



## Summary :

During the 19<sup>th</sup> century, the Balkan coast of the Black Sea constituted the second most important grain export region in the area and along with the export regions on the northern and eastern coast, the area became the greatest export centre in the world and Europe's bread basket. Greek Diaspora merchants, mainly located in Danubian ports, in collaboration with shipping enterprises founded on the Ionian and Aegean islands, developed corporative networks that imported immense quantities of grain into industrialised Europe.

## Date

Early 19<sup>th</sup> – early 20<sup>th</sup> century

## Geographical Location

Balkan coast of the Black Sea

## 1. Human Geography

The geographical profile of the Balkan Peninsula transformed the ports on the coast of the Black Sea into grain-export portals. The mountainous terrain covering the west coast of the Adriatic Sea did not allow the development of ports facing the west. In the western Balkans, the Pindus mountain range continues northbound to the Dinaric Alps and Slovenian Alps, thus forming a natural and insurmountable obstacle between the mainland and the Adriatic Balkan coast. The great Balkan mountain ranges follow a southeastern course and environ the mainland while gradually sinking to meet the Black Sea. Consequently, a great number of ports developed there as significant export sites for the mainland's grain. During the 19<sup>th</sup> century, the overland Balkan routes remained, for the most part, as they had been for centuries, while the railway network was established towards the end of the century.

The Danube was of uttermost importance for the economy of southeastern Europe. It is the largest river in the area after Volga, it springs from the Black Forest in Germany and flows eastbound via central and southeastern Europe, passing through the port-cities of Vienna, Budapest and Belgrade. However, this great river is not navigable for its greatest part. The Danubian plains in the western Balkans are cut across by a great number of tributaries, the most significant ones being Drava, Tisa and Sava, all of which confluence with Danube in Belgrade. And it is only on the last part of the river, beyond the Iron Gate and before its outfall in the Black Sea, i.e. on Romanian territory, where the first large Danubian ports, [Galați](#) and [Brăila](#), were established.

On the right bank of the Danube lies an extensive plain that became part of Bulgaria after 1878; on its left bank lies the Wallachia plain that was part of the autonomous United Romanian Principalities since 1859. The Principalities gained their independency and became the state of Romania after 1878. Both of these two cities (Galați and Brăila) during the last third of the 19<sup>th</sup> century transformed into important grain-production areas and their exports rivaled the likes of Russia and the USA.

The southwestern coast of the Black Sea, which until the 1870s was an inextricable part of the Ottoman Empire, was known for the constant transfer of Christian population during the Russo-Turkish wars and the Greek insurgencies, due to the proximity of [Constantinople](#) (Istanbul) and the permanent fear of retaliation. This fact makes it exceptionally difficult to assess the number of people inhabiting the numerous Greek communities in the area. Greeks living across the coast from the Bosphorus to [Constanța](#), were reputed for their seamanship and handled a great part of the Black Sea coastal trade, in contrast to those of the southern coast, who handled the overland routes to the east. While the Austrians and the Russians advanced their political agenda by attracting a great number of Greek merchants and mariners on their newly acquired territories, the British pushed their own penetration of the east by implementing liberal commercial policies after the repeal of the [Corn Laws](#) in 1846 and the [Navigation Laws](#) in 1847. Russia and Prussia were the main purveyors of grain for Great Britain before the [Crimean War](#). England, in its effort to access alternative sources of grain supplies, solicited closer relations with the Ottoman Empire and attempted to provide initiative for the increase of grain production in the suzerain Danubian Principalities. Between 80% and 90% of the Greeks involved in commercial activities in the Danubian territory during the 19<sup>th</sup> century were British subjects, hailing from the Ionian Islands, such as Cephallonia (Kefalonia) and Ithaca.

Danube's main embouchure to the sea was Sulina and the main ports of the river were Brăila, 113 miles from the sea, and Galați, 93 miles from [Sulina](#). During the 1860 census, Galați was inhabited by 36,000 people, Brăila by 26,000, while Sulina numbered 3,000 residents. 13,000 Greeks were located in the Romanian Principalities and most of them lived in these three ports. If the aforementioned numbers are accurate, then almost 1/5 of the total population in the most significant Danubian ports was of Greek origin.

In 1857, after the Crimean War, the [Danube European Committee](#) was established by the Habsburg Empire, Prussia, the Ottoman Empire, Great Britain, France, Sardinia, which after 1869 was called Kingdom of Italy, and Russia. Its purpose was to control navigation and, mainly, to perform engineering works in order to deepen the river and render it buoyant for larger ships. However, it was only in 1898 that the exceptionally narrow Iron Gate was opened connecting central Europe and the Black Sea, making long distance fluvial navigation possible.

The great navigation difficulties presented by Danube to sea captains, especially Europeans, were not restricted to natural obstacles. Before the establishment of the European Commission, navigation officers (pilots), customs officers, longshoremen and others burdened non-Greek sea captains with extravagant amounts of money in order to "save" them. Mr Jackson, Sulina's British sub-consul mentions acerbically:

"[Before the Crimean War], the British ships, as well as others bearing northern European flags, were naturally considered as easy prey by this band of pirates (pilots, customs officers, suppliers and coastguardsmen); customs officers tended to plunder accordingly, often by withholding part of the cargo [...] and there were Greek and Turkish ships that were granted some opportunity for fair treatment, because they were aware of their compatriots' trickery, they were familiar with the river's navigational secrets, they could speak the language and, when needed, could defend their interests, knife in hand, ready to place it on the throat of those compatriots who were eager to swindle them".<sup>1</sup>

## 2. Commerce and shipping

The area developed greatly due to grain exports and portage. The Black Sea evolved into the bread basket of industrialised Europe. The ports on the western coast of the Black Sea were divided into two regional portal systems. The first accommodated the northeastern Balkans and the grain exports from the Danubian plains. It included the Danubian ports of Galați, Brăila and Sulina. The area's secondary ports, such as Giurgiu, [Izmail](#) and Kiliya, supplied the aforementioned larger ports. The second regional portal system included



Varna, Burgas and Constanța. A number of secondary ports such as [Anchialos](#) (present day Pomorie), [Sozopolis](#) (Sozopol), Vasilikon (present day Michurin), accommodated the area's salt trade. Diagram 2 (see audiovisual material) indicates the immense increase in shipping traffic for the Danubian ports, especially from the 1870s to the end of the 19<sup>th</sup> century, while the significant ascent of the Bulgarian ports of Varna and Burgas, after the country's independence, is also apparent.

Although Sulina was mainly a transit port, it developed into one of the most important ports in the area. The shallow sandy dam that was formed after the port at the river's entrance, and the navigation difficulties occurring beyond that point, forced big ships to load there, while the cargos arrived from Galați and Brăila mostly in big iron barges, called "shleps". This kind of grain commerce encouraged Greeks from the Ionian Islands to embark on a combination of trade and ship-owning, in order to successfully conclude their activities. The significant growth in shipping business during the last third of the century is also due to the prevalence of the new steam technology. Although sailing ships remained the foremost naval carriers in the Mediterranean during the first two thirds of the century, steamboats started to dominate from the 1880s onwards. The steamboat brought about many changes in naval transport, namely speed, greater tonnage, frequent and scheduled itineraries. It brought about a revolution in world shipping, as well as the need for port expansion and improvement.

### 3. Mercantile Diaspora and Greek shipping

In the middle of the 18<sup>th</sup> century, the internationally oriented Greek mercantile Diaspora excels in overland commerce, as well as overland, fluvial and marine transport in the Balkans. The term "mercantile Diaspora" refers to commercial family enterprises that started from Epirus, Macedonia, the Peloponnese and the Ionian Islands and, through the establishment of an entrepreneurial network, handled the external commerce between the Ottoman Empire and central Europe, especially the Habsburg Empire (Austria, Hungary, Transylvania), Poland, the Italian Peninsula and Malta. The financial centre of the time was Vienna. Although the first distinction in international commerce appertains to the Balkan mainland, during the last third of the 18<sup>th</sup> century the combination of overland and maritime trade towards the west is developed in parallel, from the Western Balkans to the Italian cities of Trieste, Ancona, Messina, Livorno and Genoa.

This first period of the development and formation of international entrepreneurial networks by Greeks extends from the middle of the 18<sup>th</sup> century until the 1820s. The network was expanded on two axes: the first axis included the enterprise with regard to the place of origin within the Ottoman Empire. Consequently, the second axis referred to the enterprise's network expansion within the Greek communities, known as commercial *paroikies*, which had developed in the main economic centres, usually great ports, from the Black Sea to northern Europe. It is by now well known that the commercial overland and maritime routes formed the communities of the Greek Diaspora that developed fully dependent on the international overland and maritime trade of the time.

The network's second phase, called "[Chian network](#)", covers the period of time from the 1830s to the 1860s. The Chian network was consisted of approximately 60 families, most of which hailed from the island of [Chios](#). This is the time of the sailing ships and the time during which the leading commercial houses of the Greek Diaspora are growing fast. Such are the ones owned by the [Rallis](#) brothers, by [Rodokanakis](#), Petrokokkinos or Skylitsis; establishments located in London in the west, [Odessa](#) and Istanbul in the east, involved in three-fold enterprises: [commercial, shipping](#) and [banking activities](#). The "Chian network" remained strong only for a generation and was replaced by the "[Ionian network](#)", with reference to Diaspora entrepreneurs originating for the most part from the Ionian Islands, such as the [Vallianos](#) brothers. This is the time when the new steam technology dominates sea trade, and the European shipping is marked by the transition from sailing ships to steamboats. Businessmen of this period specialised in shipping and set the foundation for the great Greek ship-owning enterprises of the 20<sup>th</sup> century.

The "Ionian network" developed mainly across the coast of the Black Sea, focusing on two areas, Danube and the Sea of Azoph. It was especially the Romanian Danube region in the whole of the Black Sea area that the Ionians dominated; in 1895 they owned 72% of the "shleps" and 55% of the steam-tugs on the Danube. And the term "Ionians" mainly refers to "Cephalonians" and "Ithacans". In reality, they had gained control of Danube navigation. Most of the "shlep" owners were prominent grain-merchants, ship-owners, maritime agents and industrialists. The Greeks had involved themselves into a wide entrepreneurial spectrum, but after 1895, mainly due to political reasons, they started to leave the area and re-locate in Piraeus and London, where some of them excelled as leading ship-owners of the 20<sup>th</sup> century. The ten most important Danube "shlep" owners were the [Stathatos](#) brothers, Othon Stathatos, the [Theofilatos](#) brothers, Ioannis Theofilatos and sons, the Chrysovelonis brothers, Kouklelis and Michailidis, A.P. Maroulis, Ch. Karousos and A.G. Karavias. These ten owned 36% of the "shleps" and 43% of the tonnage of the Greek-owned fluvial fleet.

Another notable ship-owning company that distinguished itself through the Ionian network, originating from Andros however, was the [Embeirikos](#) family, one of the most powerful Greek ship-owning families of the first three decades of the 20<sup>th</sup> century. Its success was due, for the most part, to business carried out in Danube by some of its numerous members during the 19<sup>th</sup> century. The Embeirikos commercial, shipping and banking house was founded during the last third of the century by Leonidas, Alkiviadis and Epameinondas, located in Brăila. The family since the last years of the 19<sup>th</sup> century specialised in shipping, investing heavily in steamboats. In 1896 Stamatis Embeirikos opened the first Andriot maritime office in London under the name S.G. Embirikos Ltd, an office following the standards of the Vallianos family. Until 1914 their fleet was the largest in Greece, including thirty steamboats of 100,000grt, representing 13% of the Greek fleet total and rendering the Embeirikos family the most powerful one in Greek maritime business.

In Danubian commerce and shipping, the Ionians had to compete with the British, as indicated in diagram 3. The two of them owned over two thirds of all freighters entering Danubian ports. Before the 1860s about half of the total tonnage departing from the Danube belonged to Greeks, but after the 1870s, competition from British decreased the Greek percentage to ¼. Even greater, however, was the slump during the 1880s and 1890s, a period of time characterised by the transition of the Greek fleet from sails to steam and by the height of the British presence as far as Danubian commerce was concerned.

However, during the first decade of the 20<sup>th</sup> century Greek participation increased, while the British one degraded. The apparent decline of Greeks participating in Danubian commerce is in a way misleading, because of the large number of regular steam-liners entering many ports in order to accommodate postal needs or passengers, but not handling trade. In reality, the tonnage of Greek ships departing from the Danube more than doubled between the period 1871-1895, while it quadrupled until 1912. The most significant "shlep" owners, who also owned sailing-boats started since the early 1880s to gradually buy steamboats.

Maritime activities in Danube provided Greeks with experience in order to further their exclusive involvement with shipping. The new, specialised profession of maritime agent emerged and developed in Sulina, Galați and Brăila. The European Commission of the Danube obliged every commercial ship to carry official documents, where information for tonnage, cargo and crew was recorded, as well as data on paying port customs, special tariffs for entering the river and cargo revenues. Since all this bureaucratic documentation had to be written in French, English or Italian, a new generation of sea entrepreneurs appears, namely maritime agents; these people gradually expanded in affreightment and ship-owning.



The Greek entrepreneurial network is also present in the southwestern ports of the Black Sea. The autonomous Principality of Bulgaria was created in 1878, it unified with Eastern Rumelia in 1885 and became an independent state in 1908. Since then the country's commerce gradually developed securing prosperity for the area through the handling of grain. Salt from Anchialos was also an important export product. Within ten years grain exports were multiplied seven-fold; while in 1885 they consisted only 3% of the total dry goods exports, they escalated to 7% in 1894. Imports regarded mainly colonial and industrial products. In 1880, 6% of tonnage of ships departing from Varna and Burgas belonged to Greeks, a percentage that rose to 25% in 1890, to decrease again in the beginning of the 20<sup>th</sup> century to 15%.

Even though not much information is available concerning members of the Ionian network in Bulgarian ports, it is however well known that several Greek entrepreneurs were involved in local trade. Steamboats of the Kourtzis Company located in Istanbul had undertaken postal and other transport services between Istanbul, Burgas, Varna and Constanța, while ships belonging to the Vallianos family were constantly loading grain in Varna and Burgas in 1885. It is also apparent that local grain merchants were also Greeks. At the same time, Greeks were reputed for their seamanship all over the coast from Bosphorus to Constanța and dominated the Black Sea coastal trade with their sailing boats. The Lloyd's Maritime Insurance Agency revealed this unknown aspect of Greek-owned shipping for the southwestern coast of the Black Sea: in 1890, Sozopol, Vasilikon and Anchialos maintained a fleet consisting of thirty sailing ships of 20,000 nrt.

It is clear from all of the above that Greeks dominated commerce and shipping activities in the Balkan coast of the Black Sea. This area in the last third of the 19<sup>th</sup> century became the third most important export centre worldwide, following Russia and the USA. In 1900, shipping traffic on the west coast of the Black Sea amounted to 40% of all portal traffic for the coastline spanning from Burgas to [Batumi](#).

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Glossary :

	<b>Chian network</b> The network was comprised by the Greek merchants who were active commercially in the Black Sea, in the Mediterranean and in Western Europe during the period 1830-1860. The most important merchants originated from the island of Chios and very often were connected with kinship ties. These merchants combined trade with shipping and their companies were characterised by discipline and cohesion. The most important families were those of Rodokanakis, Zizinias, Rallis, Dromokaitis, Petrokokinos, Agelastos. The network's importance declined with the changes in Black Sea trade after the Crimean War (1853-1856), in connection with the technological changes in sea transport.
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#### Corn Laws

The end of the Napoleonic Wars liberated the commercial activity, leading to a steep fall of the prices of cereals in Britain. Representatives of the interests of the agricultural economy, with the land aristocracy at their head, managed in 1815 to persuade the Parliament to pass a legislation, according to which wheat was forbidden to be imported as long as its price was under 80 shillings per quarter (measurement unit for wheat and equals, equal to 64 gallons or 291,2 liters). Over this price imports were free. Respective measures were taken for other cereal products. However, the fact that this measure proved to be a failure in many respects led in 1828 in the adoption of a taxation based on a sliding scale of prices. Pressure against the law from a large part of British society, most notable from the group of industrialists of northern England, was expressed through the organization "Anti-Corn Law League". This pressure, combined with the Great Famine in Ireland (1845-46), forced the Peel administration in 1846 to abolish the Corn Law, liberating in this way the imports of cereals.

#### gross registered tonnage (grt)

The volume of a ship's closed spaces. 1 gross register ton equals 100 cubic feet or 2,83 cubic metres.

#### Ionian network

The Ionian network was comprised by the Greek merchants, who were active commercially in the Black Sea (in Odessa and Nikolaiev, ports of the Azov Sea and Danube), Mediterranean and Western Europe during the period 1870-early 20<sup>th</sup> c. The most important merchants of the network originated from the Ionian islands and especially Cephalonia and Ithaka. The network's members started their activity as sailing shipowners and they were later involved in trade. At the end of 19<sup>th</sup> c., they were involved in transportation of cargos of the same kind, especially grain and coal. The network's members became important shipowners. The network's most important personalities were Athanasoulis, Antypas brothers, Aravantinos, P. Vallianos, N.P. Vlassopoulos, Drakoulis brothers, Theofilatos and Stathatos, Theofilatos brothers, Kavvadias brothers, G. Kakoulatos, A. Kourkoumelis, Lykiardopouloi brothers, Melissaratos brothers etc.

#### Navigation Acts

The Navigation Acts were applied in England for the first time in 1651. They provided that all the products from Asia, Africa and America that would be imported to England or to its colonies should be transported with English ships, whose owner and the majority of the crew should be English citizens. The products from Europe should be imported either by English ships or by ships from the country where these products were produced. Since 1822, these restrictive laws were modified and prohibitions were gradually limited, while their complete abolition took place in 1849, as part of the further liberalization of British economy.

#### net registered tonnage (nrt)

Measure of a ship's cargo capacity (non-productive spaces are not included).