year. On the 13th of August noodles were sold at 55 liras for one ton, on the 26th of November the price rose immediately to 92.5 liras. Arcos gave a delayed order to import noodles. In addition, of the noodles that were sent to Odessa 45% of them were of bad quality. The Trade Ministry ordered a trade specialist who worked in Arcos to write an explanation. He wrote that it was the first time that he had purchased noodles in his life, and added that he was not trained for purchasing consumer goods. On the other hand the trade specialist insisted that the quality of the noodles was not bad, and the import of noodles should have continued for a while. Arcos imported 364 tons of noodles to Odessa. Ten tons of it were canceled because of the bad quality in the warehouses of Odessa customs.⁶²

Unlicensed Import Trade of Valonia and Valeks to the Soviet Union

⁶⁰ GARF, fon: 374, opis: 28, delo: 1873, page. 20.

⁶¹ GARF, fon: 374, opis: 28, delo: 1873, page. 20 ob.-21.

⁶² GARF, fon: 374, opis: 28, delo: 1873, page. 21 ob-22.

In Turkey there were small factories that produced valonia which was used in the tanners to process leathers. However, leather factories in the Ottoman Empire had not competed with the new ones that were established in Romania, South Africa and India. Thus leather production degraded. Regression in leather production caused a decrease in valonia and valeks production. Domestic production fell dramatically and demand for valonia also dropped in Turkey. However demand for valonia increased from other countries where leather production had increased sharply. This brought about a rise in valonia export. In 1893 Izmir exported 55,000 tons of valonia. This was 95% of the valonia production in Turkey. Valonia included more tanen exported to Italy, and the other production exported to Germany, Austria, and France. Exported Valonia was processed in these countries, then imported by leather factories to Turkey at high prices. English businessmen saw the opportunity in producing valonia, and established two factories in Izmir. The Ottoman government supported these factories by decreasing customs tariffs and production taxes. Both factories were designed to produce nonstop for 250 days a year. These factories produced 2,011 tons of valonia and exported 1,084 tons of it in 1913.⁶³

In the 1920s there was only one factory in Turkey, located in Izmir, that produced raw materials for leather production. Arcos conducted all purchases of valonia and valeks from this factory in Izmir. Arcos signed an agreement with this factory for 3,800 tons of valonia and valeks. The agreement was signed by the Soviet trade specialist Starr that worked for Arcos in Izmir. Valonia was ordered by Koten to be imported to Ukrainian leather factories. Starr did not contribute to Soviet trade except for this agreement in Izmir. The office of Arcos in Izmir was later closed because of the unsuccessful trade operations of the officers.⁶⁴

Valonia and valeks was added for the first time to the unlicensed import list in 1924. Soviet trade organizations imported valonia and valeks in the amount of 2,000 tons which was equal to 140,000 rubles in the 1925-1926 accounting year. The Ukrainian trade specialist Koten was criticized harshly by the Trade Ministry for causing the currency loss. He was warned by the ministry that his ordeexceeded the demand. Koten defended himself and explained to Moscow that there was a scarcity of raw materials in Ukraine because of the lack of the harvest of valonia. The Ukrainian State Trade Organization, Leather Syndicate, and Kiev Leather Trust constantly informed Istanbul that they needed valonia and valeks as soon as possible in order to continue their production. For this reason he took initiative and ordered 2,000 tons of unlicensed import product.

⁶³ Kurmuř, *ibid.*, page. 197.

⁶⁴ GARF, fon: 374, opis: 28, delo: 1873, page. 107.

Koten signed an agreement with the factory in Izmir to import products from August to December of 1925, and paid for them in January of 1926 by credit. However, other Soviet institutions complained that Koten signed an agreement which caused them to stay without any cash. Moreover the Ukrainian Leather Syndicate warned Moscow that products were not of the quality that they expected.⁶⁵

The Soviet Union continued to import valonia and valeks until 1930 according to Turkish statistics. Between 1923 and 1930 Turkey exported 44,324 tons of valonia and valeks to the Soviet Union.⁶⁶ According to Soviet statistics the Soviet Trade Agency continued to import valonia and valeks until 1933. In that period 2,309 tons of the products were imported.⁶⁷ The Soviet Union cut valonia and valeks import from Turkey dramatically because domestic production increased. Until 1935 the Trade Agency bought 3,200 tons of valonia and most of it was imported from Izmir.⁶⁸

Soviet Fairs, Turkish Merchants and Licensed Import Trade

Arcos, Russoturk and Turkish merchants benefited from unlicensed import trade by importing raw materials for leather production until 1927. That means most of the unlicensed import had been to Ukraine. On the other hand, unlicensed import trade rose sharply in the 1925-1926 accounting year. Soviet trade organizations under Arcos management and Turkish merchants contributed to this growth. Baku and Nijegorod fairs enabled them to increase certificates and visas that were given to merchants. More certificates meant that more import from Turkey could be achieved. Merchants who imported products to Soviet city fairs achieved some discounts on tariffs in some products like sesame, olives, and rose oil. The custom discount amount totaled 401,773 liras.⁶⁹ Baku and Nijegorod city fairs began in 1922 and remained until 1929.⁷⁰

Turkish merchants imported goods to Soviet fairs that could benefit from a discount on customs for six months. In that period when the discount on customs finished the goods that were in fairs and still had not been sold provided high profit rates to merchants. This meant that unlicensed import

⁶⁵ GARF, fon: 374, opis: 28, delo: 1873, page. 23- 23 ob.

⁶⁶ Turkish Annual Statistics, DIE Press, 1937

⁶⁷ Bakulin and Muşitsin, *ibid.*, page. 248.

⁶⁸ Bakulin and Muşitsin, *ibid.*, page.68.

⁶⁹ GARF, fon: 374, opis: 1, delo: 1876, page. 23-24.

⁷⁰ Etienne Forestier-Peyrat, "Red Passage To Iran: The Baku Trade Fair And The Unmaking Of The Azerbaijani Borderland, 1922-1930", No:4, 2013, p:107.

trade was not the only tool which gave opportunities for high rates of profit, discount on tariff rates also provided high profits to Turkish merchants in Baku and Nijegorod fairs.⁷¹

Soviet fairs provided Turkish merchants high profits, but this did not mean that there were no problems. For example, the Turkish Embassy informed the Soviet Foreign Ministry that merchant Süleyman Şevket's products were impounded in October of 1925. The Turkish merchant wanted to sell his wool in a Baku fair, however Azerbaijan custom officers claimed that his products were not of Turkish origin. Süleyman Şevket waited for permission for three months and finally asked for help from the Turkish Embassy. Another merchant, Hacı Eminzade, made deals in the Baku fair totaling 300,000 rubles. But the Soviet Union Trade Ministry only allowed one to ship 70,000 rubles worth of products. When merchants faced some troubles rumors immediately spread in Turkish markets that it was nonsense trading with the Soviet Union. The Soviet Trade Ministry ordered actions to avoid these rumors in Turkey and made discounts on customs for fairs to goods that were raw materials. Even so, the Ministry allowed Eminzade to import his products with the Iranian discount customs to the Baku fair.⁷²

Another Turkish merchant that had problems with Soviet customs was Muratzade Mehmet Bey. He loaded his ship for the additional orders of products like figs, sesame, cotton, olives, lemons and yarn to Odessa. However Odessa custom officers did not accept Mehmet Bey's 960,000 rubles shipment which arrived on the 15th of September with a discount because these rates expired on September 15th, that very same day.⁷³

The interest of Turkish merchants in Soviet fairs continued in 1926. Merchants Halim Sabit, Haşim Ramiz, Hafız Rüştü, Hacı Mehmet Tacizade, Demetriadus, Halil Moralzade, Ali Bafi, Kurdoğlu, Milarzade Abdülkerim applied to Arcos in order to send yarn from Istanbul to Baku and Nijegorod. According to a report by the Soviet trade specialist Rozeyman Turkish merchants received permission to load 5,000 puds of yarn. Rozeyman knew that this would not have been enough quantity for merchants, but he thought that the intentions of the merchants was more important than the loading values. Moreover in his report he underlined that the merchants who were of Turkish nationality received higher quotas of permission. He added that for this reason he did not give visas to Iranian and German firms. On the other hand Rozeyman claimed that merchants that sent products to the Soviet fairs had intensive relationships with the Turkish Trade Ministry. A total of 5,000 ounds

⁷¹ GARF, fon: 374, opis: 1, delo: 1876, page. 29.

⁷² GARF, fon: 374, opis: 1, delo: 1072 page. 274-275.

⁷³ GARF, fon: 374, opis: 1, delo: 1072 page. 280-281.

of yarn divided into; 1,000 puds for Haşim Ramiz, 750 puds for Halim Sabit, for Hacı Eminzade Mustafa 1,000 puds, for Mehmet Sadık 500 puds, for Çalkoğlu Mehmet 500 puds. Furthermore, Haşim Ramiz helped Arcos to sell Soviet sugar to the Turkish Sugar Monopoly in 1926. After helping Arcos, Haşim Ramiz tried to sell Yugoslavia 100,000 tons of salt from the Soviet Union. Initially Arcos planned to sell salt, but it could not agree on the right price. Then, Haşim Ramiz who was one of the closest friends of the Turkish Ambassador in Belgrade thought that with his connections he could give the right prices for tender. Haşim Ramiz suggested to Russoturk to take joint action on the salt trade. However some of the specialists that went with him to Belgrade got arrested and deported from Yugoslavia. Consequently, the Turkish merchant insisted on selling salt, and found connections with a Serbian Bank to supply the product.⁷⁴ Haşim Ramiz insisted on selling salt to the Yugoslavian monopoly because he thought that he could not make the same money from the goods that he would have sold in Soviet fairs.⁷⁵

In Soviet documents, merchant Halim Sabit was described as a professor at Istanbul University and a member of the bourgeoisie with huge capital. He had good connections with Arcos, and trade and political networks in Istanbul and Ankara. In addition he was a columnist in a Turkish newspaper continuously writing on the theme that Turkey must have improved economic relations with the Soviet Union. The head of the Grand National Assembly of Turkey connected with the Soviet Embassy in order to ask permission for Arcos to give him a visa to send 15,000 puds of yarn to Soviet fairs. Another merchant, Hacı Eminzade Mustafa, was also considered a high capital merchant that had good relations with the Turkish government. Eminzade had imported yarn for many years to many countries, but on several occasions he tried and ultimately failed to sell products to the Soviet Union because in the past he had been accused by Soviet Union customs of importing leather products marked as being of Turkish origin but later found to be of French production. He took Turkish origin certificates from the Istanbul Commerce Chamber and sent the products to Odessa harbor. When custom officers appropriated Eminzade's goods he connected with the Trade Ministry and Foreign Ministry of Turkey. Trade Minister Ali Cenani and Moscow ambassador for Turkey Zekai Bey helped to save his products from Odessa customs and he later sold them in fairs. No matter what happened between Eminzade and the Soviet Union trade institutions he used his connections in order to get maximum permission to sell yarn, and he was allowed up to 1,000 puds. Other merchants Mehmet Sadık

⁷⁴ GARF, fon: 374, opis: 1, delo: 1879 page.12-19.

⁷⁵ GARF, fon: 374, opis: 1, delo: 1879 page. 4-5.

and alıkođlu Mehmet Bey had been in a trade relationship with the Soviet trade organizations for a long time. Rozeyman mentioned in his report that the Turkish ambassador, Zekai Bey, and the head of trade commission in the parliament, Faik Bey, were the business partners of these two merchants. These two merchants used their connections to get higher quotas than the others, but only got 500 puds. Moreover the rest of the 5,000 puds were separated between nine other Turkish merchants.⁷⁶

Hařım Ramiz and Halim Sabit wanted to send yarn to Soviet fairs via Russoturk. Arcos manager Yuryev argued against the idea of these two merchants because they tried to sell their products in the Baku and Nijegorod fairs without putting forward any capital. They thought that if Russoturk would have been their partner the profit could be higher. Russoturk tended to finance all yarn operations to Soviet fairs in order to sell sugar in Kars via Ramiz and Sabit. However, Russoturk was not permitted to operate with the two merchants. Consequently, Ramiz and Sabit used credits from Holland Bank to send products to the Soviet Union.⁷⁷ In September Arcos gave license Ramiz and Sabit to import textile fabrics in fairs.⁷⁸

From 1924 to 1926 the Soviet Union acted as a monopoly exporter for some products in the Turkish markets. In that manner Turkish merchants received high profit rates that they could not have received anywhere else. No price controls in Soviet local markets and import bans from European countries also provided high rates of profits for Turkish merchants. However Soviet trade specialists were uncomfortable because of increases in currency loss and less control on import goods. In many reports specialists insisted on ending unlicensed import trade from Turkey in the new accounting year. Instead of unlicensed import trade they suggested a list that consisted of fixable amounts of import products which were decided by trade specialists. However preparing such a list meant tracing all consuming behaviors and quantities in the Soviet Union. After making an import list of products the import quantity from Turkey was estimated in the amount of 5,250,000 liras.⁷⁹

Conclusion

When Soviet trade specialists determined the aims of unlicensed import trade with Turkey in their reports, one of their main ideas was to increase the export rates of Turkey to Soviet Union. Thus, it can be said that one of the main reason to permit unlicensed import trade was to fix terms of trade

⁷⁶ GARF, fon: 374, opis: 1, delo: 1879 page. 3.

⁷⁷ GARF, fon: 374, opis: 1, delo: 1879 page. 12-19.

⁷⁸ GARF, fon: 374, opis: 1, delo: 1879 page. 3.

⁷⁹ GARF, fon: 374, opis: 1, delo: 1876, page. 40.

between the two countries. Unlicensed import trade helped to increase not only Turkish merchants import to the Soviet Union, but also increased the demand of Soviet trade organizations in Turkish markets. They increased their demand in consumer goods and especially in raw materials. The demand of consumer goods was increased, but it did not disturb the heads of the Soviet Trade Ministry, because they thought that increasing unlicensed import trade prevented contraband. Hence the Soviet economy did not experience any harm from unlicensed trade. Moreover, in this period Soviet trade specialists also got experience in buying some consumer goods and raw materials, so trade organizations found opportunities to import their demands more cheaply.⁸⁰

Unlicensed import trade was abolished before the trade agreement that was signed in 1927. It was a different way of trade with the Soviet Union that benefited both sides. The first aim of the Soviet diplomats was that unlicensed import trade must help to improve their political relationship with Turkey because they thought that any increase in trade relations could also develop political relations. In addition, Soviet economists thought that if they could enhance trade relations with any country which did not recognize Soviet state monopoly in foreign trade, they could increase Soviet production and cause a rise in inflow of foreign currency. Furthermore unlicensed import trade also helped Arcos, Russoturk and the Transcaucasian Trade Organization to increase their relations in Turkish markets and provided to expand their trade on a legal basis. In that manner export and import rates would balance the terms of trade because both the developing trade relations and Turkish origin products would increase and it would get the attention of the Turkish government. Then, it was easy to persuade the Turkish side to sign a trade agreement, but it was necessary to cut the unlicensed flow of goods into the Soviet Union. Soviet specialists also used unlicensed import trade in order to support domestic production in the Soviet Union, because many raw materials were counted on the list of unlicensed imports. From time to time when unlicensed import trade created competition between Soviet trade organizations in Turkey, it triggered the signing of a trade agreement.

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⁸⁰ GARF, fon: 374, opis: 1, delo: 1876, page. 39.

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Tables

TABLE 1 - UNLICENSED IMPORT TRADE OF CONSUMER GOODS - TURKEY 21 MONTH DURATION						
	STATE ORGANIZATIONS		TURKISH MERCHANTS		TOTAL	TOTAL
Product	Quantity	Value	Quantity	Value	Quantity	Value
Orange	63345	387078	72902	566987	136247	954065
Lemon	17198	158193	32619	324913	49817	483106
Fig	97	32869	736	254687	832	287556
Raisin	20	11154	28	13691	48	24845
Noodle	738	62570	1516	175134	2254	237704
Chestnut			81	13820	81	13820
Nuts			85	46769	85	46869
Olive Oil	6,6	5261	51	34846	58	40107
Total		657125		143084 7		2087972

Source: GARF, fon: 374, Opis: 1, delo: 1876, p: 25

- Units used for orange and lemon are boxes, whereas tonnage is used for other products.
- All values are in Turkish Liras.
- State Organizations: All Soviet trade institutions that were organized under the management of Arcos.
- Calculations show the total quantity and total value of import between October 1924 and July 1926, a 21-Month period.

TABLE 2 - UNLICENSED IMPORT TRADE OF RAW MATERIALS - TURKEY 21 MONTH DURATION						
	STATE ORGANIZATIONS		TURKISH MERCHANTS		TOTAL	TOTAL
Product	Quantity	Value	Quantity	Value	Quantity	Value
Cotton	1083	751288	103	81756	1191	832994
Wool	35	25283	81	69176	116	94459
Animal Skin	5000	79236	50019	402710	55019	481946
Leather	79		201		281	
Tobacco			13	25284	13	25284
Total		855757		578926		1434683

Source: GARF, fon: 374, Opis: 1, delo: 1876, p: 25

- All values are in Turkish Liras.
- State Organization: All Soviet trade institutions that were organized under the management of Arcos.
- Calculations show the total quantity and total value of import between October 1924 and July 1926, a 21-Month period.
- Except animal skin, the unit for all products is tonnage.

TABLE 3 - UNLICENSED IMPORT TRADE OF INDUSTRIAL GOODS - TURKEY 21 MONTH DURATION						
	STATE ORGANIZATIONS		TURKISH MERCHANTS		TOTAL	TOTAL
Product	Quantity	Value	Quantity	Value	Quantity	Value
Valonia	6979	630758	2154	159648	9133	790406
Valeks	2143	592071	172	49756	2315	641827
Total		1222829		209404		1432233

Source: GARF, fon: 374, Opis: 1, delo: 1876, p: 25

- All values are in Turkish Liras.
- State Organizations: All Soviet trade institutions that were organized under the management of Arcos.
- Calculations show the total quantity and total value of import between October 1924 and July 1926, a 21-Month period.

TABLE 4 THE CHANGE IN IMPORT FIGURES – TURKEY 21 MONTH DURATION				
IMPORTPRODUCT GROUPS	1924-1925	1925-1926 (First 9 Months)	DIFFERENCE	%
Foodcommodity	959307	1837269	877962	92%
Industrial Goods	738958	2517001	1778043	238%
Industrial Materials	617388	881918	264530	41%
Industrial Machinery	107736	34542	-73194	
Other	214694	48320	-166374	

Source: GARF, fon: 374, Opis: 1, delo: 1876, p: 38

- All values are in Turkish Liras.

TABLE 5 - LICENSED AND UNLICENSED IMPORT TRADE VALUES COMPARISON - TURKEY TWO CONSECUTIVE ACCOUNTING YEARS				
	1925-1926 - TL	%	1924-1925 - TL	%
Licensed	1140765	19,20%	1442939	54,70%
Unlicensed	4674502	80,40%	1186967	45,30%
Total	5815267	100%	2630926	100%

Source: GARF, fon: 374, Opis: 1, delo: 1876, p: 105

- All values are in Turkish Liras.

TABLE 6 - TRADE INSTITUTIONS' UNLICENSED IMPORT TRADE VALUES COMPARISON - TWO CONSECUTIVE ACCOUNTING YEARS				
INSTITUTION	1925-1926 - TL	%	1924-1925 - TL	%
Soviet Trade Organizations	2166769	46,50%	654940	55%
Russoturk	257371	5,50%	88207	7,40%
Merchants	2250362	48%	443840	37,60%
Total	4674502	100%	1186987	100%

Source: GARF, fon: 374, Opis: 1, delo: 1876, p: 105

- All values are in Turkish Liras

TABLE 7 - THE VALUES OF COMMODITIES IN UNLICENSED IMPORT TRADE - TWO CONSECUTIVE ACCOUNTING YEARS				
	1925-1926	1925-1926	1924-1925	1924-1925
	TL	%	TL	%
Industrial Goods and Raw Materials	2621140	56,70%	752212	63,30%
Consumer Goods	2053362	43,30%	434774	36,70%

Source: GARF, fon: 374, Opis: 28, delo: 1873, p: 64

- All values are in Turkish Liras

TABLE 8 - UNLICENSED IMPORT TRADE OF SOVIET TRADE ORGANIZATIONS THAT WERE ORGANIZED UNDER ARCOS IN THE 1925-1926 ACCOUNTING YEAR		
ARCOS	1925-1926	1925-1926
PRODUCT	VALUE	%
COTTON	960147	37,70%
DUBITEL	776294	31%
SESAME	349530	13,70%
ORANGE AND LEMON	256648	10%
MACARONI	46441	1,70%
PAPER	48554	1,60%
TIN	39433	1,50%
OTHERS	73710	2,80%
TOTAL	2545657	100%

Source: GARF, fon: 374, Opis: 1, delo: 1876, p: 109

- All values are in Turkish Liras

TABLE 9 - UNLICENSED IMPORT TRADE OF THE TRANSCAUCASIAN TRADE ORGANIZATION IN THE 1925-1926 ACCOUNTING YEAR		
	1925-1926	1925-1926
PRODUCT	VALUE	%
SILK	171237	73,40%
PAPER	27089	11,60%
COLONIAL GOODS	17733	7,60%
EQUIPMENT	9670	4,20%
DUBITEL	6062	2,60%
OTHERS	1289	0,60%
TOTAL	233080	100%

Source: GARF, fon: 374, Opis: 1, delo: 1876, p: 109

- All values are in Turkish Liras.

TABLE 10 - UNLICENSED IMPORT TRADE OF RUSSOTURK IN THE 1925-1926 ACCOUNTING YEAR		
RUSSOTURK	1925-1926	1925-1926
PRODUCT	VALUE	%
SESAME	97808	20,50%
ORANGE AND LEMON	80139	16,80%
PAPER	74218	15,60%
DUBITEL	66175	13,90%
FABRICS	39337	8,30%
EQUIPMENT	28115	5,90%
WOOL	25283	5,30%
FIG	18113	3,80%
LEATHER	12293	2,00%
MACARONI	9228	1,90%
CHEMICAL PRODUCTS	7632	1,60%
OTHERS	18398	4,40%
TOTAL	476739	100%

Source: GARF, fon: 374, Opis: 1, delo: 1876, p: 109 ; All values are in Turkish Liras

TABLE 11 - THE SHARE OF SELECTED GOODS IN UNLICENSED IMPORT TRADE FOR 21 MONTHS							
	Cotton	Wool	Raw Materials for Leather	Tobacco	Valonia	Valeks	TOTAL
The Share in all Unlicensed Import Trade	16,80%	1,90%	9,70%	0,50%	15,90%	13,00%	57,80%
The Share in Unlicensed Industrial Goods	29,00%	3,30%	16,80%	0,90%	27,50%	22,40%	100,00%
The Share of Soviet Trade Institutions in Import Of This Good	90,20%	26,80%	16,40%		79,70%	92,00%	72,20%
The Share of Merchants in Import Of This Good	9,80%	73,20%	83,60%	100,00%	20,30%	8,00%	27,80%
The Share in Soviet Trade Institutions Import	27,60%	0,90%	2,90%		23,20%	21,70%	76,30%
The Share in Merchants Import	3,70%	3,10%	24,60%	1,70%	7,20%	2,20%	42,50%
The Share in Industrial Goods That Were Imported By Soviet Trade Institutions	36,20%	1,20%	3,80%		30,30%	28,50%	100,00%
The Share in Industrial Goods That Were Imported By Merchants	10,20%	8,80%	51,20%	3,20%	20,30%	6,30%	100,00%

Source: GARF, fon: 374, Opis: 1, delo: 1876, p: 30

TABLE 12 - FOREIGN TRADE BETWEEN TURKEY AND THE SOVIET UNION 1923-1927 ACCORDING TO TURKISH STATISTICS

	IMPORT	EXPORT
	TL	TL
1923	3039166	1732445
1924	6369307	3731673
1925	6101597	4901691
1926	8541621	5247610
1927	6982000	6230000

Source: Turkish Annual Statistics, 1927

- All values are in Turkish Liras.

TABLE 13 - FOREIGN TRADE BETWEEN THE SOVIET UNION AND TURKEY 1913-1927 ACCORDING TO SOVIET STATISTICS

	1913	1920	1921 Jan-Sep	1921-1922	1922-1923	1923-1924	1924-1925	1925-1926	1926-1927
Total Quantity - Ton	126000	300	2200	15200	7600	7500	19300	42100	39200
Total Value Rubles	80800000	1600000	1300000	9000000	3400000	4400000	14800000	43100000	47300000

Source: S. N. Bakulin, D. D. Muşistin, *Vneşniyaya Torgovliya SSSR za 20 Let 1918-1937 Statistiçeskiy Spravoçnik, Mejdunarodnaya Kniga, Moskva, 1939*

- All values are in Rubles