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Hubert Bonin, *French Banks and the Greek "Niche Market": Mid-1880s-1950s*. Geneva: Librairie Droz, 2013. 379 pp. Photos, maps, tables, notes, and index. 49.35€. (pb). ISBN 978-2-600-01700-8.

Review by Samir Saul, Université de Montréal.

This book is a testimony to the talent of the author for making the most of available data, and an illustration of the art of making a little go a long way. Greece is a minor player in the European economy and French banks are neither dominant on the Greek market nor part of any grand economic or political strategy. Yet, by dint of hard work at connecting disparate data, mastery of detail and knowledge of French banking history, Bonin manages to establish a portrait—in fact, create a topic—few would have thought possible. The dearth of archival material is no deterrent. Every scrap is pressed into service and the mobilization of an immense literature, published and unpublished, contemporary and more ancient, is impressive.

Hardly a magnet, Greece is not even a moderately attractive economic proposition, especially in the nineteenth century. In 1913, it represents no more than 0.13 percent of world trade. There is no industry to speak of, at least none more complex or capital-intensive than tobacco processing. Agriculture is the main economic sector, complemented by shipping activity to various eastern Mediterranean port-cities tied together in an “emporium economy” by the presence of Greek diasporas. The kingdom is broke from the very beginning of its existence as an independent state. Loans in 1824, 1825 and 1833 quickly lead to default and an embargo banning the insolvent debtor from international financial markets from 1843 to 1879. Foreign investment was negligible and proved to be a condition political instability did nothing to improve. Nor was investor confidence bolstered by international tensions in the Balkans and wars involving the Ottoman Empire. Practically the only tangible outcome of this era of woes is the opening in 1841 of the National Bank of Greece, the premier financial institution in the country.

To the extent that there was foreign participation in the Greek economy, Britain was predominant as a major importer of agricultural commodities, mostly currants, and exporter of goods, mainly coal. Financial transactions went through the City and the merchant house Hambro had a stranglehold on Greek business. With few pickings to be had, French banks could only aspire to day-to-day small-scale services, such as discounting bills, advances and overdraft facilities. Even on that score, Hambro was paramount. That said, “Contracts for important export orders, finance issuing or public works were rarely won without prior involvement in day-to-day commercial activities within the local business and banking community” (p. 17).

Following the lifting of the embargo in 1879, French banks had the status of subcontractors for Greek state loans issued in London. The Comptoir d'escompte de Paris acted as correspondent for Hambro, lead manager of the underwriting syndicate. Apart from the Corinth canal, a minor contribution to railways networks and a limited participation in energy (gas and electricity) utilities, “project financing” opportunities were hard to come by. Commercial banking, foreign exchange, money transfers, et cetera, made for low-key ordinary banking, deprived of glamor or excitement, the author wistfully recognizes (p. 107). Greece defaulted in 1893 with over half of its budget allocated to servicing the debt and loan

repayments. Defeat in the war against the Ottoman Empire in 1897 brought on the imposition of an enormous indemnity, the usual lot of the vanquished. With the establishment of an International Financial Commission (1898), Greece was now firmly lodged in the category of semi-dependent states, joining Tunisia (1869), Egypt (1876), the Ottoman Empire (1881), Serbia (1895) and China (1898).

In 1904, France's Banque de l'union parisienne partnered with the Banque d'Athènes, founded in 1893, and the Société générale did likewise in 1907 with the Banque de Salonique, established in 1888. The model seems to have been Paribas's association with the mighty Imperial Ottoman Bank, practically the master of the Ottoman economy and, arguably, the state itself. Both the Banque d'Athènes and the Banque de Salonique were regional banks, rooted in the local economy, as well as internationalized banks active in the eastern Mediterranean. In 1919, the Banque de Salonique came under a new French sponsor as the Crédit foncier d'Algérie et de Tunisie acquired the Société générale's controlling stake. After losing its networks in Serbia and Bulgaria in the aftermath of the First World War, the bank became more and more a local institution; its field of activity contracted to the port-city and region of Salonika. In the meantime, the Banque d'Athènes consolidated its position because it benefitted from the rise of Athens and Piraeus as commercial hubs. In the 1920s, it became the country's second bank after the National Bank of Greece and a genuine Greek firm, not just the promoter of the interests of its French sponsors and clients. After the Second World War, almost half of its shares were in the hands of the Greek community in Egypt and most of its profits came from its Egyptian outlets. In 1953, the government decided unilaterally to merge it with the National Bank of Greece.

Partly a reflection of the availability of sources, the three parts of the book are of unequal lengths. The pre-1914 period is covered in 164 pages, the 1914-1930 years in 88 pages, and the 1930s-1950s in 63 pages. This is an able study by a seasoned historian, thoroughly familiar with French banking history and with the overseas ramifications of the major French banks. It provides valuable background for the financial history of Greece, a country lately beset with difficulties.

About the only caveat one can venture concerns the term "niche," usually associated with a product-specific advantage. Bonin employs it in the sense of a complement to the core portfolio of strategic activities. Yet, French banks practiced typical, commonplace, generic banking functions, not really unique services. They seized opportunities to expand in a small market. A more accurate description of the role of Greece for French banks would be that of a peripheral or accessory market. It will be obvious from this quibbling that there is little else to criticize and much to laud in Bonin's tome.

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