In 1714 war between Venice and the Turks broke out once more, the Sultan desiring above all to reconquer the Morea; he succeeded in his purpose very quickly, for the Venetians, relying on the peace of Carlovitz, which was to last twenty-five years (the Turks never concluded treaties of perpetual peace), had made no adequate preparations for defence. They allied themselves with the Emperor (April 13, 1716), and Prince Eugene led an army into southern Hungary. The Imperialists defeated the Turks first at Peterwardein, and then at Belgrad, which they captured. In 1718 the representatives of the various Powers met at Passarovitz (Požarovac) in Servia, and on 18th July signed a treaty of peace, by which the Emperor retained all his conquests, but the capture of the Morea by the Turks was confirmed, the Venetians thus losing their last possessions in the Levant save the Ionian Islands. With regard to Ragusa the arrangements of the peace of Carlovitz were reconfirmed, Venice giving up the posts of Popovo, Zarina, and Subzi on the Ragusan border.

For the next few years the Republic was undisturbed by wars and rumours of wars, but its general conditions showed little improvement. The tribute to the Sultan was 12,500 ducats a year, and with gifts and bribes amounted to 16,000; but since the earthquake it had been paid every three years instead of annually. The Ragusans also paid blackmail to the Barbary States, and