

Britain and the Greek Economic Crisis, 1944–1947: From Liberation to the Truman Doctrine. By Athanasios Lykogiannis. Columbia: University of Missouri Press, 2002. ix + 287 pp. Photographs, tables, notes, bibliography, appendix, index. Cloth, \$39.95. ISBN 0-826-21422-3.

Reviewed by Kostas P. Kostis

Greece's liberation from the Axis forces in October of 1944 found the National Unity Government facing significant problems. The country's infrastructure—roads, bridges, railways—had largely been destroyed, the public budget was out of control, the state machinery disorganized, and the entire country was completely dependent for supplies on the good intentions and efficiency of the Allies. Even more acute was the monetary problem that had resulted in runaway inflation during the months prior to liberation, a condition that became even worse in October of 1944. For this reason, the National Unity Government made stabilization of the drachma an immediate priority. However, any intervention in the economy was not to be the exclusive product of domestic political decisions but was contingent on the choices of the British, who accompanied the government after its return to Greece from exile as guarantors of any political legitimacy.

The monetary stabilization program of 1944 was, not unexpectedly, a failure, since the assumptions on which it was based were entirely groundless, and in the meantime the first phase of the civil war had broken out in Greece, a factor that, alone, would have been sufficient to undermine all efforts to bring the economy back to a state of normalcy. Up to the announcement of the Truman Doctrine and the inauguration of the Marshall Plan, another two efforts would be made to achieve monetary stability, both of which failed, despite the efforts by the British advisors to Greek governments and the considerable economic support provided by the British government.

In his book *Britain and the Greek Economic Crisis, 1944–1947*, Athanasios Lykogiannis studies precisely this period, 1944 to 1947. As he himself notes, “[This] book is a work of political history combining elements of economic history and international relations” (p. 1). None of the various meanings that are attributed to the concepts of political and economic history, it seems to me, do justice to Lykogiannis's

work, as he proves himself to be an exceptionally reliable and careful user of economic instruments, which cannot be said for other similar studies covering the same period. Moreover, a strong point of Lykogiannis's work is the wealth of archival material he uses, allowing him frequently to shed light on topics that have remained obscure up to the present or that had been assimilated erroneously by Greek historiography, such as the preparation for the monetary stabilization program of 1944, the conflicts it concealed, and the compromises it expressed.

In any event, the significance of Lykogiannis's book lies more in his approach to understanding the developments of the period. The economic orthodoxies professed by the British were of minor importance in the Greek case, since the political elite, in its efforts to reestablish its political power, ignored them, circumvented them, or adjusted them in pursuit of its own political ambitions. It was not accidental that, from one point—specifically 1946—on, the British sought to intervene more directly in Greek economic policies, mainly by setting up a currency committee; nor was it by chance that the Americans then stepped up their efforts to reinforce British control. But despite what has been written to date, these stepped-up efforts to intervene in the Greek economy were caused by the inability of the Greek political elite to utilize Allied aid effectively, and this inability or incompetence resulted in the ever greater dependence of the Greek economy on foreign aid.

One of the best parts of the book is certainly the chapter about the Barbaresos experiment in 1945 and the Anglo-Hellenic agreement of 1946. Kiriakos Barbaresos, governor of the Bank of Greece, was the Greek interlocutor most trusted by the British; under pressure from them, he joined the government in order to carry out the stabilization program. From whatever angle this effort is viewed, it can surely be described as representing a bold attempt to redress strong imbalances, one in which administrative measures were equally as important as the classical instruments of economic policy, and an initiative that displayed as well a marked social dimension through the reinforcement of the weaker population groups who were most affected by rapidly rising prices. Nevertheless, the Barbaresos policy provoked intense opposition from all sides of the political spectrum and ultimately forced his resignation, which in turn led to the abandonment of the measures and policy he had attempted to set in motion.

The problems of the Greek economy thus remained unsolved. In January of 1946, the British tried to find a new form for their intervention in Greece through the London agreement, which established a currency committee to monitor the monetary circulation. But they soon realized that, once again, they were not going to achieve their goals and, above all, that their material resources were inadequate. This shortfall led them to apply more pressure on the Americans to take a greater hand in Greek affairs. At the same time, the Greeks appealed to Washington for financial aid. In the summer of 1947, the British departed from Greece and were succeeded by the Americans, now convinced that the communist threat presented by the country was especially grave. As Lykogiannis successfully demonstrates, the problems facing the Americans right after the British departure were no less serious than those their predecessors had to deal with.

From all viewpoints, Lykogiannis's book constitutes a significant contribution to the history of the reconstruction period. The main reason is the distance he is able to maintain in dealing with his subject, a difficult achievement for anyone writing about issues that are so highly charged politically. Another reason is the wealth of archival material he uses, mainly of British origin. This factor might be regarded as a shortcoming of this study, in common with some bibliographic omissions, since the Greek national viewpoint is filtered through the British eye. Nevertheless, it does not in any way lessen the value of Lykogiannis's book, which should be read by anybody interested in the history of European, and especially Greek, reconstruction.

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