

Thukydides' narrative. The Corinthians are also presented as responsible for the fact that their dispute with Kerkyra over Epidamnos resulted in war, and war is presented as an undesirable state of affairs reducing human nature to its passionate and irrational character. Therefore war should be avoided and political disputes should be solved through arbitration which appeals to the rational nature of man since it consists of discussion.

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## Postwar Liberation in Greece and Italy: Some Preliminary Comparisons

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ALEXANDER KITROEFF

A NUMBER OF ANTHROPOLOGISTS AND POLITICAL SCIENTISTS have been studying the countries of Southern Europe as a homogeneous, regional unit. Can Southern Europe be studied in such a way from a historical perspective? This is an as yet unexplored question and it cannot be answered here. There are several common historical experiences that have been shared by two or more Southern European countries since the turn of the century. One of them is the post-liberation crisis that both Greece and Italy went through at the end of World War II.

Italy's post-liberation experience is examined in an excellent article by Gianfranco Pasquino within the context of the "transitions from authoritarian rule" debate which has led political scientists to contemplate upon the common characteristics of political developments of Southern European countries.<sup>1</sup> The article on Greece in the same volume that the article on Italy is published deals with Greece after the collapse of the military junta in 1974.<sup>2</sup> From a historical point of view, it is more interesting to compare Italy and Greece during the same period, the 1940s. This is what this article proposes to do, and it will concentrate not so much on the policies of the political actors involved, as the Pasquino article does, but will focus on the historical background that weighed upon the events that took place after both countries emerged from the war. The object of the exercise is to venture several reasons why the Right-Left conflict was played out through the democratic process in Italy while that in Greece was resolved only through civil war.

In examining the relevant events, the external factors, namely the policies of Great Britain, the United States, and the Soviet Union, are

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<sup>1</sup>Gianfranco Pasquino, "The Demise of the First Fascist Regime and Italy's Transition to Democracy: 1943-1948," Guillermo O'Donnell, Philippe C. Schmitter, and Lawrence Whitehead, eds., *Transitions from Authoritarian Rule* (Baltimore, 1986), pp. 45-70.

<sup>2</sup>P. Nikiforos Diamandouros, "Regime Change and the Prospects for Democracy in Greece: 1974-1983," *ibid.*, pp. 138-64.



not discussed in any great detail. Though the external factor was almost certainly the most critical one and defined the final, conservative or non-Communist "destination" of political development in postwar Greece and Italy, the particular routes through which either country went through to reach that destination depended much more on domestic factors. This paper focuses on the following historical factors: political heritage; Church, state, and politics; the role of the ruling class; wartime economic dislocation; and the legacy of the resistance movement. Perhaps certain other factors could have also been taken into account, such as the role of geographical peculiarities, or the background of the individuals in crucial positions. One wonders though whether the conclusions would not, in general, remain the same. Certainly, when a systematic way (or ways) of comparing Southern European countries from a historical perspective is elaborated, such small-scale comparisons, as the present one, will be made with a greater theoretical and methodological consistency.

### *The Events*

For Greece, one can divide the interwar years into two periods. The first stretches from the end of the Asia Minor campaign in 1922 and ends with the final collapse of democratic parliamentarianism in 1936. During those years, the reorientation of government policy away from external affairs and the influx of one and a half million refugees from Asia Minor helped produce the first major industrialization "spurt." The stresses and strains produced by that attempt at economic "modernization" revealed the shortcomings of the earlier political reforms that had been introduced by the Liberals under Eleftherios Venizelos. The second period begins in 1936 with the establishment of a dictatorship, the "Fourth of August regime," by General Ioannis Metaxas. It ended soon after Italy attacked Greece in October 1940. Though an admirer of Mussolini, Metaxas rejected the Italian ultimatum and directed Greece's struggle on the side of the Allies, until his death in January, 1941. Greece was overwhelmed by the superior German forces in April of that year and the king of Greece, George II, and the government of Metaxist ministers headed by a Liberal prime minister went into exile.

Their departure, alongside the inactivity of the traditional political parties, helped create a vacuum of power in occupied Greece that was quickly exploited by the Communist party (KKE). The party was instrumental in creating the Popular Liberation Front (EAM), the largest resistance organization in wartime Greece, whose membership has been estimated at anything between over 200,000 and under one million. EAM's armed wing was the Popular Liberation Army (ELAS) and both

organizations were able to overshadow the other resistance groups that were similar, less effective, as well as being more moderate in their political outlook. To be sure, EAM's program was itself a limited one, calling for national unity in the struggle for national liberation and postponing the issue of the monarchy and government policy in general until postwar democracy would be established. EAM's minimum program, coupled with its dependence on Allied assistance and Allied strategic objectives led the organization to renege on its decision to create a provisional government in the liberated mountainous Greece. A quasi-governmental political committee was formed after elections were held (in which women were allowed to vote for the first time) in those areas. A pro-EAM movement broke out among the Greek forces stationed in the Middle East in an attempt to force the Royalist exiled government (that included several Republicans by that time) to come to some power-sharing agreement with the committee in the Greek mountains. The movement was crushed by the British who took the opportunity to install a pro-British center-Right politician, George Papandreou, as prime minister. Inexplicably, EAM accepted a number of minor posts in an all-party government under Papandreou created at the so-called Lebanon conference, organized by the British in May-June, 1944. In September, the ELAS leadership placed its guerrilla forces under British command. The scene was set for the post-liberation neutralization of EAM and ELAS.

The Greek government arrived in liberated Athens in October, 1944 while the German forces rapidly evacuated Greece, leaving EAM and ELAS in control of most areas and in combat with the Nazi-formed anti-Communist Security Battalions, originally collaborationist organizations that had switched their allegiance to the Allies. The tension between the British (and their forces that had landed in Greece) and the Left reached a breaking point when the government demanded the unilateral demobilization of ELAS. This would have left the government army, purged of all personnel politically left-of-center after the events in the Middle East, the British forces, the police and sections of the Security Battalions as the only armed units in post-liberation Greece, precisely at a time when the country's political future was at stake. The tension culminated into what is known as "the battle of Athens" during December, 1944, during which ELAS reservists were defeated by the combined forces of the British contingent, the Greek army, and police. The Communist party leadership had kept ELAS' regulars in the north of the country.

The political and historiographical battles over the roles and responsibilities of each side in the December events are still raging. None of



the arguments put forward by British and Greek Conservatives, even the best-informed accounts, have succeeded in overturning the verdict of "revisionist" historians such as Gabriel Kolko, who wrote, long before the relevant documentary details were available, that "a concatenation of circumstances led to fighting, by far the most important being the intense desire of the British to impose control over a country which the wrong Greeks administered."<sup>3</sup> What followed the December events was the political confirmation of the Left's defeat with the conference at Varkiza (a seaside resort southeast of Athens) where ELAS was disarmed. With the government not fulfilling its own obligations, there ensued a period of "white terror" by ultra-Rightists against EAMists throughout the country. The center-Right government, representing the Liberal solution to post-liberation politics, was unable to assert itself over the extreme Right. This prompted the Communists to dispute the credibility of the first postwar elections at the end of March, 1946 and to abstain. The electoral victory of the Right guaranteed the return of the king in the referendum held the same year. The last, but all-important symbol of the old order was thus restored. The Communists, who had not countered the ultra-Right's "white terror" to that point, moved to do so in the winter of 1946-47, in what was certainly a delayed reaction.<sup>4</sup> They resorted to armed struggle when almost all had been lost. Winston Churchill's view of the resistance movement as Communist "banditti" bent on the seizure of power became a self-fulfilling prophecy. Faced not only by the then-reorganized Greek army but also by American resolve to stop the spread of Communism in Europe, and deprived of many potential supporters who had been interned or eliminated after 1945, the Communists went on to a senseless civil war that ended with their defeat. Though Greece was saved from becoming part of the Eastern bloc, the civil war's polarization was to disable democratic government for a long while.

Italy's experience paralleled Greece's in several ways. After a period of upheaval, social conflict, and Fascist violence beginning in 1919, the Fascist "march on Rome" in October, 1922 heralded the collapse of Italian parliamentarianism and the political and economic reforms of the Giolitti era. A Fascist dictatorship under Benito Mussolini had been consolidated by 1925. It was claimed after the war that Fascism represented an awkward parenthesis in Italy's history, a notion that helped

<sup>3</sup>Gabriel Kolko, *The Politics of War. The World and United States Policy, 1943-1945* (New York, 1968), p. 185.

<sup>4</sup>See articles by Heinz Richter, George Th. Mavrogordatos, and John O. Iatrides in John O. Iatrides, ed., *Greece in the 1940s. A Nation in Crisis* (Hanover, 1981), pp. 167-219 and Ole L. Smith, "The Problems of the Second Plenum of the Central Committee of the KKE, 1946," *Journal of the Hellenic Diaspora* 12, 2 (1985) 43-62.

restore Italian self-respect and popular sympathy among the Allied countries. In rejecting this rather simplistic view, several studies have gone as far as supporting the view that the regime enjoyed considerable popularity by the late 1920s. It is certainly true that the much vaunted corporatist state policy struck out at labor and agricultural unionism, thus favoring the interests of employers, businessmen, and landowners. But the economic crisis of the 1930s diluted popular enthusiasm for the regime, and state intervention in the economy alienated a considerable part of the ruling class. The "war economy," designed to serve Italy's colonial aspirations, further weakened the regime.<sup>5</sup>

Italy joined Nazi Germany in the war by attacking Greece in 1940. Defeat in Greece did not have a sobering effect on Mussolini who pressed on with the Axis alliance, until successive defeats on the war front in 1943 presaged the end of the dictator, and, indirectly, the end of the Fascist era. The process was initiated by Mussolini's closest associates who were members of the Fascist "Grand Council" and completed by King Victor Emmanuel III who dismissed Mussolini in July, 1943 and appointed Marshal Badoglio in his place. In September Italy signed an armistice with the Allies, becoming a "co-belligerent" while the Allies landed in Southern Italy. Until its liberation in April, 1945, the country remained divided into two parts, the South occupied by the Allies, with the Badoglio government only nominally in command and the North occupied by the Germans, with Mussolini only nominally in command of his Italian Social Republic.

The slow Allied advance northwards was aided behind enemy lines by an active partisan resistance movement composed of Communists, Socialists, Liberals, and a small group of Monarchists. The resistance movement, organized in the Committees for National Liberation (CLN in the South and CLNAI in the North), were in principle opposed to the king and the government he had appointed. A formula with which the king would not abdicate but would turn over the throne to his young son was almost upset when the leader of the Communist party (PCI), Palermo Togliatti, announced in April, 1944 that his party would be willing to collaborate with the king. This about-turn in Communist policy, known as "svolta di Salerno" was the first of several conciliatory offers made by Togliatti during the liberation and post-liberation period. Ultimately, the CNLs were able to force a change of government when Rome was liberated in April, 1944. Ivanoe Bonomi, a prime minister in the pre-Fascist days (1921-22) was to head the first anti-Fascist government in Rome. Though anti-Fascist, this

<sup>5</sup>A useful bibliographical essay on the works of this period is in Alan Cassels' *Fascist Italy* (Arlington Heights, IL., 1985), pp. 121-36.



government had to reconcile its views with those of the Allies, especially the British, who did not favor any radical shift "leftwards" in postwar Italy. Pressure for such a shift came from the northern CLNAIs, the "wind from the North," as it was called. The issue that was being discussed was the postwar status of the CLNs. Muriel Grindrod has described the opposing views as follows:

The parties furthest to the Left — the Communists, Socialists, and Action Party — not only considered that the new Government which was to represent the now reunited country should be chosen by the CLNAI and should contain adequate CLN representation; but they also demanded that the CLNs, in addition to acting as advisory bodies for the local authorities, should retain the wide legislative, executive, and judiciary functions which they had latterly been exercising. The Liberals, on the other hand, supported by the Christian Democrats and Labour Democrats, were strongly opposed to the continuance of even the local advisory powers of the CLNs, for they considered that this would mean a perpetuation of the resistance committees as institutional local organs of administration.<sup>6</sup>

The traditional view and the radical, innovative one clashed in the debate, in which the northern CLNAIs leaned towards the radical view and the southern CLN more to the traditionalist one. In early May of 1945 the Allies did not consent to the government sending representatives up to occupied Milan to talk with the CLNAIs, so the latter agreed to go to Rome, a move by which the CLNAI "tacitly conceded its inferior status."<sup>7</sup> But this was nothing compared to the speech made by Togliatti in late May, a month after Italy was liberated, in which he rejected the Leftist Actionist party's proposal for a new type of central consultative assembly that would consist of delegates of the regional CLNs. Togliatti's moderation, the steadfastness of the Liberals and the Christian Democrats and, above all, the determination of the Allies, buried the plan of a new form of postwar government.

Following Italy's liberation in late April, 1945, an all-party government was formed under center-Leftist Ferruccio Parri. Ineffective in the face of Anglo-American power, too conservative for the Communists and Socialists whose maneuverings were spurred by the widespread social unrest, and too radical for the concerned Monarchist Liberals

<sup>6</sup>Muriel Grindrod, *The Rebuilding of Italy. Politics and Economics, 1945-1955* (London, 1955), pp. 10-11.

<sup>7</sup>Charles F. Delzell, *Mussolini's Enemies. The Italian Anti-Fascist Resistance* (Princeton, 1961), pp. 558-59.

and Catholic Christian Democrats, the Parri government collapsed in November, 1945 and was replaced by an all-party government headed by Alcide De Gasperi, whose Christian Democracy party was to win the first elections in 1946. When he formed his third government in 1947, it lacked Communist ministers, unlike the previous ones. Togliatti had committed his party to the parliamentary game and had lost.

The similarities and dissimilarities between the Greek and Italian cases were of crucial contemporary importance. The Allies were concerned that the Communists in Italy would be allowed the leeway they had supposedly enjoyed in Greece to consolidate power on the eve of the liberation. Togliatti, having seen what happened in December, 1944 in Athens warned against a similar situation in Italy; as long as the Allies were still on Italian soil, radical moves were excluded in order to avoid the "Greek prospect."<sup>8</sup> He was correct in saying so, but to interpret the PCI's attitude in the post-liberation period as a reaction to events in Greece would be to overlook its *sui generis* moderate attitude, that expressed itself long before events in Greece had taken their course. The "svolta di Salerno," for instance, was made by the PCI before the British versus Left confrontation in Greece took place. One should bear in mind that other Communist leaders, for example, Albania's Enver Hoxha, drew quite different conclusions from the situation in Greece and acted accordingly.

Yet the importance of the Allied factor, especially after the December, 1944 events in Athens, cannot be overstressed. The issue in any analysis is how the external factors will be incorporated in a general interpretation. The earliest radical views on Greece and Italy explained things solely in terms of Allied policy. More recently, studies based on documentary evidence have shown that conservative politicians were dependent on Allied goodwill. Italian Conservatives, such as De Gasperi, often had trouble earning U.S. support.<sup>9</sup> Other studies have focused on the domestic situation in Greece and Italy with a view to providing an explanation why the external influence was so successful. In this area, a great deal of work has been done around the tactics and strategy of the various political forces, groups, and individuals. This inquiry focuses more on macro-historical factors: those forces, groups, and individuals who were confined to a set of options, defined by their own social historical background, in their interaction with Britain and

<sup>8</sup>Norman Kogan, *A Political History of Postwar Italy* (New York, 1966), p. 10.

<sup>9</sup>Carlo Pinzani, "May 1947: The End of the Left's Participation in the Government," Ekkehart Krippendorff, ed., *The Role of the United States in the Reconstruction of Italy and West Germany, 1943-1949* (Berlin, 1981), pp. 322-29.



the United States. This paper singles out the following aspects of that background that had evolved since the turn of the century that have been already mentioned: political heritage, Church and state politics, the role of the ruling class, wartime economic dislocation, and the legacy of the resistance movement. This approach will hopefully complement what has already been written by stressing the undeniable importance of historical continuity in a time of crisis.

### *Political Heritage*

Hannah Arendt remarked that Italian Fascism was "not totalitarian but just an ordinary dictatorship."<sup>10</sup> Several authors have echoed this view, noting that, despite the Fascist regime's claims to have become a "totalitarian" one, in practice it fell short of becoming one. This was not due to the widely reported divergence between Fascist theory and practice, but because of the difficulty Mussolini's regime experienced in uprooting the established sources of political legitimation. Mussolini himself acknowledged the obstacles that the monarchy placed in the regime's road to Fascist consolidation through the dyarchical power-sharing by the Duce and Italy's King.<sup>11</sup> It was King Victor Emmanuel III, rather than Mussolini, that had the allegiance of the aristocracy, many senior military officers, the diplomatic corps, the older senators, to name only members of the political elite.

Less of an obstacle than the monarchy, but just as tenacious, were the pre-Fascist political parties and ideologies that survived under the surface. Alan Cassels reports the story of the visit to the factory of a high Fascist official who asks the manager about the political sympathies of the workers: " 'One-third Communist, one-third Socialist, and the rest belong to small parties,' was the reply. 'What!' cried the livid Fascist: 'Is none of them Fascist?' The manager hastened to reassure him: 'All of them, Your Excellency, all of them.' "<sup>12</sup> What is remarkable is that the standing of the main parties in the post-liberation elections reflected their standing in the elections before the Fascist seizure of power. Neither did the Fascist period, or the relatively much shorter resistance period, cause any significant shifts in ideological allegiances that would have made for a quite different political landscape in the immediate post-liberation period. One effect of this was probably to create a widespread consensus on the legitimacy of the local and national electoral process, since no political force disputed the elections or tried to seriously influence their outcome by terrorist tactics.

<sup>10</sup>Quoted in Cassels' *Fascist Italy*, p. 73.

<sup>11</sup>Pasquino, "The Demise."

<sup>12</sup>Cassels, *Fascist Italy*, p. 76.

Significantly, the municipal elections that were held in March and April, 1944 were held with the system that had been used in the pre-Fascist municipal elections of 1915. On the whole, the credibility of the old political system was such that the traditionalist forces had a viable answer to the radical calls for a new style political system with CLN participation. And when the Left's proposals were defeated, it still felt that it could get a fair deal out of the old system and participated fully in the elections and parliamentary politics.

The Metaxas dictatorship in Greece lasted only for about four years and the regime's ideology was far less coherent than Mussolini's. Thus the period of authoritarianism itself was not in a position to uproot past traditions and introduce new political allegiances. However, post-liberation Greece did not have a ready-made democratic formula to rely upon, for two main reasons. The first is that interwar parliamentarianism in Greece was a weaker political system than that of pre-Fascist Italy. Greece's era of mass political participation and economic, political modernization under Venizelos stumbled upon the vigorous opposition of the old regime that was led by the monarchy. Thus Greece's pre-authoritarian parliamentarianism was scarred by the Venizelist-anti-Venizelist conflict and has been justly described as a "stillborn republic."<sup>13</sup> Several unconstitutional interventions in politics by the monarchy, continuous involvement in politics by the military, and several successful and unsuccessful coups d'état were hardly a legacy that would enjoy great public support.

The second reason is that the period preceding the country's liberation encompassed major shifts in ideological allegiances and the distribution of political influence and power. The Liberal (Venizelist) camp had steadily regressed towards conservatism during the interwar period and ultimately capitulated to the Metaxas dictatorship without any serious fight. The wartime occupation pushed the Liberals into further oblivion. Their wait-and-see attitude and their abstention from any form of militant and meaningful resistance isolated them and finally marginalized them, with the exception of the Liberal Conservatives who joined the British-backed Royalist government-in-exile, effectively joining their erstwhile adversaries. Meanwhile, their popular base had all but joined the Left, especially during the occupation. The Communist party, that had never been able to gain more than about ten percent of the vote in the interwar elections it was allowed to contest, saw its support grow to gigantic proportions, albeit on the basis of a far more moderate

<sup>13</sup>George Th. Mavrogordatos, *Stillborn Republic Social Coalitions and Party Strategies in Greece, 1922-1936* (Berkeley, 1983).



political program. The Left replaced the Liberals as the main adversary of the Conservative side. Considering that the Conservatives had only won decisively in two of the past seven electoral contests (since 1910), no wonder that they approached the prospect of representative elections in 1946 with considerable trepidation.

### *Church, State and Politics*

The separation of temporal and spiritual powers is a crucial factor in the development of societies and states. When comparing Greece and Italy, we are faced with two distinct traditions in this sphere. The uncomfortable relationship between the Catholic Church and the Italian state contrasts with the smoother relationship of the Orthodox Church of Greece with the Greek state, especially after the Church of Greece declared its autonomy from the Ecumenical Patriarchate in Constantinople in 1833. While the Catholic tradition consisted of an extension of religious authority in the realm of secular affairs, the Eastern Orthodox Church limited itself strictly to its religious duties, condemning church involvement in temporal affairs as "caesaro-papism." Historically, therefore, the Orthodox Church has been subservient to state authority, while the opposite is true for the Catholic Church. In the interwar period, the Fascist regime scored an important success by achieving the first reconciliation between the Catholic Church and the Italian state with the so-called Lateran Accords of 1929. Yet, it is still debated whether this ultimately benefited the regime or the Church, which distanced itself from Fascist policies quite explicitly on several occasions in the 1930s. The Catholic Church emerged as another pre-authoritarian political institution that was distinct from the authoritarian past and functioned as an alternative pole of attraction for the Conservative forces. The Church, in fact, appears more important than the monarchy, because the monarchy was abolished in the post-liberation period, while the Catholic Church not only became the rallying point for conservatism but it also proved unassailable by the Radical forces which did not challenge its authority. The Lateran Accords were approved even by the Communists in the post-liberation period.

The Church of Greece, on the other hand, was continually handicapped by its passive relationship with the state. The Venizelist-anti-Venizelist conflict before 1922 had caused several rapid changes at the head of the Church, all of them the result of political considerations. From 1923-24 onwards, the Church began a difficult struggle to assert the authority and autonomy from the state of its ruling body, the Holy Synod, only to see the important gains painstakingly made collapse during the Metaxas regime when political appointments were renewed. The Church's leader, Archbishop Damaskinos, ousted by Metaxas and

restored by the quisling occupation governments, played an important part in the resistance movement and in post-liberation politics, serving as regent in the absence of the king who had remained abroad awaiting the result of the referendum on the monarchy. But Damaskinos' role was of a more personal than institutional character, and a number of prelates had sided with EAM or even joined ELAS guerrilla bands. So, on the whole, despite Damaskinos' prominence, the Church as an *institution* did not emerge as a political actor as it did in Italy, providing continuity with the past and a platform for the Conservative forces that enjoyed widespread legitimacy. The Greek Church, as always, was submerged into the Conservative camp and was identified with its political leadership and its British supporters. Conservatism provided legitimacy to the Church's leadership rather than vice versa. The same applied for the clergy that remained identified with the Left and who were quickly defrocked after the occupation ended. Unlike its counterpart in Italy, the Church in Greece did not function as a stepping-stone to normality.

### *The Role of the Ruling Class*

Next to the mechanisms and institutions necessary for a democratic solution to the post-liberation issues of the distribution of political power, Italy also had the advantage of a ruling class prepared to play the democratic game rather than resort to out-and-out repression of its opponents. The Italian bourgeoisie, its industrialist and entrepreneurial component especially, had drawn away from the logic of the old, Fascist order. It was also committed to exploiting the considerable advantages in the development of domestic economic activities and in the expansion of the country's industrial base. Those factors combined to make for a more "enlightened" bourgeoisie than what was the case in the more traditionally-oriented Greek bourgeoisie.

Two points must be made with respect to the Fascist regime's policies in the 1930s. The first is that it alienated a large section of the Italian ruling class as well as parts of the middle strata who had benefited from the regime's earlier policies. State intervention in the industrial sector and in the private economy through the *Institutio per la Ricostruzione Industriale* (IRI) turned many industrialists and entrepreneurs against the regime.<sup>14</sup> Other measures increasing the role of the state in the economy adversely affected a number of groups, such as holders of government securities, the banking sector, and the retail trade. Small

<sup>14</sup> A. James Gregor, *Italian Fascism and Developmental Dictatorship* (Princeton, 1979), p. 160.



industries were particularly hard hit, their total number declining by about five thousand between 1934 and 1937.<sup>15</sup> The reasons behind those measures was the need to support the war in Ethiopia (in 1935) by curbing the trade deficit and the outflow of gold reserves. Victory in Ethiopia did not bring respite to the war economy, as Mussolini ambitiously set his sights on new targets. Economic policy had taken second place to foreign policy. As Alexander De Grand has written:

Economic measures were hastily improvised to suit the needs of foreign policy. Because of the shift in interest to the Mediterranean, carefully built-up markets in Eastern Europe were sacrificed. Permanent war increased public spending and budget deficits . . . in late 1936 the government faced the inevitable and announced a forty percent devaluation. Still, prices continued to rise, and the regime was forced to impose price controls in 1936 and to allow general wage increases in 1936 and 1937.<sup>16</sup>

All this does not amount to a legacy that the Italian ruling class would choose to replicate in the postwar years.

The second point that should be made with respect to the regime's economic policies that were, in general, a continuation of the economic development that had begun at the turn of the century, refer to the similarities of the Italian economy with those of Western Europe and its dissimilarities with those of other Southern European countries. The particular features cannot be expanded upon here, but it is worth noting that Italy's relatively advanced industrial sector, its partly import-substitutional industrialization process, and the fact that the leading sectors of its economy were capital-goods sectors rather than consumer-goods sectors explains why Italy competed with other Western European countries for European and overseas markets. This means that the whole relationship between Italy and the wealthy nations of Europe was not, relatively speaking, one of absolute dependency as it was, for instance, for Greece and the Balkan countries. The stakes involved in accelerating postwar reconstruction made for a considerably different attitude among the Italian ruling class than it did among the Greek ruling class.

Despite the efforts made in the 1920s, the Greek economy remained oriented towards exporting agricultural goods to foreign markets. An industrially-based domestic bourgeoisie did not emerge in the interwar

<sup>15</sup>H. Stuart Hughes, *The United States and Italy* (Cambridge, MA., 1979), pp. 89-91.

<sup>16</sup>Alexander De Grand, *Italian Fascism. Its Origins and Development* (Lincoln, 1982), p. 108.

period, and the Metaxas regime furthered the country's dependency on foreign investment by awarding contracts to British companies. The other factor that shaped the interwar Greek economy was Germany's penetration into Southeast Europe and its increase in trade with the Balkan countries. The total value of Greek exports increased by almost fifty percent between 1929 and 1938, and by the end of that period, Germany absorbed almost half the total value of Greek exports consisting of tobacco, currants, and other agricultural produce.<sup>17</sup> Thus dependency on foreign markets was increased in the 1930s. The development of a domestic manufacturing sector was postponed, in part, for fear of creating a militant industrial proletariat, and this view survived into the mid-1940s. A small group of entrepreneurs favoring such a development in 1945 was silenced by the traditional state and export-oriented Greek bourgeoisie that feared the social dislocations that such moves would cause. Even after massive foreign aid in the post-liberation period guaranteed a safer transition of the Greek economy, the traditional forces were still able to actively oppose the move towards developing domestic manufacturing and domestic markets.<sup>18</sup> Understandably, therefore, sections of the Greek ruling class placed the defeat of "Communism" higher as a priority than immediate postwar reconstruction. And this, inevitably, affected the dynamic of post-liberation politics.

#### *Wartime Economic Dislocation*

Political and ideological predispositions aside, the effects of the war on the respective national economies also determined post-liberation policy options. The Greek economy was devastated during the period of Axis occupation. John L. Hondros has described the situation, based on his examination of German documents, as follows:

In the other occupied countries of Western Europe, the Germans followed a pattern of rational exploitation of economic resources when it served their interests. In France, Belgium, the Netherlands, Denmark, and Norway, the German authorities spared the existing economic productive capacity, continued the monetary mechanism and worked to prevent or control inflation. If the policy of "rational exploitation" offered only minor benefits, however, the Reich resorted to plundering and indifference. Greece and the

<sup>17</sup>*South-Eastern Europe. A Political and Economic Survey* (London, 1938), pp. 156-57.

<sup>18</sup>Christos Hadziiosif, "Απώγεις γύρω από την βιωσιμότητα της Ελλάδας και το ρόλο της βιομηχανίας," ["Views on the Economic Viability of Greece and the Role of Industry"], *Αφιέρωμα στον Νίκο Σβορώνο* [*Festschrift to Nikos Svoronos*] (Rethimno, 1986).



Ukraine are prime examples of the latter.<sup>19</sup>

The collapse of the Greek economy, the severe food shortages, and so on created a widespread black market network, through which a number of people were able to amass considerable profits. Rampant inflation made the drachma almost meaningless and brought in gold as a form of exchange, gold being traditionally popular in savings in Greece.<sup>20</sup> So great were the changes brought about by this situation that one economic historian has talked about a "pillage economy" bringing about a "new bourgeoisie."<sup>21</sup> Since those making profits in these ways were against the alternative methods of distribution and circulation of goods sponsored by the resistance organizations, especially EAM, one can assume that this *nouveau riche* group would have been bitterly opposed to the Left in the post-liberation period. In other words, nothing was left of the Greek economy to be built upon after the war without Allied aid, and those who had profited during the occupation wished to preempt any retribution by the Left. Thus, on the whole, the Greek ruling class' priority was to neutralize the Left politically and then only move towards reconstruction.

Italy, on the other hand, not only had an entrepreneurial class urgently interested in postwar reconstruction — individuals such as Altiero Spinelli, Ernesto Rossi, and Luigi Einaudi were working in Switzerland for the cause of a United States of Europe, while their Greek equivalent were planning territorial claims for the forthcoming peace conference — but it was also spared the catastrophes suffered by the Greek economy. Large areas of the south of the country did not suffer ravages of war, while on the whole damage to national territory and property was reckoned to have reduced it to about two-thirds of its pre-war value. In the industrial north, owing to the rapid advance of the Allies, but even more so because of partisan action in protecting factories and other installations, damages were only slight. For instance, the reduction of production capacity in the iron and steel industry was estimated at only fifteen percent and the textile industry emerged from the war almost unscathed.<sup>22</sup> These figures contrast sharply to those that reflect the Nazi scorched earth policy in Greece.

<sup>19</sup> John L. Hondros, *Occupation and Resistance. The Greek Tragedy, 1941-1944* (New York, 1983), pp. 61-62.

<sup>20</sup> Stavros B. Thomadakis, "Black Markets, Inflation, and Force in the Economy of Occupied Greece," Iatrides, ed., *Greece in the 1940s*, pp. 61-80.

<sup>21</sup> Kostas Vergopoulos, "The Emergence of the New Bourgeoisie, 1944-1952," *ibid.*, pp. 298-318.

<sup>22</sup> Grindrod, *The Rebuilding of Italy*, pp. 40-42.

### *The Legacy of the Resistance*

There were important differences between the Greek and Italian resistance movements that may explain the more conciliatory attitude adopted by the Italian Left as compared to the Greek Left. In most of the literature, the conciliatory attitude of the Italian Left is attributed to the policy of cooperation and "class collaboration" pursued by PCI leader Togliatti. This is certainly true. But the Greek Communists were not maximalists and made their own share of conciliatory moves. Furthermore, in the period before the civil war broke out, KKE leader Nikos Zachariades, generally considered as the quintessential Stalinist, went ahead with developing his "theory of the two poles," in which Greece would remain in between Great Britain and the Soviet Union, a far more explicitly neutralist view than those propagated by Togliatti at the same time. Yet despite several conciliatory moves, the Greek Left refused to back down over the issue of ELAS' unilateral demobilization in November, 1944 and also refused to take part in the elections in 1946, thus setting in motion the process that led to armed confrontation. The reason for both those moves must be sought in the advantages that the leaders of the Left thought that their side enjoyed on those two occasions.<sup>23</sup> Indeed the Greek resistance had spawned deep roots throughout the country since 1941, deeper ones probably than those of the Italian resistance in terms of administration of liberated areas, control of towns and cities long before the Allied troops arrived there and so on. Another difference was that the resistance movement was monopolized essentially by a single party in Greece, while in Italy the Communists were not alone, making for a more fragmented Leftist front in the post-liberation period when the jostling for political power began.

In Greece the Socialists were non-existent and the Liberals had voluntarily abstained from any resistance activity. Finally, the Conservative bloc in Greece incorporated elements of the authoritarian regime, such as the police force and elements of the occupation regime, such as the notorious Security Battalions, making the Left justifiably suspicious of the democratic sincerity of their opponents. At least in Italy, the pro-Fascist elements were excluded as a political force from the Conservative bloc, but in Greece the old regime, by having opposed the Axis (one could almost say in theory but not in practice) was able to resurface in the post-liberation period, recast as a section of the pro-Allied, anti-Communist Conservative bloc.

<sup>23</sup> Historians, Heinz Richter and Ole L. Smith, have debated over the actual policies followed by the KKE prior to the civil war, but this argument is not central to the more general considerations of this paper.



*Postscript*

The 1940s were, like the 1917-1922 period in Europe, a time of revolutionary upheaval, when the old order faced a challenge from the new. The situation in Greece and Italy shared many common characteristics in the 1940s, but fundamental differences existed in terms of economic development, ruling class ideology and attitude, and the availability of commonly accepted democratic mechanisms to deal with social conflict. Although the end result was defined by the Western powers involved, the process towards that end was determined by the domestic situation. The more "advanced" Italian class, politically and economically, was able to defend itself through the ballot. The much "weaker" ruling class in Greece resorted to repression and violence which in turn allowed it to defend itself with the bullet after the Left resorted to civil war. Where the old order could not change sufficiently to contain the challenge from below, the confrontation was a bloody one. The Greek ruling class comes off very poorly compared to its Italian counterpart in facing the challenges of the 1940s, because it was less securely established and less prepared to deal with dissent and opposition.

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## Cyprus, the *Enosis* Struggle, and Greece: Sir John Stavridi and the British Offer of 1915

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JOHN T. A. KOUMOULIDES

THE PURPOSE OF THIS ESSAY IS TO PRESENT THE EVENTS preceding and leading up to the British offer of Cyprus to Greece in 1915 as they are recorded by Sir John Stavridi (1867-1948) in his diary for the period 1912 to 1915. The diary has been edited as to include only notes relevant to Sir John's secret mission to Greece in November 1915.\*

### *Ottoman Occupation, 1571-1878*

The capture of Nikosia and Famagusta by Sultan Selim in 1571 brought an end to Venetian (1489-1571) rule of Cyprus and established the Turkish occupation (1571-1878) of the Island. "The history of Turkish rule," wrote Sir Harry Luke, "is a story of provincialism and decay, of contracting commerce and unenterprising administration, a story not regal but parochial. . . . From a kingdom renowned throughout Christendom, the Island was to become an obscure Ottoman dependency."<sup>1</sup> While the crowned heads of Europe were not willing to leave Cyprus to the Turks, the Christian inhabitants of the Island and, in particular, the Greek Cypriots made repeated efforts to "induce" the kings and princes of Europe to "undertake expeditions" to liberate

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\*Sir John Stavridi, a close friend and confidant of the British Chancellor of the Exchequer, David Lloyd George, and the Greek Prime Minister, Eleutherios Venizelos, was born in Manchester, England in 1867. He was educated in Geneva and Paris. In 1894 he married Annina Olga. They had three daughters and one son. Sir John served as Consul General for Greece in 1903 and from 1917-1920. In 1915 he was sent by the British Government on a secret mission to Greece. He was Chairman of the Ionian Bank and Chairman of Hellenic and General Trust Ltd. Sir John Stavridi died in 1948. He was made a Knight in 1919. The private papers of Sir John Stavridi are deposited in the library of St. Antony's College, Oxford. In May and June of 1984 I was given permission to study the papers of Sir John Stavridi and also to publish certain parts of his diary, especially notes relevant to my research. To the Warden, members of the Governing Body, and, in particular, Dr. A. J. Nicholls, Librarian of St. Antony's College, I am most grateful for their assistance and cooperation. It is also with pleasure that I record my debt of gratitude to Mr. Salvatore Stavridi who kindly met with me in London and with sympathy and understanding answered my queries about his late father.

<sup>1</sup>Harry Luke, *Sir, Cyprus under the Turks, 1571-1878* (Oxford, 1921), pp. 2-3.