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## **Thessaloniki Before the Balkan Wars: Foreign Capital and the Transformation of an Ottoman Economic Hub**

### ***Abstract***

*In the later half of the 19th century, Thessaloniki emerged as one of the Ottoman Empire's most important commercial and industrial centers. The city underwent significant modernization through the Tanzimat reforms. The demolition of the city walls, the construction of a modern port, and railway connections strengthened its transportation and trade networks. Particularly after the opening of the Suez Canal in 1869, Thessaloniki's position in international trade was further enhanced. Significant industrial investments were made in the textile, food processing, and mining sectors. Alongside local entrepreneurs like the Allatini family, European companies invested heavily in strategic sectors including tobacco, mining, and banking. However, this foreign dominance, particularly through the tobacco monopoly (Régie Company), provoked resistance from local producers and led to widespread smuggling activities. Following the Balkan Wars (1912-1913) and Thessaloniki's transfer to Greece, all concessions and mining rights held by foreign companies were transferred to Greek administration. This process represents a typical example of the economic dependence and foreign interventions that characterized the Ottoman Empire's final years. Thessaloniki's transformation clearly demonstrates both the Ottoman Empire's economic vulnerabilities and the growing encroachment of global powers during its decline.*

***Keywords:*** *Thessaloniki, Ottoman Empire, Industrial investments, Foreign companies, Port*



## Balkan Savaşları Öncesinde Selanik: Yabancı Sermaye ve Bir Osmanlı Ekonomik Merkezinin Dönüşümü

### Öz

19. yüzyılın ikinci yarısında Selanik, Osmanlı İmparatorluğu'nun önde gelen ticaret ve sanayi merkezlerinden biri hâline gelmiştir. Tanzimat reformlarıyla birlikte şehirde kapsamlı bir modernleşme süreci yaşanmıştır. Şehir surlarının yıkılması, modern bir limanın inşası ve demiryolu bağlantılarının kurulması, kentin ulaşım ve ticaret ağlarını güçlendirmiştir. 1869'da Süveyş Kanalı'nın açılmasıyla birlikte Selanik'in uluslararası ticaretteki konumu daha da önem kazanmıştır. Tekstil, gıda işleme ve madencilik sektörlerinde önemli yatırımlar gerçekleştirilmiş; Allatini ailesi gibi yerel girişimcilerin yanı sıra Avrupalı şirketler de tütün, madencilik ve bankacılık gibi stratejik alanlara yoğun şekilde yatırım yapmıştır. Bununla birlikte, özellikle Régie Şirketi'nin tütün tekeli aracılığıyla belirginleşen yabancı sermaye hâkimiyeti, yerel üreticilerin tepkisine yol açmış ve yaygın kaçakçılık faaliyetlerini tetiklemiştir. Balkan Savaşları'nın (1912–1913) ardından Selanik'in Yunanistan'a katılmasıyla birlikte yabancı şirketlere ait imtiyazlar ve maden hakları Yunan yönetimine devredilmiştir. Bu gelişmeler, Osmanlı İmparatorluğu'nun son dönemlerini belirleyen ekonomik bağımlılığın ve yabancı müdahalelerin tipik bir örneğini teşkil etmektedir. Selanik'in geçirdiği dönüşüm, imparatorluğun ekonomik kırılma noktalarını ve gerileme sürecinde küresel güçlerin artan nüfuzunu açık biçimde ortaya koymaktadır.

**Anahtar Kelimeler:** Selanik, Osmanlı İmparatorluğu, Sanayi Yatırımları, Yabancı Sermaye, Liman

### Introduction

Since its foundation, Thessaloniki has been the largest city in Macedonia and maintained a similar, but more formal, position during the Roman period, when it was designated as the capital of the Macedonian Region. It was an administrative and cultural center, an important trade and transport hub, and had a population exceeding 200,000 in the 2nd century AD (Kiel, 2009). Starting from Dyrrachium, an important port on the Adriatic, the famous Via Egnatia road led to Thessaloniki and then continued through Thessaloniki to Constantinople. Thessaloniki was one of the most important urban centers of the Byzantine Empire, connecting a major port with a nodal point in the road network. In 1430, the Turks captured the city. It remained under Ottoman rule until it became part of the modern Greek state in 1912 (Yıldız, 2012). The real impact of the Tanzimat reforms on the city began in 1869. Early that year, Sabri Pasha became the governor of the province; he was one of the new generation of Ottoman officials and was entrusted with implementing modernization measures. The establishment of the city administration, the publication of an official newspaper, the acceleration of the railway connection between Thessaloniki and Skopje Mitrovica, the demolition of most of the city walls and the opening of the city to both the countryside and the sea all date back to that time (Kaya, 2015). The demolition of the city walls and the construction of a pier were the most significant

urban interventions in Thessaloniki until the end of Ottoman rule, transforming the city's layout by connecting it to the port and railway stations to the west and enabling its expansion eastward. These developments were driven by the new trading conditions in the Mediterranean, particularly after the opening of the Suez Canal, and marked a renewed international and regional role for the city. They also allowed for the partial reconstruction of the historic center and the improvement of sanitary conditions. In addition to their functional impact, the newly designed building spaces were intended to attract incoming businesses in search of office space. Business operations, hotels and entertainment venues formed a trilogy of new activities that had previously been inhibited by the old configuration of the city's urban fabric (Gounaris, 1994).

The intervention program, which initially included a requirement to allocate a certain number of plots for public services, was completed with the creation of a public park in the area of the former Bechtsinarı (Bes Çınar) gardens. The final extension of Venizelos Street (formerly Sabri Pasha Street) towards the sea, the creation of the "Freedom Square" (Plateia Eleftherias) and the development of a key commercial thoroughfare at the intersection of the port and the city center transformed the area into one of the liveliest venues for entertainment in "modern" Thessaloniki (Kiel, 2009). Since then, the traditional layout of the city, with its ethno-religious neighborhoods and its network of low-rise, spacious markets, has undergone continuous transformation. A notable aspect of the city's modernization process was the effort to establish effective urban self-government modeled on Western examples, including the provision of a legal status for the city, dedicated sources of revenue, a public works program, and public services. Although the activities of the mayor's office were minimal in its early years, they became more consistent and institutionalized between 1880 and 1890, partly due to the presence of newspapers supported by citizen groups advocating for the adoption of basic urban planning measures. At the same time, the presence of Galib Pasha in the general administration facilitated the more effective dissemination of foreign investment and development programs, and more serious steps were taken in this direction in the years that followed (Safa, 2017). The port cities of the Eastern Mediterranean, as has been well analyzed in the literature, shared common patterns of economic and social development from the 19th century onwards. However, one of them, Thessaloniki, exhibited more distinct features than the others, particularly in terms of its social and urban fabric, as frequently observed by travelers and in accounts of commercial exchange (Yıldız, 2012). The historical trajectory of this Ottoman port city in the 19th century can be summarized as follows: Thessaloniki possessed a vast and fertile hinterland, where commercial agriculture had flourished since the mid-18th century. It emerged

as the Ottoman Empire's primary gateway for trade with the West and maintained this position throughout the 19th century, handling more than 50 percent of the Empire's exports. This development occurred in a context where individuals increasingly sought to circumvent state-imposed controls and restrictions on production and trade across the Empire. Between the 1840s and 1870s, the volume of trade quadrupled, exports tripled and imports increased sixfold (Safa, 2017 ). By the mid-19th century, Thessaloniki had become an active participant in the global economy.

In the second half of the 19th century, these developments in economic life led to infrastructural investments that transformed the urban landscape. These included the construction of railways linking inland regions to coastal ports and the expansion of port facilities to accommodate the growing volume of trade. The commercialization of agriculture, followed by the development of rail and maritime infrastructure, attracted foreign investment into urban industries—first in the production of consumer goods (e.g., flour mills), and later in capital goods (e.g., steam engines). As a result, foreign enterprises and banking institutions began to emerge (Kiel, 2009 ). The demographic structure of cities changed dramatically during this period. In addition to seasonal fluctuations caused by the arrival of European entrepreneurs and the movement of migrant laborers from rural areas, the urban population grew to meet the demand for an industrial workforce especially as a result of migrations triggered by successive wars. This economic transformation was closely linked to the Ottoman Empire's administrative reforms, both at the central and provincial levels, aimed at regulating the increasing presence of foreign capital and companies (Yıldız, 2012). These reforms included the restructuring of provincial governance and the establishment of local governments and municipal councils. As a new form of administrative rationality took shape, public spaces, infrastructure, and architecture including venues, parks, mansions, military barracks, and tramways were incorporated into a newly emerging urban morphology shaped by individual and institutional interests.

### **1. Industrialization Movements in Thessaloniki**

The expansion of industrial facilities in Thessaloniki accelerated significantly during the last quarter of the nineteenth century, with particularly notable growth in the silk weaving industry (Gounaris, 1994). According to 1881 data, several production facilities operated within the city limits, including: eight steam-powered mills; one steam-press factory for cotton-wool processing; ten hydraulically powered cotton-processing plants; a cotton-spinning center; five leather processing plants; seven soap production centers; a brick factory; an alcoholic beverage plant; a yarn production center; three pasta factories; four furniture workshops; and a mattress

factory. In 1884, nail and iron bed manufacturing facilities were established in the metal sector, followed by the city's second yarn production center in 1885. While some of the yarn produced in these facilities was consumed locally, a significant portion was exported by sea to Istanbul and Syria (Akkaya, 1998).

According to researcher Orhan Türker, more than thirty-three industrial facilities were operational between 1854 and the First Balkan War in 1912, after which the city ceased to be under Ottoman rule. The chronological development of these production centers is as follows:

- **1854:** Allatini's flour production plant
- **1870:** Salas' textile complex
- **1880:** Allatini's building materials factory
- **1884:** The State Monopoly's tobacco processing plant
- **1886:** Torrez Mizrahi's yarn production center
- **1892:** Olympos brewery
- **1896:** Municipal slaughterhouse
- **1905:** Torres partnership's weaving facility
- **1907:** Nusla family's leather processing center
- **1909:** Turpalı brothers' spinning mill
- **1910:** Ottoman-owned fabric production facility

Türker also notes that various soap and pasta factories, along with metalworking workshops, were established throughout this period, contributing to the city's growing industrial base (Türker, 1999).

Under the influence of the privileges granted to foreign capital, Thessaloniki's maritime trade center underwent a significant transformation beginning in 1873, evolving into a major port city that ranked third in the Ottoman Empire's foreign trade, following the imperial capital Istanbul and the key Aegean port of Izmir (Topuz, 2016). Although the Ottoman currency served as the primary medium of exchange in commercial transactions, British and French currencies also functioned as valid means of payment in international trade. Despite the establishment of various industrial enterprises in the city, production capacity remained insufficient to meet domestic demand. Consequently, imports, dominated by manufactured goods, exhibited a consistent upward trend from 1903 to 1911, with the exception of the brief decline during the 1904–1905 period (Topuz, 2016).

The rise in economic mobility accelerated industrial development, leading to the rapid establishment of production facilities in food processing, textiles, and metallurgy (Yıldız,

2012). Within this framework, Thessaloniki emerged as one of the few Ottoman cities to successfully undergo industrialization, a process facilitated by the preferential privileges granted to foreign investors.

## **2. Smuggling Activities Through Foreign Companies**

The quest for external financing, initiated in 1854, culminated in financial insolvency twenty-one years later, prompting the transfer of state revenues to creditor groups. Among these revenue streams, the tobacco sector emerged as the most substantial. Taxed since the seventeenth century, tobacco became one of the Ottoman treasury's largest income sources by the nineteenth century. Its economic significance captured the attention of both domestic financiers and European investors. To address fiscal obligations, the Rüsûm-ı Sitte, a consortium of local capitalists assumed control over tobacco revenues. Subsequently, the Düyûn-ı Umûmiye administration, established under pressure from the Great Powers, extended its oversight to these revenue streams (Altunsoy, 2021). To optimize the administration of tobacco revenues, the debt management institution incorporated provisions into the financial decree authorizing the transfer of the tobacco and salt monopolies to a subsidiary entity (Rüsûmat Salnamesi, 1332.126). Despite the imperial administration's efforts to block the reassignment of the tobacco monopoly, Server Pasha's delegation, bound by the decree's stipulations, proved unable to halt the creation of the new organization. Following successful negotiations between the debt administration and prospective investors, an international consortium, comprising Austria's Credit-Anstalt, the German financier Bleichröder, the Bank-ı Osmani, and its partners, established a monopoly enterprise in May 1883. Officially registered as the *Société de la Régie Co-intéressée des Tabacs de l'Empire Ottoman* (and in Ottoman legal documents as *Memalik-i Şahane Duhanlar Müşterekü'l-Menfaa Reji İdaresi*), the organization commenced operations in April 1884 (Batman, 2013). Upon commencing operations, the monopoly management was met with high expectations from the financial administration, the central government, and company executives, all of whom sought to maximize the venture's profitability. However, from its inception, the organization faced significant challenges. Most notably, it marked the first instance in imperial history where a foreign-owned entity controlled a segment of the fiscal system, generating unease among the public and local officials. Tobacco cultivators, in particular, expressed concerns over potential restrictions on free marketing and inadequate compensation for their products. Additionally, widespread illicit tobacco trade had long been endemic across the empire prior to the monopoly's establishment. The central government assigned the new administration the critical

task of curbing these illegal activities, further complicating its operational mandate (Karaca, 2003).

The establishment of the Monopoly administration precipitated the closure of numerous tobacco production facilities, displacing a significant labor force. While some workers migrated to other regions, others resorted to participation in illicit trade networks. Tensions between the monopoly management and local producers exacerbated the proliferation of informal tobacco markets. In response to escalating smuggling activities, armed confrontations erupted between the company's private security forces and contraband tobacco traffickers (Nacar, 2019). The escalating arms trade in the Empire's Thessaloniki province and its utilization against state authorities prompted the central government to issue formal warnings beginning in 1909 to foreign states and their commercial entities that supported separatist movements through military provisions (Quataert,1983). Concurrently, the administration instituted comprehensive countermeasures to interdict the illicit trafficking of military armaments, explosives, seditious literature, and other controlled commodities, which were methodically categorized in official government records (Düstur: Tertibi Sani, 1928). The implemented measures included rigorous inspections conducted by military personnel stationed at border checkpoints, alongside customs officials and specialized inspectors. All border crossings, whether individuals, postal correspondence, or commercial goods underwent systematic scrutiny (MF.MKT, File No: 681). The inspection regime proved so stringent that even ostensibly innocuous documents were frequently subject to interference. While customs officers were specifically recruited for their fluency in both Turkish and at least one Western language, any foreign-language material automatically aroused suspicion. This linguistic barrier, compounded by widespread illiteracy among the population, often resulted in the unwarranted confiscation of harmless documents (MF.MKT, File No: 655). Nevertheless, despite these comprehensive controls, prohibited materials persistently entered the empire through transnational smuggling networks operated by foreign states and their commercial intermediaries.

### **3. Intelligence Activities Conducted by Foreign Companies on Mining**

Contemporary societies are increasingly subjected to various forms of intelligence operations, many of which amount covert psychological operations aimed at shaping political consciousness. These activities not only pose a serious threat to societal cohesion but also target the individual consciousness of citizens. Intelligence warfare technologies, particularly those based on manipulative control of political awareness and behavior, are inherently destructive rather than constructive. Their primary objective is to fragment and polarize society—fostering

mutual animosity among different groups, inciting internal conflict, or channeling collective aggression toward existing political authorities (Manoilo, Borisova, Telichko & Petrenko,2019). The primary objective of intelligence warfare is to undermine the opponent's will to resist and to impose control over their consciousness. Recently, many of the most dangerous operations intelligence warfare follow a standardized organizational model. This model typically consists of a series of intelligence assaults, strategically segmented into phases of disclosure and periods of informational silence, all meticulously coordinated in terms of timing, goals, and operational objectives.

In the 19th and 20th centuries, Western states are observed to have engaged in intelligence and psychological warfare against the Ottoman Empire, often through foreign companies operating out of Thessaloniki. A notable example can be found in the aftermath of the First Balkan War. The Treaty of London, signed on May 17/30, 1913, following the London Conference between Greece, Bulgaria, Serbia, and Montenegro on one side and the Ottoman Empire on the other, addressed the territorial reconfigurations resulting from the war. Article 6 of the treaty stipulated the establishment of an international commission in Paris to address potential financial issues arising from the cessation of hostilities (Israel, 1967). The commission was activated shortly thereafter, and its decisions were soon published. Four sub-commissions were established, the third of which was tasked with examining Ottoman concessions granted to foreign companies. Initially, the Ottoman Empire submitted a list of all contracts and concessions awarded to foreign individuals or entities. However, this list was later expanded and replaced with two separate lists specifically focusing on mining concessions, compiled based on intelligence activities conducted by foreign companies. One list included concessions granted prior to the outbreak of the war, while the other comprised those requiring ratification due to having been issued at a later date. The French delegation drew the commission's attention to the case of the *Société des Mines de Kassandra*, a company affiliated with the Allatini family. Ultimately, they proposed that, in regard to mining concessions in the newly annexed Ottoman territories, either Greek or French legislation should apply. However, this proposal—along with all other pending proposals—was never ratified, as the outbreak of the First World War brought the commission's activities to an abrupt halt (Tok, 2010). For Greece, the First World War did not conclude with the Treaty of Versailles in 1919, as it did for Germany and the other Allied powers, but rather with the Treaty of Lausanne, signed on July 24, 1923. This treaty also formalized the compulsory population exchange between Greece and Turkey. According to Article 9 of the Protocol concerning the granting of certain concessions to foreign citizens or companies in the former Ottoman Empire signed on the same date as the Treaty of Lausanne

successor states, through foreign companies, inherited not only the territory of the Ottoman Empire but also the rights and obligations previously held by the Ottoman government in relation to concessionaires (Iordanidou, 2022). Greece had existed as an independent state for several decades prior to the annexation of Macedonia. The first Greek Mining Law was enacted in 1861 the same year the first Ottoman Mining Law came into force. In 1910, following a military coup, a new Mining Code was introduced as part of broader efforts to modernize the legal framework (Papastefanaki, 2016 ). This codification was subsequently amended in 1973.

The Greek government clearly placed significant importance on the mines it acquired following the Balkan Wars. The translation of relevant documents from French into Greek was undertaken by Elias Gounaris, a civil and mining engineer as well as a public official. In a 1913 report detailing Greece's annual mining activities, Gounaris identified four concession-based mines located in the newly annexed region of Macedonia (Iordanidou, 2022). In order to address the legal complexities surrounding mining activities in the territories annexed by Greece following the Balkan Wars commonly referred to as the *Nées Chōres* (New Provinces) numerous legal transactions with foreign companies were required. Shortly after the conclusion of the First Balkan War, a law was enacted that suspended all mining-related transactions in these newly acquired regions for a period of two years (Official Gazette, 1913, 41A). In 1914, the Greek Parliament passed a law approving certain mining concessions that had been granted under legal frameworks predating the 1910 Mining Law. This legislative move was heavily influenced by intelligence efforts maintained by the companies themselves, often through their respective successor states (Official Gazette, 1914, 78A). To resolve ongoing disputes concerning these concessions, the *Dioikitiko Dikastērio Metalleiōn* (Mining Administrative Court) was established. By the end of 1914, three additional laws were promulgated concerning mining concessions and the extension of Greek legal jurisdiction to the New Provinces (Official Gazette, 1914, 403A). Another illustrative case involves the processing facilities for magnesite (magnesium oxide). While the Ottoman administration classified magnesite as a quarry-extracted ore, the Greek state regarded it as a mineral. Under Ottoman law, magnesite could be mined with a permit valid for 7 to 55 years, without the need for a formal concession. However, under the influence of the successor states, Halit Selim Efendi obtained a magnesite concession in the Halkidiki region and subsequently transferred it to the Fratelli Allatini company, which in turn transferred it to the *Société Anonyme Industrielle et Commerciale de Salonique* in 1911, acting as Allatini's agent. Nevertheless, it is unlikely that this latter transaction was ever formally recognized by the competent authorities. The list of concessions maintained by the

Ministry of National Economy includes two mining concessions granted in 1908 to Fratelli Allatini, which were transferred the same day by Halit Selim, acting as an agent of the aforementioned Société. In 1910, an additional concession was awarded to Salvator Nehama, who transferred it in 1911 to Moïse Morpurgo. As previously noted, Halit Selim again facilitated the immediate transfer of this concession to the Société. Later that same year, another concession was granted directly to Moïse Morpurgo, only to be transferred once more by Halit Selim to the Société on the very same day (Iordanidou, 2022) These rapid and systematic transfers suggest deliberate orchestration, likely stemming from intelligence operations and psychological warfare conducted by successor states through foreign corporate intermediaries.

The quarries operated by Fratelli Allatini were primarily known by their individual names or collectively as the Yerakini Mines (located approximately 76 km from Thessaloniki). In the early 20th century, these sites were referred to as Rachi Vigla, Samaradiko, and Kokkinopetra. The concession for these mines was granted to Samuel Juda Yeni in 1899 and 1900. Regarding the Samaradiko mine, a legal dispute arose in 1899 between the local district governor (Kaymakam), Hıfzı Bey Efendi, and Moïse Morpurgo, who represented several companies (Iordanidou, 2022). The manner in which successor states systematically acquired mining concessions for valuable mineral deposits often through corporate intelligence operations is exemplified by the history of the last three licenses issued for the Yerakini Mines. This account is documented by Nikolaos Roussakis, a mining engineer trained at the *École des Mines de Paris*, who later served as head of the Northern Greece Mining Department (Mining Directorate of the 2nd Region) (Papastefanaki, 2016). According to Roussakis' report, the discovery was made during a routine inspection in 1896–1897, conducted by Ohannes Marcarian, a mining engineer serving in the Thessaloniki province. Under Ottoman law, civil servants and their relatives were prohibited from obtaining mining concessions within their assigned regions. To circumvent this restriction, Marcarian covertly collaborated with Samuel Juda Yeni, a local merchant, through whom the license was secured. Evidence suggests that Marcarian was subsequently transferred to Makri in Asia Minor but resigned his post and returned to Thessaloniki to participate in the venture. The entire operation was overseen by Sam Carasso (Papastefanaki, 2016 ). Two mining licenses were registered under Samuel Juda Yeni's name, with exploitation commencing in 1905 and 1914. However, by the time Nikolaos Roussakis conducted his investigation, operations had stalled due to insufficient capital. The company anticipated resuming activities after the war. This situation shifted with the arrival of John Lambrinidēs, a graduate of Belgium's *École Spéciale des Arts et Manufactures et des Mines de Liège*, who was subsequently hired by the firm.

During World War I, the enterprise maintained operations through a contractual agreement with the British War Office. The entire venture was orchestrated by Sam Carasso of Thessaloniki, whose extensive intelligence networks and specialization in the global magnesite trade proved instrumental to these wartime activities (Dagkas, 2003). Subsequently, John Lambrinidēs emerged as a pioneering figure in Greek mining engineering. He spearheaded the systematic exploitation and commercialization of Greece's magnesite deposits, ultimately earning the moniker "the famous gray" in recognition of his transformative role in the industry.

In 1922, ownership of the Yerakini Mines was transferred to the Anglo-Greek Magnesite Company Ltd., a transaction that appears to have been facilitated through the mediation of a Dutch intermediary firm. The concession agreement notably involved the heirs of Abraham Sciaky Edward A. Sciaky, Max A. Sciaky, and Samuel A. Sciaky suggesting that Abraham Sciaky may have previously held a silent partnership in the enterprise. A significant aspect of this transaction concerns the role of M. Morpurgo, who participated not as a representative of Fratelli Allatini-Salonicco, but rather in his personal capacity and on behalf of Allatini-Marseille. This distinction underscores the complex network of corporate entities and individual interests involved in the mine's ownership transition during this period. The Anglo-Greek Magnesite Company Ltd. appears to have suspended operations during World War II, with the quarries eventually being acquired in 1958 by engineer John Lambrinidēs and his son-in-law George Portolos (husband of Lambrinidēs' daughter Fofa) (Dagkas, 2003). This transfer marked the final transition of the Yerakini Mines from foreign corporate control to local Greek ownership.

A broader historical analysis suggests that during the twilight years of the Ottoman Empire, Thessaloniki based foreign companies became instruments of successor states. Through coordinated intelligence operations and psychological warfare tactics, these entities systematically facilitated the transfer of profitable mining concessions and port operations away from Ottoman control. This process effectively eroded the Empire's economic privileges in the region, serving both the commercial interests of foreign investors and the geopolitical objectives of emerging nation states. The case of the Yerakini Mines exemplifies this pattern of economic dispossession through corporate channels.

### **Conclusion**

The late 19th century marked a transformative period for Thessaloniki, as the opening of the Suez Canal (1869) and the intensification of European trade positioned the city as a critical node in Mediterranean commerce. This economic reconfiguration reached its apogee with the

construction of the modern port facility in the early 20th century, which not only stimulated urban growth but also imposed a Westernized spatial organization on the city's infrastructure. Central to this transformation were the foreign commercial enterprises operating in Thessaloniki, whose activities created a unique paradigm of development. These internationally-backed business interests - through their control of strategic sectors including port operations, mining concessions, and industrial production - maintained remarkable continuity in directing the city's economic trajectory throughout the Ottoman Empire's final decades. Their influence proved so enduring that it survived the political ruptures of the Balkan Wars, ultimately shaping Thessaloniki's integration into the modern Greek state and its subsequent development path.

The operations of foreign enterprises in fin-de-siècle Thessaloniki exemplify the complex interplay of economic imperialism, semi-colonial power structures, and peripheral modernization characteristic of late Ottoman integration into global capitalism. The city's strategic position along expanding Mediterranean trade routes transformed it into a contested sphere of influence for European capital and Great Power interests. This dual dynamic of accelerated urban modernization and progressive erosion of Ottoman economic sovereignty reveals the fundamental paradox of 19th century imperial reform efforts: the very mechanisms of infrastructural development and administrative centralization designed to strengthen the Empire simultaneously created vulnerabilities exploited by foreign actors. The case of Thessaloniki demonstrates how global capital flows could simultaneously catalyze local modernization while establishing structures of dependency. Foreign-controlled port operations, mining concessions, and industrial enterprises created an economic ecosystem where technological transfer and urban growth coexisted with the systematic transfer of economic sovereignty to international actors.

Foreign firms made substantial investments, particularly in mining, tobacco, banking, and transportation sectors, gaining disproportionate control over key areas of the Ottoman economy. This economic dominance in a calculated manner disadvantaged local producers and smaller enterprises, while simultaneously encouraging illicit activities including smuggling and institutional corruption. The monopolistic practices of entities like the Régie des Tabacs (Ottoman Tobacco Monopoly Administration) not only generated significant public resentment but also exacerbated tensions between imperial authorities and regional stakeholders.

Foreign corporate operations extended beyond economics into political and intelligence spheres. Mining concessions, particularly those controlled by firms like Allatini, became strategically linked to Balkan territorial claims, facilitating Greece's eventual regional

ascendancy. These alliances between foreign investors and local power brokers progressively undermined Ottoman sovereignty, directly contributing to Thessaloniki's transition following the Balkan Wars.

The operations of foreign enterprises in late-Ottoman Thessaloniki exemplify the structural dependencies that accelerated imperial disintegration. Thessaloniki's trajectory reveals the mechanisms through which international commercial interests could simultaneously modernize and destabilize an imperial frontier, ultimately facilitating territorial reorganization.

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