

## **Trade, Migration and Urban Networks in Port-Cities (17-20th centuries)**

### *Nineteenth-century Greek port-cities; history, historiography and comparisons*

Dr Sakis Gekas

London School of Economics, UK

a.gekas@lse.ac.uk

DRAFT PAPER

### *Introduction*

The growth and decline of port-cities during the nineteenth century has been the object of considerable research in a comparative European context. This research has established the critical role of port-cities in European urban development.<sup>1</sup> Similar research on Greek port-cities is still at an embryonic stage and does not form part of a wider research project aiming at a comprehensive economic and social history of Greece, yet to be written.<sup>2</sup> This paper draws on primary research on the ports of the Ionian Islands, mainly Corfu, during the period of British rule, 1815-1864, and on the historiographical work on the most significant port towns in nineteenth-century Greece,

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1 R. Lee, 'The socio-economic and demographic characteristics of port cities: a typology for comparative analysis?', *Urban History*, 25, 2 (1998), 147-172. For an earlier but very valuable historiographical account of research on port cities see the review essay, F. Broeze, 'Port Cities: The Search for an Identity', *Journal of Urban History*, 11, 2 (1985), 209-225. Among the most ambitious research projects has been the one proposed by Stuart Woolf in 1997, aiming to compare Naples, Malaga, Lisbon, Oporto, Bordeaux, Copenhagen, Viipuri and Venice; the emphasis was placed on the role of entrepreneur, as defined by Schumpeter, and a shift from strictly economic and quantifiable factors of change to their social actors was attempted, by looking at how urban elites, and in particular merchants, responded to the decline of the above European ports during the nineteenth century. Another important project for the interests of this paper was carried out by the F. Braudel Centre, and it was published in a special edition of the *Review*; C. Keyder, Y.E. Özveren, D. Quataert (eds), *Port Cities of the Eastern Mediterranean, 1800-1914*, *Review* XVI, 4 (1993).

2 The economic history works which appeared in the late 1970s – early 1980s paved the way, to an extent, for the next generation of economic historians. This first wave of economic history research projects and the publications that followed were all channelled through the archives and the auspices of the National Bank of Greece. Important as this work was and covering a range of issues including agriculture, the role of banks, to shipping, credit and the first moves towards industrialisation, nevertheless the economic and social history of port towns did not hold priority. For a recent evaluation of this historiographical production see E. Prontzas' paper in the conference on modern Greek historiography, Athens, November

Patra, Syros (Ermoupoli) and Piraeus.<sup>3</sup> Comparison between these port-cities is difficult due to the scope of the studies published so far, which are concerned with demography, port development and growth, and analysis of the social structure, rather than issues of power in the cities and the formation of urban commercial networks. In this sense, these studies (with the exception of Kardasis' work on Ermoupoli perhaps) aspire to be comprehensive urban histories. Due to those limitations, instead of conducting a wide-ranging asymmetrical comparative analysis between the ports in question, the paper focuses specifically on the commercial institutions developed through the agency of merchants and the factors which determined and shaped business culture primarily in the port of Corfu. Comparisons with the other ports will be attempted to the extent that is allowed by the existing historiographical works, and it will be argued that a similar methodology can advance our understanding of formation of urban networks of power in all the above port-cities. It will be demonstrated that through these commercial institutions hierarchies were created among the merchants. Also, the paper aims to identify the business networks and suggest interpretations of individual and collective business strategies and decisions made by firms, amidst changes in the international economy and in the national boundaries, following the inclusion of Corfu and the other Ionian Islands to Greece. The issue of inclusion of overseas merchants in the port-cities' social structures will only partially be taken upon through the examination of merchants' agency in the formation of commercial institutions and urban commercial and social networks. The diverse composition of these ports due to in-migration is examined first.

*The demographic and cultural characteristics of port-cities.*

The formation of urban networks was determined by the origin (and in the case of Corfu of religion) of the merchants resident in the ports. As Lee stresses in his article, 'a key feature of the demographic development of major port cities was a disproportionate dependency on in-migration'.<sup>4</sup> The examples of both Syros and Piraeus attest to the

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2002, 'Economy – History and Economic History; from the problems to the analysis', draft unpublished paper.

3 These works are V. Kardasis, *Syros. Stavrodromi tis Anatolikis Mesogeiou (1832-1857)* [Syros. Crossroads of the Eastern Mediterranean], MIET, Athens 1987; V. Tsokopolulos, *Peiraias, 1835-1870. Eisagogi stin istoria tou ellinikou Manchester* [Piraeus. Introduction to the history of Greek Manchester], Kastaniotis, Athens 1984; N. Bakounakis, *Patra, 1828-1860. Mia elliniki protevousa ston 19o aiona*, [Patra. A Greek capital in the 19<sup>th</sup> century], Kastaniotis, Athens 1995. The Ionian Islands were the object of study in the recently completed thesis, S. Gekas, *The Commercial Bourgeoisie of the Ionian Islands under British rule, 1815-1864. Class formation in a semi-colonial society*, University of Essex, 2004.

4 Lee, *op.cit.*, p. 156.

paradigm. Kardasis argues that common origin was instrumental in the creation of credit networks in Ermoupoli, as people who originated from the same island, especially from Chios, co-operated and formed alliances.<sup>5</sup> Population growth in the case of Ermoupoli in Syros and for the initial period (1835-1870) for Piraeus too, was also a result of planned development, influx of refugees from Crete in the case of Piraeus, and also rising fertility.<sup>6</sup> These were essentially new towns. In-migration of settlers from other islands in these two port-cities was due to the good commercial prospects and the needs of the nascent kingdom.<sup>7</sup> Thus, human capital was extremely important for economic growth in the case of both Syros and Piraeus. However, in Ermoupoli, both population and commercial growth were short-lived, checked during the Crimean war. The town never recovered ever since. This is because Syros was exclusively depended on the transit trade from western markets to the east and vice versa, and its merchant capital failed to diversify and adjust to the transition from sail to steam.<sup>8</sup> In Patras, merchants from the Ionian Islands were moving to the port since the late eighteenth century, and again after 1828 and the revival of the currant trade.<sup>9</sup> Long-established commercial networks between Patras and the Ionian islands developed further during the nineteenth century following Patras' growth. The two areas, Ionian Islands and Patras, were economically integrated to an extent, as there was movement of capital, as will be shown by the case of

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5 Kardasis, *Syros*, p. 32-3.

6 Tsokopoulos, *Piraeus*, p. 89.

7 The settlers came from areas under Ottoman rule ravaged during the war of independence, or they were in search for a new beginning following the victorious, for the Greeks, war of independence. Immigrants from other islands extensively populated Syros; successive waves of refugees came from the islands of Hydra, Chios and Psara (both islands ravaged by the Ottoman army in 1822 – the massacre of Chios immortalised by Delacroix in a famous painting). Due to its Catholic population Syros enjoyed the protection of the French government during the war between Greeks and the Ottoman Empire and this contributed significantly to the influx of refugees; V. Hionidou, 'Nineteenth-century urban Greek households: the case of Hermoupolis, 1861-1879', *Continuity and Change* 14 (3), 1999, 403-427.

8 In 1821 Syros had a mere 150 inhabitants; by 1853, the last year of growth in population terms at least, there were 19,981 inhabitants, while only during the first seven years, between 1821 and 1828, population grew from 150 to 13,805 people; V. Kardasis, *Syros*, p. 29. Following the same pattern of population growth, Piraeus grew from 150-200 people in 1835, to 1,011 one year later and 10,963 in 1870; M. Chouliarakis, *Geografiki, diikitiki kai plithismiaki ekseliksi tis Ellados 1821-1971* [Geographical, administrative and population evolution of Greece], Vol.1, Part B, EKKE, Athens 1973-4. It is also interesting that there was inter-port migration, as many settlers moved from Syros to Piraeus in 1835, to reside there permanently. This was due to the benefits of land offered to them by the State. By late eighteenth century, the beginnings of the golden age of Greek shipping activity, Chios had more than 250 boats of all sizes. Tsokopoulos, *op. cit.*, p. 53. For the history of Greek-owned shipping and the 'Chios phase' and the 'Ionian phase' of this development see, G. Harlaftis, *A History of Greek – Owned shipping*, London 1996. For the transition from sail to steam and the shipping sector see, V. Kardasis, *kkk Apo tou istiou eis ton atmon. Elliniki Emporiki Naftilia 1858 – 1914*, [From sail to steam. Greek Merchant Shipping], ETBA, Athens, 1993.

9 Bakounakis, *Patra*, p. 72-3.

the marine insurance companies, but also by the several currant-exporting firms operating from both the islands of Kefalonia and Zante, and from Patras.

Influx of migrants contributed to the diversity of Corfu's port too, where there was significant in-migration from the opposite Ottoman mainland for centuries. Two registers of Corfu town (one from 1812 and one from 1818) help decipher the migration patterns and provide a glimpse of commercial specialisation, as the registered *negozianti* of the town, the wholesale principal merchants, are clearly distinguished from the *mercanti*, and the *bottegai*, the retailers and shopkeepers.<sup>10</sup> Merchants descending from places as far as Bordeaux and England resided in Corfu town, while the firm of 'Theodoro Ralli e compagna' (from the island of Scio/Chios), member of the famous commercial house of Ralli, is among the few companies registered. In later years the merchant group was enriched with merchants from Epirus and other areas of the Ottoman Empire, merchants from the Italian states, Malta, merchants from Britain, Holland and even Switzerland.<sup>11</sup> These merchants settled in the islands (Corfu, Kefallonia and Zante) after the expansion of British rule, either establishing their own firms or acting as commercial agents. Foreign merchants, involved in the import of British-manufactured and colonial goods and in the export of currants (in the case of the Corfu, Zante and Patras ports) were also serving as consuls of commercial powers. From the 1850s onwards when the Ionian Islands, Patras and Syros, and later Piraeus were also linked with other ports in the Mediterranean due to the expansion of steamer transportation, foreign merchants and occasionally local ones, served as commercial agents for the steamer companies. Multiplicity of roles, commercial specialisation and overlap of roles were inherent characteristics of the merchant groups in the respective port-cities.

A very important source for the investigation of the issue of migration of merchants to Corfu, in particular, and to the Ionian Islands, in general, for the period of British rule (1815-1864) is the entries of naturalised subjects in the *Gazette*, the official newspaper of

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10 Istoriko Arheio Kerkyras (hereafter I.A.K.), *Town Population Register 1812 – 1814*, Executive Police 1319, and *Register of Corfu Merchants*, Corfu 1818, Ionian State 232a. For a good definition of the terms *negozianti*, *mercanti* and *bottegai*, see O. Katsiardi -Hering, *H Elliniki paroikia tis Tergestis (1750 – 1830)* [The Greek merchant colony of Trieste], Athens 1986, pp. 393-408. These sort of definitions, useful as they may be, they portray the meaning of the occupational, social and political identity of 'merchant' as fixed; part of the argument in this paper is that this meaning was contingent to the institutional changes introduced, for example, in the Ionian Islands from the 1840s onwards.

11 A. Mousson, *Kerkira ke Kefallonia. Mia periigisi to 1858.* ( Corfu and Cephalonia. A tour in 1858), Istoritis, Athens 1995 (Greek translation), p. 41.

the Ionian State.<sup>12</sup> The privileged status of the Islands as a British protectorate and the position of Corfu as a port induced these people to ask and obtain Ionian nationality. The proximity of the island with two areas, mainly Epirus and southern Italy, explains the origin of most of the ‘foreigners’ asking for the status of Ionian citizen. Approximately 75 per cent of those petitioning for Ionian citizenship asked for Corfu to be their political domicile, and even more importantly for our study, 33 per cent of those whose occupation was recorded were merchants. There is a steady increase of the naturalisation petitions throughout the 1850s, and a sharp decline in the early 1860s. These facts render the correlation of the petitioning trend with the foreseeable unification of the Islands with Greece irresistible.<sup>13</sup> Jewish merchants were also omnipresent in Corfu, adding to the complexity of the composition of the merchant group. Contemporaries have recorded the populous existence of Jews in Corfu town.<sup>14</sup> The number of Jewish merchants can also be estimated according to the 1864 electoral list and the merchants’ lists devised by the Chamber of Commerce and published in the official newspaper.<sup>15</sup> Forty per cent of the Jewish inhabitants recorded in the 1864 were merchants, indicating the diversity of the merchant group in terms of religion.<sup>16</sup> But what does this classification actually tell us about urban hierarchies and business networks? While these data on migration and the demographic characteristics of port-cities can assist in hypothesis formation for instance, they cannot provide the basis for comparison and overall interpretations. To answer

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12 While it is very hard to establish migration patterns for the first half of the period (1815-1840), historical ground becomes more solid towards the end of the period. From the early 1840s onwards, the naturalisations of persons petitioning the Senate for that reason were published regularly in the *Gazette*. This information includes name, place of origin, occupation (in most cases) and place of political domicile of the petitioner, most likely the place in which the petitioners were already residing.

13 The concentration of naturalised merchants in Corfu and Zante is almost absolute. 49 or 55 per cent of the 89 merchants naturalised asked for their political domicile in Corfu, while 38 or 42 per cent asked for domicile in Zante, 97 per cent in total, showing the indifference of the immigrant merchants to the towns of Argostoli and Lixuri in Kefalonia. IIGG, issues of years 1840-1963, The National Archives (hereafter T.N.A.) and Reading Society Library, Corfu.

14 T.D. Ansted, *The Ionian Islands in the Year 1863*, William H. Allen, London 1863, p. 14;

15 The percentage of the Jewish recorded merchants is presented here as part of the rest of the working population of the town. The Jews predominantly lived in the second district (according to the division of the town for the requirements of the list) in which the ghetto of the town was also situated. It will have to be noted that only the Jews who chose to become Greek citizens were recorded, while the rest were considered ‘foreigners’. The decision to become a Greek citizen or not probably depended on the origin of the different and separate, until the end of the nineteenth century, Jewish communities; one Greek-speaking, the other Ladino and Italian-speaking and, in general, more wealthy.

16 The number of Jews involved in the retail trade (27.5) included mostly peddlers (60 out of 113) while the shopkeepers were basically wine and spirits sellers. A very high percentage of the Jewish craftsmen were tailors (127 out of 194).

questions of urban networks we need to employ the methodology of analysing commercial institutions and to those we must now turn.

### *Commercial institutions and urban networks and hierarchies*

The notion of urban governance has been identified as one of the main ways of examining urban elites.<sup>17</sup> Urban institutions, broadly defined, were all sites of agency of the merchants resident in port-cities. These institutions included municipal councils, sanitary committees, philanthropic associations and commercial mechanisms. The latter are regarded in this paper as instrumental in fostering international trade between the merchants situated in these ports and faraway markets, creating and maintaining business networks and also establishing hierarchies among merchants, at least in the Ionian Islands ports. Institutions such as the Exchange, the Chamber of Commerce, the Commercial Code and the Commercial Courts are revealed to have been sites of agency of merchants. Through these commercial mechanisms the merchants of the port-cities acquired greater autonomy, elected their representatives and structured hierarchies among them, while the commercial mechanisms became the meeting place between business and government, whether that was the central government of Athens or the British-controlled Ionian Government in Corfu. While the advancement of commercial activity through the operation of these mechanisms cannot be ignored, the second and third aspect of institutional change (the structuring of business networks and hierarchies) will be the focus of the rest of the paper.

Business networks were created through the establishment of commercial mechanisms and associations.<sup>18</sup> The commercial mechanisms of the Exchange and the Chamber of Commerce were created in the port of Corfu in 1843 and 1851 respectively.

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17 J. Smith, 'Urban Elites c. 1830-1930 and urban history', *Urban History*, 27, 2 (2000), 255-275.

18 The first organised group of merchants of Corfu appears in the sources in 1838. The *Ionian Islands Government Gazette* was asked to publish an article announcing the founding of a society 'following the example of the most eminent metropolises of Europe'. The society was called 'Corfu Merchant Society'. The newspaper called it one of the 'Establishments that sign the advanced pace of civilisation'. The article argued that there would be 'benefits, which would derive for our Town from this nascent Commercial Association. One of the primary social incentives, Commerce, when it is handled by honest and useful citizens, that, motivated by each other's esteem form relationships of familiarity among them, cannot but provide great happiness to the place that sustains this charming sight and make its sojourn valuable. Therefore we ought to congratulate the new Society of Messrs Merchants, as we see in it a step forward to the prosperity of this island, and we must hope that there will always be the noble idea of being united to augment the dignity of their birthplace, by supplying themselves with abundant well-known newspapers of the most noble nations, not only to expand their commercial relationships, but also to enrich and enlighten their knowledge, making through this medium our condition even better'. *Ionian Islands Government Gazette* (hereafter IIGG), No. 411. 29 October / 10 November 1838.

What was called *Borsa* in the Ionian Islands at the time was a place for sociability and as well as for business; merchants, as well as ‘proprietors’ could meet in the Exchange building, read foreign newspapers and socialise. The Exchange was founded through the initiative of foreign as well as of local merchants, and of some merchants who had settled in Corfu from the opposite mainland Epirus, and mainly through the pre-existing ‘society of merchants’.<sup>19</sup> In the following years the Exchange functioned as an important commercial mechanism. It published on a weekly basis the prices of the main commodities, olive oil, wine and currants, but also soap, salt and colonial products, sugar and coffee in the main markets of the Islands and in the markets with which the port-cities of the islands had commercial transactions. This development enabled merchants to become more aware of the economic environment in which they operated, of both the immediate and the broader European one, and the potential commercial risks and price fluctuations.<sup>20</sup> In a very similar way with the development of the Exchange in Corfu, foreign merchants, Charles Inyat and Joseph Drazziger were among the founders of the Chamber of Commerce in Patras. Another merchant, Hamburger from Baden established the Commercial Association ‘Hermes’ in 1868.<sup>21</sup>

On the contrary, in Ermoupoli, the creation and control of the Chamber of Commerce was the result of the agency of the Chios merchants, the most powerful ‘community’ within the Syros merchant group. For Kardasis, the Ermoupoli Chamber was the institution which unanimously articulated and represented the interests of the merchant ‘world’ of Ermoupoli, against Athens’ centralising and controlling tendencies, while being the advisory party to the government’s commercial and shipping policies.<sup>22</sup> The politics of the Ermoupoli merchants were channelled through the Chamber of Commerce. Relations were not always amicable, though. On several issues, such as the abolition of quarantine for ships arriving from the Ottoman Empire, the response from Athens was negative; on another occasion, the Ermoupoli merchants objected to the penetration of the National Bank of Greece to the port’s credit market.<sup>23</sup> Kardasis argues that the merchants of the town were involved in local politics and in fact abstained from even participating in the national elections. According to Kardasis, the merchant class

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19 IIGG, No. 539, 12/24 April 1841.

20 The news concerned markets both distant and close, such as the London prices of coffee and sugar, the Milan prices of silk, the Odessa prices of grain and the Trieste prices of ‘oriental’ olive oil.

21 Bakounakis, *Patra*, p. 76.

22 Kardasis, *Syros*, p. 37.

23 Kardasis, *Syros*, p. 74.

exercised direct authority in the town, as elected members of the municipal council.<sup>24</sup> In Corfu, merchants were drawn further into municipal politics, and several of them were elected in the Municipal Council of Corfu in 1880.<sup>25</sup> Further that is, because the first form of involvement in local politics was the participation in the institutions of urban governance mentioned earlier, through which the reputation, status and power of merchants was established and advanced considerably. Thus, involvement in local politics can not be considered as the only site of political agency. The merchants of Corfu, for example, were more concerned with improvements in transportation, and to this end they petitioned the British High Commissioner. The pervasiveness of the free trade and the liberal discourse can be seen in these petitions, submitted by several groups of merchants and most often by the same merchants, on issues such as steamer communication and the free grain trade. Time and again merchants stated the importance of a liberal approach to steamer communication for commercial exchange and the necessity to abolish the ‘Grain Administration’, the state body responsible for ensuring adequate grain quantities for the islands’ population.<sup>26</sup> Urban networks were also fostered through the process of petitioning that merchants and, occasionally, ‘proprietors’ signed and submitted to the British High Commissioner, on issues of swifter and more frequent steamer communication, for the islands of Kefallonia and Zante to petitions asking for the free trade of grain. These in fact were the politics of merchants. They may have not formed a party in the Ionian Assembly; they did form, though, pressure groups and temporary and more long-term alliances with each other, articulating interests and pursuing them collectively, not only through petitions, but also by articles in the local and official newspapers, stirring thus a public debate. The articulation and pursuit of commercial interests, such as the demand for declaring Piraeus a free port was channelled through the Municipal Council, thus assuming a much more institutionalised form. Tsokopoulos argues that it was the first process of cementing social cohesion among the town’s elite.<sup>27</sup>

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24 Kardasis, *Syros*, p. 34.

25 The merchants elected in the Municipal Council were A. Kefalas, S. Baldas, Papanicolas, Geromeriatis and G. Scarpas. Newspaper *Rigas Feraeos*, No. 12, 27 January 1880, Arheio Dafni 216, I.A.K.

26 For the issue of the grain trade, see the following documents, Petition No. 31, CO 136/661, Petition 367, 18 November 1841, CO 136/695, Petition 105, CO 136/832, T.N.A. For the issue of more frequent steamer communication, a demand put forward by ‘merchants and proprietors’ from the islands of Zante and Kefallonia, see the document Petition No. 85, 3 April 1849, CO 136/777, T.N.A.

27 The demand for declaring Piraeus a free port, however, originated more from the psychological ‘collective’ need to assert the town as a separate entity, and to this end the Municipal Council rejected the proposal of merging with Athens in 1840; Tsokopoulos, *Piraeus*, pp. 135-6.



In Corfu, merchants but also ‘proprietors’ were invited to subscribe to the Corfu Exchange, paying an annual contribution, as soon as the building was erected and functioning, and thus the process of defining an ‘official’ group of merchants – as opposed to the ‘body of merchants’ (*Corpo di Negozianti*) – begun.<sup>28</sup> The Chamber of Commerce advanced this process with the biannual publication of the ‘official’ group of merchants. This development in turn led to ‘internal’ strife, and is revealing of acute differences and antagonisms within the merchant group. In 1851, when the founding of the Chamber was approved, several merchants petitioned for the intervention of the High Commissioner, challenging the legitimacy of the group they called the Borsa clique and which aimed at controlling the Chamber of Commerce too.<sup>29</sup>

The most significant change, however, was the process of constructing an ‘official’ group of merchants and it was advanced with the codification of commercial law and its application in the settlement of cases of insolvency and bankruptcy. Commercial legislation was introduced in 1836 in Greece and in 1841 in the Ionian Islands, in the spirit of the Napoleonic Code. The translated documents, amended and adjusted to the local commercial milieu are important evidence of a moment of institutional change, which affected first above all the merchants situated in the ports of the two Lilliputian states, the Ionian State and the Greek Kingdom. In the Ionian Islands the introduction of the Code made provisions for the establishment of joint-stock companies, and regulated mercantile activities by defining who was a merchant and what constituted a mercantile act.<sup>30</sup> Traders were obliged to keep books and records, used as evidence in commercial disputes resolved at the Islands’ Commercial Courts. Many contemporaries claimed that not even wholesale merchants kept their books ‘properly’ – one of the reasons for declaring a merchant insolvent. In any case, what derives from the documents concerning cases of insolvency and bankruptcy that were resolved in the islands’ Commercial Court is that creditors according to their worldview were able to grant credit and control credit networks, claim the debts through legal procedures, declare debtors insolvent and/or bankrupt and establish the principles of business ethics.<sup>31</sup> In

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28 The three merchants of Corfu who notified the rest of the business community to register took the initiative to devise the rules of operation of the Exchange as well; IIGG, No. 676, 27 November 1843.

29 T.N.A., CO 136/801, Petition No. 1083, ‘Signor Inglessi. Differences between the members of the Borsa’.

30 *Emporikos Kodix ton Ionion Nison*, [Commercial Code of the Ionian Islands], Government Printing Office, Corfu 1851.

31 Istoriko Arheio Kerkyras [Corfu Records Office] (hereafter I.A.K.), Emporofikeio [Commercial Court], 347, 349, and court cases of bankruptcy published in the IIGG, Nos 234, 31/3/1856, 540, 2/9/1861.

other words, merchant-creditors were able to situate the values and virtues to be praised and the vices to be condemned in business practice and thus assert considerable authority over their debtors in the towns of the Ionian Islands, where credit still involved a face to face process and the complexities of bureaucratic societies were still decades away. While origin and religion were important for advancing credit and providing financial support in cases of insolvency, no cases of privileging the common origin or religion in the creditors' decision to declare someone insolvent/bankrupt or not have been found.<sup>32</sup>

The merchants involved in and controlling the credit networks were not idle during the process of institutional change that was under way and moved onto regulating the settlement of commercial debts through their involvement in the judicial process and the Commercial Courts.<sup>33</sup> In 1856, 'several merchants of Corfu' petitioned the State on the case of commercial jurisdiction and demanded a role for merchants in it.<sup>34</sup> The petition was successful and in August 1857 the 'Law respecting the appointment of Assessors in the Sittings of the Commercial Courts and Tribunals' was enacted.<sup>35</sup> Thus, merchants-creditors acted also as Assessors, elected by the Chamber, in the judicial process of debt settlement, and therefore in cases where they had personal interest. Interestingly enough, during this process Jewish merchants were excluded, as the lists of those eligible for the posts of Assessors published by the Chamber of Commerce, did not include any Jews. In an attempt to redress this injustice, eight Jewish merchants petitioned the High Commissioner, requesting to be admitted to appear before the Commercial Court as Assessors.<sup>36</sup> Conversely, there was no exclusion of one of the most powerful merchants of the Ionian Islands, Ernest Toole, currant exporter and, most importantly, manager of the Kefallonia branch of the Ionian Bank, the British-funded and

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32 Bearing in mind the credit networks structure, where every debtor has several and not just one creditors and it took only one creditor to start the process of declaring a debtor who stopped his payments insolvent, religion and/or origin become even less important as a variable.

33 The jurisdiction of the courts in settling commercial disputes was clearly specified by the Commercial Code.

34 The index of petitions recorded that the merchants were 'Complaining against the administration of justice by the Commercial Courts in these Islands, for want of knowledge and experience on the part of the judges. And proposing that merchants should be elected as advisors in Commercial matters, as done in all civilized countries. And beg his Excellency that a similar practice may be introduced in the Ionian States'. T.N.A., CO 136/1056, Register of Petitions 1856, Petition No. 149. The actual petition unfortunately is missing from the National Archives documents.

35 IGG,

36 T.N.A., CO 136/857, Petition 400, 8/12/1857. The petition, this rare piece of evidence of self-perception of Jewish merchants vis-à-vis the other Corfu merchants, was successful.

administered bank in the Ionian islands. Toole was the only foreign merchant elected for the post of Assessor.<sup>37</sup>

There has not been similar research conducted for the other port-cities in question, with the exception of Kardasis' work on the credit, insurance and banking sector of Ermoupoli, and research on similar sources of Commercial Court records with cognate questions is bound to yield interesting results. This area, though, the development of credit, banking and insurance sector in Ermoupoli can be compared with the development of marine insurance and credit companies in the Ionian Islands and Patras from the 1840s onwards, and can help decipher the business strategies adopted.<sup>38</sup> The establishment of marine insurance companies in the form of joint-stock companies was provisioned by the Commercial Code; this form of business organisation, among the most advanced for its time, is another example of institutional change and the ways in which it was received. In this sector significant capital was invested. The business strategies adopted, as revealed by correspondence between the Greek Consul in Corfu and his superiors in Athens, involved even the merging of insurance companies in Corfu and Greece.<sup>39</sup> The contemplated merger entailed most likely companies in Patras, where there were significant capital sums invested by Corfu merchants in the town's seven insurance 'banks', as they were called. While it would be an exaggeration to talk about the emergence of a 'national' insurance market, the significant investment of Ionian capital in the ports of Ermoupoli and Patras indicates an advanced and up-to-date knowledge of business opportunities among merchants and investors in the respective port-cities of Corfu, Patras and Ermoupoli.<sup>40</sup>

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37 As the economic crisis in the Islands deepened from the 1840s onwards, the Ionian bank became increasingly involved in the liquidation of land for debts of landowners and tenant farmers. This development meant that Toole would be very much involved in the process of declaring merchants and other borrowers of the Bank insolvent and try to reclaim part of the debts.

38 This particular issue of the marine insurance companies has been examined in some detail in a different paper, recently presented in the Annual Economic History Society Conference, S. Gekas, 'Nineteenth-century Greek port towns. History, historiography and comparison. The case of the marine insurance companies', New Researchers' Session, EHS Conference, Royal Holloway, April 2004.

39 I.A.K., Ionian Senate Documents, Royal Greek Consulate, 26, Document 2842.

40 The concentration of capital in these marine insurance companies and the coinciding geographical and business networks between Corfu (and to an extent the other Ionian islands) and Patras, can be seen by the fact that 28 per cent of the shareholders in these companies come from or were based in Corfu, while 65 per cent resided in Patras, the centre of the companies; N. Papathanassopoulos, 'Naftilia, Kratos kai Politiki sto 19o aiona' [Shipping, State and Politics in the nineteenth century] in V. Kremmydas (ed), *Eisagogi sti Neoelliniki Oikonomiki Istoría 18os –20os aionas* [Introduction to Modern Greek Economic History], Typothito, Athens 1999, p. 193. In 1858 there were 71 shareholders from Corfu and 60 from Kefallonia buying shares of the Greek Steam Navigation company, based in Ermoupoli and one of the first important state enterprises of the new kingdom. See, V. Kardasis, *Apo tou istiou is ton atmon. Elliniki Emporiki naftilia, 1858-1914*, [From sail to steam. Greek Merchant Shipping]. ETBA, Athens 1993, p. 32.

Investment was not only of speculative character though but was also aiming to diversify capital in sectors other than agricultural production and export and towards shipping. The presence of Ionian investors in the *Elliniki Atmoploia* [Greek Steam Navigation company] for example, in its initial failed attempt in Patras (1853) and its latter successful one in Ermoupoli (1857), is interesting because it could be regarded as signifying an overlap of business interests with national sentiments. There is not sufficient evidence however and only tentative assertions can be made on the factors which determined capital strategies and business decisions. Scaltsounis, for example, a well-known figure in Greek economic thought - also known for his writings on commerce and industry - was the protagonist in an attempt to found an Ionian bank under the auspices of the National Bank of Greece. He was also the founder of the insurance bank 'Arangelos' in 1854 and among the principal shareholders of more than one companies (in 1868 he owned 100 out of 379 shares of the 'Odysseus' company).<sup>41</sup> The plan entailed the establishment of a rival bank to the British-administered bank, which would attract the number of merchants required by Ionian State law to subscribe the necessary capital.<sup>42</sup> While this first attempt failed, another more organised move to establish a bank in 1864, a few days before union with Greece officially took place, did get the support of more than 80 merchants and landed proprietors in Corfu. This time the agent of the National Bank of Greece in Corfu, M. Paramithiotis proved more efficient than Scaltsounis did a few years before, while the timing of the plan should not be overlooked in an attempt to unravel the factors determining business strategies.<sup>43</sup> Individual merchants did play an important role in establishing several commercial mechanisms in all port-cities. British consul J. Green founded a bank of discount, exchange and deposit in 1841, an initiative underestimated by Greek historiography, as Tsokopoulos notes, perhaps due to the lack of available data.<sup>44</sup> This bank was important in stimulating commercial activity in the nascent Piraeus economy and created important

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Merchants – investors from Corfu and Patras also supported jointly the founding of 'Elliniki Atmoploia', a steamer company attempted in Patras, which however did not go ahead. See, N. Papathanassopoulos, 'Naftilia', p. 122.

41 N. Vlassopoulos, *I Naftilia ton Ionion Nison (1700-1864)* [The Merchant Marine of the Ionian Islands], 1995.

42 E. Prontzas, *Trapeza I Ioniki 'via harin tis Ellados'* [Bank the Ionian, 'in favour of Greece'], unpublished draft, forthcoming.

43 Paramithiotis came from Ioannina, in the mainland opposite Corfu and had migrated in the port in the early years of the protectorate. He was involved in several business activities, insurance and banking being but one of them. These activities were very profitable indeed, as his will shows; M. Paramithiotis' will, Aspreas notary documents, Notaries 605 b, I.A.K.

44 Tsokopoulos, *Piraeus*, p. 167.

links with the trade of Patras and Ermoupoli, advancing cohesion between these port-cities, who had to gradually learn to see themselves less antagonistic and acknowledge that there were important opportunities for all three port-cities of the Greek Kingdom.

The published information on the insurance companies of the Ionian islands allows also tentative conclusion about the social identities of the shareholders and their role in the urban milieu. Shipping, especially in the case of Ermoupoli, but also in the case of Patras and in particular in the cases of Corfu and Kefallonia but also Ithaki, became one of the most significant mechanisms through which new social strata emerged. An examination of these shareholding registers, if the case of the Ionian Islands companies is anything to go by, can demonstrate the participation and the reception by the urban societies of Corfu, Kefalonia, Patras and Syros, of the business opportunities which presented themselves after the development of shipping and commerce. These records are also instrumental in understanding the prevailing and extremely mature attitude towards investment, in the form of shares. The purchase of shares demonstrates that the small shareholders responded positively to the opportunity opened by the increasing shipping activity, accumulation of capital, and legal framework; three factors which inaugurated the 'age of insurance'. The 1850s in particular, saw the initiation of a significant part of the urban societies in question to the values and worldview of the bourgeoisie, that is accumulation, calculation and the belief that there is no profit without risk. The case of the marine insurance industry can demonstrate the genealogy of the capitalist spirit in the Greek urban societies under formation during the nineteenth century. The emergence of a vibrant insurance and concomitant banking sector coincided with and reflects the course of the port towns mentioned, from growth to decline, as these towns were subjected to the national economic priorities of an expanding Greek kingdom.

#### *Concluding comments*

The economic consequences of the incorporation of the Ionian Islands to Greece for the port of Corfu can be better stressed if Corfu is compared with other Greek ports in the nineteenth century, notably Patras and Syros. Such a comparison will pinpoint the decisive factors in understanding and explaining the phenomena of growth and decline, while the contingency of the different timing of growth and decline can be highlighted only through a comparative method. While Patras was predominantly a port for the export of currants and the import of goods from Corfu and Trieste, Syros was the entrepôt

of the Eastern Mediterranean, and for the period 1830-1860 the most important Greek port. The similarities between the ports of Corfu, Syros and Patras are not always evident and indicate future research directions for a history of Greek nineteenth-century port-cities, that would transcend the limitations posed by an analysis of one case-study and would aspire to compare the port-cities in question, focussing on a key set of variables, such as the commercial institutions, the formation of urban hierarchies and the emergence of distinct elite group of merchants, a commercial class.

Ultimately, the character of each port-city determined the course of these ports, from growth to decline whether these were ports of export of agricultural commodities or entrepôts for the storage and transit of goods in neighbouring markets. The fluctuations of the international economy, particularly manifest in the case of Ermpoupoli have been sufficiently but not exhaustively discussed in Kardasis' work.<sup>45</sup> The case of Ermoupoli is usually taken as the odd one, justified by the meteoric and ephemeral growth experienced. Corfu port-economy in the nineteenth century has barely been examined, and the same could be said for the ports of Patras and Piraeus. It is certain that migration, trade patterns and the ability to maintain or not business networks determined port development. The establishment and control of commercial institutions, such as commercial legislation, the Exchange, the Chamber of Commerce, banks and insurance joint-stock companies, other credit networks and institutions of urban governance is less obvious but equally important at a local level for the emergence of a port elite of merchants and the reshaping and definition of merchant identities and business culture. This is not to say that this identity became fixed once it was defined by the Commercial Code, but that this, at that particular moment, was the dominant and indeed hegemonic one. For the growth or decline of the port-cities, the political developments, which determined the administrative national entity within which these port-cities belonged (Ionian State/Greek Kingdom) and the role of the State, should be among the core research objectives of any project involving the comparison of nineteenth-century Greek port-cities.

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45 V. Kardasis, *Syros*. The issue of whether Ermoupoli's decline was as rapid as it has been suggested so far remains to be investigated and awaits an even more thorough examination of Ermoupoli's economy and society in the period following 1857, when Kardasis' study stops.