

FROM THE HISTORY OF TRADE AND BANKING IN SVISHTOV. TRADING-AND-BANKING (MONEY-CHANGING) COMPANIES AND BANKING HOUSES AND THEIR IMPORTANCE FOR THE TOWN ECONOMY (1878-1912)¹

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Abstract: *Based on archival sources not used so far, periodicals and other sources of information, the study reviews the economic life of Svishtov in the period 1878-1912, with an emphasis on the development of trade. Against this background, it examines the issue of re-directing trading capital to banking. The focus of the study is the trading-and-banking (money-changing) companies and banking houses (8 partnerships and 9 sole proprietorships). The study answers a wide range of questions concerning their emergence, institutional*

¹ The Editorial Board of the Economics 21 journal, accepted the study for publication with information sources quoted in the traditional manner (i.e. via footnotes) so that it would be easier for readers to follow references. Due to the specific features of this economic and historical study, which is based on consulting numerous historical sources (archival materials, periodicals, collections of documents, etc.), as well as on some surveys (papers, reports, etc.), the use of the APA Style required by the editors, in addition to technical difficulties, would make the paper somewhat 'clumsy' and difficult to read.

² Assoc. Prof. Margarita Marinova, Ph.D. contributed to writing this study as follows: the overall concept; the abstract; the introduction; sub-paragraph 1.2; paragraph 2; paragraph 3; the conclusion and the list of references.

³ Lecturer Emiliya Vacheva contributed with writing sub-paragraph 1.1 and collecting the archival material and some of the published documents.

characteristics, the nature of the capital mobilized in them; the banking operations and services they offered, with a focus on credit and the circumstances that allowed banking houses at certain periods to make a greater contribution to lending money to local trade and production; the psychological profile of the Svishtov merchant; the reasons why the joint-stock principle did not establish itself firmly and permanently in the economic life of the town. It also reveals the leading role of the Bulgarian National Bank in lending money to local trade and to the two savings joint-stock companies that existed in the 1890s and shows the importance of the banking houses for the development of the town's economy in three directions – they were subjects in the process of initial capital accumulation; they provided short-term credit and increased the common funds for performing payment operations; they brought stability to the functioning of the banking and lending system especially in times of changes in the central bank's policy. They also played the role of a 'financial buffer' that ensured the survival of companies in times of temporary hardships. The conclusion reached is that being away from joint-stock entrepreneurship, especially in banking, and the inability of local economic forces to create a joint-stock bank, was one of the main reasons for the economic backwardness of the town, beginning at the end of the nineteenth century.

Keywords: *Svishtov, trade, banking houses, trading-and-banking (money-changing) companies, joint-stock activity, loans, money-lending, capital accumulation, modernization, joint-stock banks.*

JEL: *N33, N73.*

Introduction

Banking in Bulgaria emerged during the National Revival period along with the progress of commodity production and circulation, growing domestic and foreign trade, the active involvement of business entities in monetary processes, and the expansion of money transactions⁴. The first partnerships and joint-stock companies, which carried out banking operations and services, arose in a number of important economic centres after the first quarter of the nineteenth century, and especially in its latter half, and were due to wealthy merchants. The policy of reforms in the Ottoman Empire and especially the improvement of trade and judicial legislation contributed to their emergence. Some of the companies only practised money-lending and money exchange (money-changing). Others were designed as prototypes of real banking

⁴ **Radkov, R.** *Pari, banki i parichna politika*. S., Izdatelstvo Martilen, 2001, p. 103.

institutions (commercial banks)⁵ that lent money, opened current accounts, accepted and paid bills and notes, etc.⁶ Directing commercial capital to money-lending and banking became a sustainable pattern of behaviour mainly due to the lack of sufficient conditions and security for investment in industrial production as well as due to the good earnings these activities ensured⁷.

A modern banking and credit system in Bulgaria began to be created after the Liberation. In the period prior to the wars (1912-1918) interest-bearing capital was offered in a non-organized form by money-lenders in villages and private banking houses in the towns, and in an organized form – by state banks and by private joint-stock banks and companies⁸. The leading role belonged to the state mainly through the Bulgarian National Bank (BNB), established in 1879. The state inherited the Agricultural Funds that arose during the National Revival, which in 1903 gave rise to the Bulgarian Agricultural Bank (BAB), and in 1910 the Bulgarian Central Cooperative Bank was founded. The importance of private credit institutions was far more modest. They first appeared in the lively trading towns, with Ruse being the undisputed leader. A number of savings joint-stock companies were established here, among which the most successful was 'Girdap' (1881), as well as the Bulgarian Commercial Bank (BCB) (1895), which became the most powerful private bank in the country. The first private joint-stock bank in Plovdiv – Commercial and Industrial Bank (CIB) was also founded in 1895. Credit companies and smaller banks also appeared in some other settlements. At the beginning of the 20th century foreign capital also entered the banking sector. The Bulgarian General Bank (with French capital), Credit Bank (with German capital), Balkan Bank (with Austrian capital) were founded in 1905-1906.

During all these years, trading-and-banking (money-changing) companies and banking houses were an integral part of the banking and

⁵ In the historical literature there is no single opinion as to which was the first modern Bulgarian bank. There is an opinion that such a status could be given to the 'Balgarskoto targovsko bratsko druzhestvo vav Varna' (1869-1874), founded on 1 February 1869 (see **Lazarov, N.** *Istoriya na Balgarskata narodna banka i bankovoto delo v Balgariya*. S., Izdatelstvo Siela, 1997, p. 34). Over the last years, Prof. Iv. Rusev's well-grounded standpoint that 'Slivenskoe sadruzhie' Money-lending Company in Sliven should be considered as the earliest prototype of a commercial bank in Bulgaria has become increasingly popular. It was founded on January 1, 1849, and existed until the Crimean War (1853-1856), after which its founders formed 'Kompaniya lihvena' on September 1, 1858 – a new partnership that also dealt with banking. (see **Rusev, Iv.** *Po vaprosa koya e parvata balgarska banka – diskusionno i dokumentalno*. // *Balgarska istoricheska biblioteka*, 2000, book 4, pp. 26-40).

⁶ **Rusev, Iv.** *Targovskata modernost na Balgarskoto vazrazhdane kato kultura i praktika*. Izsledvane i izvori. V. Tarnovo. Izdatelstvo Rovita, 2015, pp. 524-617.

⁷ **Davidova, Evg.** *Bratyata Hristo i Nikola Tapchileshtovi – stopanska i obshtestvena deynost prez Vazrazhdaneto*. Avtoreferat na disertatsiya za prisazhdane na obrazovatelna i nauchna stepen 'doktor', S., 1998, p. 14, 18.

⁸ **Yordanov, D.** *Kreditnite druzhestva v Balgariya*. S., 1909, p. 3.

lending system. They were present in every town's economy. Despite their large number, Bulgarian economic and historical science has not shown any particular interest in them. Today's researchers focus their attention on joint-stock private banking institutions as more effective and important for the economic development compared to small money-lending houses organized on the principles of unlimited liability. The latter are considered either too impersonal or "... particularly specific ... speaking of a few names full of history"⁹. The rise of joint-stock entrepreneurship in the world in the twentieth century, including today, in one way or another influences such an attitude, not only to private banking houses, but also to savings funds and cooperative banks, and this is accounted for by modern historiography¹⁰. It also raises voices against the unexplained disregard for studying small companies in pre-industrial Europe¹¹. Regarding the period of the Bulgarian Revival and the post-liberation decades, a similar trend is observed in the business history developing in our country, whose attention is now mainly attracted by the large sole proprietorships and trading companies.

The current study focuses on the history of trade and banking in Svishtov during the pre-war period (1878-1912) in the light of the serious problem of applying the new forms of economic organization already spread in advanced European countries to the specific Bulgarian conditions. In the 1850s-1870s capital accumulation in the town was faster compared to other settlements in the country, until the end of the century it was developing rapidly and the issue of the introduction of the joint-stock model in the local commercial entrepreneurship and the lending system as part of the modernization of the town's economy provoked a justified interest. The aim of the study is to present the development and importance of private credit in Svishtov in its non-organized form in the context of various causes and circumstances that did not ensure a lasting life for local savings joint-stock companies and deterred the creation of a joint-stock bank. In order to achieve this goal, the following tasks are set: to outline the main stages and characteristics of the economic development of Svishtov and mainly of trade as the most important sector; to specify the number, the year of establishment and the times of operation of the trading-and-banking (money-changing) companies and banking houses, the subject of their activity and their legal form, as well as the sources of the capital mobilized in them; to provide biographical data, including on professional education, the economic and socio-political activities of prominent merchant-

⁹ **Avramov, R.** Komunalniyat kapitalizam. t. II, Fondatsiya balgarska nauka i kultura. Tsentar za liberalni strategii. S., 2007, p. 403.

¹⁰ **Schmidt, Reinhard H, Dilek Bülbük, Ulrich Schüwer.** Savings Banks and Cooperative Banks in European Banking Systems. - cejsh.icm.edu.pl/cejsh/element/bwmeta1.element.desklight-cc747e51-1910-478a-93ed-3bcd67e73419

¹¹ **Gelderblom Oscar, Francesca Trivellato.** The Funding of Small-Scale Business in Pre-Industrial Europe. 2016.- www.its.caltech.edu/~rosentha/events/EMG2016/2016%20Gelderblom&Trivellato.pdf.

bankers and money-changers; to determine the real presence of the BNB and the local savings joint-stock companies on the credit market in the town; to reveal the banking operations and services that the houses discussed offered, as well as their institutional features; to systematise the circumstances that allowed the banking houses at certain times to make a greater contribution to lending money to local trade and production; to outline the psychological profile of the Svishtov merchant; to explain the reasons why in Svishtov the joint-stock principle did not establish itself firmly and permanently in the economic life.

The object of the study is the trading-and-banking (money-changing) companies and banking houses in Svishtov in the period 1878-1912, and the subject of the study is their characteristics, directions of activities and their relations with the trading companies and industrial enterprises, as well as with other credit institutions. Methodologically, the principles of historical as well as logical and deductive methods of analysis are used. The comparative method is also used in the study, and it is generally constructed according to the requirements of the problem-chronological approach. Some economic concepts in the field of banking and entrepreneurship are used as a theoretical basis.

This study, which is essentially of a regional nature, reveals important aspects of the economic life of Svishtov. Unlike other Danubian centres such as Ruse, Nikopol, Lom, Vidin and Silistra, Svishtov still does not have a written economic history for the period of the Third Bulgarian Kingdom, and thus our study is a small contribution in this respect. The study also sheds light on the issue of 'inclusion' of the developed National Revival trade centres in the national economy of free Bulgaria and shows how specific geographic and socio-economic conditions as well as local economic mentality influenced the functioning of trading and bank capital. And this helps to consolidate the common national history of private banking institutions. The information provided about a number of companies would make it easier to research the economic life of other towns with which Svishtov had partner relations. The study will also help the local historians working on the history of the Svishtov families, with some new, unknown data about some of them.

In order to write this study the authors used sources of different origin. First, these are unpublished documents related to trade and credit in Svishtov, obtained from the Svishtov District Court, which includes the Trade Partnerships Register and the Trade Sole Proprietorships Register, kept in the State Archives in VelikoTarnovo (DA – VelikoTarnovo). Of great importance is the data used from the statistical yearbooks, the annual reports of the BNB, the Post Office Savings Bank and the two Svishtov savings joint-stock companies, which existed in Svishtov in the 1890s. Reliable evidence is also contained in the series *Balgarski almanah* (Bulgarian Almanac), published in the period 1892-1911, although not every year¹², and in the annual reports of the district

¹² The information about companies, institutions, officials and business people from different Bulgarian towns included in this reference-information series was provided by them and was a kind of advertising of their activities.

governors. The materials from local periodicals as well as from the national and regional press are also of great importance. Some studies which directly or indirectly affect the economic life of Svishtov in the period 1878-1944, as well as such about the history of the banking and credit system in Bulgaria and about the important private banking institutions are also used. However, the information on the specific banking operations and services performed by the companies studied proved to be extremely insufficient. Our efforts to find the balance sheets, accounting documents and other documents in the archive in VelikoTarnovo, in the museum and archive collection at 'E. and K. D. Avramovi' Community Centre in Svishtov, in the State Archives – Ruse, where documents of the Svishtov BNB branch are kept, did not give a positive result. We are left with the hope that materials related to them will be found in the future by us or by other authors working on the problems of the Bulgarian economic past. Given these limitations in the sources and historiography, some parts of the study, as well as the observations and conclusions made, are insufficiently empirically backed up. When new reliable sources are discovered, the authors express their willingness to enrich, further develop or correct some of the conclusions proposed here.

The study consists of an introduction, three parts, a conclusion and a reference list.

1. Svishtov's Economy and Large-scale Merchants, Trading-and-banking (Money-changing) Companies and Banking Houses in the Town

1.1. Years of commercial prosperity

Svishtov, owing to its convenient geographical location, grew as an all-Bulgarian trade centre during the National Revival, and especially after the 1830s, when the free navigation on the Danube started. There were many companies in the town which carried out large-scale trade (intermediary and/or at their own expense) related to the export of grain and various agricultural raw materials and imports of groceries and manufactured goods, salt, timber, etc. They maintained intensive contacts with a number of Bulgarian settlements, as well as with Vienna, Zimnicea, Braila, Bucharest, Galats, Alexandria, Brashov, Budapest, Odessa, etc.¹³ The increasing needs for capital, in view of the intensity of exchanges or temporary difficulties and obstacles, were the reason for the merchants to enter into associations, most often on a family or friendly basis, and to set up partnerships of unlimited joint liability. In Svishtov,

¹³ **Drumeva, M.** Stopanskoto razvitie na Svishtov i deynostta na targovskite firmi na Tsvyatko Radoslavov prez Vazrazhdaneto. Disertatsiya za prisazhdane na obrazovatelna i nauchna stepen 'doktor', S. 2018, pp. 18-111. This study makes an in-depth review of the economic development of the town in XV-XIX century.

however, no money-lending and credit association was created in the form of partnership with a wide range of participants so as to become joint-stock, like the structures arising in Sliven and Varna¹⁴. No joint-stock company was formed to carry out interest-bearing and bill operations, either. Here, the high revenue from trade allowed some of the profits to be invested in new transactions, to work alone or in companies with a small number of participants, and thus to self-finance. According to the data provided by Stefan Ganchev, who studied Svishtov's past, on the eve of the Liberation, there were about 45 trading companies and they included more than 200 families. At the same time, according to Felix Kanits, the richest Svishtov citizen had capital of 125,000 francs, and every local merchant, who had at least 50,000 francs and was enterprising, could earn a good annual income¹⁵. If necessary, Svishtov merchants also used loans from their partners, both local and from other Bulgarian towns, and mainly from the big banking houses 'Evlogi and Hristo Georgievi' in Bucharest – Galats, 'Hristo P. Tapchileshtov' – Tsarigrad, etc.¹⁶ These favourable circumstances did not contribute to the formation of attitudes toward working together in larger groups. Being away from the joint-stock form of work became a sustainable feature in the economic culture of Svishtov merchants and was manifested in the post-liberation decades.

It has already been reported in the literature that in Svishtov, as well as in other Danubian towns, until 1878 the profits from trade were not used to create industrial enterprises¹⁷, but due to the lack of selective research for the trading companies except for that of Tsvyatko Radoslavov¹⁸, we cannot state which of them invested part of their capital into banking and money-changing¹⁹. For now, we have certain information from the Trade Register of the Svishtov

¹⁴ **Rusev, Iv.** Targovskata modernost..., pp. 444-451; 572.

¹⁵ **Minev, D.** Stopanskoto polozhenie na Dunavska Balgariya i Balkana predi Osvobozhdenieto spored F. Kanits. S., 1940, p. 83.

¹⁶ **Koen, D.** Bankerskata deynost na kashtata 'Evlogi i Hristo Georgievi' v balgarskite zemi do Osvobozhdenieto. // *Istoricheski pregled*, 1975, kn. 6, pp. 64-68.

¹⁷ **Kosev, K.** Ikonomicheskoto polozhenie na Svishtov predi Osvobozhdenieto. – v: Sbornik v chest na akademik Mihail Dimitrov, S., 1974, p. 622.

¹⁸ M. Drumeva's study on Tsvyatko Radoslavov's trading activity makes it clear that he also often provided commodity credits, but without this kind of operations being distinguished as an important trend in the operation of his company. Similar practice was used by other merchants, too (**Drumeva, M.** op. cit., p. 313).

¹⁹ Such information is not available in Stefan Ganchev's study on the history of Svishtov, which he conducted in the late 1920s (**Ganchev, St.** Svishtov, Prinos za istoriyata mu. Svishtov, 1929; Second Phototype edition, Svishtov, 1996). The author listed old trading companies and families, but he devoted more attention to their social activities and family ties. On rare occasions, he only mentioned the nomenclature of the goods they exported and imported, and some partnerships, but this information is not enough to build up a clearer picture of their activities (see **Davidova, Evg.**, Balgarskite targovski kashti prez Vazrazhdaneto (Nyakoi istoriografski aspekti). // *Istoricheski pregled*, 1997, books 5-6, p. 97).

District Court about the subject of activity of only those National Revival companies that continued to develop after the Liberation and were registered in 1898²⁰. These companies were: '**D. Nachovich**' (1845, trading in groceries)²¹, '**Angel Tsvyatkov and Co.**', (1847, wholesaling and retailing of manufactured goods and small items)²², '**Georgi N. Visokov**' (1864, trading in grain and raising cattle)²³ '**Petar Dimov and Hristo Donkov**' (1868, retailing of manufactured goods and plying the painting trade)²⁴, '**Br. Teodorovi**' (1868, trading in timber)²⁵, '**Kiro II. Valev**' (1868, trading in timber)²⁶, '**Philip Marinov**' (1871, trading in foodstuffs)²⁷, '**Brothers Apostol and Anastas Monevi**' (1873, trading in grain)²⁸, '**Samokovlievi Brothers**' (1873, trading in grain and partly banking)²⁹. '**Brachkov & Kodov**' (1874, buying and selling foodstuffs and other goods)³⁰, '**V & D Pavurdzhievi**' (1875, trading in groceries)³¹, '**Br. D. Stamovi**' (1875, buying and selling various foodstuffs)³². As can be seen from the brief overview, only one of these companies was involved in banking.

The '**Samokovlievi Brothers**' Company was a partnership of joint unlimited liability, founded in 1873 by the two brothers – Apostol and Yanko G. Samokovlievi³³. There is a good reason to believe that the brothers had started trading earlier – in the Bulgarian Almanac for 1897, they pointed the year 1866³⁴ as the beginning of their activities, but why the Trade Register mentions 1873 we do not know. We can assume, but without claiming that it is a proven fact, that the 1866 company had gone bankrupt or, for some other reasons, stopped working, and in 1873 they founded a new one. Since the end of the

²⁰ Since June 1898, all companies have been subject to compulsory registration under the Commercial Act adopted in 1897.

²¹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 593, l. 108.

²² DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 28-29.

²³ DA – V. Tarnovo, f. 928K, op. 1, a.e. 647, l. 32-33; Balgarski almanah za 1897, S., 1897, p. 1451.

²⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 36-37.

²⁵ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 44-45.

²⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 91.

²⁷ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 67-68.

²⁸ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 34-35.

²⁹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 25-26.

³⁰ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 29-30.

³¹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 46-47.

³² DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 21-22.

³³ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 25-26. The family name Samokovlievi is one of the most famous in the town. In 1895, a company was founded by two other brothers whose surname was Samokovlievi in Svishtov. 'Brothers Ivan and Andrey K. Samokovlievi' was engaged in grocery retail and the purchase and sale of foodstuffs. The company was declared insolvent at the end of 1899 (DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 50-51). Whether there was a relationship between the owners of that company and the brothers Apostol and Yanko G. Samokovlievi – as branches of one family, or there were several families without a common root, is still not clear.

³⁴ Balgarski almanah za 1897, S., 1897, p. 1450.

1890s, along with the export of grain, the brothers also took up importing groceries and manufactured goods. At the same time, they were also involved in banking, but to a lesser extent³⁵. Banking gained more importance in their overall activities, and involved a larger share of their capital only after the contraction in trade in the town at the end of the 19th and the beginning of the 20th century³⁶.

The '**D. A. Burov & Co.**' company registered in Gorna Oryahovitsa was involved in lending money even before the Liberation. As it was developing very successfully in the following decades and became one of the most powerful in the country with an important place in industrial and banking history until 1944³⁷, its activities were of interest in quite a few studies but there is still a discrepancy in the opinions regarding some moments of its initial activities³⁸. It is undisputed that in 1862 Dimitar A. Burov (1839-1904) founded in Gorna Oryahovitsa the '**Burov D. A. and Company**' banking-and-trading house, in which he participated together with his brothers Atanas, Tsani and Iliya. The company provided loans, exported fur, cattle, cocoons, and imported groceries, small hardware, and farm equipment. In 1890, there was a change in its management. After the death of his brothers, D. A. Burov included their heirs and the newly registered partnership was named '**D. A. Burov & Co. Gorna Oryahovitsa, Svishtov, Ruse**'³⁹. It began operating in 1891⁴⁰. The Trade Register explicitly points out that the company '**D. A. Burov & Co**' was a continuation of the business structure, which arose in 1862. According to Registration № 706 of 19 June 1898 of the Svishtov District Court, published in the State Gazette, 213/1898 '**D. A. Burov & Co.**' was founded in 1862 as a partnership. The main office was in Gorna Oryahovitsa, with a branch in Svishtov, too. At the time of registration, D. A. Burov, N. A. Burov, A. A. Burov, I. D. Sharankov from G. Oriahovitsa, and A. Ts. Burov and Iv. D. Burov from Svishtov participated in it. The company dealt with 'various groceries, banking, etc.'⁴¹ In Svishtov, D. A. Burov's company may have been offering loans and

³⁵ This is proved by the fact that in Balgarski almanah za 1893, 1894, 1895, 1896, 1897 and 1898 they belonged to the group only of the grain merchants, but not of the bankers (Balgarski almanah za 1893. S. 1893, p. 983; Balgarski almanah za for 1894. S., 1894, p. 614; Balgarski almanah za 1895, S. 1895, p. 239; Balgarski almanah za 1896. S. 1896, p. 252; Balgarski almanah za 1897. S., 1897, p. 1450). Durastel, A. *Annuaire international de la Bulgarie 1898*. S., 1897, p. 896.

³⁶ In 1911, they were already members of the bankers' group and were presented as owners of a banking house (Balgarski almanah za 1911. S., 1911, p. 494).

³⁷ According to the 'Targovski far' newspaper, it was the largest in the country (for comments see Ivanov, M. *Mrezhoviya kapitalizam, Balgarska targovska banka i neynite srodni druzhestva. 1890-1914*. Izdatelstvo Gutenberg, 2010, p. 482.

³⁸ Ivanov, M. *Mrezhoviya kapitalizam ...*, p. 373.

³⁹ Tsvetkov, Zh. Atanas Burov. *Zhivot za Balgariya*. S., 1994, pp. 13-15.

⁴⁰ Balgarski almanah za 1897 ..., p. 1452.

⁴¹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 62-63.

bank services even before 1878, referring to D. Minev's study, which claims that the Burovs' first company was founded in 1847 based in Lyaskovets, establishing a credit institution and opening branches in Tarnovo, Svishtov and Ruse⁴². More reliable evidence to support this assumption, however, has not yet been found. It can definitely be said that from the early 1890s the company already had a branch in Svishtov, but the information indicates that it carried out mainly trading activities. In none of the volumes of the Bulgarian Almanac, the company was included in the group of bankers or money-changers – in 1898 it was included in the list of merchants of groceries and manufactured goods, and in 1911 – in the list of owners of mills and of ironmongery merchants⁴³, so if it practised banking, it was on a very small scale. The banking activity of the Burovs in Svishtov was associated with the name of D. A. Burov's son – Ivan. In 1895 Ivan D. Burov together with Kiro M. Abadzhiev founded in the town 'Burov & Abadzhiev' banking house, which operated until the beginning of 1899. 'D. A. Burov and Co.' operated in the Danubian town until the middle of 1912⁴⁴.

After the Liberation, in the course of the three decades until 1912 there were 17 trading-and-banking (money-changing) companies and banking houses altogether in Svishtov, 8 of which were partnerships and 9 sole proprietors. Their establishment and development was influenced by the economic situation in the country, by the development of the banking and lending system and, above all, by the changes in the town's economy.

In the first ten free years in the Principality of Bulgaria, there were still not sufficient conditions for the creation of private joint-stock credit institutions due to the country's overall economic backwardness. In the course of the Russo-Turkish war there began a process of land redistribution in agriculture. Buying the land of immigrating Turks consumed a significant part of the villagers' savings and led to the establishment of small landownership as a dominant form, and the sector retained its primitive nature for a long time. Part of the National Revival industrial potential of the artisan and manufacturing enterprises was destroyed during the war. Crafts declined rapidly due to the loss of the huge Ottoman markets and foreign competition, and the native industry was emerging too slowly owing to external and internal obstacles. Political life was also impetuous, which negatively affected the economic

⁴² "Even before the Liberation, the Burovs were involved in banking, and gardeners deposited their money with them to keep it safe. From Gorna Oryahovitsa, the company and the bank branched into Svishtov and Ruse and had extensive trade contacts with foreign countries" (**Minev, D.** Grad Lyaskovets. Minalo, segashno sastoyanie i deystsi. Istoricheski i stopanski prinosi. Varna, 1944. p. 254.

⁴³ **Durastel, A.** Op. cit., p. 896; Balgarski almanah za 1911. pp. 494- 495.

⁴⁴ In July 1912 Atanas Ts. Burov announced his house for sale with an option for rent, the store-rooms of the company were rented and his mill near the monastery together with 100 decares of land, of which 60 decares with a water flow for a vegetable garden (Rodina I, 53, 15 July 1912).

processes. Trade was recovering relatively faster, foreign trade in particular. Under the conditions of the adaptation of the national productive forces to the new economic and political realities, the prerequisites for the emergence of private joint-stock credit institutions – developed trade relations, frugality, active money exchange and capital availability – appeared first in the busiest town centres, among which were also the towns along the Danube⁴⁵. In the 1880s, the various savings and joint-stock companies created in them, as well as elsewhere in the country, were still few and very unstable⁴⁶. At that time credit operations and other banking services were mostly offered by private trading-and-banking companies (money-changing) and banking houses.

On the eve of the Russo-Turkish War (1877-1878), the export activities of the Svishtov merchants faced a serious problem – from 1873 onwards, grain prices in Europe marked a sharp decline due to the huge import of grain from America and under the conditions of the emerging European agricultural crisis, the transactions for purchasing grain fell, losses were accumulated, some companies went bankrupt, others withdrew from the grain trade, or limited their activities. There was an upsurge in trade in the town during the war. In the course of the two war years strong trade relations were established between the Bulgarian population in the towns and villages and the Russian army, with local residents supplying the troops with foodstuffs, and acquiring significant amounts of gold and silver money⁴⁷. In Svishtov these contacts were very intense after the summer of 1877, and in the autumn of that year trade grew immensely. Russian eyewitness Vsevolod Krestovskiy wrote: “From early morning till late at night, trade was in full swing in the town. Many shops, inns and pubs opened everywhere, so they began to emerge in every cul-de-sac, at every door, almost at every window and under every roof⁴⁸”. And the Svishtov merchant in Zimnicea Iliya A. Ivanov, returning to his hometown at that time, wrote to his brother Ivanitsa in Galats: “You cannot imagine what is going on in Svishtov; merchants can hardly supply the necessary goods even just for a day; trade is expanding so much. Money is so plentiful ... Brother, even the most impoverished people today have lots of Russian money ... The Svishtov citizens go to Bucharest for goods every day and they still do not have enough⁴⁹”. As Zahari Stoyanov wrote: “If there were 2,000 houses in Svishtov

⁴⁵ Yubileen sbornik na Balgarskata narodna banka. 1879-1929, S., 1929, pp. 7-9.

⁴⁶ **Bochev, S.** Kapitalizmat v Balgariya. S., 1998, Izd. Fondatsiya Balgarska nauka i kultura, pp. 312-314.

⁴⁷ **Hadzhinikolov, V.** Balgaro-ruski vrazki prez Osvoboditelnata vojna i Vremennoto rusko upravlenie. – V: Velikite sili v novo i nay-novo vreme. S., Izdatelstvo na BAN, 1985, pp. 122 -133.

⁴⁸ **Krestovskiy, V.** Yubileyna kniga za spomen na 15 yuni 1877 g. Preminavaneto na Dunav ot rusite pri Svishtov za Osvobozhdenieto na Balgariya. Svishtov, 1902, p. 75.

⁴⁹ Cited by **M. Drumeva**. Op. cit., pp. 313-314.

at that time, then there could be twice as more shops for nice tobacco and good spirits⁵⁰.

'Russian money' was of great economic importance for the whole country as it stimulated commodity-money relations⁵¹. There is no (even approximate) data what the total amount of money accumulated by Svishtov people was⁵², but that it created a favourable situation, was evidenced by the many newly-founded trading companies. Among them the largest were⁵³: 'Avramov & Tsokov' (1878, wholesaling of salt)⁵⁴, 'Todor Kasabov and Co.' (1878, trading in groceries)⁵⁵, 'Iv. Panev & Sons' (1878, buying and selling of timber and foodstuffs)⁵⁶, 'Nikolay Nyagolov & Angel T. Bakotov' (1879, trading in grain)⁵⁷; 'Salamon Abulash & Co.' (1880, manufactured goods)⁵⁸; 'II. Halachevi Brothers' (1880, haberdashery goods and money-changing)⁵⁹, 'Kosta and Todor Panayotovi' (1882, manufactured goods and tailoring)⁶⁰, 'Angel P. Drenkov & Co.' (1882, salt-production and trade in other goods)⁶¹, 'Sharankov & Raychev' (1883, buying and selling of salt and other goods)⁶², 'T. Murdarovi Brothers' (1884, trading in grain)⁶³, 'A. Brachkov & Yu. Nachev' (1886, buying and selling of foodstuffs and various goods)⁶⁴, 'Luka Ivanov' (1878, trade in manufactured goods)⁶⁵, 'Steryu Linkov' (1878, retailing

⁵⁰ **Stoyanov, Z.** Sachineniya. T. IV Lichni svidetelstva. S., Izd. Z. Stoyanov, 2008, p. 28.

⁵¹ **Bochev, S.** Op. cit., pp. 305-307.

⁵² According to unsubstantiated information in the Slavyanin newspaper, published in Ruse, one of the men who made a lot of money during the war was Stoyan St. Brachkov. He sold wine to the Russian troops at 3 francs per litre, and in 1881 his wealth already amounted to 1 million groshes (1 grosh equaled 1/5 BGN) (Slavyanin, III, 14, 26 September 1881). Together with Ivan K. Hinkov he founded, before 1889, a partnership for trading in groceries and other goods (DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 31-32).

⁵³ In the study we only listed trading companies about which there was reliable information as to which year they were founded in, the volumes of their import and export, and which existed during the whole reviewed period. Smaller companies involved in retailing, groceries, etc. are not mentioned, as they were beyond the focus of studying the relation between trade and banking. Their research will be the subject of another study.

⁵⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 22-23.

⁵⁵ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 24-25.

⁵⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 30-31.

⁵⁷ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 78-79.

⁵⁸ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 38-39.

⁵⁹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 42-43.

⁶⁰ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 37-38.

⁶¹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 55-56.

⁶² DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 45-46.

⁶³ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 53-54.

⁶⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 66-67.

⁶⁵ DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 30.

and wholesaling of various foodstuffs)⁶⁶, etc. All of these companies, except the 'Il Halachevi Brothers', which discontinued its activities in 1905, operated throughout the whole period until the wars.

The first trading-and-banking (money-changing) companies appeared with the money in circulation of different origins and value becoming plentiful. In 1878, the above mentioned **Iliya A. Ivanov** (1850-1898), after returning to his native town, began to deal with foodstuff trade and banking⁶⁷. Iliya Ivanov's activities are now little known and he remained in the shadow of his two better-known brothers Ivanitsa A. Ivanov (1847-1938) – a National Revival revolutionary and a prominent post-liberation banker, director of the BNB branch in Ruse (1884-1903)⁶⁸ and Dimitar A. Ivanov (n/a – 1902), manager of Evl. Georgiev's office in Bucharest⁶⁹. Iliya A. Ivanov was the youngest son of

⁶⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 49.

⁶⁷ Balgarski almanah za 1897 ..., p. 1452.

⁶⁸ Ivanitsa Ivanov took part in the Svishtov conspiracy of May 1867 and was exiled to Diyarbekir (1867-1872). After being released, he went to Galats, where his family had moved and started work for the Bulgarian merchant Evlogi Georgiev, who entrusted him with the management of his trading house in the town. During the Russo-Turkish War of Liberation, Iv. Ivanov performed reconnaissance tasks and was later appointed as head of the 'Hlebopechenie' company in Ruse, which met the needs of the Interim Russian Government. Having gained some experience as a bank clerk, in 1881, at the insistence of the Bulgarian government, he joined the BNB. His brother Dimitar at that time was the director of Evlogi Georgiev's trading house in Bucharest. Iv. Ivanov worked as secretary of the BNB until 1884, while in the meantime he served as director. In May 1884, when a BNB branch was opened in Ruse, he was appointed as its director. Owing to his hard work and experience, the branch ranked first among the other branches in the country according to a number of indicators. He held this position for 20 years. He was a member of the board of directors and a shareholder in the first insurance company 'Bulgaria' in Ruse, as well as a shareholder in the 'Nadezhda' Anonymous Joint-stock Company, in the 'Girdap' joint-stock company, etc. He also did a lot of charity work. In 1903, Iv. Ivanov was fired from BNB and two years later a lawsuit was started against him for granting loans improperly, which continued until 1912. After it ended he was imprisoned for a short time, but was pardoned by the king on the occasion of the 25th anniversary of his accession to the throne. Insulted and underestimated, he lived on a modest retirement pension and died in October 1938. (See **Likovski, N.** Diarbekirski spomeni i avtobiografichni belezhki na Ivanitsa Angelov Ivanov ot Svishtov (1847-1938). // *Izvestiya na darzhavnite arhivi*, t. 52, 1986, pp. 407-462; **Bilchev, T., T. Velikova.** Ivanitsa Angelov Ivanov – sazaklyatnik i banker (biografichen portret). V. Tarnovo, 2002). Recent studies on the history of banking show that Iv. Ivanov's objections against the accusations were grounded and that this lawsuit should be regarded with a dose of skepticism (see **Ivanov, M.** Mrezhoviyat kapitalizam ..., p. 470).

⁶⁹ In July 1862 Dimitar A. Ivanov started work at the office of the brothers Evlogiy and Hristo Georgievi in Galats. After Hr. Georgiev's death he was summoned by Evlogiy Georgiev in Bucharest to manage the office there, where he worked till his death enjoying great respect and trust. In 1898 he fell ill and after a long medical treatment in Davos (Switzerland) he died in 1902. He was buried in Bucharest. Having no heirs he left 100,000 BGN to the Ministry of National Education to open a fund in the name of his parents Angel and Todora Ivanovi for helping poor students in Svishtov. (**Likovski, N.** Op. cit., p. 452).

the local merchant Angel Ivanov. It is known that after the death of the father in 1852, the children's uncle Iliya Ivanov got involved in their upbringing and education. In the 1860s the family moved to Galats. On the eve of the Liberation War, Iliya A. Ivanov and his brother Ivanitsa took part in the campaigns for gathering information for the Russian army⁷⁰. At that time he also probably traded in Zimnicea. He had gained experience, he was familiar with the banker's job, but we cannot say now whether this was related to his brothers' work, or he was also directly involved in the banking activities of the Georgievi family. After settling in Svishtov he became mayor, but for a short time – from July 15 to September 26, 1880⁷¹, and then completely devoted himself to private trading and banking activities. Iliya Ivanov also pioneered the 'First Svishtov Savings Joint-stock Company'. In 1888, shortly before it became operational (January 1889), he was elected vice-chairman⁷². In his biographical notes, Ivanitsa Ivanov referred to 1889 as the year of the death of his brother Iliya⁷³. However, information from other sources gives us grounds to assume that a technical error was made in writing the year (or in reading the manuscript), and that in fact he died not in 1889, but in 1898. In the Bulgarian Almanac for 1897 it was stated that Iliya A. Ivanov was a foodstuff merchant and dealt with banking, trading since 1878⁷⁴, and in the Almanacs for 1893, 1894, 1895, 1896 his name was mentioned among the group of merchants trading in tobacco⁷⁵ and in the Almanac for 1898 – in the group of merchants trading in foodstuffs, groceries, manufactured and other goods, which means that his business expanded over the years⁷⁶. The fact that a company of that name – a sole proprietorship or a partnership in which he participated, was not registered in 1898 gives us reason to assume that this was the same Iliya A. Ivanov and that he died in 1898. Maybe future newly discovered documents will confirm with certainty this clarification or prove that he actually died in 1889 and another merchant of the same name was referred to after that year.

In 1879, **Haim Malamed**⁷⁷ created a sole proprietorship for money-changing (banking) and grain retailing, and in 1884 **Yakov Dzhaen**⁷⁸ undertook the same activities. The two were representatives of the small Jewish community in the town. Unlike some other Danubian centres such as Ruse and Vidin, Svishtov Jewish community was not numerous. According to the 1880 census, there were 29 Jews living in the town, in 1888 there were already 130 Jews (there was also a primary Jewish school where 13 boys and 9 girls were

⁷⁰ Likovski, N. Op. cit., p. 443.

⁷¹ Ganchev, St. Op. cit., p. 161.

⁷² Darzhaven vestnik, X, 128, 24 noemvri 1888.

⁷³ Likovski, N. Op. cit., p. 453.

⁷⁴ Balgarski almanah za 1897 ..., p. 1452.

⁷⁵ Balgarski almanah za 1893 ..., p. 985; Balgarski almanah za 1894 ..., p. 617; Balgarski almanah za 1895 ..., p. 241; Balgarski almanah za 1896 ..., p.254.

⁷⁶ Durastel, A. Op. cit., p. 986.

⁷⁷ DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 86.

⁷⁸ DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 96.

taught⁷⁹), and in 1910 – they were 109⁸⁰. For now, we do not have any biographical information about H. Malamed and Y. Dzhaen, but obviously they had the ability typical for the community to be good merchants and bankers.

In 1880, the '**Brothers Il. Halachev – Anastas, Atanas and Milan Halachevi**' partnership for trading in haberdashery and manufactured goods and money-changing was founded⁸¹. In 1900, Anastas was removed from the company, and in 1905, due to the death of Milan, the company was dissolved. Atanas Il. Halachev was the most successful merchant of the brothers. He also owned a sole trader business for selling and buying various types of foodstuffs. The year of founding that company is not known, but it is obvious from the registration request that it existed well before 1898⁸². The partnership offered good quality jewellery and glassware on the market, the brothers made a name for themselves as suppliers of these products, and At. Halachev – as a grain merchant⁸³. Atanas Il. Halachev was a man of public authority, as evidenced by his inclusion in the group of honorary members of the Council of Svishtov municipality in 1890⁸⁴.

From the second half of the 1880s until the economic and financial crisis of 1897-1902, the conditions in the country for productive entrepreneurial initiatives became more favourable⁸⁵, and this also contributed to the development of the banking and credit activities. In Varna, Shumen, Ruse, Pleven, Svishtov and some other towns there emerged a number of credit companies, some of which evolved into banks, such as 'Girdap' in Ruse, and the first large private joint-stock banks – BCB in Ruse and CIB in Plovdiv were founded.

⁷⁹ Sastoyanie na uchebnoto delo v Svishtovski okrag. // *Promishlenost*, g. I, 15 septemvri 1888, kn. XXI- XXII, p. 486.

⁸⁰ **Zlatev, L.** Demografskoto razvitie na kraydunavskite gradove sled Osvobozhdenieto do voynite (1912-1918). // *Almanah za istoriyata na Ruse*, t. XI, Ruse, 2009, pp. 51-52.

⁸¹ SA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 42-43. At that time in Svishtov there were four different families of the name Halachevi, who were not related (Svishtovski rodovi hroniki. Compiled by Maria Tsenova-Tosheva. Svishtov, 2011, p. 199). There is no more available information about the life of the owners of that company for now.

⁸² DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 24.

⁸³ Balgarski almanah za 1892 ..., p. 141; Balgarski almanah za 1893 ..., p. 982; Balgarski almanah za 1894 ..., pp. 614, 617; Balgarski almanah za 1895 ..., p. 238, 241; Balgarski almanah za 1896 ..., p. 251; Balgarski almanah za 1911 ..., p. 495.

⁸⁴ Byudzhet na grad Svishtov za 1890. // *Promishlenost*, g. II, noemvri-dekemvri 1889, kn. XI-XII, p. 1243.

⁸⁵ During these years, modern economic and administrative institutions were established, the policy of protectionism was formed, the national market was consolidated, the initial capital accumulation was completed, the production of goods was increased, and the new trade agreements in 1897 established a more profitable foreign trade regime.

During these years, Svishtov consolidated its position as a trading centre of regional and national importance. By the end of the 19th century, the country's strategic policy of reorienting the agricultural exports to the Black Sea was still unable to overcome the leading role of the Danube in the export of grain. In the 1886-1895 decade, owing to its convenient geographical location and its rich agricultural hinterland (areas of the central part of northern Bulgaria), Svishtov, compared to the other Danubian towns – Vidin, Lom, Oryahovo, Nikopol, Ruse, Tutrakan and Silistra, ranked first according to the percentage of exports and second – of imports⁸⁶. There were 4 shipping agencies in the town – Austrian, Russian, Magyar and Romanian⁸⁷. The large-scale exports of grain and other agricultural products – mainly to Galats, Braila and Sulina, and less to Passau and Regensburg, as well as the imports of groceries and manufactured goods, salt and timber, brought high profits. 1888 was particularly favourable, which, according to the Svishtov district governor, would be remembered for a long time by the town residents, as "... the turnovers in this year are so good that at the end of the year the store-rooms of groceries and manufactured goods, with a few exceptions, were empty of goods"⁸⁸. Almost three-quarters of the town's population was engaged in trade, and Svishtov people lived with the self-confidence that they were the 'Bulgarian Dutchmen'⁸⁹. Svishtov seemed to justify the critical opinion of Zahari Stoyanov that it continued to be, as in the Revival period, a bazergyan town that did not produce but speculated and exploited the other areas⁹⁰. In 1888, Svishtov Customs ranked third after those in Varna and Ruse from all 37 Bulgarian customs⁹¹. In 1886, the imports at Svishtov Customs amounted (in thousand BGN) to 4,873 and exports to 2,709; in 1889 – to 6,224 and 7,087 respectively; and in 1894 – to 8,981 and 4 487⁹².

⁸⁶ **Marinova, M.** Kam vaprosa za promyanata v rolyata na reka Dunav i na kraydunavskite gradove vav vanshnata targoviya na Balgariya (1878-1912). // *Izvestiya na Tsentara za stopansko-istoricheski izsledvaniya*. t. 1, Gradskoto stopanstvo v balgarskite zemi prez vekovete. Varna, 2016, p. 373.

⁸⁷ Izlozhenie za sastoyanieto na Svishtovskoto okrazhie prez 1897-1898 g. Svishtov, 1898, p.10.

⁸⁸ Izlozhenie za sastoyanieto na Svishtovski okrag, predstaveno na Svishtovskiya okrazhen savet na redovnata mu sesiya na 1 septemvri 1889. Svishtov, 1889, p. 20.

⁸⁹ **Pranchov, St.** Ikonomicheskoto polozhenie na Balgariya prez 1889 g. // *Promishlenost*, g. II, avgust-septemvri 1889, kn. VIII-IX, p. 758.

⁹⁰ **Stoyanov, Z.** Op. cit., p. 27. The term 'bazergyan', according to Ottoman documents and modern researchers was used to denote large-scale merchants of financial authority who were involved in long-distance trade, or caravan trade and sea trade.

⁹¹ Hronika. // *Promishlenost*, g. II, avgust-septemvri 1889, kn. VIII-IX, p. 850.

⁹² Statisticheski godishnik na Balgarskoto tsarstvo 1909, godina parva (s dannii za 1908). S., Darzhavna pechatnitsa, 1910, p. 238.

In this environment favourable for local people, new trading partnerships emerged, the bigger ones being: '**Tsani Tihov & Sons**' (1888, trading in grain)⁹³, '**N. Popov & A. Minchev**' (1888, trading in grain)⁹⁴, '**S. St. Brachkov & Iv. K. Hinkov**' (1889, buying and selling of various groceries and other goods)⁹⁵, '**Vasil Hr. Staevski and Minko Hr. Staevski**' (1889, trading in grain)⁹⁶, '**Konstantinovi Brothers**' (1892, trading in various groceries, hardware and other goods)⁹⁷, '**Brothers Vasil and Hristo Marinovi**' (1892, buying and selling foodstuffs)⁹⁸, '**Philip Marinov & Sons**' (1893, trading in hardware)⁹⁹, '**Karanachevi Brothers**' (1894, buying and selling foodstuffs and other goods)¹⁰⁰, '**Ivan Yordanov**' (1896, trading in groceries and other trade operations and enterprises)¹⁰¹, '**Tsankovi Brothers**' (1897, buying and selling foodstuffs)¹⁰², '**Payakov & Valev**' (1897, brokerage, freight forwarding)¹⁰³, etc. There were also sole proprietorships that had great opportunities like those of '**Rasho Penev**' (1890, trading in groceries)¹⁰⁴, '**Marko D. Samokovliev**' (1889, buying and selling groceries)¹⁰⁵, '**Mihail K. Avramov**' (1888 trading in foodstuffs)¹⁰⁶, '**Panteley Hinkov**' (1896 trading in grain)¹⁰⁷, etc.

In the spirit of the Revival traditions cash surpluses during these years were not injected in industrial enterprises and Svishtov artisans, with small exceptions, did not modernize their activities¹⁰⁸. The slower and more uncertain industry progress then was characteristic not only of Svishtov, but also of the other Danubian settlements. In them the trade still provided big profits and was a promising occupation, due to which the interest in production activities was

⁹³ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 63-64.

⁹⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l.86-87.

⁹⁵ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 31-32.

⁹⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 59-60.

⁹⁷ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 26-27.

⁹⁸ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l.75-76.

⁹⁹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 68-69.

¹⁰⁰ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 23-24.

¹⁰¹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 19-20. The company was managed by Boyan Iv. Yordanov, but it bore the name of the father Ivan Yordanov, who died on 28 August 1896. (*Dunavski izvestiya*, II, 33, 30 avgust 1896).

¹⁰² DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 33-34.

¹⁰³ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 39-40.

¹⁰⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 8.

¹⁰⁵ DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 38.

¹⁰⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 66.

¹⁰⁷ DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 83.

¹⁰⁸ **Vacheva, E.** Razvitie na zanayatite v Svishtov v perioda ot Osvobozhdenieto do kraya na XIX v. // *Izvestiya na Tsentara za stopansko-istoricheski izsledvaniya*. t. 1, Gradskoto stopanstvo v balgarskite zemi prez vekovete. Varna, 2016, p. 387-404.

far slighter¹⁰⁹. The Svishtov town industry at the end of the 19th century was represented by several small enterprises, which were far from the characteristics of real industrial establishments – 1 knitting shop for woollen underwear belonging to the Draganovi brothers, 2 printing houses, 3 soda-lemonade factories, 1 tobacco processing factory¹¹⁰, 4 wool carding shops, 96 mills (92 of which powered by water, 3 – by gas engines and 1 – by wind), the most modern one being that of Dimitar Kodov, which could produce several types of flour¹¹¹. There were also fishing companies ('**Ivan Peltekovi Brothers & Co.**' – 1887)¹¹² and fish wholesaling companies ('**Hristo Teodorov and Angelcho Dankov**' – 1895)¹¹³. The confectionery factory, founded by Georgi Tsenov in 1886, was very successful¹¹⁴.

The largest production initiative was the 'Svetlina' trading and industrial joint-stock company. The town community welcomed its establishment with high expectations. The company started its business in 1895 and dealt with gas trade (oil) imported from Russia (Batumi). The basic capital was 450,000 BGN, divided into 2,250 bearer shares of 200 BGN each, with a term of validity until 14 December 1920. The plans of the company included the construction of tanks and a factory for the production of tinware, wooden boxes and barrels for gas transmission, as well as refinery equipment for the production of gas from oil¹¹⁵. This ambitious programme, however, was not fully implemented, due to both strong external competition and mismanagement, and after the first successful years, in 1904 the company entered a period of liquidation¹¹⁶.

Two savings joint-stock companies were founded within 5 years to meet the needs of the town economy, and the local merchants in particular, for credit. The First Svishtov Savings Joint-stock Company was established in 1889¹¹⁷. It was founded for a period of 15 years – until the end of 1903 with 3,000 registered shares at the value of BGN 20 each, with a mandatory monthly

¹⁰⁹ **Zlatev, L.** Stopansko razvitie na kraydunavskite gradove sled Osvobozhdenieto do voynite (1878-1912 g.). // *Almanah za istoriyata na Ruse*, t. X, Ruse, 2010, p. 105.

¹¹⁰ This tobacco factory, owned by Iliya T. Ribarov, ceased its operations in 1896, because, according to the owner, it required 'a lot of work', and besides, the local population preferred imported tobacco (Izlozhenie za sastoyaniето na svishtovskoto okrazhie prez 1896-1897. Svishtov, 1897, p. 28).

¹¹¹ Izlozhenie za sastoyaniето na svishtovskoto okrazhie prez 1895-1896, Svishtov 1896, p. 61.

¹¹² DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 61-62.

¹¹³ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 74-75.

¹¹⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 647, l. 41-42.

¹¹⁵ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 87-88.

¹¹⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 92-93.

¹¹⁷ In order to facilitate the reader, in this paper the exact name of this company, as entered in the Trade Register 'The First Svishtov Savings Joint-stock Company', will be written in its short form, namely 'The First ... company'.

installment of BGN 2¹¹⁸. In 1894, 'Dunav' Svishtov Savings Joint-stock Company started operating for a period of 10 years, with 4,000 registered shares at the value of BGN 20 each and a monthly installment of BGN 2 per share¹¹⁹. Both companies accepted savings and granted short-term loans under different conditions. New private trading-and-banking (money-changing) companies and banking houses were also established.

In 1891 **Aleko Nikoliev** established his own sole proprietorship operating in food trade and money exchange¹²⁰. He was among the large-scale grain merchants and money exchange for him was an additional activity without much significance¹²¹. In 1892-1895 Nikoliev was involved in the import of timber and supplied timber for the construction of the State Trade School by using the relations of his Romanian-Carpathian wife's brothers who were large-scale merchants in this branch. Through them he also provided timber for private construction in Svishtov¹²².

In 1894 the '**Brothers St. Abadzhievi – Atanas and Boris St. Abadzhievi**' partnership was founded "to carry out bank operations and also buy and sell golden currency"¹²³. It is not exactly clear where the invested initial capital came from, but in the following years it came from the brothers' trading activities. In 1895, one of them – Atanas St. Abadzhiev together with Hristaki Andreev established the 'Andreev & Abadzhiev' company for wheat trade¹²⁴. In 1898 the 'Br. St. Abadzhievi' banking house entered into a partnership with the same Hristaki Andreev and together they registered the 'Hristaki Andreev & Br. St. Abadzhievi' company, which dealt "especially in wholesaling and retailing of different kinds of tobacco (tobacco deposit of various factories)"¹²⁵. Abadzhievi's attempt at banking was not successful. In early 1901, probably for reasons related to the crisis, their banking house was declared insolvent¹²⁶. The brothers continued trading both through their own company and through the common company with Hr. Andreev, but in the first decade of the 20th century, with the shrinking trade in the town, they were already dealing primarily with money exchange – pure money-changing¹²⁷. For now, the available information

¹¹⁸ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 101.

¹¹⁹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 10.

¹²⁰ DA – V. Tarnovo, f. 928K, op. 1, a.e. 261, l. 25; a.e.647, l. 18-19.

¹²¹ In almost all volumes of *Balgarski almanah*, A. Nikoliev was mentioned as a grain merchant and only in this one as a grain merchant and money-changer (*Balgarski almanah za 1911....*, p. 497), but not in the group of bankers, already specified in this edition.

¹²² **Radkov, R., Donevski, P.** Svishtov. Kulturno-istoricheski zabelezhitelnosti. Abagar, V. Tarnovo, 2007, p. 115.

¹²³ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 41-42.

¹²⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 80-81.

¹²⁵ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 125-126.

¹²⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 80-81; *Darzhaven vestnik*, XXIII, 2, 1901.

¹²⁷ *Balgarski almanah za 1911....*,p. 497.

on **Hr. Andreev's** life and activities is scarce. In the 'Bulgarian Almanac', he was referred to as a banker, as well as a timber merchant¹²⁸. Probably, after entering into a partnership with the Abadzhievi brothers in 1895, he left banking, of which we have no data how long and how he practised it¹²⁹.

On June 1, 1895 the '**Burov & Abadzhiev**' banking house was founded in Svishtov as an unlimited liability partnership for banking operations. It consisted of Ivan D. Burov – from Gorna Oryahovitsa and Kiro Abadzhiev – from Svishtov¹³⁰. Ivan D. Burov used the resources of the wealthy trading and banking family to which he belonged, and Kiro Abadzhiev invested in this company his profits from the successful agricultural entrepreneurship he was developing as a family heritage. He was the only Svishtov banker who did not owe his wealth to trade. He was born to the family of Mityu Ivanov Abadzhiev and Siyka Lambeva. His parents were wealthy people possessing a lot of lands. Kiro Abadzhiev inherited a large farm of several thousand decares in the Kerteka area – between Oresh Railway Station and the village of Dragomirovo, on which he built a well-appointed large-scale farm. There he grew different grain crops and was engaged in livestock production. There was also a mill, workers' buildings and the owner's house on the farm¹³¹. The two partners had a good education for their time. Ivan D. Burov (1873-1939) finished the Trade Academy in Vienna, specialized in France and worked for some time in one of the big banks in Marseille. After coming back to Bulgaria he settled in Svishtov, where he remained until 1899¹³². Kiro Abadzhiev was among the first alumni of the State Trade School in the town and finished his education in 1886-1887¹³³. The partnership discontinued its activities on 27 February 1899 as Iv. D. Burov withdrew from the company and left for Ruse, where he worked extensively in the financial and economic-managerial sectors¹³⁴.

Some of the issues of the 'Bulgarian Almanac' from the 1890s included the names of some other people involved in banking – **Angel Petrov**, presented as a confectioner and banker, and **Moir Asher** – a banker¹³⁵, but for now we do not have information about the beginning of their activities and of the reasons why they did not register their companies in 1898.

¹²⁸ Balgarski almanah za 1893..., p. 982; Balgarski almanah za 1894..., p. 614; Balgarski almanah za 1895 ..., p. 238.

¹²⁹ In 1893, the 'Brothers S. & M. Abadzhievi' company was founded by the two brothers Milan and Simeon Abadzhievi for trading in groceries (DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 76-77). Here, like in the Samokovlievi companies, the relationship of the owners of the two companies is not clear.

¹³⁰ DA – V. Tarnovo, f. 928K, op. 1, a. e. 645, l. 48-49.

¹³¹ Svishtovski rodovi hroniki ..., p. 166.

¹³² **Ivanov, M.** Mrezhoviya kapitalizam ..., pp. 373-374.

¹³³ Yubileen sbornik na Darzhavnata targovska gimnaziya 'D. h. Vasilev'in Svishtov. Svishtov, Pechatnitsa P. A. Slavkov. 1909, p. 132.

¹³⁴ **Ivanov, M.** Mrezhoviya kapitalizam ..., pp. 373-377.

¹³⁵ Balgarski almanah za 1894 ..., p. 614, 617; Balgarski almanah za 1895 ..., p. 238, 241; Balgarski almanah za 1896 ..., pp. 251, 254.

1.2. Svishtov under the blows of the economic crisis of the late 19th and early 20th century. The decline

The panorama of Svishtov's successful commercial development was troubled by the economic crisis that took place in the period 1897-1902¹³⁶. During these years, the town experienced a real economic catastrophe. The first blow came suddenly and was caused by the floods and the poor harvest in 1897. The gloomy picture of the 'business tumult becoming silent' was widely covered in the local press¹³⁷ as well as in the national press¹³⁸. The following data are also indicative of the downward trends, especially in exports: from 1 July 1897 to 30 June 1898, the ratio between the value of imports and exports at Svishtov Customs was 5.7: 2.9¹³⁹; in 1899 the value of imports and exports (in thousand BGN) was 3,571 and 3,226, respectively, significantly lower than the one mentioned above for 1894¹⁴⁰. In the next few years, the town's role in Bulgaria's foreign trade rapidly diminished for a number of reasons, among which the main ones were: the launching of the Central Railway (1899) and the Ruse-Turnovo Railroad (1900), which diverted a considerable part of Northern Bulgaria's export to the Black Sea; increased competition with some smaller Danubian ports such as Somovit, linked by rail with Pleven; delayed construction of the planned wharf in the town and the Svishtov - Levski railway line. If the value of imports and exports (in thousand BGN) through Svishtov Customs was 5,900 – 4,888 respectively in the five-year period 1894-1898, in the period 1899-1903 it was 2,932 – 3,566¹⁴¹. Although in the spring of 1898 trade showed some vitality¹⁴², the downward trend could not be stopped.

The negative consequences during the crisis reflected mainly in the increased bankruptcies of companies, the shrinking of the merchants' activities

¹³⁶ This crisis started with a series of bad harvests, leading to a sharp decline in exports while at the same time Dr. K. Stoilov's government failed in its attempt to provide an external loan to finish the building of the parallel line of the Baron-Hirsch Railroad, in which a lot of money was invested. In November 1899, the convertibility of the BGN to gold was temporarily suspended (See **Kyoseva, N.** *Istoriya na parichnite krizi v Balgariya 1879-1912*. S., UNSS, 2000, p. 87).

¹³⁷ The heavy rains in the spring, and especially in June 1897, increased the levels of the rivers passing through the county as well as of the Danube and caused large floods, including on the roads. This made it difficult to transport agricultural raw materials from the settlements in the area near Svishtov, as well as the sale of the imported manufactured goods. Most of the store-rooms in the port were flooded and the goods in them were ruined. The poor harvests reduced exports, which was mostly felt in September, when wheat was usually exported (*Dunavski izvestiya*, III, 35, 6 yuni 1897; 36, 13 yuni 1897; 51, 26 septemvri 1897; 51, 3 oktombri 1897; *Dunavski izvestiya*, V, 11, 18 dekemvri 1898).

¹³⁸ *Balgarski targovski vestnik*, V, 218, 30 septemvri 1897.

¹³⁹ *Dunavski izvestiya*, IV, 46, 18 septemvri 1898.

¹⁴⁰ *Statisticheski godishnik na Balgarskoto tsarstvo: 1909, ...*, p. 238.

¹⁴¹ *Statisticheski godishnik na Balgarskoto tsarstvo: 1909, ...*, p. 239.

¹⁴² At that time the prices of exported foodstuffs were slightly increased due to the clever behaviour of producers and merchants. The prices of imported goods did not record such a movement.

in the town and the redirection of part of these activities to other towns such as Ruse, Varna, Sofia, etc., where they had better prospects for development and where they opened branches of their companies. In 1897 the 'Chernevi Brothers'¹⁴³ and 'Vasil and Hristo Marinovi'¹⁴⁴ went bankrupt, Stoyan Ivanov¹⁴⁵ also stopped trading. In 1898, Svishtov District Court declared 10 trading companies bankrupt (to compare – the same number of companies also went bankrupt in the same year in Varna, in Ruse – 13, in Vidin – 4, in Plovdiv – 4)¹⁴⁶. The situation of the most powerful house in the import of manufactured goods – '**Angel Tsvyatkov & Sons**' was also changed¹⁴⁷. It found a larger scope for activities outside Svishtov. In 1901 the company opened a branch in Ruse, which quickly increased its operations and one of the members of the family – Philip Tsvyatkov moved permanently there. In 1905 the company opened a branch in Sofia¹⁴⁸. The Svishtov branch, which continued to be managed by its founder Angel Tsvyatkov and young Stefan Tsvyatkov¹⁴⁹, gradually shrank its activities and was closed in 1914, but the other two continued operating¹⁵⁰. In 1901, the Svishtov company 'Konstantinovi Brothers' opened a section for brokerage, freight forwarding, collection, etc. in Varna, which was managed by Yurdan Konstantinov¹⁵¹. Offices of merchants from other towns also closed, e.g. the office of M. Hazan from Ruse¹⁵². There was also a reduction in the prices of properties. Some public and business figures left the town¹⁵³. The newly founded companies, mostly sole proprietorships, were for retailing of foodstuffs, manufactured goods and mainly groceries, and the partnerships for brokerage trade were very few, among which 'Vasil Ekimov & Co.', established in June 1898¹⁵⁴, was the most powerful. Svishtov seemed to suddenly have woken up and woefully found out that its trade fame was waning. Shocked by this abrupt change, the citizens undertook actions, but unfortunately not in the right direction. Instead of thinking about how to change the structure of the town economy by joint-stock investment in industry or river traffic, which could lead to economic recovery, merchants called rallies where they put forth their demands to the state. They believed that it was the state's duty to interfere and recover Svishtov's former traditional occupation and stop

¹⁴³ Balgarski targovski vestnik, V, 241, 27 oktombri 1897.

¹⁴⁴ Balgarski targovski vestnik, V, 246, 11 noemvri 1897.

¹⁴⁵ Balgarski targovski vestnik, V, 243, 7 noemvri 1897.

¹⁴⁶ Balgarski targovski vestnik, V, 218, 30 septemvri 1897.

¹⁴⁷ As already stated, it existed since 1847 and till the crisis was an undoubted leader in the export of manufactured goods, where it long rivalled even the advantages of Ruse companies (**Bochev, St.** Op. cit., p. 597).

¹⁴⁸ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 28-29.

¹⁴⁹ Podkreplenie, I, 13, 28 april 1902.

¹⁵⁰ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 28-29.

¹⁵¹ Dunavski izvestiya, VI, 43, 19 oktombri 1901; DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 26-27.

¹⁵² Dunavski izvestiya, IV, 43, 29 avgust 1899.

¹⁵³ Dunavski izvestiya, IV, 43, 29 avgust 1898.

¹⁵⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 57-58.

its decline. Relying on the state dates back to a long time ago. Already in the late 1880s, when designing the national railway network, Svishtov merchants were concerned that the central railway line would take a significant part of Northern Bulgaria's exports and would direct them to the Black Sea and that this would affect their interests and would have an adverse effect on the town's economy. At the same time, however, they hoped that governments would not allow such a blow to Svishtov given its convenient geographical location on the Danube for import-export trade and its long trade history, and would find ways to integrate it into the national economy through an appropriate rail link¹⁵⁵.

The first event was impressive. On December 13, 1898, the business circles organized a community rally, widely attended by the population. Disagreement with the state's general railway policy was expressed, the government was criticized for favouring Ruse, a series of measures to 'save' Svishtov were outlined (insisting on the construction of the wharf, the Svishtov - Levski railway line, closing the small port along the river, etc.). A special bureau, headed by Lazar Payakov, was set up to coordinate future actions¹⁵⁶. Although in the following years, Svishtov people's demands reached both the governing Cabinets and the National Assembly¹⁵⁷, under the conditions of a financial crisis they remained without any consequences. In 1900, the town suffered a new blow – the Svishtov district was closed and this situation was confirmed by the new Law on the administrative division of the country from 1901. This reduced its attractive power as a market centre for the peasants from the district who, coming to town for administrative issues, contributed to the good local trade¹⁵⁸. At the beginning of November 1900, the local newspaper of the emblematic name 'XX vek' concluded with pain: "In Svishtov everything is dying away"¹⁵⁹. On 26 August 1901, a second community meeting was called, which again discussed the reasons for Svishtov's lagging behind and a new organization was formed – the Economic Society, which had 50 members – representatives of all economic groups. It had to take care of overcoming the crisis and the future progress of the town. The demands at the meeting remained the same¹⁶⁰. The society organized meetings with ministers and MPs, and put forth the demands again but did not get a positive answer¹⁶¹.

During the crisis, industrial entrepreneurship was very poorly developed. It involved the establishment of two modern mills – the '**Petrovich & Veselinov**' roller mill (1899)¹⁶² and **Vassil Zlatanov**'s gas engine mill in partnership with

¹⁵⁵ Izlozhenie za sastoyanieto na Svishtovskoto okrazhie za 1889. Svishtov, 1890, p. 20.

¹⁵⁶ Dunavski izvestiya, V, 11, 18 dekemvri 1898.

¹⁵⁷ Dunavski izvestiya, V, 37, 25 juni 1899.

¹⁵⁸ In the summer of 1899 Svishtov citizens sent a protest letter, signed by 800 people, to the National Assembly against the plans for closing the district, but without any result. (Dunavski izvestiya, V, 37, 25 juni 1899).

¹⁵⁹ XX vek, I, 8, 6 noemvri 1900.

¹⁶⁰ Red, I, 30, 31 avgust 1901.

¹⁶¹ Red, I, 21, 19 septemvri 1901; 22, 22 septemvri 1901; 24, 10 oktombri 1901; 26, 24 oktombri 1901; 31, 1 dekemvri 1901; 42, 31 mart 1902.

¹⁶² DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 118-119.

Hristo Teodorov and Georgi S. Kovachev (1898)¹⁶³, and the '**A. N. Dankov & Co.**' printing company¹⁶⁴. Stefan Veselinov intended to open a factory for preserving meat, fish and crabs using the best system (Produce A. D. Echevanne)¹⁶⁵, but for reasons that are still unclear the project remained unimplemented. At the same time, two sole proprietor's banking houses were founded, which were to play an important role in the economic life of the town. On the day when '**Burov & Abadzhiev**' ceased operations – February 27, 1899, **Kiro M. Abadzhiev**, Ivan Burov's other partner, registered a separate banking house¹⁶⁶. In the following years, he proved to be a good manager and was continuously expanding his agricultural production¹⁶⁷, increasing his own capital, and turning into a respected banker. At the beginning of 1900 the '**Ivan P. Panev**' banking house opened operating in 'banking, brokerage and agency'. In 1904, Yako Malamed joined the company as a limited liability partner, and remained in it until 1907¹⁶⁸. Ivan P. Panev belonged to the well-known trading family of Ivan Panev, who owned the company 'Iv. Panev & Sons', which included Ivan Panev and one of his sons, Teofan Iv. Panev. It was founded, as already mentioned, in 1878 and dealt with buying and selling of timber and foodstuffs¹⁶⁹. Over the years, the company was also engaged in

¹⁶³ DA – V. Tarnovo, f. 928K, op. 1, a.e. 593, l. 121.

¹⁶⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 49-50.

¹⁶⁵ Balgarski targovski vestnik, VII, 125, 14 yuni 1899.

¹⁶⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 647, l. 61-62.

¹⁶⁷ K. Abadzhiev also bought Dimitar Nachovich's pastureland (probably in 1899 or 1900) and cultivated it very well. He organized production of high-quality maize, which was intended for export, and this brought him good profits. Due to the high yields of maize the 'Dunavski izvestiya' newspaper, recommended that the Standing Committee in the municipality buy seeds from him and give them out to the farmers (Dunavski izvestiya, VI, 43, 19 October 1901). K. Abadzhiev also organized a modern pig farm, raising new and good breeds of English pigs (Ratnik, Year III, 21, 7 June 1903). In 1914, he went to law on a dispute with the municipality of the neighbouring village of Bozhurluk regarding land worth 100,000 BGN, with an area of approximately one kilometre to expand his activities, and won the case at the Court of Appeal in Ruse (Dunavski izvestiya, XVIII, 38 September 20, 1914, XVIII, 39, 27 September 1914).

¹⁶⁸ DA – V. Tarnovo, f. 928K, op. 1, a.e. 647, l. 61-62.

¹⁶⁹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 30-31. According to St. Ganchev, Iv. Panev was a prominent merchant from Svishtov, born circa 1822. He started trading in groceries and later joined the export of grain (**Ganchev, St.**, Op. cit., p. 394-395). In February 1900 due to his old age he retired from the company, which continued operating under the same name with Teofan Iv. Panev as its only owner. His brother, Panteley Iv. Panev was not included in it and at present we do not have any information regarding his professional activities. According to St. Ganchev, Ivan Panev had two sons – the above mentioned Teofan and Panteley. According to some sources, he had another heir – Dimitar Ivanov Panev. Now we know that he was an agent for Svishtov in the 'New York' Life Insurance Company (Promishlenost, g. 1, 1 dekemvri 1887, kn. III, p. 49), and that in 1889-1900 he was the cashier of the First Svishtov Savings Society, and in 1891-1894 – its vice-chairman (DA – V. Tarnovo, f. 668K, op. 1, a.e. 1, a.e.2). So far, we have no information what his relations with his father and his other brothers were.

importing English coal and other goods¹⁷⁰. Ivan P. Panev was the son of the other heir of the old Ivan Panev – Panteley Ivanov Panev and he received a sound education for his time, and in 1894-95 he graduated from the Trade High School in Svishtov and then from the Vienna Trade Academy¹⁷¹. Whether there was a connection between the fact that the time when old Ivan Panev withdrew from the 'Iv. Panev & Sons' company coincided with the foundation of Ivan P. Panev's banking house, cannot be said for sure for now, but if there was such, it was probably connected with redistributing the family wealth or it was an attempt to mobilize the remaining temporarily uninvested capital. The foundation of Ivan P. Panev's trading company was met with trust by the citizens, and the local press wished him success in the independent trading career¹⁷². Ivan P. Panev also participated in various brokerage business transactions, most probably through the family company, and in the town he was respected as an honest trader and banker¹⁷³.

The setting up of the two banking houses '**Kiro M. Abadzhiev**' and '**Ivan P. Panev**' was not just an expression of the practice of free capital turning to banking as a more secure and profitable enterprise compared to industrial production. In this case, in our opinion, it would not be unreasonable to assume that there was also a serious public cause: on the one hand, the need to provide short-term credit and bank services on the spot for merchants who would no longer be able to rely on the two savings companies as since 1899 they, albeit for various reasons that will be discussed below, were already preparing for liquidation and were gradually restricting and suspending their active operations; on the other hand, to attract the remaining free capital of the former shareholders, depositors and clients of the companies and to ensure their use in the interest of the local business.

After the crisis ended, the economic life in the country entered a rising phase. There was economic bustle in Svishtov too, but it did not revive its old trade glory. The consequences of reorienting the export of agricultural produce to the Black Sea through the central railroad were more tangibly felt. If in 1902-1903 Svishtov port took almost entirely the export of agricultural produce of Turnovo district¹⁷⁴, in 1904 it was already the second export point for the district after Varna port¹⁷⁵. This situation remained in the following years¹⁷⁶. In 1904, the amount of imports and exports (in thousand BGN) through Svishtov Customs was 3,938 - 4,924; in 1905 – 3,940 - 5,711; in 1906 – 2,982 - 2,319; in

¹⁷⁰ Dunavski izvestiya, VI, 1, 15 oktombri 1899.

¹⁷¹ Yubileen sbornik na darzhavnata targovska ..., p. 136.

¹⁷² Dunavski izvestiya, VI, 7, 26 noemvri 1899.

¹⁷³ Podkreplenie, I, 7, 17 mart 1902.

¹⁷⁴ Izlozhenie za sastoyanieto na Tarnovskoto okrazhie prez 1902-1903 g. V. Tarnovo, 1903, p. 31.

¹⁷⁵ Izlozhenie za sastoyanieto na Tarnovskoto okrazhie prez 1904-1905 g. V. Tarnovo, p. 45.

¹⁷⁶ Izlozhenie za sastoyanieto na Tarnovskoto okrazhie prez 1909-1910 g. V. Tarnovo, 1910, p. 64.

1907 – 3,269 - 3,477; in 1908 – 3,763 - 1,635; on average over the five-year periods – 1904-1908 – 3,378 - 3,642¹⁷⁷; in 1909 – 3,936 - 2,181; in 1910 – 5,098 – 3,093¹⁷⁸; in 1911 – 5,494 - 4,695¹⁷⁹, and in 1912 – 7,395 - 4,203¹⁸⁰. In 1911, Svishtov already ranked sixth among the nine Danubian ports (with Somovit included in the group) according to the percentage of exports¹⁸¹. The low waters of the Danube further hampered exports and foreign trade transactions declined¹⁸². Trade grew mainly in times of good harvests of rapeseed and maize¹⁸³.

From the middle of the first decade of the twentieth century, there was a growing interest in industrial entrepreneurship, but we cannot say that trade capital in the town flowed to industry. Although not as clearly pronounced as in Ruse, Vidin and Lom, Svishtov also registered some industrial progress¹⁸⁴. The main factor contributing to this was the acceleration of construction and the launching of the long-awaited Svishtov - Levski railway line (August 9, 1909)¹⁸⁵. During the last seven or eight prewar years, new enterprises were created and some of the older ones expanded and were technologically renovated: in 1905, 'Todor Valchev and Co.'¹⁸⁶ – a factory for soda, lemonade and spirits was opened; in 1907, G. Tsenov's candy factory¹⁸⁷ expanded, renewed its technological base and the company became a partnership under the name 'Georgi Tsenov Co.'; in January 1907, Ivan A. Karamanliev opened a modern tailor-shop¹⁸⁸; and at the beginning of 1909, the first Svishtov petrol-motor plank factory of Iliya P. Vulpev opened, in which there were 4 installed machines for making doors, floorboards, windows, parquet, furniture¹⁸⁹. After several months

¹⁷⁷ Statisticheski godishnik na Balgarskoto tsarstvo: 1909 ..., pp. 238-239.

¹⁷⁸ Statisticheski godishnik na Balgarskoto tsarstvo: 1910, godina vtora (s dannii za 1909). S., Darzhavna pechatnitsa, 1911, pp. 282-283.

¹⁷⁹ Statisticheski godishnik na Balgarskoto tsarstvo: 1911, godina treta (s dannii za 1910 i 1911). S., Darzhavna pechatnitsa, 1914, p. 260.

¹⁸⁰ Statisticheski godishnik na Balgarskoto tsarstvo: 1912, godina chetvarta (s dannii za 1911 i 1912). S., Darzhavna pechatnitsa, 1915, p. 209.

¹⁸¹ **Marinova, M.** Kam vaprosa za promyanata v rolyata ..., p. 373.

¹⁸² Ratnik, III, 38, 12 oktombri 1903.

¹⁸³ Izlozhenie za sastoyaniето na Tarnovskoto okrazhie prez 1901-1902. V. Tarnovo, 1902, p. 29.

¹⁸⁴ **Zlatev, L.** Stopansko razvitie na dunavskite gradove..., p. 105.

¹⁸⁵ Dunavski izvestiya, XIII, 25, 5 yuni 1909.

¹⁸⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 151-152.

¹⁸⁷ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 193-194. Nikola Dobrinov – a specialist-technologist was attracted as collaborator. At that time a new production building was constructed, equipped with modern machines. The items of the factory were sold in almost the whole of North and South Bulgaria (Dunavski izvestiya, XVIII, 13, 30 mart 1914).

¹⁸⁸ Dunavski izvestiya, XII, 2, 3 noembri 1906.

¹⁸⁹ Dunavski izvestiya, XIII, 12, 3 april 1909.

of research in the first half of 1909¹⁹⁰ Vidin merchant Dimitar St. Minchev, son of the merchant from G. Oryahovitsa, Stefan Minchev, received permission to build a wire-nail factory and open it in one and a half years¹⁹¹. In the summer of 1909, work began on the construction of a modern plank factory, owned by the 'Sharenkov & Raychev' partnership for selling and buying salt and other goods, set up in 1883, which included Iliya D. Sharenkov from Gorna Oryahovitsa and Hr. Raychev from Svishtov¹⁹². The construction of the factory, entered in the Trade Register as a new activity of the company, ended several months before the end of 1910. Then it already worked and offered boards, beams and other products¹⁹³. Since Iliya Sharenkov was part of the Burov family and participated in the company 'D. A. Burov & Co.', in the town this company was referred to as the factory of Burov and Raychev. It was equipped with high-class machines, imported from Austria and Germany and offered high quality items that were sought not only in the region but throughout the whole country¹⁹⁴. According to contemporaries, the factory was the biggest and the most well-established in every aspect in that sector¹⁹⁵. It restricted its activities after May 1912, when 'D. A. Burov and Co.' decided to close their office in Svishtov¹⁹⁶. In 1910 the Brachkovi brothers¹⁹⁷ from Svishtov planned to build a beer factory¹⁹⁸, but for now we do not have any data as to whether they realized that initiative.

The Russian gas company 'Nobel Brothers' raised great hopes for economic upheaval in Svishtov. In the summer of 1909, it hired the remaining untapped gas tanks built by 'Svetlina' company, repaired them and renovated the former workshop of the tins and chests company and started importing gas from Batumi, which it intended to export to the interior of the country through the railway network after the Svishtov - Levski section was already into operation. From October 1, 1909, the 'Nobel Brothers – partnership for oil production', opened in Svishtov a gas factory and a large warehouse of the best refined Russian gas (petroleum) in petrol tanks, chests, and tin-cans. It also sold the famous Russian mineral oils and oil products of the company

¹⁹⁰ Dunavski izvestiya, XIII, 26, 12 yuli 1909.

¹⁹¹ Dunavski izvestiya, XIII, 44, 14 noemvri 1909.

¹⁹² DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 45-46.

¹⁹³ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 45-46.

¹⁹⁴ Dunavski izvestiya, XIV, 29, 31 avgust 1910.

¹⁹⁵ **Ivanov, M.** Mrezhoviyat kapitalizam ..., p. 296.

¹⁹⁶ **Ivanov, M.** Mrezhoviyat kapitalizam ..., p. 296.

¹⁹⁷ This refers to Angel St. Brachkov and St. St. Brachkov who until then did not work together but participated in partnerships with other people. St. St. Brachkov had a company together with Iv. K. Hinkov, set up in 1889 to trade in groceries (DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 31-32), and Angel St. Brachkov participated in a company together with Dimitar Kodov, founded in 1874 to trade in foodstuffs and other goods (DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 29-30).

¹⁹⁸ Dunavski izvestiya, XIII, 25, 5 yuli 1909.

'Nobel Br. and Shibaev'¹⁹⁹. This time, again the hopes that Svishtov would become a centre for importing gas to the country proved to be rash. Due to some legal restrictions on gas imports²⁰⁰, that benefited the other three towns through which gas entered the country – Ruse, Varna and Burgas, and the competition of the Romanian 'Steaua Romana' Oil Company, which also had an office in Svishtov²⁰¹, the 'Nobel Brothers' company moved its main office from the Danubian town to Sofia and restricted its activities in Northern Bulgaria from July 1, 1911²⁰².

Over these years, the flow of free capital from trading to banking continued. In addition to the establishment of new trading-and-banking (money-changing) companies, some long-standing purely trading companies turned to banking and money-changing, and several new persons appeared in brokerage²⁰³. On 1 January 1902, the '**Teodorov Co. Nenov**' partnership was founded for "brokerage, freight forwarding of imported and exported domestic and foreign goods, money exchange and collection"²⁰⁴, the partners being Aleko N. Teodorov and Petar Nenov and it existed until the beginning of 1908. Then, for reasons unknown for now, it ceased operations and its assets and liabilities were taken by one of the partners **Aleko N. Teodorov**, who registered in his own name a sole proprietorship for banking, brokerage and freight forwarding²⁰⁵. Aleko N. Teodorov belonged to the famous and rich National Revival family Teodorovi from Svishtov, which traded in timber through the 'Br. Teodorovi' company, founded in 1868²⁰⁶. Until now we have not found details about the life of Aleko N. Teodorov, except that he was born on November 20, 1882. There are data that the other partner Petar Nenov set up a sole proprietorship for brokerage, freight forwarding and agency in January 1901²⁰⁷. As regards their joint venture, the 'Dunavski izvestiya' newspaper wrote: "The young people Aleko N. Teodorov and Petar Nenov (Payakov) intend to open a banking office in Svishtov"²⁰⁸.

¹⁹⁹ Dunavski izvestiya, XIII, 36, 19 septemvri 1909; DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 212-213. The company was registerd on 12 December 1909.

²⁰⁰ According to the Customs Act, gas in crates and cans could not be stored at Svishtov customs house. This right was given to Ruse, Varna, Burgas. The Ministry of Finance allowed 'Nobel' to store the arrived gas only in bulk for the 'Svetlina' tanks (Dunavski izvestiya, XV, 9 yuli 1911).

²⁰¹ Dunavski izvestiya, XV, 30, 23 yuli 1911.

²⁰² Dunavski izvestiya, XI, 28, 9 yuli 1911.

²⁰³ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 215-216, 247, 248.

²⁰⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 133-134. Of the four Teodorovi brothers – Panteley, Nikolay, Danail and Apostol – Nikolay, whose son was Aleko N. Teodorov, was not included in it for reasons unknown for now (Svishtovski rodovi hroniki ..., p. 241; **Ganchev, St.** Op. cit., p. 398).

²⁰⁵ DA – V. Tarnovo, f. 928K, op. 1, a.e. 647, l. 97-98.

²⁰⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 44-45.

²⁰⁷ DA – V. Tarnovo, f. 928K, op. 1, a.e. 647, l. 67-68.

²⁰⁸ Dunavski izvestiya, VI, 11, 18 yanuari 1902.

In 1902 the '**Avramov & Tsokov**' company²⁰⁹ took up banking. It was founded on March 1, 1878, as a partnership for salt trade, which included Kiril D. Avramov, Toma K. Tsokov, Krastyu T. Tsokov and Mityu K. Tsokov. On March 1, 1902, K. D. Avramov²¹⁰, T. K. Tsokov²¹¹ and M. K. Tsokov ceased their participation in the company. On the same date Vladimir Tomov Tsokov became a new partner. He and Krastyu Tomov Tsokov took over the management and took up banking, as well. Krastyu and Vladimir were sons of T. Tsokov. Vladimir T. Tsokov (1873-1953) was the son from his second marriage to Ekaterina Dimitar Karanacheva. He finished the Trade High School in the town in 1889-1890, and then the Anvers Trade Institute²¹². After his return to the country until the autumn of 1901 he worked as secretary of the Tarnovo Branch of the BNB. After leaving this post, and after a brief medical treatment abroad, in February 1902 he settled in Svishtov and devoted himself to the trading profession²¹³. Krastyu T. Tsokov finished the Trade High School in Svishtov in 1887²¹⁴.

'**St. Yakimov Co. Malamed**'²¹⁵ partnership was set up on 20 March 1907 with members Stefan Yakimov and Yako Malamed. Prior to this – from 1903, St. Yakimov partnered with Asparuh Ivanov in the 'A. Ivanov & Yakimov'²¹⁶ partnership

²⁰⁹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 22-23.

²¹⁰ Kiril D. Avramov (1850 – 1904) was a prominent merchant and public figure who, in 1904, bequeathed 400,000 golden BGN for the building of the first community centre (Svishtovski rodovi hroniki ..., p. 161). Together with Panayot Konstantinov and Stanislav Karanachev, he founded on 27 February 1895 the '**Kiril D. Avramov & Co**' company as a partnership for buying and selling timber. From April 27, 1902, after the withdrawal of Kiril D. Avramov, the partnership discontinued its operation and was renamed to 'Karanachevi Brothers' trading company based in Svishtov and with the same object of activity – selling timber. The brothers Stanimir and Stanislav Karanachevi from Svishtov were representatives and managers of the company (DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 27-28). The above mentioned renaming probably meant merging its capital into the already existing company 'D. Karanachevi Brothers', founded in 1894 as a partnership for trading in foodstuffs and other goods by the two brothers. This company opened a branch in Varna for food trade in August 1902. In 1911 the company 'D. Karanachevi Brothers' ceased to exist after the death of Stanimir D. Karanachev (DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 23-24).

²¹¹ Toma Kani Tsokov (1831-1917) was one of the four Kani Tsokov's children (Mityu, Todor, Toma and Todorka). The father, who died in 1845, dealt with raising cattle and trade. Toma Tsokov started trading in the village of Chaushevo partnering with Yordan Raykov, then moved his trade to Svishtov and worked in partnership with Dimitar Karanachev and others. Later he started joint activities with Kiril Avramov, drew closer to him and married his sister. The two of them – brothers-in-law continued trading till the end of their lives (Svishtovski rodovi hroniki ..., p. 174).

²¹² Yubileen sbornik na garzhavnata targovska ..., p. 133.

²¹³ Dunavski izvestiya VI, 42, 12 oktombri 1901.

²¹⁴ Yubileen sbornik na darzhavnata targovska ..., p. 132.

²¹⁵ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l.194-195.

²¹⁶ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 134-135.

for retailing manufactured goods. Whether he was related to the family of the merchant Petar Yakimov²¹⁷ is not clear for now. In 1912, the partnership ceased to exist and its assets and liabilities were taken by the 'Stefan Yakimov' sole proprietorship, which dealt with money-changing as before²¹⁸.

On the eve of the wars, there were few industrial enterprises in Svishtov and its industrial development, as for most of the Danubian settlements, with the exception of Ruse and to some extent of Vidin, was at the customary average level for the country²¹⁹. A large part of the population remained linked with agriculture and crafts, and there was hardly any trace of the past trade boom. This is clearly evident from the distribution of the active population by occupation. According to the 1910 census, the picture was as follows: farmers and agriculture, hunting and fishing – 21.46%; industry and crafts – 21.12%; communications and transport – 10.63%; trade, banks and credit – 13.78%, public services (civil and military) – 14.26%; housework and domestic helpers – 9.07%; civil servants, wage workers and workers with unspecified occupation – 4.86%; other unknown professions – 4.82%²²⁰. The demographic dynamics also reflected the ongoing socio-economic processes. Svishtov was among the 19 towns in the country with populations between 10,000 and 20,000. Over the decades, the population grew by only 13.57%, and by this indicator it ranked among the last of all the Danubian settlements²²¹. In Svishtov and the region there were favourable conditions for the development of industry in several important directions such as the construction of food storage silos, large joint-stock companies for sawing imported timber, for production of flour, semolina, starch, cast iron items, fabrics, calicos, as well as for porcelain. Svishtov citizens were often advised to redirect their commercial capital to the development of productions from these areas, as there were both raw materials and a well-trained workforce in the region²²², but they did not embrace the idea and set up only woodworking factories.

²¹⁷ After Petar Yakimov's death, his wife Filosofiya bequeathed 163,000 BGN for granting scholarships to students at the Trade School (**Nikolova, Yu.** Dostoyno esty. Svishtov prez XIX vek do parvoto desetiletie na XX vek. S., Izdatelstvo Ivray, p. 447-448.

²¹⁸ DA – V. Tarnovo, f. 928K, op. 1, a.e. 647, l. 153-154.

²¹⁹ **Zlatev, L.** Stopansko razvitie na kraydunavskite gradove sled Osvobozhdenieto do voynite (1878-1912 g.). // *Almanah za istoriyata na Ruse*, t. X, Ruse, 2010, pp. 103-113.

²²⁰ **Zlatev, L.** Demografsko razvitie na balgarskite kraydunavski ..., pp. 58-59.

²²¹ The picture according to data from censuses was as follows – in 1880 the number of citizens was 11,540; in 1887 – 12,483; in 1892 – 13,212; in 1900 – 13,633; in 1905 – 13,439; and in 1910 – 13,101 (**Zlatev, L.** Demografsko razvitie na balgarskite kraydunavski ..., p. 45).

²²² **Danailov, G. T.** Svishtov kato targovski grad edno vreme i sega. – Yubileen sbornik na darzhavnata targovska gimnaziya 'D. h. Vasilev' v Svishtov. 1884 – 1 septemvri 1909. Svishtov, 1909, pp. 159-161.

It can be seen from the above that the main activity of most trading-and-banking (money-changing) companies and banking houses was trade, which they combined with banking (money-changing). Their capital came from the export of grain and other agricultural raw materials and from the import of groceries and manufactured goods, salt and timber. Three companies – ‘Burov & Abadzhiev’, ‘Iv. P. Panev’ and ‘K. Abadzhiev’ – were involved in just banking, according to the subject of activity by registration, the first two relying on the capital of their trading families by participating, in one form or another, in activities to increase them, and the third one – on the profits from his own successful agricultural production.

In legal terms, some of the companies were sole proprietorships, and others were set up as partnerships of joint and unlimited liability. Under the commercial law, this type of company was in the category of personal trading companies. They were formed in view of the personal qualities of the partners, they only included the partners’ capital and relied on their involvement, having joint liability. Typically, the number of participants was limited and the partnership was based on complete trust²²³. None of the Svishtov companies presented was established as a capital trading company, such as a joint-stock company, limited partnership with shares and limited liability company. Business partnerships were set up on a family or friendly basis. “As a social system, the family attaches great importance to loyalty, trust and altruism. It employs mechanisms of encouragement and control, shaped by morality and religious ethics. Owing to its nature, it has a fairly low risk of disloyal behaviour, and doing business in it minimizes the danger of unethicity and fraud”²²⁴.

In terms of territorial scope, trading-and-banking (money-changing) companies and banking houses only operated within Svishtov and the municipality. They neither opened branches in the neighbouring settlements, nor sent their agents or correspondents to other towns. By ethnicity, the companies were Bulgarian, there were no partnerships with Turks, as was widely-spread before the Liberation. Representatives of the local Jewish community were also involved in money-changing and banking. There were no foreigners in the companies because of the reservations Svishtov citizens had for the foreign capital.

As an occupation, banking trade, defined by law, in Bulgaria includes: bankers and money-lenders; brokers and freight forwarders; money-changers; managers of joint-stock companies and insurance companies²²⁵. It can be noted that when indicating the subject of activity in the ‘Bulgarian Almanac’ Information Series and when entering the Trade Register, the owners of Svishtov trading-and-banking (money-changing) companies and banking

²²³ **Katsarov, K.** Sistematischen kurs po balgarsko targovsko pravo. Chetvarto izdanie. S., 1990, pp. 150-151.

²²⁴ **Ivanov, M., Ganev, G.** Biznes elitite na Balgariya 1912-1947, 1989-2005. S., 2009, p. 25.

²²⁵ **Durastel, A.** Op. cit., p. 180.

houses widely used the concept of banking, and often banking and money-changing were considered synonymous. This was to some extent inherited from the National Revival period, because then, due to underdeveloped market relations, the differentiation of banking from money-changing occurred slowly. The slow establishment of the banking and credit system in the country contributed to such confusion after 1878, and it was happening in other towns, as well. In Gabrovo, for example, some well-known bankers kept their name 'money-changers' and referred to themselves as owners of 'money-changing shops'²²⁶. On the other hand, as our study will further discuss, banking was often confused with money-lending.

Svishtov trading-and-banking (money changing) companies and banking houses were operating without any shocks. Two of the companies, Moir Asher's and Angel Petrov's, for unknown reasons were not registered under the Commercial Law and operated until 1898. Four companies ceased to exist – two due to the death of an owner ('Iliya A. Ivanov' – 1898) and a partner ('Halalchevi Brothers' – 1905), the third one due to the withdrawal of one of the partners (1899 – Ivan D. Burov from 'Burov & Abadzhiev') and the fourth one ('Teodorov Co. Nenov') – for some unclear reasons. Only one company was declared bankrupt ('Abadzhievi Brothers', 1901), but it later recovered and operated in money-changing. The lack of resounding bankruptcies suggests that the companies were on solid ground, well-managed and moderate in their undertakings. The latter, however, also suggests fear of risking and engaging in speculation and other larger-scale initiatives.

The representatives of the banking profession were not among the active participants in political life. Their names were not found among the members of the local leaders of the National Liberal (Stambolov's) Party, as well as the People's and Progressive-Liberal parties, which had strong nuclei in the town. The exception was Ap. Samokovliev, who, as evidenced, in the 1890s was a convinced supporter of St. Stambolov²²⁷, but obviously later changed his political views because in 1911 he was already on the lists of the Progressive-Liberal Party for municipal councilors²²⁸; At. Ts. Burov and Aleko Nikoliev were members of the People's Party²²⁹ and Atanas II. Halachev – of the People's Liberal Party, whose candidate for municipal councilor he was in the elections of August 1905²³⁰. The remoteness from political life might bring comfort to business, but it deprived the narrow circle of bankers of the possibilities to influence the formation of the municipality's economic policy. It can also be noted that Svishtov bankers were not even among the organizers of the rallies

²²⁶ **Todorova, Tsv.** Ikonomicheskata modernizatsiya – sluchayat Gabrovo sled 1878 do voynite 1912-1918. – v: Modernizatsiyata na Balgariya i Gabrovo. 1878-2006. Natsionalna konferentsiya, septemvri 2006, V. Tarnovo, 2007, p. 58.

²²⁷ Narodna partiya, I, 4, 13 avgust 1894.

²²⁸ Rodina, I, 5, 26 yuni 1911.

²²⁹ Rodina, I, 5, 26 yuni 1911.

²³⁰ Dunavski izvestiya, X, 37, 12 avgust 1905.

of 1898 and 1901 as if they realized their inefficiency in advance. They were not very active in the work of the Ruse Chamber of Commerce and Industry (CCI), either. Already in 1895, immediately after it was established, Svishtov merchants insisted that a branch of the chamber be opened in their town, but this proposal was not supported²³¹. The tensions between the two towns regarding the construction of the Ruse - Tarnovo railway, against which Svishtov citizens strongly protested, as well as the lack of support from Ruse CCI in the late 1890s for the construction of the Svishtov - Levski railway line, was the reason for certain distrust in this institution. K. Abadzhiev represented the district in the CCI from the bankers' circle in 1903²³². As a group, merchants and bankers had a high prestige in the society.

As far as the education of bankers was concerned, most of them did not have special training. They relied on the experience gained in trading. Iliya A. Ivanov probably acquired knowledge also through his work for the Georgievi brothers in Wallachia. Only three bankers received special economic education at European universities – Ivan D. Burov (Vienna and practised in Marseilles), Ivan P. Panev (Vienna) and Vi. Tsokov (Anvers), with the last two graduating from the Trade High School in their hometown before that. This high school provided an enviable training for the banking profession, which is why the majority of its graduates found work in the BNB, BCB and other banking institutions²³³. K. Abadzhiev also graduated that school, and undoubtedly enriched his competence in the course of his joint work with Iv. D. Burov.

Getting into banking is an expression of the natural pursuit of profit. In Svishtov, however, banking was still viewed in an archaic way as an additional activity within trading that provides secure profits without much organizational costs. Banking houses were far from being self-perceived as leading structures that had to drive economic modernization, at the core of which was the development of industrial production. This is clearly evident from their activities, which are discussed in the next paragraph.

²³¹Yubileen sbornik na targosko-industrialnite kamari v Tsarstvoto po sluchay 25 godini ot osnovavaneto im 1895-1920. S., 1920, p. 28.

²³² Yubileen sbornik na targosko-industrialnite ..., p. 63. The other representatives over the years were merchants: Todor Kasabov – 1909, 1913; Georgi Avramov – 1895; Petar Bakardzhiev – 1895; N. Konstantinov – 1899; Atanas Ts. Burov – 1903, 1907; Boyan Iv. Yordanov – 1907, 1911. (See also **Veleva, L.** Targosko-industrialnite kamari v Balgariya 1894-1919 (organizatsiya i deynost). S., Avangard Prima, 2005, p. 476).

²³³ According to a study of all 916 who graduated in 1886-1914, 659, i.e. 72% found professional realization. Of them the greatest share – 274, or 30% were engaged in banking (**Razhdavichka, Ev.** Svishtovskata darzhavna targovska gimnaziya 'D. h. Vasilev' i formiraneto na balgarskiya obshtestven elit v kraya na XIX i nachaloto na XX vek. v: I nastapi vreme za promyana: Obrazovanie i vazpitanie v Balgariya XIX-XX vek. S., 2008, pp.76-77).

2. Banking Operations and Services of the Trading-and-banking (Money-changing) Companies and Banking Houses in Svishtov

The lack of historical sources outlined in the introduction of the study in particular relates to the issues raised in this section. Unfortunately, we were not lucky while trying to find documents on specific banking operations and services performed by trading-and-banking (money-changing) companies and banking houses in Svishtov. At that time, company documents were kept within family circles, and it is not known whether and at what extent they are preserved by heirs. So far, private collections of publicly available materials have not been provided by them in regional and central archives, or in local museums and community centres²³⁴. We do not have company annual reports at our disposal, either, because houses were not public institutions and had no obligation to publish their balance sheets in the press.

Obstacles of similar nature accompany studies on the credit operations of almost all private banks and companies in Bulgaria. Until 1944, bank statistics were not well organized and did not provide generalized and systematized data on the amount and conditions of loans granted. Long ago, researchers working in the period between the two world wars ascertained this fact and, relying on the incomplete data available, drew their conclusions so as to correspond as accurately as possible to the actual state of affairs²³⁵. This reservation is also valid for the present study. The accurate information we have is scarce and has been gathered from the local and central press, from reports of the urban credit companies and from statements made by district governors. Comparing it with the reliable information on banking operations and services that town business circles were provided by the Bulgarian National Bank (BNB), the two local savings public companies and by other private banks, on the one hand, and taking into account the changes in the business environment in the town, on the other, enable us to draw certain conclusions through deductive and logical analysis. They refer to companies' activities and especially to the place, role and significance of credits offered by them for the municipal economic development. The insufficient empirical basis and the vulnerability of the method may give rise to the objection that certain conclusions are substantiated assumptions in nature. However, we think they are important, because each conclusion with approximate dimensions is better than the lack of one, and can be supplemented, clarified or corrected in the future.

²³⁴ A private collection of Veliko Tarnovo State Archives source materials (DA – Veliko Tarnovo, f. 1035K, f. 1036K) is available. It was owned by Todor Bozhinov (1858-1928), a lawyer and a long-time leader of the local organization of the People's Liberal Party, and was donated by his daughter-in-law, Maria Bozhinova. However, the information in it refers to party life and political struggles in Svishtov.

²³⁵ **Karklisiyski, N.** Konstatatsii varhu kreditnata deynost na bankovite institutsii s ogled na vazdeystviето im varhu po-vazhnite otrasli na balgarskoto narodno stopanstvo. S., 1941.

Passive operations

Banks are companies trading in money (capital) and seeking profit and liquidity. They exchange money, store valuables and money, transfer money (payment intermediation), carry out lending activities (credit intermediation), stock-issuing activities (securities issuance and purchase), and trust activities (participation in the asset management of businesses and individuals)²³⁶. The subsequent analysis gives us grounds to conclude that, for the most part, trading-and-banking (money-changing) companies and banking houses in Svishtov carried out operations typical of commercial banks, although they lacked the legal, organizational and management structure, diversity and scale when lending and when performing other operations and services.

Commercial banks provide cash, payment and credit and capital intermediation to their clients through numerous operations. Passive operations raise equity and mobilize foreign funds²³⁷. Trading-and-banking (money-changing) companies and banking houses in Svishtov, as has already been mentioned, were built on family relationships and friendship. In economic and historical literature, these relationships are regarded as important and are defined as a kind of 'social capital' mobilized to achieve certain goals²³⁸. Until the middle of the 20th century, family members included lineal relatives, uncles, cousins, sons-in-law, and relationships based on marriage and sponsorship at a wedding. In this broad context, fixed capital of the companies examined came from the profits their families and relatives made by trading, farming and banking. Marriage-based relationships that involved, as a dowry, participation in common transactions, acquisition of money, property, etc. were of particular importance and they helped a lot to increase fixed capital. Economically beneficial was, for example, the marriage of Ivan P. Panev who, in 1902, married Ekaterina²³⁹, the daughter of Philip Marinov, one of the biggest merchants in Svishtov. A. Nikoliev and K. Abadzhiev's wives were also rich²⁴⁰.

²³⁶ **Radkov, R.** *Pari, banki...*, pp. 101-102. In specialized economic and financial literature, different theories about banking and a number of definitions of the nature of banks exist, which are often found in synthetic interconnection and parallel use. (**Avramov, Y., Popov, D.** *Teoriya i istoriya na parite i kredita*. S., Siela, 2003, p. 81). The definition is not randomly chosen. Besides being one of the most commonly used verbal expression, it totally fits this economic and historical account, unlike other definitions which refer to the same contents, but mostly through modern categories of financial theory.

²³⁷ **Radkov, P.** *Pari, banki...*, p. 107.

²³⁸ For more details on the opinion and literature about it see **Ivanov, M., Ganev, G.** *Biznes elite ...*, pp. 25-26.

²³⁹ *Podkreplenie*, I, 7, 17 mart 1902.

²⁴⁰ K. Abadzhiev married the daughter of Carl Milde, a teacher at the Trade High School. After K. Abadzhiev's early death in 1922 (he died at the age of 56), Mara Milde married one of his good friends, Aleksandar Karanachev, member of the big Karanachev family, and managed the farm and the banking house until their nationalization in 1947. (*Svishtovski rodovi hroniki...*, p. 166).

Foreign funds were mobilized by savings deposit taking, attracting money from legacies, wills, etc. BNB, BAB, and the Post Office Savings Fund were the state banking institutions where Svishtov citizens could deposit funds. The minimum deposit and interest rate threshold was important when choosing a bank. Until the end of the 1880s, the BNB encouraged savings on which it developed its credit function. In 1885-1887 the interest rate on the BNB deposits was 5%, in 1888 – 5.5%, and in 1889 – 7%. From 1890 to 1897 it was reduced to 5%²⁴¹. During the years of crisis (1897-1902), the BNB began to change its policy towards limiting cash receipts by reducing interest rates. The central bank started relying on credit resources coming not from savings, but from taxation and banknote issues. In 1898-1903 the interest rate was 4%, and during the 1904-1912 period – 2%²⁴². From 1879 to 1887, the minimum amount of deposits was 500 BGN and from 1887 on – 100 BGN²⁴³.

Deposits were also accepted by agricultural funds transformed into BAB in 1903, and interest rates on deposits were as follows: 1887 – 5%; 1888 – 5.5%, 1889 – 7%, 1890-1897 – 5%, 1898-1903 – 4%, 1904-1912 – 2%²⁴⁴.

In 1896, the Post Office Savings Fund was established and opened a branch in Svishtov. During the entire period up to 1912 the interest rate on deposits was 4% and there was no minimum deposit threshold. Since the beginning of its activity, the Fund developed as an institute for the savings of the broadest, relatively small-scale strata of the Bulgarian population and rapidly gained popularity, evidenced by an increase in the number of savings-bank books issued annually²⁴⁵.

Private banks in the country offered depositors an interest rate several points higher than that of the previous institutions. Based on aggregated data, between 1884 and 1888 it was between 7 and 9%; in 1889 – 8-9%; in 1890-1898 – 7-9%; 1899 – 7-8%; 1900-1904 – 6-8%; 1905 – 6-7%, 1906-1907 – 5-7%, 1908-1912 – 4-7%²⁴⁶. In particular cases there were more floating schemes. The BCB, for example, since September 1896 started accepting deposits under the following conditions – demand deposits in silver of banks and bankers – 1%, and of private persons – 2%; the same operation in gold for all categories at an interest rate of 4%. Current interest accounts in gold were at an interest rate of 5%. Time deposits for 1,2,3,5 years were at an interest rate of 5½, 6, 6½ and 7%²⁴⁷, respectively.

²⁴¹ **Chakalov, As.** Formi, razmer i deynost na chuzhdiya kapital v Balgariya (1878-1944). S., 1962. p. 125.

²⁴² **Chakalov, As.** Op. cit., p. 125.

²⁴³ 120 godini Balgarska narodna banka. Pod obshtata redaktsiya na R. Avramov. S., 1999, p. 34.

²⁴⁴ **Chakalov, As** Op. cit., p. 125

²⁴⁵ **Hristoforov, As.** Kurs po balgarsko bankovo delo. S., 1946, pp. 79-80.

²⁴⁶ **Chakalov, As.** Op. cit., p. 125.

²⁴⁷ Balgarski novini, I, 32, 1 oktombri 1895.

Deposit taking activities were performed by both savings public companies – the ‘First ... company’ and the ‘Dunav’ company. On the basis of incomplete information, it can be concluded that they accepted deposits of varying amounts and for different terms at an interest rate ranging from 4 to 6 ½%²⁴⁸.

During the first post-liberation years, the broad public strata in Bulgaria were reluctant to the idea of entrusting their savings to both the BNB and the few savings public companies. As B. Boev wrote “In 1881, individual confidence in trading transactions dominated, so it was easy to find people to entrust their own funds, often even without documents, to individuals. However, it was hard to persuade a man to entrust their savings to strangers or to people they did not know well”²⁴⁹. After overcoming the monetary crisis of 1882-1888, and along with the political reassurance and economic revival, the situation, albeit slowly, began to change²⁵⁰. These trends could also be noticed in Svishtov. In the 1880s, the small number of trading-and-banking (money-changing) companies in Svishtov hardly developed deposit-taking activities, except for storing some types of jewellery and legacies. It would be speculation to assume that deposits in large amounts were accumulated by the later founded ‘St. Abadzhievi Brothers’ and ‘Burov & Abadzhiev’ houses. We believe that by the end of the nineteenth century, when the sharp economic decline of the town began, all of them, if mobilizing foreign capital at all, did it probably on a limited scale. Our arguments for this are the following:

First, these were years of flourishing trade, and the bulk of the available capital was invested in trade generating good revenue, hence there were no serious reasons for saving through cash deposits.

Second, wealthy citizens of Svishtov invested heavily in buying shares of different public companies and banks, and government and municipal bonds, relying on good dividends. For example, 61 people put down their names on the first public subscription for the sale of shares in Bulgaria in September 1891 with the establishment of the ‘Bulgaria’ insurance company in Svishtov. They bought 205 shares, which was just enough, having in mind the size and the development of the town. (For comparison, a total number of 1,810 people were involved in the campaign. The par value of the shares was 100 BGN. The greatest number of shares bought was recorded in Ruse – 10,771, in Gabrovo – 577, in Sofia – 297, and in Plovdiv 221²⁵¹). Representatives of almost all trading companies became shareholders in the two credit companies in the

²⁴⁸ Otchet na I-to svishtovsko spestovno aktsionerno druzhestvo v Svishtov za 1896 Svishtov, 1897, p. 12.

²⁴⁹ **Boev, B.** Tridesetgodishniya yubiley na balgarskata kreditna banka “Girdap”. // *Bankov pregled*, g. V, kn. 9, 1912, p. 165.

²⁵⁰ Yubiley na Balgarskata narodna banka (6 yuni 1879 - 6 yuni 1908). // *Spisanie na Balgarskoto ikonomicheskoto druzhestvo*, g. VIII, 1904, kn. 6, pp. 386-394.

²⁵¹ **Bobchev, St.** 50 godini ‘Bulgaria’ parvo balgarsko zastrahovatelno druzhestvo 1891-1941. S., 1941, p. 35.

town. The 'First ... company' started the subscription for 1,200 shares in 1888, but due to the great interest, it issued an additional 800, and in 1889 another 1000 shares²⁵². 4,000 shares of the 'Dunav' company, as well as of the 'Svetlina' trading industrial company were also bought. Citizens of Svishtov acquired shares of the BCB, Balkan Insurance Company, 'Girdap' Company, Commercial and Industrial Bank Plovdiv, as well as bonds of the Sofia City Loan, bonds of Svishtov Municipal Administration, and others²⁵³. For now, it is hard to say if merchants undertook foreign exchange operations. However, a news release in the Bulgarian Trade Newspaper in 1897 pointed to a likely positive answer. It stated that "Grigor Pavurdzhiev from Svishtov, in partnership with Mr. Mendel, has opened in Budapest (Franz Deakgass) the brokerage bureau for exchange operations"²⁵⁴. Given the reputation and experience of this old trading family²⁵⁵, it can be assumed that similar participations were not strange to other wealthy people. One more thing should not be ignored as well – the investment of funds to buy land. This was an old tradition that grew in connection with the emigration of the Turkish population from the region²⁵⁶. Although information is scarce because the issue is not particularly studied, it is known that merchants from Svishtov also participated in construction and industrial public companies set up in other towns. For example, Angel Brachkov, Rasho Penev, Konstantinovi brothers, Petar Peltekov, and Toma Panteleev became shareholders in the company, which had won a tender for the construction of the Roman - Pleven - Shumen railway section. Even the

²⁵² It is difficult to specify the number of people holding shares of this company as they were resold over the years. According to evidence, at the end of 1896, their number amounted to 392 people (Otchet na I-to svishtovsko spestovno aktsionerno druzhestvo v Svishtov za 1896 g., Svishtov, 1897, p.12).

²⁵³ These data were obtained from some of the 'Dunav' Company's reports, which stated the number of issued notes against a pledge of securities.

²⁵⁴ Balgarski targovski vestnik, V, 133, 18 juni 1897.

²⁵⁵ The Pavurdzhievi family were among the most famous in the town. Grigor Pavurdzhiev was a son of Valko, who together with his brother Dimo owned the already mentioned '**V&D Pavurdzhiev**' company, founded in 1875 for trading in groceries. Dimo, who was more entrepreneurial, remained the sole owner of the company after 1900 (DA – V. Tarnovo, f. 928K, op.1, a.e. 645, l. 46-47). At the beginning of 1902 Dimo Pavurdzhiev founded a sole proprietorship company for the purpose of trading in groceries and the registration indicated that it was a branch of the former '**V&D Pavurdzhiev**' trading company (DA – V. Tarnovo, op. 1, a.e. 647, l. 68-69). Several months earlier, Grigor Pavurdzhiev registered his own sole proprietorship company with the same purpose – trading in groceries, which began operating on April 13, 1901 (DA – V. Tarnovo, No. 928K, op.1, a.e. 647, 67-68).

²⁵⁶ For example, in 1891, in connection with the emigration of the Turkish population from the village of Varzulitsa, Stefan Stambolov's father-in-law, K. Stanchev, managed to eliminate competition in an unfair way and to buy the property of the whole village at a very low price (Narodna volya, I, 20, 23 juni 1894). At. Ts. Burov, as well as other merchants like G. N. Visokov and D. Nachovich had big farms. When possible, they managed to buy new land and expanded their farms.

press reported that this group from Svishtov owned a significant part of the shares. The same company also built the Somovit - Pleven railway section²⁵⁷.

Third, the attitude of the 'First... company' towards attracting foreign capital, which certainly affected banking houses. In the beginning, the 'First ... company' expressed reservations about performing deposit operations, reflecting, on the one hand, the even weaker interest of wealthy citizens in saving money and, on the other, as a barrier to the temptation to misuse other people's funds, if they grew substantially, for larger speculative operations. In case of failure, there was a high risk of loss of authority, most valued by Gavril Bora Nenovich, a long-standing chairman of the company and a successor of the Nenovich family, powerful before the Liberation, and Miron K. Beshkov, a treasurer and an old National Revival merchant, who after 1878, for reasons not clear by now, no longer traded. In the beginning, the company did not accept deposits. It proceeded to do this later without considering them to be important to increasing the company's total capital, which, due to the good work of the board, was constantly increasing. For example, in January 1895 the owners' equity amounted to BGN 681,205 while the foreign capital – to BGN 52,389²⁵⁸. At the end of 1896, funds in time and demand interest bearing deposits with a total value of BGN 65,652.95 at an interest rate of 5 and 6% for the different options were deposited by 23 people²⁵⁹. In 1898 the funds of the accepted time and demand deposits amounted to BGN 47,058.20 at an interest rate for the different periods of 4, 5, 6 and 6 ½²⁶⁰.

In regard to the 'Dunav' company, things seem different. In the statutes adopted at its establishment, saving citizens' money was laid down as a second objective after granting loans. During the first year of its existence, it owned capital of BGN 186,379, while the foreign capital left for different periods amounted to BGN 147,000²⁶¹. However, this company, as it later became clear, did not only pursue ideal objectives, but also concealed the selfish ambitions of some of the founders who wanted to become rich easily by making use of their capital at the company's expense. Later, they used deposits as one of the ways to drain it. For example, in 1901-1902, the sum of BGN 350,000 was accepted as a demand deposit at an interest rate of 4-6%, without the need for an increase in the company's total capital due to the shrinking market. Since it was not invested, it was deposited in the BNB branch in Ruse at an interest rate of

²⁵⁷ Red, I, 26, 24 oktombri 1901.

²⁵⁸ Izlozhenie za sastoyanieto na Svishtovskoto okrazhie prez 1894-1895. Svishtov, 1895, p. 57.

²⁵⁹ Otchet na I-to svishtovsko spestovno aktsionerno druzhestvo v Svishtov za 1896. Svishtov, 1897, p.12. Otchet na I-to svishtovsko spestovno aktsionerno druzhestvo v Svishtov za 1898. Svishtov, 1899, p. 14.

²⁶⁰ Otchet na I-to svishtovsko spistitelno aktsionerno druzhestvo za 1898. Svishtov, 1899, pp. 14-15.

²⁶¹ Izlozhenie za sastoyanieto na Svishtovskoto okrazhie prez 1894-1895. Svishtov, 1895, p. 58.

2%! It turned out that Angel S. Brachkov, the then chairman of the board of directors, as well as 'Svetlina' trading and industrial company, where most of the leaders of the 'Dunav'²⁶² were shareholders, owned the largest share in this deposit amount. Similar practices had existed in previous years, according to the 1903 Report of the Audit Commission²⁶³.

There are reasons to believe that deposits were directed to private houses in the years of crisis. At that time in Bulgaria the fear of industrial initiatives and temporary trade issues motivated citizens to invest money in banks, companies and houses in order to receive a low but reliable interest rate. Savings grew after the crisis. As a result of the fertile years of 1902 and 1903, the financial status of the population improved, money saved increased and it was mainly deposited at the BNB and BAB or was used to buy state and public securities²⁶⁴. Smaller amounts were directed to the Savings Fund. There was a similar trend in Svishtov as well. The Savings Fund activities in the town expanded considerably, a fact evidenced by the rapidly growing number of issued books after 1901²⁶⁵. Banking houses could hardly be excluded from the overall process. It is logical to suppose that part of the money saved and paid in 1899 to shareholders of the 'First ... company' for the ten-year period and the

²⁶² **Marinova, M.** Chastniyat kredit v Svishtov v perioda ot Osvobozhdenieto do voynite (1912-1918 g.) – obsht pregled. // *Izvestiya na Tsentara za stopansko-istoricheski izsledvaniya*, t. II, Raznoobraziето v balgarskoto stopansko-istoricheskо razvitiе, Varna Varna, 2017, pp. 400-401.

²⁶³ Raport na Proverovachnata komisiya na Svishtovskoto spestovno aktsionerno druzhestvo 'Dunav'. Svishtov. 1903.

²⁶⁴ Otchet na BNB za 1904. S, 1905, p. 16.

²⁶⁵ According to K. Popov's conclusions on the activities of the Savings Fund in the 1897-1915 period, during the first years, it mainly received the small amount of household savings made by hard-working and saving householders; the main contingent of savings (members of the fund) were clerks, students, teachers and the military. Subsequently, however, the number of these groups increased on a small scale or did not even increase, and the number of the military men even decreased. On the contrary, farmers, craftsmen, servants and workers, i.e. poor working classes in general, started trusting the Fund and their number as depositors grew (**Popov, K.** Stopanska Balgariya, S. 1916, pp. 411-412). This trend was valid for Svishtov as well. In 1901, the local branch of the Fund issued 326 new books, in 1903 – 360, 1904 – 435, 1905 – 510, 1906 – 530, in 1907 – 472, and in 1910 – 522. From a class point of view, the prevailing group of depositors consisted of craftsmen, clerks, servants, students, and teachers. Merchants were always less in number and placed behind craftsmen, but there was also an increase in their number. The largest number of deposits was of those up to 20 BGN. In 1910, by number of operations, the Fund in Svishtov came under the fourth category (out of 6) with annual operations of between 5-10,000 together with towns like Silistra, Sevlievo, Lom, G. Oryahovitsa, Gabrovo, Kazanlak, Sliven, Bourgas, Haskovo, Pazardzhik, Kyustendil, Dupnitsa, and Samokov. These summaries are based on an analysis of the data of the annual reports of the Fund for the 1897-1910 period, which are listed in the references at the end of the study.

dividends received by them during the preparation and liquidation of the company as of March 1, 1901, as well as the 'Dunav' Company (which went into liquidation on March 1, 1904) shareholders' funds, were directed to the newly established banking houses of K. Abadzhiev and Iv. P. Panev. They both owned significant net worth, evidenced by the high opinions their fellow citizens had for their agricultural and trading activities²⁶⁶, which inspired confidence and attracted customers.

With regard to the interest rate on deposits, we could say that it did not exceed 6-8% – i.e. it was slightly above the interest rate offered by state banks and the two private savings companies in the town. The 'Girdap' public company in Ruse and the BCB²⁶⁷ also offered interest rates on deposits within the limits of 6-8%. Gancho Paraskov and sons Tarnovo banking house, founded in 1876, accepted deposits at an interest rate of 5%²⁶⁸. Banking circles in Svishtov were not open to risk and speculation, and would hardly afford higher rates. The fact that this threshold was adhered to in Svishtov and that it was reasonable is evidenced by the lack of bankruptcies of banking houses due to speculation with depositors' money. An example of a similar bankruptcy is 'Kovachevi Brothers' banking house in Ruse, which attracted clients with a higher rate on deposits (8-10%), but soon the critical threshold was reached and the structure resembling the type of today's pyramidal establishments collapsed and it went bankrupt at the beginning of the crisis²⁶⁹. Only one banking company ('Abadzhievi Brothers') in Svishtov stopped operating due to insolvency. However, this did not cause economic shocks.

The review makes it possible to conclude that until the end of the 19th century trading-and-banking (money-changing) companies and banking houses in Svishtov played a small role in mobilizing free funds beyond those of family and friendship circles. During the first decade of the twentieth century, this role grew, but the lack of data makes it difficult to determine the equity/foreign capital ratio. Given the close connection between the deposit periods required and the duration of funds invested in loans²⁷⁰ that bankers tried to comply with, we can say that they preferred working primarily with owners' equity and to a lesser extent with foreign capital. Thus, they would prevent the emergence of crises in the event of massive withdrawals of deposits if they could not then meet them with their liquid resources, money, and by closing certain banking operations.

²⁶⁶ Dunavski izvestiya, VI, 7, 26 septemvri 1899, p. 1; VI, 43, 19 oktombri 1901, p. 2; VIII, 22, 4 april 1903, p. 1; Ratnik, III, 21, 7 juni 1903.

²⁶⁷ **Ivanov, M.** Mrezhoviyat kapitalizam ..., p. 104.

²⁶⁸ **Atanasova, Sv.** Istoriyata na bankerska kashta 'Gancho S. Paraskov & sinove' i aktsionernoto druzhestvo 'Gancho Praskov & G. Yordanov Genchev' – Kilifarevo ot 1876 do 1923 g. // *Izvestiya na Tsentara za stopansko-istoricheski izsledvaniya*, t. II, Varna, 2017, p. 457.

²⁶⁹ **Ivanov, M.** Mrezhoviyat kapitalizam..., p.104.

²⁷⁰ **Karklisiyski, N.** Op. cit., p. 27.

Active operations

Credit operations are the most important part of the active operations of commercial banks, which increase their profitability and liquidity. The trading-and-banking (money-changing) and banking houses were the smallest players in the town's credit market. The BNB played the key role. By the end of the 19th century the second place was occupied by the town's two savings and joint-stock companies and some other private banks. In the first decade of the 20th century, the BNB continued to play a leading role, and under the influence of the changes in the town's economic environment, as well as in the BNB lending policy and under the conditions of no local joint-stock credit institution, a specific environment was created allowing private banking houses to make a greater contribution to lending to local trade and industry compared to the previous period and to ensure stability in the functioning of the banking and credit system.

The BNB was the most important credit institution for Svishtov merchants. Months after the bank was founded in January 1879, its managers considered providing loans to foreign trade and especially that on the Danube River as an opportunity for profitable investment of funds, still the more as the economically underdeveloped capital city was reluctant to lend money. For this purpose, in July 1879 there was a project for the opening of divisions in Svishtov, Ruse, Varna and Tarnovo. Each of them was to receive capital of 300,000 francs, and those in Svishtov and Ruse also full rights to carry out transactions and to grant loans for export of agricultural produce. The project remained unrealized, as the bank decided that instead of in divisions across the country, it would invest its free funds to buy premium bills, from the favourable sale of which it would increase its capital²⁷¹.

During the first period of the BNB's development (1879-1885), according to its statute, it was a small commercial-deposit bank with no right to issue banknotes, with a limited range of credit operations²⁷² and almost no participation in the economic life of the country, which was still too anemic. Then in Svishtov, mainly due to the flow of the 'Russian money', there was a hardly tangible interest in the Central Bank. With the new Statute entering into force in 1885, the BNB's lending role was significantly expanded. The conditions for obtaining short-term loans were already more favourable, also current accounts could be opened and, most importantly, the long-term mortgage loan against a pledge of real estate for a period of one year was approved, and since December 1889 it increased to 30 years²⁷³. The discount rate of the BNB was between 7% and 9%: in 1884 it was 8%, in 1885 – 7.5%,

²⁷¹ 120 godini Balgarska narodna banka ..., pp. 15-16.

²⁷² During these years BNB granted short-term loans for a period of 3 months only against discounted bills and against a pledge of certain securities or precious metals (Yubileen sbornik na Balgarskata narodna banka ..., p. 14).

²⁷³ Yubileen sbornik na Balgarskata narodna banka ..., pp. 19-20.

in 1886 – 7%, in 1887 – 8%, in 1888 – 9%, in 1889 – 8 and 9%, in 1890-1896 – 8%, in 1897 – 7%, in 1898 – 7.5 and 8%, in 1899-1905 – 8%²⁷⁴.

Under the conditions of the growing Danubian trade in the 1880-1890s Svishtov companies soon were among the most serious clients of BNB²⁷⁵. They assigned particular importance to mortgage credits. This type of credit was granted only with the approval of the bank's headquarters in Sofia as the relationship between the bank and the new branches of the BNB, on the one hand, and with the district centres on the other, was carried out through bank coordinators – a post that existed between 1885 and 1895. After 1895 the mediation was transferred to the newly reformed Agricultural Funds. In 1885, the already mentioned Iliya A. Ivanov²⁷⁶ was appointed bank coordinator in Svishtov. Later he was replaced by Georgi Danailov²⁷⁷. The district ranked among the first districts in the Principality of Bulgaria where mortgage loans were welcome. This conclusion was definitely confirmed by the information in the annual reports of the BNB. In 1887, mortgages were granted to companies in 26 districts, in 1888 – in 33, and in 1889 – in 45 districts and in those years Svishtov district ranked fourth immediately after Sofia, Varna and Ruse districts by the number and total amount of such loans. In 1890 mortgage loans were used in 63 districts, among which Svishtov ranked ninth. With the approximately same number of districts where mortgage loans were taken, its place in the list did not change until the early 20th century. Before the adoption of the Mortgage Law in 1907, BNB granted loans against rural properties, too (and under the Law – against real estate only in towns), but judging by the reports of the district governors farmers had no affinity to that type of loans, and in their activities they relied on loans from the Agricultural Funds, and later from the BAB²⁷⁸. Unfortunately the annual reports of BNB indicated only the total number and amount of loans granted during the year without specifying how many of them were paid off, the newly-granted and the length of time they were granted for. Table 1 shows the mortgage loans granted to Svishtov district citizens for the period 1886-1902.

Without going into a detailed analysis, the figures in the table show that there was a rise in the number of mortgage loans until 1896, then, fluctuating they began to decline slightly while at the same time the amount on them increased. This suggests that the crisis caused great hardships and in order to overcome them there should be more solid mortgage loans from the state. At the same time, the beginning of the decline in property prices in Svishtov aggravated the provision of the guarantees for receiving them. In conclusion, it

²⁷⁴ Chakalov, As. Op. cit., p. 125.

²⁷⁵ Pranchov, St. Op. cit., p. 755.

²⁷⁶ Darzhaven vestnik, IX, 69, 1887.

²⁷⁷ Balgarski almanah za 1892 ..., p. 441.

²⁷⁸ Izlozhenie za sastoyaniето na Svishtovskoto okrazhie za 1889. Svishtov, 1890, p. 24; Izlozhenie za sastoyaniето na Tarnovskoto okrazhie prez 1903-1904. Tarnovo, 1904, p. 29.

can be said that the BNB mortgage policy played a significant role in the progress of the Danubian trade and Svishtov trade in particular.

Table 1

Number and amount of the total mortgage loans, granted by BNB to individuals from the Svishtov district in the period 1886-1902²⁷⁹

| Year | Number of mortgages | Total amount in BGN |
|-------------|----------------------------|----------------------------|
| 1886 | 15 | 65,500 |
| 1887 | 31 | 102,000 |
| 1888 | 31 | 100,200 |
| 1889 | 44 | 135,530.70 |
| 1890 | 78 | 249,761 |
| 1891 | 76 | 251,570.30 |
| 1892 | 76 | 256,231.45 |
| 1893 | 79 | 286,730 |
| 1894 | 91 | 249,736.50 |
| 1895 | 91 | 244,545.25 |
| 1896 | 106 | 289 750.45 |
| 1897 | 105 | 256,739.60 |
| 1898 | 101 | 334,566.05 |
| 1899 | 106 | 323,761.73 |
| 1900 | 101 | 318,149.52 |
| 1901 | 91 | 316,699 |
| 1902 | 96 | 326,411.85 |

Source: The table is based on summarized data from the Annual Reports of BNB for the period 1886-1902, indicated in the references.

Svishtov merchants also used short-term loans from BNB via the Ruse branch, which was opened on 1 May 1884 and served the settlements in the district. The branch, according to the rights it had, could provide loans against three-month bills, discount commercial bills, accept bills on deposit and open special current accounts guaranteed by two persons, securities or deposited bills²⁸⁰. For the period 1890-1900, the Ruse branch ranked second only after Sofia in terms of discount operations²⁸¹. Svishtov region also contributed to this.

²⁷⁹ The data for 1886 refer to Svishtov district, which included Nikopol district; for the other years the data refer to Svishtov district only. It included the town of Svishtov and 36 villages. Spisak na naselenite mesta v Tsarstvo Balgariya ot Osvobozhdenieto (1879) do 1910 godina. (Srvnitelen istoriko-etnografski pregled), S., 1921, p. VII – VIII.

²⁸⁰ Otchet na BNB za 1897. S., 1898, p. 16.

²⁸¹ **Georgiev, G. N.** Statisticheski svedeniya za kratkosrochnite zaemni operatsii na balgarskata narodna banka (i klonovete i) prez poslednite edinadeset godini 1890-1900 g. // *Spisanie na Balgarskoto ikonomicheskoto druzhestvo*, g. V, 1901, kn. 8, p. 499.

Already in 1888-89 the town had 16 large trading houses, which made an annual turnover of BGN 500-600,000²⁸² and they were among the main clients of the branch. The summarized data from the reports of the BNB on the size of the most important banking operations – discounting and opening special current accounts, which underlie the commercial credit – shows that until 1905, when the bank opened an agency in Svishtov, according to the amount of the discounted bills the district usually ranked 3rd, 4th, or 5th among the 10-18 districts that used the services of the branch in different years. Only in 1896 – the best trading year for the town it ranked second after Ruse²⁸³. Special current accounts were opened mainly against guarantees of two persons and securities and considerably less against deposited bills. The reports do not give any information about the number and amount of the granted bills by districts, which happened later, but only about the branches of the bank, therefore nothing more specific can be said about Svishtov regarding this issue.

Until the early 20th century, in our opinion, the two savings joint-stock companies were second in importance for granting loans to merchants. The 'First ... company' lent money at an interest rate for a period of 1 to 6 months against two guarantors, against shares of the company, against a mortgage; it discounted bills, opened special current accounts against two guarantors, against a mortgage, against a pledge of bills and against company shares²⁸⁴. The 'Dunav' company also offered opening of current accounts and bill loans. The reports we have unfortunately only for some years show that the two structures granted lots of loans to local merchants. For example, in 1895 the 'First ... company' granted different kinds of loans and opened current accounts to the total amount of BGN 1,000,745.70 and the 'Dunav' company – BGN 697,202.65²⁸⁵. In 1896 the 'First ... company' discounted bills for BGN 21,437.45, issued bills of exchange against mortgage for BGN 191,005, bills of exchange against company shares for BGN 216,806.45, bills of exchange against personal guarantee for BGN 286,699, bills of exchange against securities for BGN 29,990, current accounts against personal guarantee for BGN 62,231.60, current accounts against company shares for BGN 22,823.45 and current accounts against mortgage for BGN 15,711.10²⁸⁶. In 1898 the company discounted bills of exchange for BGN 69,320.07, issued mortgage notes for BGN 166,571.20, notes against personal guarantee for BGN

²⁸² Pranchov, St. Op. cit., p. 758.

²⁸³ In 1891 the discounted bills from the Svishtov district were for 181,636.40 BGN; in 1892 – for 283,029.86 BGN; in 1896 – for 1,890,581.81 BGN; in 1897 – for 691,254.18 BGN; in 1900 – for 688,602.65 BGN; in 1902 – for 414,305.65 BGN; in 1903 – for 274,764 BGN.

²⁸⁴ SA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 101.

²⁸⁵ Karadzhev, St. Spestovnite druzhestva v Balgariya. // *Spisanie na balgarskoto ikonomicheskoto druzhestvo*, g. I, 1896, kn. 3, pp. 158-159.

²⁸⁶ Otchet na I-to Svishtovsko spistitelno aktsionerno druzhestvo v Svishtov za 1896 g. Svishtov, 1897, pp. 15-17.

280,976.65, notes for company shares for BGN 65,740.80, notes against securities for BGN 244,190, current accounts against personal guarantee to the amount of BGN 74,912.85, current accounts against mortgage for BGN 29,514.40, current accounts against company shares for BGN 24,825.31, current accounts against securities for BGN 6,411.25²⁸⁷. The report of the 'Dunav' company for 1898 shows: discounted bills for BGN 27,116.45, notes against a pledge of shares for BGN 366,772, notes against personal guarantees for BGN 398,305, current accounts against mortgage for BGN 19,736.75, current accounts against pledge of shares for BGN 7,021.55, current accounts against personal guarantee for BGN 156,006²⁸⁸. The activities of both companies strike both with the volumes of the operations carried out and with the variation of the terms for granting loans, which provided a wider access to it. Securing was most often through personal guarantee, which showed the management's awareness of the situation of borrowers and their guarantors, while at the same time reflecting the spirit of trust among the town's merchants themselves.

In 1889 – the first year of the activities of the 'First ... company' the interest rate on loans was relatively high – 12½%. The management thought that at that level of interest rate they would attract only reliable clients – ones that really needed a loan, could pay it off and wanted to have it quickly and on the spot. (That year the interest rate on BNB loans was 8 and 9%). Gradually, the interest rate fell usually remaining one or two points higher than that of the BNB and changed accordingly. In 1894 it was 10% (the BNB's interest rate was 8%). That was what the interest rate of the 'Dunav' amounted to, and on the current accounts it was 12%. In 1896, in the 'First ... company' the interest rate on the various loans was 9% and on the current accounts 10%. In 1898, the interest rate of the 'First ... company' changed as the interest rate of the BNB increased – until October it was 8% and after that it rose to 9%. The same change occurred in the 'Dunav' company. The major part of the capital of the two companies was invested in trade²⁸⁹.

The way the operations of the two Svishtov companies were organized, the reliability of their lenders – shareholders, as well as the achieved results were highly evaluated by the first researchers of the savings joint-stock associations Stefan Karadzhev (he referred to the 'First ... company' and 'Dunav' along with the Ruse 'Girdap' company as 'the jewels of our companies') and Andrey Lyapchev (their articles were written before the abuses in 'Dunav' – authors' note). They both predicted that the prospect for them was to transform their companies into real joint-stock banks and advised

²⁸⁷ Otchet na I-to Svishtovsko spistitelno aktsionerno druzhestvo v Svishtov za 1898 g. Svishtov, 1899, p. 20.

²⁸⁸ Otchet na svishtovsko spestovno aktsionerno druzhestvo 'Dunav' v Svishtov za 1898 g. Svishtov, 1899, p. 8.

²⁸⁹ **Lyapchev, A.** Druzhestvata ot pravno i ikonomicheskoto gledishte. // *Spisanie na balgarskoto ikonomicheskoto druzhestvo*, g. III, 1898-1899, kn. 3-4, pp. 119, 121.

their managers to follow the 'Girdap' example²⁹⁰ that had already acquired the status of such a credit institution. Unfortunately, as we will see, that never happened.

At the beginning of 1898 BCB opened its agency in Svishtov, which was part of its first attempt to conquer new areas of influence. The town, at that time developing rapidly, along with Varna and Burgas, were the first centres in which this bank entered by signing contracts with local companies to carry out various operations on its behalf and using its funds. The bank signed a contract with '**Payakov & Valev**' Svishtov company²⁹¹. It was a practical agreement for granting financial resources which the intermediary could then transfer to third parties in the market, observing the agreed terms. The company had the right to sell and buy Cambio, cheques, to exchange gold and silver, to discount bills, to open current interest rate accounts for private individuals against a bill²⁹². BCB invested its capital at a 6-10% interest rate – that is, within the same range as the discount rate of the BNB²⁹³. The agency was closed at the end of the year due to the crisis, and if it was a convenience for Svishtov merchants, it was for a short time. In the following years they used the bank's services directly from its Ruse office.

Here we have to mention the Orphans' Fund, which also granted small loans, although only once in a few years. Its capital before the Liberation amounted to 8,000 liras, but it was stolen by the Turks who fled the country during the war²⁹⁴. In 1878 the Fund was re-established and operated until mid-1880 with its capital reaching 60-70,000 francs but closed soon after that²⁹⁵. This was probably related to the Guardianship Act prepared and adopted in October 1881, regulating in a new way the issues regarding the property of the deceased²⁹⁶.

The activities of the trading-and-banking (money-changing) companies and banking houses, existing in the 1980s were associated with money-changing rather than with lending money. As seen from the subject of their activities, they included money exchange and buying and selling golden currency (Haim Malamed, 'Halachevi Brothers', Aleko Nikoliev, Yakov Dzhaen, 'Abadzhievi Brothers'). The pure money-changing (money exchange) was very

²⁹⁰ **Karadzhev, St.** Spestovnite družhestva v Balgariya ..., p. 160; **Lyapchev, A.** Op. cit., 119, 121.

²⁹¹ The company 'Payakov & Valev' was established on 17 February 1897 as a partnership with members Lazar Payakov and Kiro Valev for the purpose of brokerage, freight forwarding, buying and selling foodstuffs. It existed until 29 August 1905. (DA – V. Tarnovo, f 928K, op. 1, a.e. 645, l. 39-40).

²⁹² **Ivanov, M.** Mrezhoviya kapitalizam ..., pp. 312, 323, 326-237.

²⁹³ **Ivanov, M.** Mrezhoviya kapitalizam ..., p. 56.

²⁹⁴ Slavyanin, III, 24, 5 dekemvri 1881.

²⁹⁵ Orphans's Funds arose in the last decades before the Liberation. They granted loans using the funds gathered from the inheritance of children with deceased parents.

²⁹⁶ Darzhaven vestnik, 75, 16 oktombri 1881.

much necessary for the trade immediately after the Liberation, when there was chaos in the monetary system, caused by the large penetration of Russian rubles, Romanian and Serbian silver coins. Various Turkish silver coins were also in circulation. In 1880, Bulgaria adopted the system of bimetallism, which allowed the circulation of the silver coins of the Latin Monetary Union countries, which followed the same system. Even though the BGN was approved for a monetary equivalent because the demonetization of foreign funds was not regulated, in 1882-1888 the country experienced a monetary crisis. An agio between silver and gold appeared. The government eventually managed to get the situation properly under control and created a national monetary system, stabilizing the Bulgarian lev (BGN) and the functioning of the bimetal standard²⁹⁷.

The dissimilar value of money greatly impeded the work of the Svishtov wharf. There were even periods in which all transactions were terminated for some time. Merchants could not come to an agreement whether to accept the lev (BGN) as a common measure, as depending on whether they imported or exported goods, their interests dictated different decisions²⁹⁸. There was also ruble speculation. For example, when in August 1881 the government lowered the exchange rate of the ruble from 4 to 3.50 francs, and the government funds were obliged to accept at a rate of 3.70 francs²⁹⁹, the merchants in Nikopol and Svishtov districts did not welcome this change³⁰⁰. For some time, they continued to use the old rate and in case they accepted the new ruble price, they continued to calculate the prices of goods according to the old high rate³⁰¹. In the years following due to the illiteracy of the population, there were still opportunities to make dirty profits from doing such tricks. The people were often lied about the exchange value of the money they had as well as of the value of goods. However, the work of the money-changers facilitated the functioning of the monetary economy and brought them not large but secure incomes. Money-changing was a trade that was profitable but required both knowledge and experience. Pure money-changing as well as currency trade were important for the functioning of the market – both local and national as well as international and was practised throughout the whole period under review until 1912. One cannot rule out the possibility that Svishtov money-changers were also lenders and granted money as ordinary money-lenders. This practice was widespread in the Principality. The fact that money-changers and money-lenders had similar incomes, is also evidenced by the Patent Law adopted at the end of January 1885 by the 4th National Assembly. In the section on taxation of different types of bank trading, it explicitly stated that “Money-

²⁹⁷ **Kyoseva, N.** Istorija na parichnite krizi ..., pp. 47-82.

²⁹⁸ Narodna gordost, I, 18, 6 february 1887.

²⁹⁹ **Kyoseva, N.** Istorija na parichnite krizi ..., p. 50.

³⁰⁰ Slavjanin, III, 10, 29 avgust 1881.

³⁰¹ Slavjanin, III, 17, 17 oktombri 1881.

lenders, who are constantly engaged in lending money at an interest rate, are attached to money-changers³⁰².

At the current stage of our study we do not have any specific information about short-term loans provided by trading-and-banking (money-changing) companies and banking houses for the period up to the beginning of the 20th century. Although there is no direct information, we can claim that 'Burov & Abadzhiev' offered bill and mortgage loans and opening of current accounts, the arguments for which are: their own secure capital; the need for credit in these years of brisk trade in the town; the subject of activity (banking operations); the modern forms of money lending already preferred by the merchants³⁰³; education of both partners and their knowledge in the field of banking.

In the spirit of the traditions of the National Revival years money-lending was also practised in Svishtov. In money-lending people operated with their own funds unlike in real banking, which relies on borrowed capital through deposits and other types of saving. The credit activities of 'Samokovlievi Brothers' as well as of some of the money-changers were considered ordinary money-lending, according to data in a local newspaper³⁰⁴. Money was lent for a short time – a month, a week or even days, and sometimes for a longer period³⁰⁵. Money-lending was not methodologically organized, it did not offer large amounts of money, and the mode of payment was less restricted. It attracted with the personal attitude to clients, who could receive money avoiding the strict requirements for security demanded by banks³⁰⁶. Svishtov was among the settlements in which there was 'honest money-lending' (according to N. Konstantinov – a prominent Svishtov public and political figure), i.e. it offered a decent interest rate as regards the amounts lent as production loans for merchants and other entrepreneurs. In the rich town there were no conditions for 'ruinous money lending', i.e. with high interest rates that existed in some closed settlements inside the country³⁰⁷. If, however, exploiting behaviour was demonstrated, it was towards the clerks who found it difficult to meet their monthly needs and used consumer loans. "It was a common practice – as the 'Dunavski izvestiya' read – for two or three bankers on the 15th day of the month to provide loans of 5 BGN to small employees who when receiving their salaries had to return 6 BGN – or an annual interest rate of 120% for

³⁰² Darzhaven vestnik, 17, 21 february 1885; Slavyanin, VI, 88, 16 february 1885.

³⁰³ **Atanasov, Hr.** Predvaritelni poznaniya za targovetsa. // *Promishlenost*, g. I, 15 february 1888, kn. VIII, p. 144.

³⁰⁴ Narodna partiya, I, 3, 3 avgust 1894.

³⁰⁵ **Konstantinov, N.** Lihvarstvoto. // *Spisanie na Balgarskoto ikonomichesko druzhestvo*, g. XIV 1910, kn. 3-4, pp. 161-171.

³⁰⁶ **Avramov, R.** Op. cit. ..., pp. 350-351.

³⁰⁷ **Konstantinov, N.** Op. cit. ..., p. 171.

borrowing 50 BGN³⁰⁸. In some publications related to the consequences of money lending disastrous for the country, the village of Dragomirovo in Svishtov district was given as an example, as in this village a couple of merchants from the town made the local immigrant families from Banat greatly indebted for borrowing money from them to buy land³⁰⁹. Their names, however, were not given³¹⁰. Although the public image of the merchants was dented, we cannot say whether there were representatives of the bankers' circle among these individuals. There is no information about other similar cases.

The trading-and-banking (money-changing) companies and banking houses took part in the credit market of the town indirectly as well, by providing short-term loans to the two savings joint-stock companies, which in the months of intensive trading operations needed more money. In these cases they resorted to loans from the Ruse BNB branch and the Savings Fund, as well as from private individuals in the town. The reports of the companies, for confidentiality reasons, did not mention specific names, but the names of some local bankers were quite likely to be among them. For example, in 1896, the 'First ... company' borrowed money from private individuals at a 6% interest rate³¹¹. Under the same conditions in 1898 the 'Dunav' company also borrowed money³¹². In many towns, it was common practice for private banking houses to transfer resources to credit companies to avoid organizational burdens and borrowing costs, and Svishtov was hardly an exception. Some bankers, in their capacity as shareholders, also participated in the management of the two companies and thus directly influenced the formation of their loan policy – customer reliability, approval of applications, changes in interest rates, and also in future activities including going into liquidation and its process. The Management Board of the 'First ... company' included Iliya A. Ivanov (1889), who was elected vice-chairman³¹³ at the time of its foundation and Yanko G. Samokovliev (1896-1900). Ivan P. Panev was member of the Inspection Council (1901)³¹⁴. Aleko Nikoliev (1901), Ap. G. Samokovliev (1902), Krastyu

³⁰⁸ Dunavski izvestiya, III, 42, 25 yuli 1897.

³⁰⁹ The village of Dragomirovo consisted of 234 households which were in debt to several Svishtov merchants to the amount of 87,114 BGN, and to the Agricultural Funds – 35,660 BGN. The total debt amounted to 122,774 BGN and all the properties of the village were valued by the property tax register at 81,111 BGN, which meant that even if sold, there would still be a debt to pay. The District Permanent Commission proposed to find a solution through the provision of a facilitated access to resources of the Agricultural Fund by increasing its capital beforehand (Izlozhenie za sastoyanieto na Svishtovskoto okrazhie prez 1894-1895 g. Svishtov, 1895, pp. 16-17).

³¹⁰ Dunavski izvestiya, II, 9, 8 dekmvri 1897.

³¹¹ Otchet na I-voto Svishtovsko spestovno aktsionerno druzhestvo v Svishtov za 1896 g. Svishtov, 1897, p.10.

³¹² Otchet na I-voto Svishtovsko spestovno aktsionerno druzhestvo v Svishtov za 1898 g. Svishtov, 1899, p. 6.

³¹³ Darzhaven vestnik, X, 128, 24 noemvri 1888.

³¹⁴ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 101-103.

Tsokov (1902-1903), Yanko G. Samokoviev (1904), Kiro Abadzhiev (1904) were stakeholders of the 'Dunav' Company and members of its Management Board³¹⁵. It is noteworthy that bankers joined the management of the 'Dunav' company in the years when the abuses, that started in 1898-1899, became known. And that is a clear sign that, apart from being competent in accounting matters, they had investments in the company and had to protect both the public and their personal interest. The 'D. A. Burov & Co.' company owned shares of the 'Dunav' company and also borrowed money from there, but its representatives were not members of the management.

In the crisis years some changes occurred in the bankers' group: a part of the early companies were no longer operating, two companies ceased their activities, three new banking houses and two new trading-and-banking (money-changing) companies were established and an old trading company also took up banking. On the eve of the wars, the 'Bulgarian Almanac' publicly announced the following as bankers: 'Avramov & Tsokov', 'Ivan P. Panev', 'K. M. Abadzhiev', 'Samokovievi Brothers' and 'Aleko Todorov'³¹⁶. The company 'D. A. Burov & Co.' was not in that group, although it grew into a powerful banking house, as it operated mainly in production and trading activities. The following were among the money-changers: 'St. Abadzhievi Brothers', 'Avramov & Tsokov', 'Haim Malamed and Son', 'Ivan P. Panev', 'Aleko Nikoliev', 'Aleko Todorov' and 'Stefan Yakimov'³¹⁷. On the credit market they all took the place vacated by the two saving joint-stock companies and through their activities they tried to replace them and to facilitate the access to loans for the local entrepreneurs.

As of 1903-1904 Svishtov merchants were increasingly becoming aware of the need for short-term credit. In 1904, the harvests of maize and rapeseed were very good and export trade was revived. At the same time, the cases of refusal without explanation to their loan applications by the Ruse BNB branch or the delay of the procedure for granting the loans became more frequent³¹⁸. With these tight credit support options from the bank, albeit temporary and episodic, the importance of banking houses for the development of local companies grew as they relied on them to quickly resolve the difficulties that had arisen. Other temporary reasons related to improving legislation also contributed to increasing their role. In 1903 art. 979 of the town's legal proceedings changed, envisaging that part of the population's property would

³¹⁵ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 10-15.

³¹⁶ Balgarski almanah za 1911 ..., p. 494.

³¹⁷ Balgarski almanah za 1911 ..., p. 497.

³¹⁸ Dunavski izvestiya, IX, 33, 14 may 1904. We can assume, without having reliable data, that in the partisan manners of those times, the reasons for this could have been the overthrow of Ivanitsa Ivanov from the post of director and the lawsuits against him. During the whole of his directorship, he must have dealt favourably with the requests of his Svishtov fellow citizens, he may have been accused of a more liberal attitude to their requests and now that was a 'revenge'.

become inalienable. In most cases the remaining part of the property could not or would hardly guarantee the borrowers' personal debts and BAB undertook a step to demand that its debtors should take loans from money lenders³¹⁹ to repay their debts to it³²⁰. Some of Svishtov bankers should not be excluded from the circle of those money lenders, the more so that they had earned a good reputation in the district. During these years their own capital grew as well as the inflow of foreign capital, which increased their lending possibilities and their clientele expanded. Nevertheless, the houses could not secure the economic upheaval in the town. The local merchants and enterprise owners were increasingly raising the issue of opening a BNB agency. There was a feeling of resentment among the general public against the bank's policy of neglecting Svishtov and opening divisions in the 'far less developed economically' Pleven, Shumen, St. Zagora³²¹. Another reason for the insistence was the slow process of receiving loans from other banks through the intermediation of the BAB. The hope that this demand would succeed was based on the support of Lazar Payakov, Minister of Finance at that time, who had a long career in the town as a teacher and economic figure³²².

The long-awaited BNB bank agency in Svishtov was opened on 1 September 1905. There were great expectations that it would play an important role for the economic growth of the region³²³. The agency had independent rights for most of the operations (to discount bills and grant loans against guarantee of up to BGN 2,000, to grant loans and open current accounts against pledging of securities, etc.), and for some operations it needed to have a permission from the central or local branch (when granting loans against guarantee of over BGN 2,000 and in opening special current accounts, etc.)³²⁴. The emphasis in its work was, on the recommendation of the management in Sofia, to first develop trade and industrial loans, and then the long-term (mortgage) loans³²⁵. The agency came up to the expectations, which can be seen in the report for 1906. Over that year, the discounted and deposited bills and notes for the town of Svishtov amounted to BGN 366,422.46, and for the settlements in the district to BGN 13,090, with merchants having the largest share – they discounted 730 bills for BGN 338,666.46³²⁶.

³¹⁹ This term was often used to refer to local bankers.

³²⁰ Izlozhenie za sastoyaniето na Targovskoto okrazhie prez 1903-1904 g. Tarnovo, 1904, p. 29.

³²¹ Dunavski izvestiya, IX, 33, 14 may 1904.

³²² Ratnik, IV, 206, 13 mart 1905.

³²³ Ratnik, V, 232, 4 septemvri 1905.

³²⁴ Ratnik, V, 232, 4 septemvri 1905.

³²⁵ Sbornik na okrazhnite pisma na BNB, izdadeni prez 1885-1905. S. 1908, p. 19.

³²⁶ Otchet na BNB za 1906. S., 1907, p. 7.

From 1 January 1907 according to the Law on the State's Cash Service³²⁷, adopted then, the agency in Svishtov was transformed into a branch. Over the rest of the pre-war years, although the Central Bank narrowed the opportunities for granting short-term loans at the same time increasing the requirements for granting mortgage loans³²⁸, its local branch played a primary role when securing the needs for loans in the region. This can be seen from the increase in the number of discounted bills: in 1908 they amounted to 1,151 in total at the value of BGN 591,822.22, in 1910 – 2,279 at the value of BGN 2,136,704.79, in 1911 – 3,045 for BGN 3,041,610.26; in 1912 – 2,224 for BGN 2,434,028.55. Special non-interest-bearing current accounts were also opened³²⁹. The growth reflected the economic upheaval, mainly in trade, which was felt in the town in those years, and the decline in 1912, in our opinion, was due to the poor management of the local structure. At the same time the number of mortgage loans fell – in 1903 they were 89 for BGN 418,002.80, in 1906 – 54 for BGN 284,994.26, in 1910 – 23 for BGN 196,985.97³³⁰, which was a consequence of the policy of the bank and its application on a local basis, as well of the more limited need for that sort of loan in terms of the nature of the town's economy. Within the country, the Svishtov division ranked last but one among the branches (a total of 10) by the number of operations and last by the amount of the operations³³¹. The town and the region, for a number of reasons, developed more slowly and that did not change till the end of the period under review, owing to which the branch kept being last according to these indicators.

The changes in the BNB lending policy strengthened the role of trading-and-banking companies (money-changing) and banking houses in the credit market. This was also aided by the irregularities that occurred in the local branch of the bank in the period 1908-1912, when Georgi Marinov was director. For now we have no information on Georgi Marinov's life and activity, except that when he held that post he was already at a retirement age. The accountant of the branch was the son of the BNB director's brother Asen Tchakalov. Both appointments were under pressure from Sofia. The director was under the

³²⁷ The Law from February 1907 obliged the BNB to accept government revenues and to pay government expenses, which necessitated that branches and agencies be opened in all district centres in the country (120 godini Balgarska narodna banka ..., p. 58).

³²⁸ That happened by force of the new Law on BNB (6 February 1906), the Law on Mortgage Loans of BNB (February 1907), and amendments and supplements to the Law on BNB (February 1912, April 1912) (See 120 godini Balgarska narodna banka ..., pp. 57-58, 60, 71-73).

³²⁹ Statisticheski godishnik na Balgarskoto tsarstvo: 1909..., pp. 311-314; Statisticheski godishnik na Balgarskoto tsarstvo: 1910 ..., pp. 353-358. Statisticheski godishnik na Balgarskoto tsarstvo: 1911 ..., pp. 331-335; Statisticheski godishnik na Balgarskoto tsarstvo: 1912 ..., pp. 269-276.

³³⁰ Otchet na BNB za 1903. S., 1904, p. 8, Otchet na BNB za 1906. S., 1907, p. 9, Otchet na BNB za 1910. S., 1911, p. 29.

³³¹ Statisticheski godishnik na Balgarskoto tsarstvo: 1909..., p. 308.

strong influence of the Democratic Party MP and a renowned wheat merchant, Angel Dyulgerov³³², who, together with Boyan Iv. Yordanov, a merchant of groceries, formed the policy of the branch³³³. They evinced subjectivism and party biases when defining the creditworthiness of customers, were often disinterested and delayed the approval of loan applications from both large- and small-scale merchants and industrial entrepreneurs. The management was publicly criticised because it severely restricted the number and size of mortgage loans. An excellent example of the opposite behaviour was the branch in Vratsa where, despite the legal constraints, this type of credit managed to develop well. Large-scale merchants also encountered difficulties in opening current accounts against mortgage, and often upon obtaining permission for them, the proposed amount was much more modest. According to the information in the press, a local factory which had invested funds in real estate worth BGN 100,000, was allowed a current account at the modest amount of only BGN 10,000. An industrial enterprise that had manufactured goods for BGN 80-100,000 and machines for BGN 20,000 was also refused a loan³³⁴. The branch policy also affected small-scale merchants who needed loans of BGN 200-300-500. Although the lower threshold was BGN 1,000, the bank provided loans below it to their own associates, and this created a sense of injustice and set merchants against the institution. There were also refusals to discount companies' bills if they were 3-4 in number during the year and amounted to small sums – BGN 4-5,000³³⁵. To overcome these difficulties, some of Svishtov's merchants and industrialists looked for help from local banking houses. The mentioned factory, which was denied a loan, borrowed from them at 12% interest. In the town, private credit was offered at an interest rate of 12.15%, in some cases at a larger percentage – that is, it was nearly twice as high as that of the BNB. The banking houses discounted bills for smaller sums³³⁶. (During these years the BNB's interest rate on loans was as follows: 1906 – 8 and 7%, 1907-1910 – 7%, 1911 – 7.6 and 6.5%, 1912 – 6 and 6.5%³³⁷.)

The mentioned flaws in the work of the BNB's branch in Svishtov should not be exaggerated. It is a fact, however, that in 1912 G. Marinov was sacked, and it was precisely for abuses and mistakes³³⁸. This year there was also a decline in the number and amount of discounted bills and other banking operations, although then foreign trade grew compared to 1911. Obviously, there was a temporary crisis in the management. In the important years of trade upheaval and registered progress, though not so pronounced, in the industrial

³³² DA – V. Tarnovo, f. 928K, op. 1, a.e. 647, l. 45-46.

³³³ The Democratic Party was in power at that time exactly (1908-1911).

³³⁴ Rodina, I, 10, 30 yuli 1911.

³³⁵ Rodina, I, 10, 30 yuli 1911.

³³⁶ Rodina I, 10, 30 yuli 1911.

³³⁷ Chakalov, As. Op. cit., p. 125.

³³⁸ Rodina, I, 46, 29 april 1912.

development of the town, the BNB branch could not provide the needed assistance in the best way.

Svishtov was not included in the BCB's plans as a possible representation centre in its second attempt to establish a branch network in the country, although some of the town's merchants were among its clients. From the middle of the first decade of the 20th century, the bank intended to enter the Danubian ports by establishing cooperation with local companies. To get to know the area, in 1906, the new Chief Executive Officer G. Gubidelnikov toured a number of trading and industrial centres, including Svishtov. As a result, the bank entered into contractual relations with companies in Lom, Oryahovo, Vidin, but not with merchants from Svishtov. In 1911, BCB increased its capital, one of the goals being to manage the Danube wheat trade and to oust the Romanian banks from it, especially from the lower Danube River, which was why they opened agencies in Lom and Silistra in May 1912³³⁹. Svishtov again failed to win the trust of the bank, the likely causes of which were both its general backwardness and the lack of entrepreneurship in the large companies. Thus, banking houses felt more and more important in the local credit market.

Banking Services

The third group of banking operations of commercial banks were brokerage (intermediary) operations: transfer, letter of credit, collection; fund management; buying and selling securities, buying and selling foreign currency, analyses and information³⁴⁰. They were also referred to as banking services. The data on this kind of operations of the Svishtov's trading-and-banking (money-changing) companies and banking houses are very scarce, although undoubtedly they all, to one degree or another, offered them to their clients. The 'Abadzhievi Brothers' dealt with buying and selling gold currency, 'Teodorov Co. Nenov' – with money exchange and collection. The 'Burov & Abadzhiev' house offered its clients the opportunity to "... transfer whatever amounts they wanted everywhere to and from other countries"³⁴¹. According to advertisements in the local press, Ivan P. Panev bought BCB's securities³⁴² and sold tickets from the third-class lottery in Sofia, guaranteed by the Bulgarian state³⁴³. Tickets of second-class Sofia city lottery were also sold by the 'Abadzhievi Brothers' company³⁴⁴. In 1900 the brothers' company became a representative in Svishtov of the 'Union' Fire and Life Insurance Company³⁴⁵. It is logical to assume that this aspect of the banking houses' activities intensified in the first decade of the twentieth century alongside the development of the banking and financial system of the country. Its importance, in addition to

³³⁹ **Ivanov, M.** Mrezhoviya kapitalizam ..., pp. 311-321.

³⁴⁰ **Radkov, R.** Pari, banki..., pp. 108-109.

³⁴¹ Balgarski almanah za 1897 ..., p. 1451.

³⁴² Ratnik, V, 244, 13 noemvri 1905.

³⁴³ Dunavski izvestiya, VI, 5, 12 noemvri 1899.

³⁴⁴ Dunavski izvestiya, XI, 35, 25 avgust 1905.

³⁴⁵ Dunavski izvestiya, VI, 16, 4 february 1900.

generating revenue for the owners, was in two main directions: it helped the normal functioning and modernization of the town's economic life and contributed to its integration into the national economy.

Significance

In Bulgarian economic and historical literature, attention is not paid to the issue of the institutional characteristics of private lending houses (they are generally considered to be too impersonal and of the same type) and the point of view on their importance to town economics is too sceptical (emphasis is placed on the fact that they were set up with a close horizon of operation and above all for the needs of their founders)³⁴⁶. These evaluations have their grounds. With regard to Svishtov, the present study enables us to draw more specific conclusions on the two issues.

Several basic principles can be outlined in the behaviour of trading-and-banking (money-changing) companies and banking houses in Svishtov. First, regional scope of operation. Short-term manufacturing loans were intended for local businesses – trading and industrial. They helped to strengthen the town's economy. Second, the lack of competition between houses. Although they did not agree on a unified interest-rate policy, it ranged within the same limits. Thus, houses did not compete on the lending market, they rather regarded each other primarily as associates in the overall activity aiming to support economic life. Third, a secondary role of thrift as a method of the total capital formation. Fourth, financial independence from the BNB and other private banks in the country and abroad. So far, we have not found information indicating that they used financial resources from the BNB, or that any of them had a contract similar to the one that BCB concluded with the 'Payakov & Valev' company. It is only known that Ivan P. Panev was a representative of the 'Girdap' company in the town. However, we lack information on what it meant and whether he was entitled to carry out banking operations on his behalf; the only thing that is certain is that he helped the company to announce and sell its store-room on the wharf³⁴⁷ in Svishtov. Fifth, individualized lending as a common practice. Certain very close or important and trustworthy clients were granted loans without strict adherence to particular rules, as well as without strictly fixed instalments and terms³⁴⁸. Sixth, providing loans was intended for a wider range of companies, which prevented them from closer priority binding to a single one in order to avoid the risk of loss in case of a possible unfavourable

³⁴⁶ Avramov, R. Op. cit., pp. 403-404.

³⁴⁷ Dunavski izvestiya, XIV, 42, 30 oktombri 1910.

³⁴⁸ Other more specific banking institutions, such as the 'Geula' Bank, a Jewish bank that only lent to Jews, whose sources of funds were collected only from them, also adhered to a similar principle. The Bank operated in the 1921-1951 period. (See **Kyoseva, N.** Istoriyata na edna evreyska banka v Balgariya ili za novata stopanska istoriya i istoriyata na svobodnoto bankerstvo. S., 2002, www.easibulgaria.org/docs/Kiosseva_Bank.pdf).

development. These principles formed the institutional image of trading-and-banking (money-changing) companies and banking houses in Svishtov.

The functions performed by financial institutions, and the specific manner in which they perform them, vary according to the circumstances of time and place. Many factors – political, economic, perhaps even geographic – affect their character. The character of these institutions is heavily influenced by the requirements of the economy itself (whether it is a highly industrialized or agricultural, pre-industrial economy). On the other hand, the manner in which financial institutions perform their functions constitutes an important determinant of the rate and direction of economic growth³⁴⁹. In the context of these dependencies, in a local aspect, trading-and-banking (money-changing) companies and banking houses in Svishtov experienced the pressure of the strongest town economic sector, i.e. the trade, and provided short-term loans primarily to it, thus contributing to its progress. However, they did not contribute sufficiently to the development of industrial production, which underlay economic modernization and could not replace trading banks that had the potential to stimulate and support industry, both through lending and through direct participation in various industrial initiatives.

The importance of trading-and-banking (money-changing) companies and banking houses for the economic development of Svishtov lies in the following aspects:

First, they were subjects in the process of initial capital accumulation. The bulk of it was acquired through trade, agriculture, and banking. It was operational, although owners allocated funds from their wealth to buy real estate, to provide for and educate their heirs, etc. By attracting, albeit not too much, savings, they helped to turn 'dead' money into capital.

Second, they provided both group funding within circles of family and friends as well as short-term loans and bank services on-site and relatively fast for other companies and sole proprietors. With their activity they increased the total funds for performing payment operations, thus facilitating the progress of the business processes.

Third, they brought stability to the functioning of the banking and credit system in periods of changes in the BNB credit policy after the two local credit companies stopped operating. It would be an exaggeration to say that banking houses were the hidden key to the operation of the banking system, like the role they had in Spain during the nineteenth century³⁵⁰, at least due to the lack of sufficient research on this topic for other towns and regions in our country. Appropriately, we would like to draw another line of significance. For the town

³⁴⁹ **Cameron, R.** Banking in the early stages of industrialization a preliminary survey.- <https://www.tandfonline.com/doi/abs/10.1080/03585522.1963.10414345>.

³⁵⁰ **Ramos, Jose, Garcia Lopez.** Banking merchants and banking houses: the hidden key to the workings of the Spanish banking system in the nineteenth century. *Accounting, Business & Financial History*, V. 10, 2000, Issue 1 www.tandfonline.com/doi/abs/10.1080/095852000330186

economy in Svishtov, banking houses were also a kind of a 'financial buffer' that ensured the survival of companies and their financial independence in cases of temporary difficulties of a various nature.

Professionally speaking, bankers in Svishtov departed from their true image because their activities were not narrowly specialized only in performing banking operations and services. They were merchants-bankers, since together with banking they independently organized or took part in various import-export transactions, were engaged in certain industries, and took care of the proper use of resources and their distribution within the different units of family businesses.

3. The Joint-stock Principle in Banking – the Missed Opportunity for Svishtov

Today, the principle of limited liability is widespread in all spheres of economic life, and seems to be taken for granted. Historically, however, in the development of European capitalism unlimited liability companies dominated until the end of the nineteenth century. The transition from one to the other type of institutions was a product of profound economic and social changes that emerged from the transition from agricultural to industrial economy and it began in England, where the first Limited Liability Act³⁵¹ was adopted in 1855.

After the Liberation, among the early propagators of the joint-stock business in Bulgaria were representatives of the intelligentsia in Svishtov, who published in 1887-1891 'Promishlenost' magazine. On its pages in a series of articles, L. Payakov explained in detail the legal nature of a trading partnership and its different types, paying special attention to joint-stock companies³⁵². At the same time, local businessmen were among the first in the country to implement the new principle of credit. The two savings companies – 'First ... company' and the 'Dunav' company, as well as the other companies of the same type in the country were not legally modern joint-stock organizations (in 1898 they were registered under the articles of the Commerce Act referring to associations, not joint-stock companies). According to A. Lyapchev, their real purpose, at that stage of Bulgaria's development, was that they, being a kind of savings funds, would prepare the foundation for real joint-stock capitalist banks³⁵³. The 'Girdap' savings company (Spestitelno druzhestvo 'Girdap') in

³⁵¹ **Djelic, Marie-Laure** When Limited Liability was (Still) an Issue: Mobilization and Politics of Signification in 19th-Century England. - journals.sagepub.com/doi/abs/10.1177/0170840613479223.

³⁵² **Payakov, L.** Po targovskite druzhestva. // *Promishlenost*, g. I, 15 may 1888, kn. XIII-XIV, pp. 249-254; 15 yuni 1888, kn. XI-XVI, pp. 297-302; 15 yuli 1888, kn. XVIII, pp. 373-376; 15 septemvri 1888, kn. XXI-XXII, pp. 443-448; 15 oktombri 1888, kn. XXXII-XXXIV, pp. 491-499.

³⁵³ **Lyapchev, A.** Op. cit., p. 117.

Ruse was the first in this direction. In 1894, thirteen years after its establishment, thanks to its successful development, it already had solid opportunities to carry out numerous operations and was restructured into a joint-stock company with equity of 1 million BGN, divided into 10,000 bearer shares of 100 BGN. In 1895, a bank and savings branch was formed, and in 1897 the savings branch was closed down and 'Girdap' acquired the appearance of a real credit bank, the name of which, in 1902, became 'Girdap' Credit Company³⁵⁴.

At the end of 1896 and the beginning of 1897, the management board and the shareholders' meeting of the 'First ... company' in Svishtov discussed the restructuring of its previous organization and activity. As the equity increased significantly and in some months remained uninvested, it was imperative to find a form for its year-round utilization³⁵⁵. An option was considered for opening correspondence posts in other cities. The crisis which began, however, removed the issue from the agenda. In 1899, the shareholders' meeting decided that the company had achieved its objectives within the timeframe set during its establishment and that preparations would be made for liquidation. Then the value of one share reached the record BGN 448.77. As a first step, the shareholders were paid the savings accumulated during the years – 260 BGN per share. They also received the first dividends – 9 BGN per share. The remaining profit – over half a million BGN was paid periodically in the following years, with a total amount of nearly BGN 200 per share³⁵⁶. Rough calculations show that by 1899 the total capital of the company was about BGN 1,200,000 and the 'Girdap' development model was completely possible.

Why did that not happen? Why did two of the 'jewels of our companies' not justify expectations?

The reasons for this development were rooted in the state of the town's economy. Its nature and development trends did not create business entities which at that point would be reliable and prospecting clients of a local joint-stock bank. The purpose of a commercial bank is not only looking for deposits and lending. It is also interested in encouraging local entrepreneurs, being closely aware of their abilities, helping them with contacts, information, and even ideas for starting a business³⁵⁷. Then, in Svishtov there was no climate for investment outside trade that, in turn, followed the old beaten paths. It was the most developed town's economy sector and was most affected by the crisis. However, large companies, which had enough capital, managed to deal with

³⁵⁴ **Papazova, M.** Po dirite na edna ot parvite chastni banki v stranata – Banka 'Girdap' – Ruse. // *Almanah za istoriyata na Ruse*, t. X, Ruse, 2010, pp. 159-164.

³⁵⁵ Otchet na I-voto svishtovsko spestovno aktsionerno druzhestvo v Svishtov za 1896 g. Svishtov, 1897, p. 12.

³⁵⁶ **Marinova, M.** Chastniyat kredit v Svishtov ..., p. 400.

³⁵⁷ **Ivanov, M.** Modernizatsiya na periferiyata: Balgariya v ogledaloto na Alexander Gerschenkron. // *Razum*, g. II, kn. 3-4, 2005, p. 205.

unfavourable conditions through the help of the BNB and continued their activity, relying on banking houses in difficult times or for smaller payments. Merchants did not give strong indications that they would also focus on manufacturing activity, thus showing a low threshold for adaptability to industrial entrepreneurship. And just the opposite behaviour was one of the most important conditions for establishing a joint-stock bank. Svishtov's business circles were highly specialized in commerce, accustomed to working, figuratively speaking, 'on a single runway' where they carried out multiple operations. They were strong in the sphere of exchange and distribution, and manufacturing with its organizational risks (supplying raw materials, recruiting employees, supplying energy, equipment, specialists, domestic and foreign markets) was a new, unfamiliar and difficult occupation for them. This is clearly evident in their lack of interest in the 1895 Local Industry Promotion Act³⁵⁸. There was also a reservedness toward the entry of foreign capital in Bulgaria, in particular in the town, and this deprived the local entrepreneurs of the opportunity to use the successful management and technological experience of the more developed countries, thus reducing the fears about the failure of possible production initiatives. Indirect evidence that rich people in the town underestimated the role of industry as the core of economic progress was the nature of their donations, which brought them popularity in the country. It was aimed at stimulating cultural and educational development. Without neglecting at the least this significance, the fact that there was not will for establishing an industrial enterprise speaks eloquently about the gradation of the spheres whose progress, according to the donors' beliefs, would be good for the town. The state of the infrastructure can also be regarded as a deterrent to production initiatives, though not essential. Apart from the fact that the town then was not included in the country's railway network, the roads in the area were in a very bad condition and the issue of their improvement was raised almost every year at the sessions of the District Council.

Among the reasons for not following the 'Girdap' example was the similarity in the Svishtov merchants' mentality, in which the most striking feature was the lack of willingness to cooperate outside the family and friend circles. The few representatives of the Bulgarian economic life at that time (St. Bochev, L. Payakov), scholars (G. T. Danailov), public figures and politicians (St. Ganchev, N. Sakarov) who, on one occasion or another, dealt with the problems of Svishtov, unanimously considered this characteristic as an obstacle to the progress of the town. For example, in the memories about his

³⁵⁸ We should note that at the Agricultural-industrial fair held in the framework of the Plovdiv Exhibition in 1892, delegates from the Svishtov district did not take part in the work of the industrial section where measures to promote local industry were discussed. There were no representatives in the agricultural section, which dealt with the agricultural policy, although at the exhibition the district was mainly presented by agricultural produce and the delegation consisted of more than 100 people (see *Nasheto parvo izlozhenie*, 43, 2 oktombri 1892).

training in the second half of the 1890s, St. Bochev wrote: "Svishtov merchants were not inclined to work in partnership or cooperate."³⁵⁹ This observation indirectly leads to the conclusion of their preference for personal career, belief in individualism and autonomy, as well as the caution to associate on a joint-stock basis. In this regard, in 1912, the 'Dunavski izvestiya' newspaper bitterly admitted that other towns in the country, such as Gorna Oryahovitsa, were making economic progress because local economic forces showed "... cooperativeness that is lacking in Svishtov."³⁶⁰ There were not people with advanced thinking either, who, being aware of the trends of capitalist development at the end of the 19th and the beginning of the 20th century, would take the risk and propose a project for the creation of a local joint-stock bank. To a certain extent, this low potential for innovation in the economic sphere, particularly in banking, was also due to the fact that a significant part of the heirs of the wealthy National Revival merchant families did not continue their family tradition. They did not live in their hometown where to apply the knowledge of good education, the practical experience gained, and to develop their 'commercial genetic code'. Immediately after the Liberation, quite a few prominent citizens of Svishtov, among whom Grigor Nachovich, Georgi T. Danailov, Ivanitsa Ivanov, Dragan Tsankov, Ivan D. Shishmanov and others, settled in the capital city and devoted to the political, scientific and economic progress of the country. Not a small part of the younger generation looked for another career, especially in the administrative apparatus as if tired of the hopes that were reposed in them to follow the example of their predecessors. In this regard, Bochev wrote, "... the generation of merchants from the near pre-liberation time was going away, and its descendants were distracted in intellectual life, in politics, and partly in clerkship. The few young people who tried to continue their fathers' businesses did not have their fathers' perseverance and abilities."³⁶¹

Thus, at the very end of the nineteenth century, Svishtov, under the influence of these objective and subjective reasons, failed to set out on one of the important paths of modern progress – to mobilize and concentrate local capital in a credit joint-stock institution that would be important for accelerating socio-economic development. Instead, the capital of the 'First ... Company' of over 1 million BGN, accumulated in 1899, was demobilized and in 1901 the company went into liquidation. The 'Dunav' Company ended its existence miserably. It swallowed up a large amount of shareholders' money,³⁶² and the void was filled with the newly-emerged private banking houses.

³⁵⁹ Bochev, St. Op. cit., p. 597.

³⁶⁰ Dunavski izvestiya, XVI, 11, 10 mart 1912.

³⁶¹ Bochev, St. Op. cit., p. 597.

³⁶² The first data that there were problems in the company date from 1898, but the real frauds occurred in the following years (Podkreplenie, I, 13, 28 april 1902; I, 21, 29 yuni 1902, etc.). Due to the numerous cases of injured shareholders and some difficulties in selling the mortgaged property the company's liquidation dragged on until 1928 (DA – V. Tarnovo, f. 928K, op. 1, a.e.645, l. 14).

The state of the local economy and the economic and psychological profile of its participants are of key importance for the decisions taken at such important moments, as shown by the Danube town of Lom, where, although with difficulty, they got to the construction of a local bank. Lom, like Svishtov, was adversely affected by the state railway policy (the neighbouring smaller port Somovit diverted its traffic because it joined the railway network through a connection with Pleven), the changes in the administrative division of the country (in 1899 Lom ceased to be the centre of the district), as well as by the crisis. Unlike Svishtov, however, in the 80-90s of the 19th century some relatively modern enterprises were built there – a mill, a brewery, tobacco, ceramic and brick factories. In most cases, they were owned by companies with mixed capital – Bulgarian and foreign, formed through the association of local with Greek, Turkish and Czech entrepreneurs.³⁶³ These companies, together with the trade companies, were among the customers of the 'Bogatstvo' Savings company, created in 1890, and they formed the environment that allowed it, despite the many obstacles, to become a bank. The company was founded for a period of 5 years and in 1895 it was extended by another 10. It was then renamed to 'Bogatstvo' joint-stock company with an announced share capital of BGN 500,000 fixed at 5,000 shares of BGN 100 each. Since part of the shares remained unsold, in 1898 the capital was reduced to BGN 300,000 and the unsold 2,000 shares were destroyed. In the following years, the company was badly managed, and in 1903 it was declared insolvent³⁶⁴. At this crucial moment, according to the researcher of the history of Lom D. Popov, "... good citizens interfered and rescued the company".³⁶⁵ Its management went into the hands of well-prepared and progressively thinking people. In 1905 it was renamed to Lom Joint-stock Company. On December 31, 1906, the capital stock amounted to 282,000 BGN and there was a shortage of 174 shares to cover the capital stock – they were sold only in 1912³⁶⁶. Nevertheless, the company was successful and generated profits, and in 1914 it became a joint-stock bank. A generation of enterprising merchants and factory owners, who were also clients of Lom Joint-stock Company, grew up in the town. By 1905, the percentage of the active population engaged in industrial production in Lom was 22.8%, and in Svishtov it was 18.4%³⁶⁷. Thus, the company 'Bogatstvo' (English meaning: wealth) really turned into wealth for the citizens of Lom.

In the first decade of the twentieth century, again the idea of creating a joint-stock credit institution was not in the focus of the Svishtov entrepreneurship. Trading-and-banking (money-changing) companies and

³⁶³ **Popov, D.** Lom: Grada i okoliyata. Ikonomichesko razvitie s kratki geografski i istoricheski belezhki. Lom, 1927, pp. 185-202.

³⁶⁴ **Yordanov, D.** Kreditnite druzhestva ..., pp. 60-61.

³⁶⁵ **Popov, D.** Op. cit., p. 224.

³⁶⁶ **Yordanov, D.** Kapitalite na balgarskite aktsionerni druzhestva v navecherieto na Balkanskata vojna. S., 1914, pp. 52-53.

³⁶⁷ **Popov, K.** Op. cit., p. 281.

banking houses continued working alone, and even the richest among them did not make attempts for reorganization on a joint-stock principle. In Svishtov's town economy as a whole, and especially in banking, there was no manifestation of the tendency towards concentration of capital. Still, the importance of a town bank as a driver for 'returning the old trade fame' and for the development of industry was underestimated. The attitude towards foreign capital did not change, either. It was seen as an 'enemy-competitor' of the Bulgarian companies; moreover it was already entering the banking sector in our country at that time. Already in 1898, the 'Dunavski izvestiya' newspaper praised the two savings joint-stock companies in Svishtov not so much for their successful work, but as a safe barrier to the invasion of 'non-Bulgarian jobbing and exploitative capital' in the town. The newspaper slashed the foreign presence in the credit institutions because they granted high-interest loans to Bulgarian merchants and aimed at one point to hinder their activity and open a place for external speculators, the final result being to discredit the Bulgarian lending and trading abilities³⁶⁸. A decade later the thinking remained the same. Svishtov even boasted that the town, unlike Varna and Ruse, did not betray the Bulgarian interests to the 'greedy aliens', who had caused the bankruptcies of trading companies, credit societies and banks³⁶⁹.

The joint-stock principle did not enter trade, either. Even in the first years after the Liberation, there was a need for reunification among merchants so that they could successfully resist the abuses of the market-place in Braila, where a large part of the exports coming from Svishtov was offered. There, through the unfair practices at the expense of the Svishtov merchants, the Braila's companies were making big profits, and this, as well as the competition between the old National Revival town's companies and newly emerged companies, often led to bankruptcy. Losses could have been avoided through a joint-stock structure for trading or the creation of some other form of common organization. G. T. Danailov mentioned about some attempts in this regard that ended catastrophically, but he did not give specific details³⁷⁰. Merchants could have also taken common steps to market research. The price of the grain in Svishtov's market place depended exclusively on the prices in Braila's market place, and in order to avoid this dependence, it would have been wise for the Svishtov merchants to unite and send their agents to the major European markets to inform themselves about the movement of rates³⁷¹. But there was not a positive development here, either. Companies continued to act independently in the foreign markets and bear all the negative consequences.

After the failure of the 'Svetlina' trade and industrial company, in the town there were no other attempts for joint-stock industrial entrepreneurship despite the strong state support for the development of industry through the two

³⁶⁸ Dunavski izvestiya, IV, 47, 25 septemvri 1898.

³⁶⁹ Dunavski izvestiya, XVIII, 27, 5 yuli 1914.

³⁷⁰ Danailov, G. T. Op. cit., p. 159.

³⁷¹ Pranchov, St. Op. cit., p. 760.

Promotion Acts of 1905 and 1909. On the eve of the wars, in the opinion of the 'Rodina' newspaper, it was almost impossible to build a large factory such as a joint-stock factory to process raw materials of agriculture because the available capital was not free but engaged in trade or distributed as loans. The mentioned newspaper, which was close to the People's Party in the town found out that Svishtov had missed the opportunity despite the favourable conditions: significant capital – companies that had capital of 100, 200, 300,000 BGN (and some – even more), who could collect 3-4 million BGN to build a modern high-capacity enterprise; an abundance of raw materials for processing; as well as a relatively secure internal and external market and a skilled workforce. Again, among the reasons why this did not happen, the worldview of the Svishtov merchants was mentioned, including the younger generation, which, according to its 'notions, concepts and mental horizons' was not very different from the older one, who owned the capital and who "gave the lead"³⁷². However, we have found out information from August 1912, about the forthcoming foundation of a joint-stock company for the construction of a spirits factory with a capital of BGN 400,000 (4,000 shares at BGN 100 each) and assurances that the project was in an advanced phase and that only a tangled situation in the country could frustrate the intention³⁷³. The initiative was obviously not realized because in the following years there was no information about the establishment of such an enterprise and the reason was probably the Balkan war.

The public in Svishtov, painfully, hard and quite late, reached the underlying reasons for the economic backwardness of the city. Over the years, an opinion existed that the leader of the Danube region, the town of Ruse, was steadily advancing because governments favoured it through rail policy, and the citizens of Ruse found the particular favour with parties and rulers, that there was almost a secret plot against Svishtov, and so on. Gradually, however, other points of view began to be heard that Ruse was advancing because, first, it became a centre of a number of private joint-stock banking institutions – both Bulgarian and foreign, and second, because it modernised all sectors of economic life by applying the joint-stock principle of work in large industrial projects³⁷⁴. The most powerful were the voices among a circle of merchants, members and supporters of the People's Party, grouped around the 'Rodina' newspaper, among whom were the names of Aleksander F. Marinov, Nikolay G. Visokov and Vladimir Manev, the last one being publisher and editor of the newspaper³⁷⁵. This circle suggested that the most important step to be taken to overcome the town's backwardness was the building of a local joint-stock bank.

³⁷² Rodina, I, 49, 27 may 1912.

³⁷³ Rodina, II, 12 avgust 1912.

³⁷⁴ Saedinienie, I, 13, 27 septemvri 1909.

³⁷⁵ VI. Manev's company dealt with printing and publishing, buying and selling books, providing advertisements, etc. Besides, he was representative of the Gritzner Sewing Machine Company for Svishtov district, and also owned a lot of agricultural properties (Rodina I, 42, 1 april 1912).

Although they acknowledged that the most favourable moment for this (the late 19th century, on the basis of the capital of the 'First ... company') was missed, in 1911 they reached the conclusion that there was still an opportunity to take a step in the right direction. The newspaper called that instead of falling into pessimism and 'weeping' that Svishtov was 'condemned to perdition', serious joint work should start. Its pages read: *"If everything is traced, however, it will be easy to see that in Svishtov there are all conditions for struggle so that it can become a place with a good livelihood for its inhabitants and that it will progress day by day. The location is favourable, there is a railroad connection, a wharf is being built, the workforce is abundant, there is even private capital, but there is only one thing lacking – initiative, entrepreneurship. If the citizens of Svishtov think that the past blissful times, when almost half of North Bulgaria had the town as their own shopping centre, will return, then they are mistaken. If they think they will fight evil only by criticism in cafes and squares, they are still lying to themselves. One thing remains: to get down to serious work to keep some of the capital still existing in the town and to use it to support trade and, most importantly, to create the industry for which there are all favourable conditions here. The first step towards this should be the creation of a private credit institution, a joint-stock company, able to finance and support various commercial and industrial businesses. Our town is a centre of rich agricultural district, where there is no shortage of available capital, and if we do not take care, through such a credit institution to transfer this capital for the development of industry and trade, where it can be utilized, we will lose it, too and then, perhaps, the time will come when everything will be late"*³⁷⁶. This belated admission and appeal to action did not find a public response.

Literally months before the Balkan War broke out, a joint-stock enterprise was finally established in Svishtov. In April 1912, the town started a subscription for the establishment of a joint-stock company 'Modern Theatre' with an object of activity "exploitation of a theatre with a cinematograph and a buffet for a period of 20 years". The equity amounted to 100,000 BGN divided into 1,000 shares of 100 BGN (by type – bearer shares). The deadline for the subscription was from 2 April to 16 April, 1912³⁷⁷. The socio-economic profile of the founders was interesting – a total of 20 people, six of whom merchants, as they defined themselves in the subscription. (Apostol Teodorov, Al. Ekimov, Aleksandar F. Marinov, Nikolay G. Visokov, Dimitar P. Avramov, Samokovlievi brothers), four lawyers (Nikola Lafchiev, Hristo S. Hristov, Apostol Nikolaev, PhD. Petar P. Peltekov), two doctors (Dr. Zhupunov, Dr. B. Stefanov), two pharmacists (Aleksandar Chernev, Mihail Kolchev), a dentist (Al. Lingorov), a bookseller (Vladimir Manev), an entrepreneur (Peter Chalakov), a rentier (Peter Il. Milintev), an officer (Todor Ryadkov), and a clerk (Yanko I. Chakalov)³⁷⁸. From the bankers' circle, only the Samokovlievi brothers were involved,

³⁷⁶ Rodina, I, 26, 20 noemvri 1911.

³⁷⁷ Rodina, I, 42, 1 april 1912.

³⁷⁸ Rodina, I, 42, 1 april 1912.

although they were registered as merchants here. The largest was the proportion of lawyers, doctors, clerks, and freelancers. The Constituent Assembly was held on May 12, 1912. A. Todorov was chosen chairman, M. Kolchev – vice-chairman, Al. Ekimov – treasurer, P. Peltekov – secretary. As adherents were mentioned H. P. Hristov and Ivan I. Tsankov. The company was entered in the Trade Register on 16 May 1912³⁷⁹.

The initiative to set up the company, however, did not come from the citizens of Svishtov. The company was part of the cinematographic network, which was built by Carlo Vaccaro in 1912. That ambitious Italian, who settled in Bulgaria shortly before the Liberation, grew to be a great entrepreneur and laid the foundations for cinematography in Bulgaria³⁸⁰. The network of cinema theatres created by him was operated by local joint-stock companies which were given the same name as the Vaccaro's own firm and which were its branches. According to the Trade Register of the Svishtov division of Veliko Tarnovo District Court, 'Modern Theatre' was an anonymous joint-stock company for a cinematographic enterprise. The main office was in Sofia, and the branch was located in the town of Svishtov. The chairman was Carlo Vaccaro with members: Aladar Ostaraiher and Sigmund Simali. The company statute was adopted by the Constituent Assembly of 19 March 1912 and approved by the Sofia District Court on 5 April 1912. The registration at the District Court in Tarnovo was dated 19 May 1912 and a copy was submitted to the case file from the Sofia Registry³⁸¹. In April and May 1912 such branches of 'Modern Theatre' were also established in Ruse and Pleven³⁸².

The critical view on the Svishtov businessmen's attitude towards joint-stock work during the pre-war period was not intended to downplay the results of industry development achieved through the pooling of capital on the principles of limited liability. It would be too risky for the level reached to be defined as a failure, especially when compared with the situation in other towns. Bulgaria was implementing slowly and painfully its modernization and the reasons for this have been subject to many studies. There were not many settlements in which there was a tendency towards a faster development of factory business. In 1910, the towns in the country were 80, with most of them having a population of up to 10,000 – 53 towns; 19 towns had a population of between 10 and 20,000 inhabitants, 7 had a population of 20 to 50,000 inhabitants, and the capital city was with a population of over 50,000³⁸³. Data on the industrial population growth (including the employees occupied in crafts and industrial production) according to the 1900 and 1905 censuses, show that

³⁷⁹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 229-230.

³⁸⁰ On the life and activities of C. Vaccaro see **Kalinkova, P.** Za famozniya Vaccaro Balgariya stava sadba – Duma, 192, 18 avgust 2012 – www.duma.bg/node/37700.

³⁸¹ DA – V. Tarnovo, f. 928K, op. 1, a.e. 645, l. 231-232.

³⁸² **Yordanov, D.** Kapitalite na balgarskite..., pp. 46-48.

³⁸³ **Popov, K.** Op. cit., p. 9.

in cities with less than 10,000 inhabitants there was a tendency for decline in industrial production (the only exception was Gabrovo, which experienced a real 'industrial miracle' during these years), and in the big cities with more than 20,000 people – a tendency for progress. Towns with population between 10,000 and 20,000 inhabitants, including Svishtov, were a demarcation line,³⁸⁴ where the changes were not enough to report growth or decline. So the town was not an exception to the general case.

The same, within the Danube region, can be said about the achievements in banking and credit. Out of the eight settlements included in it, there were banks only in Ruse, Lom and Silistra. Since 1910 a cooperative society existed in Vidin for opening a credit with unfixed capital called 'Vidin Popular Bank'³⁸⁵. However, this is only at first glance. In view of the capital available to the Svishtov merchants and the experience accumulated over the years, and with an eye to the prospects for the development of national finances and the growing role of private joint-stock banks as one of the factors for the modernization of the country, it would not be deliberate if we define the end result of their activity in this area as unsatisfactory. In the general world outlook of the Svishtov business circles, there was no point in the idea that the real expansion of capital in the different spheres of the economy, especially in the developing countries, happened through new types of banking institutions that would help it create and enter boldly in unfamiliar territories of business. In this way, it would contribute to building a modern town economy. The review made it clear that the money-changing firms and banking houses were far from these ideas and they saw their mission in helping, supporting, rescuing merchants and industrialists, but not creating new ones. Our critical view also highlights the significance of 'moral capital' as a condition which influenced to a great extent the rational utilization of the 'material capital' and its focus on modern forms of economic life.

Conclusion

In the large scale of the emerging financial system in Bulgaria in the period from the Liberation to the 1912-1918 wars, the development of banking and credit in Svishtov is an example of the unsuccessful transition from non-organized forms of money-lending to a modern form organized in local companies and banks. Although the joint-stock principle entered relatively early and was largely effective in the first years through the two savings companies, it failed to get firmly established and was only applied for about a decade. At

³⁸⁴ **Denev, Iv.** Tendentsii v razvitiето na zanayatite u nas. // *Ekonomicheski pregled*, g. I, 1914-1915, kn. 5-6, p. 85.

³⁸⁵ **Zlatev, L.** Razvitie na bankovo-kreditното delo v kraydunavskite gradove sled Osvobozhdenieto do voynite (1878-1912 g.). // *Nauchni trudove na Rusenskiya universitet*. t. 48, seriya 6.2, 2009, pp. 272-279.

the same time, the institutions of the non-organized money-lending – the trading-and-banking (money-changing) companies and banking houses inherited as a model from the Revival period, and with a leading role in pre-industrial economies, showed sustainability and existed unimpeded throughout the period. Until the end of the 19th century, the evolution towards modern money-lending did not reach the endpoint logical for the conditions of a highly developed commercial town – the establishment of a joint-stock bank. Instead, at the beginning of the twentieth century, the process ‘went backward’ in the old and familiar way and led to the emergence of new banking houses. The moment was missed for part of the large amount of capital accumulated from trading in the years of its boom and concentrated in several dozen large companies, as well as the savings of the citizens, to be mobilized in a bank that would be an important factor for economic progress and would help in a significant degree to strengthen industrial entrepreneurship. This, of course, does not automatically mean that the existence of such an institution would give the town economy an industrial character, since other prerequisites are needed for such a turn, but the agricultural and craft outlook would be less obvious. In the pre-war decade, in the context of shrinking trade and a lack of industrial progress, Svishtov entrepreneurs continued to rely mainly on credit support from the state through the BNB and local trading-and-banking (money-changing) companies and banking houses, which turned out to be enough for their needs.

The development of trade and banking in Svishtov during the prewar period gives us grounds to draw conclusions, valid in the regional context, on two main issues related to the results of the economic modernization of the country and the character of Bulgarian capitalism. Although it was in the group of Danubian towns that in the first decades after the Liberation were strong shopping centres and where there were good prerequisites for faster progress, in Svishtov the modernization of economic life did not take place with a balance in its two main phases – the accumulation of capital and its rational management by targeting it to a new type of credit institutions and modern technology enterprises: the accumulation prevailed, and in the management there was a lack of rationality. Because of this, it ran slowly, and the results were halfway. As for the problem of nature, the way of functioning and the internal deficits of Bulgarian capitalism, on which in the economic-history literature a debate³⁸⁶ has been held, Svishtov largely confirmed the line of assessment that it was slow, slender and even superficial. Here, the local economic forces did not show entrepreneurial activity and did not risk boldly targeting new economic practices, although a number of conditions were in place for them. The inertia of the past was reflected in their behaviour. In the mind of the Svishtov merchant, the concepts of the power of the geographic factor were deeply grounded as the most important condition for commercial

³⁸⁶ For a summary of this debate, see **Ivanov, M.** *Mrezhoviyat kapitalizam ...*, p. 460.

activity (geographic location remained more important than the benefits created by humans); of the importance of intermediary trade (as the basis for sustainable wealth)³⁸⁷; of banking as the easiest way to get rich (“money which makes money without much work to do”, as the urban legend says); of the essence of wealth, reduced to money and house (money – as a mass saved – i.e., inactive or as a basis for some new activity and real estate)³⁸⁸; of the industrial activity as a more uncertain one, of the foreign capital as an enemy force, etc. These essentially informal norms of the institutions, defined by Douglass North as rules of the game (traditions and common understandings that do not change quickly and easily because they are the result of long evolution and are embedded in the culture and way of thinking of a society³⁸⁹), have a retentive influence on the direction, course and pace of business processes.

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³⁸⁷ By consistently adhering to this view, Svishtov merchants seemed to justify their self-perception as the ‘Bulgarian Dutchmen’ and shared both the fame of mediation and its perishability.

³⁸⁸ **Sakarov, N.** Targovsko i ikonomicheskoto znachenie na Svishtov ot Osvobozhdenieto i kam kraya na XIX v. i v nachaloto na XX v. – prichini za upadaka i perspektivi pred negovoto vazrazhdane. S., 1928, p. 36.

³⁸⁹ **Penchev, P. D.** Ikonomicheskata teoriya – neizbezhen kontekst na stopanskoistoricheskite izsledvaniya. // *Godishnik na UNSS*, 2015, No. 5, p. 247.

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