

‘Trading with the Enemy’ Salonikan Jews, Central Europe, and the Politics of Contraband Trade During the First World War

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This paper examines a critical instance of the encounter between state and business interests during World War I, the constitution of black lists of firms trading with the enemy. With the economic blockade of the Central Powers in full force, contraband trade became a major concern leading to the establishment of a vast bureaucracy and an impressive information gathering mechanism with a truly global scope (Maisel 1989; McDermott 1989; McDermott 1997; García Sanz 2014; Dehne 2016). This mechanism generated its own archive of documents, with its own truth protocols, fact-checking mechanisms, but also fictions. Following the paper trail of several Jewish-owned firms from the Eastern Mediterranean port-city of Salonika, whose wartime transactions were scrutinized for evidence of contraband trade, I am therefore less concerned in establishing ‘facts’, in determining the ‘real’ extent and nature of Jewish smuggling. Rather, I focus on the way ethnicity, that is, Jewishness, and nationality were discursively produced by state authorities and Jewish businessmen themselves; and the way those businessmen strategically utilized their ethnicity and nationality to revoke their blacklisting. In the course of the war, Jewishness, I argue was politicized, but its plurality became both a liability as well as an asset.

Once the Ottoman Empire entered the war and closed the Dardanelles strait, Salonika became the ‘hyphen between the West and the Orient’ as the perceptive Belgian consul imaginatively

described it.¹ Regaining its erstwhile position as the gateway to Central and Eastern Europe, the city turned into the centre of an extensive trading network spanning from the Ottoman Empire in the East to Germany and Austria-Hungary in the North. Enticed by the large profits to be made, commercial agents from Romania, Germany, Austria-Hungary and Bulgaria settled in Salonika using 'all sorts of contraband operations and means of corruption to achieve their objectives'.² They bribed the local Greek officials to secure the majority of export permits and train wagons, and guided by the German consulate, partnered with recommended high-profile local brokers to purchase and ship via the neutral states of Bulgaria and Rumania large quantities of merchandise to Germany and Austria-Hungary.³ Chief among those brokers was the city's major commissioner, Yaakov Isaac Molho, who by utilizing his complementary positions of ship-owner, representative of the Romanian Transport Company Viteza, and member of the municipal council and the Chamber of Commerce, virtually monopolized the transport of goods from Salonika to the neutral Bulgarian port of Dedeagatch.⁴

To stop this type of trade, the Entente resorted to various measures that continued to evolve until the end of the war. Chief among them were the black and statutory lists cataloguing all companies trading with the enemy worldwide. This daunting feat of information gathering and data processing comprised the establishment of new government branches and involved numerous agents, military as well as civilian, from postal censors to local consuls and from commercial attachés to generals. Global in scope, it blurred the boundaries between neutral and belligerent countries but also between enemies and allies. It was an exercise in global surveillance, and as such it was also a discourse-producing machine generating its own classifying categories in an attempt to pin down what constituted contraband trade and who was involved in it.

¹ French Foreign Minister to French Consul, Salonika 31-08-1915, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 22, Centre des Archives Diplomatiques de Nantes.

² French Foreign Minister to French Consul, Salonika 31-08-1915, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 22, Centre des Archives Diplomatiques de Nantes.

³ French Foreign Minister to French Consul, Salonika 25-09-1915, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 22, Centre des Archives Diplomatiques de Nantes.

⁴ French Foreign Minister to French Consul, Salonika 25-09-1915, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 22, Centre des Archives Diplomatiques de Nantes.

A great variety of criteria was applied to determine the blacklisting of a Salonikan firm. To begin with, given how extensive trade with the Central Powers was before the war, all local firms were by definition suspect of contraband activity no matter if their owners were mostly Jews steeped in French culture and holding Italian or other Allied citizenship.⁵ Continuing such trade during the first two years of the war, while Greece remained neutral, was the first thing the consuls noted in their reports. Other factors however, often irrelevant to business, could also weigh in. In fact, links to Germany were discovered in the most unimaginable places. To spread ‘the most pessimistic rumours on the future of Salonika’ under Greek rule, as Haim and Albert Benveniste did, translated into ‘being a known Germanophile.’⁶ To be an active Zionist like Abraham Recanati *and* communicate with a fellow Salonikan Jew interned in a French concentration camp, also raised suspicions since in the consuls’ mind Zionism equalled Germanophilia.⁷ With the telling exception of the Dönme,⁸ no ethno-religious identity was ever mentioned in the reports – what mattered was nationality. However, all such implicit references to Salonika and Zionism still constituted a normative discourse on Jewishness promoting a certain assimilationist and pro-Greek understanding of it by incriminating its opposite.

Jewishness was an external, discursively constructed ascription also because the purportedly ‘contraband’ networks were only partially Jewish. Studies dealing with the war trajectory of international firms in other parts of the world have shown their extensively multi-ethnic composition (Dejung and Zangger 2010). In Salonika, networks and firms had a strong local Jewish core but they also cut through the Sephardic-Ashkenazi divide *and* included members of different ethnicities and holders of various nationalities. Thus, the prominent tobacco company of the Dönme Hassan Akif, (an ex-Ottoman and then Greek citizen), included, (apart from

⁵ Sous-Lieutenant Duvernoy de la Commission Mixte de Ravitaillement to French Consul, Salonika 22-01-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

⁶ French Consul (Salonika) to Commercial Attaché (Athens), 01-09-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

⁷ Capitaine Huguet (Commandant militaire des PTT) to de Sandfort (Gerant du Consulat de France, Salonika), 30-08-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

⁸ The Dönme were Islamicized Jews who had converted en masse in the late 17th century. Mostly concentrated in Salonika and particularly active in long-distance trade, they were socially distinct from the rest of the city’s Muslim population. See Baer 2009.

members of his immediate family), his son-in-law Muhliss Edhem (of Italian citizenship) as administrator in Salonika,⁹ and the Jew Abram Saporta (a Spanish national), as a silent partner.¹⁰ Christian Orthodox Greeks as well as Muslim Turks directed the company's branches in the tobacco centers of Eastern Greek Macedonia and in the Ottoman city of Ismidt (İzmit).¹¹ Moreover, a Serb, Zurban, was also a silent partner of the firm and the founder of a Munich-based cigarette factory to which the Salonika branch exported tobacco leaves. The company also owned the German Jewish cigarette factory 'Grathwohl' in Munich¹² and did extensive business with the Ashkenazi Hugo Berdach, a Vienna-based agent of Ottoman and Bulgarian tobacco companies.¹³ Furthermore, Leon J. Aelion, another Salonican Jew, mediated the firm's purchases in Salonika during the war.¹⁴ Finally, Hassan Akif's son, Osman Nouri, corresponded with his Ottoman and German partners via Lazare Benveniste, a resident of Zurich and son of the prominent Cavalla-based tobacco magnate and Jewish community president Haim Benveniste, whose firm was also included in the Black List.¹⁵

As the case of Lazare Benveniste suggests, expatriate Salonikan Jews residing in neutral countries often served as intermediaries forwarding merchandise from Salonika to Germany and Austria-Hungary. Robert de Botton, son of Isaac R. de Botton and a resident of Lausanne, Switzerland, helped his father make purchases in Germany by working together with the Jewish

⁹ Capitaine Huguet (Commandant militaire des PTT) to de Sandfort (Gerant du Consulat de France, Salonika), 30-08-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

¹⁰ Capitaine Huguet (Commandant militaire des PTT) to de Sandfort (Gerant du Consulat de France, Salonika), 30-08-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

¹¹ Capitaine Huguet (Commandant militaire des PTT) to de Sandfort (Gerant du Consulat de France, Salonika), 30-08-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

¹² French Consul (Salonika) to Commercial Attaché (Athens), 01-09-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

¹³ French Consul (Salonika) to Commercial Attaché (Athens), 01-09-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

¹⁴ Capitaine Huguet (Commandant militaire des PTT) to de Sandfort (Gerant du Consulat de France, Salonika), 30-08-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

¹⁵ Capitaine Huguet (Commandant militaire des PTT) to de Sandfort (Gerant du Consulat de France, Salonika), 30-08-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

jeweller H. Hirsch from Basle.¹⁶ Tobacco merchant Haim Benveniste relied on the mediation of Zurich-based Elie Frances to do business both with the Cavalla branch of his company (which was under Bulgarian occupation) as well as with the Central Powers.¹⁷ Thus, these networks brought together Sephardim and Ashkenazim as well as Christians, Jews and Muslims of all sorts cutting through ethnic and sub-ethnic boundaries. But they often did so on the basis of locality and a shared class-cum-professional allegiance as the case of tobacco businessmen Lazare Benveniste and Osman Nouri demonstrates. For that reason determining the nationality of a given firm proved particularly hard for the Entente authorities.

Nationality, and less so ethnicity, thus seem analytically problematic when examining how these firms did business in times of peace and, no less, of war. Nationality in particular, (of the firm, its owner, or its invested capital) might appear as a kind of ‘fiction of the archives’, a key category of classification, yet unreflective of a much more complex reality. If it mattered however, it was because it could serve as a weapon of the weak, in empowering certain blacklisted firms to press for their removal.

As the conflict dragged on, inclusion in a black list, particularly a British one, could bring financial catastrophe. Early in the war, information about the chiefly British blacklisted firms circulated solely within government circles while the firms themselves only faced the penalty of a temporary limited access to financial facilities and transatlantic cables (Dehne 2005: 534). By early 1916, however, black lists turned into a punitive means of considerable power. First, they expanded to include all firms trading with the enemy anywhere in the world. Second, they were made publicly known via newspapers, business publications and government gazettes at a global scale; one can in fact find the blacklisted Salonikan companies as much in the *Levant Trade Review* as in the *Kenya* and the *Australian Commonwealth Gazettes* from 1918. Third, inclusion now entailed specific and severe penalties, namely, inability to do business with any British

¹⁶ Communiqué to the Commission interministérielle des listes noires (Mr. Seydoux), Marine (EMG), Commerce (Service Technique), Direction Générale des Douanes (Paris), 20-06-1917, Ministère des Affaires Étrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

¹⁷ Capitaine Huguet (Commandant militaire des PTT) to de Sandfort (Gerant du Consulat de France, Salonika), 30-08-1918, Ministère des Affaires Étrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

subject and permanently denied access to any British service. In short, to be blacklisted could signal a company's economic and no less social death.

Consequently, for Salonikan blacklisted firms operated by foreign nationals like the opium and drug company of the Italian Jew Albert Scialom, foreign citizenship which for long had guaranteed extraterritorial protection, now entailed concrete duties and a high degree of loyalty vis-à-vis the respective nation-state.¹⁸ Yet, nationality was not a straitjacket. Rather, the lengthy correspondence between blacklisted merchants, local consuls and other communal dignitaries reveals how negotiable nationality was on the ground, and to what extent it was inscribed within a complex web of relations connecting the Entente authorities with local consuls, merchants, as well as notables and leaders of the Jewish community. It thus confirms, (although from a bottom-up perspective), a recent spate of historical works which has underlined the complex relationship between extraterritoriality and citizenship during World War I and the difficulties of classifying the Jewish foreign nationals from the Levant (Stein 2017).

Ihno Bensussan, the Greek Jewish representative of opium trader Albert Scialom in Salonika, initially utilized Scialom's Italian citizenship to request from the Italian consul to intervene on his and Scialom's behalf and ask the British consul to remove the firm from the black list.¹⁹ Indeed, the Italian consul obliged, going as far as to coordinate action with his French colleague in order to exert additional pressure.²⁰ When, however this first attempt proved futile, Scialom and Bensussan marshalled Joseph Nehama, the director of the local French Jewish Alliance schools, a committed Ententophile and a highly respected communal notable, to act on their behalf.²¹ Indeed, in March 1918, Nehama sent an appeal to the Italian consul who then forwarded it to his French colleague.²² Seven months later in October 1918, the two consuls

¹⁸ Nehama to Italian Consul (Salonika), 20-03-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 138, Centre des Archives Diplomatiques de Nantes.

¹⁹ Italian Consul (Salonika) to French Consul (Salonika), 20-10-1917, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

²⁰ Italian Consul (Salonika) to French Consul (Salonika), 20-10-1917, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

²¹ Nehama to Italian Consul (Salonika), 20-03-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 138, Centre des Archives Diplomatiques de Nantes.

²² Italian Consul (Salonika) to French Consul (Salonika), 24-05-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

would again correspond²³ and, ultimately, even Chief Rabbi Yaacov Meir would be summoned to plead with the French consul for assistance in removing the firm from the British Black List.²⁴ In the meantime, the case had been brought to the Italian ambassador in Athens and from there to the Italian commercial attaché in Paris who introduced it for discussion to the highest authority, the Council of the Allies.²⁵

Interestingly, although the representatives of the Scialom firm submitted all relevant documentation from every competent Greek authority in town, (including the Customs House and the Chamber of Commerce), they did not seek the advocacy of the newly established Commercial Association of Thessaloniki, nor did they stress their unbending support for the pro-Ententist liberal party of prime minister Eleftherios Venizelos as Christian Greek companies did.²⁶ Thus, their moves indicate that they still adhered to a ‘late Ottoman’ understanding of how local power relations operated, viewing authority as multi-polar and tying one’s social status to foreign nationality and communal standing. It was not the ethno-religious identity of its owners, but the intersection of these two axes, the extraterritorial and the communal, that made the Scialom a ‘Jewish’ company.

This intersection also shaped the semantics of loyalty. The Italian consul did not only ascertain the business ‘probity’ of Albert Scialom, but also mentioned his high social status calling him ‘one of the most well-known members of our [Italian] colony’.²⁷ Similarly, Nehama highlighted the ‘essentially French’ education Albert Scialom had received in the Alliance schools, his partner Sam Scialom’s participation in the local Alliance Committee, his dedication to the spread of French ideas and influence in the ‘Orient’, and, lastly, the two Scialoms’ purchase of

²³ Italian consul (Salonika) to French vice consul (Salonika), 16-10-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

²⁴ Chief Rabbi Yaacov Meir to Italian Consul (Salonika), 21-02-1919, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 141, Centre des Archives Diplomatiques de Nantes.

²⁵ Chief Rabbi Yaacov Meir to Italian Consul (Salonika), 21-02-1919, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 141, Centre des Archives Diplomatiques de Nantes.

²⁶ Marintsoglou Bros to the Commercial Association of Thessaloniki, 16-01-1917, Archive of the Commercial Association of Thessaloniki, File ‘Documents, 1916-1919’.

²⁷ Italian Consul (Salonika) to French Consul (Salonika), 20-10-1917, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

French war bonds.²⁸ Finally, Chief Rabbi Yaakov Meir testified to the ‘unanimous sympathy’ the firm enjoyed within the community.²⁹ Curiously, in an age of heightened nationalism, the multiple identity layers of the Levantine Jewish merchants could not only jeopardize a firm’s business standing but be also strategically utilized to prove its owners’ loyalty (or multiple loyalties to be more precise).

However, what primarily strengthened the position of the blacklisted Jewish traders and added extra weight to their ethnicity and nationality were the conflicting geostrategic interests of the Entente Powers. During the war, blacklisting often turned into a tool for advancing individual business or national economic interests. Hence, if the French and in particular the Italian consul (and perhaps the Chief Rabbi and Nehama as well) were so willing to support Scialom’s petition, it was because co-opting Jewish commerce was an integral part of France’s and Italy’s post-war plans to replace Austro-Hungarian business domination in the former Ottoman Balkans and strengthen their economic presence in the Eastern Mediterranean at the expense of the British, their present allies but future rivals (Dutton 1979; Dutton 1998). During the war, the French and Italians had already used procurement case in Greek Macedonia to strengthen their economic influence in the region; while in 1917, they established commercial bureaus in Salonika in order to attract prominent local merchants and redirect them to the French and Italian markets.³⁰ Their post-war plans for the Eastern Mediterranean even went as far as envisaging a possible internationalisation of Salonika as beneficial to their imperialist interests. The positive attitude of the two consuls vis-à-vis Albert Scialom might therefore be construed as part of a broader strategy, namely, to win over important firms who until then traded extensively with the Central Powers. In a similar case, the French consul pleaded in favour of Dönme tobacco magnate Hassan Akif Zade, downplaying his Austrian citizenship and residence in Munich, and stressing instead Hassan Akif’s deep and long loyalty to France while also warning that his inclusion in

²⁸ Joseph Nehama to French consul (Salonika), 20-03-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

²⁹ Chief Rabbi Yaacov Meir to Italian Consul (Salonika), 21-02-1919, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 141, Centre des Archives Diplomatiques de Nantes.

³⁰ Note sur le ravitaillement en blé et farine de la Macédoine et des Iles (Salonika), 17-01-1917, Ministère des Affaires Etrangères, Ambassade de France à Athènes, Série A, Carton 360, Centre des Archives Diplomatiques de Nantes.

the British and French black lists would seriously harm ‘French interests’ in the ‘Orient’.³¹ It is uncertain how much aware Salonikan Jewish merchants were of the French and Italians’ imperialist designs and how consciously they leveraged them. What is nevertheless certain is that in a game involving multiple players with often conflicting objectives, there was enough space for manoeuvring and multiple occasions to play the nationality card.

The surviving paper trail thus leads us to rethink how the categories of ethnicity and nationality are strategically utilized by state and non-state actors alike and hence remain fluid and plural even (or perhaps especially) in times of war. In the post-Ottoman Eastern Mediterranean there was nothing particularly, (let alone exclusively), ‘Sephardic’ or ‘Jewish’ in the composition and function of international business firms and contraband networks, imaginary or real. Neither did the image of the ‘Jewish smuggler’ ever capture the public imagination the way the ‘Jewish profiteer’ did elsewhere.³² Yet, it was that deep integration into local and international markets as well as the multiple allegiances –formal and informal– Jewish merchants retained in the twilight of imperialism that not only empowered Jews but somehow made them stand apart shaping their own and the others’ perception and agency. To the old question ‘what was particularly Jewish about all that’, the only answer can therefore surprisingly be ‘everything that was not’.

³¹ Sous-Lieutenant Duvernoy de la Commission Mixte de Ravitaillement (Salonika) to French Consul (Salonika), 22-01-1918, Ministère des Affaires Etrangères, Consulat général de France à Salonique, Série B, Carton 139, Centre des Archives Diplomatiques de Nantes.

³² Or as it happened with the Maltese in pre-colonial Tunisia: Clancy-Smith 2012. On the image of the Jewish profiteer see Sloin 2010.

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