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## Salonica

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Traveller accounts and consular reports on Salonica during the nineteenth century were far from uniform in their content. The existence of conflicting political concerns, religious affiliations, and financial interests allowed abundant diverging descriptions. One aspect, however, seems to have been in the eyes of all foreign observers: Seen from the sea, Salonica appeared as one of the most beautiful cities of the Ottoman Empire. With its Byzantine churches, minarets, Roman monuments, city walls, towers, cypress trees, and red tiled roofs, the city, from a certain distance, looked picturesque. But this idealized first impression could not withstand a closer inspection. In the early 1880's, Murrey's *Handbook* remarked, "Few places can exhibit a greater discrepancy than here [Salonica] between external splendour and internal squalor" (Murrey, 1884: 710).

Indeed, in most parts of the city, the streets and houses presented, by European standards, a miserable and intolerable sight. Its multinational character exercised a profound influence on the structure of Salonica. The Muslim quarters, perhaps the cleanest part of the city, occupied the northeastern mountainous part, close to the city castle. The Jewish converts to Islam, the followers of Sabetai Sevi, the so-called *deunmes*, also had moved to this upper part. The rest of the southern part, that is, most of the central and coastal districts around the port and the commercial center, were the Jewish quarters. They were extremely crowded, filthy, very unhealthy, with wooden houses and disintegrating narrow streets. The central street of the city, the Roman via Egnatia, was not paved with stones until the late 1870's. The Europeans who resided permanently in Salonica traditionally gathered around the Catholic

church, in the western part, which was called “the neighborhood of the Francos.” Although Jews, Greeks, Ottomans and Europeans transacted business in a common market during daylight, contact between the different groups was very rare after sunset, especially between Muslims and Christians (Dimitriadis, 1983a; Moskof, 1978: 25–55; Garnett, n.d.: 24; Wratislaw, 1924: 21; Abbott, 1903: 28; Millet, 1891: 16).

Until the late 1860’s, Salonica was still confined within its medieval city walls. The demolition of the sea walls and the eastern walls improved the sanitary conditions and provided the necessary room for expansion. From the 1880’s, an elegant quarter, consisting of wealthy Jewish and Greek villas, started to emerge and expand eastwards. A much more humble quarter also was created in the west of the city, situated near the railway station and peopled by Slavic-speaking urbanized peasants. The northeastern part remained waste land until 1878, when Muslim immigrants from Bosnia settled there. Considerable municipal improvements followed the growth of the city: The streets were gradually paved; the water supply was improved between 1887 and 1900 by a Belgian company; a British gas company took over the illumination of the city in 1887; tramways arrived in 1893; a French company started to improve the harbor infrastructure in 1897; electricity, telephones, and electric tramways were introduced in 1908 (Vakalopoulos, 1983: 343; Gounaris, 1988: 303–4; *Pharos tis Makedonias* 31.10.1887; 23.5.1892; P.P.A.P. 1893–94, XCVII: 228; 1909, XCVIII: 961).<sup>1</sup>

The geographical expansion of Salonica eastwards and westwards was the natural outcome of the growing urbanization which was in progress after the turbulent years of the Greek War of Independence and the massacres which had occurred in the city (Vakalopoulos, 1983: 298–307). Circa 1800, Salonica had a population of 50–60,000, which probably fell to 40,000 in the 1820’s. By the 1840’s, the figure had risen back to 60,000 and by 1870’s, it was 80,000. In the last quarter of the century, growth was far more rapid: In 1880, the population exceeded 100,000, and in 1888 it was over 120,000. By 1905, it was estimated at 150,000 and before 1912, it probably was more than 160,000. While all the figures are

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<sup>1</sup> All dates refer to the Julian calendar.

speculations of contemporary observers, a steep rise in population can hardly be doubted.<sup>2</sup> There were 5,000 houses in Salonica in 1853, and 30 years later, the number had reached 12,000, to decline to 8,300 after the fire of 1890. Rents and sites became increasingly expensive, and house building, never very remunerative before the 1870's, proved extremely profitable in later years (Gounaris, 1988: 302-4).

It is far more difficult, if not impossible, to trace the population growth by nation, that is, by millet. The ratio of the Christian community, the Europeans included, to the aggregate city population 1800-1912, fluctuated roughly between 20 and 30 percent. Over the century, Muslims, including the *deunmes*, and Jews saw their relative positions almost reversed. The former, which in the 1800's represented probably one-half of the population, fluctuated between 25 and 35% between 1840 and 1890 and never exceeded 30% during the early twentieth century. Jews more than quintupled during this same period. They were not more than 15,000 at the beginning of the nineteenth century, some 20% of the total; in the early 1880's, they numbered 45,000 and were more than 60,000 in 1912.<sup>3</sup>

Their rapid growth primarily derived from decreasing infant mortality, while the Christian and Muslim communities grew mainly as the result of immigration. Among these were Ottoman landlords who fled from Bosnia, Thessaly, and Eastern Rumelia between 1878 and 1885; Greek merchants and artisans from Chalcidice, western Macedonia, Epirus, and southern Albania; and Exarchist Slav-speaking peasants from central Macedonia from the 1890's onwards (Risal, 1914: 255-59; Gounaris, 1988: 303; *Ermis*, 20.1.1878; 24.9.1878; *Pharos tis Makedonias*, Nov. 1890, *passim*).

Salonica was traditionally an administrative center, a stronghold for the army, and the unchallenged commercial center of the southern Balkans. Built on the crossroads of the main arteries leading from the Adriatic to the Black Sea and from the Danube to the

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<sup>2</sup> The first census after the Greek occupation of Salonica took place on April 28, 1913. The population was estimated at 157,889 (61,439 Jews, 45,867 Turks, 39,956 Greeks, 6,263 Bulgarians, and 4,364 of other nationalities). See Dimitriadis, 1983b: 96.

<sup>3</sup> Even higher figures for the Jewish population of Salonica are given by Dumont (1982: I, 23).

Aegean, it had developed into a major transit port and had been integrated into the world market at least from the early eighteenth century (Hoffman, 1968: 22; Svoronos, 1956). In the 1930's, it was still the natural economic outlet and inlet not only for Macedonia but also for an extensive hinterland which covered most of the Ottoman Balkans, although steamship navigation of the Danube since 1835 had somewhat reduced its importance (Paskaleva, 1968: 283-84). Transactions with the interior were realized through a network of some ten annual fairs, the most important being those of Perlepe (Prilep) in the west and of Serres in the east of Macedonia. Transport was based on the caravans, consisting of varying numbers of pack horses with an armed escort. In 1859, the weekly traffic between Salonica and the interior was estimated at 2-3,000 horses and mules, but occasionally it could reach 5,000.

The commercial situation of Salonica, however, was not always favorable. In the mid 1830's, the city had not yet recovered from the Greek War of Independence. In 1834, the captain of the frigate *United States*, which anchored at Salonica, described the city as wretched, impoverished, and unpromising (Field, 1969: 187). The local governor, who exploited the cereal monopoly on his own behalf, shared part of the responsibility for this situation. Food prices had undergone very large increases, and the population experienced considerable distress. Fortunately, the governor was sent into exile that same year (AYE/K.Y., 1834/36/2 28.2.1834). More important for the revival of the sea trade was the abolition of piracy (which had been connected with the Greek War of Independence) and the Anglo-Turkish commercial treaty of 1838. Imports and Exports improved between 1836 and 1839, but declined in the early 1840's when a revolt in Albania almost isolated the city from the hinterland. Meanwhile, in 1840, the Austrian-Danube Steam Boat Company had established contact between Salonica and Constantinople running a "river boat." Two years later, the Austrian Lloyd Company took over the line and inaugurated new services with Volos, Piraeus, Syra, Corfu, Trieste, and other Adriatic ports. In 1844, the Ottoman Steam Navigation Company joined in. From 1845 onwards, the commercial trend was positive, despite some temporary setbacks.

The Crimean War (1853-56) stimulated the cereal trade, and the commercial houses in Salonica realized substantial profits. In

1853, the French Messageries Maritimes started to call regularly, as did the Fraissnet lines ten years later. The American Civil War and the consequent rise of the Ottoman cotton export trade was another incentive for the Salonica merchants in the 1860's. During these years, several Russian, Greek, Ottoman, Egyptian, and Italian lines also attempted to set up connections with Salonica, although not always with success. An effort was also made to improve ties between the city and its hinterland. A reduction of transport costs would support exports, increase agricultural incomes, and, it was hoped, stimulate imports. But, despite the taxation of the population and its compulsory participation in the construction work, the attempts proved in vain. Telegraph communication between Salonica, the major urban centers in the interior, and Europe, however, became available during the 1860's (Gounaris, 1988: 39-40, 49-52).

The material infrastructure, however, was not the only obstacle to commercial progress. Regular banking was unknown in Salonica until 1864, when the Banque Imperiale Ottomane opened a branch office. Credit facilities were extremely limited; in fact, only a few merchants enjoyed such a privilege and, even for them, credit could be extended only until the day of delivery or, at best, a month after delivery. Thus, banking was in the hands of the wealthiest commercial houses, which advanced money to merchants and landlords at considerable rates. Some fifteen such houses are mentioned in Salonica in the mid-nineteenth century. A number of petty usurers dealt with the rest of the urban and rural population (Vakalopoulos, 1980: 49-54).

A shortage of liquid capital, unreliable transport, competition with the European machine-made goods, low customs duties, and the low purchasing ability of the peasantry also hindered the development of industry in Salonica. The only sector of any importance was the silk industry, which managed to survive during the 1820's and made headway in the 1840's, when 35 silk mills were reported. In the 1850's, their number decreased by some 50%, but silk remained dominant in the industrial sector until the early 1870's, mainly because of the extremely low wages paid to the local female workers. In 1873, Salonica possessed 18 silk mills with 475 reels worked by 950 workers (Vakalopoulos, 1980: 62; Ubicini, 1856: I, 339; P.P.A.P. 1874, XLVI: 509).

The situation started to change in the early 1870's. The growing

production in the European industrial centers necessitated a more systematic exploitation of the Balkan markets. The construction of the first railway line, built between 1871 and 1874 and connecting Salonica to Mitrovitsa, certainly marked the start of this new period. The line was part of a wider Balkan network constructed under the direction of Baron Maurice de Hirsch, with British, French, Austrian, and Belgian capital. In 1888, the line was connected via Skopje (Uscub) to the Serbian network, and thus Salonica acquired direct access to Europe. Between 1891 and 1894 a second line was built, with capital furnished by the Deutsche Bank, from Salonica to Monastir, the major town of western Macedonia. A third line, constructed between 1893 and 1896, linked Salonica to Constantinople via Alexandroupolis (Dedeagatch). The project was financed by the Banque Imperiale Ottomane and the Banque de Paris et des Pays-Bas (Gounaris, 1988: 64–95).

While the railways had a tremendous impact on the development of the whole Macedonian economy, Salonica, the railhead of all three lines, experienced the most rapid and profound changes. These railways channeled all the import and export trade of the southern Balkans through its port, displaced other secondary ports (with the exception of Kavala), even those of the Albanian coast, and reshaped the commercial map of Macedonia. Leskovats, Vranje, Nish, Skopje, Mitrovitsa, Pristina, and other townships in the south of Bosnia and Serbia, which had previously traded directly with Austria-Hungary, switched their traffic to Salonica after the first line was opened. The same development occurred when the two other lines began operation. Florina, Kastoria, Kozani, Serres, Drama, and various other towns and villages which were served by the railway lines diverted their orders to Salonica. Although after 1888 the position of Skopje as a distribution center in northern Macedonia was stabilized, most of the retail trade of the other towns along the lines concentrated in Salonica. Fairs soon declined and were replaced by shops and commercial visitors. Import, export, forwarding, loading and unloading agencies and various retailers, representatives, and middlemen started businesses in Salonica in order to manipulate the economy of Macedonia (Gounaris, 1988: 235–41).

Ship communication with western and northern European ports progressed significantly. Various companies of every nationality

started to call regularly at the port of Salonica, beginning in the 1870's and especially after the 1888 railway connection with central Europe. Despite the lack of loading and unloading facilities, the high charges that porters' agents demanded, and the absence of a railway link between the port and the station until 1909, shipping rose steeply. Cleared ships, which had hardly exceeded 900,000 tons in the 1870's, were more than one million tons in the 1880's, exceeded 1.5 million for most of the period between 1890 and 1907, and rose above two million tons from 1908 to 1912. Under pressure from the local mercantile community and the foreign consuls, the Ottoman government in 1897 accepted the idea of expanding the port. The project was assigned to a French syndicate, which completed it in almost seven years. The customs house was also restored; in 1909, plans were made for a new building, which was not completed until the Balkan wars. Meanwhile, from the early 1880's, telegraph communication had also connected Salonica with the outlying semi-urban centers (Gounaris, 1988: 253-61, 281-82).

There were other infrastructural developments which occurred after the 1870's. Consumption was bound to remain limited unless the necessary credit facilities could be secured. By the late 1880's, Austro-Hungarian firms had extended their credit limits to eight months, Germans and Swiss to six months, Belgians, French and Italians to four months but the British to not more than three months. In 1882, a local Chamber of Commerce opened in Salonica but remained powerless for a long period. Far more active was the Commercial Club of Salonica, founded in 1895 by the commercial community for the mutual protection of local businessmen. The businessmen fixed a series of regulations concerning credit, interest, discount, and commission for customers, brokers, and agents, and thus set the rules for competition. The committee of the Club was empowered to arbitrate disputes between merchants and customers. All customers who would not accept the commercial terms, as fixed by the Club, were not served. Banking also improved. In 1888, the Landerbank of Vienna, the Comptoir d'Escompte of Paris and the local firm Allatini Brothers founded, with a capital of two million French francs, the Banque de Salonique. In 1899, the Greek-owned Bank of Mytilini opened a branch office. It was followed in 1905 by the Bank of Industrial Credit of Athens, in 1906 by a branch of the Deutsche Orient Bank, and in 1908 by the

Beogradska Zadruga. As well as these banks, ten private banking houses also were available around 1910 (Gounaris, 1988: 213–17).

Reliable communication with Europe and the improvement of banking facilities prepared the necessary ground for industrial development. Heavy industry was not seen as an option, and thus efforts were oriented towards the production of cheap cloth, edible goods, and basic construction and furnishing material, either for the Salonica market or for the growing urban and semi-urban centers of the interior. In the late 1870's, the opening of the first rail line, the concentration of armed forces in Salonica because of the Serbo-Turkish and the Russo-Turkish Wars, and the immigration movement favored the establishment of some flour mills, a cotton mill, a distillery, and a brick plant. In the 1880's, the steam and cotton mills expanded and multiplied, some soap and macaroni plants were established, a few iron foundries started to appear, and the tobacco monopoly opened a cigarette factory.

After 1888, the threat of central European competition pushed local entrepreneurs to intensify production, while the gradual reduction of the railway freight charges increased the likelihood of larger profits. Soon the district around the railway station was turned into an industrial zone. Between 1888 and 1892, cigarette production grew twofold, the production of bricks tripled in five years, cotton twist output jumped from 1.32 million pounds in 1886 to 3.25 million pounds in 1891, and coal imports tripled, to 24,376 tons between 1889 and 1892. Flour production also rose. In the twentieth century, increases were especially rapid after the increase of import duties, by 3%, which improved the competitiveness of the local products. The textile industry again captured the interest of entrepreneurs (Gounaris, 1988: 176–85).

Industrial growth, urbanization, more effective banking facilities, steady remittances from the western Macedonian migrants, the shift to industrial crops, the decline of cereal trade, and the gradual adoption of European tastes and habits all affected commercial trends in Macedonia. Although the figures available for the port of Salonica do not represent the production and consumption only in that city, they certainly reflect the growing profits of its mercantile community and the commercial traffic passing through its port, railway station, agencies, and markets. The value of imports, once below one million pounds for most of the prosperous 1860's, re-

remained over a million until the end of the nineteenth century, regardless of the harvest. From 1899, imports' value always seem to have exceeded two million pounds, surpassing three million in 1908, and four million thereafter until 1912. Exports between 1864 and 1912 usually averaged more than one million pounds; once, in 1892, they reached 2.2 million, but declined after the turn of the century (Christodoulou, 1936: 121-35).

From the mid-nineteenth century, Salonica experienced evident growing prosperity. The role of the different native religious communities evolved during these years. The Jews were the dominant element in the local economy throughout the period, no doubt helped by the severe blow that the Greek Community experienced in the early 1820's. In the very early years of the nineteenth century, most of the upper-class Jews were either brokers or retail traders. In 1851, the commercial houses of Allatini, Modiano, Fernandez, Misrachi, and Tiano had grown into small commercial empires with branches in many western European financial centers and in the interior of Macedonia. Their main income originated from the cereal trade, but they also exported tobacco, oil, and cotton. On the other hand, they were also importers of coffee, sugar, and timber. Some were involved in silk production, and all were active in money-lending to Ottoman officials and landlords (Vakalopoulos, 1980: 51, 53).

In later years, from the 1870's, a number of wealthy Jews were attracted by the rising profits in industry. Until the Balkan Wars, they dominated the cotton, flour, and brick industries in the city. Their position as chief moneylenders also remained unchallenged. The creation of the *Banque de Salonique* was certainly the most impressive achievement of Jewish capital and indeed was connected mainly with the financial interests of their community. In 1910, the overwhelming majority of the private banking houses, probably 90%, were Jewish, and Jews were almost completely dominant amongst money changers as well. Indicative of the influence of these houses in the local economy is the crisis, in 1911, which followed the closure of the Saul Modiano bank (Modiano was expelled as an Italian citizen), whose engagements amounted to over Lira 250,000 (Moskof, 1978: I, 93-97; P.P.A.P. 1912-13, C: 708).

The merchants with their elegant villas (some of which still survive) were one side of the Jewish community, the most conspicuous

but not the most numerous. Most male Jews obtained their livelihood as porters, lightermen, bricklayers, peddlers, costermongers, artisans, tinkers, and shoeblacks. Their skill as porters was often praised, and no ship could load or unload cargo on Saturdays. Young female Jews were traditionally the exclusive labor force of the local textile industry. They worked for extremely low wages in an attempt to save enough money for their dowries. In general, the living conditions of the lower classes, as mentioned above, were very poor. Many families lived under the same roof, and evictions were not rare, especially in August, when the annual rents had to be paid in advance. Evicted families used to find refuge in the large synagogue. As the contemporary Lucy Garnett noticed, the health of the lower classes was preserved only because they spent most of their lives outside their miserable houses. Whenever the threat of census, in other words, of taxation, was imminent, neighbors were quick to inform each other, and thus some of the children, especially the boys, were speedily removed (Adler, 1905: 142; Abbott, 1903: 19; Garnett, n.d.: 191-92; *Ermis* 29.8.1875).

The distress that the lower classes experienced was partly alleviated by philanthropic institutions which were headed by the community's administrative committee. From the mid 1870's, the Jewish community was under the influence of the Alliance Israelite Universelle. In 1873, the first school of the Alliance was founded and gradually brought the Jews under French cultural influence, while at the same time the publishing activities of the community were intensified. French became the second language and contributed considerably to the secularization of Jewish education and particularly to the formation of an effective class of commercial intermediaries and qualified white-collar workers, mainly for the private sector. The adoption of French liberalism soon divided the community. The liberals, then, most of whom were wealthy families, supported the strengthening of European education and contributed generously to the community treasury. The conservatives, on the other hand, formed the majority. They remained attached to tradition, opposed European education, and were reluctant to mix socially with Christians and Muslims.

In the 1880's, the Salonica Jewish community consisted of some 15,000 families; but only 1,000 of them contributed to the common welfare and voted in the elections for the administrative committee.

Among them were most of the richest families. The community budget was estimated at 500,000 gold French francs, a sum equal to the municipality budget. The fund provided improved housing for the poor families and maintained 15 elementary schools, 4 secondary schools, and one college, in addition to 30 public synagogues and a variety of charitable institutions. The administrative committee, which also had judicial powers and a court, consisted of community notables and some rabbis and was headed by the head rabbi. After the turn of the century, the Jewish working class, influenced by socialist ideas, challenged the power of the traditional leadership, that is, the "liberals" of the previous century, and demanded, unsuccessfully, the extension of the right to vote for the committee to all classes (Moskof, 1978: I, 39-140; Nehama, 1978: VII, 755-56; Moraitopoulos, 1882: 33; Garnet, n.d.: 189; Risal, 1914: 241-42; Mackenzie & Irby, 1867: 13; Molho, 1988: 394).

The Greek community in the early nineteenth century included some 2,000 families, mostly engaged in commerce. Their commercial connections with western Europe were "in some measure subordinate" to foreign merchants—that is, as far as trade with western Europe was concerned, the Greeks were retail traders while imports and exports were managed by "Frank" merchants. However, the Greeks maintained extensive and independent commercial links with Ottoman ports and Germany (Holland, 1815: 320). The brutalities which took place during the early 1820's and the execution of some leading community personalities delayed commercial progress between 1830 and 1840. But the establishment of a Greek consulate in the mid-1830's and a favorable financial situation soon brought them back into business, and by mid-nineteenth century they equalled the Jews in import and export trade. The growing importance of Salonica as a distribution center encouraged the gradual settlement of the richest Christian merchants of the interior to the city.

Although Greek entrepreneurs were also engaged in money-lending, these activities still remained marginal sources of income. Since commercial transactions with the interior were realized on credit, most of their capital was blocked for long periods of time. Moreover, their profits fluctuated according to the success or failure of the crops. It could probably be argued that liquid capital shortages, the lack of a large Christian labor class, and the absence

of reliable banking facilities all hindered the Greek element from involvement in industry before the twentieth century. The situation changed only after the turn of the century. The establishment of some branches of Greek-owned banks probably favored the involvement of the local Greeks in the textile industry, while insecurity in the interior encouraged some successful Greek entrepreneurs from provincial towns to expand their industrial business in Salonica. But it is unlikely that Greek industry before 1912 ever threatened Jewish supremacy in this sector. The rather slow financial progress of the Greek element during the last decades of the nineteenth century, in comparison to the rapid Jewish commercial and industrial expansion, is not irrelevant to the internal conflicts that the Greek community suffered (Berard, 1897: 176).

The political administration of the community as well as judicial matters were in the hands of the Metropolitan and eight notables who were elected annually by the "general assembly," an electoral body which was "general" in name only, since it drew only on the upper social strata. The same assembly elected sixteen additional notables who stayed in power for three years. All 24 notables elected the supervisory committees of the schools and charitable institutions. In the early 1880's, the community consisted of twelve parishes, while the artisans and shopkeepers were organized in fourteen guilds (Moraitopoulos, 1882: 27-31).

Although the Greeks, unlike the Jews, generally were more adapted to European culture in its various aspects, two different tendencies, the "conservatives" and the "liberals," could still be easily distinguished among them. The former party was the strongest element financially and consisted of merchants, manufacturers, landlords, and scientists, the traditional elite of the community. The "liberals" represented the petit-bourgeoisie, the artisans and shopkeepers, and the lower strata, although they were headed by some of the notables. In the early 1880's, the "liberals," backed by the Metropolitan, gained control of the administrative council but were unable to secure the allegiance of the whole community. Rivalry and conflicts were prolonged for more than ten years but to a large extent they represented personal antagonisms rather than a real political confrontation. The "conservatives" gradually regained control, but a final compromise was only reached in the late 1890's, after the intervention of the Greek consulate (Millet, 1891: 20;

Moskof, 1978; I, 128–31; *Ephimeris* 22.9.1888, 27.12.1888).

Despite these events and although the budget of the community was not larger than 20% of the Jewish budget, the Greeks could “fairly claim to stand as the chief representatives of its [Salonicas] intellectual culture” and could also boast of some excellent benevolent institutions (Abbott, 1903: 20). In the late 1860’s, the community already possessed a hospital and a secondary school. The establishment of the Association for the Promotion of the Education and the Charitable Brotherhood in the early 1870’s and the later appearance of the first Greek newspaper were the first steps of the Greek counteroffensive against the penetration of Slav propaganda in Macedonia. As internal rivalry died out and the Greco-Bulgarian conflict over Macedonia became the central issue, Greek associations and brotherhoods, supported by some substantial bequests, multiplied and intensified their educational and charitable activities. In 1899–1900, the community already possessed two secondary schools, four elementary schools, and four nurseries (*Logodosiai*, 1898–99: 26).

The Slavic-speaking Christian community consisted of some 150 families of Albanian origin who settled in Salonica in the 1860’s and were initially incorporated with the Greek community. A few years later they joined the Exarchist Church, which had broken with the Patriarchate in Constantinople in 1870. Their small community supported one elementary and one secondary school. By the early 1900’s, the Slavic-speaking Exarchists in Salonica were not more than 8,000; in their overwhelming majority, they were urbanized villagers who had developed a Bulgarian cultural identity of varying degrees. Few managed to make a name as merchants or professionals. Most were petty retailers, shopkeepers, and artisans with very limited influence in municipal affairs. Their educational campaign enjoyed the support of the American Protestant Mission but the Ottoman authorities were particularly keen to restrain Bulgarian initiatives. In 1910, however, Exarchists possessed, in addition to two elementary schools, some institutions of secondary and commercial education and a normal school. Romanians, who had been working since the mid-nineteenth century to convert the Vlachs, also managed to establish a primary school and a secondary commercial school, while the small Serbian and Armenian communities possessed one elementary school each (Vakalopoulos, 1983: 328;

Souliotis, 1959: 27–29; Millet, 1891: 31; Upward, 1908: 161; Brancoff, 1905: 78–83; Rubin, 1913: 270; Moskof, 1978: I, 158–59; Chasiotis & Kasapian, 1986: 277–84; Minassian, 1992: 139–41).

Roughly speaking, the Muslim community was the last integrated element in the Salonica economy. Some Muslims kept shops and coffee houses or were employed as coachmen and porters, and a few were artisans; but all these professions represented only a tiny part of the Muslim community. Most were public servants or policemen, or even landlords who preferred an urban residence and lived on their agricultural income. The upper classes were exclusively high-ranking government officials and Army officers. Traditionally, the wealthiest of the Muslims were the *deunmes*, who, in fact, were the only Muslims who participated in commercial business. Their prosperity was chiefly based on their activities as government contractors and collectors of taxes. They were said to be divided into three tribes: Two did not intermarry with the third, which in turn did not give their daughters to Ottomans. *Deunmes* were not popular either among the Muslims or the Jews. The former suspected that *deunmes* were Muslims only in name, that they secretly went on practicing Hebrew rites and financially exploited their position as Muslims. For the Jews, these converts to Islam were probably the most threatening commercial competitors. Despised by Jews and Muslims, *deunmes* based the preservation of their community on intermarriage and good education. As Nehama wrote, “Tout ce qui se faisait d’utile à Salonique, sous le nom des Turcs, était dû aux Deunmehs” (Risal, 1914: 351). In later years they seem to have financially supported the Young Turks’ movement, probably seeking extra security in political affiliations, and controlled the extremely popular newspaper *Asr* (Garnett, n.d.: 25; Abbott, 1903: 22, 27–28; Moore, 1906: 101–2; Leake, 1835: III, 250; Chamoudopoulos, 1948: 14).

The Muslim educational institutions in Salonica were not noted for their quality. In the late 1870’s, the Muslim community possessed seven elementary schools (*mahalle mektebs*), one government school (*mekteb rushdiyye*), one private school for girls, and two special schools for *deunmes*. According to some, the schools lacked order and discipline, the courses in science and mathematics were very deficient, and “the general appearance of the girls was that of negligent untidiness” (Lane-Poole, 1878: II, 171–74). But one could

hardly claim that the Turks remained idle in a period when all millets were competing with each other for the promotion of their national education. In the course of the last 30 years of the Ottoman presence in Salonica, a variety of Ottoman schools were founded; these included a preparatory school for public servants, a commercial secondary school, a farm school, military and police academies, a normal school, and eventually a School of Law, established in 1907. There is no doubt that partly because of this favorable educational environment, Salonica became the focus of the Genc Kalemler movement and the stronghold of the rising constitutional movement from the 1890's onwards (Vakalopoulos, 1983: 374).

Society in Salonica was vertically structured and reflected the millet system of organization of the Ottoman Empire. Separate quarters, guilds, banks, courts of justice, schools, and hospitals perpetuated mistrust between Jews, Christians, and Muslims and differentiated the development of their communities. Notwithstanding the considerable barriers which separated the different ethnic and religious groups, during the last decades of the nineteenth century, certain channels of horizontal communication emerged that in theory could have supported the gradual integration of the population. In 1869, a municipal council was established, elected only by the property owners. In this way, the Muslim element formed the overwhelming majority of the council members, while the mayor was appointed by the local governor and always was a Muslim. Nevertheless, this council soon developed into a decisive factor for the improvement of city, indeed the only institution acting for the benefit of the whole population. Most importantly, it was empowered to moderate the prices of some vital consumer goods, such as bread, charcoal, or firewood, whenever merchants' claims were considered exorbitant (Risal, 1914: 246-47; *Ermis* 27.7.1876; 11.7.1878; 23.5.1880).

The establishment of various European private schools, which accepted students regardless of ethnic and religious affiliations, the rapid penetration of European culture, in terms of fashion, literary tastes, entertainment, and ideologies, tended to create a cosmopolitan class which, in order to maintain its commercial interests, might have developed into a supporter of the integrity of the Empire. The educational activities of the Catholic and Protestant missions, in-

deed the only real success of the missions, were also leading to the same direction. The wealthiest Christian and Jewish merchants in Salonica traditionally were foreign citizens who enjoyed the protection of the consuls and were exempted from taxation, although they had been residing in Salonica for several generations. Together with their *deunme* counterparts, they controlled the Salonica Chamber of Commerce and, backed by the foreign consuls, they could effectively press the provincial authorities, or even the Ports, in order to promote their interests. Most of them were also involved in industrial and mining enterprises and possessed large estates in the interior. The formation of the Commercial Club and of some other professional clubs, where "everybody who was anybody" belonged, and the progress of the free masonic lodges are additional signs that a multinational and multiconfessional upper bourgeoisie was being born (Risal, 1914: 282–83; Sciaky, 1946: 146–47; Moskof, 1978: I, 156–63; Baker, n.d.: 46; Mackenzie & Irby, 1867: 14).

Similar signs could be traced among the working classes. The growth of the syndicalist movement after the turn of the century and the successful strikes which followed the Young Turks revolution led to the formation of the Jewish Workers Club, which was soon renamed the Socialist Club and was eventually transformed into a wider political organization called the Federation Ouvriere Socialiste. Since the Jewish workers formed the overwhelming majority of the Salonica labor force, it was inevitable that the dominant element in the Federation was Jewish. Although the Federation could not claim that it controlled all Greek and Muslim workers, its character was indisputably multinational (Moskof, 1978: I, 167–88).

Nevertheless, the importance of these horizontal channels of communication should not be overemphasized. To start with, although the mercantile community seemed united against consumers or agents, commercial competition on a notaional basis was not uncommon. The Jews were politically neutral and, in all matters concerning national antagonisms over the disputed Macedonian provinces, they kept a very low profile until the outbreak of the Balkan Wars. They claimed no external support, and as a contemporary observer noticed: "Much of their commercial success is owed to their power of association and their willingness to help one

another" (Mackenzie & Irby, 1867: 12; see also Cheradame, 1903: 367-68). Typical of the close ties among the Jews is the fact that, although the Jewish porters supported the Ottoman boycott against Austria and Bulgaria in 1908 (against the advice of the Rabbi), they made an exception with Allatini's (a leading commercial, banking, and industrial firm) cargo of Bulgarian wheat (FO 195/2298: 548-50). In terms of commerce, the financial progress of the Greek element caused some friction between the two communities shortly after the turn of the century, but, in fact, neither the Jews nor the Greeks ever started an open boycott (*Alitheia* 15.2.1909). Jews and Greeks were too involved in each other's business to allow an open confrontation. A characteristic example was the Ottoman boycotts against Greece in 1909 and 1910 over the issue of Crete. The idea seems to have been encouraged by the Jewish and *deunme* merchants, but the prolongation of the 1910 boycott caused such distress to the Jewish lightermen in the port of Salonica that a meeting of Jewish and *deunme* traders asked the Committee of Union and Progress to stop it (FO 195/2329: 226-29, 359-60; 195/2358: 67-68).

The Greeks, on the other hand, initially had very little concern about displacing non-Greek merchants, even those with Bulgarian leanings. They were rather conservative and indeed reluctant to lose their clients, although in general they offered their allegiance to the Greek state without any reservation. The aggravation of the national conflicts between Bulgaria and Greece for the control of the Macedonian provinces—which both states claimed as their irredenta, using conflicting historical, educational, and ethnological arguments—altered the situation. Especially after the establishment of a Greek espionage and propaganda network in Salonica, headed by an officer of the Greek Army, various entrepreneurs and merchants were forced to adjust their business to the anti-Bulgarian fight. Even Epirot masons who migrated seasonally to Salonica were persuaded not to demand wages superior to those claimed by the Exarchists in order to displace the latter (Souliotis, 1959: 47-48; Danglils Papers F.22: Report 1909; Argyropoulos, 1970: I, 44).

Although some clubs had brought members of different communities into regular contact, most clubs operated on a national basis. Every millet had its own clubs for sports, education, literature, arts, and conversation which actually substituted for the defi-

cient state social policy and supported the educational and charitable efforts of the communities. Even within the circles of the socialist movement, national differentiation was preserved. Most working syndicates were either national or they were divided into different national sectors, and the Federation never managed to control the Greek working force, which seemed to be attracted to nationalism rather than to socialism (Moskof, 1978: I, 178–80; Risal, 1914: 322).

The Young Turks' movement, in its early stages, received attention and support from all the national minorities in Salonica, which, after 1906, was the headquarters of the Committee of Union and Progress. Prominent Christians and Jews offered their support, but they were quick to withdraw shortly after the success of the coup and the transformation of the constitutional movement into a vehicle of Turkish nationalism. The constitution had cleared the way for a multiparty representative system, but after 1909 most of the non-Muslims had abandoned the multinational parties. Exarchists joined Sandaski's Federal Popular Party, while Greeks and Jews were concentrated around their political clubs. The desertion of Jews and Christians left the Young Turks only with their Muslim supporters; their influence in Salonica was decreased to such extent that by 1910 they even had lost control of the municipal council (Moskof, 1978: I, 145–46, 163, 182, 197; Cohen, 1973: 17).

Finally, it could be claimed that despite the strong forces promoting the integration of the society in Salonica during the late nineteenth and early twentieth centuries, the barriers which had been built between the different communities remained remarkably durable. The rise of nationalism in the Balkans, within and outside of the Sultan's domains, and the intensification of the Macedonian Question, left little room for the creation of horizontal linkages. Racial and religious hatred remained far stronger than class solidarity and economic interests. Prosperity, socialism, constitutionalism, and cosmopolitanism were unable to create anything but a thin layer which vainly tried to cover the striking differences and the traditional mistrust among the various communities. Salonica remained deeply divided until the days of the Balkan Wars.

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