

## The President and Fellows of Harvard College

---

From Diaspora Traders to Shipping Tycoons: The Vagliano Bros

Author(s): Gelina Harlaftis

Source: *The Business History Review*, Vol. 81, No. 2 (Summer, 2007), pp. 237-268

Published by: [The President and Fellows of Harvard College](#)

Stable URL: <http://www.jstor.org/stable/25097338>

Accessed: 24/11/2013 13:15

---

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at  
<http://www.jstor.org/page/info/about/policies/terms.jsp>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.



*The President and Fellows of Harvard College* is collaborating with JSTOR to digitize, preserve and extend access to *The Business History Review*.

<http://www.jstor.org>

*Gelina Harlaftis*

---

## From Diaspora Traders to Shipping Tycoons: The Vagliano Bros.

This study traces the origins of the twentieth-century Greek shipping tycoons and their global business to the nineteenth-century Greek diaspora traders. It examines the distinct characteristics of a diaspora firm, which can be treated partially as a multinational or “free standing firm” with distinctive features. Based in the main European financial centers, diaspora traders were international operators who developed ethnic-religious networks with their own unofficial international market, enabling them to operate independently of the countries or states in which they were established. The Vagliano house is a prime example of a diaspora trading house that transformed itself into a major shipping and ship-management firm, paving the way for the global success of twentieth-century Greek-owned shipping. The Vagliano network integrated the Greek shipping sector into the international shipping production system by creating an institutional framework based on trust that minimized transaction costs and entrepreneurial risk and provided information flow.

When asked what name is most representative of Greek entrepreneurship, many people, even thirty years after his death, would answer, “Aristotle Onassis.” The Greek shipowner whose name continues to signal Greeks’ success in world shipping became the archetype of a cosmopolitan, successful, self-made businessman, representing what the Western world thinks of as entrepreneurial talent. He created the myth of the Greek tycoon, and his legend continues to be alive, even today.

Is Onassis an exception to the myth that Greek entrepreneurship does not exist in the international arena? Quite the contrary. In fact, I would argue that Onassis represented the culmination of a tradition of involvement by Greek diaspora entrepreneurs in international business,

GELINA HARLAFTIS is associate professor in the Department of History, Ionian University, Corfu, Greece.

*Business History Review* 81 (Summer 2007): 237–268. © 2007 by The President and Fellows of Harvard College.



Portraits of the Vagliano brothers painted in the late 1870s: Marininos (1808–1896), who was based in Taganrog; Panagis (1814–1902), who was based in London; and Andreas (1827–1889), who was based in Marseilles. Permission granted by the Corgialegneion Museum in Cephalonia.

which can be traced back, in recent Greek history at least, to the eighteenth century. The Greek diaspora entrepreneurial network, following the nineteenth-century European trend of colonial expansion, reached to the United States, India, and Japan. By the twentieth century, it was embodied in the global maritime network of Greek shipowners. Greek shipping today represents the continuation of the diaspora Greeks' involvement in international business.<sup>1</sup>

This study is about the Vagliano brothers, founders of one of the largest Greek diaspora trading houses in the second half of the nineteenth century, whose activities set the pace for the subsequent, even more successful, shipping tycoons of the twentieth century. The Vagliano brothers pioneered the transition of Greek-owned shipping from sail to steam, and, more significantly, their shipping office in London operated as a clearinghouse for existing or aspiring Greek shipowners. Later Greek shipping offices modeled themselves on the Vaglianos. Thus, their company history exemplifies the growth of Greek-owned shipping over the past hundred years and beyond and offers another look at network firms, demonstrating their advantages and their participation in the building of transnational shipping and trading circuits. Finally, the

<sup>1</sup> See Gelina Harlaftis, *Greek Shipowners and Greece, 1945–1975: From Separate Development to Mutual Interdependence* (London, 1993), 9. See also Harlaftis, *A History of Greek-owned Shipping: The Making of an International Tramp Fleet, 1830 to the Present Day* (London, 1996); this analysis, based on archival research, identifies the formation of Greek diaspora entrepreneurial networks in the nineteenth century and their influence on the evolution on Greek shipping in the nineteenth and twentieth centuries.

company's history illustrates the critical part played by diaspora trading houses in the international business of the nineteenth and twentieth centuries.

### Diaspora Business

Diaspora business consists of trading companies involved in international business. "Diaspora traders" comprise a distinct category and are engaged in the Eurasian trade between East and West.<sup>2</sup> Diaspora trading companies developed into networks of ethnic-religious groups that formed their own "unofficial" international market, enabling them to operate independently of the countries or states in which they were established.<sup>3</sup> European seaborne trade has traditionally been connected with the establishment of foreign merchants in major European ports where the terms "merchant community" and "community of foreign merchants" were often synonymous. The importance of ethnic-religious groups, "which stood out against the purely European western background" in international business, was easily recognizable by the early modern age.<sup>4</sup> This was not the case, however, in the era of nineteenth-century nationalism, even though "modern concepts of 'nationality' were not then fully formed."<sup>5</sup> National historiographies tend to hide the significance of these groups, which, though often recognized as ethnic trade diasporas, are treated as British trading companies, part of the national networking established by Victorian Britain.

Diaspora trading companies conform to the theory that has been developed about multinational companies, entrepreneurship, and international business. But, within these theoretical discussions, these companies have not been identified as a distinctive group with specific entrepreneurial characteristics; rather, they have been thought of in connection with a particular Western European country. For example, many of the so-called British Trading Companies were actually a special kind of trader, and they participated in international business.<sup>6</sup> A number of

<sup>2</sup> Philip Curtin, *Cross Cultural Trade in World History* (Cambridge, 1984).

<sup>3</sup> These networks have become a vibrant field of study for economic, business, political, and social historians, sociologists, and economists. See, for example, the collection of papers in Steven Vertovec and Robin Cohen, eds., *Migration, Diasporas, and Transnationalism* (Cheltenham, U.K., 1999).

<sup>4</sup> See, for example, Frederic Mauro, "Merchant Communities, 1350–1750," in *The Rise of Merchant Empires: Long-distance Trade in the Early Modern World (1350–1750)*, ed. J. D. Tracy (Cambridge, 1990), 285.

<sup>5</sup> Geoffrey Jones, *The Evolution of International Business: An Introduction* (London, 1996), 149.

<sup>6</sup> In *Merchant Enterprise in Britain: From Industrial Revolution to World War I* (Cambridge, 1992), ch. 5, Stanley Chapman discusses the importance of foreign merchants in British

these were members of the three historical diasporas: Greeks, Jews, and Armenians. Their business epitomized the resilience of older, traditional forms that had been created by certain peoples and had been surpassing boundaries for centuries.

Historian Geoffrey Jones brought the trading companies into the mainstream of theoretical discussions about international business.<sup>7</sup> Following his lead, I will treat diaspora traders as multinational trading companies. However, as multinationals they never entered the equity markets or distinguished ownership from management, but remained primarily family firms. Diaspora trading companies can be also defined as “free-standing firms.”<sup>8</sup> According to this concept, which was introduced by Mira Wilkins, these were firms that conducted business overseas and were headquartered in London or some other European financial center but did not grow out of their home countries’ domestic operations. Diaspora trading houses cannot, however, be viewed entirely as “free standing” companies, because, apart from questions of nationality (Which was the “home country”? What constituted their “domestic operations?”), they were not really free standing, as they depended on other firms in their international network. Diaspora trading firms, thus, can be treated partially as multinationals or “free standing firms” with distinctive features. Based in the main European financial centers, diaspora trading companies were international operators that adapted the conduct of their businesses to the economic needs of nations engaged in empire building.<sup>9</sup> They sought out factors that would make them more competitive, exploiting the resources and advantages of the institutional environment that were available to them through internationalization. These companies facilitated international trade flows “because they reduced search, negotiation and transaction costs in unfamiliar and risky environments.”<sup>10</sup>

Diaspora trading companies were principally network firms.<sup>11</sup> A network is defined as a particular type of relationship that links a particular group of people, and the study of this form of relationship is per-

---

mercantile development. Jones gives us a global view of British traders’ activities and identifies the origin of important traders but still treats them as part of the British trading companies’ group. See Geoffrey Jones, *Merchants to Multinationals: British Trading Companies in the Nineteenth and Twentieth Centuries* (New York, 2000); and *The Evolution of International Business*.

<sup>7</sup> Jones, *Merchants to Multinationals*; see also Jones, *Evolution of International Business*.

<sup>8</sup> Mira Wilkins, “The Free Standing Company Revisited,” in *The Free-Standing Company in the World Economy, 1830–1996*, eds. Mira Wilkins and Harm Schröter (Oxford, 1998), 3.

<sup>9</sup> Jones, *Merchants to Multinationals*, 10.

<sup>10</sup> Jones, *Evolution of International Business*, 164.

<sup>11</sup> Jones introduces a typology on British trading companies and suggests three network-based organizational forms. See Jones, *Merchants to Multinationals*, 160.

formed through network analysis.<sup>12</sup> Mark Casson defines a network as “a set of high-trust relations that either directly or indirectly link its members together into a social group.”<sup>13</sup> Networks are based on the formation of an institutional framework that minimizes entrepreneurial risk and provides information flow. They allow the establishment of transnational connections based on personal relations, bypassing official market mechanisms.<sup>14</sup> In this way, networks can be viewed as governance structures for coordinating economic decisions.<sup>15</sup> In the Greek case, networking produced a particular form of business culture that allowed network members to react to opportunities in the same way and generated a willingness to emulate the organizational and managerial methods of the most successful companies. The business culture created a unified “front,” enabling members to adopt the same methods for handling crises in a timely manner. The result was a strong business culture, whose successful response to its environment resulted in a corporate performance that survived over the long term.<sup>16</sup>

Diaspora traders developed business networks that internalized intermediate markets and linked activities in different countries. Internalization reduces transaction costs among entrepreneurs within a business sector, and its achievement depends on their level of trust in each other. Thus, in the arena of economic transactions, relations of trust are of central importance to networks: they minimize entrepreneurial risk and reduce transactional costs, while providing an informal flow of information.

Processing information is the crux of this type of organization, because information is more costly to trade than other resources.<sup>17</sup> The

<sup>12</sup> Gelina Harlaftis, “Greek Maritime Business in the Nineteenth and Twentieth Centuries: A Paradigm for Comparative Studies on Family Capitalism and Diaspora Networks,” in *Entrepreneurs and Institutions in Europe and Asia, 1500–2000*, eds. Ferry de Goey and Jan Willem Veluwenhamp (Amsterdam, 2002).

<sup>13</sup> Mark Casson, “Entrepreneurial Networks: A Theoretical Perspective,” in *Entrepreneurial Networks and Business Culture: Proceedings of the Twelfth International Economic History Congress*, eds. Michael Moss and Anthony Slaven (Madrid, 1998), 15.

<sup>14</sup> See also Gelina Harlaftis and Ioannis Theotokas, “European Family Firms in International Business: British and Greek Tramp-shipping Firms,” *Business History* 46 (Apr. 2004): 219–55.

<sup>15</sup> Ibid.

<sup>16</sup> Mark Casson, “Entrepreneurship and Business Culture,” in *Entrepreneurship, Networks, and Modern Business*, eds. Jonathan Brown and Mary B. Rose (Manchester, 1993), 44–45. See also Ioannis Theotokas, “Shipping and Entrepreneurship in Greece,” paper presented to the Economic History Seminar, University of Athens, 27 Nov. 2006; Theodore Syriopoulos and Ioannis Theotokas, “Corporate Governance and Takeovers in the Shipping Industry,” *Annual Conference of the Multinational Finance Society*, Athens, 2005; Ioannis Theotokas, “Organizational and Managerial Patterns of Greek-owned Shipping Companies and the Internationalization Process from the Postwar Period to 1990,” in *Global Markets: The Internationalization of the Sea Transport Industries since 1850*, eds. David J. Starkey and Gelina Harlaftis (St. John’s, Newfoundland), 303–18.

<sup>17</sup> Mark Casson, *Enterprise and Competitiveness: A Systems View of International Business* (Oxford, 1990), 80–81.

Greek business network is a system of information processing that is performed by family-based diaspora trading companies that have internalized their activities in dispersed locations. "Processing of information and the processing of materials can both be analyzed in the same way. This insight is important because associated with each production system is a system of control."<sup>18</sup> By adopting the production-system approach, we can view an economic sector and its related disciplines within a wider framework.<sup>19</sup>

Trust was generated by economic interest and by the social-control system of the Greek island communities in the eastern Mediterranean. The agents operating in Western Europe were family members or compatriots, who came not merely from the same island but also usually from the same village. Networking by the large traders who established themselves in Western Europe was not limited to the formation of alliances, generally with other eastern Mediterranean companies or organizations. Their great strength grew out of the close relations that developed between the traders and the sailing-ship owners of the Ionian and Aegean islands, who specialized in long-distance shipping.

In this way, the Greek diaspora traders created a "production system" of closely knit small, medium, and large businesses within a loosely organized network. This commercial and maritime web assumed a triple dimension: the local/regional, the national/peripheral, and the international. It gave access to ports, agents, and financial and human resources, providing the Greek diaspora networks with the strength to internalize many operations and survive international competition. Their cohesion was derived from the business culture they developed, and through shipping they were able to survive economically in the international arena.

The entrepreneurial network of nineteenth-century Greek diaspora traders should not be described as a "traders' coalition," a term introduced by economist Avner Greif for medieval Maghrebi traders, but, rather, as a "production system" as described above.<sup>20</sup> In his analysis, Greif focuses on the traders' agency relations, which "can be organized within an economic institution that may be referred to simply as a 'coa-

<sup>18</sup> Ibid., 7.

<sup>19</sup> Ibid., 43.

<sup>20</sup> Avner Greif, "Reputation and Coalitions in Medieval Trade: Evidence on the Maghribi Traders," *Journal of Economic History* 49 (Dec. 1989): 857–82. Ioanna Pepelasis Minoglou, "The Greek Merchant House of the Russian Black Sea: A Nineteenth-Century Example of a Traders' Coalition," *International Journal of Maritime History* 10 (June 1998): 61–104, has attempted to apply Greif's "traders' coalition" to the Greek merchant houses of the Black Sea. The author, using secondary literature, provides a limited view of the "whole" of these merchant houses, such as the Rallis, the Rodocanachis, the Scaramangas, or the Vaglianos, which were really multinationals centered in London, not in the Black Sea, and disregards the production system of the network as described above.



lition.” The fortunes of this coalition depend on the traders’ ability to employ trustworthy overseas agents. Greif emphasizes that “trust” was not generated within the group through social-control systems and ethics, but, rather, through economic relations. His concept of a “traders’ coalition” adds nothing new to my analysis of the organization and operation of nineteenth-century Greek diaspora traders.<sup>21</sup> Greeks drew their agents from their own families and relatives, and recruited their business associates from their own nation; “trust” was generated not only through allegiance to family and country, but also through pure economic interest. The access provided by the network to international business was the only opportunity to make big money; kinship and common place of origin implied trustworthiness and allowed entry to the “club.” What is more, Greek diaspora traders were not just a small group of families; they also had close ties with the shipping businesses of the islanders of the Aegean and Ionian seas, enabling them to form a whole production system with flows of capital and human labor.

The Vagliano case shows the inside workings of a classic diaspora trading house and demonstrates how certain practices of such houses prevailed and persisted, thereby determining the evolution of an entire economic sector, Greek shipping, in the twentieth century.

### Greek Diaspora Business Networks in European Expansion and Nation Building

The Greek entrepreneurial network in Mediterranean Sea trade began to take shape in the last third of eighteenth century, and it culminated in the final third of the nineteenth. The building of this transnational maritime and trading circuit was founded on two pillars: the Greek diaspora trading houses established in the main Western European ports; and the Greek shipping companies based in the “dispersed maritime city” comprising the islands of the Ionian and Aegean seas.<sup>22</sup> The Greek entrepreneurial diaspora played a critical role in the construction and competitive operation of the transnational Greek network, which served European colonial expansion to the East and contributed to the growth of long-distance sea trade.

Greek international business in Mediterranean Sea trade developed

<sup>21</sup> For the identification, organization, and structure of Greek diaspora merchant networks in the nineteenth century, see Harlaftis, *A History of Greek-owned Shipping*, chs. 2 and 3.

<sup>22</sup> Forty islands and ports in the Ionian and the Aegean Sea comprised a “dispersed maritime city” that developed the most important fleet in the Eastern Mediterranean from the eighteenth to the twentieth century. Greek historian Spyros Asdrahas coined the phrase “dispersed maritime city” to stress the unity of these islands; see Anna Avramea, Spyros Asdrahas, and Vasilis Sphyroeras, *Maps and Mapmakers of the Aegean* (Athens, 1985), 235–48.



apace from the last third of the eighteenth century and reached its zenith in the last third of the nineteenth.<sup>23</sup> Three phases can be traced in the formation of the maritime and commercial network. The first phase spans the last third of the eighteenth century to the second decade of the nineteenth. Greeks, who were Venetian and Ottoman subjects, emerged as the main local carriers of the Levant, particularly during the Napoleonic Wars, and, by the beginning of the nineteenth century, they had joined the British in replacing the French and the Dutch in the eastern Mediterranean trade. Recent research has shown hundreds of Greek-owned ships (under Ottoman, Venetian, Ionian, Russian, Maltese, Jerusalem, and Austrian flags) arriving in Trieste, Malta, Genoa, Livorno, and Marseilles.<sup>24</sup> In 1796, when grain prices reached their peak, almost five hundred Greek-owned ships filled with grain arrived in the western Mediterranean from the Levant; likewise, after the continental blockade in 1806, the number of Greek ships soared. During this period, sailing-ship owners from the Ionian and Aegean Islands formed a substantial fleet of about eight hundred deep-sea-going vessels, and numerous Greek merchant families from these maritime regions settled in the newly established Russian port cities of the Black Sea as well as in northern Europe, forming an efficient complementary network supplying grain to the populations of Western Europe.

The second phase spans the 1820s to the 1860s. It has been called the phase of the “Chiot” network, named for the entrepreneurs who were involved in trade and shipping and who brought Greeks into the mainstream of international business.<sup>25</sup> The Chiot network comprised sixty Greek diaspora trading families based in London, and it was headed by the Ralli brothers. By the 1820s, its presence had been established in all the main ports of the Mediterranean, the Black Sea, and northern Europe, and, by the 1850s, the network had extended to New York and New Orleans, Calcutta and Bombay.<sup>26</sup> The impressive growth of Greek diaspora trading houses came about through their attachment to Brit-

<sup>23</sup> Gelina Harlaftis, “Mapping the Greek Maritime Diaspora from the Early Eighteenth to the Late Twentieth Century,” in *Diaspora Entrepreneurial Networks: Five Centuries of History*, eds. Ina Baghdiantz McCabe, Gelina Harlaftis, and Ioanna Pepelasis Minoglou (Oxford, 2005), 147–71.

<sup>24</sup> These are some of the first results of the recent research project, “Greek Maritime History, Eighteenth Century,” led by Gelina Harlaftis and conducted at the Department of History of the Ionian University, 2004–06. A team of twenty researchers carried out research in the archives of Istanbul, Venice, Trieste, Malta, Messina, Naples, Livorno, Genoa, Marseilles, London, and Amsterdam, as well as those of Athens, Thessaloniki, Herakleion, Corfu, Cephalonia, and Hydra. The final product is a database named *Amphitrite*, after one of the Nereids, sea nymphs in ancient Greek myth; the database includes about 15,000 Greek-owned ships in Mediterranean ports from 1700 to 1821.

<sup>25</sup> Harlaftis, *A History of Greek-owned Shipping*, ch. 2.

<sup>26</sup> *Ibid.*

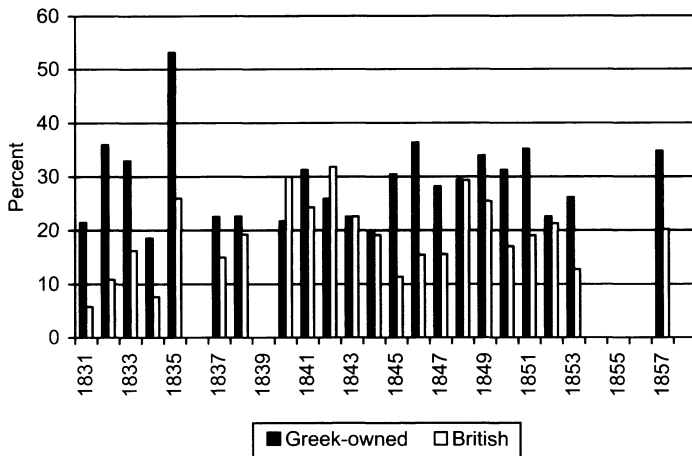


Figure 1. Percent of British and Greek-owned ship tonnage in total departures from the ports of Odessa, Nicolaieff, Sebastopol, and Theodosia, 1830–60. (Sources: Gelina Harlaftis, *A History of Greek-owned Shipping: The Making of an International Tramp Fleet, 1830 to the Present Day* [London, 1996], table 3.9; data derived from “Annual Reports from the British Consuls in Russian, Turkish, Rumanian and Bulgarian Ports in the Trade and Navigation,” British Parliamentary Papers, 1856–1911; and M. L. Harvey, “The Development of Russian Commerce on the Black Sea and its Significance” [Ph.D. diss., University of California, Berkeley, 1938], appendix F.)

ish trade. These diaspora merchants, who initially prospered in the eastern Mediterranean and Black Sea trade, collaborated closely with the Greek shipowners of the dispersed maritime city. The fleet belonging to the islands of the Aegean and Ionian seas doubled in relation to the previous period, and in the 1850s it comprised 1,300 deep-sea-going cargo vessels.<sup>27</sup> Its importance in the Russian Black Sea trade is illustrated in Figures 1 and 2. Greek-owned vessels, chartered mainly by Greek merchants, outnumbered British ships in all the main ports of southern Russia. It is noteworthy that in Odessa and the Crimea, half of the total departing tonnage belonged to Greek and British owners; in the case of the Sea of Azov, two-thirds of the total tonnage of departing vessels belonged to Greek and British owners. It should also be remembered that

<sup>27</sup> Historical shipping statistics of nineteenth- and twentieth-century Greek-owned shipping are based on Gelina Harlaftis and Nikos Vlassopoulos, *Pontoporeia: Historical Register of Sailing Ships and Steamships, 1830–1939* (Athens, 2002) (in Greek). The name of the Nereid *Pontoporeia*, protectress of seafarers on long voyages, was chosen for a database of 20,000 vessels, sailing ships, and steamships, of the Greek-owned fleet. The data were drawn from twelve sources in Greece and abroad, including ship registries, customs archives, and the mercantile shipping press, in a research project led by Harlaftis, lasting six years and financed by the Stavros Niarchos Foundation.

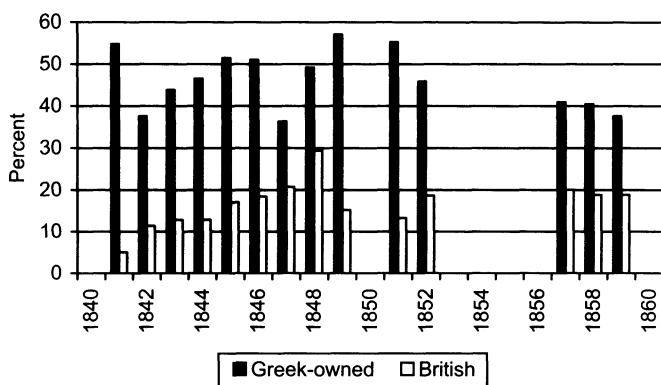


Figure 2. Percent participation of British and Greek-owned ship tonnage in total departures from the Azov ports (Taganrog, Kertch, Berdiansk, and Mariupol), 1841–59. (Source: Harlaftis, *A History of Greek-owned Shipping*, table 3.7; data derived from sources cited for Figure 1.)

these were the two main grain-exporting areas, not only of southern Russia but also of the whole Black Sea region: for example, in the peak year 1847, more than four million imperial quarters of grain were exported from southern Russian ports, whereas less than two million were shipped from Danubian ports.<sup>28</sup>

In the third phase, from the 1870s to the 1900s, eastern Mediterranean Sea trade passed from Chiot to Ionian entrepreneurs. The Ionian network included about 140 families, half of whom came originally from islands in the Ionian Sea, particularly the islands of Cephalonia and Ithaca; the most powerful diaspora trading house of the Ionian network belonged to the Vagliano brothers.<sup>29</sup> The majority of families were concentrated near the Danube and the Sea of Azov—in contrast to the previous period, when Odessa was the main hub—while branches of the families were domiciled in Marseilles and London. During this phase, the fleet of the dispersed maritime city doubled again: in 1875, 2,500 deep-sea-going Greek-owned sailing ships were based in the Aegean and Ionian islands. Figure 3 indicates the importance of the Greek-owned and British fleets in the Azov in the last third of the nineteenth century. Together they accounted for more than two-thirds of all ships sailing under all flags that departed from these ports. It is noteworthy that although during the 1870s, still the heyday of sailing ships, British

<sup>28</sup> For grain exports from the Black Sea, see Harlaftis, *A History of Greek-owned Shipping*, Table 2.2; data based on M. L. Harvey, “The Development of Russian Commerce on the Black Sea and its Significance,” Ph.D. diss., University of California, Berkeley, 1938.

<sup>29</sup> Harlaftis, *A History of Greek-owned Shipping*, ch. 3

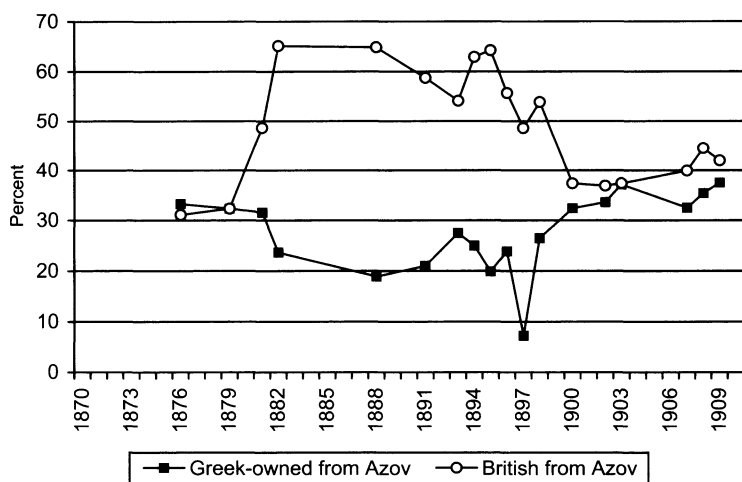


Figure 3. Percent participation of British and Greek-owned ship tonnage in total departures from the Azov ports, 1870–1910. (Source: Harlaftis, *A History of Greek-owned Shipping*, table 3.7; data derived from sources cited for Figure 1.)

and Greek-owned vessels were roughly equivalent, during the 1880s and 1890s British vessels, particularly steamers, took the lead. It was only after the Greek-owned fleet made the transition to steam, which it accomplished by the first decade of the twentieth century, that the Greeks caught up again with the British.

The Greek entrepreneurial network retained its “independent” circuit while competing and collaborating not only with the most powerful maritime nation of the time, Great Britain, but also with the most powerful diaspora trading network in the Black Sea, the Jews. The structure and entrepreneurial practices of British and Greek-owned shipping companies can be easily compared on a regional, national, and international basis.<sup>30</sup> The service sector seems to have retained much of the character of family capitalism in the organization and structure of the firms.<sup>31</sup> Gordon Boyce, the first historian to use the tools of business history and institutional economics in studying British maritime history, has demonstrated how vital network analysis is to understanding British maritime business. His research has uncovered the extent to which British shipping has relied on family and personal capitalism.

<sup>30</sup> See Harlaftis and Theotokas, “European Family Firms in International Business”; Gelina Harlaftis and Ioannis Theotokas, “Maritime Business during the Twentieth Century: Continuity and Change,” in *Handbook of Maritime Economics and Business*, ed. Costas Th. Grammenos (London, 2002).

<sup>31</sup> Jones, *Merchants to Multinationals*, 6.

*Table 1*  
**Arrivals of Ships from the Black Sea to Marseilles  
 and the United Kingdom**

<i>Year</i>	<i>Total Arrivals<sup>a</sup></i>	<i>Vagliano Bros<sup>a</sup></i>	<i>Percent of Total</i>
1870	592,582	49,390	8
1880	1,282,442	48,173	4
1890	1,863,919	42,831	2

Source: Processed data from *Semaphore de Marseille*, 1870, 1880, 1890, and British Customs bills of entry (bill A), 1870, 1880, 1890; Newspaper Library, Colindale, London. Harlaftis, *A History of Greek-owned Shipping*, table 3.7. Data derived from sources cited in Figure 1.

<sup>a</sup> In net registered tons.

Although he takes tramp-shipping companies into consideration, his focus is on liner-shipping companies, some of which started as tramp-shipping firms.<sup>32</sup> The regional and local dimension was very important in the British case, just as it was in the Greek example: the traditional regions of independent sailing-ship owners in nineteenth-century Britain developed alongside the deep-sea export of coal, iron ore, and grain. The northeast coast and Wales became the main hubs of the British tramp operators, together with the River Clyde and other Scottish ports. The Black Sea was a major destination for British shipowners in the coal and grain trade.<sup>33</sup>

The British were involved mainly in the sea transport of grain; the grain trade, which until the 1860s was in the hands of the Greeks, was taken over by the Jews in the last third of the nineteenth century. For example, in Odessa after the 1860s, Greek diaspora trading houses were partially replaced by Jewish brokers, speculators, merchants, agents, and firms like Louis Dreyfus of Paris and M. Neufeld of Berlin.<sup>34</sup> After the 1870s, there was specialization: the Greeks concentrated on shipping, and the Jews, on trade. Greeks and Jews both competed

<sup>32</sup> Gordon Boyce, *Information, Mediation, and Institutional Development: The Rise of Large-scale Enterprise in British Shipping, 1870–1919* (Manchester, 1995). Before the 1870s the shipping market was unified. By the last third of the nineteenth century, the division of the shipping market into two categories, liner and tramp shipping, was gradually adopted. Liner ships carried general cargoes (finished or semifinished manufactured goods), and tramp ships carried bulk cargoes (coal, ore, grain, fertilizers).

<sup>33</sup> See also Robin Craig, *British Tramp Shipping, 1750–1914* (St. John's, Newfoundland, 2003).

<sup>34</sup> See also Lewis Siegelbaum, "The Odessa Grain Trade," *Journal of European Economic History* 9 (Spring 1980): 131–32; Patricia Herlihy, *Odessa: A History* (Cambridge, Mass., 1986); Steven J. Zipperstein, *The Jews of Odessa: A Cultural History, 1794–1881* (Stanford, 1985).

Table 2

## The Importance of the House of Vagliano Bros. in Azov Exports

Year	Departures of Greek-owned ships from the Azov	Vagliano Ships Arriving in Marseilles and the U.K.		Percent of Arrivals/ Departures
	N.R.T.	No.	N.R.T. <sup>b</sup>	
1870	117,654 <sup>a</sup>	156	49,390	42
1880	140,824	111	48,173	34
1890	161,487	46	42,831	27

Source: Same as Table 1.

<sup>a</sup> Departed in 1876.

<sup>b</sup> Net registered tons.

and collaborated. Greek-owned ships were chartered by Jewish firms, and Greek diaspora merchants worked jointly with Jews on many fronts.<sup>35</sup>

Diaspora business houses like Vagliano Bros. accelerated grain exports from the Black Sea, particularly in the last third of the nineteenth century, when these exports and grain from the United States fed industrialized Western Europe. In 1870, the Vagliano house was transporting about 10 percent of all the cargoes reaching Marseilles and England from the Black Sea. (See Table 1.) Its importance in the maritime transport of grain was, of course, much greater than these percentages indicate. In fact, the drop in the percentage of grain transported by the Vagliano ships, as presented in Table 1, is probably fictitious, a result of the archival data that was used. After the 1880s, the Vagliano ships arrived filled with grain at the continental northern European ports, rather than docking at ports owned by the United Kingdom. (Compare with Table 2.)

Figure 4 compares the pattern of grain exports from the Black Sea with the departures of Greek-owned ships from British ports and shows them to be similar.<sup>36</sup> Figure 5 shows that U.S. grain exports were close in size to the Black Sea grain exports; essentially they had parallel upward courses. When the international exports from the Black Sea are viewed

<sup>35</sup> For evidence on Greco-Jewish collaboration, see Harlaftis, *A History of Greek-owned Shipping*, chs. 3 and 4.

<sup>36</sup> For weights and measures: 1 imperial quarter = 8 bushels. A bushel was originally a measure of volume whose weight varied from one grain to the other according to its moisture content. A standard equivalent of a bushel of wheat is 60 pounds, and of an imperial quarter, 480 pounds, according to the 1863 Mediterranean scale given by Angiers (E.A.V. Angiers, *Fifty Years' Freights, 1869–1919* [London, 1920], 6). In order to convert imperial quarters of 480 pounds to metric tons of 2,204.6 pounds, 1 metric ton = 4.593 imperial quarters = 36.743 bushels.

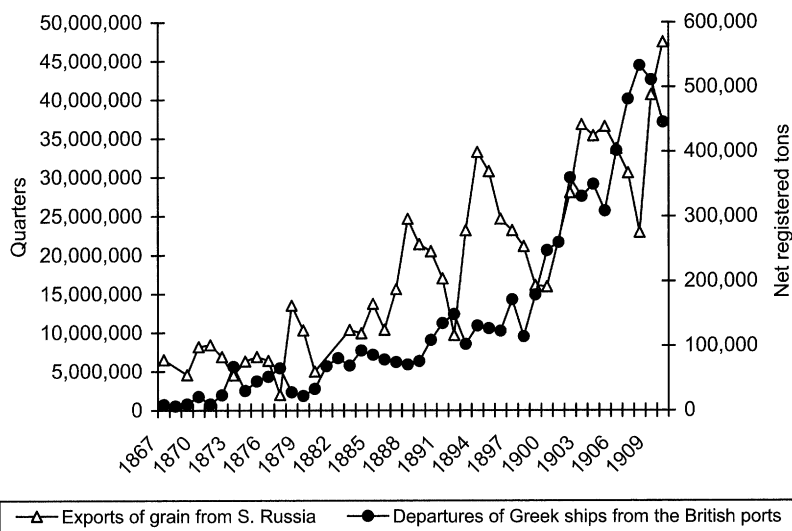


Figure 4. Grain exports from the Black Sea and departures of Greek-owned ships from British ports (in imperial quarters). (Sources: For grain exports, see Figure 1; data for departures of Greek-owned ships are from the British statistical abstracts, various years.)

in relation to the global maritime trade in grain, it is clear that trading houses like Vagliano Bros. were important players in the European sea trade.

Last, but not least, diaspora trading houses like Vagliano Bros. were fundamental to nation building, particularly to the economic development of the young Greek state. In fact, throughout the first century of Greece's existence, shipping became a major factor in its economic development.<sup>37</sup> Recent research indicates that, from the 1830s to the 1880s, earnings from the section of the Greek-owned fleet that was engaged in international trade, which was closely linked with the Greek diaspora merchant houses abroad, made up 40 percent of the country's GDP; for the rest of the nineteenth century, its earnings averaged 10 percent of the GDP.<sup>38</sup>

Remarkably, in the Greek case, the production system of the Greek entrepreneurial network, which was based on the close relations between the big Greek diaspora trading houses and the Greek shipping

<sup>37</sup> Shipping was very important for Greek economic development throughout the second half of the twentieth century, too. See Harlaftis, *Greek Shipowners and Greece, 1945–1975*.

<sup>38</sup> Gelina Harlaftis and George Kostelenos, "Services and National Economic Growth: Calculating the Shipping Income in the Nineteenth Century Greek Economy," forthcoming.



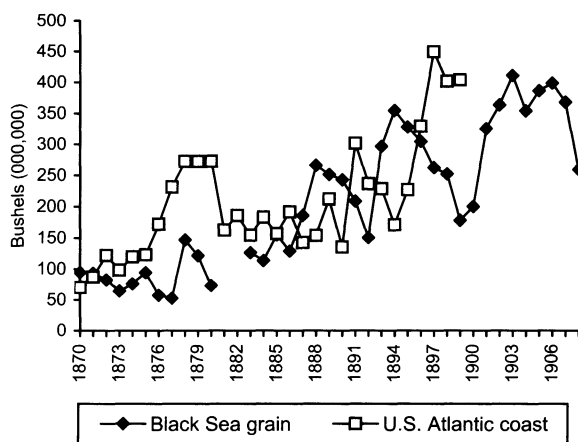


Figure 5. Total exports of grain from the Black Sea and the U.S. Atlantic coast (hundred-thousands bushels of 60 pounds). (Source: Gelina Harlaftis and Vassilis Kardasis, "International Bulk Trade and Shipping in the Eastern Mediterranean and the Black Sea," in *The Mediterranean Response to Globalization*, eds. Jeffrey Williamson and Şevket Pamuk [London, 2000], 233–65.)

companies, was transformed in the nineteenth century into an integrated economic sector based nationally in the new state. The Vagliano brothers acted as leaders of this entrepreneurial network in the last third of the nineteenth century and contributed to its transformation into an important national shipping sector that participated in international sea trade during the twentieth century.

### The House of Vagliano Bros.

Since each firm was a microcosm of the network, an inside glimpse of one firm offers another vantage point and provides further evidence of the firm's leadership.<sup>39</sup> In order to analyze and interpret the pathway

<sup>39</sup> Analysis of the scale and scope of the Vagliano house's operations responds to the challenge of seeking out and reconstructing from many sources and many countries a diaspora of a commercial house. The Vagliano Archive is deposited in the G.S.A. of the Prefecture of Cephalonia; the bulk of it is made up of books and documents from the office of Vagliano Bros., which was managed by Panagis Vagliano in London. Apart from this valuable archive, information on the shipping and mercantile activities of the Vaglianos has been obtained from the British consular archives in the ports of the Eastern Mediterranean and the Black Sea, from the daily merchant shipping newspaper of Marseilles, *Semaphore de Marseille*, for the period 1830 to 1910, and from the British Customs bills of entry for the period 1840 to 1910. Moreover, in every shipping archive I have looked at, such as the Syrmis Archive and the Arvanitis Archive in the Hellenic Literary and Historical Archive, or the Koutsis Archive in the Koutsis mansion on Spetses, there is also material on the Vaglianos, such as letters, bills of lading, and freight agreements.

that was successfully opened by the Vagliano house, I will examine the operation and geographic expansion of the business network.<sup>40</sup> I will then probe the diversification of the House's investments in trade, finance, and shipping before describing the firm's entrepreneurial innovation. Finally, I will look at the internal organization and structure of the business.

*Creation and Geographic Expansion.* The Vagliano house followed the shipping tradition of Cephalonia, which developed a large fleet involved in Mediterranean sea trade during the eighteenth century. The Vagliano family came from the village of Kerameies. Archival material from European ports mentions many sailing-ship owners with the Vagliano name, although the degree of their kinship with the Vagliano family considered here has not been confirmed. The father of our Vagliano brothers was Athanasios, born in the mid-1770s; according to the oral family history, he became a farmer, in no way connected with maritime activities.<sup>41</sup> Athanasios and his wife Fronia had eight children. The third, fourth, and fifth sons were the fraternal triumvirate who created the house of Vagliano Bros.: Marinos (1808–1896), Panagis (1814–1902), and Andreas (1827–1889).

Marinos (Maris) Vagliano was the first to leave Cephalonia, in the early 1820s. He went to sea on a Cephalonian sailing ship, and after a few voyages in the Mediterranean, decided to settle in Taganrog on the Sea of Azov, perhaps at the end of the 1820s. Taganrog, the northernmost and most important grain-exporting harbor in the Sea of Azov, next to Mariupol, attracted a number of Greek immigrants, mainly members of the Chiot trading diaspora from the early nineteenth century. In the late 1820s, Maris Vagliano was hired as a boatswain in Azov, and he served on vessels owned by the Cephalonian grain merchant Avgerinos. He worked his way up the ranks, and, in the 1840s, he managed to buy two small sailing ships and set up a grain-trading house. He personally handled the cargoes and the ships, which originally sailed between Azov and Constantinople. In the meantime, his brother Panagis, seven years his junior, after serving for some years on Cephalonian sailing ships, joined him in Taganrog. The two brothers, who employed exclusively Cephalonians, gradually expanded their enterprises and eventually owned agencies, warehouses, lighters, and sailing ships in all the Azov ports: Mariupol, Berdiansk, and Yeisk. They are also mentioned in documents as the owners of two large sailing ships in the 1840s. Their great breakthrough came in 1847–48, with the huge rise in de-

<sup>40</sup> Based on Figure 1 in Gordon Boyce and Simon Ville, *The Development of Modern Business* (New York, 2002).

<sup>41</sup> Interview with the Vagliano great-granddaughters, Sophia Kostomeni and Irene Matiatos Facon, in Kerameies, Cephalonia, 15 Sept. 2006.

mand for grain in Western Europe. By then Panagis had settled on the Ionian island of Zante, which was an intermediate port of call for cargoes of the Vagliano house. This island was also the point where ships were notified of their final destination. In the British consular archives of 1851–53, Maris Vagliano is listed as having been among the top three exporters of Taganrog.<sup>42</sup> He remained in Taganrog for seventy years, until his death in 1896.<sup>43</sup>

The Crimean War is considered a turning point in the history of the Vagliano house, as it accrued immense profits from the “illegal”—for the Russians—export of cereals while it was being waged. Contravening the restrictions imposed by the warring factions, the house geared up to expand the range of its activities. In fact, the whole Greek-owned fleet benefited from its wartime black-market business. The island of Syros became the most important entrepôt of Russian grain in the eastern Mediterranean during this time.<sup>44</sup> It is most probable that the Vagliano house provided the island’s warehouses with large quantities of grain. In 1858, two years after the Crimean War ended, Panagis Vagliano went to London, a move that proved to be decisive, as it launched the Vagliano house on its international course. Panagis set up a company, named Vagliano Bros., housed in offices at 19 Broad Street in the City, where he remained for the next forty-four years, until his death in 1902. He gained access to the Baltic Exchange, the main international grain and chartering market, and, on the strength of his firm’s sound credit and good reputation over the previous fifteen years, opened an account at the Bank of England. We should not forget that until 1864—the date of the union of the Ionian Islands with Greece—Panagis Vagliano was a subject of the British Empire.

Andreas Vagliano, the youngest of the three brothers by twenty years, also emigrated to Taganrog. He subsequently opened the Constantinople branch of the firm in 1849, and he remained in charge of this branch until 1867. In 1869, he made a decisive move—to Marseilles—where he opened a branch of the company in the largest port in the western Mediterranean. During two decades of entrepreneurial activity in Marseilles, from 1869 to 1889, the house of Vagliano Bros. attained its zenith. Although Andreas was the youngest brother, he died first, at the age of sixty-nine, in 1889.

<sup>42</sup> Harlaftis, *A History of Greek-owned Shipping*, Table 3.6.

<sup>43</sup> For Taganrog, see Vassilis Kardasis, *Hellenism in the Black Sea* (Athens, 1997) (in Greek). The Greek commercial community in Taganrog, which the Russians refer to even today as “city of the Greeks,” is a notable desideratum in the historiography of the Greek diaspora mercantile enclaves.

<sup>44</sup> Vassilis Kardasis, *Syros: Crossroads of the Eastern Mediterranean (1832–1857)* (Athens, 1987) (in Greek).

*Business Networks.* The three brothers created a dense business network from the three nodes, Taganrog, London, and Marseilles, establishing agents and associates in twelve countries and forty-five ports. As agents in the main nodes of the network, they only trusted members of their own family. After the deaths of Andreas and Maris, that is, from the mid-1890s, Panagis appointed his nephews as the main agents to run the branches of the company throughout the Mediterranean: Michael (son of his brother Spyros) went to Rostov-on-Don; Athanasios (son of Spyros) went to Novorossisk; Gerasimos Michael Cambitsis (son of his sister Maria) and Athanasios Lazaros Rosolymos (probably the son of his sister Santina) oversaw the branch in Constantinople; Athanasios (son of his brother Metaxas) and Marinos (son of his brother Andreas) were sent to Marseilles; Athanasios (son of his brother Maris) went to Paris; while Vasileios (son of his brother Metaxas) and Alcibiades (son of his brother Maris) were assigned to London.<sup>45</sup>

Through their family network, the Vaglianos internalized and linked activities in different countries, thus diminishing transaction costs. For example, Panagis wrote a letter from London to Captain George I. Coutzis in Spetses, dated May 16, 1871: “[W]e confine ourselves with the present [letter] to informing you that our man in Marseilles [Andreas Vagliano] sent us on your behalf a remittance of £1,460 and we gave you from 27th July shortly. On the other hand, you have been indebted with £4,000 from the 19th of the same month, a sum that our man in Taganrog [Maris Vagliano] withdrew . . . so that you be pleased to make a report in writing . . .”<sup>46</sup> Captain George Coutzis, the owner of two sailing ships and a longtime business associate of the Vaglianos, relied on Maris, Andreas, and Panagis to coordinate the destinations and cargoes of his ships.

The Vagliano network internalized chartering, insurance, sale and purchase, finance, and all other agency business. Evidence shows that the Vaglianos directly chartered the vessels of certain Greek sailing shipowners on a steady basis. Captain Alexander Arvanitis from the port city of Galaxidi chartered his brig *Agios Panteleimon* to the Vagliano agency in Istanbul in 1874, and in 1875 he chartered his vessel again to the Vaglianos for the carriage of grain “from Taganrog to a Mediterranean port.”<sup>47</sup> In Istanbul, Captain Elias Kulukundis from the island of Kassos chartered his brig *Anastasia* to the Vaglianos for the carriage of grain from Sebastopol to Rotterdam in 1882, from Dede-

<sup>45</sup> “Will of Panagis Athanasios Vagliano,” Management Committee of the Panagis A. Vagliano Bequest, *Panagis A. Vagliano Bequest for Philanthropic Purposes in Cephalonia*, Athens 1932.

<sup>46</sup> Christos I. Coutzis Private Archive, Spetses.

<sup>47</sup> Charter-parties, Arvanitis Archive, E.L.I.A. (Hellenic and Literary Archive).

gatch (Ottoman Empire) to Naples in 1883, from Burgas (Bulgaria) to Marseilles in 1885, and from Taganrog to Marseilles in 1887–88.<sup>48</sup> The Vagliano House sent reports in the form of double-entry accounts on the chartering, insurance, loading, unloading, wharfage, and telegraphic expenditure to its collaborating shipowners.<sup>49</sup>

Networks allowed transnational connections to be established that were based on personal relations, bypassing official market mechanisms. The Vagliano house internalized the market within the firm and was able to coordinate demand and supply within the network. The shipowner Captain Coutzis not only chartered his vessels to the Vaglianos; he also traded grain via their house. He wrote to Maris Vagliano on December 10, 1870: “As I am persuaded of our mutual sincere friendship, with the present letter I would like to ask you if you could bargain for me for next spring six thousand chetwerts of grain.”<sup>50</sup> At the same time, he also corresponded with Andreas in Marseilles about the business of his ship *Theologos*, and with Panagis in London about the sale of the cargoes he had sent to London. The Vaglianos performed banking activities within the network, lending money on interest for the purchase of ships, cargoes, or other investments to its members. Evidence of this function appears in a letter from N. G. Ambanopoulos, the son of an important Azov merchant, to Panagis Vagliano on September 3, 1901: “I could not repay to you the debt of my deceased father until today.” He goes on to suggest that a way to repay Panagis would be to buy Russian government bonds for him at a very good price. For such an action, which would normally require payment of a 2 percent commission, he suggests that Panagis keep the percentage and apply it toward repayment of his father’s debt.<sup>51</sup>

The Vagliano network helped to minimize entrepreneurial risk by adopting a timely, unified response to crises. There is evidence that the Vaglianos “saved” a large number of Greek sailing shipowners from bankruptcy in 1878. Greek ships were particularly active in the British ports from 1871 to 1877; in 1877 alone, about 250 Greek sailing ships of about 65,000 net registered tons were active in these ports each year, and they, along with their cargoes, were insured in the London market. The Russo-Turkish War of 1877–78 inflicted a major blow on Greek or Greek-Ottoman shipowners when London insurers excluded them from the London market, stating that their policies “warranted no Greek or

<sup>48</sup> Logbook *Anastasia*, private collection of Elias M. Kulukundis, Athens.

<sup>49</sup> Christos I. Coutzis Private Archive, Spetses.

<sup>50</sup> 1 chetwert = 5.77 bushels, 8 bushels = 1 imperial quarter.

<sup>51</sup> Foreign Letter Book, no. 51, 1901, Vagliano Archive, General State Archives, Archive of the Prefecture of Cephalonia.

Turkish flag.”<sup>52</sup> In response, the Vaglianos chartered unused Greek-owned vessels—probably at much lower freight rates—and undertook the insurance of cargoes and vessels; their personal acquaintance and long-term collaboration with the Greek sailing shipowners helped them to figure out whom to trust.<sup>53</sup> Once the crisis had passed, the Vaglianos profited from this experience by increasing their insurance business. In their London Office Insurance Book of 1898–1903, more than four hundred vessels are listed as insured by them.<sup>54</sup>

Trust was generated by economic interest and by the social-control system of the Greek communities either on the islands or abroad. Any member of the community who breached this trust was cast out. An interesting example is the libel testimony published by Captain Spyridon Efst. Metaxas Lascaratos from Cephalonia against “Mr Marakis” (Maris Vagliano). Apparently, in 1860, Captain Metaxas Lascaratos was given a sum of money in Istanbul by Andreas Vagliano to carry to Maris Vagliano in Taganorg. Maris Vagliano, “the true emperor in Taganrog,” found out that the money the captain had given him was forged. The captain soon discovered that by deceiving Maris Vagliano he was no longer able to find work, not only in Tanagerog but also in the remaining ports of the Azov.<sup>55</sup> Controlling transaction costs between entrepreneurs within a business sector demanded a level of trust that was vital for maintaining the circulation of capital within a wider network of agents of the same ethnic origin.

Trust within such a network was also required for the circulation of human labor. Trustworthy captains and seamen were a valuable asset, not only within the Vagliano network but also within the broader “Ionian network.” Evidence of how this information was circulated is found in a letter written on September 12, 1875, by Panagi Vagliano in London to Basil Papayanni in Liverpool:

The bearer of this letter is Mr Anastassios Syrmas who has served as Master for a number of years, and because he has worked for our firm, and because we know him as an honest and reliable man and he comes at your firm for employment we send you this recommendation letter by which we fully recommend him to you to take him under your protection and we do not doubt that he can please you in any position that you employ him. Please accept in advance our thanks and our regards.<sup>56</sup>

<sup>52</sup> Andreas Lemos, *The Shipping of the Greeks* (Athens, 1968), vol. A, 153–54 (in Greek).

<sup>53</sup> Andreas Lemos, *Modern Greek Eternal Seamen* (Athens, 1971), 380–82 (in Greek).

<sup>54</sup> Insurance Book, 1898–1903, Vagliano Archive, General State Archives, Archive of the Prefecture of Cephalonia.

<sup>55</sup> Spyridon Efst. Metaxas Lascaratos, ship’s captain, *Commercial-Consular Prosecutions* (Athens, 1882), 10 (in Greek).

<sup>56</sup> Panaghi Vagliano to Basil Papayanni, 12 Sept. 1875, Syrmas Archive, E.L.I.A.

Thus, relations of trust lie at the center of networks, as does the ability to process information. The Vagliano network provided a constant flow of commercial information. Evidence from their correspondence with Captain Coutzis between 1868 and 1871 indicates that, in every letter they wrote to this business associate, all three Vaglianos provided detailed information on freight rates and grain prices.<sup>57</sup> The letter books in the Vagliano business archive document an annual flow of five thousand to six thousand letters. According to the company books, in 1900 there were 170 business associates with whom they had transactions and kept accounts: two in Belgium; two in Bulgaria; twenty-four in the British Empire (including Gibraltar, Malta, Cyprus, and Egypt); sixteen in France; three in Germany; seventy-six in Greece; six in the Netherlands; seventeen in the Ottoman Empire; four in Romania; eleven in Russia; one in Spain; and two in the United States.<sup>58</sup> The great majority, 80 percent (or 136 out of 170 agents) of the business associates in the twelve countries with which the Vagliano house did business, were Greeks. What is more, almost half of the Vagliano Bros.' business associates (76 out of 170) were based in Greece, and all came from islands of the Ionian and Aegean Seas.

This network of business associates not only became the basis of the Vagliano Bros.' success, but it also enabled network members to adopt the new technology of steam. Evidence indicates that the Vaglianos linked the members of their network with the British shipyards. The Vaglianos were the agents of the Nicolopulo House, established in Galatz by Demetrius Nicolopulo and in Marseilles by his son Ioannis, and the Nicolopulos ordered a new steamship at the British yard of Bartram Haswell in Sunderland through the Vaglianos in June 1880. They were the Nicolopulos' formal agents, handling payments and supervising construction. Half of the payment for the ship was given at its completion, and the other half was paid in London (in sterling) during the next six months without interest, based on a guarantee by the Vaglianos. The steamship *Calliope Nicolopulo*, 1,004 net registered tons, took five months to finish.<sup>59</sup>

But it was not only the Nicolopulos who profited from the investment in the new technology of steam. Information on the steamship market was disseminated to the shipowners of the dispersed maritime city that comprised the Aegean and the Ionian islands. Greek merchants or shipowners inquired about the cost of steamships, methods

<sup>57</sup> Christos I. Coutzis Private Archive, Spetses.

<sup>58</sup> Foreign Letter Book, 13 Nov. 1901–04 Apr. 1902, Ledger Book, 1901–1904, Vagliano Archive, General State Archives, Archive of the Prefecture of Cephalonia.

<sup>59</sup> "Professional Correspondence of Captain A. Syrmas with Nicolopulos, 1880–1881," Sunderland, 17/8/1880, Syrmas Archive, E.L.I.A.



of payment, and the time required to build a ship. There is ample evidence to indicate that many Greek steamship owners were once masters of the Vagliano steamships, who then purchased their steamships from them. Some examples were Michalinos, Vergottis, and Lykiardopoulos, who became major twentieth-century shipowners. The Vagliano network integrated the Greek shipping sector into the international shipping production system by creating an institutional framework based on trust that minimized transaction costs and entrepreneurial risk and provided information flow.

*Diversification and Investment.* The house of Vagliano Bros. diversified its business and operated by investing in three sectors: maritime trade, finance, and shipping. In maritime trade, Vagliano Bros. carried bulk cargoes of grain from the Black Sea ports and general cargoes—of currants, fruits, and wine from Patras and Cephalonia; and of acorns, figs, and various products from Smyrna and Constantinople—to England; on the return trips, they transported coal from the United Kingdom to trade at the Mediterranean ports, along with coffee and other colonial goods. In their main nodes, Taganrog, Marseilles, and London, they kept warehouses to store goods.

In the second half of the nineteenth century, Marinos Vagliano was one of the biggest exporters of grain from the Azov, followed by other Greek firms. During the year 1870, for example, Andreas Vagliano took receipt in Marseilles of cargoes of grain from 156 large sailing ships; most of the grain was dispatched from the Azov by his brother Maris. This number indicates that, on almost every other day throughout that year, Andreas received one large ship full of Russian grain.

The dominant position of the House of Vagliano Bros. in the Azov is shown in Table 2, which combines data on ship departures drawn from British consular reports and announcements of arrivals of Vagliano ships in Marseilles and British ports, which were found in the newspaper *Semaphore de Marseille* and in British Customs bills of entry. Vagliano Bros. transported some fifty thousand tons to French and British ports in each of the three years shown in the table: in 1870 the cargoes were transported exclusively by sailing ships; in 1880, by sailing ships and steamships; and in 1890, exclusively by steamships. In 1870 they handled almost 42 percent of the tonnage carried by Greek-owned vessels; in 1880, 34 percent; in 1890, 27 percent. Although Table 2 indicates that its importance diminished during the 1880s and 1890s, this might have been based on faulty data, since evidence from Greek logbooks and charter parties reveals that although Greek-owned ships did not carry grain to British ports during these decades, they did transport grain to the northern European ports of Rotterdam, Le Havre, and elsewhere. The usual route for ships carrying grain was to northern

European ports, then in ballast to British ports, where they loaded coal for the return voyage; the rising number of departures by Greek-owned ships from British ports, as shown in Figure 4, is indicative of this trend.

In addition to its maritime trade, the Vagliano house provided financial services in all three nodes of its network. The services included cashing bills of exchange for a commission, providing mercantile and shipping loans with interest, transferring money on commission, and investing in the London Stock Exchange. A document in the archives of the British bank of Barings Bros., which provided its members with privileged information about Greek merchants and bankers in London in the early 1860s, provides some insight into the Vagliano company's reputation in London.<sup>60</sup> Barings graded enterprises from one to four: one meant that the business was outstanding; two, that it was very good; three, that it was fair; and four, that it was unknown. The Chiot enterprises, which had been established in London in the 1820s and 1830s, and which included various members of the Ralli, Rodocanachi, Schilizzi, Alexiadis, Deltas, Argenti, and Sekiari families, were assessed as class one. Vagliano Bros., which had operated in London for only five years, was assessed as class two, and Barings attached this comment to its rating: "Young house but very sound, say 2nd rate."<sup>61</sup>

From the 1860s to the 1880s, Vagliano Bros. developed into one of the larger merchant and banking houses in the City. Panagis was described by the British as a merchant banker with a credit house, or an accepting house.<sup>62</sup> According to the *Banker's Magazine*, in 1886 alone the Bank of England made four thousand payments into Panagis Vagliano's deposit accounts, to the tune of £3,500,000.<sup>63</sup> Panagis's importance in banking in the City is demonstrated by a legal battle, known as the "Vagliano Case," which gives valuable and detailed information on how the Vagliano Bros. office dealt with bills of exchange on a daily basis. Between February and August of 1887, Panagis's thirty-year-old

<sup>60</sup> "An Assessment of the Greek Firms Operating in London in the Beginning of the 1860s," Baring Brothers Customers' Reference Book, in Timotheos Catsiyannis, *The Greek Community of London* (London, 1992), 422–24. For the origin of the families, see Harlaftis, *A History of Greek-owned Shipping*, Appendix 2.1.

<sup>61</sup> Maria-Christina Chatziioannou and Gelina Harlaftis, "From the Levant to the City of London: Mercantile Credit in the Greek International Commercial Networks of the Eighteenth and Nineteenth Centuries," in *Centres and Peripheries in Banking: The Historical Development of Financial Markets*, eds. Philip L. Cottrell, Even Lange, and Ulf Olssen (Aldershot, 2007), 13–40.

<sup>62</sup> B. B. Turner, *Chronicles of the Bank of England* (London, 1897), 256–63. Richard Roberts, "What's in a Name? Merchants, Merchant Bankers, Accepting Houses, Issuing Houses, Industrial Bankers and Investment Bankers," *Business History* 35 (July 1993): 22–38.

<sup>63</sup> "Bank of England v. Vagliano Brothers," *Banker's Magazine*, 1890, 1156.

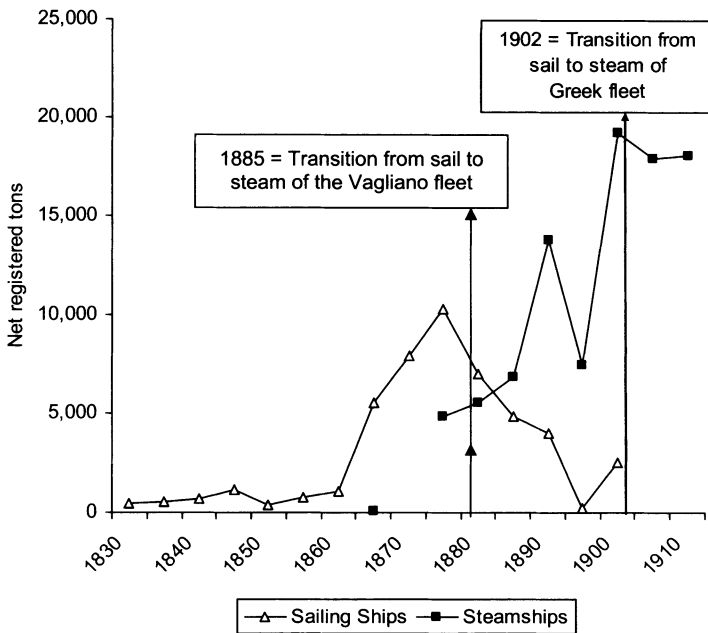


Figure 6. The Vagliano fleet (in net registered tons). (Source: Gelina Harlaftis and Nikos Vlassopoulos, *Pontoporeia: Historical Register of Sailing Ships and Steamships, 1830–1939* [Athens, 2002].)

employee Antonios Isidoros Glycas, a Chiot, embezzled £70,000, by forging bills of exchange from the Vagliano Bros.' collaborators in Odessa and Constantinople. It is interesting that the fraud was not committed by any of Panagis's agents or business associates abroad but occurred within his own office. Having appropriated Panagis's signature on these bills, Glycas then cashed them from the Vagliano account in the Bank of England. As soon as Panagis became aware of the fraud, he prosecuted the Bank of England for negligence, since it had failed to notify him when bills of exchange for such large amounts were being cashed from his account. Vagliano won the case in the High Court and in the Court of Appeal in 1889, but he lost the appeal brought by the House of Lords, by one vote, in 1890. The case of *Vagliano v. the Bank of England* caused a scandal in the City, since the ruling affected not just the plaintiff but also all the other merchant bankers who were in business there.

The Vagliano office also served its clientele as a bank, transacting money transfers on interest, and it collaborated with the London and Westminster Bank in the 1890s. Some of the most prominent Greek entrepreneurs, such as Retsina Bros., P. A. Harokopos, and G. P. Skuses,

*Table 3*  
The Top Greek Steamship Owners Involved in  
Tramp Shipping, 1880–1895<sup>a</sup>

<i>Company</i>	<i>1880</i>		<i>1890</i>		<i>1895</i>	
	<i>Ships</i>	<i>N.R.T.</i>	<i>Ships</i>	<i>N.R.T.</i>	<i>Ships</i>	<i>N.R.T.</i>
Vagliano Bros.	6	4,838	7	6,840	16	13,819
Stathatos & Theofilatos	3	1,653	—	—	—	—
Stathatos Bros.	—	—	6	4,585	9	10,040
Theofilatos	—	—	8	4,462	6	5,358
Embiricos	—	—	4	5,394	4	5,718

Source: Processed data from Harlaftis and Vlassopoulos, *Pontoporeia*, E.L.I.A. (Hellenic and Literary Archive), Athens 2002.

<sup>a</sup> The coastal liner companies—the Hellenic Steamship Company, the Panhellenic Company, the Goudi Steamship Company, the Aegean Steamship (Courtgi)—and others involved in short-sea shipping that invested in small steamships, are not included.

feature among Vagliano's business associates. In the company books, the names of all three appear next to large sums, often over twenty thousand pounds sterling, that had been transacted. After Panagis's death, when no new transactions could be made in the Vagliano Bros. account, his nephews, who were the executors of his will, instructed their business associates to open their own bank accounts.<sup>64</sup>

*Innovation.* The great competitive advantage held by Vagliano Bros., however, was their shipping operation, which was the source of their starting capital and the area in which they introduced important innovations—the third, and most important, characteristic of their business. The firm was a trailblazer in this particular sector, pioneering the adoption of new technology and developing new business methods. In the 1860s, the brothers owned four or five sailing ships; by 1870 their fleet had grown fivefold, to twenty-five large sailing ships, and by 1880 they owned forty such vessels, a remarkable number for the day (Figure 6). It was Panagis Vagliano, in London, who made the ground-breaking move of purchasing the first small steamship in 1870; by 1880 he had bought six large cargo steamers and owned 20 percent of the Greek fleet of steamships. In the mid-1880s, steamships accounted for more than 50 percent of the tonnage of the Vagliano fleet, placing Panagis some twenty years ahead of the rest of the Greeks. Table 3 shows the top five Greek steamship owners who invested in the new technol-

<sup>64</sup> Letter to Messrs. Ch. Nicolaidis Sons, Syra, Greece, 9 Mar. 1902, Letter Book no. 51, Vagliano Archive, G.S.A., Cephalonia Archive.

ogy in the 1880s and early 1890s. Apart from the Vaglianos, the main investors were the Stathatos, the Theofilatos, and the Embiricos, who were based in the Danubian port of Braila. Panagis collaborated with all three, as he had represented their businesses in London since his establishment there; these families purchased their steamships through him.<sup>65</sup> The Embiricos opened a London office in 1896, the second Greek shipping office to do so after the Vaglianos had become established in the City; after the death of Panagis, their shipping office and ship-owning group became the largest of such Greek establishments in London. The Vagliano Bros. led the way to steam until 1902, when Panagis died. This was also the year that the tonnage transported by steamships exceeded the tonnage carried by sailing ships in the Greek-owned fleet.

The Vagliano brothers' fleet cannot be compared with Britain's top tramp operators, like Furness Withy of Hartlepool, which ranked first in 1910 with ninety-five vessels of 178,837 net registered tons; or the Hain of Cardiff, which ranked fourth with thirty-six ships of 93,169 net registered tons; or the Turnbulls of Whitby, which ranked eighth with twenty-nine ships of 65,150 net registered tons; or the Runcimans from Newcastle, which ranked ninth, with twenty-nine vessels of 64,436 net registered tons.<sup>66</sup> The last two were family firms that had been involved in shipping for several generations; they were established in northeast England and operated in the Black Sea grain trade. The Vaglianos, however, who by British standards could be characterized as medium-sized tramp operators, compared favorably with their Mediterranean counterparts: the top Spanish fleet Sota & Aznar in 1900 owned twenty-four vessels of 49,630 gross registered tons, compared with the seventeen ships of 21,775 net registered tons that the Vaglianos owned at the same time.<sup>67</sup>

The Vaglianos' close collaboration with the dispersed maritime city of the Aegean and the Ionian islands gave them a competitive advantage. Apart from operating their own fleet, they chartered a large number of Greek-owned vessels, thereby guaranteeing reliable, low-cost sailing ships and seamen. The house of Vagliano Bros. built 44 percent of its sailing vessels in Greece, purchasing the rest from the Adriatic and other Italian ports and from ports on the Black Sea and in England.<sup>68</sup> Another advantage of the house was that it employed exclusively Greek

<sup>65</sup> Lemos, *Modern Greek Eternal Seamen*, 380–82.

<sup>66</sup> Harlaftis and Theotokas, "European Family Firms in International Business," tables 3 and 5.

<sup>67</sup> Jesús M. Valdaliso, "The Rise of Specialist Firms in Spanish Shipping and Their Strategies of Growth, 1860 to 1930," *Business History Review* 74 (Summer 2000): 268–300, Appendix 2. See also Valdaliso's *La familia Aznar y sus negocios (1830–1983): Cuatro generaciones de empresarios en la España contemporánea* (Madrid, 2006). A net registered ton is about 60 percent of a gross registered ton.

<sup>68</sup> Processed data from Harlaftis and Vlassopoulos, *Pontoporeia*.

captains and seamen, the majority of them from the Vagliano family's home island, Cephalonia. Thus the Vaglianos managed to secure a highly experienced workforce, whom they could trust and control. Furthermore, although resident outside Greece, the Vagliano brothers flew their ships under the Greek flag, which ensured low-cost operation, and they registered 85 percent of their sailing ships in the Greek islands, particularly in their native Cephalonia.<sup>69</sup> Sixty percent of their steamships were registered in Piraeus, Cephalonia, and Syros; the remaining 40 percent of the fleet was registered in London and in ports on the Black Sea.<sup>70</sup>

If Panagis Vagliano's first important innovation was to pioneer investment in the new technology of steamships, his second, and equally important, innovation was to develop maritime business methods. In the 1860s, he created the first Greek shipping office in London, which became the model for Greek shipowners in the first half of the twentieth century. Essentially, this was a shipping company and an agency for a national fleet. The Vaglianos worked on commission, administering the vessels of other Greek shipowners and providing services in chartering, cargo, ship insurance, bunkering, sale, and purchase of second-hand steamships, shipbuilding, and loans. Two-thirds of all Greek-owned steamships bought between 1890 and 1914 were owned or financed by members of the Ionian network, headed by the Vaglianos.<sup>71</sup> A noteworthy structural feature of their London office was that, unlike their British counterparts, they did not run branch offices (and their constituent departments, such as stevedoring, outward and inward freight, and wharfage) as separate profit centers; all the various activities were the responsibility of the one office, which ran the management of the ships and agency work as an undivided whole.

The Vagliano London shipping office introduced a new form of organization and set the precedent for maritime business administration in tramp shipping. In a way, it was the predecessor of the modern ship-management company, which became the new organizational form in international shipping after the 1950s.<sup>72</sup> Moreover, by imitating the British, it introduced into Greek shipping business the structure of the modern tramp-shipping company, which emerged in the last third of the nineteenth century as a blend of old and new maritime practices. The tramp-shipping company acts as a management firm of a consolidated fleet in order to attract as much finance as possible. Each ship constitutes a single-ship company of various nationalities, even though

<sup>69</sup> Ibid.

<sup>70</sup> Ibid.

<sup>71</sup> Harlaftis, *A History of Greek-owned Shipping*, table 3.19.

<sup>72</sup> Gunnar K. Sletmo, "Shipping's Fourth Wave: Ship Management and Vernon's Trade Cycles," *Maritime Policy and Management* 16, no. 4 (1989): 293–303.

all these single-ship companies might belong to one shipowner.<sup>73</sup> This structure formed the basis for the expansion of tramp-shipping operators worldwide during the twentieth century.<sup>74</sup>

The Vagliano office was, in effect, a channel to the world's maritime and economic center, and it had multiple influences on the Greek-owned fleet. It proved to be the "catalyst" of the Greek entrepreneurial network, marking the transition from the nineteenth-century form of a diaspora trading firm to that of a British-Greek "free-standing firm" based in London; its overseas operations exploited the competitive advantages that the Greek, Ottoman, and Russian markets had to offer. The diaspora trading firm was a geographically dispersed group of business people connected by their own entrepreneurial network. The Vaglianos developed a managing-agency system that ultimately separated ownership and management: the Greek shipowners provided crews and ships from Greece; Panagis Vagliano, from London, provided ship management on a global scale.<sup>75</sup> The multinational dimension of their managing-agency operations made their London office the "national bureau," a conduit enabling the Greek shipowners to engage in international business. But more important is the fact that Panagis Vagliano's London office provided a model of a modern ship-management firm that was imitated by his business associates. Twenty London Greek shipping offices had been established by the 1930s, and they became the driving force behind the globalization of Greek-owned shipping.

*Internal Organization.* The fourth important feature of the Vagliano house was its internal organization, whose foundation in kinship and ties of trust reduced commercial risk and the cost of transactions. Many characteristics of the diaspora trading companies conform to theory about multinational companies.<sup>76</sup> Thus, the usual structure of a Greek diaspora house in some ways resembled a multinational firm. One office fulfilled the function of a mother company, while the others acted as branches, although they operated independently as well. The partners decided the direction that the various divisions would take, while the central office, which determined the firm's "nationality," was

<sup>73</sup> The conversion or merger of the sixty-fourthurs into a single fleet-owning firm was called "consolidation" by the shipowners at the end of the nineteenth century. See Robin Craig, *The Ship: Steam Tramps and Cargo Liners, 1850–1950* (London, 1980); also see Boyce *Information, Mediation, and Institutional Development*, ch. 4.

<sup>74</sup> Harlaftis and Theotokas, "European Family Firms in International Business."

<sup>75</sup> A highly interesting approach to maritime operations and the managing agency is given by Marc Casson in "An Economic Theory of the Free-Standing Company," in *The Free Standing Company in the World Economy, 1830–1996*, eds. Mira Wilkins and Harm Schröter (Oxford, 1998), 116–21.

<sup>76</sup> Among the first to compare Greek shipping companies with multinational enterprises was Christos Carvounis, in "Efficiency and Contradictions of Multinational Activity: The Case of Greek Shipping," Ph.D. diss., New School for Social Research, 1979.



given to the most capable partner. All directors appeared to be equal to third parties, and all had signing authority. The archival material indicates that the house of the Vagliano Bros., until the death of Andreas and Maris Vagliano, functioned as a single entity, and, notwithstanding the distances between them, with full agreement among the offices in London, Marseilles, and Taganrog, and constant communication regarding the business activities of the different branches run by the three brothers.

Family control was a prime characteristic of this business. The power of the Greek diaspora trading and shipping houses derived from the discipline dictated by the hierarchy and cohesion of the family, in which intermarriage was extensive. Like all Greek diaspora entrepreneurial houses, Vagliano Bros. used marital strategies to consolidate and expand its interests. Marinos and Panagis, who started out with limited assets, did not marry daughters of wealthy merchants, but they made sure that their younger brother Andreas married into money. In 1850, Andreas Vagliano married Euphrosyne Mela, daughter of Georgios Melas, a wealthy merchant in Taganrog and a relative of eminent families in the entrepreneurial diaspora. The Vaglianos saw that their children made strategic marital alliances to prominent and wealthy families of the Greek diaspora, such as the Rallis, the Petrocochinos, the Ballis, the Negrepontes, Zarifis, Coupases, and Ambanopouloses.<sup>77</sup>

After the death of Andreas in 1889 and of Maris in 1896, control of the business passed into the hands of Panagis in London, who directed it until his death in 1902. Although he had a plethora of nephews—Panagis had no children of his own—he did not make any of them either minor or major partners in the Vagliano Bros. company, but retained total control over its transactions and signed all the letters. As a result, after his death, the Vagliano Bros. company had to be dissolved. His nephews Vassilios and Marinos wrote letters to all Panagis's business associates containing this statement: "Because of the death of the only member of the Company 'Vagliano Bros' that took place on 25 January 1902, the above company is closing down . . . and we are sorry to tell you we can not execute any new transactions."<sup>78</sup> The business was closed, and each cousin went his own way, but another decade elapsed before all the affairs of the company were settled. Panagis's nephews inherited his personal fortune, but the connection had been broken, and they did not keep the firm going under another partnership. With the death of the leader came the death of the business. In 1902, the furni-

<sup>77</sup> For the Vagliano family tree see M. D. Sturdza, *Dictionnaire Historique et Généalogique des Grandes familles de Grèce, d'Albanie et de Constantinople* (Paris, 1983).

<sup>78</sup> See Foreign Letter Book, 13 Nov. 1901–04 Apr. 1902, Vagliano Archive, G.S.A., Cephalonia Archive.

ture of the renowned office of Vagliano Bros., at 19 Old Broad Street, was sold off for the paltry sum of £90. Panagis Vagliano's funeral in London, his burial, and the monument erected by his heirs cost £1,765.<sup>79</sup> He left a fortune of £2,886,420, 7 shillings, and 3 pence.

The fact that the Vagliano house lasted only for one generation was unusual in the Greek diaspora trading houses that invested in shipping. Of the top steamship owners as they appear in Table 3, the Theofilatos continued for another generation, the Stathatos continued their business to the end of the twentieth century, and the Embiricos have remained in the shipping business. The reasons for the dissolution of the firm are still not clear, but we can assume that, following the death of Panagis's nephew and right-hand man, Vassilios, none of the other nephews was willing or able to undertake the job of running the "empire."

### From the Vaglianos to Onassis

The business history of Vagliano Bros. is important for a number of reasons. First, it is the history of an archetypical "multinational" family firm of the Greek diaspora, which led the way in networking and pioneered the business practices that continue to be used in Greek shipping companies today. Second, it is a prime example of leadership, innovation, expansion, and readjustment in business networks. The house invested in the new technology of steam and invented the business methods that affected not only the path of their own business but also the entrepreneurial network that they led. Their business administration developed the necessary mechanisms to construct strong links with the powerful British economy and its infrastructure. The adoption of new technology in the form of steamships, and their operation, had multiple effects within the circle of their cluster group: it diffused know-how and connected it with the pulse of British economic development and industrialization. Ultimately, the choices made by this one company charted the course of their home country's national fleet in the transition from sail to steam and opened the path to the global seaways of the twentieth century. This one company combined the professions of trade, shipping, and finance and led the way to the specialized profession of the shipowner.

Almost all analyses of Greek shipping tycoons and of the post-World War II Greek shipping "miracle" disregard the long continuity of a business in which Greeks developed remarkable entrepreneurship and expertise. The Onassis story, presented as a paradigm of the Western capitalist "rags-to-riches" tale, is only part of this long tradition.

<sup>79</sup> Ledger Book, 1901–1904, Vagliano Archive, G.S.A., Archives of Prefecture of Cephalonia.

Onassis is a paramount example of someone who carried with him and was able to use the Greek entrepreneurial tradition in trade and shipping. Born in 1900, in the cosmopolitan Ottoman port-city of Smyrna, he was raised in a bourgeois milieu, speaking French and Greek. As the son of a tobacco merchant, he became involved in the tobacco business by importing Greek tobacco in Buenos Aires and by investing in a small cigarette industry there. In Buenos Aires, he met George Gratsos, son of a shipowner on the Danube and member of the Ionian network during the Vagliano brothers' time. After becoming Onassis's right-hand man in the shipping business, Gratsos introduced Onassis to the international Greek shipowning circle. It was through the Dracoulis' London shipping office, run by the Ionians, that Onassis bought his first steamships in the 1930s. Onassis also followed the Ionian traditions of seamanship on his vessels, as his tankers were manned by captains and seamen from Ithaca, and he built his empire as a multinational ship-management firm, just as the Vagliano brothers had done. Like them, he opened up new paths at critical points in the development of Greek-owned shipping. The Vaglianos opened the way for steamships in London; Onassis opened the way for tankers in New York.

The multinationalism of Vagliano Bros.' enterprises is vividly reflected in Panagis Vagliano's will and the dispersion of his capital investments, and is comparable as a feat to the global empire built by Onassis. Panagis's fortune was invested in government bonds and railway stock on every continent: in the Americas, he invested in the United States, Canada, Argentina, Brazil, and Chile; in Asia, he invested in China and India; in Africa, his money was invested in Egypt; in Europe, he had financial interests in Belgium, Bulgaria, Germany, Italy, Russia, and England (Table 4).

In Europe, about half of Panagis's investments were in Russia. One-third of all his investments were in Egypt. Latin America and Asia absorbed 11 percent of Panagis's shares, whereas only 5 percent went to North America. His investments can easily be compared to those of Onassis, seventy years later. The majority of Onassis's investments were also in Europe, North America, and Latin America. The globalization of the Greek diaspora houses and their turn toward specialization in international maritime transport had become a fact at least one century before the death of the "golden Greek."

Nationalism and the formation of nation states in the nineteenth century have been the subject of national historiographies that hide the significance of "apolitical" business diasporas and their networks. Long-distance entrepreneurial networks were critical to the gradual integration of the world into a single global system. Diaspora houses have played a major role in the process of globalization, and the study of

*Table 4*  
Comparison of the Global Dispersion of the Investments  
of Panagis Vagliano and Aristotle Onassis

Global Region	Investments in Shares and State Bonds			
	Panagis Vagliano 1902 <sup>a</sup>	Percent	Aristotle Onassis 1975 <sup>b</sup>	Percent
Europe	1,002,991	44	887,500,000	64
North America	117,984	5	323,000,000	23
Latin America	237,880	11	187,000,000	13
Africa	656,607	29	—	—
Asia	242,267	11	—	—
Total	2,259,631	—	1,397,500,000	—

Source: "Will of Panagis Athanasios Vagliano," Management Committee of the Panagis A. Vagliano Bequest, *Panagis A. Vagliano Bequest for Philanthropic Purposes in Cephalonia*, Athens, 1932; and Gelina Harlaftis, *Greek Shipowners and Greece, 1945–1975: From Separate Development to Mutual Interdependence* (London, 1993), appendix V.

<sup>a</sup> In pounds sterling.

<sup>b</sup> In dollars.

their entrepreneurial networks furthers our understanding of the complex evolution of international economic systems and business in the modern world.<sup>80</sup>

Vagliano Bros. is a paradigm of a diaspora trading house involved in international business that transformed itself into a major shipping and ship-management firm, opening the path to the global routes of twentieth-century Greek-owned shipping. Panagis Vagliano was the first Greek shipping tycoon. His importance as a leader and a pioneer was acknowledged in the epithet, "patriarch of Greek shipping" conferred on him by the Chiots, his twentieth-century successors, who eventually became the most powerful shipowning group of the twentieth century.<sup>81</sup>

<sup>80</sup> Ina Baghdiantz McCabe, Gelina Harlaftis, and Ioanna Minoglou, eds., *Diaspora Entrepreneurial Networks: Five Centuries of History* (Oxford, 2005), Foreword; Gelina Harlaftis, "Mediterranean Entrepreneurial Diaspora Networks during the Long Nineteenth Century," paper given at the international conference "Competing Networks: Greek and Other Commercial Houses in the Mediterranean during the Long Nineteenth Century," University of Haifa, 6–7 June 2006.

<sup>81</sup> Lemos, *Modern Greek Eternal Seamen*, 83.