

The Italian Bank Società Commerciale D'Oriente and Its Business in Ottoman Istanbul (1907-1915)

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I. The birth of Società Commerciale d'Oriente

Società Commerciale d'Oriente (COMOR) was founded in 1907. Initially it represented a tool aimed at the exploitation of coalmine in Eraclea, in northern Anatolia, and of some mines in Bulgaria. The famous financier Giuseppe Volpi¹, disposed of it quite freely. Volpi was a leading figure of the combative group of Venetian “adventurers”² boarding the eastern markets, especially the Balkan region. This company turned into a major financial institution as the eastern arm of Banca Commerciale of Milan. It was the final step in a long process, since Banca Commerciale had already begun to appear in the Ottoman market before 1907.

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¹ Sergio Romano, *Giuseppe Volpi, industria e finanza tra Giolitti e Mussolini*, Bompiani, Milan 2002.

² Andrea Cafarelli, *Il leone ferito: Venezia, l'Adriatico e la navigazione sussidiata per le Indie e l'Estremo Oriente 1866-1914*, Viella, Rome 2014.

In all fairness, Banca Commerciale had been traditionally skeptical of being dragged into territories in which governmental guarantees did not apply. It had a “universal bank” structure as it was linked to German capitals³. Its association with German finance dated back to 1902, due to financial operations such as its participation – with a shareholding of 1 million francs over a total of 50 million – in the joint loan negotiated with the Imperial Ottoman Bank. The loan was allocated for the building of Baghdad railways (Banca Commerciale bought 1.480 shares of 500 francs of value each from the financial union, out of 24.000 shares of this railway. The operation was repeated in 1909⁴). Banca Commerciale had also loaned a small sum for the reserve funds for the Council of Administration of the Ottoman Public Debt. It also had a share in a loan aimed to create the capital of the Company for the Konya-Eregli-Bargurlu railway building⁵.

Giuseppe Volpi was the leader in the activities of Banca Commerciale in the East. He had great wishes of expansion in the financial and industrial field, especially in the European territories of the Ottoman Empire and in the region of Western Anatolia.

In 1902, Volpi established a mining company which bought the concession for the exploitation of sulfur and zinc at the borders between Turkey and Bulgaria. In 1902, he also created a private limited company along with Mr. Roberto Paganini and Count Amedeo Corinaldi. The company was called Volpi-Corinaldi & C. and it was granted the use of an untapped coalmine around Heraclea⁶. Later on, a new institution was born from the reorganization of Volpi-Corinaldi & C.: it was Società Commerciale d’Oriente (henceforth COMOR) with the initial purpose of managing the private interests of Venetian businessmen.

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3 Charles P. Kindleberger, *A Financial History of Western Europe*, George Allen & Unwin, London 1984, p. 470.

4 Historical archive of Banca Commerciale Italiana (ASBCI), Minutes of the Board of Directors, 10 October 1909.

5 ASBCI, Minutes of the Board of Directors, 26 February 1902.

6 Vico Mantegazza, *Questioni di politica estera*, vol. II, Treves, Roma 1908, p. 153.

After a serious dispute with the French company which shared the coal basin, COMOR was forced to renounce its partial rights to these mines and the annexed railway (in Kouby)⁷. In return, it received some shares, previously belonging to the French company of Heraclea, for a total value of 2 ½ millions of French francs. However, these shares represented only a minority part, 11.400 shares out of 75.000. Volpi's objections were useless as even the director of Banca d'Italia, Mr. Stringher, said that in the end, COMOR obtained a dignified way out from that business. Nevertheless, this solution did not give any concrete possibility of influence on the corporate choices to the Italians, or direct gains in terms of compensation. Indeed, the company of Heraclea could not benefit from the business despite its considerable production⁸.

It should be stated that Volpi's activities, which took place between the Balkans and Anatolia, were generally not as economically successful as they could have been. Surely enough, COMOR claimed rights on important Bulgarian lead and zinc mines (*Société Minière de Bulgarie*)⁹. It was also engaged in many banking operations in the Levant and ran almost all the export of Italian and Montenegro tobacco¹⁰. However, the company of Antivari (today Bar, in Montenegro), founded in 1905 so as to further the economic exploration in Montenegro¹¹, suffered heavy losses which would

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7 Jacques Thobie, *Intérêts et impérialisme français dans l'Empire ottoman: 1895-1914*, Publications de la Sorbonne, Paris 1977.

8 Richard A. Webster, *L'imperialismo industriale italiano tra il 1908 e il 1915*, Einaudi, Turin 1975, p. 412. According to the author, when the company started to have some profits at the end of 1914, the Ottoman Empire, which had entered the war with Germany, expelled the French and entrusted the company and one of the direct enterprises to Hugo Stinnes.

9 Gerald Posner, *God's Bankers. A History of Money and Power at the Vatican*, Simon & Schuster, New York 2015, p. 547. For details regarding the connection between the Vatican capital and Italian banks, see also John F. Pollard, *Money and the Rise of the Modern Papacy. Financing the Vatican, 1850-1950*, Cambridge University Press, Cambridge 2005. Benny Lai, *Finanze e Finanziari Vaticani fra l'800 e il 900*, Mondadori, Milano 1979.

10 Webster, *L'imperialismo industriale italiano*, p. 413.

11 Francesco Corridore, "Le relazioni economiche dell'Italia con gli stati

have buried Volpi's dreams of glory without the Italian government's support¹².

Despite these problems, Volpi involved COMOR in various different businesses. Italian political authorities encouraged these financial initiatives, regarding them as a means for the country to be involved in the big loans contracted by the Ottoman Empire, which gave many benefits to the industry and trade of other European powers. COMOR, born as a simple company meant to serve Volpi and Paganini's interests, turned slowly into the institute of banking and finance that Italy had been trying to create in the Ottoman capital since the nineteenth century.

Notably, the growing involvement of Banca Commerciale would grant COMOR ulterior growth provided that its business ran well in the future and the Italian Government kept on supporting these initiatives. However, at first, COMOR had to become popular and carry out all its tasks, showing that it was a reliable company. The opening of a COMOR branch in Constantinople in 1909 was the evidence needed.

The bank had a capital of 3 million francs (a very small sum compared to the share of other foreign banks in Constantinople), and its Board of Directors was composed of Mr. Roberto Paganini, Mr. Giuseppe Sahadun (the Director of *Banca Commerciale Italiana*), Mr. Giuseppe Volpi whereas the engineer Bernardino Nogara was in charge of the business bank in Constantinople. This company obtained the Italian government's aid, not only because it was small and new in the market, but also thanks to the lively and friendly

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balcanici", *Rivista Internazionale di Scienze Sociali e Discipline Ausiliarie*, vol. 54, n. 216, 1910, pp. 501-517; Arthur J. May, "Trans-Balkan Railway Schemes", *The Journal of Modern History*, vol. 24, n. 4 1952, pp. 352-367.

12 Historical archive of Italian minister of foreign affairs (hereafter ASDMAE), Italian embassy in Turkey (hereafter AIT), box 30, dossier 189, no. 282, Stringher to Tittoni, Rome, July 31, 1909. In fact, the company of Antivari received an aid from the government to ensure that the administration of the company remained under Italian control. This was due to implicit political reasons.

relationship between the Italian prime minister Giovanni Giolitti and Banca Commerciale of Milan¹³.

The Italian Embassy did as much as it could to encourage the activities of COMOR which in return cooperated with the government on issues that were not strictly related to its activities, such as politics. An example of this collaboration was Giulio Uccelli's activity. He became the director of COMOR office in Constantinople in November 1910¹⁴, after Ettore Marcenaro's leadership, during the period of the Turco-Italian war of 1911-1912¹⁵. Between January and May 1912, the government commissioned Uccelli and Nogara to test the waters for a possible peace¹⁶, and to influence the local Ottoman press to prepare the public opinion to the end of hostilities between Italy and the Ottoman Empire¹⁷.

For its part, the government of Constantinople supported the activities of COMOR where there were strong economic interests for foreign companies and, conversely, it hindered the activities of the Milanese bank in the Balkans, where the Italian government had both economic and political ambitions¹⁸.

Around 1910, COMOR ceased to be the only Italian bank operating in Ottoman Istanbul. Another important Italian bank, Banco di Roma, whose financial interest had previously expanded in Libya and Egypt¹⁹, opened an office in Constantinople in 1911²⁰.

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¹³ ASDMAE, confidential archive (hereafter AR), envelope 3, *Memorandum Imprese in Turchia*, Constantinople, January 28, 1909.

¹⁴ ASDMAE, AIT, box 227, dossier 8, no. 233, Camerini to Planches, Rome, November 30, 1910.

¹⁵ Sergio Romano, *La quarta sponda. La guerra di Libia 1911-1912*, Tea, Milano 2007.

¹⁶ ASDMAE, council archive (AG), box 25, dossier 125, Uccelli to Scalea, Constantinople, 4 January 1912.

¹⁷ ASDMAE, AG, box 25, dossier 125, Uccelli to Carbasso, Constantinople, May 23, 1912.

¹⁸ ASDMAE, AIT, box 227, dossier 8, no. 3856/140, Nogara to Imperiali, Constantinople, October 7, 1909.

¹⁹ Samir Saul, *La France et l'Égypte de 1882 à 1914; intérêts économiques et implications politiques*, Imprimerie Nationale, Paris 1997.

²⁰ Luigi De Rosa, Giovanni De Rosa, *Storia del Banco di Roma*, Vol. I, II, III, Banco di Roma, Rome 1984.

Even though there was a prominent competition between the two banks, both collaborated in some business activities, especially in Istanbul. For instance, they were involved in the financing of the Italian company Ansaldo, though not successfully. Uselessly, the Italian government tried to mediate between Banco di Roma and COMOR to find the necessary capital in order to finance the company of Ansaldo which ran the Ottoman Arsenal²¹. The intent was that of financing the project of “floating docks” and leaving the main part of the company to the Italian capital, excluding other foreign capitalists. The project failed: the undercapitalization of these institutions, the mutual distrust among the Italian banks and the lack of risk propensity led to its collapse.

Nevertheless, COMOR provided good financial and trade services to Italy within the Ottoman domains, even if not as much as it wished. This occurred thanks to the benevolence of the *Banca Commerciale Italiana* (COMIT) despite the lack in substantial financial capital. Although its activities were very limited compared to the turnover of big European financial institutions, COMOR was *de facto* the first Italian bank to open an official registered office in Constantinople, even if it had been created for different aims.

At its beginnings, COMOR had rearranged the *Società di Navigazione del Corno D'Oro* with some foreign capitalists. It had recapitalized it and provided it with new boats. After the negotiations with the French group that was located at Heraclea, COMOR became the representative of the Italian group that controlled the *Société Ottomane d'Héraclée* in a minority share. However, it had the majority part of shares of the *Société Minière de Bulgarie*, thereby ensuring its control on the most important lead and zinc mine in Bulgaria²².

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²¹ Andrea Filippo Saba, “L’attività dell’Ansaldo nell’impero ottomano,” in Hertner P. (ed.), *Storia dell’Ansaldo III. Dai Bombrini ai Perrone 1903-1914*, Laterza, Rome, 1996.

²² ASDMAE, AG, box 21, dossier 141 bis, unknown record, *Società Commerciale d'Oriente*.

Afterwards, the company enlarged its business and acted more and more as a financial tool of COMIT of Milan, especially after giving its banking activities in Constantinople to Banco di Roma. COMOR started to reshape its structure according to “Eastern” banks models, which had been created *ad hoc* by the big European banks operating in the Ottoman Empire, presumably modeled on the *Deutsche Orient Bank*²³.

Born as a private company to fulfill Volpi’s business objectives, especially in the mining sector, in 1912 COMOR became a more independent company with broader ambitions, especially in Constantinople. This also happened thanks to managerial changes within the company, as the new leader became the leading executive of COMIT, Otto Joel, while Pietro Fenoglio and Giuseppe Volpi were appointed managing directors. Bernardino Nogara, whose independent initiative had been limited under Giuseppe Volpi’s guidance, obtained an essential role for the “leap ahead” of the company: namely, he became the Italian delegate at the Council of Ottoman Public Debt Administration. In fact, in December 1912, Nogara resigned from his position of director of COMOR in Constantinople, after his designation as the Italian delegate at the Council of Public Debt Administration. This step would mark the rise of a new COMOR²⁴.

The new COMOR suited well the ambitions of Volpi and Nogara who had shown their frustration in the past for their minor role which was due to their negative balance sheets.

II. The new Società Commerciale d’Oriente and Nogara’s concession (1912-1914)

In spring 1911, COMOR completed the sale of its banking activities to Banco di Roma. In 1912, after a probationary period

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²³ Jacques Thobie, “European Banks in the Middle East,” in Cameron Rondo V.I. Bovykin (ed.), *International banking, 1870-1914*, Oxford University Press, New York 1991, pp. 406-443.

²⁴ ASDMAE, AIT, box 227, Folder 1, dossier 2, Volpi to Nogara, Venice, December 7, 1912.

of five years, it went into liquidation with a deficit of 600,000 Liras²⁵. However, in November 1912, it started up again with a share capital notably bigger than the three million gold francs of its early beginnings. Indeed, the share capital was of five million francs and its agenda was more ambitious than that of the initial rights on mines in Asia Minor, Bulgaria, and Kouby railway²⁶.

The Company's headquarter was established in Milan and COMIT firmly took control of it by acquiring 13,330 shares, approximately 53.32% of the share capital. In March 1913, the percentage went up to 64.2% out of the total. The new COMOR had inherited the activities of the old COMOR, including its losses. Among them was the company of Antivari, despite the fact that the Italian state kept on supporting it economically for obvious strategic and political reasons. The new director of COMOR, Otto Joel, would have preferred to split from that company which was perpetually in deficit, and to that end he asked for more state subsidies.

As we shall see below, an ill-fated period between 1911 and 1913 hampered the business activities of the new company while the Ottoman Empire was engaged in three wars: one against Italy and the other two against the Balkan states. Certainly, Nogara's economic concession gained in the region of Antalya represented one of the greatest possibilities of expansion for COMOR²⁷. As other European powers had done in different areas of the Empire, Italy hoped to use its own reserved area as a springboard for its economic expansion on a larger scale in the region, especially in regard to the rail business. Successful examples of this strategy were Germany's involvement in Baghdad railway, France's in Syria and Great Britain's in the Arabian Peninsula and Iraq for different businesses²⁸.

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25 Andrea Filippo Saba, "La Società commerciale d'Oriente entre la diversificación y la situación estratégica internacional (1902-1935)," in *Historia Emprensarial*, pp. 137-151.

26 Antonio Confalonieri, *Banca e Industria in Italia. Dalla Crisi del 1907 all'agosto 1914*, Banca Commerciale Italiana, Milan 1982, p. 416.

27 Petricioli M., *L'Italia in Asia Minore*, Sansoni Editore, Firenze 1983.

28 William I. Shorrock, *French Imperialism in the Middle East, The Failure of Policy in Syria and Lebanon, 1900-1914*, The University of Wisconsin Press, Madison 1974.

Nogara's relationships within Ottoman political circles allowed him to get a concession in the region of Antalya. However, the Italian engineer was aware of the fact that without the support of the government it would have been hard to take full advantage of this concession. For the government, where the entrepreneurial Marquis of San Giuliano worked in the department of ministry of foreign affairs, it was useful to set foot in Anatolia as other great powers had already done, so as to prepare the ground for claiming an area of influence once the Ottoman Empire fell.

This strategy was useful for Nogara as well because obtaining such a concession would have ensured COMOR, and thus Banca Commerciale, a safe and exclusive operating area where foreign competition could not interfere. In return, the Ottoman Empire, avid of loans, asked Italy for a credit in favor of the imperial treasury. Only the Italian government's willingness to fund the operation would have allowed Nogara to get the coveted award.

In this regard, Volpi wrote to San Giuliano in order to persuade him to provide credits for Constantinople: "although such an initiative is out of our plans, we gladly adhered to Mr. Nogara's proposals which reflect the Royal Ambassador's plans for the Italian commercial penetration into this region, as established by the Royal Government"²⁹.

In February 1913, within this institutional framework, the two Italian businessmen registered the statute of an anonymous Ottoman company at the Ministry of Trade and Agriculture. The company had a capital of 100,000 Ottoman Turkish liras; 10,000 out of the total were due to be paid. The name of the business was the *Société Financière, Commerciale et Industrielle*. The directors were all nominated from COMOR which would keep control of this company as the sole shareholder³⁰.

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²⁹ ASDMAE, AG, box 30, dossier 409, no. 014441, Volpi to San Giuliano, Venice, May 14, 1913.

³⁰ ASDMAE, AG, box 27, dossier 335, Nogara to Joel, Constantinople, April 21, 1913.

The Ottoman company had taken a commitment from the imperial government in order to do a research to carry out works of social utility as well as research for a shipping line, which would have to link the region to Italy. Therefore, in the fall of 1913, the Société Financière, Commerciale et Industrielle the latter company planned to divide the area destined to this project in three operative regions. The first one was the region to the east of Gulf of Antalya (with the building of a railway line, which started from the Gulf of Agha Liman, through Selefke towards north/northwest direction). The second region was that of the Gulf of Antalya (a railway that would be connected to that of Anatolia or that of Smyrna-Aidin). The third one was the western region close to Rhodes. The primary aim was to create a network of roads, ports, and railways to set a strong economic dominance on the whole region³¹.

The Italian government provided the money for all these projects. Nogara estimated that the expenses for the financial year 1913 would not have exceeded 50,000 francs, but told San Giuliano that he would request the needed money from the Ministry in order to achieve the predetermined purposes of the company³².

Italian activities in Asia Minor, especially in the area under the British influence, worried the government in London. Italy needed to build a railway line in order to exploit its area at best. However, in the fall of 1913, Italian plans remained unclear to the British diplomacy. London was aware of the fact that such an Italian railway line aimed to exploit some iron mines³³.

The British government made its voice heard in Constantinople recalling that in clause no. 2 of the agreement signed with the English railway Smyrna-Aidin on 6th October 1906, it was clearly expressed that only the English company had the right to build a railway line from Antalya to Aidin and the Baghdad line. The

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³¹ *Ibid.*

³² ASDMAE, AG, box 27, dossier 335, Nogara to San Giuliano, Rome, September 29, 1913.

³³ The National Archive (hereafter NA), Foreign Office (hereafter FO), 371/1844, no. 871, Marling to Grey, confidential, Smirne, September 30, 1913.

other companies had to be distant from these lines for a minimum of 40 km³⁴.

The failure to reach an agreement with the British railway company would have forced Rome to renounce its dreams of economic exploitation of Nogara's Concession³⁵. After the London agreement, another episode highlighted the urgency of signing this agreement: namely, Smyrna-Aidin Company forbade the Italians to include the Gulf of Mendelia within the area of their economic influence. This occurred even though Nogara had worked hard to bring an iron mine close by under his control, with the hope of building a port and a neighboring railway in order to exploit the mining potential more efficiently.³⁶ The failure to reach an agreement with the British and Italians' misguided attempts to buy their shares in order to control the capital made Nogara's Concession and the dreams of glory of COMOR unsuccessful.

III. The business network of Società Commerciale d'Oriente

As previously stated, COMOR had been founded as a Swiss company to deal with mining activities in Heraclea and Bulgaria. In 1912, under Joel Otto's direction, it became the real operational branch of the Banca Commerciale in the East. Although the purpose of the Banca Commerciale was that of creating a bank to support Italian political and economic expansion, its activities developed outside the directives and guidelines issued from Rome. COMOR was able to gather many financial, industrial, and commercial activities,

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34 NA, FO., 371/1844, no. 10, Heathcote-Smith to Grey, Smirne, September 30, 1913.

35 NA, FO., 371/1844, no. 251, Rodd to Grey, Rome, September 21, 1913. The British immediately identified in Nogara the mastermind behind the Italian concession in Asia Minor, and highlighted his role within DPO, implying that this role allowed him to obtain such a concession more easily.

36 ASDMAE, AG, box 30, dossier 189, no. 065631, Nogara to San Giuliano, Constantinople, July 17, 1914.

despite the capital invested being much lower to that invested by large European bank groups.

As a representative of the financial group of COMOR and the Tecnomasio Italiani of Milan (Construction Company of electric machines), Nogara replied by the end of 1910 to a contest announced by the Ottoman government. He submitted a project for the building of an urban and suburban tram network in Constantinople at the Ottoman Ministry of Public Works³⁷.

For this project, Nogara needed the help of the Italian Embassy in Constantinople to recommend Italian companies to the Ottoman authorities. State aid frequently asked by Nogara was essential to allow new companies – especially those undercapitalized in comparison with big European financial institutions – to launch onto the Ottoman market in order to get important contracts and to have a good showcase for their name and reliability in the Ottoman government circles.

However, COMOR had no luck in its attempt to involve the Italian government in this operation. Indeed, Sir Terraneo of Salonico, a law officer of the Eastern railways, proposed to establish a registered office of the Italian bank the *Istituto Italiano di Credito Fondiario* in Constantinople. However, Mr. Callegari, the director of this bank in Rome, did not accept it directly since only Stringher had the authority to do so given the involvement of Bank of Italy in the *Istituto Italiano di Credito Fondiario* through the ownership of 30,000 shares³⁸. Contrary to expectations, Stringher's reply was not positive despite San Giuliano's utter disponibility. Stringher's choice was due to his fear of facing unpredictable indirect consequences of the operation such as the risk of exposing too much capital abroad.³⁹

In fact, COMOR and the *Banca Commerciale* did not have enough capital to support the opening of a mortgage bank, but San

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37 ASDMAE, AIT, box 227, dossier 5, no. 486, Nogara to Planches, Constantinople, December 31, 1910.

38 ASDMAE, APL, box 26, Primo Levi to San Giuliano, Rome, April 10, 1913.

39 ASDMAE, APL, box 26, no. 30665, Stringher to San Giuliano, Rome, April 19, 1913.

Giuliano did not want to miss this opportunity. The Italian Foreign Minister wrote to Volpi that COMOR would have been able to take part in the operation in agreement with a French company. Anyway, he hoped that COMOR resumed its interest in these operations and even excluded the focus on rural property so as to invest in real estate. To San Giuliano, it made no difference which business COMOR was to run. The important thing was not fall behind in “the political effect that we must always aim at in the East, even when carrying out financial affairs”⁴⁰.

In June 1913, the management team of COMOR, led by managing directors Giuseppe Volpi and Pietro Fenoglio, sent this latter to Constantinople to monitor Nogara’s business within the company. Fenoglio quickly realized that the affairs of COMOR were remarkable and that the company was involved in many activities. For instance, it had the majority share of the *Société des Bateaux de la Corne d’Or* - in association with the *Deutsche Orient Bank* (which had a minority share, even though it was a strong shareholder as well)⁴¹.

Still, the bigger picture was more complex than that. As previously stated, in 1911, the Italian government had pressured COMOR to cede a part of its banking activities to the Banco di Roma, along with some businesses in progress. In 1912, the old Swiss COMOR had been liquidated and the new one opened to be led by Otto Joel. The new company did not work as a simple bank window, but carried out financial, commercial, and industrial activities.

However, the closure of the old society was not painless. The losses accumulated until 1912 were of 775,000 Liras. Liquidation yielded 503,000 Liras, but there was still a debt of 272,000 Liras. Taking into account the premium on the shares of the old company, which had paid the new COMOR, they needed to find a sum of 622,000 liras in order to liquidate the old company for the benefit of the new one. To neutralize this loss, the new COMOR had to

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⁴⁰ ASDMAE, APL, box 26, no. 33218, San Giuliano to Volpi, Rome, May 15, 1913.

⁴¹ ASBCI, folder 7, Minutes of the Board of Directors of COMOR, 4 July 1913.

liquidate the shares of the Heraclea Company as well as of the *Société Minière Bulgarie* where it also obtained the shareholding of the Banco di Roma⁴².

Despite this difficulty, the involvement of the Banca Commerciale was essential to overcome these hardships and to give a new impulse to the new COMOR. This latter had a majority share in the *Société des Bateaux de la Corne d'Or*, which increased its capital in September 1913. COMOR also had shares in a construction company, in association with the Bank of Thessaloniki belonging to Allatini brothers who were Jews of Italian origins⁴³. The Banco di Roma had a share in this company as well. It owned 1,100,000 shares and a receivable of 110,000 Liras; however, it wanted them back.

Given the state of things, Nogara stated that the obstinacy of the Banco di Roma in demanding its money back, instead of reinvesting it for future activities, shed a bad light on future agreements and joint negotiations between the two Italian institutions⁴⁴. Their mutual distrust caused a new failure of an ambitious business project; an outcome which bore striking similarities to the one previously discussed with regard to Ansaldo. The beginning of the First World War stopped many activities run by COMOR, increasing its deficit. After Nogara returned to Italy in August 1915, the company of Constantinople was entrusted to Mr. N. Telioudis. Shipping and supplies were seized from the *Société des Bateaux de la Corne d'Or* by the Ottoman government for military purposes. Therefore, the company had to interrupt the public service despite German participation. In the end, it reached a deficit of 7,304.37 Turkish liras, in addition to c. 500,000 francs that the Ministry of War of the Ottoman Empire requested to rent freights.

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42 ASBCI, folder 7, Minutes of the Board of Directors of COMOR, 4 September 1913.

43 In 1888, Allatini brothers founded the *Banque de Salonique*, thanks to some Austrian funds. About ten years later, they moved the headquarters of the bank to Constantinople. Rena Molho, «Les Juifs en Grèce au XXe siècle,» *Matériaux pour l'histoire de notre temps* 71-1 (2003) pp. 39-48.

44 *Ibid*

Conclusion

Despite the Società Commerciale d'Oriente's late arrival in the Ottoman Empire, and the fact that it was vastly undercapitalized, the eastern branch of the Banca Commerciale of Milan was able to launch in the Ottoman market. Thanks to the dynamism of the Venetian ruling class, and to Giuseppe Volpi and Bernardino Nogara's local knowledge, COMOR was able to achieve important goals in spite of its limited funds. All this was possible thanks to the Italian government's support, especially for Nogara's Concession.

The Italian government's desire to obtain concessions in order to claim, later on, a slice of the earnings, allowed the management team of COMOR to ask for aid in order to increase its business. However, individualism and distrust between COMOR and other national banks in the region significantly limited the development of banking activities and of an effective network of Italian business within the Ottoman Empire. In the end, Italian business remained very limited if compared to those of other major European powers.