Danza de la Muerte:  
Greek Arms Dealing in the Spanish Civil War,  
1936–1939

by
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B.A., Simon Fraser University, 2012

Thesis Submitted in Partial Fulfillment of the  
Requirements for the Degree of  
Master of Arts

in the
Department of History  
Faculty of Arts and Social Sciences

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SIMON FRASER UNIVERSITY  
Fall 2014

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Abstract

In September 1936, both General Ioannis Metaxas and King George II declared it illegal for Greeks to intervene in the ongoing Spanish Civil War. This declaration included a prohibition on the exportation and re-exportation of munitions. Nonetheless, members of the Greek Government permitted Prodomos Bodosakis Athanasiadis, a close friend of Metaxas, and the Greek Powder and Cartridge Company (GPCC) to ship and supply weapons to both sides in the Spanish conflict on a large scale. The objective of this thesis is to examine Greece’s weapons and ammunition sales to the Nationalists and the Republic during the Spanish Civil War as well as Greece’s internal and foreign policies that allowed for these dealings to occur. This thesis will contend that high-ranking members of the Greek Government permitted Bodosakis and the GPCC to sell munitions to both sides of the conflict as an economic expedient despite the ideology of the Metaxas dictatorship.

Keywords: Spain; Spanish Civil War; Greece; Metaxas; Arms Dealing; Dictatorship
This thesis is dedicated to the memories of two beloved friends,
Andrew Taylor-Eddy and Megan McNeil.
Although they are no longer here, they have meant and continue to mean so much to me.
Acknowledgements

Foremost, I would like to thank my senior supervisor, Andre Gerolymatos, for inspiring me to look at Greek intervention in the Spanish Civil War. I am grateful for the support, advice, and encouragement he has given me throughout my studies. I am also very appreciative for the help and feedback I have received from Evdoxios Doxiadis during my graduate coursework and through the writing process of this thesis. I would also like to thank Denis Smyth for his willingness to be my external examiner and for his inspiring comments.

There are a number of people I would like to thank in the History Department and at the Stavros Niarchos Foundation Centre for Hellenic Studies at Simon Fraser University. I am grateful for the discussions and advice I received from Roxanne Panchasi, Aaron Windel, Julian Brooks, and Eirini Kotsovili. Thanks also to Ruth Anderson, Colleen Pescott, and Maria Hamilton for their help.

I am thankful for the travel stipend I received from the Norwegian Institute at Athens, which allowed for me to consult various archives in Athens and gave me the opportunity to present a portion of this work at their institute. I am also grateful to the generous donors of the Nick Kravariotis Graduate Scholarship in Hellenic Studies, the Katevatis Graduate Scholarship in Hellenic Studies, the Hellenic Canadian Congress of BC Graduate Scholarship, and the Maria Brastianos Memorial Award. Without their generosity, it would have been difficult to complete this thesis.

On a personal note, I would be remiss if I did not recognise the support from my friends. In particular, I would like to thank Scott Eaton, Simone Hanebaum, Kathryn Hearn, Khash Hemmati, and Liam O’Flaherty for their feedback and encouragement. I am lucky to have had these five in the program. I am grateful to my dog, Kyra, for literally being by my side throughout this process. Thanks also to Chrystal and Nicholas Inglis for their support. Most importantly, I would like to thank my wonderful parents, John and Elizabeth Inglis, for encouraging me to follow my dreams and nurturing my love of history. I would not have been able to complete this thesis without their love, help, understanding, and constant support.
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List of Acronyms

AGMA General Military Archive of Avila/ Archivo General Militar de Ávila
AMAE-R Archive of the Ministry of Foreign Affairs - Renovated/ Archivo Ministerio de los Asuntos Exteriores - Renovado
AYE Hellenic Foreign Ministry Archive/ Istoriko archio tou Yrourgio exoterikon
CDMH Documentary Centre of Historical Memory/ Centro Documental de la Memoria Histórica
CEDA Spanish Confederation of Autonomous Right/ Confederación Española de Derechas Autónomas
EON National Youth Organization/ Ethniki Organosis Neoleas
FO Foreign Office (alluding to archival documents at the NA)
GAK General State Archive/ Genika achia tou Kratous
GPCC Greek Powder and Cartridge Company/ Ellinikou Etairia Puritidopoieou kai Kalukopoieious. It is also commonly referred to in primary sources as the Poudrerie et Cartoucherie Hellénique
IAETE National Bank of Greece Historical Archive/ Istoriko Arxeio tis Ethniki Trapeza tis Ellados
IWM Imperial War Museum
KKE Greek Communist Party/ Kommounistiko Komma Elladas
NA National Archives
**Dramatis Personae**

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</tr>
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<td>Emmanuel Tsouderos</td>
<td>Head of the Bank of Greece from 1931–1939</td>
</tr>
<tr>
<td>Francis Hemming</td>
<td>Committee Secretary of the International Committee for the Application of the Agreement for Non-Intervention in Spain</td>
</tr>
<tr>
<td>Francisco Franco</td>
<td>Leader of the Nationalist Forces from 1936–1939 and dictator of Spain from 1939–1975</td>
</tr>
<tr>
<td>Gian Galeazzo Ciano</td>
<td>Italian Foreign Minister from 1936–1943</td>
</tr>
<tr>
<td>Hermann Göring</td>
<td>In charge of the German rearmament program and economy under the Third Reich</td>
</tr>
<tr>
<td>Hjalmar Schacht</td>
<td>Reich Minister of Economics from 1934–1937</td>
</tr>
<tr>
<td>Ioannis Diakos</td>
<td>Metaxas’ personal advisor</td>
</tr>
<tr>
<td>Ioannis Metaxas</td>
<td>Dictator of Greece from 1936–1941</td>
</tr>
<tr>
<td>King Constantine I</td>
<td>King of Greece from 1913–1917 and from 1920–1922</td>
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<tr>
<td>King George II</td>
<td>King of Greece from 1922–1924 and from 1935–1947</td>
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<tr>
<td>Konstantinos Maniadakis</td>
<td>Greek Minster of Public Security during the Metaxas dictatorship</td>
</tr>
<tr>
<td>Lincoln MacVeagh</td>
<td>American Ambassador to Greece from 1933–1941</td>
</tr>
<tr>
<td>Máximo José Kahn Mussabaun</td>
<td>Representative of the Republican Government in Thessaloniki and later promoted to Chargé d’Affaires in Athens in 1937</td>
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<td>Nikolaos Mavroudis</td>
<td>Deputy Secretary at the Greek Ministry for Foreign Affairs during the Metaxas dictatorship</td>
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<tr>
<td>Periklis Argyropoulos</td>
<td>Greek naval officer and Ambassador to Nationalist Spain during the Spanish Civil War</td>
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<tr>
<td>Prodomos Bodosakis Athanasiadis</td>
<td>Head of the Greek Powder and Cartridge Company and friend of Metaxas and King George II</td>
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<td>Sebastián Romero Radigales</td>
<td>Franco’s Ambassador to Greece during the Spanish Civil War and the Second World War</td>
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<td>British Ambassador to Greece from 1933–1939</td>
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Introduction

“It is the true face, the hideous face, of war.”
-D. Kallonas

On 21 June 1937, while the Spanish Civil War raged, the Greek steamship Leonia, also known as Kimon and Aristone, left from Piraeus bound for a Spanish port under Republican control. The ship was carrying 1,200 tonnes of cargo, which included 800 tonnes of shells and ammunition, 150 landmines, and an undetermined number of rifles. All of the ship’s supplies had been provided by Prodomos Bodosakis Athanasiadis and the Greek Powder and Cartridge Company (GPCC), with the endorsement of members of the Greek Government. After the ship had unloaded the cargo, it returned to Piraeus and made several trips back to Spain that year. The Leonia was one of numerous ships used by the GPCC to supply weapons, ammunition, and other goods to both sides of the Spanish Civil War. These shipments to Spain from Greece occurred despite the fact that Greek dictator, General Ioannis Metaxas, had signed the Non-Intervention Pact, a diplomatic initiative by France and Britain to prevent states from supporting either side in the Spanish conflict.

2 International Board for Non-Intervention. AYE 48/7/1/1.
3 Sebastián de Romero Radigales, Relativo salida barco ‘Leonia’ con municiones para los rojos españoles, Atenas 21 de Junio de 1937. AGMA, 2472, 3.
4 International Board for Non-Intervention, 22 November 1937, AYE 48/7/1/1; Spanish Civil War, FO 371/21344; AGMA, 2472, 3.
The Spanish Civil War broke out on 17 July 1936, in the wake of significant political unrest and polarization that plagued the Spanish people.⁶ The conflict was waged between the Republicanos (Republicans) and the Nacionales (Nationalists) and lasted until 1 April 1939, when the last Republican forces surrendered and Francisco Franco broadcasted that he and the Nationalists had won the war.⁷ The Republicans encompassed a number of left-wing political groups and followers that supported the democratically-elected Republican Government, while the Nationalists (the rebels) included a number of right-wing political parties that sought the collapse of the Republic. Despite the establishment of the Non-Intervention Pact, Italy, Germany, and Portugal were quick to support the Nationalists, while the Republic received aid from the Soviet Union. In addition, thousands of volunteers made their way to Spain to fight for both sides in the conflict.⁸ Bodosakis and the GPCC were remarkable as they, with the support of members of the Greek Government, supplied both the Republic and the Nationalists with munitions.

Bodosakis was born in Constantinople in 1891. According to the British Foreign Office, he was a contractor and supplier for Ottoman and possibly British armies during the First World War. He immigrated to Greece following the Treaty of Lausanne and the subsequent population exchange between Turkey and Greece,⁹ where he soon became involved with large businesses and took an interest in politics. He helped finance the Republican movement in Greece as well as the coups of Generals Theodoros Pangalos

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and Georgios Kondylis. Bodosakis met Ioannis Metaxas in 1934, a former general turned politician, and that same year he purchased the GPCC. In 1935, Bodosakis began financing the future dictator’s political career. With the support of the king, on 4 August 1936, Metaxas established a dictatorship. One month later, Bodosakis approached the Greek Government for permission to send weapons to the Republic. According to Bodosakis, the Government realized the economic potential of sending weapons to Spain and permitted the transactions.

The German munitions company Rheinmetall-Borsig, which was controlled by Hermann Göring, provided a significant portion of the weapons that the GPCC supplied to Spain as part of a trading arrangement between Nazi Germany and Greece. This arrangement was consistent with the Greek Government’s policies of stimulating the devastated economy and rearming the military. Furthermore, the Spanish Civil War provided a way for Greece to use the credit it received from Germany under the


provisions of the Schacht Plan.\textsuperscript{15} Using a portion of this credit, the GPCC was able to buy weapons and then resell the contraband items to both sides in the Spanish Civil War for a considerable profit.\textsuperscript{16}

One of the objectives of this thesis is to contend that high-ranking members of the Greek Government permitted Bodosakis and the GPCC to sell munitions to both sides of the conflict as an economic expedient despite the right-wing ideology of the Metaxas regime that was closer in philosophy to the Spanish Nationalists than to the Republic. Although the Germans, Italians, and Portuguese supplied the Nationalists, the majority of the weapons and ammunition that the GPCC sold went to Republican forces. The Greek Government set aside its own anti-communist policies when it permitted the GPCC to sell weapons and ammunition to the Republic, which Greece and other nations believed had ties to the Soviet Union (USSR).\textsuperscript{17} The Greek Government was motivated by economics rather than ideology or foreign policy.

Another objective of this study is to examine Greek involvement in arms dealing to both sides of the Spanish Civil War. Greece was among many countries, including Germany, Italy, and the USSR, that supplied weapons to the Spaniards. Greece, however, differed from the other nations because the government refused to pick a side in the conflict and sent munitions to both the Republic and the Nationalists. This study

\textsuperscript{15} This initiative was designed by Hitler’s Minister of Finance, Hjalmar Schacht, in 1934 to ensure that Germany had an economic and political sphere of influence. This strategy was largely characterized by German economic expansion into agriculturally-based nations, such as those in the Balkans. Nations involved in the scheme received payments in blocked marks, which could only be used to purchase goods from Germany. Schacht was forced out as Minister of Economics in November 1937. Nonetheless, for convenience and continuity, this thesis will continue to use the term “Schacht Plan” throughout. A. F. Ferris, \textit{The Greek Economy in the Twentieth Century}, 88; Pelt, \textit{Tobacco, Arms and Politics}, 83; Allan G. B. Fisher, “The German Trade Drive in Southeastern Europe,” \textit{International Affairs} 18 (1939), 143.

\textsuperscript{16} T. D. Sfikas, “Greek Attitudes to the Spanish Civil War” \textit{Kambos: Cambridge Papers in Modern Greek} 4 (1996), 118.

\textsuperscript{17} The Republic was composed of a number of political parties, including radicals, liberals, and socialists. Some of these parties were associated with the Soviet Union, such as the Communist Party of Spain (PCE), the Worker’s Party of Marxist Unification (POUM). For a detailed examination of the influence of the Soviet Union in the Republic, see: Stanley G. Payne, \textit{Spanish Civil War, the Soviet Union, and Communism} (New Haven: Yale University Press, 2004).
will address several interrelated questions in seeking to establish a comprehensive understanding of the motivation and implications of Greek arms dealing, such as how and why the GPCC was involved in the Spanish conflict, how the government was connected to these sales, whether the arms trade conformed to the policies of the Metaxas regime, why Greece refused to deal exclusively with one side, and how this trade impacted and influenced relations between Greece and Nationalist Spain.

Thousands of monographs and articles have been written on the topic of the Spanish Civil War. Most studies about foreign intervention in the conflict have, however, for the most part ignored Greece. Most of the works that do consider Greece mention Bodosakis and the GPCC’s involvement and reduce their significance to a footnote or a paragraph. For instance, Hugh Thomas’ classic book *The Spanish Civil War*, one of the major studies to have been published on the war, provides only one sentence on Greek ships.\(^{18}\)

The majority of the literature that focuses on Spain and Greece in the 1930s and 1940s either compares the Spanish and Greek Civil Wars\(^ {19}\) or examines the Greeks who volunteered to fight for the Republic or the Nationalists.\(^ {20}\) The works that examine Greek arms dealing in the Spanish Civil War argue that the sale of these contraband items was

\(^{18}\) Thomas, *The Spanish Civil War*, 827.


made possible by the close relationship between the Greek and German Governments, which ultimately enabled Greece to ship a substantial number of weapons to Spain.  

Four scholars have examined Greek arms dealing in the Spanish Civil War. The most extensive study on the subject is by Thanasis Sfikas and titled I Ellada kai o Ispanikos Empulios: Ideologia, Oikonomia, Diplomatia (Greece and the Spanish Civil War: Ideology, Economy, Diplomacy). The work, based on a previous article he wrote in 1996, examines the parallels of Spain and Greece in the 19th and 20th centuries, the ideological and diplomatic impact of the Spanish conflict on Greece, Greek arms dealing, and Greeks in the International Brigades. While Sfikas asserts that economic necessity was a factor in Greece’s arms trade, he also argues that the peculiarities of the Spanish Civil War and a “fear of Italy” were also factors behind Greece’s involvement. While Sfikas’ work on Greek sales has provided a basis for this thesis, he relies on Greek primary sources. He examines a few documents from the British National Archives, but does not reference any Spanish material. This thesis will utilize Spanish documents in order to analyze the complexity and impact of Greek arms sales in the Spanish Civil War.

Gerald Howson dedicates four pages of his monograph, Arms for Spain, to Greek weapon sales. He provides a strong overview of the Greek transactions with the Republic but little attention on Greece’s interactions with the Nationalists. Furthermore, Howson’s text is limited in that it is solely based on an article written by Sfikas and on Frank Gervasi’s 1940 newspaper article “Devil Man.”

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21 Gerald Howson, Arms for Spain: The Untold Story of the Spanish Civil War (London: John Murray, 1998), 197–201; Morten Heiberg and Mogens Pelt, Los Negocios de la Guerra: Armas Nazis para la República Española (Barcelona: Crítica, 2005); Mogens Pelt, Tobacco, Arms and Politics.


24 Ibid., 116.

25 Gerald Howson, Arms for Spain, 197–201.

26 Sfikas, “Greek Attitudes to the Spanish Civil War.”

27 Frank Gervasi, "Devil Man: The Greek who deals in sudden death," Collier’s Weekly, June 8, 1940.
Mogens Pelt has written a number of scholarly works on Bodosakis and the GPCC that support the works of Sfikas and Howson. In his monograph, *Tobacco, Arms, and Politics*, he dedicates a chapter to Bodosakis and the GPCC’s involvement in the Spanish Civil War. The monograph, however, focuses on the evolution of Greco-German relations from 1929–1941 as seen through a German-centric lens. Pelt also questions the connection between the GPCC’s arms dealing to Spain and the Greek Government. Pelt also co-authored *Los Negocios de la Guerra: Armas Nazis para la Republica Española* (The Business of War: Nazi Weapons for the Spanish Republic) with Morten Heiberg. In addition to presenting similar information to that which is found in Pelt’s earlier work, this monograph emphasizes Greece’s close ties to Germany.

In another article, Pelt argues that Bodosakis played an important role in the international arms trade and that his “position in the Greek economy as well as his extended national and international network, at times gave him an important role in the development of trade and the economy in Greece.” Pelt focuses on Bodosakis’ career before the fall of the Ottoman Empire and only briefly examines Bodosakis’ role in interwar Greece, taking the position that Greece’s arms transactions occurred because of its close relationship with Germany under the Metaxas regime. He pays scant attention to the question of how the Spanish Civil War impacted the Greek economy.

Dimitris Filippis discusses Greek arms sales in his monograph *Historia y Literatura: La Guerra civil española en Grecia* (History and Literature: The Spanish Civil War in Greece). Therein, he briefly examines the relationship between Franco and Metaxas and the effects the arms trade had on Greece’s foreign relations with Nationalist Spain. While Filippis does not discuss Greek motivations for involvement in the Spanish conflict, this work is significant because he disagrees with other historians on the topic and argues that Metaxas was an Anglophile.

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28 Pelt, *Tobacco, Arms and Politics*.
29 Pelt stresses the company’s reliance on private finance. Ibid., 161–162.
30 Heiberg and Pelt, *Los Negocios de la Guerra*.
33 Ibid., 24.
Relatively few studies have been conducted on the relations of the Metaxas dictatorship outside of Greece, as this period of Greek history has tended to be overshadowed by the Axis Occupation and the Greek Civil War in the 1940s. The majority of works that have examined Metaxas and his government have focused on his policies rather than his cultural and social impact on Greece.\textsuperscript{34} There is a debate within the literature, however, examining the foreign policies of the Metaxas regime.\textsuperscript{35} Revisionist studies suggest that Metaxas desired closer ties to Britain but later implemented a policy of neutrality,\textsuperscript{36} while texts “sympathetic to the Greek Left”\textsuperscript{37} focus on the “pro-German” policy of the regime.\textsuperscript{38} A few scholars have gone against these trends and have argued that Metaxas acted in the best interests of Greece and was simply “pro-Greek.”\textsuperscript{39} With the exception of Filippis, the majority of the authors who examine Greece’s involvement in Spain are in line with the “pro-German” view and argue that Greece’s interactions with the Republic were a result of Metaxas’ support for Adolf Hitler and Greece’s close relationship with Germany.\textsuperscript{40}


\textsuperscript{36} For examples, see: Victor S. Papacosma, “Ioannis Metaxas and the ‘Fourth of August’ Dictatorship in Greece,” 27–37.

\textsuperscript{37} Koliopoulos, “Metaxas and Greek Foreign Relations, 1936–1941,” 89.


\textsuperscript{40} Gerald Howson, \textit{Arms for Spain}, 197–201; Heiberg and Pelt, \textit{Los Negocios de la Guerra}; Mogens Pelt, \textit{Tobacco, Arms and Politics}; Sfikas, \textit{I Ellada kaí o Ispanikos Emphilios}.
John Koliopoulos is aligned with revisionist studies of the Metaxas regime, but he provides considerable insight into Greece’s foreign relations with Britain.\(^{41}\) He argues that Greece’s British connection “became the basic premise of the country’s foreign relations in the second half of the 1930s and the world war that followed.”\(^{42}\) Koliopoulos’ work is of significance because he is one of few historians to have explored Greece’s diplomatic relations during the interwar period and the Greco-centric foreign policies of the Metaxas regime. He also provides a brief discussion of the GPCC’s arms sales to Spain and the British Government’s puzzlement by this trade.\(^{43}\)

More recent studies of Metaxas have examined the fascist and non-fascist tendencies of the regime.\(^{44}\) Left-leaning studies have argued that Metaxas was a fascist, while others argue that although the regime had fascist tendencies – such as the desire to create a Third Hellenic Civilization, censorship of the press, and the creation of the Nation Youth Organization (EON) – it was not fascist but authoritarian. This work supports the view that while Metaxas and the “Fourth of August” regime had fascist tendencies and were authoritarian, they did not subscribe to fascism and Nazism. For instance, as Victor Papacosma points out, the regime did not pursue a policy of aggressive expansionism, persecute minorities, or receive significant popular support. Moreover, the regime did not leave a legacy that survived with any substance following Metaxas’ death, nor did the national unity experienced under the dictatorship endure during the German occupation.\(^{45}\) Papacosma further argues, along with Stanley Payne,


\(^{42}\) Koliopoulos, “Metaxas and Greek Foreign Relations,” 87.

\(^{43}\) Koliopoulos, *Greece and the British Connection*, 68–70.


that the Metaxas regime was closer to the regime of António de Oliveira Salazar in Portugal than to Mussolini’s Italy. \(^{46}\) Interestingly, the Greek Colonels regime bore a striking resemblance to the Metaxas regime. \(^{47}\)

This thesis will contribute to existing literature by offering a detailed examination of the economic relations between Greece and Germany that enabled the GPCC to sell weapons and ammunition to both sides in the Spanish conflict. My study aims to expand upon the few works that have examined Greek arms dealing by examining Greece’s internal and foreign policies in order to understand how and why the Greek Government became involved in the Spanish Civil War. For the most part, these few studies fail to give a detailed examination of Greece’s economic situation at the time of the Spanish conflict and how its relations with Germany facilitated the sale of weapons to the Republic.

This thesis discusses three interrelated aspects of Greece’s involvement in the Spanish Civil War: the anti-communist, economic, and rearmament policies of Metaxas and the Metaxas Regime, Greece’s foreign relations with Britain and Germany, and Greek arms dealing in the Spanish Civil War. Discussing these three areas is essential to demonstrate the primacy of the economic motivations that led the Greek Government to allow arms sales to the Spaniards – or at least turn a blind eye to the GPCC. The thesis is divided as follows:

Chapter one, “Metaxas and the ‘Fourth of August’ Regime,” \(^{48}\) provides an overview of the rise of the Metaxas dictatorship and the regime’s internal policies. It will argue that economic growth and rearmament were amongst the most important goals of the dictatorship. The chapter will conclude by discussing Metaxas’ support of Bodosakis’ efforts to expand the GPCC to be a major producer of war materials.

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\(^{48}\) “Fourth of August” is a name historians have given to Metaxas’ regime, after the regime’s “birth-date.” Petrakis, *The Metaxas Myth*, 1.
Chapter two, “Greek Relations with Britain and Germany,” examines Greece’s foreign policy towards Britain and Germany. The chapter will explain that Metaxas desired closer ties with Britain because of Greece’s geopolitical circumstances. Since Britain was unwilling to aid Greece, the Greek Government was not only forced to turn to the Third Reich for financial support but to implement a policy of armed neutrality. Greece could not have been a close ally of Germany and worked with the Third Reich because of its economic influence on the Balkans. Greece’s economic relationship with Germany and its policy of neutrality created the conditions that enabled the GPCC, with permission of members of the Greek Government, to sell weapons to both sides of the Spanish Civil War.

Chapter three, “Greek Arms for Spanish Gold,” discusses Greece’s involvement in the Spanish Civil War and its sale of weapons and ammunition to both the Nationalists and the Republic. It discusses how this trade damaged Greece’s relationship with the Spanish Nationalists, who were ideologically similar to the Metaxas dictatorship. The chapter will demonstrate that the Greek Government and the GPCC supplied munitions to Spain in order to make money from their barter agreement with Germany while simultaneously reselling contraband items to Spain from other nations. It thereby demonstrates that Greece’s actions during the Spanish conflict were motivated by economic concerns rather than ideology.

My thesis relies primarily on archival material in English, Spanish, and Greek. These sources include unpublished state records, memoirs, newspaper articles, and secondary literature. They provide a framework for the thesis and facilitate an analysis of Greece’s involvement in the Spanish Civil War from 1936–1939 that includes the internal and foreign policies of the Metaxas regime. A close examination of these sources therefore sheds light on how and why the Greek Government became involved in the Spanish Civil War and on the consequences of that involvement.

The majority of archival documents examined in the thesis are from Spanish archives, including the Archive of the Ministry of Foreign Affairs–Renovated (AMAE-R) in
Madrid, the General Military Archive of Avila (AGMA), and the Documentary Centre of Historical Memory (CDMH). Prior to 2013, AMAE-R housed numerous folders pertaining to the Nationalists’ interactions with the Metaxas government. The AGMA holds a number of documents with reference to Bodosakis and the GPCC that concern the shipment of weapons, mainly to the Republic. A few sources from CDMH discuss Greece’s relationship with the Republicans. In general, the documents from these Spanish archives describe how Greece supplied both sides of the Spanish conflict and how the Nationalists responded to the GPCC’s sale of weapons to the Republic.

This thesis also utilizes documents from Greek and British archives. The Greek archives include The Historical Archive of the Greek Ministry of Foreign Affairs (AYE), Metaxas’ private papers at the General State Archives (GAK), and National Bank of Greece Historical Archive (IAETE). The AYE has hundreds of documents pertaining to the war in Spain, some of which discuss Greek involvement in the war and Greco-Spanish relations. The GAK holds a select number of Metaxas’ personal and private papers, some of which discuss the Spanish Civil War. The IAETE also houses documents concerning Greece’s financial history. In addition, the IAETE contains documents on Britain’s parliamentary discussions of Greece’s foreign and economic relations. The documents from these archives provide considerable insight in advancing an understanding of the ideologies and policies put forth by the Metaxas regime and of Greece’s involvement in Spain’s civil war.

The National Archives (NA) in Kew, England were also consulted for this thesis. As a result of Britain’s involvement in the creation of the Non-Intervention Pact, the Foreign Office (FO) kept detailed reports on events unfolding in Spain and states that violated the pact. The archive also contains documents on Greece’s involvement in the conflict and the Metaxas regime, some files pertaining to Greco-German trade relations, and documents on Greece’s economy in the interwar period.

Several select collections of documents concerning the Spanish Civil War and diplomacy during the interwar period have been produced over the years, some of which

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49 As of 2013, files at AMAE-R are held at the General Archive of Administration (Archivo General de la Administración - AGA) in Alcalá de Henares. The documents used in this thesis from the Ministry of Foreign Affairs were collected prior to 2013.
have proven to be very helpful. The most notable collection is from AYE, in *Recuperación Documental: La Herencia Histórica Española en Grecia* (Documentary Recovery: The Spanish Historical Heritage in Greece).\(^{50}\) Edited by Dimitris Filippis, this collection provides hundreds of pages of primary documents on Greece’s arms dealing in the Spanish Civil War as well as on Greek policy on arms dealing. These documents are largely untouched by scholars and provide a solid foundation for this thesis’ analysis of Greek arms dealing in the Spanish conflict. Two additional important collections are *The International Brigades: Foreign Assistants of the Spanish Reds* published by the Spanish Office of Information\(^{51}\) and *Documents on German Foreign Policy 1918–1945* published by the United States Department of State.\(^{52}\) The former briefly explores Greek arms dealing to the Republic and Greece’s relationship with Germany.

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Chapter 1.

Metaxas and the “Fourth of August” Regime

Background to the Dictatorship

General Ioannis Metaxas was a staunch supporter of the Greek monarchy throughout his life. He began his military career at the Evelpidon Military College in 1885, and in 1890 he was promoted to second lieutenant. During Greece’s war against the Ottoman Empire in 1897, he was appointed as a junior officer at the headquarters of the army’s commander-in-chief, Prince Constantine. In 1899, Metaxas was selected by the prince to receive additional training at the Kriegsakademie (war academy) in Berlin for four years.\(^{53}\) Metaxas, following his education in Germany, was promoted to captain and was invited into the prince’s inner circle that included members of Greece’s elites—a group made up of army and naval officers, the president of the Bank of Greece, and several intellectuals.\(^ {54}\) Accordingly, Metaxas’ professional and social elevation reinforced his attachment to the monarchy.

In 1909, Greece faced the prospect of a military coup that threatened the monarchy when a group of army officers demanded political, economic, and military reforms. This event, known as the Goudi Coup, led to Eleftherios Venizelos’ appointment as Prime Minister.\(^ {55}\) Venizelos had made a name for himself during the Cretan uprising and had earned the respect of Greek nationalists, particularly those in the army. As a result, the leaders of the Goudi Coup had appealed to Venizelos to represent them and champion their political and military agenda. Venizelos agreed but only if the coup’s

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\(^{53}\) Papacosma, Ioannis Metaxas and the ‘Fourth of August’ Dictatorship in Greece, ” 166.

\(^{54}\) Pelt, “The Establishment and Development of the Metaxas Dictatorship in the Context of Fascism and Nazism,” 148.

leaders and their followers agreed to work within the constitution and not resort to establishing a military dictatorship. In the subsequent election, Venizelos won a substantial majority and with this mandate worked to implement new policies and limit the intervention of the monarchy in military affairs, especially in matters of promotion and selection of senior officers for command positions. Venizelos chose Metaxas in 1910, because of the latter’s close relationship with Prince Constantine, to act as an intermediary between him and the prince to help reconcile growing tensions between the opponents of the king and those committed to the monarchy.56

During the Balkan Wars of 1912–1913, Metaxas was promoted to lieutenant colonel. He had proven a skilful military strategist and competent diplomat in negotiating with Bulgaria and Serbia during the Balkan Wars.57 His promotion to lieutenant colonel coincided with a time of significant territorial expansion for Greece (Macedonia and most of Epirus), and followed Constantine’s assumption of the crown after the assassination in 1913 of his father, King George I, shot by a madman with no obvious motivation.58

The outbreak of the First World War caught the Balkan states by surprise, and initially most of these small countries were hesitant to choose between the Central Powers and the Entente. King Constantine I was sympathetic to Germany since he was married to the sister of Kaiser William II, and the Kaiser had made him an officer in the German army. Furthermore, Constantine had received military training in Germany and was convinced that the Central Powers would emerge victorious.59 Venizelos, on the other hand, believed in the Entente and was equally convinced that Britain, France and Russia would defeat the Central Powers.60 Furthermore, Venizelos admired Britain’s constitutional monarchy and was culturally sympathetic to France. Unfortunately, the Greek king and prime minister could not agree on whether Greece should join the

57 Ibid., 28.
Entente (as advocated by Venizelos) or remain neutral (as King Constantine I insisted). Metaxas, on the other hand, remained loyal to the king and to the concept of the monarchy. Metaxas was appointed Chief of the General Staff in 1915. 61 Shortly following this promotion, he resigned to protest Venizelos’ plans to send Greek troops to support the British in Gallipoli. 62

The majority of Greeks supported Venizelos, and he was elected twice on the basis of his pro-Entente stance. 63 Following his May 1915 electoral victory, the king, as before, negated the wish of the Greek people, forcing Venizelos to immediately resign. Such heavy-handed behaviour led to the National Schism that, in effect, pitted the followers of Venizelos – a mix of anti-monarchists, liberals, and proponents of a Greek republic, which collectively became labelled as Venizelist – against those who supported the king and the institution of monarchy. 64

Venizelos, with the help of the Entente, ultimately ousted Constantine I in 1917. Venizelos and his government then invested Constantine’s younger son, Alexander, as king. Shortly thereafter, Metaxas was exiled in Corsica, and he was later sentenced to death in absentia. 65 The Greek Army, along with the Entente forces in the Balkans, defeated the German-Bulgarian armies. This success enabled Venizelos to pursue the Megali Idea (great idea) – the notion that the modern Greek state should encompass all the territories that had been part of ancient Greece or the Greek-populated areas of the Byzantine Empire. 66 In effect, Venizelos believed that the Greeks of the Ottoman Empire, mostly in Asia Minor, should belong to a greater Greece. 67 Following the end of the First World War, the victorious Entente awarded Greece a small part of Asia Minor, centred around Smyrna. The legal framework was enshrined in the Treaty of Sèvres concluded

63 Mavrogordatos, Stillborn Republic, 27.
64 Ibid., 28.
66 Close, The Origins of the Greek Civil War, 3; Mavrogordatos, Stillborn Republic, 27.
67 Mavrogordatos, Stillborn Republic, 60–61.
in 1920. A “Greece of Two Continents and Five Seas” was thus created. Alexander died suddenly in October 1920, causing people to reconsider the status quo. Venizelos was voted out of office in November 1920. Following a plebiscite, Constantine I was restored as monarch in December 1920. Metaxas returned to Greece in late 1920, following the victory of anti-Venizelist parties.

The Treaty of Sèvres was intolerable to Turkish nationalists and, as a result, a Greco-Turkish war began almost immediately after it was finalized. In 1921, Metaxas left the army because he disapproved of Greece’s involvement in Asia Minor and subsequently founded his own party, the Komma ton Eleutherofronwn (Freeno"

69 Mavrogordatos, Stillborn Republic, 285.
70 Ibid., 28.
73 Mavrogordatos, Stillborn Republic, 29.
75 Mavrogordatos, Stillborn Republic, 29.
76 The population exchange was based not on language or ethnicity but on religion. Smith, Ionian Vision, 312–336.
The failure in Asia Minor also resulted in a forced population exchange between Greece and Turkey, which was agreed at the Lausanne Peace Conference in 1923. Between 1.2 and 1.5 million Anatolian Greek-Orthodox Christians were forced to move to mainland Greece, while half a million Muslims residing in Greece were transplanted to Turkey. The Treaty of Lausanne thereby increased the population of Greece by a minimum of 13% almost overnight, causing “enormous economic upheaval.”

In October 1923, Metaxas was involved in an unsuccessful coup and, after he was forced to escape to Italy, was condemned to death in absentia a second time. Following the coup, George II was forced to leave Greece while the future form of government would be determined. Refusing to abdicate, he left for exile in December 1923. Following a plebiscite, the Second Hellenic Republic was proclaimed on 25 March 1924. Metaxas managed to return to Greece the following year after the establishment of the Republic and became more involved in politics. In 1926, his party won 20% of the seats in parliament, and he became the Minister of Transport and Public Works in a coalition government. Metaxas “retired” from politics in 1928 upon Venizelos’ return, only to reappear briefly in 1932 under the conservative government of Panagiotis Tsaldaris as Minister of the Interior.

The default and subsequent bankruptcy of the Greek state in 1932, along with a 15% unemployment rate and the refugee problem, undermined the authority of the new republic and added to the political instability. In fact, Greece faced an “endless

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77 This number is in addition to the 50,000 Greeks who were expelled from Bulgaria in 1906, another 60,000 expelled following the Balkan Wars, and the 45,000 Armenians who immigrated alongside the Greeks in 1923. Renee Hirschon, *Crossing the Aegean: An Appraisal of the 1923 Compulsory Population Exchange Between Greece and Turkey* (New York: Berghahn Books, 2003), 227.


80 Mavrogordatos, *Stillborn Republic*, 32.


sequence” of coups and countercoup throughout the time of the Republic.83 A royalist coup on 10 October 1935 overthrew the government of Panagiotis Tsaldaris, and Georgios Kondylis temporarily assumed power.84 On 3 November 1935, a fraudulent plebiscite in which 97.6% of people voted in favour of the restoration of the monarchy resulted in King George II’s return from exile.85 Later that year, Konstantinos Demertzis became Prime Minister, and Metaxas returned to Greece, determined to suppress the Venizelist movement and eliminate the Liberal Party. The January 1936 election resulted in a tie between the Komma Fileleutheron (The Liberal Party) and the royalist Laiko Komma (The People’s Party), with the Greek Communist Party (KKE) holding the balance of power with fifteen seats.86 On 5 March 1936, as rumours emerged that the Liberal Party and the KKE were negotiating a coalition, then Minister of War Alexandros Papagos informed King George II that the army would not support a Liberal-Communist government.87 Upon hearing this, the king dismissed Papagos. Shortly thereafter the king assigned Metaxas to the positions of deputy prime minister, minister of war, and minister of the air force under the leadership of Prime Minister Demertzis.88 Greek politics continued to unravel following the deaths of several well-known and experienced politicians, including Eleftherios Venizelos, Georgios Kondylis, Panagiotis Tsaldaris, and Konstantinos Demertzis.89 The increasing political instability and the unexpected death of Prime Minister Demertzis on 13 April 1936 led the king to endorse General Ioannis Metaxas as Prime Minister.

Metaxas’ appointment occurred despite the fact that his party held only seven seats in the Greek Parliament.90 Following his appointment, Metaxas, an already faithful

84 Shrader, The Withered Vine, 12.
86 Petrakis, The Metaxas Myth, 34.
89 Close, The Origins of the Greek Civil War, 38.
royalist, became an even closer ally of King George II. Circumstances enabled Metaxas to play on the king’s fear of a communist takeover. For instance, there were a number of strikes prior to August. The Communists had called for a nation-wide strike to commence on 5 August 1936. The day before the strike was planned to occur, Metaxas and the king declared a state of emergency, marking the beginning of the dictatorship. The king believed that making Metaxas dictator would save Greece from a fate similar to that of Spain. The day after the creation of the regime, KKE leaders were arrested at night, preventing a general strike.

The Metaxas regime was thus a dictatorship permitted by the king. The Greek dictator relied on the king for his power and Metaxas ruled by royal decree. Though Metaxas was just as loyal to George II as he had been to Constantine, in one way the two monarchs were very different. Whereas Constantine had been a Germanophile, George II was likely an Anglophile. According to Papacosma:

Bearing in mind Metaxas’s pro-German positions of the past and his ideological affinity with other fascist regimes, one would tend to presume that, in conjunction with Greece’s economic dependency, his government’s foreign policy would incline towards Berlin. Such would not be the case for some quite pragmatic reasons. First, King George II, who as crown prince during the First World War was deemed pro-German by the British and the French and had been prevented, for that reason, from rightfully succeeding his father to the throne in June 1917, had spent much of his exile from late 1923 to 1935 in England and had cultivated many friendships there. There was no discussion by observers of the Greek scene that the monarch harbored even latent sympathies for Hitler’s Third Reich. Rather, he now bore a pro-British orientation, a fact that certainly registered with Metaxas.

Though the opinion of Papacosma has considerable authority, it does not establish beyond doubt that George II had become an Anglophile. Within the confines of this thesis, it is just as unrealistic to attempt to establish conclusively that George II was an

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92 Sfikas, “Greek Attitudes Towards the Spanish Civil War,” 110.
Anglophile than that Metaxas was “pro-Greek.” Both these assertions are assumed as a basis for the continued narrative.

As dictator, Metaxas did not have a particular ideology except his adherence to the monarchy and his strident anti-communism. His only attempt at an ideological basis was to make vague references to the establishment of a “Third Hellenic Civilisation,” following the ancient Greek and Byzantine empires, and to attempt to move the nation’s capital to Sparta. He sought to reorganize the state to create a stable Greece that could defend itself, following decades of political polarization and instability.

**Policies of the Metaxas Dictatorship**

Metaxas had a number of key policies and goals, such as political renewal. He believed that Greek politics needed to be significantly reformed. Not only did he ban all political parties, including his own, but his ministers were, for the most part, not politicians but rather former officers of the armed forces and businessmen. A number of officers who were involved in the 1923 royalist military revolt held a number of key roles in the Metaxas government, such as the Minister of the Interior, deputy ministers of Public Security and of the Army, the governors of Macedonia and Thrace, and the Minister for Railways. He placed bankers in financial positions, agronomists in agricultural positions, and compliant trade unionists in the Ministry of Labour. Furthermore, closely tied to the regime were a number of bankers and industrialists who were associated with the National Bank of Greece. Key industrialists associated with the regime included Alexander Kanelopoulos, a manufacturer of chemicals and the head of

96 Ibid., 308.
99 Ibid., 19.
the EON, and Bodosakis, who had helped Metaxas become dictator. As Close points out, the Metaxas regime was linked with economically influential organizations that were significant sources of personnel as well as supplies, finance, and aid in managing the foreign debt.

Another of Metaxas’ objectives was to increase state security and to suppress the KKE, which he blamed for the mass strikes and the subsequent urban unrest that occurred prior to August 1936. It is important to note that anti-Communist rhetoric was not unique to the Metaxas dictatorship. In fact prior to 4 August 1936, both royalists and republicans shared in their disapproval of the growing Communist movement within Greece. For instance, in 1925, the *Ypiresia Eidikis Asfaleias* (Special Security Service) was founded to keep a close eye on communists. In 1929, the *Idionymo* (Special Crime) Law was instated to prosecute communist leaders, and throughout the 1920s left-wing politicians, along with those who had attempted coups, were exiled to remote islands.

Metaxas, however, was more vigorous than his predecessors in suppressing the KKE. One of Metaxas’ first acts as dictator was to create the position of Deputy Minister of Public Security, to which he appointed his close friend Konstantinos Maniadakis. Maniadakis was responsible for directing the police, crushing the KKE, directing military intelligence, conducting counter-espionage against the Axis powers, and compiling detailed reports on Greece’s political establishment. Maniadakis’ most notable accomplishment may have been his near total suppression of the KKE. To that end he incarcerated hundreds of its members and published a government-controlled version of

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101 Ibid., 20.
the KKE newspaper *Rizospastis*, which caused further chaos among the communists.\(^{106}\) The communist threat provided a convenient pretext for the repressive measures of the regime. Over the course of the dictatorship, the police force expanded by 20\%, the anti-communist unit increased five-fold, and the Special Security force grew from 190 to 445 officers.\(^{107}\) Furthermore, the Greek police were able to make mass arrests and do comprehensive compilations of observations of members of the KKE and their activities.\(^ {108}\)

Metaxas’ strategies for aiding the Greek economy were no less determined than his attempts to eradicate the KKE and increase security, and ultimately they influenced Greece’s foreign relations.\(^{109}\) When Metaxas assumed power in August 1936, Greece’s imports greatly exceeded its exports, its foreign debt was growing, and the rate of unemployment in the country was very high.\(^ {110}\) While Greece did experience some recovery following the 1932 economic crisis, the recession continued in port cities and led to “...growing disaffection with the political world in Athens.”\(^ {111}\) Prior to the Metaxas dictatorship, both Liberals and Populists took a laissez-faire approach to the economy and, as a result, economic policy was inadequate.\(^ {112}\)

When Metaxas assumed power in 1936, the Greek Government began to take a more active role in the economy. In April 1937, Metaxas launched a ten-year program to help modernize Greece. Under his dictatorship, new agricultural programmes were launched, industrial outputs increased, new businesses were founded, Greek shipping

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\(^{108}\) Ibid., 24–25.


\(^{112}\) Ibid.
profits reached a record high, higher taxes were collected from the wealthy to establish a welfare system and to support a future war effort, and Greece’s infrastructure was improved.\textsuperscript{113} He established the Social Insurance Fund (IKA) in 1936, and the program was available throughout Greece by 1938.\textsuperscript{114} To lessen Greece’s dependency on food imports, Metaxas provided price support on basic Greek staples through the Central Committee for the Protection of Domestic Wheat Production (KEPES) and declared a moratorium on certain agricultural debts.\textsuperscript{115} As a result of the agricultural reforms, Greece, by 1939, was producing enough wheat to meet 60\% of domestic consumption needs. Cotton and tobacco production also grew significantly.\textsuperscript{116} Greece’s industrial output and production of electricity increased.\textsuperscript{117} Furthermore, the workforce grew considerably, with construction, transport, agriculture, the textile industry, and engineering employing the largest numbers of workers.\textsuperscript{118}

The regime’s policies aimed to stabilize Greece and to protect the state from internal and external threats. Though Metaxas pursued a foreign policy of neutrality, he realized that, given Greece’s strategic position, neutrality would be virtually impossible to maintain in the event of another major European war.\textsuperscript{119} Even if the Great Powers were willing to leave Greece alone in the case of a war, Metaxas worried that Bulgaria – bitter from the outcome of the Treaty of Neuilly in 1919\textsuperscript{120} and its resulting loss of territory and disarmament – would seize the first opportunity to attack Greece.\textsuperscript{121}

Given that the events of the Great War and the failure in Asia Minor were still fresh and that the policy of neutrality provided no guarantee of security, Metaxas sought

\textsuperscript{113} Petrakis, \textit{The Metaxas Myth}, 234–235 ft69.
\textsuperscript{114} Pelt, \textit{Tobacco, Arms, and Politics}, 274 fn 207.
\textsuperscript{116} Papacosma, “Metaxas and the ‘Fourth of August’ Dictatorship in Greece,” 188.
\textsuperscript{117} Mazower and Veremis, “The Greek Economy 1922–1941,” 125.
\textsuperscript{118} Ibid., 125.
\textsuperscript{119} Petrakis, \textit{The Metaxas Myth}, 234–234 ft 69.
\textsuperscript{121} Macris, “The Foreign Policy of the Metaxas Regime 1936–1941,” 165–66.
measures that would not only provide Greece with political stability but also ensure that it had the military resources needed to fend off a potential attack. He realized that if Greece were to survive as a sovereign state, it would have to rely on its own defenses.\textsuperscript{122} Despite the 1930 Ankara Treaty that allied Greece with Turkey and the subsequent Balkan Entente with Yugoslavia and Romania of 1934, intended to check future Bulgarian aggression, Metaxas created a defense line along the Greco-Bulgarian border composed of forts and anti-tank obstacles.\textsuperscript{123} In addition to building the “Metaxas Line,” the regime also encouraged the creation and expansion of munitions plants and facilities for servicing aircraft, with a view to the rearmament of the military.\textsuperscript{124} Special subsidies and protective tariffs were created to aid the development of Greek munitions and related industries.\textsuperscript{125} From 1936–1939, more than one third of Greece’s total state expenditures were dedicated to defense.\textsuperscript{126} Papacosma attributes the industrial growth in Greece in the late 1930s to “Metaxas’ emphasis on expanding Greece’s armaments industry capabilities and the objective of making Greece more self-sufficient in this area during a period of rising international tension.”\textsuperscript{127}

In the introduction, reasons are outlined why the Metaxas regime should be considered to have fascist tendencies but not to be truly fascist. Certainly, a regime that suppressed political parties, spied on its citizens, and arrested its opponents can also be considered authoritarian. A regime that had multiple plans to deal with foreign aggression showed considerable foresight. Ultimately, the stability of a regime, however, is determined by the success of its economic policies. Metaxas’ support of Bodosakis and the GPCC, a company with a potential for success as well as to enhance rearmament, showed considerable economic insight.

\textsuperscript{122} Macris, “The Foreign Policy of the Metaxas Regime 1936–1941,” 165–66.
\textsuperscript{123} Robin Higham, “Preparation for War, the Supply of Arms, and Foreign Aid,” in The Metaxas Dictatorship, edited by Robin Higham and Thanos Veremis (Athens: Hellenic Foundation for Defense and Foreign Policy, 1993), 46.
\textsuperscript{124} Mazower and Veremis, “The Greek Economy 1922–1941,” 126.
\textsuperscript{125} Vatikiotis, Popular Autocracy in Greece, 162.
\textsuperscript{126} Papacosma, “Metaxas and the ‘Fourth of August’ Dictatorship in Greece,” 192.
\textsuperscript{127} Ibid., 188.
Bodosakis and the Arms Industry

Bodosakis and Metaxas were introduced in early 1934 by Emmanouil Tsouderos, then Governor of the Bank of Greece.\textsuperscript{128} The two met at the offices of a Greek telephone company\textsuperscript{129} and discussed the possibility of Bodosakis employing Metaxas’ son-in-law, Georgio Mantzoufas.\textsuperscript{130} Shortly thereafter, Mantzoufas was employed by Bodosakis.\textsuperscript{131} In 1935, Bodosakis began financially backing Metaxas’ political career. When Metaxas came to power in August, he allegedly asked Bodosakis how he could repay him for his support, and Bodosakis in turn asked for the government’s backing to expand the GPCC.\textsuperscript{132}

Bodosakis requested that the government appoint him as managing director of the GPCC.\textsuperscript{133} Because of Bodosakis’ business experience, Metaxas agreed. Later that month, Bodosakis went to Paris and secured a contract to supply five million cartridges for the 7 mm calibre rifles needed by the Spanish Republic. These contracts marked the beginning of a trade relationship that played a significant role in the Spanish conflict and resulted in arms sales becoming Greece’s largest industry and second largest export, following tobacco, in the late 1930s.\textsuperscript{134} It is important to note that after the GPCC commenced sending contraband items to the Republic and the Nationalists, the company diversified its sales in the late 1930s to Chiang Kai-shek’s forces in the

\begin{itemize}
  \item \textsuperscript{128} Tsouderos served as Prime Minister of Greece in exile from April 1941–April 1944.
  \item \textsuperscript{129} External communications from Greece, as well as communications from parts of the island and mainland, were controlled by the British company Cable & Wireless Ltd. Koliopoulos, \textit{Greece and the British Connection}, 65.
  \item \textsuperscript{130} Sotiropoulou, \textit{Mpodosakis}, 146; Heiberg and Pelt, \textit{Los Negocios de la Guerra}, 48.
  \item \textsuperscript{131} Heiberg and Pelt, \textit{Los Negocios de la Guerra}, 48; Pelt, \textit{Tobacco, Arms and Politics}, 180–181; Sotiropoulou, \textit{Mpodosakis}, 146.
  \item \textsuperscript{132} Pelt, \textit{Tobacco, Arms and Politics}, 181.
  \item \textsuperscript{133} Bodosakis was also backed by the Bank of Greece. “Leading Personalities in Greece,” FO 371/23776.
\end{itemize}
Chinese Civil War, to Palestine in the Arab Revolt, and to Turkey. Bodosakis was quickly labeled as the new Sir Basil Zaharoff by Greek and foreign presses because of his involvement in the arms trade.

The GPCC was composed of many factories that were located throughout Athens. The Ymettos, Daphne, and Eleusis Factories were considered to be the most important. The Ymettos factory, located two and a half miles from Athens, was equipped to produce a wide variety of munitions daily. American economist Henry Hill estimated that during the Spanish Civil War, the factory had a daily production – based on a 24-hour output – of 60,000 cartridges for heavy machine guns, 120,000 cartridges for pistols, 100,000 cartridges for hunting rifles, 300,000 caps for the above cartridges, 4,100 artillery shells, 2,500 mortar shells, 1,600 aeroplane bombs, 25,000 hand-grenades, and 1,500 anti-tank mines. The factory also had a machine shop, which, according to Hill, was the largest of its kind in the eastern Mediterranean. The shop had the latest equipment and manufacturing tools needed by the GPCC factories. It contained “gauges and calibers, lathes, crane bridges…, pumps, rifle breeches, rifle barrels, boilers….motors…, precision machinery for the construction of cartridges, also filling and controlling machinery.” It also had a “carpenters’ shop” which made the packing cases for the ammunition. The factory employed 7,500 workmen over three shifts.

135 According to Gervasi, Greece received $0.3 million USD (roughly 70 million Dr.) for its trade with China and $1.2 million USD (roughly 250 million Dr.) for its trade with Turkey. In terms of Greece’s sales to Palestine, it is unclear whether the Arabs or the Jews received the contraband items and how much the contracts were worth. Frank, “Devil Man,” 17; Hill, The Economy of Greece, vol. 2, 31; Pelt, Tobacco, Arms, and Politics, 172.

136 Sir Basil Zaharoff, also known Basileis Zacharias. Zaharoff was an independent arms dealer of Greek origin who gained his reputation by working for Vickers from 1897 to 1927. During his career he sold weapons to the United Kingdom, Germany, Russia, the Ottoman Empire, Greece, Spain, Japan, and the United States. Towards the end of his career he donated a substantial amount of money to the Greek state and was knighted in Britain. He died in Monaco in November 1936 at the age of 87. See Guiles Duvenport, Zaharoff: High Priest of War (Boston: Lothrop, Lee and Shepard Company, 1934), Donald McCormick, Pedlar of Death: the life of Sir Basil Zaharoff (London: Macdonald, 1965), and Robert Neumann, Zaharoff: The Armaments King (London: Allen and Unwin, 1938).


138 Ibid., 29.

139 Ibid.
The Daphne and Eleusis factories were also of importance to the GPCC. The Daphne Factory, located six miles outside of Athens, specialized in gunpowder. It employed over 1,800 workers who worked in three shifts and had a daily production of 3.5 tons of cartridge powder, 4.5 tons of shell powder, 500 lbs. of mortar powder, 3,000 lbs. of powder for anti-aircraft guns, 2,500 lbs. of powder for hunting rifle cartridges, 3 tons of explosives, and an undetermined number of fuses and dynamite caps. The Eleusis Factory, located in central Athens, specialized in anti-aircraft shells and had a daily production capacity of 13,800 shells. This factory was also used as a GPCC loading and storing facility. The GPCC also had a gas mask factory that, according to Hill, had the capacity to make 40,000 gas masks a day. The GPCC also had an important textile factory that was used to make uniforms for the Greek army. By 1940, the GPCC had roughly 12,000 workers and operated twenty-four hours a day. The development of the arms industry for the purposes of both defense and economic growth had become a central objective of the Metaxas regime.

141 Ibid., 28–30.
142 Ibid., 30.
144 Pelt, *Tobacco, Arms and Politics*, 79.
Chapter 2.

Greek Relations with Britain and Germany

In order to understand Greek arms sales to Spain, it is important to examine Greece’s foreign and economic relations during the interwar period with both Britain and Germany. The importance to Britain of its relations with Greece had decreased since the early 1920s when the British Government no longer believed it needed Greece to secure the eastern Mediterranean.\(^{145}\) As Anglo-Greek foreign relations deteriorated, their economic ties that were so vital to Greece declined as well. The Anglophile Greek king, however, desired to retain close political and economic ties with the British. Also, seeking a reliable trading partner, the Greek Government approached the British Government in the early 1930s. Unfortunately, in response to the Great Depression, Britain had moved away from free trade to a focus on imperial markets.\(^{146}\) When Britain declined to increase trade, Greece had to look elsewhere for financial support. Beginning in 1934, economic necessity forced Greece to take part in Germany’s notorious Schacht Plan, a trade plan apparently more favourable to Germany than to Greece. The Greek Government was able to turn the Plan to an economic advantage for the nation. Metaxas, however, rightly saw that German trade had serious disadvantages and that another major trading partner was desperately needed. As a result, the Greek Government continued its economic approaches to Britain. Anticipating a European war, Metaxas favoured a policy of strict Greek neutrality. However, he wisely saw the need for this neutrality to be accompanied with a rearmament program. Though the economic overtures to Britain and this neutrality may be seen as undermining Greece’s relations with the Axis powers and hence endangering Greek security, given the circumstances,


these measures may be viewed as sensible for Greece. These policies of courting
Britain economically, of adhering to German trade agreements, and of armed neutrality
continued throughout most of the Metaxas dictatorship.\textsuperscript{147}

**Anglo-Greek Relations**

The United Kingdom reconsidered its relations towards Greece and Turkey near
the end of the Greco-Turkish War.\textsuperscript{148} Gerolymatos identifies the Chanak Crisis in
September 1922 as the turning point in British foreign policy with respect to the eastern
Mediterranean.\textsuperscript{149} The crisis occurred when Turkish troops threatened to attack British
and French troops that were stationed near Chanak to guard the Dardanelles.\textsuperscript{150} In
October 1922, the Foreign Office advised closer ties with Turkey.\textsuperscript{151} The Chiefs of Staff
agreed with this recommendation, believing that it would enable Britain to retain control
over the Straits with minimal effort.\textsuperscript{152} Greece was no longer the centre of British eastern
Mediterranean foreign policy, and Britain lost interest in Greece.\textsuperscript{153} Moreover, Cyprus
became a Crown Colony in 1925, reinforcing British air bases in the Mediterranean and
lessening the need for Greek bases.\textsuperscript{154}

Anglo-Greek affairs continued to deteriorate after the Wall Street stock market
-crash in 1929. Shortly thereafter, Britain began to pressure the Greek Government to
repay its loans.\textsuperscript{155} In September 1931, Venizelos suspended payment of the foreign

\begin{footnotes}
\footnotetext[148]{Gerolymatos, *Guerrilla Warfare and Espionage in Greece*, 37.}
\footnotetext[149]{Ibid.}
\footnotetext[150]{For a detailed examination of the event read David Walder, *The Chanak Affair* (London: Hutchinson, 1969).}
\footnotetext[151]{Gerolymatos, *Guerrilla Warfare and Espionage in Greece*, 37.}
\footnotetext[152]{Ibid.}
\footnotetext[153]{Ibid.}
\footnotetext[154]{Ibid., 38; George Hill, *A History of Cyprus*, vol. 4 (Cambridge: Cambridge University Press, 2010), 414.}
\footnotetext[155]{The IAETE holds a significant number of British documents from the 1930s demanding that Greece repay its loans. IAETE 55a Fak 8; IAETE 55a Fak 9; IAETE 55a Fak 10.}
\end{footnotes}
debt, most notably to Britain, France, and Italy. In 1932, after the bankruptcy of Greece and a failed attempt to renegotiate payment, Greece defaulted on its debt. The Greek Government then proposed that the percentage of the payment of the interest be linked to the purchase of Greek tobacco. In 1933, the Greek Government reached a tentative agreement on this proposal, but the parties involved were unable to reach full agreement on the percentage of the interest to be paid. Negotiations on this question continued for a few years.\(^{156}\) The British continued to pressure Greece for repayment of its loans throughout most of the Metaxas dictatorship.\(^{157}\) Since Greece was unable to service these loans, Britain refused to increase the low level of Greek tobacco it was importing.\(^{158}\)

In December 1936, both Metaxas and King George II met with Sir Sydney Waterlow, the British Ambassador to Greece from 1933–1939, to discuss the state of Anglo-Greek relations.\(^{159}\) In the meeting, Metaxas “went out of his way” to show that Greece was “irrevocably and unreservedly devoted to the British connection.”\(^{160}\) Metaxas’ behaviour, however, only served to placate the Anglophile Greek king. Despite Metaxas’ efforts, the British saw those associated with the Metaxas dictatorship, with the exception of King George II, as Germanophiles, a view that further damaged Anglo-Greek relations.\(^{161}\) There were a number of reasons for this perception. First and primarily, Metaxas had been educated at the *Kriegsakademie* (War Academy) in Berlin and had a well-known admiration for the German army.\(^{162}\)


\(^{157}\) IAETE 55a Fak 8; IAETE 55a Fak 9; IAETE 55a Fak 10.


\(^{160}\) Ibid. Also quoted in Gerolymatos, *Red Acropolis, Black Terror*, 31.

\(^{161}\) “Other countries, Germany” FO 371/22371.

Nikolaos Mavroudis, the Greek Undersecretary of State for Foreign Affairs, met with Waterlow in September 1937 to further discuss the state of Anglo-Greek affairs, which were deteriorating as a result of Greece’s trade with Germany and the sales of arms to Spain. Mavroudis explained to Waterlow that the current state of Anglo-Greek relations was the result of the economic situation in Greece, not ideological differences between the two states or Greece’s economically-necessitated trade with Germany. He reminded Waterlow that, prior to the Metaxas regime, the Greek Government had approached the British for financial support and trade, and only after Britain refused did Greece turn to the Germans.

Pleading Greece’s case further, Mavroudis pointed out that Greece had an unfavourable balance of trade with Britain in 1937 of roughly £1 million ($5 million). “This unfavourable balance, which could be largely rectified by larger purchases by the United Kingdom of Greek tobacco, not only rendered difficult the full servicing of the debt, but also prevented the Greek Government from making purchases in the United Kingdom.” Greece was forced to emphasize trade with Germany because Britain was unwilling to buy Greece’s exports. As Papacosma further explains, “deprived of other markets by the world economic crisis, Greece had had few options but to be drawn into the German trade orbit masterminded by Adolf Hitler’s, economics minister, Hjalmar Schacht. Berlin came to dominate Greece’s import and export trade by the end of the 1930s, particularly in its main export commodity, tobacco.” The King reiterated Mavroudis’ statement to Waterlow a few months later, emphasizing that Greece would like to strengthen its relations with Britain and that the Greek Government was not sympathetic towards Germany. Waterlow, upon reflection of his conversation with the king, stated that “[i]t was even rather absurd that [the king] should be regarded in some quarters here as having sympathies with the Berlin-Rome axis...”

164 Ibid.
166 “Foreign Office. December 6, 1937” FO 286/1143.
167 Ibid.
According to Koliopoulos, Greece’s desire for a closer relationship with Britain intensified following the Munich Conference.\textsuperscript{168} Germany’s territorial aspirations, coupled with Italy’s involvement in the Balkans, furthered Greece’s desire for a closer relationship with Britain. In May 1938, the Greek Minister of Finance, Andreas Apostolides, sent a memorandum to the British Government asking for Britain’s protection from the Axis. Apostolides argued that “closer political relations between Great Britain and Greece would bring about an improvement in the commercial relations between the two countries and assist Greece to escape from the stranglehold [of] Germany.”\textsuperscript{169}

In early 1939, the Greek Government begged London for enough money to complete its rearmament program.\textsuperscript{170} The only measure the British were willing to take, however, was to increase the small purchase of Greek tobacco by only 1,000 tons, to the disappointment of the Greeks.\textsuperscript{171} A frustrated Metaxas “…felt that London and Paris were unjustly accusing him of tying Greece to the German sphere of influence, since they were unwilling to make sacrifices of their own which would enable Greece to rearm and follow a more balanced economic and foreign policy.”\textsuperscript{172}

Though it is perhaps understandable that British support was unavailable in the early 1930s as a result of the Depression, it is hard to understand why Britain was so reluctant to aid Greece in the mid to late 1930s. Greece’s inability to repay British loans

\textsuperscript{168} Koliopoulos, “Metaxas and Greek Foreign Relations, 1936–1941,” 94.
\textsuperscript{169} “Foreign Office. May 19, 1938” FO 371/22362.
\textsuperscript{170} The rearmament of Greece began after the Abyssinan Crisis, when the Greek Armed Forces realized that Greece had not updated its weapons since the Great War. In October 1935, the Greek general staff created a unit, the 6th Office of the General Staff, to examine industrial mobilization and provide recommendations. In May 1936, this office recommended that Greek industry be organized to help meet Greece’s needs for national defence and self sufficiency. As seen in Chapter 1, this policy was adopted by Metaxas. Pelt, “Germany and the Greek Armaments Industry: Policy Goals and Business Opportunities,” in \textit{Working in the New Order: European Business Under German Domination, 1939–1945}, edited by Joachim Lund (Copenhagen: Cophenhaven Business School Press, 2006), 144; “Macris, “The Foreign Policy of the Metaxas Regime 1936–1941,” 165–66; Higham, “Preparation for War, the Supply of Arms, and Foreign Aid,” 46; Mazower and Veremis, “The Greek Economy 1922–1941,” 126.
\textsuperscript{171} From 1935–1939, Britain was receiving most of its tobacco from the United States and Commonwealth countries. Macris, “The Foreign Policy of the Metaxas Regime,” 187; Kitsikis, “La Grèce entre l’Angleterre et l’Allemagne de 1936 à 1941,” 96.
\textsuperscript{172} “Foreign Office. May 19, 1938” FO 371/22362.
cannot be a fully satisfactory answer. There are other reasonable explanations. When Prime Minister Neville Chamberlain took office in May 1937 following the resignation of Stanley Baldwin, he immediately pursued a policy that emphasized appeasement and rearmament. This policy constituted a defensive strategy for Britain and perhaps, in the short term, served as Britain’s best defense against another war.¹⁷³ Not only would economic support for Greece have diverted resources from rearmament, but also it may have been considered provocative by the Germans. Because Britain’s trade with Greece actually declined, Metaxas was forced to continue to rely on Germany. Another possible answer is that despite Mavroudis’ and the king’s assurances to the contrary, Britain wrongly viewed Greece as aligned with Germany.¹⁷⁴

This question is too convoluted to be adequately answered in the present context. Koliopoulos neatly sums up Greek relations with Britain:

…[t]he essence of Anglo-Greek relations and approaches of this time and later was that the British underestimated the real as well as the potential value of Greece, while the Greeks overestimated Britain’s ability and willingness to come to their assistance, which they, and especially Metaxas, tended at all times and in all circumstances to take for granted.”¹⁷⁵

British interest in Greece was not even partly restored until after Germany violated the Munich Pact by invading Czechoslovakia in March 1939 and the subsequent “Guarantee” to Greece in April 1939. The “Guarantee” that followed Germany’s flouting of the Munich Accord “…did not constitute a definitive commitment to go to war over Greece’s territorial integrity…”¹⁷⁶ The language was crafted to be indefinite. Nonetheless, the British Foreign Office had now become supportive of Greece.¹⁷⁷

¹⁷⁴ “Other countries, Germany” FO 371/22371.
¹⁷⁵ Koliopoulos, “Metaxas and Greek Foreign Relations,” 95.
¹⁷⁶ Koliopoulos, Greece and the British Connection, 113
Throughout the Metaxas dictatorship, British officials debated the nature of Greece’s relations with Germany. By 1939, it was clear to the British that Greece’s links with Germany were the outcome of economic policies. In May 1939, Lord Sempill stated the following in Parliament:

The evidence of the last few months makes it only too clear that the object of Germany is supreme economic penetration through the Danubian States into the Balkans. If this is achieved and the Balkan states depend for, say 70 or 75% of their trade on Germany and thus lose their economic status, they will perforce become, they naturally fear, politically dependent on that power... Only 1 percent of our total consumption, if purchased from Greece – and no finer oriental tobacco could be purchased – would be of vast importance to that country and would enable her to collaborate industrially in a continuous programme which for a long time she has been anxious and indeed waiting to do.178

A year earlier, such a pro-Greek statement would have been ignored. In the same year, economist Allan Fisher wrote a report on German trade in south-eastern Europe, arguing that Britain should try to supplant Germany and recognizing the need for Balkan states to trade with free-market economies.179 British attitudes towards Greece were finally improving.

As a further sign of the changing reality, Greece was able to secure loans from the UK for £2.4 million ($10.4 million) in 1939 and £13 million ($48.1 million) in 1940 to further its rearmament program.180 Signed in January 1940, the Anglo-Greek War Trade Agreement brought Greece closer to the British sphere and distanced it from that of Germany.181

178 IAETE 55a Fak 9, 53.
180 Pelt, Tobacco, Arms and Politics, 221.
181 As Koliopoulos stated, this agreement “bound Greece to Britain’s economic warfare against Germany and marked the first stage of her departure from neutrality.” Koliopoulos, Greece and the British Connection, 131.
German Trade

In 1934, Germany began implementing the Schacht Plan in south-eastern Europe, designed not only to create a German economic and political sphere of influence in the Balkans but also to ensure that Germany would have a steady supply of raw and semi-raw materials.\(^{182}\) Initiated by Hjalmar Schacht, the plan involved purchasing goods from agriculturally-based countries at above world market prices.\(^{183}\) Payments for the products were, however, made in reichsmarks and placed in frozen accounts that could only be used to buy goods from Germany.\(^{184}\) The Balkan states had no option but to participate in this plan as Germany was prepared to buy a substantial portion of their agricultural and pastoral products that other countries were unwilling to purchase in large quantity. The plan provided their only hope for economic improvement. This scheme locked Greece into a barter system with the Nazis that was only marginally advantageous.\(^{185}\) The Germans were able to sell these products at prices even further above market rates. While this policy did not come into full force until after the remilitarization of the Rhineland on 7 March 1936,\(^{186}\) by September 1934 Greece had already accumulated six million reichsmarks ($2,362,000) in credit.\(^{187}\)

Two years later, Greece had accumulated more than 34 million reichsmarks ($13,710,000) in credits, forcing the Greek Government to rely primarily on Germany for imports, giving the British the impression that the Greeks supported the Nazi Government.\(^{188}\) Since Germany could not provide the products that Greece most desperately needed, the Greeks had been accumulating more in credit than they had been converting. Germany continued to be Greece’s largest trading partner throughout

\(^{182}\) Pelt, Tobacco, Arms and Politics, 83.
\(^{183}\) A. F. Ferris, The Greek Economy in the Twentieth Century, 88; Pelt, Tobacco, Arms and Politics, 83; Allan G. B. Fisher, “The German Trade Drive in Southeastern Europe,” 143.
\(^{187}\) “German Commercial Penetration in Greece” FO 286/1136.
\(^{188}\) Ferris, The Greek Economy in the Twentieth Century, 88.
most of the Metaxas dictatorship. Table 2.1 illustrates the increase of Greco-German trade before and after the outbreak of the Spanish conflict.

Table 2.1. Destination of Imports and Exports to and from Greece 1929–1939 (% of totals)

<table>
<thead>
<tr>
<th></th>
<th>1929</th>
<th>1933</th>
<th>1938</th>
<th>1939</th>
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<tbody>
<tr>
<td><strong>Imports From</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>16.7</td>
<td>5.8</td>
<td>7.2</td>
<td>7.0</td>
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<tr>
<td>United Kingdom</td>
<td>12.7</td>
<td>14.3</td>
<td>13.0</td>
<td>12.0</td>
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<tr>
<td>Germany</td>
<td>9.4</td>
<td>10.2</td>
<td>28.8</td>
<td>29.9</td>
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<tr>
<td>Italy</td>
<td>5.6</td>
<td>5.6</td>
<td>3.3</td>
<td>5.3</td>
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<tr>
<td><strong>Exports to</strong></td>
<td></td>
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<tr>
<td>United States</td>
<td>16.0</td>
<td>12.5</td>
<td>17.0</td>
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<tr>
<td>United Kingdom</td>
<td>11.6</td>
<td>18.9</td>
<td>8.3</td>
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<td>Germany</td>
<td>23.0</td>
<td>17.8</td>
<td>38.4</td>
<td>27.5</td>
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<tr>
<td>Italy</td>
<td>18.2</td>
<td>14.0</td>
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Anotaton Oikonomikon Sumboulion, I Oikonomia tis Elladas, kata to Etos 1939 (Athens: N.P, 1940), 64–65

in Ferris, The Greek Economy in the Twentieth Century, 88.

The Greek Government used its frozen reichmarks to buy German machinery and arms.189 This plan became official in July 1936 when Schacht announced that Greece would also use its frozen credit to buy military supplies and weapons from Germany. According also to the New York Times, this arrangement “[was] considered…[to have been] a direct outcome of Dr. Schacht's conversations, in which he made clear that buying war material was the only way Greece could avoid the loss of her 30 million reichmarks190 in frozen credit in Germany.”191 Even the British Government conceded that Greece had “no choice but to turn to Germany” for weapons.192 By

190 $12.1 million.
192 “German Commercial Penetration in Greece” FO 286/1136
September 1936, Greece had placed an order for 22 million reichsmarks ($8,870,000) of arms to support its rearmament. 193

In January 1937, the Greek Government made another deal with Schacht, which granted the Greek state $40 million of credit to purchase armaments. This “loan” was supposedly payable in six years with 3% interest. As had been the case with the earlier negotiations, the Greeks agreed to give Germany a favourable price for agrarian products such as tobacco, currants, and olive oil. 194

Initially, the Schacht Plan negatively impacted Greece because of its reliance on food imports. Germany hardly exported foods and the Greeks, as a result, lacked basic food items. 195 The plan was doubly damaging because it did not provide Greece with any hard currency. Alexander Barmine, Chargé d’affaires to the Soviet Embassy in Athens from 1935–1937, noted that Greece also received a poor fixed exchange rate from Germany. In his memoirs, he writes:

The rate of exchange fixed by the agreement was also unfavorable to Greece. And, moreover, having such a large amount frozen in Berlin, the Greeks were obliged to import almost all their machinery from Germany in order to get part of their assets back. The Germans, realizing that the Greeks were trapped, set artificially high prices for this machinery. Thus the Germans got back many times over what they had overpaid on the goods imported from Greece. As a result the German stranglehold on Greek economy grew tighter and tighter. Belatedly the Greek economists and statesmen became aware of the situation and appealed to the Western powers, France and England, to take measures to offset it. But it was peacetime; the French and English…did nothing. 196

The Greeks accepted the inequity of this clearing agreement because they had little choice, since they were having difficulties selling products elsewhere besides Germany

193 “German Commercial Penetration in Greece” FO 286/1136; Kitsikis, “La Grèce entre l’Angleterre et l’Allemagne de 1936 à 1941,” 93.
194 “Reich Giving Greece Credits for Arming: $40,000,00 Loan, Viewed as Fruit of Schacht Trip, to Be Repaid with Farm Product,” New York Times, January 19, 1937.
because of the lingering effects of the Great Depression.\textsuperscript{197} The Germans also offered higher prices than Greece’s usual trading partners and, in the late 1930s, were purchasing more than 70% of its tobacco crop.\textsuperscript{198}

While on the surface it appears that the Schacht Plan did not have a positive impact on Greece, the Greek Government was able to use the trade to its advantage. Greece’s lack of satisfactory economic relations with Britain forced it to pursue its trading policy with Germany. This policy, in turn, not only enabled Greece to readily obtain weapons from Germany but also promoted the development of its own munitions industry.

Despite such advantages to Greece of the Schacht Plan, Metaxas understood the danger of relying on the Germans for trade and attempted to release Greece from Germany’s economic stranglehold so that it could follow a balanced trade policy. This unequal relationship was particularly evident in 1938 when Metaxas had reason to believe that Germany was reselling Greek tobacco for a considerable profit to other countries. It was also of concern that the Germans forced Austria to give Germany control of its commercial accounts in Greece through the Austrian Compensation Agreement, increasing Greece’s trade with Germany from 17.8% of its total in 1937 to over 38% in 1938.\textsuperscript{199} Following these discoveries, Metaxas turned to other nations for more trade. According to Macris, “Greece looked primarily to Britain, then to France, for economic assistance and military equipment, but little was forthcoming. Both countries were having economic problems of their own, and showed little concern or

\textsuperscript{197} By March 1935, Greece had Clearing Agreements with other nations, including Austria and Czechoslovakia. “Except in the case of the agreement with Germany, which was concluded by an exchange of letters between the Reichsbank and the Bank of Greece, all of the agreements are inter-governmental, even where they deal with compensation of a special character.” League of Nations, \textit{Enquiry into Clearing Agreements} (Geneva: 3 April 1935), 67, Appendix II.


understanding of Greece’s problems.\textsuperscript{200} As has been demonstrated, Britain did nothing to help.

Nonetheless, Table 2.1 does show a relative decrease in the importance of German trade with Greece from 1938–1939. In 1938, the Greek Government signed a trade agreement with the United States.\textsuperscript{201} As seen in Table 2.1, Greek exports to the United States grew modestly from 17\% of Greece’s total exports in 1938 to 21.6\% in 1939, and exports to Britain grew moderately from 8.3 to 13.6\% of total exports. During this time, there was a moderate drop in exports to Germany from 38.4 to 27.5\% of total exports. The overall result of these changes was that in 1939 the Greek exports purchased by Britain and the USA exceeded those purchased by Germany. Possible reasons for this reversal include the end of the Spanish Civil War, which had enhanced Greco-German trade, and the “Guarantee” of April 1939 that distanced Greece from the German order. Another explanation was that by this time the British, in accordance with Metaxas’ wishes, were finally trying to help the Greeks to reduce their reliance on the Schacht Plan.

That same year, Göring attempted to buy out the GPCC. While little is known about how and why he tried to take control of the company, both Bodosakis and Metaxas strongly resisted the effort.\textsuperscript{202} This attempt, pressed the GPCC to turn to Britain and the British armament company, Vickers, for trade.\textsuperscript{203} Originally this request was declined, most likely because of Britain’s own financial difficulties and foreign policies.\textsuperscript{204} In 1940, the British Government changed its mind and ordered munitions from the GPCC.\textsuperscript{205} Greece was, however, unable to ship many armaments to Britain because of

\begin{footnotesize}
\textsuperscript{200} Macris, “The Foreign Policy of the Metaxas Regime,” 187.
\textsuperscript{201} Pelt, \textit{Tobacco, Arms, and Politics}, 221.
\textsuperscript{202} Ibid., 247; Pelt, “Germany and the Greek Arms,” 154.
\textsuperscript{203} The GPCC, shortly prior to the outbreak of the Second World War, created an automatic gas-operated rifle. The 7.92mm rifle weighed 9.1 lbs., was 35.4 inches long, had a 15.74-inch barrel and could fire 750 rounds per minute. In 1940 buildings were created for mass production of the gun however, this was stopped upon the Italian invasion of Greece. According to Smith, only a few were ever created. See W. Smith and J. Smith, \textit{Small Arms of the World}, 10th ed. (Harrisburg: Stackpole, 1973).
\textsuperscript{204} “Armaments for Greece” FO 371/22371.
\textsuperscript{205} Pelt, “Germany and the Greek Arms Industry: Policy Goals and Business Opportunities,” 154.
\end{footnotesize}
the Italian invasion. According to Pelt, the GPCC’s decision to seek support from Britain prompted serious concern in Berlin. “Voices heard ranged from hardliners, demanding German firms to ban all deliveries to the Greek plant until it was placed under some kind of Italian or German control, to the more soft-spoken, who were ready to lift the embargo as soon as they felt sure that the deliveries to Britain were stopped.” Given the Guarantee of April 1939 and the War Trade Agreement of 1940, this soft line is hard to understand. Not only had Greco-German relations deteriorated by this time but also the Schacht Plan was effectively dead.

Weinberg attributes Germany’s influence over Greece during the late 1930s to a combination of economics, lack of British support, and Bulgarian rearmament. While the British Government disapproved of Germany’s economic stranglehold on Greece, Britain refused to help Greece strategically or economically for most of the Metaxas dictatorship. “In the meantime, the economic dependence of Greece on Germany as well as her need of arms imports from Germany – ironically wanted in part because of the German-assisted rearmament of Bulgaria as well as the threat of Germany’s Italian ally – all combined to keep German influence in Greece high, even if it was unwelcome.” Weinberg offers a well-balanced analysis of the hold of the Schacht Plan on Greece.

**Armed Neutrality**

Metaxas believed that there would be another European war. The direction of such a war would be unpredictable. Given such uncertainties, Metaxas wisely sought to solidify Greece’s economic and military position and to keep Greece out of all foreign entanglements. Metaxas had no faith in the League of Nations and the notion of

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207 Mogens Pelt, “Germany and the Greek Arms Industry,” 154.
209 Ibid.
collective security. He believed that the League of Nations was focused on the interests of the Great Powers and provided little security for countries like Greece.\textsuperscript{211} Metaxas came to realize that this goal could only be achieved through a policy of armed neutrality.\textsuperscript{212}

A major factor behind this policy was the Italian threat. Benito Mussolini became leader of the Italian \textit{Partito Nazionale Fascista} (National Fascist Party) in 1921 and the Prime Minister of Italy in 1922.\textsuperscript{213} The most notable aspect of his fascist foreign policy was the concept of \textit{spazio vitale} (vital space) — similar to the Nazi notion of \textit{lebensraum} (living space).\textsuperscript{214} Greece was a victim of Italian expansionist policies, when Italy occupied Corfu in 1923.\textsuperscript{215} Conquest of North Africa was also a component of Mussolini’s ambitious agenda to re-create a version of the ancient Roman Empire.\textsuperscript{216} Mussolini believed that Italy had strategic interests in the Balkans and was involved in the region’s politics throughout most of the interwar period. In November 1926, Italy signed a pact with Albania to protect the Zogu regime from internal and external threats, and concluded a military alliance the following year.\textsuperscript{217} Italy’s protection was not extended to Yugoslavia since anti-Italian Yugoslav paramilitary groups along the Adriatic wanted to annex Trieste.\textsuperscript{218} Mussolini began his campaign against Yugoslavia by financially supporting the revolutionary activities in Yugoslav Macedonia of the Internal Macedonian Revolutionary Organization (IMRO) — a on and off terrorist organization tied to the Bulgarian Government.\textsuperscript{219} From 1932–1937, Italy also supported the Ustaše, a

\begin{footnotesize}
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  \item \textsuperscript{211} Sotiris Rizas, “Geopolitics and Domestic Politics: Greece’s Policy Towards the Great Powers During the Unravelling of the Inter-War Order, 1934–1936” \textit{Contemporary European History} 20 (2011), 137.
  \item \textsuperscript{212} Pelt, \textit{Tobacco, Arms, and Politics}, 225.
  \item \textsuperscript{213} Anthony James Gregor, \textit{Young Mussolini and the Intellectual Origins of Fascism} (Berkley: University of California Press, 1979), 207.
  \item \textsuperscript{214} Aristotle A. Kallis, \textit{Fascist Ideology: Territory and Expansionism in Italy and Germany, 1922–1945} (New York: Routledge, 2000), 50.
  \item \textsuperscript{215} H. James Burgwyn, \textit{Italian Foreign Policy in the Interwar Period, 1918–1940} (Westport: Greenwood Publishing Group, 1997), 23.
  \item \textsuperscript{216} Kallis, \textit{Fascist Ideology}, 50.
  \item \textsuperscript{217} Burgwyn, \textit{Italian Foreign Policy in in the Interwar Period}, 42.
  \item \textsuperscript{219} Burgwyn, \textit{Italian Foreign Policy in in the Interwar Period}, 37 and 46.
\end{itemize}
\end{footnotesize}
Croatian terrorist organization. In 1934, Italy helped it plan the assassination of King Alexander I of Yugoslavia.\textsuperscript{220}

Britain and France showed little concern regarding Italy’s actions until its watershed invasion of Abyssinia in October 1935.\textsuperscript{221} Before this event, Italy maintained good relations with Britain and France. In fact, on 14 April 1935, Britain, France, and Italy signed the Stresa Front – an agreement to resist German rearmament prohibited by the Treaty of Versailles and to support European peace treaties.\textsuperscript{222} Italy’s relationship with Britain and France deteriorated following Mussolini’s disregard of the League of Nations’ condemnation of the Italian invasion and Italy’s subsequent rejection of the Stresa Front.\textsuperscript{223} After this crisis, Britain increased its presence in the Mediterranean.\textsuperscript{224} Greece, that had also experienced Italian aggression and was concerned by the Balkan interventions, took the growing Italian threat seriously.

In order to counter probable Italian aggression, Greece ideally needed to ally itself with a major power. The only two candidates with credible military authority were Germany and Britain. A meaningful alliance with Germany was out of the question. Though it was in the interests of the success of the Schacht Plan for Germany to discourage conflict between Bulgaria and Greece, there was no guarantee that Germany would be able or willing to rein in its Italian ally. Before the Anti-Comintern Pact of 1937, Germany had little influence on Italy. After the alliance strengthened, as ultimately recognized by the Pact of Steel of May 1939, Germany may have been reluctant to

\textsuperscript{221} Rizas, “Geopolitics and Domestic Politics,” 137.
\textsuperscript{224} Rizas, “Geopolitics and Domestic Politics,” 137.
dictate to its major partner. Clearly, Greece was afraid of the growing ties between Germany and Italy. In one report the German Diplomat Erik Kord stated in July 1936: “Greece is seriously disturbed by the possibility of close political collaboration between Italy and Germany in the eastern Mediterranean.” Given Italian expansionism, such concern was well founded. Metaxas must have seen the incongruity and danger of an alliance with a nation whose major partner sought Balkan domination. It is probable that the Anglophile king would have opposed such an alliance.

An alliance with Britain was also not realistic. When Metaxas became dictator, Britain still viewed Greece as of little strategic or economic interest. Also, Britain’s policy of appeasement from 1937–1939 was inconsistent with an alliance with Greece. Such an alliance would have been seen as provocative by Germany and have been dangerous to Greece. After all, Germany was becoming an increasingly powerful and dangerous force in Europe. Although the Greek Government’s concerns regarding Germany’s alliances with Italy and later Bulgaria was well known, Greece was not in a position to risk undermining its relations with Germany. If Greece had allied with Britain, Germany would have lost all incentive to restrain Italian and Bulgarian aggression. A protective alliance with a major power was simply not realistic. Neutrality was the only reasonable policy. Friedman refers to this neutralist stance as a “trialistic”

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227 King George II discussed his fears of an Axis victory with MacVeagh. “September 22, 1940” in MacVeagh, Ambassador MacVeagh Reports, 227.

228 Gerolymatos, Guerrilla Warfare and Espionage in Greece, 37.

229 Koliopoulos, “Metaxas and Greek Foreign Relations,” 95.

230 “Athens, 21 August 1939. MacVeagh to Franklin D. Roosevelt” in MacVeagh, Ambassador MacVeagh Reports, 161; Gerolymatos, Red Acropolis, Black Terror, 32.

foreign policy that is based on the idea of befriending everyone and offending no one.\textsuperscript{232} In practice, however, this policy was only applied to the Great Powers.\textsuperscript{233}

As seen earlier, Metaxas understood that a realistic policy of neutrality would have to be armed neutrality. Foreseeing war and not being able to secure foreign protection, Metaxas sought to strengthen the Greek military. He could not afford to pass up economic opportunities that would help fund rearmament. For most of the Metaxas dictatorship, Germany was receiving the highest percentage of Greece’s exports.\textsuperscript{234} The Schacht plan was attractive because it provided a way to obtain additional armaments and reduce Greece’s credits.\textsuperscript{235} As a Greek official argued, if Greece had aligned with Britain or France for the purpose of gaining their protection, it would have severed its economic ties with Germany and, in turn, been unable to undergo rearmament and receive a significant amount of hard currency and gold as a result of the Spanish conflict.\textsuperscript{236} Metaxas could not afford to alienate Germany in any way. Also given the oppression and uncertainty of German trade, it would have been foolish to write off Britain as a trading partner. Greece was also in no position to alienate Britain.

Such apparent equal attention to Britain and Germany would not have been to the king’s liking. It should be remembered, however, that, unlike the king, Metaxas was not pro-British but pro-Greek. He pursued pro-British policies only as convenient. His

\textsuperscript{232} Examination of Friedman’s analysis and any serious attempt to understand the motivation of Metaxas’ policy of neutrality would be beyond the scope of this work. Friedman, “A Precarious Neutrality,” ix.

\textsuperscript{233} Friedman’s study focuses on Greece’s foreign policy towards Britain, Germany, and Italy. Metaxas’ foreign policy was created to keep “…Greece at arm’s length from the imperial designs of some of the larger powers” and was a “delicate balancing act between the Axis and Allies…” Friedman, “A Precarious Neutrality,” 42 and 406.


\textsuperscript{235} Buying German weapons did not prevent the Greek Government from buying from other countries, such as Britain and France. In fact, in 1939 the Greek Government sought contracts from Britain and France to supply the Greek army, the air force, and navy. Stone, “The British government and the sale of arms to the lesser European powers, 1936–39,” 259.

objective was to keep Greece out of any war. Nonetheless, as an avid royalist, he sought to balance his policies with the king’s wishes. Though closer ties with Germany, even if feasible and desirable, would have been unacceptable to the king, he may have found such neutrality at least palatable.

Metaxas’ desire to stay out of foreign involvements is first seen at the beginning of the Spanish Civil War, when the Non-Intervention Committee gave the Greek Government a survey asking whether it would prefer to have Britain or Italy control the Mediterranean. The Greek Government refused to answer the question. In January 1937, Greece was given a questionnaire on the same subject by the Non-Intervention Committee, to which the Greek Government replied:

As for the institution of a system of international supervision to be operated outside the frontiers of Spain, the Greek Government agrees in principle but thinks that the efficiency of the proposed system depends really on the countries entrusted with the naval control and the countries adjacent to Spain. Finally, concerning naval supervision the Greek Government considers that the question of deciding which form of naval supervision of the coasts of Spain should be chosen and decided by the Naval Powers mostly interested in the matter. The Greek Government is consequently not inclined to make any statement as to which of the suggested alternatives may be preferred, and hope that the Committee will arrive at a happy solution. The Greek government is, however, not desirous to participate in the proposed naval supervision.

Greek neutrality in the Spanish Civil War is also seen through the Greek Government’s failure to unequivocally support either the Republican or Nationalist government. In late 1938, when it was clear that the Republic was going to collapse, Greece had consulates in both Barcelona and Burgos – the capitals of the Republican and Nationalist

237 AYE 1937/49/2/3.
238 Ibid.
governments respectively. Metaxas also permitted both sides to have representation in Greece.

Greece’s wariness of Italy proved to be well founded. On 30 October 1937, Gian Galeazzo Ciano, Italy’s Foreign Minister from 1936–1943, alluded in his diary that Metaxas understood Italy’s intention to conquer parts of the Balkans, writing: “the Greeks know this and are frightened.” Two months later, on December 23, Ciano wrote that he knew the Greek leader did not support Italy. Ciano stated in his diary “The Greeks of the Dodecanese will pay for [their lack of support].”

Despite its legitimate fears of Italian aggression, the Greek Government maintained a policy of neutrality. Such was the case even after the Italian occupation of Albania in April 1939 that posed an obvious threat to Greece. The motives of the Metaxas regime for keeping at least the appearance of neutrality are seen in reports by American Ambassador MacVeagh. In August 1939, MacVeagh wrote to Franklin D. Roosevelt after discussing the nature of Greece’s foreign policy with Metaxas. In the letter, MacVeagh stated:

As soon as possible after my return I had a long talk with the Premier (our Dictator), General Metaxas. I wanted him to tell me just where Greece stands, and he did, in terms he had never been willing to use before. “We are with the Western Powers, because it is in our own interest, and because of our allies (the Turks).” This is what I have been reporting for some time, but I never got it so unequivocally from the horse’s mouth. He went on to explain that Greece cannot take this attitude openly, for a fear of provoking the Italians and annoying the Germans, who have such a hold on Greece’s economic life. ‘But this attitude will last just so long as peace is maintained and no longer’ . . . He said he has 80,000 men under arms. Most of these are along the northern and north-western frontiers.


240 “Representación del Gobierno Nacional de España, Atenas. Sobre intercambio productos con Grecia. 7 Julio 1938.” AMAE-R 1035; Dimitris Filippis, Historia y Literatura, 34.


242 Ibid., 48.
There has been no general mobilization, again for reasons of caution, but Greece will defend her independence to the last man.\textsuperscript{243}

By this time the alliance between Italy and Germany was well established, and Metaxas was convinced that war was impending. He was less interested in a military alliance with Britain and France, especially after they had proven unable to protect Czechoslovakia, than in trade that would enable Greece to further its rearmament program.

On 4 August 1940, one year after the beginning of the Second World War, an Italian invasion of Greece appeared to be inevitable as the Italians attempted to gain control of the Aegean. In a national broadcast, Metaxas stated: “...in this terrible conflict that shakes the very foundation of Europe, Greece, always ready for every sacrifice to safeguard the integrity of her territory, her independence and her [honour], should these precious possessions be threatened, remains and will remain neutral.”\textsuperscript{244} Greece’s neutrality and desire to keep out of the Second World War remained intact even eleven days following this speech, when an Italian submarine sunk the Greek cruiser Elli.\textsuperscript{245}

In a speech made on 30 October 1940, following Italy’s declaration of war against Greece, General Metaxas stated:

Hitler recommended [following Italy’s invasion of Albania] that I avoid any measure that might be considered as a provocation by Italy. I did everything to ensure that we neither gave the Italians plausible pretexts or a reasonable seeming complaint against us, even though I knew from the outset the true meaning of the wholly vague advice emanating from Berlin. You know better than anyone that I did everything to avoid giving the appearance that Italy had a semblance of a grievance...I confess that, faced with the fearful responsibility of involving Greece in such a war, I judged it my duty to see if I could protect the country, in any fashion compatible with the general interests of the Nation. In response to the various soundings made of the Axis, I was clearly given to understand that the only solution would be the voluntary adherence of Greece to the “New Order”...Such a so-called pre-emption of war would be more wretched for the further fate of the Greek race than the worst

\textsuperscript{243} “Athens, 21 August 1939. MacVeagh to Franklin D. Roosevelt” in MacVeagh, \textit{Ambassador MacVeagh Reports: Greece}, 161.


\textsuperscript{245} Koliopoulos, \textit{Greece and the British Connection}, 138.
consequences of war of whatever kind. Right, therefore, would not lie with the Athens Government if the latter acted according to the promptings of Berlin which I have mentioned. Right would like with that segment of the Greek people which would condemn such a move, and with the English, who, in fighting for their existence, likewise justly, would implement the measure that they had studied, listening to the justified complaints of the Greeks, which would follow in time, if a suitable occasion were to arise.\textsuperscript{246}

The policy of neutrality had finally run its course. Lee argues that Mussolini’s decision to invade Greece was the result of his desire to gain territory and prove that Italy was capable of military successes.\textsuperscript{247} In the ensuing war, however, the revitalized Greek military proved more than a match for the Italian invaders.

Of course, given Hitler’s advice to Metaxas, it was clear that Greece now had reason to fear German military intervention. This would be a conflict that Greece could not win. The policy of armed neutrality did not save Greece from the German invasion of April 1941. It was, however, the optimal policy that Greece could have pursued. No one, the British included, was willing and able to protect Greece from Axis aggression.

In itself, the economic arrangement with Germany would not have enabled Greece to improve its economy and modernize its military to the point of the serious armed neutrality that it needed. The Spanish Civil War, however, together with the Schacht Plan provided an opportunity, through sales of munitions to both sides, for Greece to acquire the resources and weapons needed to mount a serious defence of its territory.


Chapter 3.

Greek Arms for Spanish Gold

“One of the brightest faces on earth, the face of Spain is dark now. Airplanes pass over her like birds of prey. Smoke and fires rise over her. A piercing cry convulses Castile, Andalusia, Estremadura, Catalonia, that rends the human heart. Cities and villages fall in ruins. Men, women, children take arms and kill each other…

The whole world is standing around this new inhuman arena of the bullfight, listening, holding its breath. No one is a mere spectator…The Spanish war, in its deeper essence, is not a civil war. It is international.”

-Nikos Kazantzakis on the Spanish Civil War

The Spanish Civil War

The events that led to the outbreak of the Spanish Civil War on 17 July 1936 can be traced back to the 19th century. From 1832 to 1923, Spain faced three Carlist wars and significant political instability. In 1923, Miguel Primo de Rivera came to power following a military coup and, with the support of King Alfonso XIII, ruled Spain through a military dictatorship. Following Primo de Rivera’s resignation in January 1930, after the loss of public support, King Alfonso XIII ordered Dámaso Berenguer y Fuste to form a government. Berenguer’s dictablanda (the toothless dictatorship) lasted until February

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249 The Carlist Wars were a series of civil wars. The First Carlist War was from 1832–1840; the Second was from 1846–1849; and the Third was from 1872–1876. The Carlists were a group of traditionalists who believed that Infante Carlos (Carlos V) and his decedents were the true heirs to the Spanish throne, as opposed to Queen Isabella II and her successors. For information on how Carlism impacted Spain in the 1930s see: Martin Blinkhorn, *Carlism and Crisis in Spain, 1931–1939* (Cambridge: Cambridge University Press, 1965).
1931, at which point he was replaced by Admiral Juan Bautista Aznar-Cabañas.\textsuperscript{251} The Second Spanish Republic was proclaimed under Niceto Alcalá-Zamora y Torres on 14 April 1931, when Alfonso XIII abdicated the throne after municipal elections showed the Spanish public to be in favour of a republic.\textsuperscript{252}

In 1933, Alcalá-Zamora, President of the Republic, dissolved parliament, costing him critical support from the left. While he remained president, the Spanish Confederation of Autonomous Right (CEDA) received the majority of votes in the November elections. However, Alcalá-Zamora instated Alejandro Lerroux, the leader of the Republican Party, as prime minister since he was suspicious that the leader of CEDA was harbouring authoritarian ambitions.\textsuperscript{253} In the same year, José Antonio Primo de Rivera, son of Miguel Primo de Rivera, founded the fascist Falange party. From 1934–1936, in what is known as the \textit{bienio negro} (two black years), the Republic witnessed further political polarization, strikes, and street violence.\textsuperscript{254}

Following another dissolved parliament, two coalitions were created: the left-leaning \textit{Frente Popular} (Popular Front) and the right-leaning \textit{Frente Nacional} (National Front). In the January 1936 elections, the \textit{Frente Popular}, led by Manual Azaña, narrowly won.\textsuperscript{255} After the elections, tensions between the Left and Right became more pronounced. The \textit{Frente Popular} began to accuse the \textit{Frente Nacional} of conspiring to overthrow the Republic, while the \textit{Frente Nacional} claimed that Spain was falling under a Communist dictatorship.\textsuperscript{256}

As Spanish politics became more divided, the Republic’s leaders were increasingly concerned that various right-wing generals were plotting to overthrow the


\textsuperscript{253} Ibid., 33.

\textsuperscript{254} Ibid.


\textsuperscript{256} Payne, \textit{Spain’s First Democracy}, 266–267.
government and consequently sent them to remote parts of Spain. One of those generals was Francisco Franco y Bahamonde. In February 1936, Franco was removed as chief of staff and sent to the distant Canary Islands to act as the region’s military commander, “…where he would find it very difficult to conspire directly with other generals.” Reassignments of Spain’s military elite were finished by mid March. The Republic reorganized the officer corps of the Guardia Civil (Civil Guard), creating a category for officers under suspicion. It also reinstated left-wing officers of the army and Guardia Civil who had been dismissed in 1934.

Despite the Republic’s best attempts to prevent a coup, Spain’s relocated military elite began plotting just that within one month following the transfers. While Franco was in the Canary Islands, General José Sanjurjo y Sacanell and General Emilio Mola y Vidal, who rose to prominence during the Second Moroccan War of 1920–1926, plotted to overthrow the Republic. In June, Mola invited Franco to attend a secret meeting in Tenerife in order to discuss a military coup to topple the Republic. In July, Franco was flown from Tenerife to Tetuán in Spanish Morocco, where he took command of the Spanish Army.

The uprising commenced on 17 and 18 July 1936, with Franco in Morocco, and other generals strategically positioned in cities throughout Spain. The Legionnaires in Morocco played a key role in the uprising, securing Spanish Morocco for the Nationalists. They were then to be transported to Andalusia, but the Nationalists failed to gain control of the navy. Thus, the Nationalists were unable to transport the

260 Ibid., 199.
262 The uprising was supported by the military in Morocco, Pamplona, Burgos, Valladolid, Cadiz, Cordoba, and Seville.
263 The Spanish Legion, which fought for the Nationalists, was composed of elite troops and was modeled after the French Foreign Legion. The proportion of foreigners in the Legion never exceeded 10%. Judith Keene, Fighting for Franco: International Volunteers in Nationalist Spain during the Spanish Civil War (London: Hambledon Continuum, 2007), 28.
Legionnaires from Spanish Morocco to the mainland. Italy and Germany, however, arranged for sea and air transport to Andalusia.\textsuperscript{264}

The uprising succeeded in parts of Old Castile and parts of the Basque Country, but the Nationalists failed to capture crucial cities, including Madrid, Barcelona, Bilbao, Malaga, and Valencia.\textsuperscript{265} As Franco successfully advanced towards Madrid, he stopped in Toledo to rescue the Republican-besieged Alcazar.\textsuperscript{266} During this delay, Republican forces in Madrid had time to prepare for an attack and received their first armaments shipments. As a result, the Republican forces were able to fight back when Nationalist forces arrived in Madrid in late October.\textsuperscript{267}

Franco became the head of the Nationalists on 21 September 1936, following a meeting with the other generals.\textsuperscript{268} Franco was instated as \textit{Generalísimo} in part because of his conquests in the south, and in part because of good fortune. Most of his rivals for the leadership of the Nationalists – José Antonio Primo de Rivera, José Calvo Sotelo (a prominent rightist politician),\textsuperscript{269} Jose Sanjurjo y Sacanell, and Manuel Goded Llopis (another General) – had all died within months following the outbreak of the war. Calvo was assassinated, Primo de Rivera was incarcerated and executed in Alicante, Goded was executed by Republican troops following an unsuccessful attempt to conquer Barcelona, and Sanjurjo died in a plane crash in Portugal.\textsuperscript{270} While Mola was of proven ability, his political views disqualified him from leadership of the Nationalists.\textsuperscript{271}

\textsuperscript{265} Paul Preston, \textit{The Spanish Civil War}, 102; Beevor, \textit{The Battle for Spain}, 88.
\textsuperscript{266} Toledo was not only home to an arms factory, but was also of symbolic importance because it was once the capital of Spain and the Alcazar was home to the monarchy. Beevor, \textit{The Battle for Spain}, 86 and 135.
\textsuperscript{267} Julián Casanova, \textit{The Spanish Republic and Civil War} (Cambridge: Cambridge University Press, 2010), 305.
\textsuperscript{268} Preston, \textit{Franco}, 177.
\textsuperscript{270} Beevor, \textit{The Battle for Spain}, 73 and 160.
Foreign Involvement and the Non-Intervention Pact

The uprising was expected to be a quick coup, but it turned into a three-year-long bloody civil war that involved foreign nations and left hundreds of thousands of civilians, Spanish combatants, and international volunteers dead. Germany and Italy provided aid to the rebel forces, and two days following the outbreak of hostilities the Spanish Republic asked France for aid, largely in the form of armaments. France was unable – or rather, reluctant – to fulfill the request due to a number of internal factors. France’s Prime Minister, Léon Blum, leader of the left-leaning Front Populaire (Popular Front), initially wanted to help the Republic. Several French officials, however, worried that aiding the Republic would have significant national consequences, possibly further dividing France.

The British Government had its own reasons for avoiding involvement in the war. First, as Moradiellos argues, Britain’s naval base in Gibraltar was integral to its control of the Mediterranean. Secondly, Spain was one of Britain’s main trading partners. The United Kingdom received 25% of Spanish exports and provided 10% of Spanish imports. Thirdly, British capital accounted for over one-third of foreign investment in Spain. Fourthly, Britain sought to improve its relations with Italy in an attempt to strengthen its position in the Mediterranean and to arrest Italy’s alignment with Germany and Japan. Finally, Britain’s desire to avoid involvement was consistent with its policy of appeasement towards Germany. British strategic and economic interests in the region mixed with the government’s wariness of the communist leanings of the Republic led the British Government to remain neutral.

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275 Ibid., 42.
276 Ibid., 44.
Consequently, the French and British Governments established the Non-Intervention Committee. They did not involve the League of Nations, since the League had been discredited by its failure to stop Mussolini from invading Abyssinia. The first meeting of the Non-Intervention Committee took place on 9 September 1936. Shortly thereafter, twenty-four countries signed the Committee’s Non-Intervention Pact, including Germany, the Soviet Union, the United States, Italy, Portugal and Greece. The supposed objective of the Pact was to prevent foreign intervention in order to ensure that the Spanish Civil War remained a domestic issue. Not only was direct military intervention prohibited, but the supply of a wide range of war materials was also proscribed. These war materials included: rifles and carbines, revolvers and automatic pistols, machine guns, flame throwers, howitzers and mortars, ammunition, grenades, bombs, explosives, chemical weapons, torpedoes, mines, tanks and armoured vehicles, naval vessels, and parts for any armaments. The pact, however, was a failure because an adequate penalty system was not established to deter nations from involvement in the conflict.

By the beginning of March 1937, the Non-Intervention Committee had passed the “Resolution relating to the Scheme of Observation of the Spanish Frontiers by Land and Sea” (the resolution). Under Section III of “the resolution,” all ships that proceeded to Spain or the Spanish Zone in Morocco had to either stop at one of twelve ports for inspection by an Observing Officer or, in the case of small ships carrying cargo, embark an Observing Officer. According to Paragraph 12(f) of Section III of the resolution:

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279 Thomas, The Spanish Civil War, 257.

280 “International Committee for the application of the agreement regarding non-intervention in Spain NIS (36) 285” AYE 1937/49/2/3.


282 Ibid., 164.
...ships approaching westward through the Mediterranean or from a port in the Mediterranean, East of Longitude 12° East, she shall call at Palermo, unless for commercial reasons, she is in any case proceeding to Marseilles, in which case it shall be permitted to embark Observing Officers at that Port...If the ship...proceeds to a Spanish port from a port on the French or Italian Coast between Marseilles and Longitude 12° East, or from Corsica or Sardinia, she will call at Marseilles. If the ship...proceeds to a Spanish port from a French Mediterranean port west of Marseilles, she will call at Cette [sic].

Other ports of call, depending on the route of the ship in question, included Gibraltar, Dover, Cherbourg, Brest, Le Verdon, Oran, Madeira, and Lisbon. If a vessel were deemed by the Observing Officers to be in violation of the Non-Intervention Agreement, they would write a report and, if the government of the vessel’s country of origin were a signatory of the Pact, the government was expected to promptly send a report to the Board “…regarding any penalties [it] inflicted” on the violators.

Despite the rules laid out by the Non-Intervention Pact, a number of signatories to the pact were involved in the conflict on some level. The vast majority of aid that Spain received came from Germany, Italy, the USSR, and Portugal – all of which were under authoritarian governments. Adolf Hitler, Benito Mussolini, and António de Oliveira Salazar were dictators who were ideologically motivated to support Franco and the Nationalists. Although the Soviet Union was reimbursed for aiding the Republic, one of its primary objectives was to counter the growing fascist threat. In contrast, as will be seen, Greece was motivated by economic considerations rather than by ideology.

Some of the signatories provided the Nationalists with a significant amount of aid. By 1939, Germany had spent approximately £43 million ($186,957,000) to aid the Nationalists. This expenditure included the cost of the salaries of the 15,000 troops in

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284 Ibid., 169–170.
285 Ibid., 169.
286 A number of nations were already intervening in the conflict when they signed the Non-Intervention Pact. Richard Veatch, “The League of Nations and the Spanish Civil War,” 182.
288 Thomas, The Spanish Civil War, 634.
the infamous Condor Legion, the cost of sending supplies to Franco’s forces, and the
provision of an estimated 732 combat aircraft, 110 trainer aircraft, and a large number of
small arms.\textsuperscript{289} Italy sent 70,000–80,000 troops to aid Franco’s forces and provided a
cruiser, four destroyers, two submarines, 763 aircraft, some 1,800 artillery pieces, 157
tanks, 240,000 rifles, more than 1,000 tons of aircraft bombs, 7.7 million artillery rounds,
and 320 million rounds of ammunition for small arms.\textsuperscript{290} In addition, the Portuguese
Government provided Nationalist forces with roughly 8,000 troops and some
munitions.\textsuperscript{291}

The Republic was not so fortunate in terms of the support it received. Because of
the embargo, it had to purchase arms, which cost over the course of the conflict an
estimated 635 metric tonnes of gold.\textsuperscript{292} The USSR received a significant portion of this
gold and provided the Republic, in turn, with $525 million in aid – $7 million more than
the value of the Spanish gold they had received – along with 242 aircraft, 703 pieces of
artillery, 731 tanks, 15,000 heavy machine guns, 500,000 rifles, 30,000 sub-machine
guns, and 4 million artillery shells. These weapons and ammunition were sent from the
USSR through the Baltic Sea and the Atlantic.\textsuperscript{293} As mentioned, the Soviets’ goal was to
help the Republic achieve victory in order to spread communism; however their
shipments decreased after mid-1937.\textsuperscript{294} A number of factors may have contributed to the
decline in the Soviet shipments to the Republic, the most notable being Japan’s invasion

\textsuperscript{289} Thomas, The Spanish Civil War, 634; Keene, Fighting for Franco, 7. For studies on German
involvement in the Spanish Civil War, see: Whealey, Hitler and Spain: The Nazi Role in the
Spanish Civil War, 1936–1939; Ian Westwell, Condor Legion: The Wehrmacht’s Training
Ground (Hersham: Ian Allan publishing, 2004).

\textsuperscript{290} Thomas, The Spanish Civil War, 634–635; Martin Blinkhorn, Democracy and Civil War in
Spain, 1931-1939, 2nd ed. (New York: Routledge, 2009), 33.

\textsuperscript{291} Alpert, A New International History of the Spanish Civil War, 54; John F. Coverdale, Italian

\textsuperscript{292} Christian Leitz, Economic Relations Between Nazi Germany and Franco’s Spain, 1936–1945

\textsuperscript{293} Heiberg and Pelt, Los Negocios de la Guerra, 20–21; Thomas, The Spanish Civil War, 643;
Helen Graham, The Spanish Republic at War, 1936–1939 (Cambridge: Cambridge University

\textsuperscript{294} Graham, The Spanish Republic at War, 321.
of China. Ultimately, the aid the Republic received from the USSR was far less than the support the Nationalists received from Germany and Italy. Other nations sold munitions to the Republic for entirely commercial reasons. For instance, during the war, Mexico sold 20,000 rifles and twenty million cartridges to the Republic. Not only did the Republic receive fewer munitions than the Nationalists, but also, unlike the Nationalists, it had to pay for virtually all the munitions that it received.

The focus of this thesis is, of course, on the case of Greece. Sentiment in Greece was largely pro-Nationalist. From July 1936 to April 1939, the Greek press gave daily and lengthy coverage of the war unfolding in Spain. The newspapers, with the exception of Eleftheron Bima, were written through a pro-Nationalist lens. These articles placed an emphasis on Republican atrocities in order to promote anti-communism. In 1938, the Foreign Office noted:

While the Greek Government followed in the wake of British policy in their official attitude towards Spanish affairs, the tone of the controlled press was uniformly favourable to the insurgent cause, and no opportunity was missed to predict the imminent collapse of the Republic.

Despite Greek coverage of the conflict, little is known of how Metaxas and his regime viewed the civil war, since the Greek strongman rarely discussed the subject publicly. In the early days after he came to power, Metaxas and his advisers occasionally pointed to the fate of Spain to justify the dictatorship. For instance, six days following the

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295 According to Payne, Japan was the USSR’s number one enemy. Even though Stalin had ignored the Chinese Civil War, he feared that once China fell to Japan, Japan would direct its attention towards the USSR. In order to meet this threat, the USSR sent military support to China. In September 1937, the Operation X administration—a group in charge of arms shipments to Spain—was taken over by the General Staff of the Red Army since the army would also be in charge of the shipments to China. By 1938, Stalin had sent almost as many arms to China as he had sent to the Spanish Republic in late 1936. Payne, The Spanish Civil War, the Soviet Union, and Communism, 240-241.

296 Alpert, A New International History of the Spanish Civil War, 108.


298 Petrakis, Metaxas Myth, 37.

299 “Other Countries - Spain” FO 371/22371.

establishment of the regime, Metaxas told the Greek public: “None of you, except for the well-known demagogues and the deranged subversives wants to see our land having the fate of the unfortunate Spain.”\textsuperscript{301} The Spanish conflict was rarely publically discussed by Metaxas or the regime after 1936, perhaps as a result of the Greek Government’s desire to keep relations with both the Republic and the Nationalists and to maintain its foreign policy of neutrality.

It is important to note that Greek citizens also participated in the Spanish conflict. Shortly following the outbreak of the war, a number of Greek intellectuals, including 11 former ministers, 37 professors, and 13 academics, banded together to create the “Liga Hispano-Hélenica” (The Hispanic-Hellenic League) to support the Nationalists. The league included well-known Greeks such as the Nobel Literature Prize nominee Kostis Palamas, sculptor Costas Dimitriadis, journalist Achileas Kirou, and Ioannis Athanassakis, President of the Red Cross. In 1938, the League wrote a manifesto in support of the Nationalist cause.\textsuperscript{302} Hundreds of Greeks also risked their lives for the Nationalist cause by making their way to Spain to support Franco. In fact, there were so many that there was a movement amongst right-wing Greeks to organize volunteers for Franco and create a Greek legion. This plan, however, fell apart due to financial reasons.\textsuperscript{303}

Meanwhile, on the Republican side, more than 200 Greeks made the dangerous journey to Spain to join the International Brigades. These Greeks fought with the Zachariadis Company and the Rigas Ferraios Company under the XV International

\textsuperscript{301} Metaxas quoted in Sfikas, “Greek Attitudes towards the Spanish Civil War,” 110.
\textsuperscript{302} “Remite el manifiesto de los intelectuales griegos.” AMAE-R 1058, 79.
\textsuperscript{303} Othen, \textit{Franco’s International Brigades}, 186.
Brigade. There were also a number of Greeks who participated in the POUM, including Dimitri Giotopoulos, who was a close friend of Leon Trotsky until they had a falling out. Despite the Non-Intervention Pact and the strong Greek preference for the Nationalist side, Greeks were involved in selling arms to both sides of the conflict.

**Greek Arms Sales**

On 27 August 1936, less than one month after he took power, Metaxas declared that it was illegal for Greeks to participate in the Spanish Civil War under any circumstances. Twenty-eight days later, King George II reiterated Metaxas’ statement by issuing a royal decree that prohibited the “…direct or indirect exportation and re-exportation and transit, to a destination in Spain, the Spanish possessions and the Spanish zone of Morocco, of all arms, munitions and material of war as well as aircraft, assembled or dismantled, and all vessels of war.” By December, the Greek Government had further stated to the Non-Intervention Committee that “all departures from the country are subject to strict Government control.”

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304 For information on Greek intellectuals and the Spanish Civil War see; Kazantzakis, Spain; and Kallonas, Viva la Muerte. For information on Greeks volunteering to fight in the conflict see: Lazos, Pethainontas sti Madridtis; Christoforos Laganos, Pitsorombi, o Emphulios Polemos stin Ispania, Amoi Baiotites tou ellinikou Dekebri, o loxos zaxariadi. Apo to imerologio tis 113is Brigkanta (Athens: Agnostos, 1957); Costas Lapithiotis, Interview by Conrad Wood, Imperial War Museum, 16399, January 9, 1996; Paliologopoulos, Hellines Antiphasistes Ethelontes Ston I Ispaniko Emphulio Polemo; Ioannis Kambides, Unpublished Memoir (Copyright held by Gerassimos Kambides); Pittas, Ispania 1936; Michael Economides, Interview by Bill Alexander, Imperial War Museum, 13774, 1983; Strongos, Spanish Thermopylae; Prosceinca, Sabas Pales, Enas Ethelonits Ston Ispaniko Polemo, TV Interview (Athens, 1984); Tsermenkas and Tsirmirakes, No Pasaran; CDHM Bar 144/2; CDMH Bar 144/1/65.

305 Strongos, Spanish Thermopylae, 237.


308 “Ch. Simpoulos to Francis Hemming, 28 December 1936,” AYE 49/3/2/2.
Within a month following the outbreak of the Spanish conflict, the GPCC began shipping a significant amount of weapons and ammunition to the Republic. The cargo of one of the first Greek ships captured by Nationalist forces, Canovas, underscores the significance of these shipments. According to the Nationalists, the Canovas carried four batteries of artillery, 4 million cartridges, 400 machine guns, and 1,500 airplane bombs. The value of the shipment was estimated at 2 million pesetas ($246,300).309

The contracts for the Republic to buy supplies from the GPCC were essentially negotiated in France. The main “agent” in these contracts was George Rosenberg. Rosenberg, an agent of the Republican government and the son of the former Soviet Ambassador in Madrid,310 maintained a head office in Paris and travelled frequently to Athens.311 Máximo José Kahn Mussabaun had a key role in the sales from Greece to the Republic.312 Kahn was a Sephardic Jew who was a representative of the Spanish Republic at the consulate in Thessaloniki prior to the war and was appointed Chargé d’Affaires in Athens in 1937.313 According to Filippis, most of Kahn’s efforts during the war were focused on facilitating the smuggling of weapons and ammunition by the GPCC.314

To arrange the sale of weapons and ammunition to Spain, paperwork was provided stating that all of the war materials were bound for Mexico or the Greek army.315 If a Greek ship was stopped near Spain, the Captain would be able to claim – depending on which way the ship was headed – that it was bound for Mexico or

310 Moses Rosenberg, also known as Marcel Rosenberg, was the Soviet Ambassador to Republican Spain during the conflict and the father of George Rosenberg. Hugo García, The Truth about Spain!: Mobilizing British Public Opinion, 1936–1939 (Sussex: Sussex Academic Press, 2010), 175.
311 “Spanish Civil War” FO 371/21344; “Atenas 27 de Octubre de 1937.” AGMA 2472, 3.
313 “Other Countries-Spain” FO 371/23777.
314 Dimitris Filippis, Historia y Literatura, 34.
returning to Greece. For example, the Greek ship, Aristone – also known as Leonia or Kimon – left Piraeus on the 10 October 1937. The ship was stopped in southern France for inspection and, according to the “International Board for Non-Intervention in Spain,” its official papers stated that it was destined for Vera Cruz, Mexico. After leaving France, however, the Aristone docked in Rozes, Spain.

Even given this assistance, the process of sending arms to the Iberian Peninsula was exceedingly complex. War material was loaded onto ships belonging to the Greek company Davaris, which was located in Piraeus and co-owned by Bodosakis and Theophanidis, another arms dealer. After leaving Piraeus, the ships carrying the arms cargo would dock at a deserted island and be disguised so vessels that left from the same port would not be able to recognize them. Flags were switched, and the names of the ships were changed. As a result, they had no trouble passing through the Strait of Messina and would not be stopped by Italian officials. After the Non-Intervention Committee’s “resolution” of March 1937, Greek ships would generally proceed to Marseilles or Sète, and then continue to Barcelona, Rozes, or Valencia without any observing officers – a direct violation of “the resolution.” By November 1937, there were 34 Greek ships that the Non-Intervention Committee knew had been in violation of “the resolution” at least once.

An example of these shipments is provided by the case of the Greek vessel Naukratoussa, which entered the port of Sète in July 1937. From Sète, the ship made its way to Marseilles where the Chief Observing Officer and Administrator of the port inspected the vessel and found the lower deck to be half full of shells. The captain

316 Pelt, Tobacco, Arms and Politics, 163.
317 AYE 48/7/1/1.
318 Pelt, Tobacco, Arms and Politics, 163.
319 Thomas, The Spanish Civil War, 827.
322 AYE 48/7/1/1.
informed the administrator that when loaded, the ship would proceed to Piraeus where it would unload the cargo. However, the ship ended up in Barcelona rather than Piraeus. The *Naukratoussa* committed the same violation several times that year.\(^{323}\)

By the end of 1937, the GPCC had expanded its sales of ammunition and weapons to the Nationalists. Although shipments to the Nationalists were significant, they were far below the level of the supplies to the Republic. For example, in 1937 alone Greek revenues from arms sales to Franco and the Nationalists were approximately £600,000 ($2,716,000) while Greece received £2.1 million ($10,866,000) for shipping 14,469 tonnes of military supplies to the Republic.\(^{324}\) Sales to Republic were thus 3.5 times greater than sales to the Nationalists. This disparity is easy to understand. The Nationalists did not require as much as the Republic because of the quantity of military support they were receiving from Italy and Germany. Given the greater demand of the Republic, the GPCC was able to sell munitions to the Republic on more profitable terms. Bodosakis forced the Republic to pay for weapons, ammunition, and airplanes in advance.\(^{325}\) Furthermore, the GPCC purchased rifles from Göring’s company at the equivalent to £1 ($5) per rifle, and Bodosakis then resold them to Republican Spain at more than five times the initial cost.\(^{326}\)

The demand for weapons and ammunition from Greece increased significantly in 1937. In 1936, when the GPCC began preparing its first order, it almost immediately received a second order for 20 million rounds of ammunition.\(^{327}\) In 1936, the GPCC produced 400,000 cartridges per day. In 1937, this number increased to 2,000,000 a day. Bodosakis made this increase possible by purchasing new machinery from Germany and hiring thousands of additional workers.\(^{328}\)

The embargo on Spain and the Axis control of Iberian waters by mid-1937 made the sale of weapons from Greece to Spain increasingly difficult. The GPCC, however,

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\(^{323}\) AYE 48/7/1/1.

\(^{324}\) Koliopoulos, *Greece and the British Connection*, 69; Pelt, *Tobacco, Arms and Politics*, 165.

\(^{325}\) Pelt, *Tobacco, Arms and Politics*, 163.


\(^{327}\) Sfikas, *I Ellada kai o Ispanikos Emphulios*, 141.

\(^{328}\) Ibid.
was unwilling to pass up an opportunity to make considerable profits from the conflict given that it could easily obtain small arms and ammunition and that Greece was strategically located.\textsuperscript{329} As a result of the munitions sales, the GPCC became Greece’s largest company by the end of 1939.\textsuperscript{330}

It is unclear how much of the money was retained by Bodosakis and how much filtered into Greek Government coffers. According to Koliopoulos, whose figures are based on reports from the Greek Air Ministry and Emmanouil Tsouderos – the head of the bank of Greece from 1936–1939 and future Prime Minister – the money from the sales to the Nationalists passed through the British and French Discount Bank in Greece. Tsouderos later reported that Greece had a “windfall” that year from the Nationalists.\textsuperscript{331} Regardless, these transactions made munitions the second most important Greek export, after tobacco.\textsuperscript{332} The Spanish Civil War thus not only provided Greece with much-needed currency but also created jobs for Greeks who would have otherwise been unemployed and built up the arms industry.

The Greek Government and Arms Sales

From 1937, it was widely known or suspected that the Greek Government was involved in the sale of arms to Spain.\textsuperscript{333} The Spanish Nationalists firmly believed that the Greek Government was directly tied to the GPCC and the sale of munitions to Spain. Not only did the Nationalists have some level of understanding of the process due to their experiences with their own purchases of war materials from Greece but also their Ambassador to Greece, Romero Radigales, kept track of the situation unfolding in Athens. The Nationalists’ belief is supported by a series of archival documents in AGMA and AMAE-R. According to various reports, the Metaxas government created the false paperwork needed to ship the contraband items across the Mediterranean, and high-

\textsuperscript{329} Graham, \textit{The Spanish Republic at War}, 318.

\textsuperscript{330} Hill, \textit{The Economy of Greece}, vol. 2, 28.

\textsuperscript{331} Koliopoulos, \textit{Greece and the British Connection}, 69.

\textsuperscript{332} Hill, \textit{The Economy of Greece}, vol. 2, 28.

\textsuperscript{333} Sfikas, “Greek Attitudes in the Spanish Civil War,” 120.
ranking Greek officials were members of the committee in charge of ensuring that the shipments reached Spain.\footnote{AMAE-R 833, 3.}

Of course, what really concerned the Nationalists was that the GPCC was selling large quantities of munitions to the Republic and that the Greek government was apparently involved in these sales. As Greek arms sales to the “reds” continued, the Burgos Government lodged complaints regarding the Greek government’s involvement.\footnote{GAK Metaxas Archive Fak 14/8.} In May 1938, Nationalist authorities visited Argyropoulos, the Greek representative in Burgos. They presented him with a dossier of supposedly irrefutable evidence demonstrating the Greek government’s involvement in supplying the Republic, including a photograph of a coded telegram from Admiral Sakelariou, Vice Secretary of the Navy, confirming the sale of thirty 155 mm canons to the Republic and a photograph of a written authorization with Metaxas’ signature to ship arms to the Republic.\footnote{Pelt, \textit{Tobacco, Arms and Politics}, 164–165; Morten Heiberg, \textit{Emperadores del Mediterráneo: Franco, Mussolini y la Guerra civil española}, trans. Ferran Esteve (Barcelona: Critica, 2004), 176; GAK Metaxas Archive Fak 14.} In a confidential letter to Metaxas dated 30 May 1938, Argyropoulos reported the existence of this evidence.\footnote{GAK Metaxas Archive Fak 14.} Since these photographs have been lost or destroyed, this evidence cannot be verified.

There is much more conclusive evidence of the government’s involvement. In his memoirs, Bodosakis wrote that in 1936 he approached the Metaxas government about sending weapons to Spain. According to Bodosakis, the Greek Government immediately understood that providing Greek war materials to both sides of the Spanish Civil War would quickly generate currency and offered every facility necessary to aid in the sale of weapons.\footnote{Sotiropoulou, \textit{Mpodosakis}, 153.} The Greek Government agreed to Bodosakis’ proposal because supplying arms and ammunition in the Spanish Civil War aligned with Metaxas’ economic and rearmament policies. According to Bodosakis:

The Metaxas government immediately realized that the benefit in terms of the foreign exchange from the execution of this kind of orders would be
great for Greece. The payment would be immediate and in a stable currency. Therefore, not only did the Metaxas government not have any objections, but it also offered to take all the necessary measures for the facilitation of these orders.339

Indeed, the paperwork needed for the munitions shipments was provided with the knowledge of the government.

In addition to Bodosakis’ statement, there are several crucial documents linking the Greek Government to the arms sales. The Embassy of Spain in Berlin reported in March 1938 that:

There is a very active committee in Athens that smuggles arms in favour of the reds. Lately, they have ordered diverse war material worth an amount equivalent to ten million marks, that must be delivered immediately to Czechoslovakian, German, and French houses. The composition of the Committee is no less curious. The Committee is formed in part by General Ikonomakos, the Minister of Air, Commander Ikonomon, the ex-official Vitalis, correspondent for Admiral Botasis, a Greek agent in Nationalist Spain, Bodozakis and Manousakis. The striking figure of this association working behind the scenes is Mr. Diakos, a man of great intelligence and a personal friend of President Metaxas. The Committee meets and deliberates at a house owned by Dr. Lorandos, located on Bucharest Street in Athens.340

The existence and composition of this Committee links Greece’s military elite and the Metaxas government with the sale of Spanish weapons by the GPCC. It should be noted

339 “Η κυβέρνηση Μεταξά κατάλαβε αμέσως ότι η συναλλαγματική ωφέλεια από την εκτέλεση παραγγελιών αυτού του είδους, θα ήταν για την Ελλάδα πολύ μεγάλη. 'Η πληρωμή θα γίνοταν αμέσως και σε υγιές νόμισμα. Γι' αυτό όχι μόνο δεν έφερε αντίρρηση, αλλά προσφέρθηκε να κάνει και κάθε απαραίτητη διευκόλυνση.” Sotiropoulou, Mpodosakis, 153.

340 “Para el contrabando de armas a favor de los rojos, funciona en Atenas una especia de Comité que despliega una gran actividad. Últimamente, ha ordenado la compra de diverso material de guerra, que ha de ser entregado inmediatamente, a casas checoeslovacas, alemanas y francesas, por valor de una cantidad equivalente a diez millones de marcos. La composición de este Comité no deja de ser curiosa. Forman parte de el General Ikonomakos, Ministro del Aire, el Comandante Ikonomon, el ex-Oficial Vitalis, corresponsal del Almirante Botasis, agente griego en la España Nacional, Bodozakis y Manousakis. La eminencia gris de esa asociación que trabaja entre bastidores, es el Sr. Diakos, hombre de gran inteligencia y amigo personal del Presidente Metaxas. El Comité se reúne y delibera en una casa perteneciente al Dr. Lorandos, situada en la calle de Bukarest en Atenas [sic].” Berlín 6 de Marzo de 1938. AMAE-R 833, 3.
that Ioannis Diakos was Metaxas’ personal advisor and Dr. Lorandos was a close friend of the dictator.\textsuperscript{341}

The Greek Government’s complicity in arms sales is further demonstrated by the fact that on several occasions the International Board for Non-Intervention in Spain sent letters to the Greek Government asking it to respond to the charge that the Greek authorities were not reporting, in accordance with “the resolution,” ships that were violating the Non-Intervention Pact. In the case of the Naukratoussa, discussed earlier, although the Non-Intervention Committee sent the Greek Government numerous requests to make a statement about the ship’s violations, it refused to comment, as it had done in other cases when ships from Greece had participated in arms sales to Spain.\textsuperscript{342} By failing to provide statements to the Non-Intervention Committee on the Naukratoussa and other vessels, the Greek Government was in direct violation of the Non-Intervention Pact.\textsuperscript{343}

The Greek Government’s connection to the Spanish Civil War was not unique. There is evidence that another state also sold weapons to its “enemies.” The coalition that formed during the Polish Sanacja regime, following the death of Polish dictator Józef Piłsudski in 1935, permitted the sale of weapons to the Republic shortly following the outbreak of the conflict.\textsuperscript{344} Like Greece, the Polish Government was anti-communist, had signed the Non-Intervention Pact, and yet permitted an arms company to send weapons to the Republic. Colonel Józef Beck, one of the leaders of the coalition and foreign minister, along with members of the Polish Government, saw the Spanish Civil War as a way to make considerable profits. As a result, he permitted the Syndicat Exporti

\textsuperscript{341} Pelt, \textit{Tobacco, Arms, and Politics}, 187 and 297 ft. 710.

\textsuperscript{342} AYE 48/7/1/1.

\textsuperscript{343} “Spain: International Committee for the Application of the Agreement Regarding Non-Intervention in Spain,” 169.

\textsuperscript{344} Howson, \textit{Arms for Spain}, 109.
Przemyski Wejennego (Export Syndicate of War Industries) and its naval counterpart, Polska Agencja Morska, to secretly sell arms to Republican Spain.  

While members of the Greek Government were complicit in aiding the GPCC’s sales of weapons to Spain, it is unclear whether Metaxas himself was involved. The letter from Argyropoulos reporting the photo of Metaxas’ signed authorization of arm shipments is inconclusive. Sfikas believed that Metaxas was aware of and assisted in the shipment of Greek arms.  

This is, however, debatable. Metaxas hardly discussed the Spanish Civil War in his speeches or wrote about it in his memoirs. He also decided to keep Greece neutral in the conflict by continuing relations with both the Republic and the Nationalists and allowing both sides to have representatives in Greece. Metaxas was trying to improve Greco-British relations, keep Germany as a steady trading partner, and also pursue a policy of neutrality. The closest link between Metaxas and the arms sales was Ioannis Diakos, who was “…regarded as the ‘eminence grise’ of the dictatorship, [attended] all cabinet meetings, and [controlled] large industrial and financial interests” and was described as “…an able, unscrupulous and aggressive schemer.” Given Diakos’ position within government and his oversight of large companies, he may have never passed along the information to Metaxas. If Metaxas had been complicit, it would have been because he believed that the economic benefits of the weapon sales outweighed the risks of damaging relations with Britain and Germany as well as antagonizing Italy. Nonetheless, given Metaxas’ friendship with Bodosakis, there is a circumstantial case that Metaxas was aware of and approved the shipments.

What remains to be determined is the Greek Government’s motivation for involvement in the sale of arms to Spain. An annual report produced by the United

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346 Sfikas, “Greek attitudes to the Spanish Civil War,” 117.


348 “Leading Personalities in Greece” FO 371/23776.
Kingdom in 1937 commented on Greece’s motivation for giving aid to Spain. The British Government stated:

[T]he main occupation of the government appears to have been to make as much money as possible by selling war material to both sides, and chiefly to the Republicans. In this [the Greeks] were thoroughly successful... They were financed through a Paris bank, and the emissary of the Spanish government in charge of the negotiations, one Rosenberg, visited Athens more than once during the year.349

While a portion of the money may have ended up in “the committee’s” bank accounts, the sales led to the improvement of the Greek economy and the success of Greece’s rearmament program, both objectives of the Metaxas regime. Anticipating a European war, the Greek Government desired both a stronger economy and a modernized military.

Significantly, due to the creation of the GPCC and the quantity of weapons shipped to Spain via Greece, the Metaxas regime was able to expand the production capacity of the Greek armaments industry. From 1936–1939 the GPCC created over 2,000 jobs and opened up a number of weapons and ammunition factories in Athens and Piraeus. Bodosakis stated that the profits that the GPCC made from the Spanish Civil War were used for the renovation and expansion of armaments facilities, which played a significant role in the Greek defense against Axis aggression.350 According to economist Henry Hill, the GPCC “…supplied the Greek army with its full requirements during the war with Italy…” and, at the time of the German occupation, the company had an estimated $30 million worth of raw materials and finished products on hand.351 The amount of ammunition that Greece possessed was enormous. When the Germans

349 “Annual Report 1937, National Archives of the United Kingdom” in Pelt, Tobacco, Arms and Politics, 162.
350 Sotiropoulou, Mpodosakis, 158.
entered Athens on 27 April 1941, they captured “several thousand tons of ammunition.”

Hill, as discussed earlier, claimed that over the course of the Spanish Civil War, Greek arms sales became Greece’s largest industry and second largest export. In agreement with Hill, Journalist Frank Gervasi asserted that the GPCC’s involvement in Spain had considerable impact on the Greek economy. He stated that the company was able to be:

...built up into a first-class munitions works. [Bodosakis] sold the idea to the government. The government bought out the Germans and permitted [him] to manufacture bullets, bombs and shells for the Spanish government, always on a payment in advance basis. One year of operations brought into the strongboxes of the Greek government a total of six million dollars gold in profits. To a country like Greece, perpetually in need of foreign exchange and particularly of yellow metal, it was a major strike, somewhat as though the government has suddenly found a gold mine right under the treasury building.

As war raged in Spain, Greece used its accumulated credits with Germany to buy munitions. Greece needed a way to get hard currency, given that a significant portion of its trade relied on a barter system. As MacVeagh noted in a report, “German munitions are flooding into the country, incidentally reducing Greece’s blocked credits in Berlin.” The Spanish Civil War thus provided the Greek Government with an opportunity to use its credit with Germany to make significant profits, receive hard currency, and ultimately aid Greek rearmament. While on the surface it may seem that the Schacht plan was oppressive, the Greek Government was able to use the situation to their advantage. Not only did it enable Greece to readily obtain weapons from Germany but it also promoted the development of the Greek munitions industry. Greece’s policy of neutrality enabled it to sell munitions to both sides of the Spanish Civil War to its considerable economic

advantage. These sales would provide the Bank of Greece with money and help further modernize Greece’s military. The Metaxas regime definitely placed its economic and defense interests ahead of its anti-communist ideology.

In addition to this collaboration with Germany, Greece also collaborated with the USSR to ship Soviet war materials to the Republic. On several occasions the British Government reported that the Soviet and Greek governments had negotiated an arms deal to send Soviet shipments to Spain via Greece. In fact, such an agreement was initially proposed by Alexander Barmine, the first secretary of the Moscow legation in Athens, who supervised trade and commercial agreements between the Soviet and Greek governments from 1935–1937.357 This agreement is surprising, given that Greco-Soviet relations had been strained since Metaxas assumed power and began the relentless persecution of the KKE. This pact was also remarkable since in 1939 Hitler and Stalin signed the Nazi-Soviet Nonaggression Pact.358 This one-year trade agreement, that enabled the Soviets to ship munitions to Greece, was signed on 27 February 1937 by A. Hadjikyriacos, the Minister of the National Economy, and L. Levsky, a chief of the Soviet Trade Delegation. The agreement was renewed the following year.359 Both agreements were corroborated by the Foreign Office in 1938.360 An example of Greek-facilitated Soviet sales in the Spanish conflict involved the ship Kimon, which was owned by the GPCC. In July 1937, the ship left Athens with some 700 tons of ammunition and armaments transferred from a Soviet boat in Piraeus. It then stopped in Palermo and docked at Marseilles before heading to Spain.361

There is also evidence that Greece sought to collaborate with American aircraft companies in order to boost its arms sales to the Nationalists. To this end, the Air Minister of Greece sought to purchase at least 40 airplanes from the United States – a signatory of the Non-Intervention Pact – for reshipment to Spain. Greece was unable to

357 Barmine, The One Who Survived, 308.
359 Zapantis, Greek-Soviet Relations, 345–352; Barmine, The One Who Survived, 308.
360 “Other countries – Soviet Union” FO 371/22371; “Other countries – Soviet Union” FO 371/23777.
361 “Spanish Civil War” FO 371/21344.
do so since it failed to convince the Department of State that Greece would be the final destination of the planes.\textsuperscript{362} Though this plan demonstrates Greek ingenuity and persistence in seeking funds from selling armaments, the arrangement with the Soviet Union, the bastion of communist ideology, underlines the extent to which the Greek Government placed economics ahead of ideology.

Sfikas argues that there was a strategic motivation for Greece to sell more arms to the Republicans than to the Nationalists. He writes:

“Italian intervention in Spain, along with Italian designs on the Balkans and the Eastern Mediterranean, dampened down any enthusiasm which the Metaxas regime might have felt for the prospect of Nationalist victory. Though it was never spelt out and perhaps not even fully appreciated, the Greek fear was...[that in the] event of Franco’s victory Italy would increase her influence in the Western Mediterranean and could easily attempt to challenge Britain for the control of the East.”\textsuperscript{363}

Certainly, the Greek Government would have viewed this outcome as undesirable. Though it may be a mistake to dismiss Sfikas’ speculation, in the previous section it is established that the relative sales of arms to the two sides of the conflict were determined primarily by their relative demand for arms. Sfikas fails to provide a convincing case that the Greek Government was not motivated almost entirely by its desire to improve the economy and to strengthen the military.

**Greek Relations with the Nationalists**

The GPCC expanded its sale of weapons and ammunition to the Nationalists in 1937. Because of the provisions of the “resolution,” the shipments of these supplies followed a similar path to the shipments destined for the Republic. Ships would leave Greece for a port in southern France and would proceed illegally to Huelva or Malaga.\textsuperscript{364}


\textsuperscript{363} Sfikas, “Greek attitudes in the Spanish Civil War,” 129.

\textsuperscript{364} AYE 48/7/1/1; AYE 48/6/1.
Although Nationalist Spain had entered into talks with Greece and bought weapons and ammunition from the GPCC, the relationship between the governments in Athens and Burgos was far from perfect.

On the surface, Franco appeared friendly towards the Greeks. He met Greek officials with “warmth,” most notably the Greek Ambassador to Spain, a retired naval captain named Periklis Jaques Argyropoulos. These meetings masked the high level of tension between Burgos and Athens. The GPCC sent a large supply of weapons and ammunition to the failing Republic. In fact, one year following the outbreak of the Spanish Civil War, Franco had informed the Greek government that the Nationalists were hostile towards Greece because there were so many Greek ships carrying weapons and other goods to Republican-controlled ports.

By 1937, all of the Great Powers and the Nationalists were aware of the GPCC’s sales of arms to the Republic. The Nationalist representative in Athens, Sebastián Romero Radigales, focused his energy on preventing shipments destined for the Republic from reaching their destination. To that end, he created a list of Greek ships that were connected to the “Spanish Reds” and Greece’s involvement in aiding the government in Barcelona. In one of the documents, he informed the government in Burgos that the Republic was expecting a shipment containing 38 tonnes of trinitrotoluene (TNT), 8 tons of gunpowder, and numerous cartridges to arrive on 15 January 1938.

367 Sfikas, *Greek Attitudes in the Spanish Civil War*, 120.
368 Titles of these lists include “Meetings/Interviews relating to the sending of weapons,” “Contraband weapons for the reds,” “The sending of weapons,” “Ships leaving Greek ports with war materials for the government in Barcelona” and “About the intervention in favour of the reds in Greece.” Filippis, *Historia y Literatura*, 35.
369 “Atenas 18 de Noviembre de 1937.” AGMA 2472, 3.
These shipments obviously created great resentment. Not all of the contents of the dossier presented to Argyropoulos have been lost. There still exists a note in French that seemed to threaten Metaxas if the shipments were not immediately stopped. The note, held at the Metaxas archive at GAK stated: "In the main square in Salamanca stands a plaque in cast iron to one day display the skins of so-called President of Council, Mr. Metaxas, and his companions Diakos, Bodozakis, and Co [sic]." Apparently, the Nationalists considered Metaxas to be behind the shipments.

Nationalists captured Greek ships transporting weapons from Greece that were destined for the Republic and incarcerated their Greek captains. For example, in 1938 alone, Franco’s forces detained a minimum of twenty-one Greek vessels. In August 1938, even the Senior Undersecretary of Foreign Affairs for the Nationalists stated that he recognized that the detention of Greek ships "constituted an act of hostility against Greece, that caused a repeated strain on relations, which could lead to an official break in relations that we have recently established." A number of the Greek vessels seized by the Nationalists were not carrying weapons or ammunition. In a document from Burgos, the Nationalists admitted to capturing and detaining Greek ships that were not carrying any contraband items of war. The Nationalists argued that detaining these ships...
was fair in light of the large quantities of ammunition that Greece sold to the “reds.” 374

The Nationalist consulate in Athens, stated: “[given that]...the Greek merchant marine has provided the reds with enormous support and a large quantity of Greek munitions has been sent, without government opposition, it is very natural that our Navy is suspicious of Greek ships...”375 On a number of occasions, the Nationalists actually destroyed Greek ships they had detained. Table 3.1 provides a sample list of the fate of Greek ships that arrived in Spanish waters during the Spanish conflict.376

Table 3.1. Select List of Greek Ships Captured or Destroyed by the Nationalists

<table>
<thead>
<tr>
<th>Name, construction year, amount of loss, date captured</th>
<th>Type of Incident and Aftermath</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poli, 1897 2861 tons, 2 April 1937</td>
<td>Sunk by the Nationalist cruiser Baleares.</td>
</tr>
<tr>
<td>Ellinio Vuono, 1904 3367 tons- 19 May 1938</td>
<td>Captured by the Nationalist cruiser Canarias near Cape Passero. The boat was confiscated and renamed Castillo Mobletran.</td>
</tr>
<tr>
<td>Nicolaue Eleni, 1920 4528 tons, 9 Nov 1938</td>
<td>Captured by Nationalist patrol boat at the Strait of Gibraltar. It was renamed Castillo Madrigal.</td>
</tr>
<tr>
<td>Victoria, 1917 6600 tons, 11 Nov 1938</td>
<td>Captured by the Nationalists. It was renamed Castilla Oropesa.</td>
</tr>
</tbody>
</table>

Rafael González Echegaray, La Marina Mercante y el Tráfico Marítimo (Madrid: Liberia Editorial San Martin, 1977), Appendix Bajas Definitivas de Buques Estranjeros Por Perdida Total o Buena Presa.

The apprehension of Greek vessels increased during the time when shipments to the Republic were most frequent. The number of Greek ships seized by the Nationalists was so high towards the end of 1938 that it attracted the attention of the British Government, which noted: “…[r]ecently the Spanish Nationalist Authorities appear to

374 “Entrevista con el Señor Subsecretario de N.E relativa detención barcos griegos” AMAE-R 1058.

375 “…que dada la ayuda enorme que la Marina griega a prestado a los rojos y la gran cantidad de municiones que de Grecia se les ha enviado, sin que el Gobierno se opusiera a ello, era muy natural que nuestra Marina marrara con recelo los barcos griegos…” Representación del Gobierno Nacional de España, Atenas 21 de Agosto de 1938. AMAE-R 1058.

376 For more information on Greek ships in the Spanish Civil War also see José Luis Alcofar Nassaes, Las Fuerzas Navales en la Guerra Civil Española (Barcelona: Dopesa, 1971).
have been seizing Greek Ships indiscriminately regardless of the port from which they have sailed and of their destination.\textsuperscript{377}

Greco-Spanish affairs remained strained after the Spanish Civil War ended. Spain attempted to improve its relationship with Greece in 1939, when Argyropoulos received the Gran Cruz (Great Cross) from Franco for his work during the war and for promoting collaboration between Greek and Spanish institutions.\textsuperscript{378} In 1943 there was also an effort on the part of Romero Radigales, then Spanish Consul General in Thessaloniki, to evacuate several hundred Sephardic Jews to Spain to avoid Nazi persecution. There was, however, as Paloma Díaz-Mas stated: “continuous and sudden changes of opinion in Spain’s Ministry of External Affairs, which one day demanded the repatriation of those Jews who were Spanish citizens and the next day refused them entry to Spain.”\textsuperscript{379} These efforts, in collaboration with the exiled Greek Government, however, did not ease tensions between the two nations. Shortly following the end of the Spanish Civil War, Franco’s government released a “black list” that contained 400 ships, 53 of which, over 13%, were Greek.\textsuperscript{380} In 1948, the Spanish Government published a pamphlet titled “International Brigades: Foreign Assistants of the Spanish Reds,” that criticised Greek sales of arms to the Republic.\textsuperscript{381} Relations between the two countries may have further worsened when, in 1950, the Greeks sought compensation for the ships that the Nationalists destroyed during the Spanish Civil War.\textsuperscript{382}


\textsuperscript{378} “Por el restablecimiento en España de los estudios griegos en la segunda enseñanza,” \textit{El Diario Vasco}, February 26, 1939; “Condecoración de Argyropoulos con la Gran Cruz de Marruecos español, 16-2-1939” in \textit{Recuperación Documental: La Herencia Histórica Española en Grecia}, edited by Dimitris Filippis (Madrid: Instituto Cervantes de Atenas, 2009), 263; AYE A/3/2.


\textsuperscript{380} Filipps, \textit{Historia y Literatura}, 55.

\textsuperscript{381} Spanish Office of Information, \textit{The International Brigades}, 39.

\textsuperscript{382} “Claims for Greek ships seized during the Spanish Civil War,” FO 371/107528.
The negative impact of the Greek arms sales to the Republic on Greek relations with the Nationalists was predictable. That the Greek Government was prepared to undermine its relations with a government of like anti-communist ideology further demonstrates that the Metaxas government placed economics ahead of ideology.
Conclusion

Given the convoluted history leading to the Greek Government-sanctioned munitions sales to Spain and the generally positive results for Greece, a summary of how the various elements interacted to this effect is needed. Why did the Metaxas Regime support the arms sales? These sales were consistent with three main policies of the regime: economic revitalization, neutrality, and rearmament. The motive of improving the economy was overshadowed by the greater motive of improving Greek security. Metaxas saw his policy of neutrality as the best chance of avoiding war.\(^{383}\) In the climate of the late 1930s, however, such a policy, on its own, was unlikely to provide the security that Greece needed. A serious rearmament program was needed to protect itself from the Italian and Bulgarian threats, plus unanticipated threats of the coming war.\(^{384}\) Therefore, the main objective was to strengthen the military.

Ultimately, circumstances favoured the needed rearmament. The lack of British interest in Greek trade in the late 1930s led the Greek Government to accept the Schacht Plan. Through this plan, the Greek Government was able to use its frozen reichsmarks to purchase armaments and manufacturing equipment. One company that benefited from this exchange was the GPCC. Under the direction of Bodosakis, the GPCC grew significantly, increasing the amount of ammunition it produced as well as the amount of weapons it received.\(^{385}\) The GPCC was thus able to assist in Metaxas’ rearmament plan. In itself, however, this arrangement would not have supported the serious rearmament that Metaxas sought.

Shortly after the Spanish Civil War commenced, Bodosakis – an entrepreneurial genius – saw the conflict as a way for the government and his company to make a profit

\(^{383}\) Friedman, “A Precarious Neutrality,” ix.
by selling arms to both the Nationalists and the Republic. Understanding the economic potential of the shipments, the Greek Government quickly supported Bodosakis’ idea.\(^{386}\) Using the Schacht Plan and the frozen reichsmarks to its advantage, the Greek Government purchased German armaments and then resold them to Spain. Such sales fell in line with Metaxas’ prewar policy of neutrality. Even though the Republic was at ideological odds with the Regime, the Greeks were just as willing to sell munitions to both sides. Such transactions, however, were not consistent with the policy of “offending no one,” and the Nationalists were certainly offended by the sales to the Republic.\(^{387}\)

The sales to Spain did not only allow for currency and gold to flow into Greece, but they enabled the GPCC to expand, to acquire new machinery, and to employ thousands of civilians.\(^{388}\) These sales, along with other initiatives by Metaxas, helped the Greek economy. Because of the high demand of weapons in the Spanish conflict, the Greek Government and the GPCC were able to sell munitions at inflated prices and make a substantial profit.\(^{389}\) The revitalized economy and increased local availability of arms and ammunition as a result of the sales to Spain made the Greek rearmament program possible. The improvements in national security due to the modernization and strengthening of the military were well demonstrated during the Greco-Italian War of 1940–1941.\(^{390}\) It is important to note, however, that while the more obsolete arms were sold to Spain, arms retained by the Greek military may still not have been state-of-the-art.\(^{391}\)

The importance of the Greek arms industry continued long after the Spanish Civil War. As a result of its growth and development during the Spanish Civil War, the GPCC was able to become a major supplier of munitions worldwide. In 1938, Greece diversified its sales to Chiang Kai-shek’s forces in the Chinese Civil War and, later that decade, to


\(^{387}\) Friedman, “A Precarious Neutrality,” ix; GAK Metaxas Archive Fak 14/8.


\(^{391}\) Disposal of obsolete War material. FO 371/22372.
Romania and Turkey. Shortly before the invasion of Greece, the GPCC had signed contracts to supply the British Army with rifle cartridges and shells. Following the conclusion of the Greek Civil War in 1949, the GPCC continued to supply weapons abroad. It supplied the Greek Cypriots in 1965 and attempted to sell roughly a billion dollars of weapons to Libya in 1985. In the 1980s, the GPCC, renamed Pyrkal, repeated history when, with the backing of the Greek Defense Ministry, it supplied weapons and ammunition to both sides in the Iran-Iraq War (First Persian Gulf War) for a “large profit.”

Although the motivation behind the Greek Government’s participation in arms sales is clear, there are inconsistencies in Greek policies. The Greek Government set aside its staunch anti-communist platform and broke international agreements when it permitted the sale of weapons, ammunition, and other supplies to both sides of the Spanish Civil War. The GPCC’s sale of contraband material to both sides in the conflict, along with the Greek Government’s refusal to officially support Franco and his nationalist government – a regime similar to the Metaxas regime – is peculiar. The Greek Government’s attitude to both sides of the Spanish conflict was based on neutrality. The Greek Government maintained diplomatic ties with both the Nationalists and the Republic. Despite this neutrality and Greek sale of munitions to the Nationalists, it is not surprising that the Nationalists had negative relations with the Greek Government during and after the conclusion of the Spanish Civil War.

Greece did not act during the Spanish conflict as the international community had expected. In November 1936, the Italian Government requested that the Metaxas

Government officially support the Nationalists. As one Foreign Office document stated: “The Italian Government have recognised [the] Burgos government and that in making this notification the [Italian] Minister suggested that the Greek Government should do the same.”\(^{397}\) After analyzing the anti-communist policies of the Greek Government, the Foreign Office “…anticipate[d] that such a policy [would] be far from disagreeable to the Greek Government.”\(^{398}\) In November 1936, the normally well-informed Foreign Office considered the foreign policy of the Metaxas dictatorship to be almost entirely driven by its right-wing anti-communist views. The Italians shared this British misconception and expected that the Greek Government would support the Nationalists. Apparently neither the Italian Government nor the Foreign Office was aware that Greek arms shipments had been delivered to Spain for nearly two months. These misperceptions were relatively short-lived since, by 1937, the Spanish Nationalists and all of the Great Powers had knowledge of Greek dealings to both sides in the Spanish conflict.\(^{399}\) The sale of weapons and Greece’s apparent neutrality in the Spanish conflict demonstrate that the Greek Government placed economic advancement over ideology.

While this thesis has focused on Greek arms dealing in the Spanish conflict, a number of questions have emerged through this study that require further research. One such question specifically involves Greece. Metaxas became dictator of Greece eighteen days after the beginning of hostilities in Spain and died nineteen months following the Nationalist victory. For most of his dictatorship, the Spanish Civil War preoccupied Europe. This thesis has established that the Greek Government supported the sales of munitions to Spain, but to what extent was Metaxas involved? It is unlikely that Metaxas was not deeply involved in the Government’s deliberations and never approved the sales, but the lack of relevant archival documents and omission of the sales from Metaxas’ personal memoirs makes the extent of his involvement difficult to determine.

Another such question involves Spain. In the interest of appeasement, the British and French initiated the Non-Intervention Pact, which prohibited the sale of munitions to both sides and participated in the ensuing munitions blockade. Despite the provisions of

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\(^{397}\) “Mr Eden, Foreign Office. 26 November, 1936” FO 281/1137.

\(^{398}\) Ibid.

\(^{399}\) Sfikas, “Greek Attitudes towards the Spanish Civil War,” 120.
the Pact, Germany and Italy provided the Nationalists with a steady supply of a wide range of armaments. Though Greece sold munitions to both sides of the conflict, the sales favoured the Republicans. Without military supplies from Greece, the Republic would have had to rely on Mexican and Soviet sources, along with contraband material from other European countries. All of these sources proved to be problematic. Furthermore, Soviet aid to the Republic declined following 1937.\footnote{Graham, *The Spanish Republic at War*, 321.} As a result of the Republic’s greater need for military supplies, Greece sold more weapons to the Republicans than to the Nationalists. It is clear that the Greek shipments of armaments and ammunition to Spain during the Spanish Civil War helped to prolong the conflict, but to what extent merits investigation.

Other questions that have emerged involve international relations. The effects of Greek policies and shipments on other countries and on European relations are less clear than the impacts on Spain and Greece. How did Germany’s involvement in sending arms to Greece, that were later resold to the Republic, impact Hispano-German relations? The Nationalists knew that a portion of the munitions that were sent to the Republic by the GPCC had originated in Germany. The Burgos Government sent a number of letters to Berlin requesting that Germany stop arms shipments to Greece, but these communications were ignored. In fact, Göring denied the Third Reich’s involvement. In 1948 the Spanish Office of Information released a pamphlet entitled “The International Brigades: Foreign Assistants of the Spanish Reds,” in which they reiterated Germany’s involvement in supplying the “Spanish Reds” through the Greeks.\footnote{Spanish Office of Information, *The International Brigades: Foreign Assistants of the Spanish Reds*, 39–49.} Though difficult to determine to what extent Greece’s actions impacted Hispano-German relations, is it possible that German involvement in Greek arms sales to the Republic may have contributed to Spain’s neutrality during the Second World War? Germany’s involvement leaves many questions unanswered. To what extent did Hitler allow the indirect sale of weapons to the Republic?

It is worth investigating how Greek arms sales affected Greco-Italian relations. Throughout the Spanish Civil War, Greek ships sailed through Italian waters and, due to
the terms of the Naval Agreement of the Non-Intervention Pact, a number of Greek ships were forced to call at Palermo, making the Italians unwitting accomplices in the Greek arms trade.\footnote{83} Did Greek arms shipments to the Republic motivate Italy to invade Greece sooner than it otherwise would have done so? Was the sale of weapons to the Republic, as Sfikas suggests, a way to prolong the Spanish Civil War in order to keep Mussolini involved in the western Mediterranean?

Also worth investigating is how the Greek Government’s involvement in Spain impacted relations with Britain, a founder of the Non-Intervention Committee. Koliopoulos stated that the “British Government moved warily, often bewildered and baffled by what looked like dangerously obscure dealings.”\footnote{403} Furthermore, Thomas hints that Greek ships that were masked as British furthered tensions between Italy and the United Kingdom. He stated that the tensions in Anglo-Italian relations were “…exacerbated by further attacks upon British ships in Spanish waters. By this time, most seaborne trade with the Republic was carried in British-owned ships…Many of these ships, however, were British only in name – many being Greek…”\footnote{404} Beyond Koliopoulos’ and Thomas’ discussion, little is known of how the British Government responded to Greece’s involvement in the Spanish Civil War. Given the British policy of appeasement, would Britain not have put pressure on the Greek Government to discontinue the shipments?

As seen earlier, the GPCC expanded its sales to many countries other than Spain.\footnote{405} Many interesting questions arise from these diverse sales. For instance, how was the GPCC able to circumvent the Japanese blockade of China in order to supply Chiang Kai-shek? It would be worth investigating the overall activities and practices of the GPCC, both before and after the Second World War.

While all of these questions are interesting, the controversy surrounding Greek munitions sales to both sides in the Spanish conflict remains a fascinating aspect of

\footnote{83} “Spain: International Committee for the Application of the Agreement Regarding Non-Intervention in Spain,” 170.
\footnote{403} Koliopoulos, \textit{Greece and the British Connect}, 70.
\footnote{404} Thomas, \textit{The Spanish Civil War}, 827.
\footnote{405} Hill, \textit{The Economy of Greece}, vol. 2, 31; Pelt, \textit{Tobacco, Arms and Politics}, 171.
interwar period history, a period widely thought to be characterized primarily by conflicting ideologies.
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Appendices.
Map of Southeastern Europe

# Currency Exchange Rate for 1 U.S. Dollar, 1935–1940

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