

From the Canal of Corinth to Currants :  
French Manufacturers and Investors facing and escaping Crisis  
in Greece  
in the last years of the 19<sup>th</sup> century.

Introduction :

Greece, at the end of the 19<sup>th</sup> Century, was an agricultural and maritime nation. Indeed, the kingdom had almost no industry, whereas navigation and agriculture, especially currants export from Corinth, were the main sources of income.<sup>1</sup> Moreover, there is a clear link between navigation and currants, as export trade from Greece was made exclusively by sea.

Now, French capitalists invested precisely in these two economic fields.

So, our purpose is to discuss the part of French capitals in the development of Greece, presenting the first results of our research. We will analyze two types of investments : the building of a ship canal in Corinth and currants trade. Other issue is to value if Greece was a great place to invest and, eventually, to escape the economic crisis of western Europe of the 1880.

So, after presenting the excavation works of the Canal of Corinth, we will discuss the point of the French capitals invested in it and then the impact of the canal on Greek and Mediterranean export trade, focusing in a third part on currants trade.

I. Excavating a new ship canal.

A. A project inspired by the French ideas of saint-simonism.

The project of cutting through the isthmus of Corinth is remote. Nero is known as the first one who undertook excavation works. At the end of the 19<sup>th</sup> Century, boreholes of the roman period could still be observed and were used by the engineers who studied the ground and prepared the drawing of the canal. The ship canal project was then forgotten until 1829, when Virlet D'Aoust, member of the French expedition of Morée, under the influence of saint-simonianism, was charged by Capodistria to make a project to reopen the excavation works. After him, the Greek Leonidas Lyghounes (1832) and the French Grimaud de Caux (1852) made other proposals, with no success.<sup>2</sup> So the ship canal would not be completed before the end of the 19<sup>th</sup> Century. In May 18<sup>th</sup>, 1881, General Türr obtained from the Greek government a concession contract of 99 years for the construction of a ship canal through the isthmus of Corinth. He was a Hungarian engineer, who fought with Garibaldi in Italy. He also had close relations with Ferdinand de Lesseps, who built the Suez Canal. Indeed, the two of them signed the concession contract for the construction of the canal of Panama, together with Wyse, before Türr himself and Wyse retired from it.

At the time, the Suez ship canal had been successfully completed (the inauguration took place in

<sup>1</sup> For a synthetic presentation of Greek navigation during the 19<sup>th</sup> Century, see G. Harlaftis and G. Kostelenos, "Greek economic Development and Shipping Income in the 19<sup>th</sup> Century".

<sup>2</sup> Louis Figuier, *Les nouvelles conquêtes de la science*, 1884, p. 481-482.

1869) and proved to be profit-making. It was acclaimed as a great progress which permitted the development of trade and exchanges between western and eastern civilizations.

The ship canal of Corinth clearly inherited of this enthusiasm. The *Moniteur des Intérêts Maritimes* published :

“We dare say that, by opening the isthmus of Corinth, by building an express road through this archipelago we have neglected for too long, by offering to Minor Asia, to Propontida, which have been so generous and influential upon us, the commercial outlets they were longing for from the time the Latin race was diverted from them, General Türr accomplishes a restoration.

“A strait will open a free way between the rocks that are now gashed by mine works. [...] That is the most beautiful way to praise Général Türr : he is carrying out a kind of cosmic work, a work that nature indicated as much as trade required.”<sup>3</sup>

The ideas, inspired by saint-simonian doctrine, of a western civilizing mission in the East, of a reconciliation between the West and the East is clear. Building infrastructures was a way to put these ideas in concrete form. And indeed, the ship Canal of Corinth would bring nearer Mediterranean peoples, cutting short the travel of about 250 km.

So the ship canal of Corinth could play the same part as Suez and Panama, both saint-simonian projects too. Comparisons between Corinth, Suez and Panama are frequent, and always put in relieve the easiness of the Greek task, as we can read in *Le Réveil Lyonnais* of May 8<sup>th</sup>, 1882 :

“Here, no quicksand as in Suez, no rivers to be dyked nor mountains to cross as in Panama. In Suez, the length of the ship canal is 164 kilometres ; in Panama, 73 kilometres ; here in Corinth, 6 1/3 kilometres. It will be a canal of a depth of 8 metres, of a width of 22 metres, strait and at the open air. No unexpected incident [...]”<sup>4</sup>

And the famous Ferdinand de Lesseps stood as a kind of guarantor when he said :

“That is, in short, the cutting of Panama isthmus, which has a length of 73 kilometres, instead of 6 kilometres...”<sup>5</sup>

Thus, the optimism of the constructors was not only due to the success of Suez, but also to the saint-simonian ideas of the time. Engineers had a historic mission to accomplish.

## B. Public works contractors, engineers and workers : a project supervised by French.

At the origin of the project, we find engineers. General Türr obtained the concession contract from the Greek government. In spite of being Hungarian, he surrounded himself with a majority of French engineers.

The first chief engineers had been Vincent Dauzats, an engineer qualified in Angers in 1856. He had worked in Suez and Panama. In Corinth, he drew the canal plan and decided to maintain Nero's choice. Unfortunately, he died in 1884, and was then replaced by the Austrian Bela Gerster. Pierre-Dominique Bazaine, qualified from the Ecole des Ponts et Chaussées, then replaced him. He

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3 « Nous osons dire qu'en ouvrant Corinthe, en actionnant par une route expresse cet archipel d'où nos yeux se sont trop souvent détournés, en redonnant à cette Asie-Mineure, à cette Propontide, jadis si riches et si influentes envers nous, les débouchés qu'elles réclament depuis que la race latine s'est éloignée d'elles, le général Türr accomplit à son tour une restauration. »

« Un détroit ouvrira un libre passage entre ces roches que laboure aujourd'hui la mine, comme si le soc d'une charrue géante fertilisait ce sol jadis stérile pour des moissons d'or. Et les hommes d'alors, ne démêlant qu'à peine la part de nos audacieux travaux dans l'unité reconquise du paysage, ne pourront s'imaginer qu'il fut un temps où cette voie si naturelle n'existait pas. C'est le plus bel éloge qu'on puisse faire du général Türr : il accomplit une sorte de travail cosmique, une oeuvre que la nature indiquait autant que le commerce réclamait. » “Le Canal de Corinthe”, *Le Moniteur des Intérêts Maritimes*, in *Bulletin de la Société internationale de Canal maritime de Corinthe*, n°8, September, the 29<sup>th</sup> of 1883.

4 “Ici, ni les sables mouvants de Suez, ni les fleuves à endiguer et les chaînes à traverser de Panama.

A Suez, la longueur du canal est de 164 kilomètres ; à Panama de 73 ; ici de 6 1/3. Un canal dont la profondeur sera de 8 mètres, la largeur, au plafond, de 22, en ligne droite, et à ciel ouvert.

Pas d'imprévu [...]”

5 “ C'est, en petit, la coupure de l'isthme de Panama, qui a une longueur de 73 kilomètres, au lieu de 6 kilomètres... », Ferdinand de Lesseps, Congrès géographique de Douai, in *Bulletin de la Société internationale du Canal maritime de Corinthe*, n°8, September 29<sup>th</sup>, 1883.

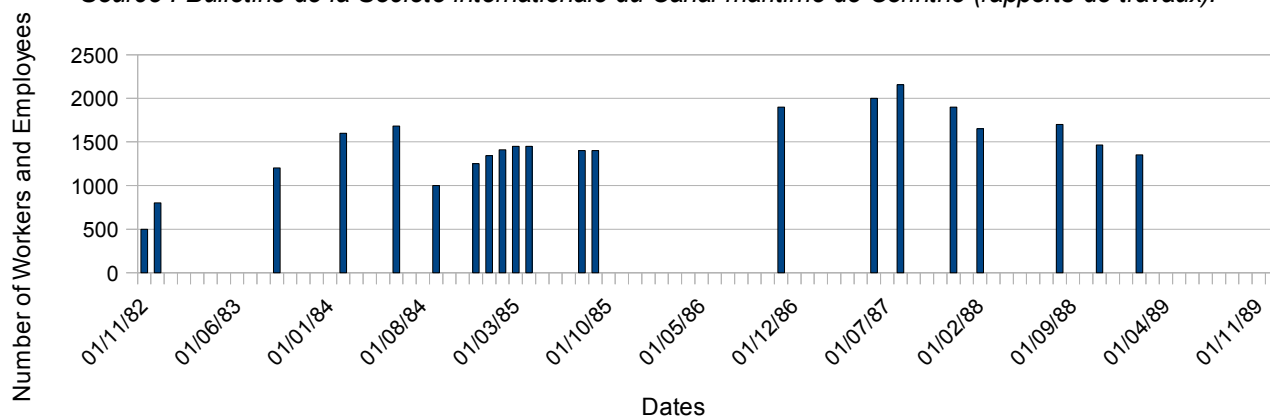
had to make new proposals when the first serious technical difficulties emerged.

Public works contractors are also French ones : from the beginning of the works in 1882 to the end of 1887, it was the *Entreprise générale*, formed by the union of the *Société des Ponts et travaux en fer* – former Joret Firm – and the *Association des Constructeurs*. Clearly, the *Entreprise générale* was not specialist in canal construction. That is the reason why it retired after the first serious technical difficulties emerged. It was then replaced by the *Société de Construction et d'exploitation des chemins de fer* (Vitali firm), on the demand of the *Comptoir d'Escompte*, and later on, from 1890, by a Greek firm directed by Matsas, which completed the task. The inauguration of the Canal thus took place in 1893, with a delay of 7 years.

The Vitali's firm kept the workers of the *Entreprise générale*. Part of them were Greek. Nevertheless, we can find also, amongst the nationalities which appear in our sources, Turks and Albanian working on the railway, Italian specialists of mine works, people from the Montenegro in charge of cutting in the trenches and Maltese. The manpower did not come from very far. The Greek were not sufficient, but no need to have French workers. The number of workers varied according with economic and political circumstances.

Number of Workers and employees on the Building Site of Corinth  
(November of 1882 - December of 1889)

Source : *Bulletins de la Société internationale du Canal maritime de Corinthe (rapports de travaux)*.



This figure shows the irregularity. It should be notice that the number of workers is always mentioned as an average and always excepts women and children.

The number of workers really increases from the summer of 1883, when the isthmus started to be cut. The following decrease is due to the bad weather during the winter. In 1885, the number of workers is not as high as in 1884. And unfortunately we have got almost no data for the year 1886. We still know that in that time, Greek workers had been mobilized by their Government and sent towards the Turkish border.<sup>6</sup> In 1887, the number of workers becomes once again important: for the first time it is over 2.000. At the time, the engineers had given up with the huge dredges, and a new firm was in charge of the works. But the number of workers then regularly reduces. Indeed, the International Society faces more and more serious lack of capital. That is the reason why the public works company checked the excavation works, before stopping them totally. This would not impede the inauguration of the Canal.

C. From the project to the inauguration : technical solutions.

<sup>6</sup> Türri reports, in *Bulletin de la Société internationale du Canal maritime de Corinthe*, n°37, June 24<sup>th</sup>, 1887.

We have seen before that the construction of the Canal of Corinth was assumed to be an easy task. Firstly, its length was very small. Then, the ground would not present relevant difficulties. “We must observe that, firstly, there is only 6 kilometres to be cut, and, secondly, the experiences made in Suez and in other places help a lot for the cutting of Corinth isthmus. According to the conventions, the works should be achieved in 4 years ; but, from the news arriving from Corinth, we do believe that it will be done earlier, as far as the ground is very easy to cut.”<sup>7</sup>

But, the engineers would be very disappointed. According to the knowledge of the ground, the engineers first decided to use mainly dredges to built the canal. They expected a lot from two dredges they commanded to Sâtre and Demange in Lyons, named Isthmia and Posidonia, which ones should be able to dredge 5000 cubic meters a day.<sup>8</sup> Unfortunately, they arrived in Greece with almost one year of delay, and they did not prove to be as efficient as expected. In fact, the ground appeared to be of a different nature, than the engineers had first imagined. In 1884, the workers found unstable rocks. The dredges, which permitted the construction of Suez Canal with such a success, were of no use.

Thus, the way of excavating had to be remove and the dredges had to be replaced by earthworks.<sup>9</sup> Moreover, the engineer Bazaine found that it would be necessary to cover the faces of the trenches. So Türr had to negotiate with the Greek government to obtain a later term for the end of the excavations. In addition, the construction of the canal resulted more expensive than it was planned. The *Entreprise générale* which was in charge of the excavation works, because of these circumstances outside of its control, decided to break off the contract with the International Society of the Ship Canal of Corinth.

This led directly to the bankrupt of this ultimate Society, we will now present.

## II. French investors in the canal

### A. The Société internationale du canal maritime de Corinthe (International Society of the Ship Canal of Corinth)

This Society was formed on April the 20<sup>th</sup> of 1882, with a capital of 30.000 francs. In September the 21<sup>st</sup> of 1882, it published its first bulletin, the collection of which has been our main source to investigate on the canal of Corinth. Its president was General Türr, and Ferdinand de Lesseps, at the beginning, accepted the title of honorary president. But the 60.000 shares of 500 francs arrived at the wrong time. Suffice it to say that it coincided with the first setback in Panama. The adverts in the press would be very helpful in the first years. Nevertheless, with the difficulties of the year 1884, the shares passed beyond the value of 400 francs. However, due to the fixed price contract with the *Entreprise générale*, the shares of Corinth were still considered by the financial press to be safe investments.

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7 “ Il faut observer, d'abord, qu'il n'y a que 6 kilomètres à percer, et ensuite que les expériences faites à Suez et ailleurs facilitent beaucoup le percement de l'Isthme de Corinthe.

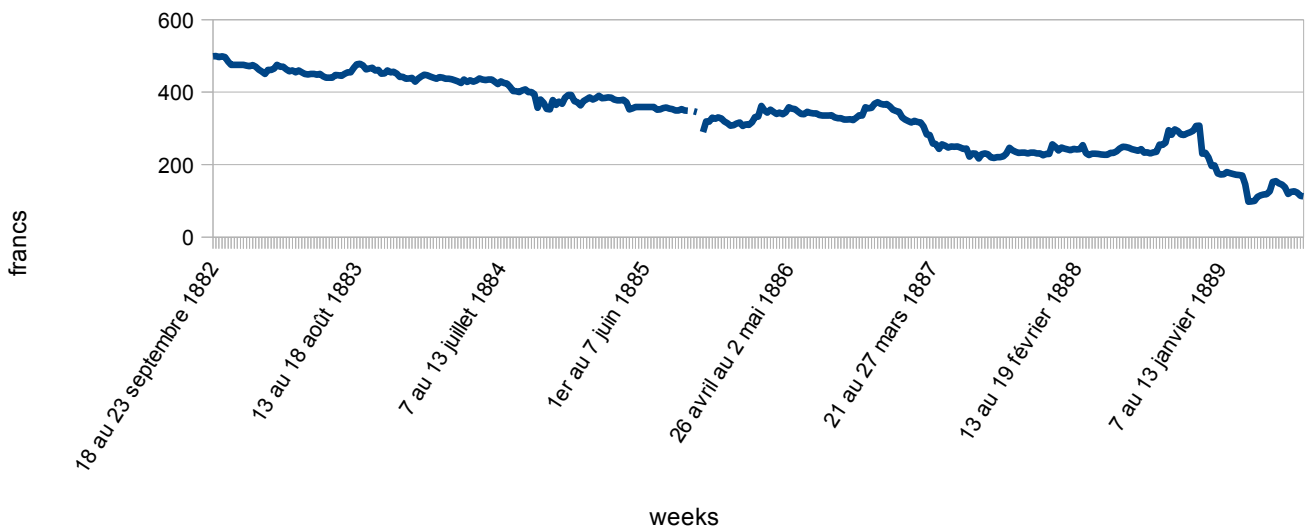
Les travaux doivent être terminés, suivant les conventions, dans 4 ans ; mais, d'après les nouvelles qui nous parviennent, on croit qu'on pourra y arriver plus tôt, vu les facilités qu'offre le terrain à couper. »Correspondance bleue, in Bulletin de la Société internationale du Canal maritime de Corinthe, n°2, November 18<sup>th</sup>, 1882.

8 “L'emploi de ces dragues a été prévu dès le début, comme constituant le procédé le plus rapide, le plus puissant et le plus économique.” wrote Bazaine in tis report published in the Bulletin de la Société internationale du Canal maritime de Corinthe, n°17, December 5<sup>th</sup>, 1884.

9 “Le mode d'extraction dut être modifié et le travail des dragues dut être remplacé par des chantiers de terrassements.”, Rapport présenté au Tribunal civil de la Seine par M. Adalbert Philis, liquidateur judiciaire, 1892.

## Evolution of the rate of the shares of the International Society of the Ship Canal of Corinth (September 1882 - July 1889)

Source : Bulletins de la Société internationale du Canal maritime de Corinthe.



In the first months of 1886, the shares even increased, because the shareholders finally obtained that their titles would be bearer shares and no more registered shares.

At the time, in the articles of the International Society, Panama ceased to be a reference. On the contrary, they insisted on the differences between the two projects :

- fixed price contract with the *Entreprise générale* which prevented unforeseen waste.
- mild weather and good health of the workers
- no technical difficulties in comparison with Panama, at least at the beginning
- shortness of the ship canal

Press insisted on the safety of investing in Corinth shares :

“No unexpected incident could happen concerning the cost of the canal, as far as the works had been sold for the fixed price of 24.600.000 francs.”<sup>10</sup>

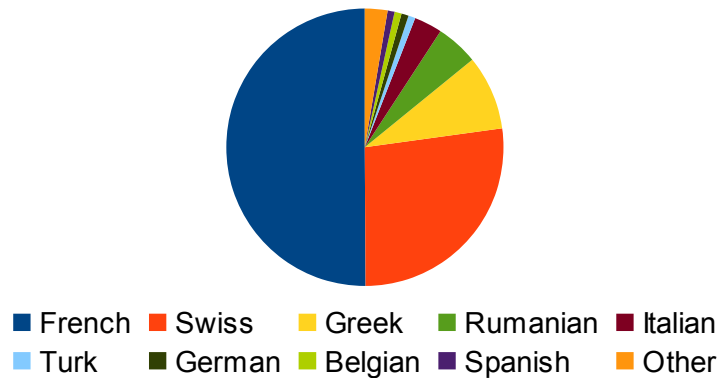
This would not prevent financial difficulties. These are linked both with technical difficulties and the Panama Affair. The main part (30.500) of the shareholders were French and among them, the *Comptoir d'Escompte*, involved in Panama, was a leader.<sup>11</sup>

<sup>10</sup> « Aucun imprévu ne saurait se présenter pour ce qui concerne le coût du canal, puisque l'entreprise a été cédée à forfait pour la somme de 24 millions 600 mille francs. », Correspondance bleue, in Bulletin de la Société internationale du Canal maritime de Corinthe, n°2, November 18<sup>th</sup>, 1882.

<sup>11</sup> At the general assembly of June 24<sup>th</sup>, 1887, the *Comptoir d'Escompte* possessed 2583 shares of the International Society (Bulletin de la Société internationale du Canal maritime de Corinthe, n°37, June 24<sup>th</sup>, 1887).

## Distribution of the shares according to the nationality of the shareholders

Source : Bulletin de la Société internationale du Canal maritime de Corinthe, n°9, November 15th, 1883.



In 1887, a collapse of 5000 cubic metres had an important impact on the rate of the shares.<sup>12</sup> In March 1888, the Society issued 60.000 bonds of 500 francs each. Unfortunately, few weeks later, arrived in France the news of a strike extended to all the building site of Corinth. Only the third part of the bonds found buyers. In December 1888, the Society announced that it would cease the payment to the shareholders from July 1889.

The Comptoir d'Escompte of Paris, who was from the beginning of the business, involved in the issue of shares and bonds, made an advance of 1.593.667,81 francs to the Society, secured by the 40.000 bonds which were not bought yet, namely with almost no security. The bankrupt of the Comptoir d'Escompte put the Society in a very high level of financial difficulties, and indeed, it went into liquidation on February the 12<sup>th</sup> of 1890. Thus, the International Society of the Ship Canal of Corinth is partly responsible for the bankrupt of the Comptoir d'Escompte.

The firm in charge of the construction of the Canal from 1887 reacted by stopping the excavating works on July 1890 and by seizing the machines in Corinth which were possession of the society. In short, French investors succeeded in gathering the capital to start the excavating works but did not made any profit from it as the Society they created collapsed. This Society was replaced by a new one, called "Hellenic". What part did French investors play in it ?

### B. The Société Hellénique du Canal de Corinthe (Hellenic Society of the Canal of Corinth)

In June the 7<sup>th</sup> of 1890 was then created a new Society : the Hellenic Society of the Canal of Corinth. It had to achieve the works before 1891, and would then be in charge of the running of the Canal. Its registered offices were in Athens and its president was Andreas Syngros, also president of the Bank of Epiro-Thessaly. So Greek influence was clearly more important than before. But still, this Society was closely linked with the former one, as it had a consultative committee in Paris. Obviously, French people involved in the Panama Affair are not present – let's mention the Baron Reinach – but some directors of the former society remained. Adolphe Peghoux, for instance, is present at the first board of directors of the Hellenic Society.

But this Society faced financial difficulties too. In September the 1<sup>st</sup> of 1891, the bonds became negotiable only in definitive terms, and the same occurred with the shares in April 1892.

In February 1894, some 6667 bonds were admitted to the list at the Stock Exchange of Paris. In the meantime, the ship canal had been inaugurated, but it had cost three times the fixed price.

<sup>12</sup> Note of the board of directors, in Bulletin de la Société internationale du Canal maritime de Corinthe, n°34, March 21<sup>st</sup>, 1887.

The traffic was therefore very low : the Adriatic shipping companies did not use the canal. In fact, the progress of sailing permitted to travel around the Peloponnese and pass the Matapan Cap without as many dangers as before. Moreover, to access the ship canal of Corinth, ships had to pass through the strait of Patras, which was unfit for big boats. The Austrian Lloyd, who signed a contract with the International Society, put forward this reason no to meet its obligations.<sup>13</sup> Thus, the toll just covered the running cost of the Canal and produced no profits at all. The bankrupt was once more inevitable. The Hellenic Society ceased the exploitation of the Canal at the very end of 1907.

### C. The Nouvelle Société du Canal de Corinthe (New Society of the Canal of Corinth)

A Nouvelle Société du Canal de Corinthe (New Society of the Canal of Corinth) was then created and approved by royal decree on September 8<sup>th</sup>, 1907. The president was Valaoritis and the vice-president Matsas, who completed the works at the time of the Hellenic Society. There were still a consultative committee in Paris. The canal was awarded to the Society for 430.000 drachmas, namely nothing. We quote the *Economiste d'Orient* :

“Here is a business who cost to French investors, in cash and interests, around sixty thousands francs and of which only remain a half-million francs canal and some fortunes more or less important gathered in Athens by those who committed themselves in this unfortunate business planned and directed at the beginning by the Hungarian general Türr.<sup>14</sup>

We did not collect many information about the New Society, but, just as its predecessors, it faced both financial and technical difficulties.

That is why in 1920, they proposed a new toll rate. Many works of modernization of the canal had been realized, such as floodlighting. But the traffic remained at a very low level, beyond 2.000.000 tons in the first semester of 1926, a pretty good year. The promoters of the canal expected at least 6.000.000 tons a year from 1886 and then an increasing traffic.

As far as technical difficulties, in 1924, a collapse occurred in the trench of the canal, more serious than those of 1894 and 1914. 50.000 cubic metres were to be evacuated. 350 workers were occupied various months to clear it.

Thus, The different Societies faced the same problems :

- they minimized the technical difficulties they would meet.
- they overvalued the financial profits they could make with the Canal.
- they overvalued the interest of the Canal for the navigation in terms of security, gain of time and travel cost.

So engineers, bankers, and businessmen shared all together the responsibility of the failure of the ship Canal of Corinth.

But even at the worst moment, there were still hope. Indeed, Corinth was an active exporting place in the kingdom of Greece. As soon as 1882, Fiquet, director of the International Society of the Ship Canal of Corinth, mentioned in his report the development of vineyard in Greece and the increase of currants export towards France.<sup>15</sup>

Could currants trade save the Canal ?

### III. Could currants save the canal ?

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<sup>13</sup> Article of *L'express Finance*, September 7<sup>th</sup>, 1897, Centre des Archives du Monde du Travail, 2006-020 53 and Centre des Archives Economiques et Financières, B 00 133 223 / 3.

<sup>14</sup> “Voilà une entreprise qui a coûté aux capitaux français, en numéraires et intérêts, une soixantaine de millions et dont il ne reste qu'un canal évalué aujourd'hui à un demi million seulement et quelques fortunes plus ou moins grosses amassées à Athènes par ceux qui se sont mêlés dans cette malheureuse entreprise conçue et menée à ses débuts par le général hongrois Türr.”, in *L'Economiste d'Orient*, Athens, October 11<sup>th</sup>, 1907, Centre des Archives Economiques et Financières, B 00 133 233 / 3.

<sup>15</sup> Fiquet, report, in *Bulletin de la Société internationale du Canal Maritime de Corinthe*, n°2, 18 novembre 1882, CAMT, 2006-020 53.

In the Middle Ages, we find mentions of currants trade from Corinth to Great Britain. And indeed, in the 19<sup>th</sup> Century, it is the main export production in Greece. The Great French Wine Blight gave more importance to this trade, precisely at the time of the opening of the ship canal. That is why we now want to discuss the following point : could currants trade have saved the canal ?

#### A. Hopes in phylloxera epidemic times (Great French Wine Blight)

The phylloxera epidemic began in France in the middle of the 1870, depending on the countries. The wine blight became really serious in the years 1884-1890. The crisis ended at the beginning of the 20<sup>th</sup> Century. Thus, for 20 years, France had to face a lack of wine and a total disorganization of wine market.

The first reaction was to import grapes, in particular from Spain and Italy (before the phylloxera arrived there) and then Algeria. But this was not sufficient, and some people started to make wine from dried grapes, and more precisely currants. As early as 1880, Joseph Audibert, a wine maker from Marseilles, published an *Art of making wine from dried grapes* (*Art de faire le vin avec des raisin secs*), in which he recommends to use Currants from Corinth.<sup>16</sup> Indeed, the quantities of dried grapes imported in Marseilles, Sète and Bordeaux were multiplied by 5 between 1870 and 1890. The Economic Journal commented in 1906 :

“The exports to France, unimportant up to 1878, had grown after that date so rapidly that they exceeded the exports to England and absorbed nearly half the entire production.”<sup>17</sup>

In 1890, more than 3.000.000 hl of that wine were produced in France. This trade should have taken a direct advantage from the ship canal of Corinth, if it were achieved in the right time.

But, this kind of practices (making wine from dried grapes) were considered as fraudulent, even if there were not illegal. In 1889, the Griffé law prohibited to call wine the beverage prepared with dried grapes, without prohibiting the production.

On the other hand, the reconstitution of French vineyard was carried out with success by importing vines from California.

This had a direct consequence on dried currant import : in 1900, France imported less than 100.000 tons of dried grapes, ten times less than ten years before! France had chosen a protectionist economic policy. That was a pity for the canal shareholders. The canal arrived too late to take advantage from currants trade.

#### B. French capitals invested in currants production.

In spite of the decrease of currants trade towards France, we still find French capital invested in currants production. The first question is : did French investors make any profit ? Secondly, why were French investors interested by currants production ?

##### 1) Currants production : an unprofitable business.

After the reconstitution of French vineyard, began in Greece a period of overproduction. To overpass it, Greek government founded the Wine Bank of Greece which collected a land tax and a tax on the export, in nature, called the Deduction. The Deduction was to be converted in alcohol and was prohibited to export. But the Wine Bank did not manage to sell the Deduction and to buy the

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16 Gilbert Garrier, *Le phylloxera : une guerre de trente ans (1870-1900)*, Albin Michel, 1989, p. 163.

17 [The Currant Crisis in Greece](#)

A. Andréadès

[The Economic Journal](#)

Vol. 16, No. 61 (Mar., 1906), pp. 41-51

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overproduction, so it could not pay the State. Yet, the State really needed this money. That is why in July 8<sup>th</sup>, 1905, the State and Wine Bank signed a convention founding the Privileged Society to favour the currants production and trade (*Société privilégiée pour favoriser la production et le commerce des raisins de Corinthe*), with a capital of 20.000 francs. This Society inherited all the rights of the Wine Bank and had to advertise currants abroad. Moreover, it had exclusive charter to establish in Greece state warehouses for all kind of goods. Finally, a law prohibited in Greece distilling other products than currants. The Bank of Athens was engaged in this society.<sup>18</sup> The Banque de l'Union parisienne, shareholder of the Bank of Athens from 1904, would have engaged in the business 5 millions francs in 1906<sup>19</sup>. In 1929, it would maintain in the Hellenic Society of Wine and spirits (*Société hellénique des vins et spiritueux*) only 2 millions.<sup>20</sup> Indeed, this business is described as “more or less favourable” in French diplomatic correspondence.<sup>21</sup> Courcelle, assistant-manager in the Banque de l'Union Parisienne, was sent to Greece to obtain from the Greek government the termination of the contract with the Société privilégiée, even if it may have been only a stratagem to obtain better conditions from the Greek State.

## 2) The reasons of French investment in currants production.

So, the Société privilégiée received french investment, indirectly through the Bank of Athens and directly through the Banque de l'Union parisienne, in spite of being an unprofitable business. Actually, French bankers seem to have more interest in being present in Greek business than in sustaining currant trade. Indeed, Greece was a central place in the Balkans with an active business class. It was not a place to neglect, even if sustaining the Bank of Athens was not always a profitable business, in particular in the year 1912, when the bank of Athens had to reduce its capital of 25%.<sup>22</sup>

But the sustain to the Bank of Athens and the Currants Society offered other benefits. It was also a way of helping French firms which competed with British and German ones. A letter from the French chargé d'affaires in Greece tells us that the Currants Society entertained a large business dealing with floodlighting for instance. The diplomat hopes that French firms would take their « legitimate part » in it.<sup>23</sup>

As we can see, French interests in currants had only a tiny link with developing trade between France and Greece. At the beginning of the 20<sup>th</sup> Century, economic relations between France and Greece were not changed. French investors in Greece were Banks and Public Works Companies and no more. Then, the hopes of flourishing trade between Corinth and Western Europe, in order to make the ship Canal finally a profitable business, would soon disappear. The canal itself had failed some years before in sustaining efficiently Greek exports towards Western Europe.

## Conclusion :

French investors did not make many profits in Greece. The ship canal of Corinth served Greek economy only at a local scale, but did not have a big impact on export trade. Currants trade would take advantage of financial and publicity support, but not enough to resolve the overproduction crisis. Thus, Greece was not a place to make huge profits, but it was still important to invest in Greece at a political level. Great Britain, Russia and Germany reinforced their influence in the Eastern Mediterranean Sea, and France did not want to stay behind. A lampoonist expressed the

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18 For more details, see Αλεξής Φραγκιαδής, *Ελληνική Οικονομία, 19ος 20ος αιώνας*, Athens, Νεφέλη, 2007, p. 86-89.

19 Félix-Alexandre Aghion, *Société privilégiée pour favoriser la production et le commerce des raisins de Corinthe : étude*, Paris, impr. Raoul Veneziaiani, November 1906, 18 p.

20 Hubert Bonin, *La Banque de l'Union parisienne (1874-1904, 1974)*, Paris, Plage, 2001, p. 209.

21 Letter from the Chargé d'Affaires of France to the Foreign Office Minister, December 2<sup>nd</sup>, 1905, CAEF, B 0031 223 / 1

22 Hubert Bonin, op. Cit., p. 60.

23 Letter from the French chargé d'affaire in Greece to the French Foreign Ministre, December 2<sup>nd</sup>, 1905, Centre des Archives Economiques et Financières, B 0031223 / 1.

feeling of many French when he wrote :

« Do not forget THE EXAMPLE OF THE BRITISH and the SUEZ CANAL. British now possess the 2/3 of the shares. [...]

**French money for the French !** »<sup>24</sup>

Still, French investments played an important part in the economic development of Greece. Thanks to it, France continued to be influential in Greece, what was no more the case at a strictly political level since the fall of King Otto.

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24 “N'oublions pas L'EXEMPLE DES ANGLAIS avec le SUEZ, lesquels possèdent aujourd'hui plus des 2/3 des actions. [...] L'argent français aux Français ! ». Jean Baron, *Premières études financières confidentielles sur le canal de Corinthe*, avril 1893.