# BRIEF PRESENTATION OF THE HISTORICAL CONTEXT OF GREECE BECAUSE OF THE CRASH OF



# GREECE AFTER THE 1929 CRASH

# BEFORE THE CRASH

### •1922: Asia Minor Disaster refugee loans

## •1928: Venizelos in power public investment program

ELEFTHERIOS VENIZELOS AT THE OPENING OF THE HELLENIC RED STAR HOSPITAL

APXEIO

El. Venizelos at the opening of the Marathon with the President of the Republic Pavlos Kountouriotis

•Big projects require big borrowing! And then it happens.

The Milwaukee Leade

FIRE NENACES INDO

ILLIONS LOST IN NEW STOC

RE DAMAGE

15 \$75,000

### •THE CRASH on 10/29/1929 at the NEW YORK STOCK EXCHANGE

•The reactions in the economies of the states of **Europe and Greece are** chained.

## 1929-1930

First reaction: The Greek stock market is initially unaffected because:
The Greek drachma was not affected.
Greece as a grain importer benefited.
But in 1930 it is observed:
Decrease in exports
Inability to find financing from abroad

# 1931

#### CAUSE OF PRESSURE ON THE GREEK ECONOMY:

#### •World War I financial reparations from Germany were lost

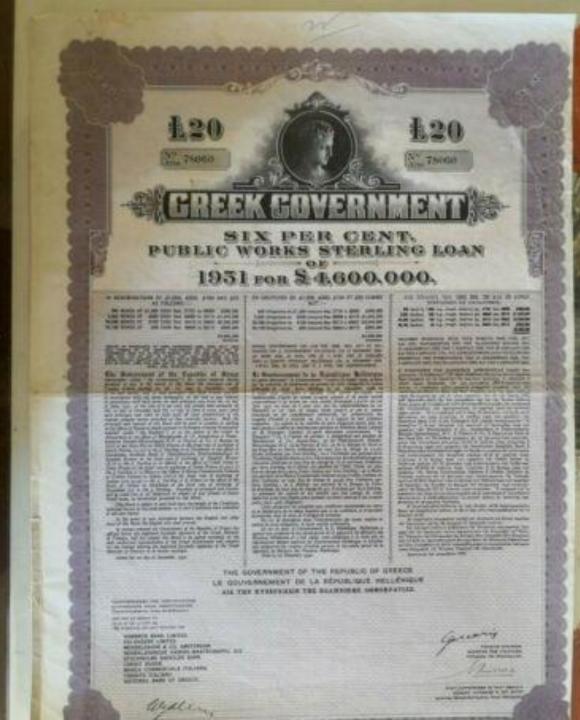
#### •Exports decreased



#### •Remittances from Greeks in America have decreased

•A large amount of foreign currency fled abroad

COMPETITIVE SEARCH FOR NEW LOANS





he makes one last attempt to take out a loan without a substantial result
 In April it devalues the drachma
 In May he announces the bankruptcy of Greece and the default of the external debt

### PERIOD OF STRONG INTERVENTIONISM AND POLITICA SELF-SUFFICIENCY

#### ➤ Import duties

➤ Transactions under interstate agreements
Balancing the value of imports and exports

#### • **POSITIVE VIEW:**

- <u>a reduction in the expenses of the state</u> and an increase in its reserves Bank of <u>Greece</u>
- NEGATIVE VIEW:
- <u>the people impoverished erupt</u> <u>in demonstrations and incidents</u>





<u>AFTER BANKRUPTCY</u> <u>- 1936</u>

Short-lived governments and military coups

➤ 1935: return of King George

➢ August 4, 1936: dictatorship of Ioannis Metaxas, which, however, NEVER acquired strong social support



The August 4 regime, the Metaxas dictatorsh