

# Reararticulating the Local, Regional, and Global: The Greek-Turkish Rapprochement of 1930

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This contribution will explore the historical, albeit temporary, grounding of the Greek-Turkish rapprochement of 1930 at the conjunction of global, regional, and local dynamics. To be more specific, respectively, the focus will be the expansionist foreign policy of Italy in the 1920s, the demands of territorial revision in the Balkans, and the severe economic crisis which was under way in both countries. This type of explanation will divert from the major perspectives in approaching the issue which basically emphasize either the great power input (Italy) or the long-term vision of the local political elite (Venizelos and Mustafa Kemal).

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Yet, the political future of Greece seems to be concerned most directly with what might happen in Italy, Turkey and Russia.<sup>1</sup>

The First World War that had put an end to the *belle époque* of the liberal Western world also functioned as a catalyst for the demise and destruction of the long-standing empires of Austria-Hungary, Russia, and the Ottoman state, from which several nation states emerged on the historical scene in the first quarter of the twentieth century.<sup>2</sup> Yet, the transition from empire to nation state was neither smooth nor easy. In the case of the Ottoman Empire, the transformation, which coincided with the final resolution of the "Eastern Question," set the seal on bloody fights, imperial agendas, anticolonial struggles, and the consolidation of Turkish nationalism.<sup>3</sup>

With claims over the same territory, Greece and the Turkish nationalists waged a bloody war for three years (1919–22) as part of the postwar settlement conflict. In practical terms, the war started with the Greek military campaign in western Anatolia, then evolved into a Muslim-Turkish local resistance against the Greek forces, and finally ended with the retreat of the Greek army from Asia Minor.<sup>4</sup> The Great Catastrophe or the War of Independence, depending on the narrative one chooses to adopt, produced two well-established historical facts: first, the war was a strong impetus to the nation state-making efforts of the Turkish side by supplying the much-needed morale and military victory; and second, from both the Greek and Turkish standpoints, it was a horrifying tragedy with its high human costs.<sup>5</sup>

The international attempt to solve the Greek-Turkish conflict came at the Lausanne Convention signed in 1923, in which the Greeks of Orthodox origin residing outside Istanbul left Turkey for Greece while the Muslims of Greece living outside Western Thrace left Greece for Turkey.<sup>6</sup> Yet the agreement was neither completely successful in mending the unfriendly relations between the two neighboring states nor fully capable of recovering the previous life standards of the new immigrants. The short-term cause for the strained interstate relations and the ongoing human tragedy was the unresolved issue of the population exchange agreement.<sup>7</sup>

Surprisingly enough, Greek-Turkish relations entered a new phase in 1930, changing from hostile to cordial. The political leaders of both countries settled their disagreements regarding the exchange of populations in the Ankara Convention, signed in June 1930. Moreover, Eleftherios Venizelos, the Greek prime minister, visited Ankara in October 1930, at which time agreements of neutrality, conciliation, arbitration, a protocol for the limitation of naval armaments, and a commercial convention were concluded.<sup>8</sup> What was the *raison d'être* of the improved relations between the two neighboring states?

This article will explore the historical, albeit temporary, grounding of the Greek-Turkish rapprochement of 1930 at the conjunction of global, regional, and local dynamics. To be more specific, my focus will be the expansionist foreign policy of Italy in the 1920s,<sup>9</sup> the demands of territorial revision in the Balkans, and the severe economic crisis which was under way in both countries. This type of explanation digresses from the major perspectives on the issue as these basically emphasize either the great power input (Italy) or the long-term vision of the local political elite (Venizelos and Mustafa Kemal).<sup>10</sup>

Furthermore, each suggested dynamic that influenced the Greek-Turkish rapprochement will be explored unconventionally. Italian foreign policy will be contextualized by delineating the political struggles surrounding the fascist party (*Partito Nazionale Fascista*—PNF) and examining the colonial vision in terms of the “demographic question” in contrast to the perspectives that emphasize the “Mussolini Menace” and/or the unchanging imperial designs of Italy.

Likewise, the discussion of the regional dynamic of instability in the Balkans does not only cover a *realist* reading of international relations but will concentrate on the changing nature of internal politics that favored

revision or expansion. Hence, instead of talking about the irredentist aims of Bulgaria since the Balkan wars, this perspective will treat the revisionist ideals of the Bulgarian elite in the 1920s with reference to the collapse of the peasantist government and the violent operations of the Internal Macedonian Revolutionary Organization (IMRO).

Finally, on the local level of analysis, I have chosen to emphasize the economic crises in both countries as having paved the way for the new friendship between Turkey and Greece. Thus, the decision of the political world in both national spaces is not considered to be solely the personal views of the signatories and their long-term visions, but rather logical responses to the deteriorating local economic conditions and political context.

Overall, methodologically speaking, this contribution offers a fresh understanding of the Greek-Turkish rapprochement of 1930 which aims to go beyond the sketchy literature on the topic. I will mostly benefit from the Italian historiography, less from the books on internal Balkan politics, and modestly from the economic history literatures on Greece and Turkey. Having discussed the issue of method and mapped out the study, I suggest two major points regarding the Greek-Turkish friendship of 1930: first, viewed from the signatories' side, this was a defensive strategy against the military expansion agendas of Italy and Bulgaria, whose domestic political forces were eager for such colonial enterprises; and, second, it was a by-product of the local circumstances, namely the economic crisis which largely curtailed the possibility of large military spending in both national settings and, at the same time, forced the Greek-Turkish political elite to concentrate on domestic reconstruction as opposed to adventures abroad.

### Italian Foreign Policy (1922–30)

The First World War brought enormous difficulties, and consequently great discontent, upon the participant countries,<sup>11</sup> a circumstance that Italy did not escape. Economic dislocation was of crucial importance in this respect:<sup>12</sup> while price increases hit the urban population very badly,<sup>13</sup> unemployment was on the rise with 160,000 soldiers pouring into the job market and contributing to the decreasing living standards. The economic problems of Italy also accelerated through increasing public debts, difficulties in obtaining raw materials (coal in particular), and the devaluation of the national currency against foreign monies.<sup>14</sup>

Much of the unrest in the society found its concrete expression in strikes. Mostly visible in the public transportation sector, the strikes, coupled with the occupation of factories, were joined by more than 3 million workers between the years 1919–21, causing a loss of more than 60 million working days. A similar development was taking place in the countryside through seizures of *latifondi* by rural workers.<sup>15</sup> Hence, the “red specter” coordinated by the leftists aroused enormous anxiety for the propertied classes who feared a Bolshevik revolution in the country.<sup>16</sup>

The issue of postwar settlements was another heavy blow to the prevailing *mentalité* of the Italian society. The idea of *vittoria mutilata*, that Italy had won the war but lost the peace, gained wide recognition,<sup>17</sup> despite the fact that Italy acquired the entire Trentino up to Brenner Pass, and brought under its control 200,000 Germans and 500,000 Slavs on the Yugoslavian border. The conclusion to be drawn is that the current expansion did not satisfy Italy, whose imperial vision was based on replacing the Habsburg Empire in southeast Europe, taking possession of German colonies in Africa, and holding onto their territory in southwestern Anatolia.<sup>18</sup>

Benito Mussolini, leader of the Fascist Party (PNF), hijacked the political authority in the country by marching on Rome in October 1922 with two major promises: to put an end to chaos (read as to terminate the socialist/leftist movement) and to take back what Italy had been promised in the international arena. Mussolini was quite successful in achieving his first aim through the methods of violence implemented by armed fascist squads (*squadristi*) against labor unions, socialist municipalities, working-class districts, and socialist deputies.<sup>19</sup>

However, the fascist politics of Mussolini faced two obstacles from within. First of all, the establishment—including the institutions of monarchy, church, and the military—were uncomfortable with the revolutionary measures and totalitarian tendencies of the Duce. Second, the radical wing within the fascist cadres that wanted to continue the fascist revolution at a quicker pace, as well as Mussolini's rivals within the party, were discontented with his one-man rule.<sup>20</sup>

In the midst of mounting criticism against his authority, Mussolini had to tackle the urgent economic problems of the country. The Italian economy was struggling with structural problems such as overpopulation and lack of raw materials for industrial production.<sup>21</sup> Immigration as a safety valve was no longer a viable option since the United States had

mostly closed its doors to Italian citizens.<sup>22</sup> Mussolini's response to the economic problems of Italy and to the political challenge to his career was twofold: first, he fused the PNF and the state to unseat both his party rivals and his conservative allies, and, second, he pursued an agenda of foreign expansion.<sup>23</sup> Thus, colonial expansion became the solution to his prestige,<sup>24</sup> to ease the radicals within the party, to continue the fascist revolution at home, and also to cope with the demographic structure of the country.<sup>25</sup>

Mussolini followed the footsteps of earlier politicians while charting spaces of colonial expansion; a vision dominated by geopolitics<sup>26</sup> and securing hegemony in the Mediterranean in order to attain great power status.<sup>27</sup> Hence, his plan of action was centered on encircling Yugoslavia, supporting the revisionist claims in the Balkans as opposed to French domination in southeastern Europe,<sup>28</sup> and expanding into the Eastern Mediterranean.<sup>29</sup> In accordance with this logic, the fascists expanded shipping<sup>30</sup> with the dream that one day the Eastern Mediterranean would be the *mare nostrum* of Italy.<sup>31</sup>

The imperial agenda was refreshed when Italy seized the independent city of Fiume, part of disputed territory between Italy and Yugoslavia, in 1923 prior to invasion.<sup>32</sup> Similarly, separatist Croats in Yugoslavia were given arms to support their claims. In contrast to hostilities with Yugoslavia, Mussolini established close connections with Albania in 1926, expanding the friendship into a military alliance only one year later. Meanwhile, Italy bombarded the Greek island of Corfu. Italian forces only left the island after securing an indemnity of 15 million lire, a measure of prestige for the Duce himself.

Mussolini was also preoccupied with Asia Minor and envisioned it as prospective colonial territory for Italian settlers. The Italian claim was defended by making reference to the Treaty of London in 1915 and the tripartite secret agreement of St. Jean de Maurienne, signed between major four European powers, with Russia not participating in the latter.<sup>33</sup> The agreements "promised" approximately 70,000 square miles to Italy in Asia Minor ranging from İzmir in the west to Antalya in the south.<sup>34</sup> After the First World War had ended, Italian statesmen thought that they could benefit by diplomatically and financially backing British operations in Anatolia.<sup>35</sup>

Yet, great power politics and unforeseeable events disrupted and transformed the colonial plans of Italy in Asia Minor. First, the British

chose to support Greece with the aim of "policing Anatolia for Great Britain with Greek troops," a move directly opposing the interests of Italy.<sup>36</sup> Consequently, Italy was only allowed to occupy parts of southwestern Anatolia,<sup>37</sup> where Italian soldiers departed soon after the victories of the Turkish nationalists against the Greek forces in 1921.

Second, changing political balances in Anatolia in favor of the Turkish nationalists forced Italy to come up with a different type of claim: Italy was demanding economic concessions in southwestern Anatolia in return for giving support to the Turkish thesis in the London Conference, which had been convened to revise the Sevres Treaty. Bekir Sami, as the representative of the Grand National Assembly that held the political, legislative, and executive power of the *de facto* ruling Turkish nationalists, accepted the proposal at the conference. However, the Grand National Assembly did not subsequently ratify the agreement that secured economic privileges for Italy.<sup>38</sup>

Nonetheless, Italian economic influence in Turkey was more than visible in the second half of the 1920s due to trade and shipping. While Italy became a major exporter and importer to Turkey, Italian banks such as Banca Commerciale Italiana of Milan, Banca Italo Orientale, and Banca di Roma which operated many branches in Istanbul strengthened the Italian financial supremacy by giving substantial amounts of credit to Italian merchants to do business in Turkey.<sup>39</sup>

The other prong of the Italian expansion plan was directed at western Anatolia and the Cilician plain as fertile lands with sparse population, creating an ideal situation for Italian colonizers.<sup>40</sup> In December 1924, at the high point of the crisis between Britain and Turkey over the Mosul question, Mussolini offered to assist the British against the Turks.<sup>41</sup> That same month, "the Italian dictator asked to see the war plans which were directed to be drawn up against Turkey."<sup>42</sup> Over the next two years, Mussolini was close to achieving his goals: he obtained Greek support from the military dictator Theodoros Pangalos and was confident that the British would not intervene on behalf of Turkey, given the continuing Mosul crisis between the two and his own close relationship with the British prime minister.<sup>43</sup>

The fascist leader made his intentions clear in his Tripolitanian tour of 1926 where he entertained the idea of launching a Corfu-style annexation with the help of an expeditionary force from Naples.<sup>44</sup> However, the attack plan was cancelled when Turkey responded with a partial military

mobilization.<sup>45</sup> Even this unrealized attempt made it clear to the Turkish nationalists that the Italian presence in the Aegean (through the Dodecanese islands) was too risky to be ignored given the international character of the Turkish straits<sup>46</sup> and the closeness of the Aegean islands to mainland Anatolia.<sup>47</sup> Still, in 1927, a telegram sent to Rome from the Italian embassy in Istanbul recommended to the Italian government that the Eastern Mediterranean and the Cilician plain were suitable places for colonial expansion with their access to Persia and the Caucasus.<sup>48</sup>

Mussolini revised his plans of colonial expansion in 1928 and called the foreign ministers of Greece and Turkey to Milan to sign agreements of arbitration and friendship.<sup>49</sup> This was a direct response to the French system of alliances in southeastern Europe that Italy was competing against. Changing his mode of operation from possible colonial expansion to "active cooperation," Mussolini thought he could develop an alliance among Turkey, Greece, and Italy in the Eastern Mediterranean, which would bolster Italian influence in the region.<sup>50</sup> Thus, this motivation became an important step for settling the differences between the two neighbors in 1930,<sup>51</sup> although the rapprochement in the Aegean would serve the common interests of Turkey and Greece against Italy in practical terms.

### Instability in the Balkans

Meanwhile, it was possible to hear the drumbeats of war in the Balkans, mostly in response to the Paris Peace Settlements (1919–20) of the First World War, which harshly punished the Central Powers and rewarded the Allied powers and their partners generously. Germany, Bulgaria, and Hungary were subject to large territorial losses. Hungary lost more than two-thirds of its territory, including commercial centers such as Kosice, Bratislava, and Novi Sad. The demographic effect was much more striking: 60 percent of the former population of the Austro-Hungarian Empire did not belong to Hungary anymore, forcing 3 million Magyars to live under foreign rule, of which 1.7 million came under the Romanian flag.<sup>52</sup> These dramatic developments took place in accordance with the conditions of the Trianon Peace Treaty.<sup>53</sup>

Bulgaria was also on the losing side and the Neuilly Peace Treaty of 1919 took away Eastern Thrace, gave away four disputed provinces to Yugoslavia in the Western Front and, more importantly, severed

Bulgaria's access to the Aegean Sea with only a vague promise of economic access. Yet, Bulgaria's overall losses, when tallied up, do not look impressive: 9,000 square kilometers of territory and 90,000 people.<sup>54</sup>

The real winner of the postwar settlement issue in the Balkans was Romania. It doubled its territory by taking Transylvania from Hungary, and Bessarabia and Bukovina from the Soviet Union, thus realizing the dream of Greater Romania.<sup>55</sup> But, for the winners, the postwar situation was much more complicated than it had once seemed to be. While Romania had to deal with large numbers of Hungarians and Bulgars, the newly created Kingdom of Serbs, Croats, and Slovenes (Yugoslavia) had taken part of Macedonia to which Bulgaria had a historic claim. Moreover, Yugoslavia had absorbed 250,000 Albanians within its borders at the expense of Albania, adding another problem to the conflict-ridden region besides the rivalry with Italy over the Adriatic Coast.<sup>56</sup>

It did not take long for tensions to rise. While the losers did not accept the new borders as permanent and looked for ways to free their nationalists from foreign yoke, in response, the countries under threat opted for alliances to defend their newly acquired territory.<sup>57</sup> In both cases, the Balkan states did not find it difficult to acquire partners outside the region, whose priorities were strengthening their own power base in the Balkans. On the defensive side, France, as the leading power on the continent, came up with the idea of controlling southeastern Europe in order to dismantle German influence for *revanché* in the region.<sup>58</sup> Therefore, France signed bilateral treaties with the Little Entente countries of Romania, Czechoslovakia, and Yugoslavia who were united against Hungarian revisionism and the expansion of the Soviet Union.<sup>59</sup>

On the other side, Italy pursued the policy of creating instability in Eastern Europe which might be read as both supporting the revisionist claims and undermining the regional stability attempts of the French.<sup>60</sup> Mussolini made Italy's position clear in 1926 when he rejected the Tripartite Treaty Proposal of Yugoslavia and France, a treaty designed to pacify the Balkans.<sup>61</sup> Italy had started its program of expansion full steam ahead.

Albania was incorporated into the Italian sphere of influence first by the creation of the National Bank of Albania with the help of Italian capital in 1925,<sup>62</sup> then by the addition of a political dimension with the Pact of Tirana one year later, and finally, militarily, with the military alliance of 1927.<sup>63</sup> Likewise, Bulgaria established close cooperation with

Italy, allowing the Italians to use the city of Varna as a free port. The close ties of Italy and Bulgaria were further strengthened by the marriage of King Boris to Princess Giovanna of Savoy in 1930. In the economic sphere, Italian capitalists were able to control the automobile market of Bulgaria. Consistent with the regional plans of Italy, Macedonian extremists in Bulgaria were given arms to attack Yugoslavia. Italy's practice of sending weapons to Austria and Hungary was another example of supporting revisionism.<sup>64</sup>

Political developments within the revisionist states also fueled instability in the Balkans. The ruling classes of Hungary used the revisionist demands to consolidate power at home and to rule with an iron hand.<sup>65</sup> The Hungarian premier Stephen Bethlen had developed a plan to restore Hungary's prewar boundaries, gain secure access to the sea, and expand against the Czechs. This political agenda would be realized through foreign loans and with active Italian military support in building a strong army. The premier went to Italy twice in 1927–28 to meet with Mussolini on the issue, signing an agreement of arbitration but also promising the Duce to support the paramilitary rightist *Heimwehr* movement in Austria and Croatian separatists in Yugoslavia. In return, the Hungarian prime minister got support for his revisionist demands by declaring publicly that, "he doubted that peaceful border changes were possible."<sup>66</sup>

However, at the same time, the world economic crisis had made loans difficult to obtain and resulted in plummeting exports and rising unemployment.<sup>67</sup> The nationwide rallies for revisionist demands were challenged with demonstrations for bread and work. Thus, the cries against the treaty of Trianon—"Nem, nem, soha!" (no, no, never!)—were used to divert the attention away from the country's internal social and economic problems, allowing the ruling classes to secure their domination.

The Bulgarian perspective, as in the case of Hungary, depended heavily on internal developments.<sup>68</sup> After the Great War, a wave of social and political unrest allowed the Stamboliiski government of the Agrarian Union to come to power with a peasantist ideology.<sup>69</sup> The new government implemented land reform, limiting peasant properties to no more than 30 hectares, changed the tax system in favor of the countryside, expanded the credit facilities for the peasants, and planned to destroy the grain merchants. Furthermore, public education was refocused, concentrating on elementary schools and practical subjects as opposed to higher education. Acquiring justice became cheaper for the peasants as well.

On the other hand, the Internal Macedonian Revolutionary Organization (IMRO), which had been engaged in a political struggle over Macedonia for a long time, was still in charge of many violent operations against Yugoslavia. The high command of the army and Bulgarian nationalists assisted IMRO because they depended on Macedonian émigrés for public pressure.<sup>70</sup> However, the Agrarians were in no way enthusiastic about expansion. They opted instead for reconciliation with Yugoslavia and also tried to limit the power of IMRO. Their nonexpansionist perspective on foreign policy, coupled with their antiurban program, meant political suicide for the peasants.<sup>71</sup> The Agrarian Union was overthrown by a Military League that was composed of a group of former army officers, National Alliance (old bourgeois parties) members, and Mihailovists (a wing of IMRO) in 1923. Alexander Stamboliiski was brutally killed, as were thousands of peasants.

When the communists became aware of the nature of the new reactionary government of Professor Alexander Tsankov, it was already too late.<sup>72</sup> Thousands were killed and tortured as their uprising was crushed without difficulty, with the direct assistance of the Macedonian organization. While the Bulgarian Communist Party was outlawed in 1924, further repression of communists became acceptable after the bombing of the Sofia Cathedral in 1925.<sup>73</sup> The communists' Balkan federation proposals were what drew the dire enmity of the ruling circles.<sup>74</sup> The Bulgarian foreign policy was rearranged in line with revisionist claims once more. Thus, Bulgaria quickly blamed the Greek government for uprooting Bulgars (the Slav-Macedonians) and claimed an outlet on the Aegean.<sup>75</sup> In fact, this was merely the continuation of the historic feud over Macedonia and its capital city, Salonica.<sup>76</sup> Furthermore, Bulgarians were still interested in Eastern Thrace, which they had occupied in the Balkan wars.

In short, it was not only the Italian factor that contributed to the instability in the Balkans but also the political developments within the revisionist states. The latter suppressed the demands of peasants and workers domestically, outlawed their political representation, and followed a path towards expansion or revision. Bulgaria, in particular, must be singled out as a catalyst in the development of Greek-Turkish rapprochement since it was a major threat to Greece with its claims on Macedonia and to Turkey, with its designs on Eastern Thrace, given the vulnerability of the region to foreign attack because of its demilitarized state.<sup>77</sup>



### Facing the Economic Crisis

The other factor that contributed to the improvement of relations between Turkey and Greece was the impact of the ongoing economic crisis of the 1920s on both countries, which was further aggravated by the Great Depression. The Greek economy at the time was operating under certain structural constraints that limited the chances of economic growth and at the same time produced a high-inflation environment. Some of these obstacles can be explained by observing the general trends in the economy. First of all, the industrial base of the Greek economy was relatively small in terms of its labor concentration and its share in gross domestic product. Most of the industrial firms operating in the food processing and textiles sector were small family-owned businesses.<sup>78</sup> Second, the large agricultural sector was inefficient and overpopulated due to the small unit of land and the lack of agricultural mechanization, both of which were largely shaped by land reform and the refugee wave especially from Asia Minor.<sup>79</sup>

Furthermore, non-economic developments exacerbated the critical condition of the Greek economy. The Greek Asia Minor campaign led to enormous military expenditures that had been sponsored by large public loans, which in turn gave way to devaluation of the Greek currency and high inflation rates throughout the decade.<sup>80</sup> The consequences of the military campaign also brought a short-term cost to the struggling economy. The entrance of 1.2 million refugees meant not only the infusion of new entrepreneurial skills and human capital to the country but also a huge public expenditure that had to be financed with public loans. Thus, 25–30 percent of public expenditure went directly to the settlement of refugees between the years 1923 and 1932.<sup>81</sup>

At the end of the 1920s, the dark clouds over the economy remained. The structural constraints of a small industrial base and a large agricultural sector were joined by a contextual element: the Great Depression. The decline in agricultural prices shook the Greek economy by increasing trade deficits since its exports were, to a large extent, tobacco, currants, and olive oil. In concrete terms, the prices of these export items decreased by 60 percent between the years 1929 and 1932.<sup>82</sup>

Trade deficits coupled with (foreign) debt servicing led to a balance of payments crisis that could only be paid by new loans since remittances of Greek emigrants and other sources of capital inflow were not able to cover

the deficits. For instance, remittances from emigrants only equaled 46.8 percent of the trade deficit in 1929.<sup>83</sup> What made the situation worse in the Depression years was the depletion of the foreign currency and gold reserves of the country. Hence, it did not take long for the Greek state to announce a moratorium on the servicing of its foreign debt in 1932. One of the reasons that pushed the Greek state into this unfortunate finale was the sizeable weight of the debt's external fraction, which was on average no less than 70 percent in the previous decade, mostly borrowed from the British.<sup>84</sup>

Meanwhile, the refugee situation was precipitating a new crisis during the difficult years of the Great Depression. Tobacco growers, who were mostly Asia Minor immigrants, were facing hard times not only because of their new environment but also as a consequence of decreasing tobacco prices on the world market.<sup>85</sup> They responded to both of these challenges by questioning the legitimacy of E. Venizelos, the political patron of the Asia Minor cause, getting involved in radical politics, and strengthening the working-class movement in the country.<sup>86</sup> Hence, social discontent in the late 1920s coupled with economic distress emerged as a real threat to already unstable Greek politics, economy, and society.

The economic situation on the Turkish side was not promising either. The structure of the Turkish economy was similar to that of the late Ottoman economy of the 1920s.<sup>87</sup> Commercial agriculture and trade were the main economic activities. Coastal regions continued to produce cash crops for the world markets, while the peasants of central Anatolia were integrating into the internal market with cereals. Cities and large towns, similar to their roles in the empire, were centers of trade with the hinterlands, with the difference that state monopolies were given the right in some sectors to raise revenue for the state and promote private accumulation.<sup>88</sup> Premature industrialization, still artisanal in character, was concentrated in food and textiles sectors, with limited technology and workforce concentration.<sup>89</sup>

As foodstuff prices began to fall in the global markets, Turkey plunged into a deep crisis after 1927.<sup>90</sup> Large trade deficits and balance of payments problems emerged due to the plummeting export values but also because of the installments of Ottoman debt payment.<sup>91</sup> The discontent of the citizens was about to catch up.<sup>92</sup> The Depression started with price decreases in the global markets and hit the peasantry via taxes, leading to indebtedness and the loss of the means of production as a result of unpaid debt.<sup>93</sup>

When the Great Depression fell on the urban centers of Turkey, merchants and then workers became the direct losers since they were part of the network that had been producing for the foreign and national markets. While some merchants went bankrupt, many others tried to shift the burden onto the peasantry and workers, although there really was no way to hide from the losses when prices were constantly going down and the markets narrowing. Workers faced more difficult working conditions, lower wages, and less secure jobs.<sup>94</sup> The small merchants were in a particularly difficult position because the taxes had been fixed before the Depression years when building values and the volume of business had been much higher. However, similar to the situation in the countryside, the city merchants continued to pay the unchanged amounts through a variety of mechanisms, thereby bringing them ever closer to bankruptcy.<sup>95</sup>

Greece and Turkey faced the economic crisis of the 1920s in similar ways to a certain extent because of their weak economic structure and the impact of the Great Depression. While having specialized in cash crops for exports had led to larger trade deficits, it also meant a burgeoning social crisis in the market-oriented regions as the prices of export items dropped. Also, refugee distress, either in conjunction with the economic developments or by itself, was another source of discontent in the society.<sup>96</sup>

Economic crises which strongly damaged state finances and elevated social discontent forced both states to decrease military spending and concentrate on domestic reconstruction. Hence, the military spending of Greece consistently dropped throughout the decade, decreasing from 41.1 percent in 1923 to 10.1 percent in 1929.<sup>97</sup> The practical outcome of this attitude was the creation of a friendship between the countries on the two sides of the Aegean Sea. Not surprisingly, the 1930s became the era of internal reconstruction in Greece and hardline nationalism in Turkey, both of which emphasized the creation of national identity, import-substitution industrialization in the economy, and stable (and authoritarian) regimes in the political sphere.<sup>98</sup>

### Conclusion

Aside from the ongoing economic crisis of the 1920s, rapprochement between Turkey and Greece was based on the need for national security, which was being challenged by the neighboring states' expansionist

policies. Italy was the main cause of concern, despite the fact that its actual expansion remained limited.<sup>99</sup> Within the Balkans, revisionist Bulgaria alone (and sometimes in cooperation with Italy) destabilized the region. Thus, the Balkan Conferences and the consequent Balkan Entente signed in 1934, as a continuation of Greek-Turkish rapprochement, were clearly directed against Bulgaria and Italy to a certain extent.<sup>100</sup>

The other dynamic of the Greek-Turkish rapprochement was the economic crisis. The crisis in the Balkans and Turkey was so severe that one of the main topics of the Balkan Conferences (1930-34) was searching for ways to encourage and enable economic cooperation in the region. Some of the proposals, including that of the Balkan chamber of commerce, were to materialize.<sup>101</sup> The other aspect of the crisis was fiscal, as decreasing incomes (because of trade deficits) gave way to balance of payments problems, forcing both states to reconsider their military policies. Therefore, one of the agreements signed in the fall of 1930 between the two sides was the reduction of naval powers in the Aegean. Economic crisis meant political and social instability. Economic deterioration, especially in export-oriented regions, coupled with a severe refugee problem, led to widespread social discontent, forcing the political elite of both states to concentrate on internal affairs as opposed to risky and unaffordable foreign adventures abroad.

Meanwhile, while the Greek-Turkish rapprochement had secured the survival of both nation states, it had sacrificed the interests of many refugees. The properties of the exchanged populations were set off, occupied properties of established persons in Western Thrace were not returned to their owners, subjects who left the country before 1912 were not compensated for their losses, and established subjects on both sides who left the country without regular passports were not allowed to return.<sup>102</sup> It seems fair to conclude that the trinity of global, regional, and local dynamics imposed their will on the development of friendly relations between the two countries under the shadow of refugee discontent especially powerful in Greece but also visible in Turkey.<sup>103</sup>

### NOTES

1. Eliot Grinnell Mears, *Greece Today: The Aftermath of the Refugee Impact* (Stanford, CA: Stanford University Press, 1929), p.268.
2. Karen Barkey and Mark von Hagen (eds.), *After Empire: Multiethnic Societies and Nation-*



- Building – The Soviet Union, and Russian, Ottoman and Habsburg Empires* (Boulder, CO: Westview Press, 1997).
3. To my knowledge, there is no single work that captures the multiplicity of historical trajectories of different regions and people of the Ottoman Empire at the time of its destruction and aftermath that goes beyond either the nation-state level analysis and/or the nationalist historiography. Partially, the gap stems from the fact that the existing literature emphasizes the relationship between the great powers and the Ottoman Empire on the one hand, and the links between the local-national groups and the European powers on the other, both of which curtail the possibility of developing balanced and sophisticated holistic accounts of the empire during the time of its destruction.
  4. Michael Llewellyn Smith, *Ionian Vision: Greece in Asia Minor, 1919–1922* (London: Allen Lane, 1973).
  5. For a short description of events from the Greek point of view, see Richard Clogg, *A Concise History of Greece* (Cambridge: Cambridge University Press, 2nd Edn. 2002), pp.93–7.
  6. Seha L. Meray, *Lozan Barış Konferansı: Tutanaklar, Belgeler* [Lausanne Peace Conference: Minutes, Documents] İkinci Takım, Vol.2 (Istanbul: Yapı Kredi Yayınları, 1993), pp.82–91.
  7. The controversial issues might be summed up as the problems regarding the established (*établis*) status of the Istanbul Greeks, occupation of properties in Western Thrace and Istanbul by the two governments, the properties of persons who left their countries before 1912, and the value of the properties of the exchanged populations. The Ankara and Athens Agreements signed in 1925 and 1926, respectively, sought for solutions with no concrete results. See Stephen P. Ladas, *The Exchange of Minorities: Bulgaria, Greece and Turkey* (New York: The Macmillan Press, 1932), pp.476–566.
  8. Harry J. Psomiades, “Greek-Turkish Relations, 1923–1930: A Study in the Politics of Rapprochement” (unpublished Ph.D. thesis, Columbia University, 1962), pp.69–72.
  9. The fascist foreign policy in the 1920s is still an ongoing debate in Italian historiography. For an approach emphasizing continuity, see James H. Burgwyn, *Italian Foreign Policy in the Interwar Period, 1918–1940* (Westport, CT: Praeger, 1997), pp.51–5; Philip Morgan, *Italian Fascism, 1919–1945* (Basingstoke: Macmillan, 1995), pp.131–8; John Whittam, *Fascist Italy* (Manchester and New York: Manchester University Press, 1995), p.101. For the discontinuity thesis, see MacGregor Knox, *Common Destiny: Dictatorship, Foreign Policy, and War in Fascist Italy and Nazi Germany* (Cambridge and New York: Cambridge University Press, 2000), pp.111–47.
  10. For a historical illustration of the Italian factor in the Turkish case, see Dilek Barlas and Serhat Guvenc, “To Build a Navy with the Help of Adversary: Italian-Turkish Naval Arms Trade, 1929–1932,” *Middle Eastern Studies*, Vol.38, No.4 (2002), pp.143–69. Similarly, for a theoretical work that examines the relationship between the great powers and small states in regional conflicts under different circumstances from a realist position in the international relations perspective, see Benjamin Miller and Korina Kagan, “The Great Powers and Regional Conflicts: Eastern Europe and the Balkans from the Post-Cold War Era,” *International Studies Quarterly*, Vol.41 (1997), pp.51–85. At the opposite end, for an account that emphasizes the role of Greek and Turkish political leaders in the Greek-Turkish rapprochement of 1930, see Tosun Bahçeli, *Greek-Turkish Relations since 1955* (Boulder, CO, San Francisco, CA, and London: Westview Press, 1990), pp.13–14. Recently, the same line of thought was pursued by John S. Koliopoulos and Thanos M. Veremis, *Greece: The Modern Sequel* (London: Hirst & Company, 2002), pp.289–91, and by Andrew Mango, *Atatürk* (London: John Murray, 1999), pp.485–7.
  11. L.S. Stavrianos, *The World Since 1500: A Global History* (Upper Saddle River, NJ: Prentice-Hall, 1966), pp.485–505.
  12. The countryside, particularly in the *Mezzogiorno* (south), faced a different challenge in the postwar era: agricultural production was slow to improve since there was a lack of cultivators and fertilizers to till the land.
  13. Gaetano Salvemini, *The Fascist Dictatorship in Italy* (London: Butler & Tanner Ltd., 1928), pp.16–17.

14. Alan Cassels, *Fascism* (Arlington Heights, IL: AHM Publishing, 2nd Edn. 1975), p.36.
15. *Latifondi* refers to great estates owned by absentee landlords, administered by profit-oriented middlemen, and worked in small units by peasant tenants on annual leases.
16. Polson E.W. Newman, *The Mediterranean and its Problems* (London: A.M. Philpot Ltd., 1927), pp.13–18. Fascists were welcomed by particular social groups in society with reference to their claims of “representing and protecting social order.” See Alexander De Grand, *Italian Fascism: Its Origins and Development* (Lincoln, NE: University of Nebraska Press, 3rd Edn. 2000), pp.19–21. For an argument that shows why a Bolshevik revolution did not happen, see Salvemini (1928), pp.29–32, 35–9.
17. Louis A. Cretalla, *Italo-British Relations in the Eastern Mediterranean, 1919–1923* (New York and London: Garland Publishing, 1991), pp.417–18. The perspective that, although Italy fought hard to make the Allies win the war with 1.5 million Italians killed and the same number permanently disabled, the Paris Peace Conference did not give what it deserved, and was propagated by the high officials of the state, the conservatives, the nationalists and the middle class.
18. Whittam (1995), p.104.
19. For the fascist economic system that destroyed the rights of workers and unions in favor of big business, see Alexander J. De Grand, *Fascist Italy and Nazi Germany* (New York: Routledge, 1995), pp.40–45. The peak of physical violence against socialist political figures was the Matteotti crisis. The fascists killed a socialist deputy of the Italian parliament in late 1924. While Mussolini accepted the blame in early 1925, he also implemented harsher measures against the press and simply closed all political organizations other than the Fascist Party. For the methods of pressure and oppression—including legislative actions—implemented against the opposition and the press, see Ivone Kirkpatrick, *Mussolini: Study of a Demagogue* (London: Odhams Books, 1964), pp.235–47.
20. Fascist militia council officers took an opposition stance against the Duce in a mass rally held in Florence, one of the centers of the fascist movement, and made their point clear in late 1924 through the Revolt of the Councils in which the leading figures of the fascist movement, each representing a particular social group, warned Mussolini about their intentions. Adrian Lyttelton, “Fascism in Italy: The Second Wave,” in Walter Laqueur and George L. Mosse (eds.), *International Fascism* (New York: Harper Torchbooks, 1966), pp.83–93.
21. Gordon A. Craig and Gilbert Felix (eds.), *The Diplomats 1919–1939, Vol.1: The Twenties* (New York: Atheneum, 1965), p.214. Italy had to import coal, iron, oil, and agricultural products.
22. The US Immigration Acts of 1921 and 1924 limited the number of Italians entering the United States drastically through the implementation of strict quotas. Consequently, the number of Italian emigrants that entered America fell from 349,000 in 1920 to an average of 43,000 annually between the years 1922 and 1927. Christopher Seton-Watson, *Italy from Liberalism to Fascism, 1870–1925* (London: Methuen & Co. Ltd., 1967), p.602.
23. In fact, internal and external policies in fascist Italy were closely linked: foreign conquest was the precondition to continuing the fascist revolution at home.
24. His belief that conflicts must be solved through war instead of through peaceful negotiations dated from the days of the Lausanne Conferences where he had understood that he was not a politician of the diplomatic type that could win at the negotiating table. Morgan gives the bombardment and the occupation of the Greek island of Corfu as an example of how Mussolini was “prepared to use undiplomatic and unconventional methods in foreign policy.” See Morgan (1995), p.133.
25. Harry Hearder, *Italy: A Short History* (Avon: The Bath Press, 3rd Edn. 1992), pp.33–4.
26. This is a method of political analysis, popular in Central Europe during the first half of the twentieth century, that emphasized the role played by geography in international relations. Geopolitical theorists stress that natural political boundaries and access to important waterways are vital to a nation’s survival. *The Columbia Encyclopedia* (6th Edn. 2001), at <<http://www.bartleby.com/65/ge/geopolit.html>> (April 2003).

27. Morgan (1995), p.131.
28. Italy faced the challenge of French policy when dealing with the Balkans and the Danubian countries. The most visible example was the backing of Yugoslavia by France against Italy. Whittam (1995), p.105.
29. Denis M. Smith, *Mussolini's Roman Empire* (New York: The Viking Press, 1976), pp.16–24.
30. For shipping numbers, see Newman (1927), pp.44–5. Half of the ships visiting Yugoslavian ports in 1930 had Italian flags.
31. The term *mare nostrum* means “our sea” in Latin, which in the context of fascist Italy implied to repeat the experience of Ancient Romans to control the sea of the Mediterranean. Hence, breaking the chains and marching towards the oceans became the fascist rhetoric.
32. The Pact of Rome signed in 1924 recognized Italy's full sovereignty over the city.
33. J.C. Hurewitz, *Diplomacy in the Near and Middle East: A Documentary Record: 1914–1956*, Vol.2 (Princeton, NJ: D. Van Nostrand Company, Inc., 1956), pp.11–12, 23–5. By November 1918, the British and French announced that they felt no obligation to Italy concerning Anatolia by arguing that they needed the consent of Russia as well, and thereby evading the terms of the treaty.
34. Luigi Villari, *The Expansion of Italy* (London: Faber & Faber, 1930), p.213.
35. Cretalla (1991), pp.412–13. Sidney Sonnino from the Foreign Ministry “sought annexations in Turkey that would make Italy master in the Eastern Mediterranean.” See Knox (2000), p.114.
36. Burgwyn argues that England and France decided to keep Italy out of Anatolia while they gave it a free hand to pursue its Adriatic policy. The seizure of Fiume in September 1919 by Gabriele D'Annunzio was a typical example in this respect. Burgwyn (1997), p.11.
37. Italian soldiers landed in Antalya in March 1919. By April of the same year, the Italian army had reached Bodrum in southwest Anatolia and Konya in central Anatolia.
38. İsmail Soysal, *Türk Dış Politikası İncelemeleri İçin Kılavuz, 1919–1993* [A Guide for Turkish Foreign Policy Research, 1919–1993] (Istanbul: Eren Yayıncılık ve Kitapçılık, 1993), p.42.
39. Karl Kruger, *Kemalist Turkey and the Middle East* (London: G. Allen & Unwin Ltd., 1932), p.114.
40. This plan was in line with the “ruralism” and the “demographic battle” campaigns of the fascists. Settlement colonies would solve the growing population problem of Italy and would eliminate its dependence on outside markets for cereals by achieving self-sufficiency. See Morgan (1995), pp.101–4. In 1926, as an eyewitness and supporter of the colonial expansion project of the fascists, Villari expressed the psychological mood and the economic basis of Italian foreign policy in a straightforward manner: “Italians, including many who are not fascists, ask themselves why Italy, who has a larger and more adaptable and experienced emigrant population than any other country, should be permanently excluded from possessing colonies in which these emigrants might settle under their own flag and their own institutions. Italy, it is true, developed into a Great Power at a time when most of the best colonial territories had already been annexed by other powers. But there are still vast empty spaces in the world crying for population to develop their resources ... why should not some of these territories be assigned to Italy? [Continues after bringing the Italian claim to Asia Minor to the table which he argued was kidnapped by the French and the British state.] No one dreams of going to war against this or that power, but unless some satisfaction is given to Italy's aspirations towards colonial expansion a cause of international unrest will remain.” Luigi Villari, *The Fascist Experiment* (London: Faber & Gwyer, 1926), pp.244–5. For a detailed account of the economic factor as a crucial role in the foreign policy preferences of fascist Italy, see Luigi Villari, *Italian Foreign Policy Under Mussolini* (New York: Devin-Adair Company, 1956), pp.66–72.
41. Erik Jan Zürcher, *Turkey: A Modern History* (London and New York: I.B. Tauris, New Revised Edn. 1998), p.209. In return, Britain allowed Italy a free hand in Albania for protectorate status. See Alan Cassels, *Fascist Italy* (Arlington Heights, IL: H. Davidson USA, 1985), p.83.

42. Psomiades (1962), pp.116–17.
43. On the friendship of Mussolini and Sir Austen Chamberlain, dating back to the Locarno treaties, see Kirkpatrick (1964), pp.242–3. During the meeting between Mussolini and Chamberlain in September 1926, they agreed that Turkey would eventually collapse and Italy would have the right to intervene. Dilek Barlas, *Etatism and Diplomacy in Turkey: Economic and Foreign Policy Strategies in an Uncertain World, 1929–1939* (New York: Brill, 1998), pp.140–41, fn.79.
44. Mussolini declared the position of Italy concerning colonial expansion during his Libya tour: “we are hungry for land because we are prolific and intend to remain so.” After Mussolini's trip, the Italian press was full of news about the empty lands of Antalya awaiting Italian emigrants; see Christopher Seton-Watson (1967), pp.697–8. No detailed account of this attack plan has come to light yet. However, for information on the issue from the contemporary and few primary sources, see Knox (2000), p.122, fn.32.
45. Knox (2000), p.122; John F. Pollard, *The Fascist Experience in Italy* (London and New York: Routledge, 1998), pp.91–2.
46. It is no coincidence that when the Turkish side raised the issue of militarization of the straits in 1936, Italy was the only opposing party. Philip Perceval Graves, *Briton and Turk* (London and Melbourne: Hutchinson & Co. Ltd., 1941), p.229.
47. Mussolini planned to use Rhodes as a naval station and base for expansion into the Near East; see Smith (1976), pp.118–19. The Italian university on the island also acted as a center for exporting Italian imperial mission in the region; see Kruger (1932), p.114.
48. Barlas (1998), pp.133–4.
49. İsmail Soysal, *Tarihçeleri ve Açıklamaları ile Birlikte Türkiye'nin Siyasal Anlaşmaları* [Turkey's Political Treaties with their Histories and Explanations], Vol.1 (Ankara: TTK, 2nd Edn. 1989), pp.333–9.
50. Barlas and Guvenc recently demonstrated with convincing documentation that supply of naval arms from Italy to Turkey after 1928 was perceived as and expected to be in the eyes of Italian policymakers a function of attaining “Great Power status” in Turkey with wider consequences in favor of Italy in social, political, and economic spheres. Barlas and Guvenc (2002), pp.143–69.
51. Graves (1941), p.228.
52. Jörg K Hoensch, *A History of Modern Hungary, 1867–1994* (London and New York: Longman, 2nd Edn. 1996), p.103.
53. With the Trianon Treaty of 1920, Hungary lost Transylvania and Eastern Banat to Romania, Slovakia to Czechoslovakia, and Croatia, Slovenia, the Western Banat, and the Vojvodina to Yugoslavia.
54. R.J. Crampton, *A Concise History of Bulgaria* (Cambridge: Cambridge University Press, 1997), p.148. However, the economic losses were much more painful since she had lost her granary, Southern Dobruja (20 percent of all cereal production) and rich tobacco-producing fields of Western Thrace.
55. Keith Hitchins, *Rumania 1866–1947* (Oxford: Clarendon Press, 1994), pp.433–4.
56. Ivan Volgyes, *Politics in Europe* (Chicago, IL: The Dorsey Press, 1986), pp.38–42.
57. Although the Alliance systems were set up against the revisionist states such as the Little Entente and the Balkan Entente, their practical value is a matter of debate. Hitchins (1994), pp.431–3.
58. Hugh Seton-Watson, *Eastern Europe between the Wars 1918–1941* (New York and London: Torchbooks, 3rd Edn. 1967), p.365.
59. Mustafa Turkes, “The Balkan Pact and its Immediate Implications for the Balkan States, 1930–1934,” *Middle Eastern Studies*, Vol.30, No.1 (1994), pp.123–44.
60. Hugh Seton-Watson (1967), pp.367–8.
61. Branimir M. Jankovic, *The Balkans in International Relations* (Hong Kong: Macmillan Press, 1988), p.150.
62. William Miller, *The Ottoman Empire and its Successors, 1801–1927: Being a Revised and*

- Enlarged Edition of the Ottoman Empire, 1801–1913* (Cambridge: Cambridge University Press, 3rd Edn. 1927), pp.560–61.
63. Craig and Gilbert (1965), p.223.
  64. Smith (1976), p.24.
  65. Hoensch (1996), pp.85–133.
  66. Maria Ormos, "The Early Inter-War Years, 1921–1938," in Peter F. Sugar, Peter Hanak, and Tibor Frank (eds.), *A History of Hungary* (Bloomington, IN: Indiana University Press, 1990), pp.327–9.
  67. Counterfeiting scandals and unproductive usage of foreign loans accelerated the effects of the Great Depression on the Hungarian economy, which had not recovered from the effects of the First World War in the 1920s because of its shrinking market and raw material crisis; see Ormos (1990), pp.321–5, 329.
  68. Crampton (1997), pp.151–60.
  69. Joseph Rothschild, *East Central Europe between the Two World Wars* (Seattle, WA: University of Washington Press, 1974), pp.335–9. In 1926, at a time where 79.4 percent of the population lived in the rural areas, Bulgaria was a haven of peasantry with small and middle landholdings, whose basic economic activity was agriculture. Peasants' votes turned into a considerable victory for the Agrarians, who acquired 31 percent of all votes in 1919, 38.2 percent in 1920, and 53 percent in 1923. Mouzelis attributes the limited degree of agricultural commercialization, the insignificant role of the Bulgarian bourgeoisie in the independence movement, lack of rural-urban links, and the state's limited penetration into the countryside as factors behind the political success story of the Bulgarian peasantry. Hence, the same argument interpreted in the Gramscian sense can be also read as the failure of the urban middle classes to impose and exercise moral leadership over the countryside. Nicos P. Mouzelis, *Modern Greece: Facets of Underdevelopment* (London: The MacMillan Press, 1978), pp.89–104.
  70. Hugh Seton-Watson (1967), pp.244–51. The total figure of Bulgarian Macedonians plus the number of Macedonian refugees made up 400,000 people who had an unprecedented effect in the political sphere. Graves argues that the refugees, who had settled in the upper valleys of the Struma and Mesta rivers, obeyed the orders of IMRO as opposed to that of the Bulgarian civil authority. See Graves (1941), pp.225–6.
  71. Instead of irredentism in the Balkans, the Agrarians dreamed of a Green International of peasant parties and societies.
  72. The communist perspective imagined Stamboliiski as a "mere Bulgarian Kerensky; an instrument to be manipulated during a temporary period of parallel struggle against the bourgeoisie, but then to be discarded and destroyed." Thus, they had no intention of uniting into a common front with the Agrarians against the ruling classes. For this point, see Rothschild (1974), pp.334, 339.
  73. However, the stubborn activities of communists under different front organizations, coupled with the negative impact of the Great Depression on the country, especially through declining tobacco prices, strengthened the power base of the communists.
  74. L.S. Stavrianos, *Balkan Federation: A History of the Movement Toward Balkan Unity in Modern Times* (Menasha, WI: George Banta Publishing Company, 1944), pp.196–223. The Bulgarian communists suggested the creation of a Balkan Communist Federation at the Fifth Congress of Comintern in 1924.
  75. Psomiades (1962), pp.141–3. Dedeagatch and Cavalla are the two outlets to the Aegean.
  76. For the historical origins of claims to Macedonia, see Wesley M. Gewehr, *The Rise of Nationalism in the Balkans* (New York: H. Holt and Company, 1931), p.79. After the Paris Peace Settlements, Bulgaria had acquired only approximately ten percent of Macedonia, as opposed to Greece (51.5 percent) and Yugoslavia (38.4 percent).
  77. Zürcher (1998), p.210.
  78. Mouzelis (1978), pp.17–27.
  79. Gerasimos Soldatos, "The Inter-War Greek Economy: Income Inequality and Speculation," *European History Quarterly*, Vol.23, No.3 (1993), pp.359–79.

80. Sophia Lazaretou, "Macroeconomic Policies and Nominal Exchange Rate Regimes: Greece in the Interwar Period," *Journal of European Economic History*, Vol.25, No.3 (1996), pp.647–70.
81. Soldatos (1993), p.369.
82. A.F. Freris, *The Greek Economy in the Twentieth Century* (London and Sydney: Croom Helm, 1986), p.94.
83. *Ibid.*, p.85.
84. *Ibid.*, p.66.
85. Mogens Pelt, *Tobacco, Arms and Politics: Greece and Germany from World Crisis to World War 1929–41* (Copenhagen: University of Copenhagen, 1998), pp.24–30.
86. For an overview of the working-class trade unionism and socialist/communist party positions in the interwar period, see Lito Apostolakou, "Greek Workers or Communist 'Others.' The Contending Identities of Organized Labor in Greece c.1914–36," *Journal of Contemporary History*, Vol.32, No.3 (1997), pp.409–24.
87. Çağlar Keyder, *The Definition of a Peripheral Economy: Turkey, 1923–1929* (Cambridge: Cambridge University Press, 1982).
88. Zvi Yehuda Hershlag, *Turkey: An Economy in Transition* (The Hague: Van Kuelen, 1959), pp.67–9.
89. Erdal Yavuz, "The State of the Industrial Workforce, 1923–40," in Donald Quataert and Eric J. Zürcher (eds.), *Workers and the Working Class in the Ottoman Empire and the Turkish Republic, 1839–1950* (London and New York: Tauris, 1995), pp.95–125.
90. Şevket Pamuk, "Turkey, 1918–1945," in Roger Owen and Şevket Pamuk (eds.), *A History of Middle East Economies in the Twentieth Century* (Cambridge, MA: Harvard University Press, 1999), pp.16–17; Selim İlkin and İlhan Tekeli, *1929 Dünya Buhranında Türkiye'nin İktisadi Politika Arayışları* [Turkey's Search for Economy Policy during the Great Depression] (Ankara: Ortadoğu Teknik Üniversitesi, 1977), pp.29–155.
91. Dietmar Rothermund, *The Global Impact of the Great Depression, 1929–1939* (London and New York: Routledge, 1996), pp.74–81.
92. Cem Emrence, "Politics of Discontent in the Midst of the Great Depression: The Free Republican Party of Turkey (1930)," *New Perspectives on Turkey*, No.23 (Fall 2000), pp.31–52.
93. Elif Akçetin, "Anatolian Peasants in the Great Depression, 1929–1933," *New Perspectives on Turkey*, No.23 (Fall 2000), pp.79–102. Columnist Orhan Rahmi in *Hizmet* newspaper portrayed the Anatolian village in the Depression years in a realistic way as opposed to the "imagined" Turkish village of the ruling elite. In his picture, the peasants had worn clothes, and owed debts to usury capital and the state. The main activities in the village were talking about the land that would be sold the following day because of unpaid debt, and how to hide when the tax collector came or to obey the bullying authorities of the Republican People's Party. See *Hizmet*, Aug. 15, 1930.
94. For an eyewitness account of the difficult working conditions in the Depression years, see Ahmet Hamdi Başar, *Atatürk'le Üç Ay ve 1930'dan sonra Türkiye* [Three Months with Atatürk and Turkey after 1930] (Ankara: Ankara İktisadi ve Ticari İlimler Akademisi, 2nd Edn. 1981). For the general discontent of the workers until 1930 as expressed via strikes, see Yavuz (1995), pp.101–5.
95. A horrifying incident appeared in the newspapers when the grape merchant Yenişehirli Alaettin Bey in the İzmir exchange market hung himself because of his debt to the state. Alaettin Bey had had a 500 Turkish lira debt to one merchant and owed 200 Turkish lira to the state. Although we are told that others had owed him 20,000 Turkish liras, he had been unable to get it back. Known as an honest man in the community, Alaettin Bey saw no way out but to commit suicide. *Yarın*, Aug. 19, 1930. This is a striking illustration of what prominent French sociologist Emile Durkheim considered an anomic suicide, which is committed at times of economic depression and economic boom. Emile Durkheim, *Suicide: A Study in Sociology*, trans. John A. Spaulding and George Simpson, edited with an introduction by George Simpson (New York: Free Press, 1951), pp.241–76.

96. For an excellent analysis of the Greek case, see Mark Mazower, *Greece and the Inter-War Economic Crisis* (Oxford: Clarendon Press, 1991), pp.115–42.
97. Lazaretou (1996), p.650.
98. For a balanced account of Turkish political history in the interwar period, see Zürcher (1998).
99. Three basic reasons might be mentioned. First of all, Italian military power was rather limited. In fact, the Italo-Greek War during the Second World War proved the point. See James J. Sadkovich, "The Italo-Greek War in Context: Italian Priorities and Axis Diplomacy," *Journal of Contemporary History*, Vol.28, No.3 (1993), pp.439–64. Second, Italy could not exploit the balance of power fully. See De Grand (2000), pp.92–6. And, lastly, Italy was dependent on the international economic system, which was controlled by England and the United States before the Great Depression. For a discussion of all three, see Morgan (1995), pp.135–6.
100. Turkes (1994), p.139; Graves (1941), p.226.
101. Jankovic (1988), pp.153–4.
102. Kruger points out this fact for the Greek side: "hundreds and thousands of Greek refugees from Anatolia, now living in congested and hurriedly-built shelters, gaze sadly towards the plains of Anatolia, where lie their old homes which they have had to abandon for ever." Kruger (1932), p.137.
103. For the discontent on the Turkish side, see the recurrent theme of immigrant problems in the daily *Cumhuriyet*, 1929–32.