

Revisiting the Turkification of Confiscated Armenian Assets

Posted by [Raffi Bedrosyan](#) on April 17, 2012 in

If one person murders another, then takes over that murdered person's property and possessions, he would be living off the proceeds of his crime. Once authorities discover his crime, he would be found guilty—by any court, anywhere—and then sentenced, punished, and forced to return the unlawfully obtained property and possessions. But if a people murders another people, and takes over the property and possessions of the murdered people, it seems that different rules apply, and the guilty—and their children—can continue living off the proceeds of the crime. It also seems that their successors can continue to threaten the successors of the murdered people with new murders, if, that is, they dared to mention the murder, or dared to demand the return of their property and possessions. This is the evolving saga of the Turkish and Armenian peoples from 1915 to today.



Horse manure at the entrance of one of the Armenian churches in Ani (Photo by Khatchig Mouradian)

The 1915 murder of a people—or perhaps, more correctly, the attempted murder of a people—not only resulted in wiping out the Armenians from their 4,000-year-old homeland within a matter of 1-2 years, but also initiated an ongoing process of wealth, property, and asset transfer from the Armenians to the Turks. This process, started in 1915 by the Ittihadist leadership of Ottoman Turkey, continued uninterrupted with the successor Turkish Republic for many decades using various legislative decrees. It was completed with the total and legal Turkification of all Armenian assets and properties—of the Armenians' economic presence—in Anatolia.

This essay will attempt to explain the legal Turkification process, provide examples illustrating the enormity of the assets involved, and discuss recent initiatives to reverse this process (including steps taken by the Armenians, and steps announced by the present Turkish government).

Kilifina uydurmak, in Turkish, means to “fit the sword to the sheath.” One would normally expect that the sword is made first, and the sheath to fit it. But if there is an unacceptable action first, followed by other actions needed to give it the appearance of a proper action—that is, to “make right” the original action—then this phrase is used to define the situation. “Fit the sword to the sheath” is a perfect description of the legislative process of the Turkification of Armenian assets.

On May 27, 1915, just weeks after the deportation of Armenians had begun in the April 1915, the Ottoman Parliament passed the Deportation Legislation. This was followed by The Liquidation Legislation, which tried to give some semblance of legality to the plunder of Armenian assets that took place after the deportations. This legislation, dated June 10, 1915, and further reinforced on Sept. 26, 1915, directed the formation of Liquidation Commissions in the provinces where the deportations occurred. The legislation defined the Armenians as “transported persons” and their assets as “abandoned assets,” as if the Armenians had willingly abandoned them. It provided the first steps to liquidate the assets, and gave the state power to decide to whom the assets should be given, or sold, and for how much, without the approval of the owners (but on their behalf). By January 1916, there were 33 Liquidation Commissions formed, covering all of Anatolia, recording, listing, appraising, and holding on deposit some of the assets for future return to the Armenians, but also selling or distributing other assets to Muslim refugees. The legislation also stipulated that assets belonging to Armenian charitable foundations, such as churches or schools, be transferred to the State Directorate of Charitable Foundations or the State Treasury. Cash and movable assets of the transported persons were to be collected and kept in a Special Trust account on behalf of the owners. Naturally, having the pick of any asset left behind, thousands of government officials and members of the Liquidation Commission enriched themselves, as did thousands of local Turks and Kurds who seized the houses, farms, orchards, warehouses, factories, mines, hotels, shops, stores, tools, and livestock once owned by the Armenians.

The whereabouts of the dossiers belonging to these 33 Liquidation Commissions is a mystery. The Turkish state, which boasts that all their archives are open (and persistently calls for Armenian archives to be opened even though they are, in fact, open), continues to keep these crucial records of Armenian assets a secret. Interestingly, in 2005 when the present Turkish government attempted to comply with European Union (EU) modernization initiatives by translating, digitizing, and opening up the old Ottoman land registry and deed records to the public, it was prevented from doing so by a stern warning—dated Aug. 26, 2005—from the National Security Committee of the Turkish Armed Forces. “The Ottoman records kept at the Land Register and Cadaster Surveys General Directorate offices must be sealed and not available to the public, as they have the potential to be exploited by alleged genocide claims and property claims against the State Charitable Foundation assets,” read the warning. “Opening them to general public use is against state interests.”

When the Ottomans were defeated and the Ittihadist leaders fled Istanbul in a German submarine, the newly elected Ottoman government on Jan. 8, 1920, rescinded the Liquidation Legislation and directed the return of all Armenian assets, or equivalent compensation, to their rightful owners. Unfortunately, the Istanbul government itself got liquidated before the legislation was implemented, and the nationalist government gaining strength in Ankara immediately took steps to abolish it. It seems that the Ankara parliamentarians, who were mostly Ittihadists, were more pre-occupied with the Armenian assets than the “Liberation War” raging against the Greeks raging at the time. These Ittihadists, gathered around Mustafa Kemal Atatürk, had two strong motives to join the Ankara government: First, to ensure that they held on to the assets that they had plundered, and to ensure that they prevented these assets from being returned to any surviving Armenians; and second, to escape any prosecution and punishment for “crimes against humanity” by the Ottoman Istanbul government and the Allied forces occupying Istanbul, who were actively searching for them.

The Ankara parliament later annulled the Istanbul Parliament legislation, reinstated the Ittihadist Liquidation Legislation on Sept. 14, 1922, and appointed new members for the Liquidation Commissions, thereby enriching local notables. The term “transported persons” was changed to “persons lost or fled from the country.” The legislation stated that if these persons ever returned, they would receive their assets and deposits; otherwise, all assets would be sold with the proceeds going to the state treasury, after verification by the courts regarding lost or fled persons. As the requirement of court verification for lost or fled persons proved difficult, the legislation was revised on April 29, 1923, giving lost or fled persons, or previous owners, four months (if within the country) or six months (if abroad) to claim their assets. In September 1923, the parliament passed legislation banning the return of Armenians to Cilicia and east Anatolia. With further amendments in a new legislation dated March 13, 1926, the state sold the assets to local Turkish investors with a low 1915 wartime assessment on the assets instead of current values. (It is estimated that the assets’ value would have increased by more than 12 times from 1915-26.) It was also specified that any returning Armenians would not receive the actual assets, but cash, based on the legislated 1915 valuation. This legislation was in effect until 1988; if, until then, any Armenian came to claim compensation, it would have been assessed based on 1915 valuation. In August 1926, legislation was brought in for the state to nationalize any assets left behind and not claimed by the Armenians prior to the 1924 Lausanne Treaty.

Another legislation, dated May 31, 1926, enabled families and heirs of “martyrs”—officials executed by the Istanbul government for their role in the Armenian deportations—or Ittihadists assassinated by Armenians, to receive pensions deemed “blood money” from the revenues of the Armenian assets. This legislation was also in effect until 1988.

In addition to the Armenian assets held by the Turkish state, the issue of assets held by individual Turks was the subject of fierce debates in parliament. Since most of these assets were held without any documentation, there were problems in their transfer and sale. On May 24, 1928, new deeds were prepared for the Armenian assets, and on June 2, 1929, new legislation gave the right to title and deed to possessors of real estate for a specified period. Accordingly, any vacant land such as fields, orchards, and farmland held for 15 years since 1914, and any buildings or other real estate held for 10 years since 1919, became the legal property of the individuals who had bought, stolen, occupied, or seized them.

The legal Turkification of the assets was now complete. Yet, not all of the individuals who had bought the assets from the state treasury were able to make the required payments. New amendments were approved in 1931 that reduced and then canceled debts and mortgages to the treasury, thereby encouraging the growth of the “Turkified” economy.

The deposits held by the state treasury on behalf of the deported people was handled by legislation dated May 24, 1928, which legalized the straight transfer of the funds to the state budget, starting with 300,000 Turkish lira in 1928. Based on a proportional increase of the Turkish state budget 920 times from 1928 to 2008, this would be equivalent to 276 billion Turkish lira today, or US\$150 billion. Another 3.9 million Turkish lira from the Armenian deposits was transferred to the state budget by 1931, marked as revenue from the assets or taxes on the assets.

It is difficult to assess the value of the Armenian assets seized by the Ottoman/Turkish Republic governments and by individuals, but existing pieces of the puzzle can provide a glimpse into the enormity of the theft. In 1916, the sum of 5 million Ottoman Turkish lira, equivalent to 30,000 kilograms of gold, was transferred by the Ottoman government to the Reichsbank in Berlin. This large sum of money, deposited during wartime, would be the aggregate of Armenian deposits and sums gained from the Liquidation Commissions. There are further unknown gold deposits at the Deutsche Bank. During U.S. Senate discussions related to the Armenian assets, the figure of \$40 million was mentioned. In terms of real assets, Ittihadist leader Talat Pasha’s own records indicate that in 1915, 20,545 buildings, 267,536 acres of land, 76,942 acres of vineyards, 703,941 acres of olive groves, and

4,573 acres of mulberry gardens were allocated to Muslim settlers out of the assets seized from the Armenians.

Based on a population loss of 1.5 million, and 10 persons to a family, the loss of houses alone would number at least 150,000. There were 2,900 Armenian settlements emptied of their population; in these settlements, there were 2,300 churches and 700 schools under the jurisdiction of the Istanbul Armenian Patriarchate and the Apostolic Church. Once the Armenian Catholic and Protestant churches and schools are added to this sum, the number easily exceeds 4,000. Most of these churches and schools had their own charitable foundations to generate revenue for their upkeep and maintenance. For example, the Surp Giragos Armenian Church in Diyarbakir/Dikranagerd, one of the largest churches in the Middle East with a large parish and community, owned more than 200 properties in Diyarbakir as part of its charitable foundation. The foundation of the Sanasaryan College in Erzurum/Garin owned several shops and houses in Erzurum, as well as the Sanasaryan Office building in Istanbul, to pay for the school's expenses. The two Armenian hospitals, Surp Prgitch (Holy Savior) and Surp Agop, had vast holdings in Istanbul to pay for the hospital building and staff expenses, as well as to provide subsidized medical care to poor Armenians.

All of these assets, except the two hospitals and some of the Istanbul Armenian churches and schools, disappeared after 1915. If not destroyed outright or left to deteriorate, the church and school buildings were converted into banks, mosques, state schools, community centers, stables, or warehouses. Armenian houses were taken over by local Turks and Kurds, or by Muslim refugee settlers from the Balkans. The Armenian economic assets such as farms, orchards, olive groves, stores, factories, mines became the foundation stones of the Turkish economy and the starting capital of most of the wealthy Turkish industrialists of today. The Turkish government continued the seizure of Armenian assets and the legalization of it up until the 2000s. With legislation brought in 1974, more than 1,400 legally obtained assets of the Istanbul Armenian charitable foundations since 1936, were declared illegal and seized by the state.

In the last three years, the Turkish state has taken some steps to reverse the process of nationalizing Armenian assets. After losing several cases—taken by Istanbul-Armenian charitable foundations to the European Human Rights Court—related to the seizure of assets, the state recently announced that 162, or about 10 percent, of the assets seized after 1974 would be returned to the Armenian charitable foundations. Although this is an encouraging first step, there is no mention of any return of the assets seized in 1915. And the figure of 162 pales in comparison with the hundreds of thousands of seized assets.

When the Turkish state decided to restore the Akhtamar Holy Cross Church in Van, it did so only by converting it to a state museum. When the Armenian communities raised funds worldwide to restore the Surp Giragos Church in Diyarbakir as a working church, the Turkish state refused to provide any funding. The process of reclaiming the 200 properties belonging to the Surp Giragos Church is ongoing through the courts and negotiations with the Diyarbakir city government. The Istanbul Armenian Patriarchate has now decided to go to court to reclaim the Sanasaryan Office building in Istanbul as the first test-case related to the return of an Armenian asset seized in 1915. Indications are that the government will vigorously challenge this case, as it may set a precedent for multiple claims to follow.

The murdered people cannot be reclaimed nor returned. But their assets can and must be reclaimed by their successors. The assets seized by the murderers can and must be returned by their successors. This would be a start in the process, based on dialogue and non-violence, of facing the past.

Ayse Hur, "Ermeni Mallarini Kimler Aldi" (Who Got the Armenian Assets?), Taraf, Istanbul, March 2, 2008.

Taner Akcam, *Ermeni Meselesi Hallolmustur*, Iletisim Yayinlari, Istanbul, 2008.

Ugur Ungor, "[Confiscation and Colonization: The Young Turk Seizure of Armenian Property](#)," The Armenian Weekly Magazine, April 2011.

Nevzat Onaran, *Emvali Metruke Olayi: Osmanlida ve Cumhuriyette Ermeni ve Rum Mallarinin Turklestirilmesi* (The Abandoned Assets Event: The Seizure/Turkification of Armenian and Greek Assets), Belge Yayinlari, Istanbul 2010.

Raffi Bedrosyan, "[Searching for Lost Armenian Churches and Schools in Turkey](#)," The Armenian Weekly, Aug. 1, 2011.

Raffi Bedrosyan, "[What is Turkey Returning to Armenians?](#)" The Armenian Weekly, Aug. 31, 2011.