

9 “Tax me to the end of my life!”

Anatomy of an anti-minority tax legislation (1942–3)

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Grant them removed, and grant that this your noise
Had chid down all the majesty of England:
Imagine that you see the wretched strangers,
Their babies at their backs and their poor luggage,
Plodding to the ports and coasts for transportation,
And that you sit as kings in your desires,
Authority quite silenced by your brawl,
And you in ruff of your opinions clothed:
What had you got? I'll tell you, You had thout
How insolence and strong hand should prevail,
How order should be quelled: and by this pattern
Not one of you should live an aged man,
For other ruffians as their fancies wrought
With self same hand, self reasons, and self right,
Would shark on you, and men like ravenous fishes,
Would feed one on another.

Shakespeare, *Sir Thomas More*¹

The Wealth Tax, which was approved by the Turkish parliament during World War II, was clearly an important measure, not only from an economic, but also from a political and cultural point of view. The introduction of this Wealth Tax essentially involved a number of component processes, such as: drawing up the law, its approval by the Turkish parliament, the support given by the press, the procedures by means of which the commissions would determine who was to pay how much tax, the announcing of taxpayers' names and amounts of tax payable, the period in which payment was to be made which in no case exceeded one month, the levying of distress over and subsequent compulsory sale of the property of those who failed to meet their tax liabilities within this period and the sending to work camps of those individuals who were still unable to meet their liabilities so that they might “work off their debts with physical labor.” In the work camps in Aşkale and

later Sivrihisar twenty-one taxpayers, all of them non-Muslims, died due to several illnesses and working conditions.

When all these stages are examined in combination, the Wealth Tax Law serves as a perfect example of the “anti-minority” policies of the single-party period in Turkey (1925–45). Istanbul provided the backdrop for all these relations. Istanbul, in which the commercial bourgeoisie was most strongly represented, was at the same time the city in which social differentiation was most pronounced, where conditions most favored displays of conspicuous consumption and extravagance, and which had a large concentration of minorities coming from different walks of life and lifestyles. Examining the introduction of the Wealth Tax from the standpoint of the economic centre Turkey, i.e. Istanbul helps to shed light on relations between the non-Muslim minority and the Turkish nation state with its dominant form of nationalism.

The context

With the outbreak of war in Europe, the government in Ankara was becoming paralyzed in terms of its economic policies. At first, in 1940, nearly one million men were mobilized and drafted to the Army.² Once again, as in the good old days, the Turkish peasant was called for duty. The general mobilization had created a deadly effect on the well being of the economy. In an economy based upon agriculture, where nearly 90 percent of the population lived in the countryside, and with a total population of less than twenty million, this military mobilization meant a significant withdrawal of men from the production process. Naturally agricultural production decreased. However, this decrease was not recognized or felt until 1941. Between 1938 and 1945 Turkey experienced the most destructive inflation of its history. Prices increased from a base of 100 in 1938 to 126.6 in 1940, to 175.3 in 1941 and finally to 339.6 in 1942.³ Furthermore increasing defense expenditures were met by printing more bank notes. Increasing the money supply was perceived as the remedy to all economic problems. Thus money in circulation increased from 193 million in 1938 to 733 million in 1942. In other words, while money in circulation increased 3.7 times in four years, the general prices increased 3.4 times. Price controls and the usual administrative measures did not work. Even the most basic consumption goods disappeared from the market. Stockpiling, speculation and hoarding practices were considered to be an inevitable mode of existence in an inflationary economy.

The administration of a war economy in a country that declared itself “neutral” created further ideological difficulties for the Kemalists. Starting from the world economic crisis of 1929, the Ankara government had implemented several *étatist* measures to control the economic fabric of the society. State economic enterprises were formed and “self-sufficiency at all costs” became the main motto of the Kemalist regime. Strict currency regulations, high taxation and tightly designed trade monopolies were the main tenets of Ankara regime.⁴

Since the beginnings of the 1930s the Kemalists had developed a harsh critique of liberal economic principles. For them, the destructive and cruel nature of the free market economy was not something to be simulated at home. Thus they opted for a more controlled “command economy” of the rising “New Order” of inter-war years. Liberal economic principles and the possessive individualism of so called “corrupt” Western democracies were evils to be avoided in the formation of the young Turkish republic. Ultimately they were able to form a highly centralized authoritarian party-state that promoted the rule of a single party (the Republican People’s Party, hereafter RPP), a parliament composed of appointed members, and a state ideology that denied the existence of any social or economic cleavages in society. This solidaristic/corporatist and to a certain extent ethnically pure model of society was designed to create a new type of Turkish citizen without any social and economic “rights,” but only “duties” prescribed by the Turkish state.

In this system of conduct, there was a limited place for trade and commercial activity in general. Merchants had to be controlled by the central authority in Ankara. In this respect, the existence of a commercial bourgeoisie in Istanbul was perceived as a type of “social malady” which was symptomatic of differentiation in society, promoted a cosmopolitan way of life, and made conspicuous consumption seductive for the rest of Turkish society. Furthermore, commercial activities and especially foreign trade had traditionally been the retreat of non-Muslim minorities in Turkish society. Excluded from the Army and public service in Ottoman times, non-Muslim minorities had always been active in local and international trade. Their cosmopolitan manners, Levantine ways of life (such as summer residences in the Prince’s Islands or on the Bosphorus), and their command of foreign languages intensified the fear and xenophobia in the minds of the Turkish bureaucrats. Moreover the collective consciousness of the Turkish Republican elite was full of reminiscences of the Great Powers’ interventions in the domestic matters of the Ottoman state on behalf of non-Muslim minorities. Each intervention had brought up a new form of capitulation or trade concessions. Finally, direct European financial control and the threat of colonization impaired the Ottoman state. Besides, hadn’t the Greeks, Armenians and Jews collaborated with the Great Powers to ruin the late Ottoman economy and enrich themselves at the expense of the poor, toiling Anatolian peasant? Plagued by such concerns, the Turkish Republican elite visualized the minorities as a kind of a fifth column provoked and supported by the foreign powers.⁵

In the first section of the chapter, an attempt will be made to present an annotated chronology of the various stages involved in the introduction of the Wealth Tax; the second section is devoted to the assessment process in which it was determined who was to pay how much tax; and the third section contains an examination of the process by means of which the tax was collected in Istanbul. In the fourth section, information obtained through studying the archives of the Istanbul Beyoğlu-Şişli, Eminönü, Fatih, Kadıköy and Adalar Land Registry Offices will be presented in the form of tables.

Istanbul as the centre of all evils!

The Wealth Tax, when it was introduced, made a disproportionate impact on Istanbul. Istanbul's special position in this regard becomes evident from a careful study of Table 9.1. The extent to which this tax was concentrated on Istanbul, which had the greatest number of Wealth Tax taxpayers with 54 percent of the total, becomes more evident when it is considered that 68% of the total amount of tax assessed and 70 percent of the final amount paid was recorded here.

Official declarations claimed that the Wealth Tax Law was introduced with the aim of taxing extraordinary profits made under the special conditions prevailing during World War II, and reducing the amount of money in circulation.

Istanbul certainly had a special status in that it was the city where the commercial bourgeoisie was most strongly represented. But the extent to which the Wealth Tax was concentrated on Istanbul cannot be accounted for solely in economic terms. The plurality evident in the city's ethnic and religious structure, a legacy of the Ottoman period, and pressures exerted ever since the initial years of Republican government on non-Muslim minorities in other regions of the country to migrate to Istanbul made the city particularly vulnerable to policies directed against minorities. The special focus on Istanbul when the Wealth Tax was introduced had as much to do with the city's social, cultural and demographic features as with its economy.

Basic chronology of the Wealth Tax

Before embarking on a detailed examination of the processes by means of which the Wealth Tax was assessed and collected, let us present the various stages involved in the introduction of the Wealth Tax in chronological manner.

The Ankara government, which had responded to the outbreak of war in 1939 by mobilizing around one million men and was attempting to meet rising defense expenditure by printing money, began in the spring and summer of 1942 to seek ways of taxing extraordinary profits. A commission set up by

Table 9.1 Wealth tax assessment and payment

	<i>Istanbul</i>	<i>Turkey</i>
A. Total number of taxpayers	62,57 54%	114,368 100%
B. Wealth Tax Assessed (TL)	317,275,642 68%	465,384,820 100%
C. Wealth Tax Paid(TL)	221,307,508 70%	314,920,940 100%
D. Proportion of assessed tax to paid (C/B)	69.7%	74.3%

Source: Faik Ökte

Minister of Finance, Fuat Ağralı, was in the process of drafting a new law. At that time, certain newspaper columnists, noting that in particular non-Muslim merchants were benefiting from shortages of goods that were caused by high inflation and reduced imports, were calling for a commission to be established that would tax the speculative profits which they were making.⁶

On July 7, 1942, the sudden death of Prime Minister Refik Saydam led to the appointment of Foreign Minister Şükrü Saracoğlu to this post. Throughout the summer of 1942, prominence was given in the Istanbul press to news that tended to associate non-Muslims with acts of theft, black marketing, extortion, profiteering and speculation.⁷ Comics appearing in that period mainly used caricatures of Jews in anti-minority cartoons. According to Laurent Mallet's analysis, the Jewish cartoons published in the *Karikatür* comic made fun not only of Jews but, by association, all non-Muslims.⁸

Faik Ökte, on the day on which he first reported for duty at the Istanbul Financial Office (September 12, 1942), was shown an official letter that had been sent to him from Ankara fifteen days earlier. This letter contained the request:

After it was stated that our laws failed to tax extraordinary profits made as a result of war and profiteering, and that consequently minorities in particular had amassed vast wealth, that by means of making an urgent investigation into the market it be determined who had made extraordinary profits in this manner and *that minorities be shown in a separate table.*⁹

Ökte, who was working on this matter, based on information originating from various tax offices in Istanbul, listed taxpayers who were believed to have made extraordinary profits, classifying them according to their religious and ethnic origins.¹⁰

The ground was laid for the Wealth Tax, then, by disseminating the appropriate propaganda, after which technical preparations were made. The law already existed in the minds, all that remained was for it to be drawn up on paper and voted on in the parliament. Ökte argues that the text of the law was dictated in note form by Prime Minister Saracoğlu to the Minister of Finance. Undersecretary to the Finance Ministry Esat Tekeli then converted these notes into the articles of the law.¹¹

Rumors reached Istanbul that the government was drawing up a law aiming specifically at taxing non-Muslims. A group of non-Muslim community representatives visited Prime Minister Saracoğlu in Ankara. The minority representatives, stating that they had heard about preparations for the Wealth Tax, made a proposal to the Prime Minister:

Minority representatives—"Sir, how much are you thinking of raising through the tax? ... Do you want to raise 300 million, [or] do you want to raise 200 million? You leave this to us; let us raise this [among ourselves and] give it to the government!"

Prime-Minister Saracoğlu—“How can we accept this offer? We are [a modern] state!”¹²

Saracoğlu thus rejected this proposal, reminiscent as it was of the workings of the Ottoman *millet* system.

Two days later, President İnönü, when he officially opened the parliament on November 1, spoke in similar terms: “Old-school crooked landowners who consider these turbulent times to be a unique opportunity, and voracious, profiteering merchants who would turn the very air we breath into a tradable commodity if they could, and a number of politicians who think that all of these hardships are a great opportunity for realizing their political ambitions and with respect to whom it is hard to determine which foreign nation they are working for are brazenly seeking to sabotage the entire life of a great nation.”¹³

In a lengthy speech to the parliament in the morning of November 11, in which he addressed the economic situation in detail, Prime Minister Saracoğlu revealed a package of economic measures that also contained the Wealth Tax Law. Prime Minister Saracoğlu explained the aim of the Wealth Tax to the parliament in the following terms:

The aim that we are pursuing with this law is to reduce the amount of money in circulation and create reserves to meet our national requirements. Along with this, the existence of secondary benefits that will result from the implementation of this law such as a strengthening of Turkish currency, the dispelling of popular rancour felt towards profiteers, and the moderating effect on prices that will be exerted as property is of necessity put up for sale to pay the taxes, cannot be discounted.¹⁴

However, at the RPP group meeting which was closed to the press, Prime Minister Şükrü Saracoğlu presented the same law to the CHP group thus:

This law is at the same time a revolutionary law. We are presented with an opportunity to obtain our economic independence. The foreigners who dominate our market will thus be eliminated and we will place the Turkish market in the hands of Turks.¹⁵

The bill was not much discussed in the CHP group and a decision was taken to pass it as law. The Wealth Tax Law was approved with very little debate at the parliament’s afternoon session on November 11, 1942. The law was promulgated in the *Official Gazette* the following day and took effect.¹⁶

Peculiarities of the Wealth Tax Law

Article 7 of the Wealth Tax Law provided for the formation “of a commission, or more than one if necessary, in the centre of every province and sub-province for the purpose of establishing the degrees of liability of persons possessing

wealth and income, to be headed by the most senior civil service administrator in that place, and consisting of the most senior financial officer along with two members, each of chambers of commerce and municipalities, to be elected from among their own members.” Article 11 of the same law made the amounts of tax determined by the commission unalterable with the provision: “The commission’s decisions are of a final and binding nature and a suit may not be filed to contest them with district administrative and judicial authorities.”

As soon as the law took effect, three separate commissions were established in the Istanbul province. These commissions, along with the Ministry of Finance bureaucracy that supplied them with information, completed their business, which we will describe in greater detail later, within one month (November 12–December 17, 1942). After the commissions had determined who was to pay how much tax (assessment procedure), the lists showing the amounts of tax were displayed on notice boards at tax offices in Istanbul on December 18, 1942.

Article 12 of the Wealth Tax Law provided for payment of the tax within fifteen days. This period ended with the close of business on January 4, 1943. Moreover, pursuant to the same Article, interest on arrears at the rate of 1 percent for one week and 2 percent for two weeks was to be applied in the case of taxpayers who failed to pay their taxes within this period. Since a number of public holidays intervened, these periods were slightly extended and came to an end on January 20, 1943.

Defaulters and labor camps in eastern Turkey

On January 21, 1943, visits were made to the homes and businesses of those taxpayers who failed to pay their tax within the above-mentioned periods and, initially, distress was levied over their property, and later tax began to be collected by means of the sale of such property and furniture. Those taxpayers who were unable to pay their tax within one month began to be sent to work camps with the aim of performing physical labor and working off their taxes. The first party of thirty-two persons, consisting entirely of Istanbul non-Muslims, set off for Aşkale, Erzurum on January 27, 1943.

Between February and September 1943, a total of 2,057 people were collected from their homes by the police and brought to the detention centers at Sirkeci/Istanbul, İzmir/Tepecik. Of these taxpayers, 1,400 people were sent, initially to Aşkale, to work. The remaining 657 people, on the other hand, paid their tax debt while waiting at detention centers or after having been sent to their work location. At the work location of Aşkale itself, 21 people died “in debt.” Since the obligation to work was only imposed on non-Muslims, all of those who died were non-Muslims and all of them had been sent to Aşkale from Istanbul. The process of collecting Wealth Tax by means of levying distress over and selling taxpayers’ property continued throughout the summer of 1943. Meanwhile, on August 8, 1943 approximately 900 people working at Aşkale were sent to Eskişehir/Sivrihisar.

***New York Times* coverage and the absolution of the Wealth Tax**

The journalist and proprietor of the *New York Times*, Cyrus L. Sulzberger, who visited Turkey that summer, wrote a series of articles about the Wealth Tax which were published in the *New York Times* between September 9–13, 1943. Sulzberger noted in his articles that certain observers to whom he spoke on his journey said that an attempt was being made by means of the Wealth Tax to eliminate the minorities who occupied an important place in Turkey's commercial life. Sulzberger included extracts from the *Cumhuriyet* newspaper in his articles, and spoke of the "sensitivity" of the press toward this matter and the support given to the government.¹⁷ Thus, detailed press coverage of the implementation of the Wealth Tax was provided for the first time in the West.

We estimate that Sulzberger's articles had a considerable effect on the Ankara government. Precisely four days after the articles were published in the *New York Times*, the parliament, convening on September 17, 1943, authorized the Ministry of Finance, in respect of Wealth Tax taxpayers, "to absolve those who are [1] employees or [2] persons subject to income tax on gross daily income, and who have proved incapable of paying their tax, of their outstanding debts."²⁰ In Istanbul alone, the total number of Wealth Tax taxpayers falling under these two categories amounted to 26,404 people (see Table 9.2).

On October 6, 1943, the Foreign Minister in Ankara, Numan Menemencioğlu, spoke with the Undersecretary Robert F. Kelley, who was representing the US Ambassador Steinhardt. Since Steinhardt had been summoned to Washington at that time, Robert F. Kelley was deputizing for him. Menemencioğlu complained, with reference to Sulzberger's articles, about so-called "anti-Turkish" articles in the US press. He expressed a fear that similarly anti-American articles would appear in the Turkish press. Undersecretary Kelley immediately informed Ambassador Steinhardt of this situation. Steinhardt, in the telegram he sent by way of reply on October 8, 1943, stated that he had discussed this matter with the proprietor of the *New York Times*, Arthur Sulzberger, and had received assurances that no further articles concerning the Wealth Tax would appear in this newspaper.¹⁸

In the wake of these developments, a process aimed at eliminating the Wealth Tax was initiated. In the first week of December, the taxpayers who had been freed from Eskişehir-Sivrihisar were finally returned to Istanbul.¹⁹ The final stage in removing the Wealth Tax from the statute book took the form of a law that was passed on March 15, 1944. The state renounced all claims that had remained outstanding until that date in respect of this tax.²⁰

Having presented a brief history of the sixteen-month period in which the Wealth Tax was implemented, we can turn to the tax assessment process.

The process of tax assessment in Istanbul

Tax assessment process is important because it demonstrates how loopholes in the law gave rise to arbitrary practices, how all the weaknesses of the Republican bureaucracy were exposed and finally how conspicuous consumption in Istanbul

was penalized to the maximum possible extent. This section draws heavily on the memoirs of Director of Financial Administration, Faik Ökte, who was in charge of implementation in Istanbul. The distribution of Wealth Tax taxpayers in Istanbul by groups is shown in Table 9.2.

In Table 9.2, “non-Muslim” taxpayers make up 87 percent of the total number of taxpayers. “Muslim” taxpayers constitute a mere 7 percent of the total number of taxpayers. The remaining 6 percent was a mixed group, but is estimated to include principally non-Muslim and foreign taxpayers.

The penalizing of conspicuous consumption

Careful examination of Table 9.2 with reference to ethnic and religious origin reveals that the “extraordinary class of non-Muslim taxpayers” was required

Table 9.2 Groups for assessment in Istanbul

	<i>Religious Origin</i>	<i>Number of Taxpayers</i>	<i>%</i>	<i>Amount of Wealth Tax Assessed TL</i>	<i>%</i>
Extraordinary Taxpayers / Muslim	M	460	1%	17,294,549.-	5%
Extraordinary Taxpayers / Non-Muslim	N	2,563	4%	189,969,980.-	54%
Declarant Taxpayers / Muslim	M	924	1%	3,128,310.-	1%
Declarant Taxpayers / Non-Muslim	N	1,259	2%	10,364,466.-	3%
Tradesmen and Merchants etc. paying Income Tax on Assessed Rental Income	M	2,589	4%	4,055,100.-	1%
Tradesmen and Merchants etc. paying Income Tax on Assessed Rental Income	N	24,151	39%	72,811,850.-	21%
Itinerant/domestic workers having daily gross earnings	N	15,413	25%	9,629,450.-	3%
Employee Worker – State Employee / Non-Muslim	N	10,991	18%	6,880,500.-	2%
Joint-Stock Companies	N-M-F	159	0	7,490,910.-	2%
Large Farms	M	222	0	1,122,450.-	0
Contractors	N-M	376	1%	6,546,372.-	2%
Real Property Owners	N-M	2,258	4%	16,525,045.-	5%
Total of the districts outside the Istanbul city boundaries	N-M	1,210	2%	3,664,437	1%
TOTAL		62,575	100	349,483,419.-	100

Source: Ökte, *Varlık Vergisi*

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to pay 54 percent of the total amount of tax assessed in Istanbul. The average amount of per-capita assessed Wealth Tax amounts to TL 74,120. If we add the E[xtaordinary] M[uslim] and Declarant category (DM + DN) to this group, we see the first four groups were expected to pay 63 percent of the amount of tax paid by all of the taxpayers. The persons assigned when the Wealth Tax was implemented to the categories of “Extraordinary and Declarant class of Taxpayer” were those people reputed to be the wealthiest in Istanbul in 1942–3.

Here wealth was not defined in terms purely of the monetary value of all their possessions. In this respect, the nature of the consumption patterns exhibited by that person, and the extent to which such patterns brought them to prominence in public space, was significant. For example, if one of two people engaged in the same line of profession lived in a select neighborhood of Istanbul, spent his summer holidays on Prince’s Islands and participated in the posh “Republic Day Balls,” while the other, although earning the same income, had a more modest and introverted lifestyle, most probably the amount of tax paid by the first would be greater than that paid by the second. The following interview provides us with a useful insight into this process:

My father [Lawyer Jak Hatem] was a person who was held in high esteem by those around him and, in terms of his social life, was a member of clubs to which the elite of the period belonged. He would go to Yalova for certain months of the year and take a cure at the Termal Hotel. His partner, Bensiyon Garin, on the other hand, led a more family oriented, modest life. He was on very good terms with the famous penal lawyer of the day, Sadi Riza Dağ, who operated his legal practice on the same floor as himself. In fact, at the time when I was graduating from the Law Faculty, I served as an internee with Mr Dağ. When the Wealth Tax lists were displayed, we saw that the amount of tax imposed on my father, Jak Hatem, was 140,000 liras and the amount of tax imposed on his partner, Bensiyon Garin, was TL 90,000 liras. By contrast, the amount of tax imposed on Lawyer Sadi Riza Dağ, who was engaged in the same profession on the same floor, was 6,000 liras only!²¹

A brief comparison of the amount of tax imposed on two people who, if nothing else, they were included in the same professional category shows that the Wealth Tax was implemented in an extremely unjust and disproportionate manner to the detriment of the minorities.

Not only does the above example show that discrimination was practiced between Muslim Turks and non-Muslims operating in the same professional group, but it also demonstrates that discrimination was practiced between non-Muslims based on certain tacit criteria. The point here is that two Jewish lawyers, who shared the same office as partners, were taxed in an extremely different manner due to the different “lifestyles” that they had adopted and the different “consumption patterns” that they displayed. This example is

quite illuminating because it offers an insight into the mindset of the Ankara government in the single-party period. In the above example, Lawyer Jak Hatem and his partner, Bensiyon Garin, were obliged to pay different amounts of tax based not on their wealth, but on their different individual lifestyles in terms of the degree to which they made this wealth displayed through conspicuous consumption.

This critical stance adopted toward conspicuous consumption and extravagance in relation to social status in fact accorded with a solidaristic/corporatist mindset which aimed at progressing through an *étatist* model of development, which accepted the existence of social classes, but was extremely uneasy about class struggle and perceived the society as an organic whole.²² The notion that that conspicuous consumption is a form of behavior which breaks down social harmony can be traced back to the days of the “National Economy” policies practiced by the Committee of Union and Progress. However, within an imperial setting and under the conditions imposed by World War I, the Committee of Union and Progress was only able to implement these policies to a limited extent. Protectionist economic policies were only implemented on a wide scale following the founding of a nation state in Turkey in 1923 and after the 1929 world economic crisis.

Financial bureaucracy in assessment process

Information provided by the Turkish commercial banks, which the estimators wanted to use in the course of collating information about taxpayers’ wealth, was extremely limited. Apart from that, information reached the estimators from the Turkish Intelligence Service of the period through the state channels and from the governing Republican People’s Party through the party inspector Suat Hayri Ürgüplü. Ökte described in his memoirs that such information was extremely exaggerated and continued as follows:

All of those who cooperated with us on the supposition that they would guide us in the right direction, rather than pulling us in the direction of the truth and moderation, pushed us, and the tax, in an extreme and disastrous direction ... Those who guided us tended to lead us up the wrong path, and on the day on which assessment ended they would wash their hands of the matter and wriggle off the hook, leaving our weak shoulders to bear this strange coffin!²³

The estimators working under these conditions spoke to the staff at tax office branches and sneakily walked past the fronts of shops owned by people who were supposed to be taxed, and reference was made to exceptionally inconsistent income tax statements, but the final decision was made with reference to “the estimators’ own powers of imagination, the only resource that was available in abundance.” Faik Ökte stated that conversations of the following kind were frequently encountered among estimators in the commissions:

- What's he worth?
- 500,000.
- One million.
- What do you know?
- What do *you* know?
- Let's split the difference.²⁴

The famous film-theatre owner Cemil Filmer, when speaking in his memoirs of events that negatively affected his company, mentions the Wealth Tax: “The third heaviest blow [dealt to me], however, was the Wealth Tax. They put me down for 125,000 liras in tax just because I used to dine at the Abdullah Efendi Restaurant.²⁵ However hard I tried, I could not stop this and I had no choice but to pay up and like it.”²⁶ The mentality that we have described above clearly dictated that a businessman who operated the most luxurious cinemas of the day would be included in the most heavily taxed. At the same time, the cinema patrons of the day were described in Filmer's memoirs in the following terms: “Not only were the cinemas high-class places in those days, they also attracted rich clientele. The mink fur shone on the backs of the women alighting from cars.”²⁷ If the proprietor of places at which such splendor and luxurious consumption were displayed also dined at one of Istanbul's most luxurious restaurants, it comes as no surprise to learn that he was dealt with in such a punitive manner by the mentality that imposed the Wealth Tax.

In this regard, the Wealth Tax did not indiscriminately target those segments that in economic and social terms boasted a high income and were wealthy, but more specifically those who displayed their wealth through consumption. Consequently, it cannot be claimed that an anti-capitalist mindset lay behind the Wealth Tax. For the taxation process was not rooted in production and property; quite the reverse, it revolved around consumption and property. The aim of the solidarist/corporatist model of state and society to create an illusion of classless society by means of erasing social differences found its first concrete expression in an attempt to blunt the social differentiation that appeared in the sphere of consumption.

Peddlers, white collars and workers are also taxed

Prime Minister Saracoğlu instructed the finance officers to impose the Wealth Tax on specific professions such as drivers, greengrocers, small commission agents, middlemen and fruit and vegetable wholesalers operating on an “itinerant” basis and having no fixed premises, along with “employees” such as white-collar staff, secretaries and janitors employed in the private companies. Thus the “itinerant” group, making up 25 percent of the total number of taxpayers in Istanbul (15,413 people), were brought within the scope of the tax. The average per capita amount of Wealth Tax imposed on this group amounted to TL 624.

The average per capita amount of Wealth Tax imposed on the “employees” group which was engaged on a salaried basis in various workplaces and which was similarly brought within the scope of the tax was 626 liras. The “employees” group consisted of 10,991 people, and this group made up 18 percent of the total number of taxpayers. The instruction to apply the Wealth Tax, which until that time had been perceived of as a kind of “capital tax,” to persons working within the private sector or on their own account was the final straw that broke the camel’s back. This measure was a hugely unjust act against this group that had already been crushed by the burden of wartime inflation. It should also be noted that only non-Muslims in these groups were taxed, Turkish Muslims in these jobs were not taxed at all.

The Turkish bureaucracy of the single-party period and the Wealth Tax

One of the most interesting conclusions that can be drawn from a study of the implementation of the Wealth Tax is that the Turkish civil service at the time of World War II lacked adequate concrete information about society. Following the founding of a national state in 1923, this feature of the Ottoman administrative structure did not change greatly, in spite of all the Kemalist regime’s reform initiatives that targeted individuals’ daily lives. As Metin Heper has aptly observed, the Kemalist elite attempted to reorganize the bureaucracy with the sole aim of achieving more narrowly focused goals that could be described as “creating a new society.” Adopting the principle of secularism and attempts to achieve total Westernization can be considered to have, “opened the way for the bureaucracy to acquire legal–rational [in the sense used by Max Weber] attributes.” But as Heper has noted, “the fact that bureaucracy ... was considered to be the vehicle for implementing Kemalism led to the ‘bureaucratic’ dimension taking precedence over the ‘rational’ dimension.”²⁸ Moreover, at the dawn of the Republic, the bureaucrats inherited from the Ottoman Empire underwent a kind of “quality control” in which they were questioned as to their support for the national struggle, with those failing to demonstrate the necessary conviction being purged.²⁹

By the time World War II had arrived, efforts to bring Kemalist reforms into being had left a legacy of “militancy and tiredness” in the Turkish civil service. The most important reason for the politicization of the civil service was the considerable influence that was exerted over bureaucrats’ professional life by a system of professional evaluation which attached as much importance to the factor of allegiance to Kemalist reforms, a criterion which was of equal importance as merit in the appointing and promoting of civil servants as such widely accepted criteria for assessing civil servants as professional education, knowledge and skills. When appointment and promotion were based on the criterion of “political loyalty” rather than “professional competence,” it comes as no surprise to learn that the civil service of the Republican period was characterized by nepotism and low levels of motivation.

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As capitalist relations become more widespread in a country, a need develops for a “new kind of bureaucracy” that is capable of exercising initiative and taking clear and speedy decisions, is well informed about the cases it handles, operates in a spirit of institutional continuity and performs its tasks with the aid of laws dominated by rationality. As Max Weber has stated in a striking manner, the “bureaucracy develops more perfectly, the more it is ‘dehumanized,’ the more completely it succeeds in eliminating from official business love, hatred, and all purely personal, irrational, and emotional elements which escape calculation.”³⁰ The civil service administration in the Republican period, on the one hand, reinforced the extremely centralized administrative structure that it had inherited from the Ottoman period, and on the other, became excessively politicized as a result of efforts to bring about Kemalist reforms. Alongside all of this, as a consequence of the lack in the single-party period of any opposition parties that might audit the bureaucracy, the Republican bureaucracy was not even remotely subjected to any kind of “technical/professional” control apart from “ideological monitoring.”

In a report with racist undertones written during World War II by the British Military Attaché to Ankara, Brigadier General A. C. Arnold, on March 12, 1942 to the British War Ministry, the Turkish bureaucracy, and in particular military bureaucracy, is described as follows:

The weaknesses are not only inherent to the race, but are initiated and encouraged from the very top, that is, by the President of the Republic and the “gang” of “Heroes of the War of Independence” who surround him ... The main weaknesses which are apparent are:

- (a) Over-centralization to a quite fantastic degree.
- (b) Secrecy mania resulting in insufficient preparation amongst their armed forces and inadequate information being given to their allies.
- (c) A conceit in their own ability, a product of extreme nationalism ...
- (d) A natural lack of any mechanical understanding or ability. This results in gross negligence and mechanical inefficiency which is not punished ...
- (e) Concealment of inefficiency and ineptitude is generally encouraged, since inefficiency ultimately reflects on senior officials who must be exposed to criticism lest the “old gang” or the Party become involved.
- (f) A return of the time-honoured system of graft.³¹

In the report, it was also noted that, in common with all of the civil service, the decision taking mechanism in the military bureaucracy was exceptionally centralized and there was a tendency even for military commanders to sit and await the arrival of orders from Ankara.

The evaluation entitled “Turkey Twelve Years On” by K. Helm, who served between 1921 and 1930 in Istanbul as a translator and embassy clerk, and was again appointed British Embassy Under Secretary in Ankara on June 30,

1942, is very interesting. Helm stressed in his report that the bureaucracy had lost its room for man oeuvre and underlined the fact that, along with corruption, extreme centralization had contributed to a worsening of the bureaucracy. Helm, who stated that the administrative structure had grown visibly worse when he compared 1930—the time he last served in Ankara—to 1942, provides the following interesting example of extreme centralization. The wife of the British Ambassador at that time, Lady Knatchbull-Hugessen, wished to make use of the Turkish postal services which by virtue of Turkey's remaining neutral in the war continued to operate with Germany and send used tennis balls to British prisoners of war in Germany. In order for these used tennis balls to pass through Turkish customs, the signatures of all the members of the Cabinet were required!³²

Things were not very different at the Ministry of Finance. The Ministry of Finance inspectors involved in implementing the Wealth Tax, when confronted by the question of who was to pay how much tax, had access to an extremely limited amount of information about taxpayers. In those days the income tax was assessed based on the property tax value of the taxpayers' premises. For example, a taxpayer might simultaneously obtain income from renting his apartment building, profit from his own business and dividends from companies in which he was a shareholder. It was impossible for the Finance Ministry bureaucracy to monitor these revenues collected from different sources given the information gathering mechanisms at its disposal. The following interview sheds light on the attempts made by a Finance Ministry inspector to gather information as part of the process of implementing the Wealth Tax:

In the course of administering the Wealth Tax, I initially began to investigate the tax to be imposed on real estate. The title deed records for the properties were in a real mess. There was no chance of gleaning anything from these. Because of this, we worked by visiting places in the field. [In other words, we asked] who does this building belong to? How many buildings are there in this road? [We looked at things] according to their importance. [Say] there was a three-storey building with one room on each floor, adjoining the one next to it. We paid no attention to this kind of building! But if there was [a house] in a garden with four acres [or] six acres. Or even a house in an eight acre garden—well, these were the ones we recorded. We generally recorded business premises that took the form of office blocks. I travelled from Karaköy to Bebek, after Bebek as far as Emirgan, and after Emirgan right along the European shore of Bosphorus [.]. There was no road and I had to go on foot. We arrived in Emirgan, and at this time they provided me with a high-ranking Municipal clerk to accompany me [...] Of course, there is no way I can know this neighbourhood. I went on foot together with him. As we walked along, I gathered information like, "Whose residence is this? What does the owner do?" Later we collated all of this. We took notes all the time. Then we made them up into lists [...] The value of the buildings emerged, as

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did that of their owners. We thus passed them on to the commission that was to impose Wealth Tax on real property [...] In fact, rather than true value, we evaluated people according to their external appearance. In our country, you can never tell who's got the money, or who's really pious! [In the course of administering the Wealth Tax], it was only possible to impose the tax based on a person's status. [Say] a man has a loan with the Ottoman Bank. [Similarly,] he has a loan with the İş Bank. Statements made about him that, "He is an open-handed man, he is generous" or considerations such as, "He helps the poor" came into play. For instance, if it was said about somebody that, "He helps the poor", we got an idea about the man's wealth in this way [...] Apart from this, no information was available to us. There was no inventory, either.³³

As this interview makes clear, the Finance Ministry bureaucracy in those days was only capable of taxing individuals based on extremely primitive considerations such as whether they made displays of wealth or had prestige. Those who concealed their wealth or led modest lifestyles were the fortunate ones in the assessment process. Due to the weak nature of the mechanisms available to the civil service for gathering information about society, the machinery for assessing the amount of Wealth Tax to be paid was based on "subjective" criteria.

In fact, the imposition of an "anti-minority" policy such as the Wealth Tax in a country such as Turkey in which an outdated bureaucracy held sway meant that Finance Ministry staff would base their decisions, as Max Weber was quoted saying above, on irrational feelings of love and hate, and would thus err in their calculations when taking bureaucratic decisions. It is not very easy to put "anti-minority," or at a higher level "racist," policies into practice. For in implementing such policies, the state structure must be very sound in technical terms, and a legal-rational bureaucracy, in the sense given to this by Max Weber, must be equipped with extremely detailed information about society.

The natural consequence of taxing conspicuous consumption: arbitrariness

The tax assessment process involved incredible degrees of arbitrariness, in spite of all the attempts to systematize it. The law itself was the source of arbitrariness at the first instance. The Wealth Tax law left the final decision as to who was to pay how much tax to the commissions. Moreover, the tax rate was not specified and recourse was denied at the outset to objections against decisions taken by the commissions.

As has been shown above, preparations were being made whereby people of different religious and ethnic origins would be taxed differently. This was the "unwritten" principle behind the law. This arbitrariness then took firm root as the bureaucracy, which had no information about society, attempted, as we have shown above, to gather information through individual efforts. Finally,

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basing taxation not on concrete wealth, but on conspicuous consumption and prestige, forced the door to arbitrariness wide open and an “anti-minority” measure was turned into a tragic-comic state policy. At this point all those affective and human frailties (love, hate, jealousy, revenge, comparing old records, etc.) that should have no place in the decision-making processes of modern bureaucracy as defined by Max Weber came into play. The following interview is a good example of the way a certain kind of lifestyle was punished with the imposing of a high level of Wealth Tax:

In the period in which the Wealth Tax was passed I was a young timber merchant who was only 31. The amount of tax imposed on me was 150,000 liras. Consider that a lorry load of timber in those days cost 25 liras, and even if I sold all of my assets I was not in a position to pay this amount [...] However, from what I learnt from a friend of mine who was on the assessment commission, the amount of tax imposed on me was actually twice this amount, and had been reduced thanks to my friend’s efforts. In other words, I had as many enemies as friends. For example, I was having an affair with Miss Cahide Sonku [a film star] ... I know that those who were jealous of me because of this relationship used the Wealth Tax as an opportunity to get their own back. However, I had plenty of romantic adventures of this kind. I had relations with Benli Belkis and her sister, but I am still unable to comprehend why it was Cahide Sonku that brought me to such prominence.³⁴

Here a young Armenian Parseh Gevrekyan, who had an affair with the famous film star, Cahide Sonku, was penalized on two levels: On the one hand, he was heavily penalized as a result of a mentality which deemed his extravagant and decadent lifestyle, conspicuous consumption and extravagance to be forbidden. On the other hand, it was as though the handsome Armenian who had “overstepped the mark” was being “pulled into line” with these actions.

A further dimension of arbitrariness that appeared as the Wealth Tax was implemented was political. Most of the members of “Commission No: 1” previously belonged to the Committee of Union and Progress (CUP) who ruled the country between 1908 and 1918. The CUP was also responsible for the deportation and massacre of the Ottoman Armenians.³⁵ Some of them were quite experienced in “anti-minority” policies ever since this period and their appointment to the commission was no coincidence. If we read between the lines, Faik Ökte makes reference to this state of affairs in his memoirs: “The former unionists quadrupled the tax on Mr. Asador [Güdükian] of Kadıköy to 400,000 liras on the grounds that he was the leader of the *Dashnakzutiun* (Armenian Revolutionary Federation, ARF).”³⁶

The form of arbitrariness that we most frequently encounter in the process of assessing the Wealth Tax involves that ubiquitous feature of bureaucratic life, cronyism. For instance, Governor Lütfi Kırdar’s tailor, İzzet Ünver, had

his tax reduced. These examples are related in detail in that definitive account of events, Faik Ökte's memoirs.

The conclusion that emerges from all of these examples is that the appearance, due to certain structural reasons which we have summarized above, of practices which we have referred to as "arbitrary" when the Wealth Tax was assessed, is hardly coincidental. Such arbitrary practices were molded in a sphere which was the product of certain social and political sensitivities, or else were determined by such phenomena. Let us now turn to the process by means of which the tax was collected in Istanbul.

The tax collection process in Istanbul

The functions assigned to the Istanbul press during the tax collection were not limited to "ideological affirmation" and "strengthening legitimacy." It undertook the task of providing information about the amounts of Wealth Tax deposited each day, making known which taxpayers had avoided paying the tax, and showcasing the positive effects of the tax, and systematically devoted leading articles and published news of this kind:

Only three or four days after the Wealth Tax was displayed in Istanbul, the price of a kilo of rice, which was previously sold at 200 kuruş, has fallen to 100 kuruş. The price of seedless grapes, which a week ago fetched a retail price of 100 kuruş, has fallen to 80 kuruş. The price of gold has fallen by two-thirds in two weeks. To see the beneficial effects of the Wealth Tax, it is sufficient to take account of the way the prices of goods, which were rising at a frenzied rate, have turned back in this way. This trend towards lower prices will not halt, it will continue from now on. Those who previously invested their money in goods and hid them in secret warehouses are, one by one, being brought into the open and forced to sell.³⁷

One or two weeks after the Wealth Tax lists were displayed, the attitude of the press began to harden further. The "anti-minority" attitude of the news reporting and leading articles that appeared to the press became more pronounced. In particular, during the process of levying distress and sending taxpayers to Aşkale, anti-minority sentiment reached its zenith. At the same time, a further dimension involving criticism of conspicuous consumption and extravagance began to show more clearly. In this respect, the column of Peyami Safa entitled "Turkey: Paradise for Minorities" tells a lot:

The life of Turkish minorities living in countries outside Turkey is hell; the life of minorities living in Turkey is heaven [...] For twenty years, the Republican government has made no distinction between minorities and the pure Turkish element. If there is a difference, it is in your favour: if you earn more, you live more comfortably. Minorities live in the best parts of Istanbul. The Anatolian shore of the Bosphorus is in ruins

accommodating the pure Turkish element, but the European shore is well kept and full of minorities. The Yachting Club and all the hotels on Prince's Islands, the Thermal Waters Resort in Yalova, the beach and club in Suadiye and the most luxurious quarters and apartment buildings in Istanbul are eighty percent occupied by minorities. You cannot see such levels of wealth and happiness in any other city in the world [.] It is once again you who create the difference between yourselves and us. In Turkey minorities differentiate themselves from us with their accents. For they did not wish to learn Turkish until they had to. Although there are Turkish lessons in minority schools, are there not still those who insist on not learning Turkish and in particular on not speaking Turkish in public places?³⁸

This is precisely what the Ankara government wished for. Once the final payment date for the Wealth Tax had passed, and the process of assembling the Aşkale convoys and collecting payment by means of levying distress had begun, the press began to play a much more discernable role. The Istanbul dailies provided coverage in full detail of the levying of distress and sales. Certain newspapers published lists of the items on sale at auction rooms “for the benefit of their readers.”

In the first days, the Istanbul press provided coverage down to the last striking detail of the distress levied and sales conducted at the homes of extraordinary taxpayers who, in one sense by way of protest against the wealth tax, had made very minimal amounts of payment. The reporting of heartbreaking instances of sale was presented as a “stern warning” for all other taxpayers who had delayed meeting their liabilities:

The sale commenced in the flat at 10.30 ... The flat was packed with people. The rooms were small. At least 100–150 people had squeezed into this dollhouse. Nobody could see further than the back of the man or woman standing in front of them; it was as though the auctioneers voice was emanating from a distant, invisible place as though it was coming from the pit of Hell. Climbing with their muddy shoes onto soft armchairs and sofas, *Maroccan* leather chairs and lacquered tables, clambering onto one another's shoulders in an effort to see the goods on sale were people gripped with a frenzy to get something at a knock-down price [...] Among the goods for sale were a complete dining room, a bedroom, two living rooms, a library and rest room and all of the furniture in these rooms. Family albums passed from hand to hand, pictures were examined in detail, valuable and stylish items were examined individually, and antiques, *objets d'art* and oil paintings were admired.³⁹

Later, as it became apparent that there was a large amount of property to be sold, in addition to the auction hall in the Covered Bazaar run by the municipality, temporary auction rooms were put into service in three different

neighborhoods of Istanbul. Since initially office and domestic furnishings of the “taxpayers with evil intent,” to use the terminology of the day, were put up for sale, there were very few buyers. It emerged that this property, which only possessed value under the logic of conspicuous consumption, did not particularly strike a chord with the Istanbul middle class, and those tradesmen who were engaged in supplying them. The class of people who would potentially have shown an interest in such goods was in any case trying to find a way to pay their Wealth Tax. On the other hand, those who thronged into Istanbul from Anatolia in the hope of getting goods at knocked-down prices were left wondering how they would transport the goods they had hoped to purchase on the State Railway.

Speeding up collection with the “Aşkale threat”

One of the most interesting features of the collection of the Wealth Tax was the way that, especially in the case of extraordinary taxpayers, the threat of “being sent to Aşkale” was constantly held up in front of them. In a by-law that was promulgated on January 12, 1943, before the statutory deadline for paying the Wealth Tax had expired, the principles concerning the “Labor Taxpayers” were laid down in the Official Gazette.⁴⁰ Accordingly, taxpayers would be sent to work locations in the following order:

- 1 First and foremost, those who had failed to make any payment whatsoever in respect of their Wealth Tax liabilities.
- 2 Later, those who, having paid a portion of their tax, had concealed property over which distress might be levied.
- 3 Then, those who had not concealed property and had displayed good faith in the matter of meeting their liabilities.

The aim behind the by-law was essentially to force taxpayers into displaying good will in the matter of payment and to reduce the number of protestors.

Once the deadline for paying the Wealth Tax expired on the evening of January 20, 1943, the time had come to round up those taxpayers who were to be sent to the Aşkale Labor Camp. This process was operated as follows: Initially the Directorate of Finance provided the Governor’s Office with lists of taxpayers who required to be sent to Aşkale, following which the Istanbul Governor used the police to collect taxpayers from their homes and take them to the warehouse in the district known as Demirkapı that in those days adjoined Sirkeci Railway Station, where they were to await their transfer date.

When we consider that those who were to be sent to Aşkale were transported “in third class carriages attached to the Erzurum train” which departed from Haydarpaşa Station, the Istanbul press at the time had great difficulty in comprehending why those taxpayers who were classified as having “evil intent” were held at Sirkeci, the station from which trains to Europe such as the *Orient Express* departed. In principle, it would have made more sense to hold

them on the Asian shore. In fact, the first thirty-two extraordinary taxpayers who were in the initial convoy that went to Aşkale on January 27, 1943 were taken from their homes on January 23, 1943 and accommodated for five days in a guest house on the Asian side. Certain taxpayers met their liabilities while awaiting transportation and thus avoided going to Aşkale. Meanwhile, critical articles began to appear in the press with headlines of the kind: "Why are they being treated so well?" The administration, allegedly in response to this reaction on the part of public opinion, abandoned the policy of using relatively comfortable guest houses as detention centers, and instead acquired the ex-warehouse building in Sirkeci-Demirkapı which it used to hold those awaiting transportation.⁴¹

On February 12, 1943, the date on which the second thirty-eight-person convoy set out for Aşkale, Colonel Binns of the British Embassy went to Sirkeci-Demirkapı to visit the British Embassy's lawyer Eskinazi, and conveyed his impressions in a report to the British Ambassador Sir H. Knatchbull-Hugessen. Colonel Binns's report is important in that it furnishes us with a description of the detention centre at Sirkeci-Demirkapı:

This morning I visited the barn at Demirkapı where some 40 merchants, lawyers and others have been imprisoned for the last 10 days and are being dispatched this evening to Aşkale and join the 32 already there. The room in which they are imprisoned, guarded by the police, is some 15 yards length by yards in width. Some 6 feet above the floor and running round two sides of the barn there is a platform some 6 feet in width. The deportees had laid out the bedding etc. brought by themselves (no mattresses) the whole length of this platform as well as round the two sides of the room below the platform. There is not a stick of furniture of any kind with the exception of one stove. The room was full of weeping men, women and children who had come to say goodbye and to bring the deportees odd parcels of food and clothing. A most depressing and wretched picture [.] I had gone to see our lawyer, Mr. Eskinazi, aged about 55. He told me that when arrested he had 11 liras with him. 10 were taken by the police and he was left with one lira.⁴²

The sole aim behind holding debtors who were awaiting transportation to Aşkale under harsh conditions was to speed up collection. For, in having debtors removed from their homes by the police and taken to Sirkeci, the Ministry of Finance bureaucracy drove home to taxpayers that this was a serious business.

In those days Sirkeci was at the very heart of Istanbul's commercial centre. The friends of the indebted taxpayers were most probably the owners of shops and workplaces that were within ten or fifteen minutes walking distance from Sirkeci. They could visit their friends during the lunch breaks. The indebted taxpayers were thus placed in the Demirkapı warehouse, not solely with the aim of scaring them into parting with their last hidden cache of money, but simultaneously to speed up collection more generally by providing those other

debtors who had not yet been placed in the camp with a “stern warning.” The Istanbul press provided detailed coverage of the names, amounts of unpaid tax and the amounts paid up until that date of those taxpayers who were held at Sirkeci and, if necessary, sent to Aşkale.

Sales of real property in connection with the Wealth Tax

In order to meet their Wealth Tax liabilities, taxpayers, initially made recourse to liquid funds at their disposal, and then sold the moveable property in their homes and businesses so as to convert these into cash. As of 21 January 1943, the date on which house sales and transportation to Aşkale commenced, we have observed through an examination of the daily entry ledgers in which day-to-day transactions were recorded in that period at the Beyoğlu-Şişli, Eminönü, Fatih, Kadıköy and Adalar Land Registry Offices that sales of real property increased throughout Istanbul, and particularly there was an increase in the number of sales of homes, businesses, apartment buildings, plots and office blocks owned by non-Muslims.⁴³

The information that we will present in this section were collected by the writer and involved recording *all sales of real property* conducted at the Beyoğlu-Şişli, Eminönü, Fatih, Kadıköy and Adalar Land Registry Offices between December 28, 1942 and June 30, 1943, and then processing these into tables with the aid of a computer. Sales of real property in those months, in which collection continued at full speed, will shed light on the nature of the transfer of wealth that took place through the implementation of the Wealth Tax.

A consideration that facilitated the conducting of this study, in that it enabled us to determine which particular sales were directly related to the Wealth Tax, was the existence of a restriction that was put in place by Article 14 of the Wealth Tax Law. The final paragraph of Article 14 of the law reads as follows: “In the case of real property sales, land registry offices shall not perform registration unless certification is made by the relevant tax revenue office that it has no connection with Wealth Tax liabilities. Such registration as may be performed shall be null and void.” We have stated at the beginning of this chapter, when describing the assessment process, that the Finance Ministry bureaucracy had access to little information about taxpayers’ wealth and that certain Finance Ministry inspectors took it upon themselves to roam the streets in an effort to impose tax on the owners of real property. The lawmakers, aware of this situation, provided for the voiding of all transactions that might be conducted unless those wishing to sell their real property obtained a “clean bill of health” from a branch of the Ministry of Finance. This condition thus applied to all sales and title deed registration transactions that were conducted in this period.

Those property sales that were conducted with the aim of meeting Wealth Tax liabilities took place under the supervision of the Directorate of Finance. In such cases, the buyer and seller accompanied by the Director of Land Registry or an officer whom he had appointed for this purpose conducted the

sales transaction at the relevant Finance Office branch, and consequently the proceeds of the sale were “instantly seized” and used to meet tax liabilities. In certain cases, the buyer initially went and paid the Wealth Tax of the person from whom he was going to buy the property and presented the tax receipt to the seller in place of cash and had the real property registered to his name.⁴⁴ All of this information is to be found in the individual real property files at Land Registry Offices.

In the first six months of 1943, 2742 sales transactions were conducted in the six boroughs of Istanbul. A mere 16 percent of these were sales that were directly connected with the Wealth Tax. However, if we look at the amount of the real property stock that was sold in connection with the Wealth Tax, this proportion rises to 48.5 percent. Thus the real property that was disposed of in order to pay the Wealth Tax was of greater value than the remaining property. Indeed, as Table 9.3 makes clear, while the average amount of sales transactions conducted in direct connection with the Wealth Tax was 25,177 lira, the average price of real property which changed hands in other sales was 5,101 lira. Moreover, it is stated in Director of Finance Faik Ökte’s memoirs that in the course of collecting the tax in Istanbul 883 units of real property were put up for sale by auction, netting a total of TL 2,695,999.⁴⁵ The average proceeds from forced sales conducted by means of auction by the Finance Ministry bureaucracy was TL 3,053. It will be noted that the amount obtained in sales by auction of distrained property by the Finance Ministry bureaucracy was extremely low: the real property thus sold for the most part went at “bargain basin” prices.

We have stated above that, in the course of our investigations conducted in the Land Registry Office Archives, we recorded all sales that were conducted between December 28, 1942 and June 30, 1943. Similarly, to the extent that this was possible, we assigned the forenames and surnames of the parties who sold real property to pay the Wealth Tax to groups. We assigned those non-Muslims whose religious and ethnic origins could not be determined from their names and those groups which had little significance in numerical terms

Table 9.3 Sales in connection with wealth tax in six sub-provinces of Istanbul

	<i>Number of sales transactions conducted</i>	<i>Proportion of total sales</i>	<i>Total amount of real property sold (TL)</i>	<i>Proportion of total amount of real property sold</i>	<i>Average amount of real property sold (TL)</i>
Sales directly connected to the Wealth Tax	440	16%	11,077,949	48.5%	25,177
Other sales	2302	84%	11,744,632	51.5%	5,101
TOTAL	2742	100%	22,822,581	100%	8,323

Source: Beyoğlu-Şişli, Eminönü, Fatih, Kadıköy and Adalar Land Registry Office Archives

Table 9.4 Persons selling real property to pay wealth tax

	<i>Total amount of real property sold (TL)</i>	<i>Proportion of total sales</i>	<i>Number of units of real property sold</i>	<i>Average amount per unit of real property</i>
Jews	4,404,820	39%	151	29,170
Armenians	3,275,747	28%	211	15,523
Greeks	1,370,440	12%	124	11,051
Minority Companies	1,110,375	10%	4	—
Foreigners	605,700	5%	27	22,433
N and M partnerships	189,500	2%	2	94,750
Other minorities – Bulgarian, Russian etc.	37,700	0.3%	7	5,385
Muslims	92,642	0.8%	10	9,264
Companies with Muslim partners	1,025	0.1%	1	1,025
TOTAL	11,077,949	100%	543	20,401

Source: Beyoğlu-Şişli, Eminönü, Fatih, Kadıköy and Adalar Land Registry Office Archives

to the category of “other.” Since it was impossible to identify members of the convert group from their names, we can only assume that such persons are included along with the “Muslims.” The distribution by group of persons selling real property with the aim of paying Wealth Tax is shown in Table 9.4.

An examination in terms of groups of persons selling real property to pay Wealth Tax reveals that the most valuable real estate was sold by the Jewish community. This is followed by the Armenians and Greeks. Moreover, we were unable adequately to calculate the average value in this table with respect to minority companies. This is because one particular sale comprised a complex containing buildings which occupied an important place on Istanbul’s cultural and social map and that are still to be found in Beyoğlu today such as the Emek, Rüya and Ipek cinemas, the *Cercle D’Orient* and Baylan Patisserie which changed hands as a single item in order to pay Wealth Tax. We should state that, similarly, certain items of real property such as large office blocks, stores and apartment buildings located in Istanbul’s central business district (Eminönü, Sirkeci, Karaköy, Beyoğlu) were disposed of in order to pay the tax.

Table 9.5 shows the identity of the buyers of the 543 items of real property that changed hands in 440 sales transactions whose sellers are shown in Table 9.4.

As is evident from the Table 9.5, 67.7 percent of those items of real property that were sold to pay Wealth Tax were bought by the Muslim–Turkish group. We can say that this property, whose average value was 16,521 lira, constituted the most valuable real estates in Istanbul in those days. A small portion of the real estate sold (2.3 percent in terms of value) were bought by minority groups. For the most part, these were people who, having sold an expensive

Table 9.5 Groups buying real property

<i>Groups buying real property</i>				
	<i>Total amount of real property bought (TL)</i>	<i>Proportion of total purchases</i>	<i>Number of units of real property bought</i>	<i>Average amount per unit of real property</i>
Muslim Turks	7,434,593	67,1%	450	16,521
Muslim Turks' companies	65,500	0,6%	2	32,750
Intermediate Total		67,7%		
Public Economic Enterprises, National Banks and National Insurance Companies	1,693,584	15,3%	23	73,634
Istanbul Municipality and the General Directorate of Foundations	1,624,530	14,7%	11	147,684
Intermediate Total		30%		
Armenians	109,867	1%	24	4,577
Greeks	82,900	0,7%	20	4,145
Jews and other Non-Muslims	66,975	0,6%	13	5,151
Total	11,077,949	100%	543	20,401

Source: Beyoğlu-Şişli, Eminönü, Fatih, Kadıköy and Adalar Land Registry Office Archives

building and paid their tax, bought a new property with any remaining funds they may have had.

The most striking conclusion that can be made from Table 9.5 is that official and semi-official entities such as public economic enterprises (*Sümerbank*, Agricultural Products Office, Turkish sugar factories), national banks (*İş Bankası*), national insurance companies (*Umum Sigorta*, *Milli Reasürans*), Istanbul Municipality and the General Directorate of Pious Foundations (*Vakıflar*) purchased the most valuable real estates that were put up for sale due to the Wealth Tax. The acquisition of 30 percent, in terms of value, of this property by state-controlled bodies is a further important dimension to the transfer of wealth that took place under the Wealth Tax. Most of the buildings purchased were buildings that as architectural vehicles for the outward expression of splendor were the counterparts to today's skyscrapers/plazas.

The way in which these sales were reported in the Istanbul press was also very interesting in that it reflected the ethnic nationalistic ethos of the day. For example, the building owned by Vahram Gesaryan, who was the owner of a number of concerns, most notably the His Master's Voice record company, and acted as the representative of certain foreign companies such as AEG, was bought by Sümerbank. This event was reported as follows in the *Cumhuriyet* newspaper:

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We were happy to announce that the “His Master’s Voice” (HMV) building in Beyoğlu was bought by *Sümerbank* and placed at the disposal of the Beyoğlu branch of the Local Goods Markets. In this way, a further fine building has been *nationalized* (!)⁴⁶

Clearly, the word “nationalize” is not used here in its conventional sense. Even within the context of this brief news report, the most critical aspect of the Kemalist nationalist mindset comes to the fore. What is meant by the word “nationalization” which is emphasized in the report is the “Turkification” of the building in that ownership has passed to one of “us.” As we have briefly stated at the beginning of this chapter, the acquisition by “state institutions” of buildings owned by minorities, who by definition were excluded from the category deemed to be the essential constituent of the country and perceived to be “non-national elements,” was conveyed to readers in a vengeful manner. This sensitivity, which made itself felt in the case of a single building involved in the Wealth Tax, went as far as fuelling a proposal for the total “Turkification” of Beyoğlu, which had a large concentration of minority and foreign residents and was an area in which displays of conspicuous consumption and extravagance took place.⁴⁷

In lieu of a conclusion

At the beginning of this chapter we stated that we would consider the application of the Wealth Tax to be an example of the axis of tension that existed between the national state and non-Muslim minorities during the single-party period, and to attempt to throw light on certain less well-known dimensions of Kemalist nationalism. Within the process that began with the “Turkification” policies practiced in the first years of the Republic, the application of the Wealth Tax constitutes a veritable “breaking point.”

1 In the first place, I wish to consider this “breaking point” in terms of the emotional impact it had on those involved. In the course of this study I conducted face-to-face interviews with persons who were either taxpayers when the Wealth Tax was introduced or their first-degree relatives. If never expressly couched in these terms, the implementing of the Wealth Tax had a negative impact on the process of integrating members of non-Muslim minorities into society. The advent of the Wealth Tax finally shattered the conviction of those who thought that those anti-minority policies (appointments to the civil service, etc.) that had come into effect would sooner or later be lifted.

Those members of non-Muslim minorities who consented to this state of affairs continued to live in Turkey, while those who were unhappy migrated to European countries, Israel or America. In particular, following the founding of the State of Israel, about 30,000 members of the Jewish community

migrated to Israel within the space of two years (1948–9). Most of those emigrating were poor workers and craftsmen.

It is necessary to note at this point that it was not only Jews who emigrated from Turkey. If we compare the data concerning religious affiliation from censuses conducted between 1927 and 1965, we are struck by the significant degree of erosion among all non-Muslim minorities.

The downward trend that is evident in Table 9.6 between 1927 and 1965 continued in the following years, and as a consequence of the September 6–7, 1955 pogroms against non-Muslim minorities and the deportation of Istanbul Greeks in 1964 in relation to the Cyprus crisis, Turkey finally attained the status of a country whose population is, as we have of late so often been told, “99 percent Muslim and Turkish.” As a consequence of these changes to the religious make-up of society, which, while possibly minor in numerical terms, were very important from a cultural point of view, the “non-Muslim” minorities, which the Republican administration had inherited from the Ottoman Empire and who had indirectly left their mark on a number of decisions taken by the central authority in the first years of the Republic, had effectively been eliminated.

The atmosphere of “uncertainty” created by the introduction of the Wealth Tax had an impact on decisions to migrate. It constituted one of the main factors behind what, on a personal level, was an extremely radical decision by members of minorities to migrate to another country. If we consider that forms of behavior such as tolerance, peaceful coexistence and accepting difference, which are currently the subject of much debate in Turkey, and are mainly acquired through the socialization process, can only be learnt by co-existing with minorities, it is possible to reach the conclusion that the Wealth Tax was “unfortunate” in that it led to the elimination of minorities. Particularly when we examine this question from the angle of Istanbul, the introduction of the Wealth Tax more than anything else contributed to the disappearance of the city’s “multi-religious and multi-cultural” texture.

Table 9.6 Distribution of the non-Muslim population of Turkey

<i>Religious groups</i>	<i>1927</i>	<i>1935</i>	<i>1945</i>	<i>1955</i>	<i>1965</i>
Muslims	13,269,936	15,838,763	18,497,801	22,804,048	31,129,854
Catholics	39,511	32,155	21,950	21,784	25,833
Orthodox	109,905	61,046	103,839	86,655	73,725
Protestants	6,658	8,486	5,213	8,952	22,983
Armenians	77,433	45,765	60,260	60,071	69,526
Jews	81,672	78,730	76,965	45,995	38,267
Other Christians	24,307	4,725	10,782	31,405	14,758
Total non-Muslims	339,486	309,140	279,009	254,862	245,092
% of non-Muslims	2,50	1,43	1,48	1,06	1,02

Source: State Statistical Institute, Statistical Yearbooks

- 2 Second, I briefly wish to dwell on the point often mooted in connection with the introduction of the Wealth Tax; that is the entry of Muslim–Turkish merchants into the market. It can be no exaggeration to say that the Wealth Tax significantly weeded out the number of non-Muslims from among the ranks of the Istanbul bourgeoisie, which they had dominated, and those who managed to retain a foothold in the market in spite of this decimation were no longer able to flourish as before. There were no longer any large businessmen with roots in ethnic minorities in the single-party period. In fact, the large non-Muslim businesses currently in existence were rather companies that were set up and grown by young people who entered the markets after 1950. The Wealth Tax destroyed the chain of continuity.

Research conducted by Clark among industrialists in the textile sector demonstrates that tension created by the Wealth Tax lay behind the reluctance shown by non-Muslim merchants after 1950 to move from commerce to manufacturing.⁴⁸ Some of the people we spoke to have stated that in the wake of the Wealth Tax they became reluctant even to entertain the idea of home ownership, preferring to live in rented accommodation, to say nothing of taking major decisions such as investing in manufacturing industry.

The retired finance inspectors whom I interviewed in the course of this study generally referred to the positive effects of the tax, and stated that it was only after 1943 and thanks to the Wealth Tax that Muslim entrepreneurs started to appear on the market. However, when I asked them to give me examples by stating the names of a few such people, they were unable to give more than one or two examples. In fact, these Finance Ministry officials remained in their posts after the tax had been implemented and, if only at the level of inspection, stayed in touch with developments in the business world. Surely if the claims advanced by those who drew up and presented the Wealth Tax and those who mobilized the Finance Ministry bureaucracy to this end had been realized, these retired Finance Ministry officials should have been able to quote quite a few names.

The arrival in Istanbul of large and medium-sized landowners, who had become rich as a result of the shortages created by the war economy, is the topic for a separate piece of research. If nothing else, we can observe a change in the group whose proclivity toward conspicuous consumption was made the target of satire in comics, with minorities cast in this role until 1943, after which their place was taken “in purely visual terms” by *nouveau riche* “village pumpkins,” whose bad manners and habit of being duped by alluring Istanbul women were made the butt of jokes.⁴⁹ To claim that the Wealth Tax first began to bear fruit after the influx into Istanbul of people from Anatolia with entrepreneurial know-how who took the place that had been relinquished by the minorities is tantamount to equating the social category we refer to as “entrepreneurs” with people who possess ready cash only. An entrepreneur is not merely somebody who has cash in his or her pocket; he or she is at the same time a person possessing knowledge and skills. It is thus

wrong to imagine that the vacuum created by the introduction of the Wealth Tax could have been filled immediately.

- 3 Finally, I wish to state that for the researcher, to concern himself with a topic such as the Wealth Tax that carries such a “heavy emotional load” for those who experienced it made this task twice as difficult. In the case of both taxpayers and Finance Ministry officials, I was questioning them about a period of their life that they would prefer not to remember. Of all the interviews I conducted, one of them in particular moved me a great deal. An anecdote related by Finance Inspector, Mr. Burhan Ulutan, who was involved in implementing the Wealth Tax, in my opinion very nicely sums up what the Wealth Tax was about. I wish to conclude this article with Mr. Ulutan’s recollection:

At the time of the Wealth Tax I used to live in Osmanbey, Istanbul. And I used to go home for lunch. There was a tram stop at the place where there is now an entrance to Gülhane Park [Imperial Gardens of Topkapı Palace]. I used to get on the tram there. One day, on the way home, a hand tapped at my shoulder. And I just turned and saw that it was our Professor of Finance, Ibrahim Fazıl Pelin [from Istanbul University]. He leaned over and said:

—“So much for all my efforts!”
And I said, “I beg your pardon, sir.”

He continued:

—“Come now, you have forgotten everything I taught you [in the university]. Your dull wits were unable to absorb it. Have you forgotten those four rules of Adam Smith on taxation?”

—“Yes, sir. You taught them all to us. I know them and repeat them. But, sir, you taught us something else. I will also remind you of it.”

When I said this, he stopped. [I continued]:

—“You also taught us about the capitulations. You taught us how the capitulations crushed the Turkish people. You also taught us the trickery that was employed.” Having said this, I asked, “Is that not so?” And I went on:

—“Very well, we have now got rid of the capitulations [in 1923]. All fine and well, but [imagine that] there are two contestants. One of them has all resources at his disposal and dominates all of the country’s economic life. And the Turks are still in a wretched [position]. In any case, they were [previously] villagers, they are weak and poor. They are still poor, still downtrodden, and it is still they [in other words, the minorities] who are ahead. Isn’t it necessary to correct this? In other words, isn’t it necessary to eliminate the harm done by the capitulations and the results of the wrongs that they have

caused? In the interests of making up for lost ground and putting them on the same level.”

—“Yes”, he said.

Then we spoke about this matter. He was unable to provide me with many answers on this matter. He was a very good, a very honourable person. But he said the following to me:

—“You speak very fine words, you are right and correct, but ... You know, there is a saying. You know, one of those very fine Ottoman sayings: *It goes ‘You cannot achieve perfection with evil instruments!’* That’s another consideration. What about that?”⁵⁰

Notes

- 1 The play *Sir Thomas More*, one of whose authors was Shakespeare, is about a rebellion that broke out in London in 1517. London’s tradesmen and artisans staged a rebellion in support of their demand for the deportation of foreign artisans. Shakespeare penned the section devoted to the role played by Sir Thomas Moore, the author of *Utopia*, in calming the rebellion.
- 2 C. Koçak, *Türkiye’de milli şef dönemi, 1938–1945* (Istanbul: İletişim Yayınları, 1996), pp. 229–341.
- 3 F. Ökte, *Varlık vergisi faciası* (Istanbul: Nebioğlu Yayınları, 1951), pp. 31–2. For the English edition of this memoir, see F. Ökte, *Tragedy of the Turkish Capital Tax*, trans. Geoffrey Cox (London: Croom Helm, 1987).
- 4 Ç. Keyder, *State and Class in Turkey: A Study in Capitalist Development* (London: Verso, 1987), pp. 91–115.
- 5 For an article scrutinizing relations between the state and non-Muslim minorities in the single-party period, see A. Aktar, “‘Turkification’ Policies in the Early Republican Era,” in Catharina Duft (ed.), *Turkish Literature and Cultural Memory* (Wiesbaden: Harrassowitz Verlag, 2009), pp. 29–62. On the making of Turkish nationalism, see also A. Aktar, “Economic Nationalism in Turkey: The Formative Years, 1912–1925,” *Boğaziçi Journal, Review of Social and Administrative Studies* 10(1–2) (1996), pp. 263–90.
- 6 Ahmet Emin Yalman in his leading column in the May 29, 1942 edition of the *Vatan* newspaper, having established that, “there is in general terms certainly a lower degree of attachment to the motherland among minorities,” sketched the first outlines of the Wealth Tax Law: “If it were up to me, especially in the large cities, extraordinary committees should be established with the aim of imposing this tax on a one-off basis and leading bankers, leading members of chambers of commerce and honest people capable of representing every sphere of commerce should serve the motherland on these committees. They should be guided in their work, along with ledgers and so forth, by certain comparisons and conjectures, and they should create the circumstances under which the real profiteers are forced to pay their debt to the motherland. In any case, since the real profiteers number in hundreds, solutions can be found.”
- 7 Some examples of headlines accompanying such news: “Two Jewish Children Stole Rosette Money Collected for the Air Foundation,” *Cumhuriyet* (August 31, 1942). “A Jewish Contractor cheated the Turkish Treasury Thousands of Lira,” *Tasvir-i Efkâr* (September 1, 1942) and “Two Jewish Hoarders Apprehended,” *Tasvir-i Efkâr* (September 9, 1942).
- 8 According to Mallet, who has analyzed the content of cartoons involving Jews appearing in the *Karikatür* comic between 1936 and 1948 and the frequency with

which they appeared, the number of such cartoons published in this comic in the months of April–September 1942 represented the highest levels reached during the period 1936–48. See L. Mallet, “Karikatür dergisinde yahudilerle ilgili karikatürler, 1936–1948,” *Toplumsal Tarih* 34 (1996), p. 30.

- 9 Ökte, *Varlık vergisi*, p. 47.
- 10 Faik Ökte described the classification of taxpayers in his memoirs as follows: “The tables were divided into two with the labels **M** and **G**. **M** was the Muslim group, and **G** represented the non-Muslim minorities. To these letters were later added **D** for converts and **E** for foreigners” (ibid., p. 48).
- 11 Ibid., p. 50.
- 12 An interview conducted on April 17, 1992 with late Ambassador, Fuat Bayramoğlu, who served as Prime Minister Saracoğlu’s Private Secretary 1943–5. The actual research on Turkish Wealth Tax was conducted 1991–95. In this manner, many of the retired tax inspectors and statesmen were interviewed. The first article on this topic was published in 1996. See A. Aktar, “Varlık vergisi ve İstanbul,” *Toplum ve Bilim* 71 (Kış 1996).
- 13 *Ayın Tarihi* 108; Kasım 1942, p. 23.
- 14 Ibid., p. 41.
- 15 F. A. Barutçu, *Siyasal anılar* (İstanbul: Milliyet Yayınları, 1977), p. 263.
- 16 *Resmî Gazete*, no. 5255, 12 Teşrinisani [November] 1942.
- 17 Sulzberger’s article dated September 12, 1943 refers to the unsigned leading article in the *Cumhuriyet* daily dated January 22, 1943. The latter contains excerpts of an interview given by Prime Minister Şükrü Saracoğlu that was printed in the *Times* on January 16, 1942. The Prime Minister said the following:

Various things have been said about the Wealth Tax which has been introduced by the Turkish government to meet urgent financial and economic needs [.] Under these circumstances, it has proved necessary to introduce this law. It is necessary to accept that certain aspects of this law are harsh. At the same time, leniency will be exercised towards those who demonstrate their good faith and civic virtue, and material errors will be corrected. In the case of people who have shirked their duties at this critical hour even though they *have become rich on the back of the hospitality* shown by this country, this law will be applied with all its force. Certain people have apparently still inadequately comprehended the enormous changes that have occurred in Turkey and the world in the past twenty-five years. However, let me state that the majority of these are not persons of foreign nationality, but *certain individuals who are nominally Turkish and whom we have inherited from the Ottoman Empire and have as yet been unable to eliminate.*

After broad coverage of this interview had been given in the leading article of the *Cumhuriyet* daily, the following comment was made: “There remain two things to be done with those who refrain from spending a portion of the wealth they have earned in Turkey in the interests of defending the Turkish homeland: [if they are] our subjects they will roll up their sleeves and wield a pickaxe, *if they are foreign they will depart from this land!*” [italic are mine.]

- 18 Records of the Department of State relating to the Internal Affairs of Turkey, 1930–44, From Wallace Murray in Washington to US Embassy Undersecretary Robert F. Kelley in Ankara, dated October 8, 1943, 867.512/245.
- 19 *Tan* (December 7, 1943).
- 20 *Resmî Gazete*, no. 5657, March 17, 1944.
- 21 Interview conducted with Mr. İzzet Hatem on August 23, 1991.
- 22 For a detailed analysis of Turkish corporatism, see T. Parla, *The Social and Political Thought of Ziya Gökalp, 1876–1924* (Leiden: E. J. Brill, 1985).
- 23 Ökte, *Varlık vergisi*, p. 74.

- 24 Ibid., p. 75.
- 25 “Abdullah Efendi lokantast” used to be the finest restaurant in Istanbul until the 1960s.
- 26 C. Filmer, *Hatıralar* (Istanbul: 1984), p. 169.
- 27 Ibid., p. 162.
- 28 M. Heper, *Türk kamu bürokrasisinde gelenekçilik ve modernleşme* (Istanbul: Boğaziçi Üniversitesi Yayınları, 1977), p. 99.
- 29 Drawing on sacked diplomat Galip Kemal Söylemezoğlu’s memoirs, Metin Heper describes this process as follows: “In the first years of the Republic, an attempt was made to purge the lower levels of the bureaucracy based on political criteria. A law was issued on October 1, 1922. This law eliminated the administrative staff in its entirety and authorized each ministry to create a new bureaucratic staff from among the redundant civil servants. Various purge commissions appeared in the wake of this law” (Heper, *Türk kamu bürokrasisinde*, p. 104). A purge took place using similar methods between 1932 and 1934 in the course of transforming the “Darülfünun”—the only existing university inherited from the Ottoman regime—into Istanbul University, as a result of which 157 of 240 academic staff members lost their positions.
- 30 M. Weber, *Economy and Society*, vol. 2 (Berkeley, CA: University of California Press, 1978), p. 975.
- 31 British National Archives (BNA), FO 371/33375, Letter from Military Attaché, Ankara, to War Office (March 12, 1942). R 2467/1941/G.
- 32 BNA, FO 371/33375, From British Ambassador Sir H. Knatchbull-Hugessen in Ankara to Mr. A. Eden, Foreign Secretary in London (August 14, 1942). R 5552/810/44.
- 33 Interview conducted with Ministry of Finance Inspector, the late Mr. Barık Uluğ on July 16, 1993.
- 34 An interview conducted by Rıdvan Akar with the late Parseh Gevrekyan. See, R. Akar, *Varlık vergisi: tek parti rejiminde azınlık karşıtı politika örneği* (Istanbul: Belge yayınları, 1992), pp. 106–7.
- 35 T. Akçam, *A Shameful Act: Armenian Genocide and the Question of Turkish Responsibility* (New York: Metropolitan Books, 2006).
- 36 Ökte, *Varlık vergisi*, p. 99.
- 37 Asum Us’s column, *Vakit* (December 23, 1942).
- 38 *Tasvir-i Efkar* (December 29, 1942).
- 39 *Tan* (February 5, 1943).
- 40 “Regulations concerning the application of Articles 12 and 13 of the Wealth Tax Law number 4305 containing provisions with reference to the requirement to work” (*Resmi Gazete*, no. 5302, January 12, 1943).
- 41 The logic behind this objection is explained in *Tasvir-i Efkar* dated January 27, 1943 as follows:

A few days ago, we complained about the comforts provided at the Moda Palas and Apergis guest houses and the extreme politeness displayed towards those harbourers of evil intent who have failed to pay the Wealth Tax. Having witnessed the way some of them conjure up large sums of money within an hour and thus avoid transportation, we once again pointed out that there is no point in behaving politely towards such harbourers of ill intent. Just as our soldiers who are summoned to the defence of the motherland are not assembled in guest houses and hotels, are not transported first class, we should similarly arrange for the transport of Wealth Tax taxpayers, whom we have summoned to perform a compulsory service in the interests of constructing the country, in tent camps in the courtyards of mosques and standard carriages. If nothing else, it is right that the harbourer of ill intent atones for the inequality in terms of the good things in life that he acquires for himself by sharing equally in any discomfort that is to be borne.

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- 42 Colonel Binns's report that was submitted as an attachment to the correspondence, BNA, FO 371, 37402, no. R2416/7/44 sent by the British Ambassador to Ankara Sir Knatchbull-Hugessen to the British Foreign Minister Anthony Eden (March 5, 1943). Although Colonel Binns's report is undated, it was most probably written on February 12, 1943, the date on which the second convoy departed.
- 43 This archive research was possible with a special permission granted to the scholar. In obtaining this permission, Prof. Ömer Faruk Batrel, a professor of finance who was the Rector of Marmara University in early 1990s did his best to solve bureaucratic difficulties. I would like to express my gratitude to him. However, ten years later, a young MA student from Mersin University applied to the authorities replicate the similar research in Mersin. His application was refused without even consideration. I believe my publications on the Wealth Tax in 1996 must have created an unpleasant attitude among the bureaucrats. This feeling must have led them to stop all further applications in relation to academic research by utilizing the Turkish Land Registry Archives.
- 44 For example, the sale conducted at Eminönü Land Registry Office on June 25, 1943 and recorded in the Daily Entry Ledger under number 2578: "Illias [Elias] sold a ¼ share in the real property to Mehmet Nuri Topbaş, son of Ahmet, and the amount of the purchase was deposited against receipt number ... dated 25/6/1943 with Hocapaşa Payment branch to be set off against Wealth Tax."
- 45 Ökte, *Varlık Vergisi*, p. 233.
- 46 *Cumhuriyet* (February 23, 1943).
- 47 The series entitled "How the Beyoğlu gang strangles Turkish entrepreneurs" by Feridun Kandemir, which was published in *Tasvir-i Efkar* dated March 8, 1943, describes the struggle between the "oppressed Muslim entrepreneur," without whom there can be no "Turkification" policies, and the "minority merchant who stands by those of his own kind." The article goes as follows: "Picture Beyoğlu before the Republic. Were you able to encounter even a single pure Turkish establishment, store or shop? In this street which every other day was turned into a street in a foreign country as, to mark some festival or feast of those other than us, it was decked out from top to bottom in a riot of alien flags, for example a famous Turk of many years standing such as Hacı Bekir [Turkish delight], even should he wish and attempt to do so, could find no place, and would not be permitted to do so."
- 48 E. C. Clark, "Türk varlık vergisine yeniden bakış," *Yapıt* 8 (1984/85), p. 41.
- 49 The famous cartoonist Ramiz Gökçe had the following to say in the preface to his collection of cartoons named the *Nouveau Riche Bumpkin Album* which appeared in June 1946:

Dear Reader, the nouveau riche country bumpkins, who resembled astonished quails which had been blown into our city by powerful storms, rather than goldfinches, storks and swallows which arrive in flocks and, having multiplied, return to their own habitats, became the prey above all of we cartoonists. But we, unlike restaurants, bars and nightclubs, did not fleece them, nor did we place them in cages like the opportunists. Our sole transgression was, in the manner of natural historians, to observe and report the lifestyles of these inexperienced tourists.

(R. Gökçe, *Hacı ağalar albümü* (İstanbul: Pulhan Matbaası, 1946))

- 50 Interview conducted on August 2, 1992 with the late Burhan Ulutan.