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FILE TITLE: UK/ Greek Relations

Internal Situation (CLOSED)

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Cabinet / Cabinet Committee Documents

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CC(85)19th Conclusions, Minute 2	06.06.85
CC(85)27th Conclusions, Minute 2	12.09.85

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB** (CABINET OFFICE) CLASSES

Signed O Wayland Date 27 October 2015

PREM Records Team

File

SCH

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 February 1987

ATP AIRCRAFT FOR GREECE

Michael Gilbertson wrote to me today with a draft message from the Prime Minister to Mr. Papandreou about the British Aerospace Advanced Turboprop aircraft. The Prime Minister has signed this and I enclose the original. You will wish to telegraph the text to Athens early tomorrow.

I am copying this letter and enclosure to Michael Gilbertson (Department of Trade and Industry).

C D POWELL

R. N. Culshaw, Esq., M.V.O.,
Foreign and Commonwealth Office

SUBJECT CC OPS
MASTER

File

ECL

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T16/87

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

12 February 1987

Dear Prime Minister,

You will recall that during our discussions in London in December, I mentioned to you the negotiations that were taking place between British Aerospace and Olympic Aviation about the BAe Advanced Turboprop passenger aircraft, and the collaboration between BAe and Hellenic Aerospace Industries. I am delighted to hear that their collaboration is progressing well and that Hellenic Aerospace Industries have delivered their first Advanced Turboprop Flap assembly this week.

I understand that a decision on the choice of aircraft for Olympic Aviation is imminent and that the airline believe that the ATP will meet their requirements. As I am sure you will agree, if the Advanced Turboprop is chosen for Olympic Aviation it will provide a firm foundation for continued collaboration between these two important companies. It will also give a very significant example to the other industrial sectors in both our countries in the field of Anglo-Greek collaboration.

Olympic Aviation's and Hellenic Aerospace Industries' enthusiasm for the Advanced Turboprop is very encouraging, and I am confident that, on commercial and technical grounds, the Advanced Turboprop represents a very competitive option.

SCH

I am sure that the undoubted merits of this aircraft will be taken fully into account in the choice of aircraft for Olympic Aviation.

With best wishes,

Yours sincerely

Margaret Thatcher

His Excellency Mr. Andreas Papandreou

CC PC

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
Telephone (Direct dialling) 01-215) 5422
GTN 215) .....
(Switchboard) 01-215 7877

PS/ *Secretary of State for Trade and Industry*

CONFIDENTIAL

12 February 1987

Charles Powell Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Dear Charles,

ATP AIRCRAFT FOR GREECE

Catherine Bradley wrote to you on 3 December, in response to Sir Raymond Lygo's letter of 28 November, about British Aerspace's attempts to sell their new ATP (Advanced Turboprop) aircraft to Olympic Aviation of Greece.

As you know, at our request, the Prime Minister raised this issue with the Greek Prime Minister in the margins of the EC Council Heads of State meeting in December. This contract is very important to BAe and our concern at that time was to counter strong French pressure in favour of the rival Franco-Italian ATR42 aircraft. We understand from BAe that this pressure has been intensified and that the choice of aircraft was discussed at a recent meeting between Mr Papandreou and the French Foreign Minister, leading to a report in the French press that the ATR42 would be selected instead of the ATP. However, BAe understand from their contacts that no contract has yet been signed and that the Head of Olympic Aviation is continuing to argue in favour of purchase of the ATP.

A decision is imminent, and our Ambassador in Athens recommends that a letter from the Prime Minister at this stage would be a most helpful initiative to counter French pressure. In view of the importance of this contract to BAe we would endorse the Ambassador's recommendation. Given the imminence of the decision we would recommend that the Prime Minister write as soon as possible, on the lines of the attached draft which has been cleared by FCO officials.

I am copying this letter to Robert Culshaw (FCO).

Yours ever
Michael

MICHAEL GILBERTSON
Private Secretary

DW1CQF

999-1

EL3BSP.

To Dhu

DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO:

Greek Prime Minister

You will recall that during our discussions in London in December, I mentioned to you the negotiations that were taking place between British Aerospace and Olympic Aviation about the BAe Advanced Turboprop passenger aircraft, and the collaboration between BAe and Hellenic Aerospace Industries. I am delighted to hear that their collaboration is progressing well and that Hellenic Aerospace Industries have delivered their first Advanced Turboprop Flap assembly this week.

I understand that a decision on the choice of aircraft for Olympic Aviation is imminent and that the airline believe that the ATP will meet their requirements. As I am sure you will agree, if the Advanced Turboprop is chosen for Olympic Aviation it will provide a firm foundation for continued collaboration between these two important companies. It will also give a very significant example to the other industrial sectors in both our countries in the field of Anglo-Greek collaboration.

Olympic Aviation's and Hellenic Aerospace Industries' enthusiasm for the Advanced Turboprop is very encouraging, and I am confident that, on commercial and technical grounds, the Advanced Turboprop represents a very competitive option. I am sure that the undoubted merits of this aircraft will be taken fully into account in the choice of aircraft for Olympic Aviation.

With best wishes

CM

DW1CQG

CC: PC

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
Telephone (Direct dialling) 01-215) 5422
GTN 215) .....
(Switchboard) 01-215 7877

Secretary of State for Trade and Industry

CONFIDENTIAL

14 January 1987

The Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
Treasury
Parliament Street
London SW1P 3AG

CDP
15/1

Dear John.

EXPORT CREDIT FOR GREECE

Thank you for your letter of 15 December. attap

As you say, if all the large deals being talked about do come to fruition then the present ECGD limit for Greece would be substantially exceeded. However such a situation does not appear very likely given the previous history of lack of demand for cover for this market and the fact that the Papandreou Government is only half way through a tight economic stabilisation programme instituted in response to a worsening economic performance in 1985. On the other hand even if, unexpectedly, a large amount of this business did become firm, I believe that an increase in the limit would not be out of the question.

I believe therefore that there is no cause for concern in the present situation but obviously we will need to keep a close watch on further developments.

I am copying this letter to the Prime Minister, George Younger and Sir Geoffrey Howe.

Yours ever,

PAUL CHANNON

JG4AJP

999-1

GREECE Relations

2765/016

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Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Paul Channon MP
Secretary of State for Trade and Industry
Department of Trade and Industry
1 Victoria Street
LONDON
SW1H 0ET

15 December 1986

Dear Paul,

EXPORT CREDIT FOR GREECE

In advance of the European Council Meeting last weekend the Prime Minister was asked to raise a number of individual export cases with Mr Papandreou ie the BAe ATP project, Tornados and the Acheloos River project. These possible export sales are in addition to negotiations which I understand are already in train with the Greeks for major frigate and tank contracts.

From none of the original requests was it clear whether or how much HMG credit would be involved. On the Tornado case (credit required £230 million) the Prime Minister was assured after consultations between our departments and with the Ministry of Defence that it would be possible to accommodate support for that sale without jeopardising cover for the frigate and tank sales (credit required for both £530 million). However, if credit is also sought for the ATP deal and the Acheloos project, the present £600 million market limit would be heavily oversubscribed. In practice, it may be unlikely that all this business will be won by the UK. Nevertheless I think we must be wary of over-committing the market limit and especially of indicating support at a political level which it is inevitably difficult to withdraw. In the short term the conclusion I draw is that until the outcome of some of these negotiations is clearer we need to go very cautiously indeed on further credit business with Greece.

I am copying this letter to the Prime Minister, George Younger and Sir Geoffrey Howe.

Yours ever,

JOHN MacGREGOR

1C.XII

British Aerospace

Sir Raymond Lygo, KCB
Chief Executive

12th December 1986

Dear Charles,

Thank you very much for your letter of 10th Oct. I am most grateful.

Lets keep our fingers crossed.

Yours ever,

Ray

WBD M211/357/86-1

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

4 December 1986

Thank you for your letter of 3 December proposing that the Prime Minister should raise with Mr. Papandreou Vospers' efforts to win an order for the Greek Navy. I shall certainly bring this to the Prime Minister's attention and, in confidence, she will be disposed to help if the opportunity arises.

(CHARLES POWELL)

Peter Lloyd, Esq., M.P.

GRS 750

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FOLLOWING FOR PRIVATE SECRETARY AND PRIVATE SECRETARY TO PRIME MINISTER

PAPANDREOU

SUMMARY

1. HINTS THAT GREECE COULD BE SERIOUS ABOUT BUYING TORNADO. PAPANDREOU'S DIPLOMATIC ADVISER URGES THAT DEFENCE SALES PROSPECTS WOULD BE IMPROVED IF THE PRIME MINISTER WOULD HAVE A WORD WITH PAPANDREOU DURING THE EUROPEAN COUNCIL.

Who pays?

DETAIL

2. AFTER PAPANDREOU BRIEFED THE HOUSE OF COMMONS SELECT COMMITTEE ON FOREIGN AFFAIRS ABOUT CYPRUS TODAY, I HAD A SHORT MEETING WITH HIM AT WHICH HIS DIPLOMATIC ADVISER, MAHAIRITSAS, WAS PRESENT.

3. I HANDED OVER THE ORIGINAL OF MRS THATCHER'S MESSAGE OF 19 NOVEMBER. PAPANDREOU WAS GRATEFUL AND SAID HE WAS MUCH LOOKING FORWARD TO HIS VISIT TO LONDON. THERE WERE NO PARTICULAR POINTS ON THE AGENDA WHICH HE WANTED TO PUT TO THE PRIME MINISTER IN ADVANCE.

4. I TOLD HIM THAT MY MINISTERS ATTACHED IMPORTANCE TO MAKING PROGRESS ON THE MAJOR DEFENCE AND CIVIL PROJECTS WE WERE NOW DISCUSSING. PAPANDREOU CONFIRMED THAT THIS WAS ALSO HIS INTENTION. I SAID THAT THE COLLABORATION BETWEEN BRITISH AEROSPACE AND HELLENIC AEROSPACE INDUSTRIES OVER THE ADVANCED TURBO PROP COULD DEVELOP INTO A SIGNIFICANT JOINT INDUSTRIAL PROJECT OF GREAT VALUE TO GREECE. WE WERE AWAITING THE OUTCOME OF THE GREEK GOVERNMENT'S CHOICE ON FRIGATES. AND STATHIS (THE JUNIOR MINISTER OF DEFENCE) WOULD BE CARRYING THE DISCUSSION FURTHER IN LONDON NEXT WEEK. I SAID THAT WE WERE ALSO ARRANGING FOR HIM TO SEE THE TORNADO.

5. AFTERWARDS, MAHAIRITSAS TOLD ME PRIVATELY THAT HE WAS CONVINCED THAT IT WOULD BE BENEFICIAL TO QUOTE OUR MUTUAL INTERESTS UNQUOTE (AND BY THAT HE MEANT THAT IT WOULD IMPROVE OUR

/PROSPECTS

SECRET

PROSPECTS ON THESE PROJECTS) IF THE PRIME MINISTER COULD SEE PAPANDREOU FOR A FEW MINUTES DURING THE EUROPEAN COUNCIL. MAHAIRITSAS SAID THAT A GESTURE BY HER COULD MAKE ALL THE DIFFERENCE.

COMMENT

6. WHAT MAHAIRITSAS SAID TO ME REPEATS WHAT WE HAVE ALREADY REPORTED ON OTHER CHANNELS. WE KNOW THAT THE GREEK GOVERNMENT'S DECISION ON THE VOSPER THORNEYCROFT FRIGATE BID IS NOW HANGING IN THE BALANCE. WE ALSO NOW BELIEVE THAT PAPANDREOU MAY BE SERIOUSLY INTERESTED IN BUYING THE TORNADO. AT A SUPPER FOR THE FOREIGN AFFAIRS COMMITTEE LAST NIGHT STATHIS TOLD ME THAT HE HAD URGED PAPANDREOU TO BUY A TORNADO-TYPE STRIKE AIRCRAFT. IT HAD BEEN A MISTAKE FOR GREECE TO GO FOR THE MIRAGE AND THE F-16, WHICH WERE TWO SIMILAR FIGHTERS. STATHIS SAID THAT THE GREEKS KNEW TORNADO WAS AN EXCEPTIONAL AIRCRAFT. PAPANDREOU WOULD NOT BE ABLE TO TAKE A DECISION ABOUT IT UNTIL THE OUTCOME OF THE CURRENT NEGOTIATIONS WITH THE AMERICANS OVER THE F-16 WAS KNOWN.

7. IN THESE CIRCUMSTANCES I SEE ADVANTAGE IN THE PRIME MINISTER MAKING A GESTURE TO PAPANDREOU IN ORDER TO IMPROVE OUR CHANCES. I DO NOT THINK SHE NEED GIVE MUCH MORE THAN THE GESTURE OF A FEW COMFORTABLE WORDS. SHE COULD CONFIRM BRITAIN'S INTEREST IN DEVELOPING OUR BILATERAL ECONOMIC RELATIONS, MENTIONING FRIGATES, ATP AND OUR READINESS TO OFFER TORNADO. ON THE COMMUNITY, SHE COULD SAY THAT IN THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE EC WE RECOGNISED THAT THERE HAD TO BE A BALANCE OF ADVANTAGE BETWEEN NORTH AND SOUTH AND THAT ALL THE PARNTERS NEEDED TO FEEL COMFORTABLE INSIDE THE CLUB. ON TURKEY AND THE EC, SHE COULD CONFIRM THAT BRITAIN HAD NO WISH TO SEE AN EARLY TURKISH APPLICATION FOR FULL MEMBERSHIP. ON CYPRUS, SHE COULD THANK PAPANDPEOU FOR THE WAY HE HAD LOOKED AFTER THE FAC IN ATHENS ON 1/2 DECEMBER AND SAY THAT WE WANTED TO KEEP CLOSELY IN TOUCH WITH GREECE OVER THE CYPRUS ISSUE, WHOSE IMPORTANCE WE FULLY RECOGNISED.

8. INCIDENTALLY, DESPITE HIS RECENT BUFFETINGS (MY TEL NO. 565) PAPANDREOU TODAY APPEARED CALM AND IN GOOD HUMOUR. IT IS TOO SOON TO WRITE HIM OFF.

THOMAS

YYYY

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AND TO ROUTINE WASHINGTON, OTHER EC POSTS

THE GREEK POLITICAL SCENE : AN UPDATE

SUMMARY

1. A NEW MOOD IN GREEK POLITICS FOLLOWING PASOK SETBACKS. PAPANDREOU IS IN A CORNER. IT WILL NOT BE EASY TO DEAL WITH GREECE OVER THE COMING MONTHS.

DETAIL

2. THE COMBINATION OF DISAPPOINTING RESULTS IN THE OCTOBER MUNICIPAL ELECTIONS, CONTINUING STAGNATION IN THE ECONOMY, AND A SERIES OF DAMAGING CORRUPTION SCANDALS HAS CHANGED THE POLITICAL MOOD IN GREECE SINCE THE BEGINNING OF OCTOBER. THE SIGNALS ARE CONFUSED AND WILL REMAIN SO. THE GOVERNMENT SEEMS TO HAVE NEITHER NEW IDEAS NOR NEW FACES WITH WHICH TO DIRECT PUBLIC OPINION. PASOK IS DIVIDED AND DEMORALISED, AND MANY OF THE RUMOURS OF FRAUD AND CORRUPTION COME FROM ITS OWN RANKS.

3. ALTHOUGH THE MUNICIPAL ELECTIONS RESULTS, WHICH GAVE THE THREE MAJOR CITIES TO NEW DEMOCRACY, WERE NOT FATAL, THEY SPARKED OFF A CRISIS IN PASOK WITH THE FOLLOWING FEATURES:

(A) THE FIRST ELECTION RESULT FOR TWELVE YEARS WHICH PASOK COULD NOT CLAIM AS A VICTORY WAS INTERPRETED BY MANY IN THE PARTY AS THE WRITING ON THE WALL. THE DECISION TO FIELD THE THREE AGING AND LACKLUSTRE INCUMBENTS AS CANDIDATES IN THE MAIN CITIES AGAINST A DYNAMIC YOUNG NEW DOMOCRACY TRIO, WAS A REVERSAL OF PASOK'S SELF-IMAGE AS THE PARTY OF CHANGE.

(B) FOR THE FIRST TIME PAPANDREOU WAS HELD TO BLAME FOR THE DEFEAT AND FOR THE DAMP SQUIB RESHUFFLE WHICH FOLLOWED. HIS POSITION AS PARTY LEADER IS NOT IN DOUBT, BUT HIS AURA OF INVINCIBILITY, PERHAPS PASOK'S GREATEST ASSET, IS BADLY DENTED.

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(CC)

(C) WORRY THAT THE PARTY WILL NOT WIN THE NEXT GENERAL ELECTION IS OPENING UP DIVISIONS. THE TOP LEADERS ARE JOCKEYING FOR POSITION AS POTENTIAL SUCCESSORS TO PAPANDREOU, AND LOWER DOWN THERE ARE RIVALRIES BETWEEN THE HAVES AND HAVE-NOTS, IE THOSE WHO HAVE FAILED TO USE PARTY POSITIONS FOR MATERIAL GAIN. AND THERE IS AN IDEOLOGICAL SPLIT BETWEEN THE HARD LEFT WHO RESENT THE GOVERNMENT'S ABANDONMENT OF SOCIALIST NOSTRUMS IN DOMESTIC POLICY, AND THE MODERATES AND TECHNOCRATS.

4. PAPANDREOU IS IN A CORNER. THERE IS SPECULATION ABOUT AN EARLY ELECTION. BUT THIS IS STILL AGAINST THE ODDS - PAPANDREOU IS TENACIOUS AND CAUTIOUS AND STILL HAS TWO AND HALF YEARS TO RUN. HE IS UNLIKELY TO LOSE HIS PARLIEAMENTARY MAJORITY SOON.

5. PAPANDREOU WILL TRY TO RALLY THE PARTY AT MEETING OF THE PARLIEAMENTARY GROUP (8 DECEMBER) AND THE CENTRAL COMMITTEE (13/14 DECEMBER) BUT I DOUBT IF HE WILL COME UP WITH ANYTHING NEW: HE HAS BEATEN THE REFORM AND REORGANISATION DRUM TOO OFTEN. HE NEEDS TO WIDEN HIS SUPPORT AND HAS BEGUN TO APPEAL FOR NATIONAL UNITY. BUT HE HAS ALIENATED TOO MANY GREEKS FOR TOO LONG TO DECEIVE THE VOTERS BY SIMPLE DEMAGOGERY. WHEN I CALLED ON THE NEW MINISTER OF LABOUR LAST WEEK, I COULD HARDLY MAKE MYSELF HEARD FOR THE NOISE OF A DEMONSTRATION OUTSIDE BY WORKERS WHO HAD LOST THEIR JOBS IN NATIONALISED INDUSTRIES. THE COST OF LIVING GOES ON RISING AND THE FAILURE TO ATTRACT INVESTMENT OR TO IMPROVE PRODUCTIVITY SUGGESTS THAT THE ECONOMY WILL GET PAPANDREOU NO VOTES IN 1987.

6. NEW DEMOCRACY LOOKS AS BUOYANT AS PASOK LOOKS DEPRESSED. FEUDS WITHIN THE PARTY HAVE BEEN PAPERED OVER, AND MITSOTAKIS IS ENJOYING THE SPECTACLE OF PASOK DOING HIS JOB FOR HIM. RUNNING THE THREE LARGEST CITIES FROM JANUARY WILL BE A CHALLENGE, BUT THE NEW MAYORS WILL WORK HARD TO MEET IT.

7. SO WHEN THE PRIME MINISTER MEETS PAPANDREOU IN LONDON, SHE WILL FIND THIS COMPLEX AND CONTRADICTORY MAN NO DOUBT AS PERSONALLY PLEASANT AS ALWAYS, BUT DEEPLY WORRIED. FRUSTRATED BY THE LIMITATIONS ON HIS FREEDOM FOR MANOEUVRE, BOTH IN ECONOMIC AND FOREIGN POLICY, HE MAY BECOME EVEN MORE UNRELIABLE AS A PARTNER, EVEN MORE TEMPTED TO STRIKE POSTURES OF INDEPENDENCE WHICH APPEAL TO THE LEFT. RELATIONS WITH THE US ARE ON AN UPSWING FOLLOWING PAPOULIAS'S RECENT VISIT TO WASHINGTON, BUT PAPANDREOU WILL HAVE TO TRY TO SQUARE THE CIRCLE OF THE BASES ISSUE OVER THE COMING YEAR. HE WILL PROBABLY TRY TO DEAL WITH HIS PROBLEMS BY SHUFFLING FROM ONE EXPEDIENT TO ANOTHER. IF HE BECOMES DESPERATE ENOUGH, HE MIGHT BE TEMPTED TO DO A DEAL WITH THE COMMUNIST PARTY OVER PROPORTIONAL REPRESENTATION. BUT NOBODY KNOWS WHAT IS REALLY GOING TO HAPPEN, PROBABLY NOT EVEN PAPANDREOU - AND POLITICAL MOODS CAN CHANGE VERY QUICKLY IN GREECE.

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8. IN THESE CIRCUMSTANCES, ON THE BILATERAL FRONT I AM AFRAID THAT IT WILL NOT BE EASY FOR US TO DO SERIOUS BUSINESS WITH GREECE OVER THE COMING MONTHS. IT REMAINS IN THE BRITISH INTEREST TO GO ON PLUGGING AWAY, AS WE ARE NOW, AT GRAPPLING GREECE INTO THE EC AND THE WEST IN ALL WAYS OPEN TO US. PATIENCE, AND FIRMNESS WHEN NECESSARY, SHOULD REMAIN OUR WATCHWORDS. DESPITE THE AWKWARD DEALINGS OVER THE EC/TURKEY ASSOCIATION COUNCIL, AND THE RESENTMENT HERE OVER DENKTASH'S VISIT TO LONDON, THE GREEKS HAVE RESPECTED OUR HANDLING OF THE PRESIDENCY AND HAVE WELCOMED THE TALKS WITH OUR MINISTERS IN ATHENS DURING THEIR EUROPEAN TOURS. PANGALOS HAS FOUGHT HIS CORNER QUITE EFFECTIVELY. OVER SYPIA, PAPANDREOU BELIEVED, BECAUSE OF HIS IDEOLOGICAL BACKGROUND AND HIS CONCERN TO MAINTAIN HIS SYRIAN LINKS, THAT HIS ISOLATION FROM THE EC WAS JUSTIFIED. BUT MOST GREEKS TODAY RECOGNISE THAT THEY HAVE TO WORK WITH THEIR PARTNERS ON COUNTER-TERRORISM. THE BRITISH ARMY TEAM TRAINING THE GREEK POLICE IN BOMB DISPOSAL IS HERE NOW AND HAS BEEN WELL RECEIVED. THE VOSPER-THORNEYCROFT FRIGATE BID IS THE GREEK NAVY'S CHOICE ON TECHNICAL MERIT. BUT PAPANDREOU'S DECISION WILL BE TAKEN ON POLITICAL AND FINANCIAL GROUNDS. THE FRENCH ARE EXPENDING MONEY AND INFLUENCE TO UNDERMINE BAE'S PROSPECTS FOR SELLING THE ADVANCED TURBO-PROP CIVIL AIRLINER. TAYLOR WOODROW HAVE PUT TO PAPANDREOU THEIR PROPOSALS FOR THE 8 BILLION DOLLAR PROJECT FOR DIVERTING THE ACHILOOS RUVER TO IRRIGATE THE PLAINS OF THESSALY.
BUT WITH THE TAINT OF CORRUPTION NOW IN THE AIR AND THE SHORTAGE OF FUNDS, IT WOULD NOT BE SURPRISING IF DECISIONS ON AT LEAST SOME OF THESE PROJECTS WERE DEFERRED.

THOMAS

YYY

ATHPAN 4055

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NEWS D.
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ECD(E)
PS
PS|LADY YOUNG.
PS|MR. EGGAR.
PS|MRS. CHALKER.
PS|PUS.

MR. THOMAS.
MR. RATFORD.
MR. RENWICK.

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10 DOWNING STREET

LONDON SW1A 2AA

1 December 1986

From the Private Secretary

Thank you for your letter about the prospects for selling the BAe Advanced Turboprop Aircraft to Greece. I shall make sure that the Prime Minister sees this before the European Council in the hope that she may find an opportunity to raise the matter with M. Papandreou. I will let you know the outcome.

Charles Powell

Sir Raymond Lygo, KCB.

MJ2 COV

aPC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

1 December 1986

I enclose a copy of a letter which I have received from Sir Raymond Lygo asking whether the Prime Minister would be prepared to raise with the Greek Prime Minister, in the margins of the European Council on 5/6 December, the sale of the BAe Advanced Turboprop Aircraft to Greece. I should be grateful for advice and a draft speaking note.

I am copying this letter and enclosure to Colin Budd (Foreign and Commonwealth Office) and to Jill Rutter (Chief Secretary's Office).

Charles Powell

Tim Walker Esq
Department of Trade and Industry

JK

10 DOWNING STREET

CF

Please bring him forward on Friday.

CB

BRITISH AEROSPACE

BRITISH AEROSPACE
PUBLIC LIMITED COMPANY
11 STRAND
LONDON WC2N 5JT
Telephone: 01-930 1020
Facsimile: 01-839 4774
Telex: 919221

From: THE CHIEF EXECUTIVE

Direct Line: 01-389 3925

Mr C D Powell,
Private Secretary to the Prime Minister,
10, Downing Street,
London SW1

Ref: DB7/35

28th November 1986

Dear Charles,

BAE ADVANCED TURBOPROP AIRCRAFT (ATP) FOR GREECE

Olympic Aviation (the Greek internal airline) have a requirement for a new (larger) turboprop aircraft to replace their ageing Shorts 330 aircraft and to meet the needs of the expanding Greek tourist industry. British Aerospace is promoting (against determined opposition from the French) our new ATP aircraft to meet this requirement (12 aircraft valued at US$ 126 million.

To reinforce our bid we have placed work on the ATP with Hellenic Aerospace Industry (HAI) worth US$ 36 million which will increase to US$ 75 million if the ATP is purchased.

I regard this prospective order for the ATP of the greatest importance and the main civil priority for British Aerospace in Greece. It will be the first major overseas sale of the aircraft which could have the utmost significance in the wider export market in the future (which could be worth up to US$ 4.2 billion). Our negotiations with Olympic have reached a crucial stage and we are convinced that the final decision will be taken at the highest political levels - possibly before Christmas.

Continued/...

Knowing that the Prime Minister will be meeting the Greek Prime Minister in London on 5th and 6th December, I believe that it could be vital to our chances of success should the opportunity arise, to take up with him the status of the ATP with Olympic and emphasise the importance that HMG attach to securing this contract. This might be the final factor influencing the decision in our favour. I should add that throughout our sales campaign we have had the fullest support from our Ambassador in Athens (Jeremy Thomas) and his staff who are acquainted with the significance of this issue.

I attach a short background brief on the ATP in Greece.

Yours sincerely,

Ray

Sir Raymond Lygo

B R I E F

British Aerospace Advanced Turboprop (ATP)

for Olympic Aviation

(Greek Internal Airline)

1 In January 1986 British Aerospace responded to a tender for turboprop aircraft for Olympic Aviation with a proposal for twelve BAe ATPs which is in production in Manchester. The ATP is a modern state of the art turboprop airliner seating up to 72 passengers - a successor to the BAe 748.

2 The ATP and other turboprop aircraft were examined by an evaluation committee. The ATP was selected as the best aircraft for economic, technical, operational and commercial reasons. It will satisfy the predicted domestic and inter-island route requirements up to the year 2005 and beyond.

3 The cost of twelve ATPs is US$126 million which is US$21 million less that the main competitor, a French aircraft. Fifty five percent of the value can be made available from the EEC European Regional Development Funds. However, BAe have confirmed the availability of 100% financing if required and have also guaranteed to buy back the 30 seat turboprops of Olympic Aviation currently in service.

4 A most important point is that BAe has already provided Hellenic Aerospace Industry (HAI) with a contract worth US$36 million to produce flaps for the ATP. The value will increase to US$75 million if ATP is purchased and will increase further. BAe's commitment to HAI is more than three times that of the competition.

5 This is a very important order for BAe and for the ATP. It will be the first export sale and will have a very significant influence on future sales prospects and on employment levels in BAe factories in the Manchester area.

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MIPT: GREEK PRIME MINISTER'S MESSAGE OF 6 NOVEMBER TO PRIME MINISTER 6 NOVEMBER

1. FOLLOWING IS TEXT OF PRIME MINISTER'S REPLY OF 19 NOVEMBER. BEGINS

DEAR PRIME MINISTER

THANK YOU FOR YOUR LETTER OF 6 NOVEMBER CONFIRMING THAT YOUR GOVERNMENT WOULD SUPPORT OUR PROPOSAL FOR THE REAPPOINTMENT OF M. DELORS AS PRESIDENT OF THE COMMISSION. I AM GRATEFUL TO YOU FOR THIS ASSURANCE.

I THANK YOU ALSO FOR YOUR COMMENTS ON OUR DECLARATION OF A FISHERIES ZONE AROUND THE FALKLAND ISLANDS. OUR DECISION TO ESTABLISH A ZONE WAS TAKEN ON CONSERVATION GROUNDS. WE SEE IT AS AN INTERIM MEASURE. WE STILL PREFER, AND WILL CONTINUE TO WORK FOR, A MULTILATERAL SOLUTION. WE ARE DISAPPOINTED THAT THE ARGENTINE GOVERNMENT HAS CHOSEN IN RESPONSE TO REVIVE THE ISSUE OF SOVEREIGNTY.

REGRETTABLY DURING THE COURSE OF THIS YEAR ARGENTINA, IN PURSUING HER SOVEREIGNTY CLAIM, HAS ACTED WITH INCREASING IRRESPONSIBILITY SEMI COLON UNDERMINING THE ATTEMPT TO SECURE A MULTILATERAL SOLUTION TO THE FISHERIES PROBLEM IN THE SOUTH WEST ATLANTIC BY CONCLUDING BILATERAL FISHERIES AGREEMENTS WITH THE

SOVIET UNION AND BULGARIA THAT PURPORT TO COVER FALKLANDS WATERS SEMI COLON AND SEEKING TO JUSTIFY ON SOVEREIGNTY GROUNDS THE USE OF FORCE AT SEA, LEADING TO LOSS OF LIFE.

SINCE PRESIDENT ALFONSIN WAS ELECTED IN 1983, YOUR GOVERNMENT, LIKE MINE, HAS SUPPORTED ARGENTINE DEMOCRACY AND HAS BEEN ABLE TO DISTINGUISH BETWEEN THIS NECESSARY TASK AND SUPPORTING ARGENTINA'S UNREALISTIC POLICY ON THE FALKLANDS. RECENT EVENTS HAVE MADE IT ALL THE MORE IMPORTANT TO MAINTAIN THAT DISTINCTION.

AGAINST THIS BACKGROUND, I VERY MUCH HOPE THAT YOUR GOVERNMENT WILL ABSTAIN ON THE UNITED NATIONS' RESOLUTION. FOR OUR PART WE SHALL VOTE AGAINST THE RESOLUTION WITHOUT TABLING ANY AMENDMENTS.

FINALLY, LIKE YOU I AM INTERESTED IN ADVANCING ECONOMIC RELATIONS BETWEEN OUR TWO COUNTRIES. I AGREE THAT THE DEFENCE FIELD OFFERS A NUMBER OF PROMISING OPPORTUNITIES. A NUMBER OF UK COMPANIES ARE CURRENTLY BIDDING TO MEET YOUR ARMED FORCES' REQUIREMENTS WITH OFFERS OF OUR MOST MODERN EQUIPMENT. THE RECENT LETTER OF INTENT ON ANGLO/HELLENIC DEFENCE CO-OPERATION REPRESENTS AN IMPORTANT FIRST STEP, AND I LOOK FORWARD TO THIS BEING TAKEN FURTHER WHEN MR. STATHIS VISITS LONDON SHORTLY.

I LOOK FORWARD TO WELCOMING YOU TO LONDON FOR THE EC SUMMIT.

YOURS SINCERELY

MARGARET THATCHER

ENDS

HOWE

OCMIAN 8258

FALKLAND ISLANDS -FISHERIES

LIMITED

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PS/LADY YOUNG
PS/MR EGGAR
PS/PUS
MR GILLMORE
MR FEARN
MR WILSON
MR SAMUEL ODA
MR AINSCOW ODA

COPIES TO:-

MR DARWIN LEGAL ADVISERS
MR AUST LEGAL ADVISERS
MR ANDERSON LEGAL ADVISERS

MRS JAY ODA
MR STONEMAN ODA

MISS ALDRED SEC(O/C) MOD

MR DERHAM MAFF
MR GREGG MAFF
CAPT. FINNIGAN, CABINET OFFICE

Subject cc master Ops

File

DA

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T211/86

cc FCO

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

19 November 1986

Dear Prime Minister,

Thank you for your letter of 6 November confirming that your Government would support our proposal for the reappointment of M. Delors as President of the Commission. I am grateful to you for this assurance.

I thank you also for your comments on our declaration of a fisheries zone around the Falkland Islands. Our decision to establish a zone was taken on conservation grounds. We see it as an interim measure. We still prefer, and will continue to work for, a multilateral solution. We are disappointed that the Argentine Government has chosen in response to revive the issue of sovereignty.

Regrettably during the course of this year Argentina, in pursuing her sovereignty claim, has acted with increasing irresponsibility; undermining the attempt to secure a multilateral solution to the fisheries problem in the South West Atlantic by concluding bilateral fisheries agreements with the Soviet Union and Bulgaria that purport to cover Falklands waters; and seeking to justify on sovereignty grounds the use of force at sea, leading to loss of life.

Since President Alfonsin was elected in 1983, your Government, like mine, has supported Argentine democracy and has been able to distinguish between this necessary task and supporting Argentina's unrealistic policy on the Falklands. Recent events have made it all the more important to maintain that distinction.

SW

Against this background, I very much hope that your Government will abstain on the United Nations' resolution. For our part we shall vote against the resolution without tabling any amendments.

Finally, like you I am interested in advancing economic relations between our two countries. I agree that the defence field offers a number of promising opportunities. A number of UK companies are currently bidding to meet your armed forces' requirements with offers of our most modern equipment. The recent Letter of Intent on Anglo/Hellenic Defence Co-operation represents an important first step, and I look forward to this being taken further when Mr. Stathis visits London shortly.

I look forward to welcoming you to London for the EC summit.

Yours sincerely

Margaret Thatcher

His Excellency Mr. Andreas Papandreou

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

18 November 1986

Dear Charles

Papandreou

Please refer to your letter of 7 November enclosing a message to the Prime Minister from Mr Papandreou.

I attach a draft reply agreed with MOD. It does not mention Tornado since there is no longer any great prospect of Tornado sales to Greece.

On the Falklands, we prefer not to take up Mr Papandreou's remarks about the continental shelf and the exclusive economic zone. The Greek interest in the Falklands almost certainly stems from the parallels they see with their own dispute with Turkey over sovereignty in the Aegean. We would not wish to say anything that might be construed as supporting one side or the other. However, we have taken this opportunity to urge the Greeks to abstain on this year's UNGA resolution on the Falklands: the Greek record has been erratic, voting for the Argentine resolution in 1982 and 1985 but abstaining in 1983 and 1984.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

CONFIDENTIAL

DSR 11 (Revised Sept 85)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1 +

FROM: PRIME MINISTER

Reference DR3AHV

DEPARTMENT: TEL. NO:

BUILDING: ROOM NO:

Your Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

PRIVACY MARKING

..... In Confidence

CAVEAT .....

Enclosures flag(s) .....

TO:
Andreas G Papandreou

Prime Minister of Greece

Copies to:

SUBJECT:

Thank you for your letter of 6 November confirming that your Government would support our proposal for the reappointment of ~~Jacques~~ M. Delors as President of the Commission. I am grateful to you for this assurance.

I thank you also for your comments on our declaration of a fisheries zone around the Falkland Islands. Our decision to establish a zone was taken on conservation grounds. We see it as an interim measure. We still prefer, and will continue to work for, a multilateral solution ~~without prejudice to respective positions on sovereignty~~. We are ~~naturally~~ disappointed that the Argentine Government has chosen in response to revive the issue of sovereignty.

Regrettably during the course of this year Argentina, in pursuing her sovereignty claim, has acted with increasing irresponsibility; undermining the attempt

/to

to secure a multilateral solution to the fisheries problem in the South West Atlantic by concluding bilateral fisheries agreements with the Soviet Union and Bulgaria that purport to cover Falklands waters; and seeking to justify on sovereignty grounds the use of force at sea, leading to loss of life.

Since President Alfonsin was elected in 1983, your Government, like mine, has supported Argentine democracy and has been able to distinguish between this necessary task and supporting Argentina's unrealistic policy on the Falklands. Recent events have made it all the more important to maintain that distinction.

Against this background, I very much hope that your Government will abstain on the United Nations' resolution. For our part we shall vote against the resolution without tabling any amendments.

Finally, I share your interest (like you I am interested) in advancing economic relations between our two countries, and I agree that the defence field currently offers a number of promising opportunities. [insert for last page] The recent Letter of Intent on Anglo/Hellenic Defence Cooperation represents an important first step, and I look forward to this being taken further when Mr Stathis visits London shortly.

/I

I am aware that a number of UK companies are currently bidding to meet the requirements of your armed forces with offers of our most modern equipment. The latest technology inevitably carries some cost premium, but it brings advantages by strengthening national defence and producing wider industrial benefits. It will also help to develop further the close cooperation which we both want between our defence industries, bilaterally and in the wider IEPG forum.

I look forward to welcoming you to London for the EC summit.

I am aware that a number of UK companies are currently bidding to meet the requirements of your armed forces with offers of our most modern equipment. The latest technology inevitably carries some cost premium, but it brings advantages by strengthening national defence and producing wider industrial benefits. It will also help to develop further the close cooperation which we both want between our defence industries, bilaterally and in the wider IEPG forum.

I look forward to welcoming you to London for the EC summit.

GREECE

RELATIONS

5/70

MEA

14/11

CSP has already asked for a draft reply to this — we had an advance copy.

Content to file? martin

Papers removed from file

Date

Embassy of Greece
1a, Holland Park,
London, W.11

14 November 1986

No.F.2012.2/2

Dear Private Secretary,

With reference to the Ambassador's letter of 7 November 1986, I have the honour to enclose the letter addressed to the Prime Minister by Mr. Andreas G. Papandreou, Prime Minister of Greece.

Yours sincerely,

Ch Tsal.

Christos Tsalikis
Counsellor

The Principal Private Secretary
to The Rt.Hon. Margaret Thatcher M.P.,
Prime Minister,
10 Downing Street,
London S.W.I.

THE PRIME MINISTER OF GREECE

Athens, November 6th, 1986

The Rt. Hon. Margaret Thatcher
Prime Minister of Great Britain
L o n d o n

Dear Prime Minister,

Thank you very much for your recent message concerning the reappointment of Jacques Delors as President of the Commission for a further two years term from 6 January 1987. I am pleased to imform you that my government would certainly support your proposal for such an extension.

I seize this opportunity to convey to you, dear Prime Minister, my preoccupation concerning the dispute between the United Kingdom and Argentina on the proclaimed 200 n.m. exclusive economic zone around the Falkland islands.

As you very well know, Greece supports the position that the islands are entitled to continental shelf and exclusive economic zone in accordance with International Law in force and firmly believes that any fait accompli based on whatever criteria should never be accepted. Nevertheless and bearing in mind that President Alfonsin´s government is a democratic government animated by a desire of peaceful solution of disputes, I would urge you to spare no effort on your side for the peaceful and negociated solution of this issue. In this connection, I am very pleased to know that your government has already decided to limit the fishing control zone on the side of the Argentinian coasts to 150 n.m., which coincides with the Falkland islands protection zone.

I should also like to reiterate to you my deep interest in the further development of our bilateral economic relations and more particularly in the field of defense.

./..

I am convinced that the forthcoming visit to London of the Vice-Minister of Defense Mr. Theodoros Stathis, following the invitation of your Minister of Defense Mr. G. Younger will greatly contribute to the strengthening of our bilateral cooperation.

Looking forward to seeing you at the Summit meeting of the E.E.C. in London,

Yours Sincerely,

Andreas G. Papandreou

file

GA
cc PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

7 November 1986

I enclose a copy of a message to the Prime Minister from Mr. Papandreou which was delivered by the Greek Ambassador this evening. It appears to be intended to be conciliatory in tone. I should be grateful for a draft reply which might, if appropriate, refer to the possibility of selling Tornado to Greece.

I am copying this letter and enclosure to John Howe (Ministry of Defence) and to David Williamson (Cabinet Office).

(Charles Powell)

C. R. Budd, Esq.,
Foreign and Commonwealth Office.

GA

The Ambassador

Greek Embassy
London

7 November 1986

Dear Prime Minister,

I have the honour to enclose a letter addressed to you by Mr Andreas G. Papandreou, Prime Minister of Greece.

Yours sincerely,
S. Stathatos

Stephanos G. Stathatos

The Rt. Hon. Margaret Thatcher M.P.,
Prime Minister,
10 Downing street,
London S.W.1

SUBJECT CC MASTER
OPS

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T198A/86

Athens, November 6, 1986

Dear Prime Minister,

Thank you very much for your recent message concerning the reappointment of Jacques Delors as President of the Commission for a further two years term from 6 January 1987. I am pleased to inform you that my Government would certainly support your proposal for such an extension.

I seize this opportunity to convey to you, Dear Prime Minister, my preoccupation concerning the dispute between the United Kingdom and Argentina on the proclaimed 200 n.m. exclusive economic zone around the Falkland Islands.

As you very well know, Greece supports the position that the islands are entitled to continental shelf and exclusive economic zone in accordance with international law in force and firmly believes that any fait accompli based on whatever criteria should never be accepted. Nevertheless and bearing in mind that President Alfonsin's government is a democratic government animated by a desire of peaceful solution of disputes, I would urge you to spare no effort on your side for the peaceful and negotiated solution of this issue. In this connection, I am very pleased to know that your government has already decided to limit the fishing control zone on the side of the Argentinian coasts to 150 n.m., which coincides with the Falkland islands protection zone.

./.

The Rt. Hon. Margaret Thatcher M.P.,
Prime Minister,
10 Downing Street,
London S.W.1

I should also like to reiterate to you my deep interest in the further development of our bilateral economic relations and more particularly in the field of defence.

I am convinced that the forthcoming visit to London of the Minister of State for Defence Mr Theodoros Stathis, following the invitation of your Secretary of State for Defence Mr. G. Younger will greatly contribute to the strengthening of our bilateral cooperation.

Looking forward to seeing you at the summit meeting of the E.E.C. in London,

Yours sincerely,

Andreas G. Papandreou

SUBJECT
cc MASTER
OPS

The Ambassador

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T178A/86
CDP
3/X.

Greek Embassy
London

No.F.867

1 October 1986

Dear Prime Minister,

I have the honour to convey to you the following message from my Prime Minister:

" I wish to express to you my warmest thanks for your message of sympathy and condolences for the death of the Great Greek Statesman Panayotis Kanellopoulos, whose loss was deeply felt by the Greek people.

I have already conveyed your message to his family.

Andreas G.Papandreou"

Yours sincerely,

S. Stathatos

Stephanos G.Stathatos

The Rt.Hon.Margaret Thatcher,MP.,
Prime Minister,
10 Downing Street,
London,
SW1

GREECE Relation May 80

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SUBJECT cc MASTER
ORS

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL NO. T164/86

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FM FCOLN TO ATHEN
151130Z SEP
GRS 103

UNCLASSIFIED
FM FCO
TO DESKBY 151430Z ATHENS
TELNO 298
OF 151130Z SEPTEMBER 86

TELECON TORRY/HULSE: PANAYOTIS KANELLOPOULOS
1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO MR PAPANDREOU:
QUOTE IT WAS WITH GREAT SADNESS THAT I LEARNED OF THE DEATH OF PANAYOTIS KANELLOPOULOS. HE WAS AN OUTSTANDING GREEK STATESMAN AND SCHOLAR, AS WELL AS A DISTINGUISHED FIGHTER FOR FREEDOM AND DEMOCRACY. HE WAS ALSO A WARM FRIEND OF THE BRITISH PEOPLE. I SHOULD LIKE TO EXPRESS, THROUGH YOU, MY CONDOLENCES BOTH TO HIS FAMILY AND TO THE GREEK PEOPLE. UNQUOTE

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PS/LADY YOUNG
MR RATFORD

FILE CAJ

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

15 September 1986

Thank you for your letter of 15 September suggesting that the Prime Minister should send a message of condolence on the death of Mr. Kanellopoulos. I am sure the Prime Minister would be willing to do so and the message enclosed with your letter may be despatched.

C. D. POWELL

R. N. Culshaw, Esq.,
Foreign and Commonwealth Office

Foreign and Commonwealth Office

London SW1A 2AH

15 September 1986

Prime Minister
Agree this message?
(The funeral is today)

Dear Charles

Panayotis Kanellopoulos, a former Greek Prime Minister and one of the country's most distinguished elder statesmen, died on 11 September. Apart from being a champion of Greek democracy, he was a great friend of Britain and, as deputy Prime Minister of the Greek exile Government in Egypt, one of our closest / war-time allies (I attach a personality note). He is to have a State Funeral early next week.

Chancellor Kohl and other European leaders are sending messages of condolence. The Foreign Secretary recommends that the Prime Minister does so too. I / attach a draft telegram to Athens.

Yours ever

Robert Culshaw

(R N Culshaw)
Private Secretary

C D Powell ESq
No 10 Downing St

KANELLOPOULOS, PANAYOTIS

Former Prime Minister.

Born Pteri 1902. Read law at Athens, Munich and Heidelberg and was the first Professor of Social Sciences at Athens University in 1929. 1935 founded the Nationalist Unionist Party, but had no success in the 1936 elections. Spent most of the Metaxas regime in exile. Escaped to the Middle East in 1942 and became Deputy Prime Minister and Minister of Defence. 1950 formed with Stephanopoulos the "Populist Unionist Party". 1951-5 held several Ministerial posts under Papagos, including that of Deputy Prime Minister. 1955-63, apart from a short period as joint leader of the Populist Party, served as a Minister several times under Karamanlis, sometimes as Deputy Prime Minister. On Karamanlis' departure from Greece in December 1963, the leadership of ERE devolved upon him. 1966-7 having lost in the 1964 election, first supported the Stephanopoulos Government but later agreed with Papandreou on the formation of a caretaker government. When this fell in April 1967 the King appointed him Prime Minister with a mandate to hold elections in the following month. Was placed under house arrest from time to time after April 1967, and following the November 1973 Polytechnic disturbances, which he openly encouraged.

Offered the post of President in June 1975 but turned it down because he assumed (rightly) that Karamanlis would wish to take it on later. Was then put up late as an opposition candidate for the Presidency, apparently against his wishes and was easily and predictably defeated by Karamanlis's candidate, Tsatsos. His personal relations with Karamanlis may also in part have affected his attitude. Karamanlis was at one time married to Kanellopoulos's favourite niece and the marriage broke up in circumstances not very creditable to Karamanlis. His relations with Karamanlis improved with his acceptance of the first place on New Democracy's State List of Deputies in the 1977 elections as an "independent collaborator" with ND, an offer Karamanlis may have made to prevent him joining any other party. Did not stand for re-election in 1985 due to a serious deterioration in his health which is now fragile.

Sees himself as a reconciler, above party politics. A strong supporter of the recognition of EAM/ELAS's role in the national resistance.

Highly cultured and personally likeable. His integrity is unquestioned. Now avoids social life. Corresponded with a number of Western European political leaders, including Herr Brandt and Mr Harold Macmillan. Has written extensively on philosophical and historical subjects, (eg his great History of Western Civilisation). Has always been very friendly towards the British.

Speaks fluent French, German and good English.

OUT TELEGRAM

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OF 151130Z SEPTEMBER 86

TELECON TORRY/HULSE: PANAYOTIS KANELLOPOULOS

1. Please pass the following message from the Prime Minister to Mr Papandreou:

QUOTE It was with great sadness that I learned of the death of Panayotis Kanellopoulos. He was an outstanding Greek statesman and scholar, as well as a distinguished fighter for freedom and democracy. He was also a warm friend of the British people. I should like to express, through you, my condolences both to his family and to the Greek people. UNQUOTE

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Authorised for despatch by:	Initials	Date/time	
For COD use only	Comcen reference	Telegram number	Processed by

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OUT TELEGRAM (CONT)

	Classification	Caveat	Precedence
	UNCLASSIFIED		DESKBY

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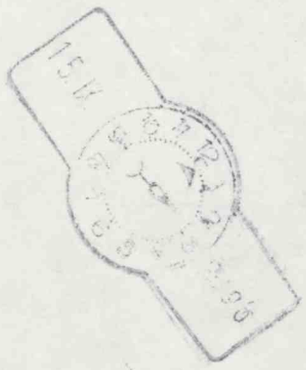


FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.

LORD CHANCELLOR

HOUSE OF LORDS,
LONDON SW1A 0PW

23 June 1986

Prime Minister
A classicist's view!
CDP
23/6

CONFIDENTIAL

The Right Honourable
the Prime Minister
10 Downing Street
LONDON SW1

Dear Margaret:

Greece and European Community/Turkey Association

As you know I have just returned from a visit to Greece to celebrate on behalf of the United Kingdom the Centenary of the British School in Athens.

While in Athens I took the opportunity to meet the President of the Parliament and the President of the Republic. I enclose our Ambassador's note of the meeting with Sartzetakis.

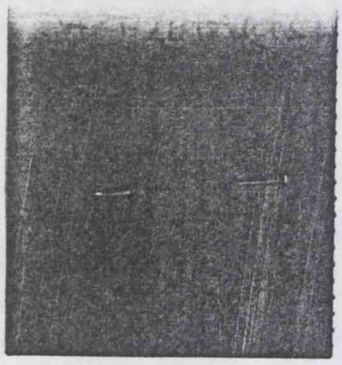
In the light of the approaching meetings with the Turks about their relations with the Common Market, I think by way of sounding a note of caution that I should make you aware of the extent of the suspicions of Turkey amongst senior Greek figures and their real apprehensions about Turkey's future intentions towards them. Turkey is a nation of 50 million with a long history of oppressing the Greeks (who number less than 10 million) and of acts of aggression toward them. I hold absolutely no brief whatsoever for PASOK but from what I observed there is no doubt that on the Turkish issue Alevras and Sartzetakis speak for the considerable majority of all Greek people. I really do feel that overtures towards Turkey from the West from within and without the Community, unless sensitively handled, may run the risk of alienating Greece and her people from the institutions of the West.

Of course there is a balance to be struck. Militarily at least Turkey is a potential asset to the West but the balance must be struck with an eye to the size of the stakes. To alienate the Greek nation, which, with all its faults, is unequivocally on the side of the West could be a dangerously high price to pay.

I am copying this letter to Geoffrey Howe.

Yrs:

CONFIDENTIAL



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LORD HAILSHAM'S VISIT TO ATHENS : 20 JUNE

1. THE LORD CHANCELLOR, ACCOMPANIED BY LADY HAILSHAM, VISITED ATHENS ON 20 JUNE TO REPRESENT HMG AT THE COMMEMORATION OF THE CENTENARY OF THE BRITISH SCHOOL AT ATHENS. HIS SPEECH, DELIVERED IN A MIXTURE OF ENGLISH, CLASSICAL AND MODERN GREEK, WAS A REMARKABLE 'TOUR DE FORCE' (UNDERLINED), AND A TRIBUTE TO HELLENISM WHICH BROUGHT TEARS TO THE EYES OF THE AUDIENCE, INCLUDING MELINA MERCOURI.

2. AFTER VISITING THE BRITISH COUNCIL'S OFFICE AND MEETING THE STAFF, LORD HAILSHAM PAID A COURTESY CALL ON THE SPEAKER OF THE GREEK PARLIAMENT AND UNDERLINED THE IMPORTANCE HE ATTACHED TO DEVELOPING THE PARLIAMENTARY CONTACTS BETWEEN THE TWO COUNTRIES. HE THEN CALLED ON THE PRESIDENT OF THE HELLENIC REPUBLIC. THE TALK LASTED ONE AND A QUARTER HOURS. I HAD WARNED LORD HAILSHAM THAT SARTZETAKIS WOULD PROBABLY PLAY HIS ANTI-TURKISH GRAMOPHONE RECORD. HE DID. BUT IT WAS NOT JUST THAT. SARTZETAKIS, NUDGED BY LORD HAILSHAM, SPOKE MORE REFLECTIVELY ABOUT GREECE'S PREDICAMENT WITH TURKEY. THEY WANTED A RECOGNITION OF THE PRESENT FRONTIERS. BUT THEY WERE BEING BOMBARDED BY EXAMPLES OF TURKISH HOSTILITY. THEIR TROOPS REMAINED IN CYPRUS. GREECE FELT PART OF WESTERN EUROPE. SHE HAD A TRADITION OF FRIENDSHIP WITH BRITAIN, WITH WHOM SHE HAD FOUGHT IN TWO WORLD WARS. THE TURKS HAD REMAINED NEUTRAL, SCHEMING WITH THE GERMANS AT THE EXPENSE OF GREEK SOVEREIGNTY. GREECE COULD NOT ACCEPT COMMUNISM AND, WITH WESTERN HELP, HAD DEFEATED THE COMMUNIST ATTEMPT TO TAKE OVER AFTER THE LAST WAR. SHE HAD FOUGHT ALONGSIDE THE UN IN KOREA. SHE TOOK IT HARD THAT SOME OF HER WESTERN PARTNERS QUESTIONED HER ATTACHMENT TO THE WESTERN DEMOCRATIC ALLIANCE. HE AGREED WITH LORD HAILSHAM THAT WESTERN EUROPE NEEDED TO WORK TOGETHER TO PERSUADE THE UNITED STATES OF THE IMPORTANCE OF MAINTAINING ITS DEFENSIVE SHIELD OVER EUROPE. BUT IT WAS ESSENTIAL THAT ALL GREECE'S PARTNERS SHOULD UNDERSTAND HOW DEEPLY GREECE DISTRUSTED TURKISH INTENTIONS. THE FAILURE OF BRITAIN TO PROVIDE AN EFFECTIVE GUARANTEE FOR CYPRUS IN 1974 HAD LEFT A SCAR. HE WELCOMED THE EFFORTS NOW BEING MADE TO DEVELOP A CLOSER AND MODERN PARTNERSHIP BETWEEN BRITAIN AND GREECE. HE AGREED WITH LORD HAILSHAM THAT GREECE HAD TO PLAY ITS PROPER PART INSIDE NATO IN PROMOTING A BETTER RELATIONSHIP BETWEEN EAST AND WEST. BUT HE APPEALED TO BRITAIN AND GREECE'S OTHER EUROPEAN PARTNERS TO HELP SAFEGUARD GREEK TERRITORIAL INTEGRITY AGAINST THE TURKISH THREAT. GREECE HAD FOR CENTURIES REPRESENTED THE EASTERN FRONTIER OF EUROPE. SHE WAS PREPARED TO DEFEND THAT FRONTIER. BUT SHE NEEDED UNDERSTANDING AND SUPPORT FROM HER EUROPEAN FRIENDS IF SHE WAS TO PLAY HER EUROPEAN ROLE PROPERLY. LORD HAILSHAM UNDERTOOK TO REPORT TO HIS COLLEAGUES WHAT THE PRESIDENT HAD SAID.

CONFIDENTIAL

/COMMENT

COMMENT

3. SARTZETAKIS WAS OBVIOUSLY DELIGHTED TO RECEIVE LORD HAILSHAM AND, WHEN HE REALISED THAT HIS VISITOR KNEW AS MUCH (IF NOT MORE) ABOUT GREEK HISTORY AS HE DID, THE PRESIDENT UNBENT. HE HAS A FIXATION ABOUT TURKEY. BUT SO DO ALMOST ALL HIS COUNTRYMEN. AS A LAWYER, HE REGARDS IT AS UNJUST THAT THE TURKS SHOULD BE ABLE TO MAINTAIN THEIR TROOPS ON CYPRUS AND TO THREATEN GREEK SOVEREIGN RIGHTS AS DEFINED BY THE TREATY. IN HIS APPEAL FOR THE UNDERSTANDING OF GREECE'S EUROPEAN PARTNERS, HE MAY HAVE BEEN ANTICIPATING WHAT THE PRIME MINISTER AND YOU WILL HEAR FROM PAPANDREOU AT THE EUROPEAN COUNCIL AT THE HAGUE.

4. SARTZETAKIS IS SOMETHING OF AN UNGUIDED MISSILE. BUT I THINK WE WOULD BE WISE NOT JUST TO DISMISS WHAT HE SAID OUT OF HAND. A NUMBER OF THOUGHTFUL GREEKS TO WHOM I HAVE SPOKEN IN THE PAST FEW DAYS (AND THE TURKISH AMBASSADOR HIMSELF) ARE SERIOUSLY WORRIED AT THE PROSPECT OF AN APPARENTLY ENDLESS DECLINE IN GRECO-TURKISH RELATIONS, GOING FROM BAD TO WORSE. IF THEY ARE PARANOID ON THE SUBJECT, HISTORY GIVES THEM SOME CAUSE TO BE. IF WE TELL THEM TO START A DIALOGUE, THEY REPLY THAT ALL THEY WANT IS TO SECURE THE RECOGNITION OF THEIR EXISTING FRONTIERS, THE WITHDRAWAL OF FOREIGN TROOPS FROM CYPRUS AND AN END TO TURKISH DISCRIMINATION. THEY CANNOT UNDERSTAND WHY THEIR PARTNERS WILL NOT RECOGNISE THE LEGITIMACY OF THEIR CONCERNS.

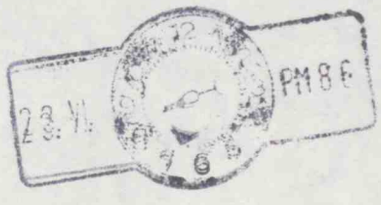
5. WHAT SARTZETAKIS SAID TO LORD HAILSHAM UNDERLINES HOW IMPORTANT IT WILL BE TO HANDLE THE EC/TURKISH ASSOCIATION QUESTION CAREFULLY, IF WE ARE NOT TO RISK A SERIOUS GREEK BACKLASH, DAMAGING TO GREECE'S RELATIONS WITH THE COMMUNITY AND THE WESTERN ALLIANCE, AND TO OUR OWN BILATERAL INTERESTS.

PLEASE PASS COPIES TO PS/LORD CHANCELLOR AND PS/SECRETARY OF STATE.

THOMAS

- LIMITED
SED
ECD(I)
PROTOCOL D
CRD
NEWS D
INFO D
PS
MR DEREK THOMAS
MR RATFORD

COPIES TO:-
PS/LORD CHANCELLOR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The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2211 (one piece/item number)	Date and sign
Extract details: MINUTE DATED 20 JUNE 1986: PERCY CRADOCK TO MR POWELL	X
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	SD 14/04/2016
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	

Instructions for completion of Dummy Card

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,
eg. HO 405, J 82.

Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.
This should be an indication of what the extract is,
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

CDQ 975

The Ambassador

Greek Embassy
London

9 May 1986

No.F.814

Dear Prime Minister,

I have the honour to enclose a letter addressed to you by the Prime Minister of Greece, Mr. Andreas G. Papandreou. -28-4-86

Yours sincerely,
S. Stathatos

Stephanos G. Stathatos

The Rt.Hon. Margaret Thatcher M.P.,
Prime Minister,
10 Downing Street,
London S.W.1.

Greece: Relations

May '80

The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2211 (one piece/item number)	Date and sign
Extract details: Letter from Papandreou to PM dated 28 April 1986 (T.81c/86)	X
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	10 August 2017 D Wayland
MISSING AT TRANSFER	
NUMBER NOT USED	
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CONFIDENTIAL

BM.

10 DOWNING STREET

From the Private Secretary

14 January 1986

EX-KING CONSTANTINE'S SON

Thank you for your letter of 13 January about the timing of the Prime Minister's message to Mr. Papandreou about Prince Paul's place at Sandhurst.

The Prime Minister accepts the Foreign Secretary's advice that the Ambassador in Athens should be instructed to deliver the message at the earliest opportunity. I enclose a copy with a current date.

I am copying this letter to Richard Mottram (Ministry of Defence) and to Sir Philip Moore at Buckingham Palace.

(C.D. Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2211 (one piece/item number)	Date and sign
Extract details: Letter from PM to Papandreou (T.98/86) dated 15 January 1986	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	10 August 2017 OWayland
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	

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CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

13 January 1986

Dear Charles,

Ex-King Constantine's Son

In your letter of 3 January you asked for advice on the timing of the Prime Minister's message to Papandreou about Prince Paul's place at Sandhurst.

As Prince Paul is not to start at Sandhurst until September there may be an argument for giving the Greeks as little time as possible to make a fuss. But Sir Geoffrey Howe is concerned about the very real risk of a leak. This would nullify the effect of any message. Additionally, if Papandreou is to react badly he will do so whenever the news is passed. Delaying until nearer the time and presenting him with an obvious fait accompli is likely only to add to the Greek irritation. By telling him now we stand a better chance of him accepting the view that this was indeed a decision taken purely on personal and family grounds. The Foreign Secretary therefore believes that the Ambassador in Athens should be instructed to deliver the message (attached for ease of reference) at the earliest opportunity.

The original signed message from the Prime Minister, now with the Ambassador in Athens, is dated 16 December. If the Prime Minister is content to proceed without further delay, it would be better to hand over an original with a more recent date. I should be grateful if you could provide us with this.

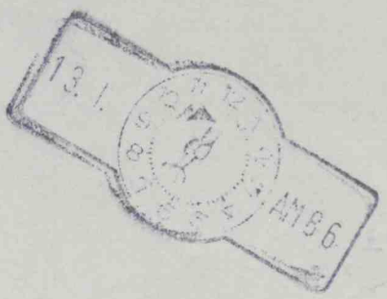
Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
No.10 Downing St.

CONFIDENTIAL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6

10 DOWNING STREET

3 January 1986

From the Private Secretary

Temporarily retained D Wayland. 10/8/17

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

It would be helpful to have the Foreign Secretary's advice on the timing of a message, bearing in mind that King Constantine's son will not start at Sandhurst until September. We here see cogency in the argument that the less time given to the Greek Government to make a fuss the better.

Charles Powell

Len Appleyard, Esq., CMG.,
Foreign and Commonwealth Office.

6

The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2211 (one piece/item number)	Date and sign
Extract details: Letter from Moore to Heseltine dated 31 December 1985, with covering compliment slip	
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	10 August 2017 CWayland
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DOCUMENT PUT IN PLACE (TNA USE ONLY)	

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Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

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The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2211 (one piece/item number)	Date and sign
Extract details: Letter from PM to Papandreou dated 16 December 1985 (T. 234/85)	X
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	10 August 2017 CWayland
MISSING AT TRANSFER	
NUMBER NOT USED	
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Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

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eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.
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The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2211 (one piece/item number)	Date and sign
Extract details: Letter from Powell to Budd dated 16 December 1985	X
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	10 August 2017 OWayland
MISSING AT TRANSFER	
NUMBER NOT USED	
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CW

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Foreign and Commonwealth Office

London SW1A 2AH

13 December 1985

I feel we should make the two proposed amendments — see overpage — and check with F.C.S. not

Prime Minister
Agree in principle to send the attached message to Papandreou? If so, I will alert Philip Moore
CDP 13/1

Dear Charles,

Ex-King Constantine's Son

As you know, the Prime Minister and the Foreign Secretary have agreed that Prince Paul of The Hellenes should attend Sandhurst and follow a military career (presumably with the British Army).

It is clearly recognised that this decision is likely to provoke a negative response from the Greeks. We have therefore addressed ourselves to the problem of how best the news should be presented. The Foreign Secretary considers that a Prime Ministerial message to Papandreou would be most appropriate.

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

Temporarily retained
CWayland. 10/8/17

The Ambassador in Athens advises that he should deliver the message personally to Papandreou or his Diplomatic Adviser, taking such necessary supportive action with the President's Office as seems necessary on the day. Since Mr Thomas is currently in the UK, delivery could not be made until after his return on 18 December.

I am copying this letter to Richard Mottram (MOD).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2211 (one piece/item number)	Date and sign
Extract details: Enclosure to letter from Budd to Powell dated 13 December 1985	X
CLOSED UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	10 August 2017 CWayland
MISSING AT TRANSFER	
NUMBER NOT USED	
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Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

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CONFIDENTIAL AND PERSONAL

10 DOWNING STREET

From the Private Secretary

11 December 1985

EX-KING CONSTANTINE'S SON

The Prime Minister raised with the Foreign and Commonwealth Secretary this morning the problem which has arisen over ex-King Constantine's wish to send his son to Sandhurst. The impression had been created that the Government was trying to prevent this. The Foreign Secretary said that this was mistaken but that care would be needed in explaining the situation to the Greek Government. There would certainly be a vigorous reaction in Greece. The Prime Minister said that she might send a personal message to Mr. Papandreou. The Foreign Secretary undertook to provide a draft.

I am copying this letter to Richard Mottram (Ministry of Defence).

(C.D. Powell)

Len Appleyard, Esq.,
Foreign and commonwealth Office

CONFIDENTIAL AND PERSONAL

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T167A(ii)/85

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J.E.D. 25/9. OPS.
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FM FCO
TO IMMEDIATE ATHENS
TELNO 284
OF 241610Z SEPT 85

PAPANDREOU'S MESSAGE TO THE PRIME MINISTER YOUR TEL NO 414

1. PLEASE PASS THE FOLLOWING MESSAGE TO PAPANDREOU FROM THE PRIME MINISTER:
BEGINS
'DEAR PRIME MINISTER,
THANK YOU FOR YOUR KIND MESSAGE CONCERNING THE RECENT BOMBING IN GLYFADA. I GREATLY APPRECIATED IT. OUR AMBASSADOR HAS REPORTED THE MANY GESTURES OF SYMPATHY AND KINDNESS WHICH THE GREEK PEOPLE SHOWED TO THE INJURED AND HOW WELL THE INJURED WERE LOOKED AFTER IN HOSPITAL. FOR ALL OF THAT I THANK YOU.

AS YOU KNOW, I FIRMLY BELIEVE THAT ALL CIVILISED STATES MUST WORK TOGETHER AGAINST THE EVIL OF TERRORIST VIOLENCE WHICH THREATENS US ALL. I THEREFORE VERY MUCH WELCOME THE FACT THAT YOUR AUTHORITIES ARE IN CLOSE CONTACT WITH OUR EMBASSY OVER HOW WE CAN CO-OPERATE MORE CLOSELY. I PARTICULARLY WELCOME THE PLAN FOR MR TSOURAS TO VISIT LONDON LATER IN THE YEAR TO DISCUSS THESE MATTERS IN DETAIL AT MINISTERIAL LEVEL.
I TOO LOOK FORWARD TO OUR MEETING IN LUXEMBOURG IN DECEMBER. I WARMLY RECIPROCATE YOUR COMMENTS ABOUT THE IMPORTANCE OF OUR

BILATERAL RELATIONS. I ALSO BELIEVE THERE IS MUCH WE CAN ACHIEVE TOGETHER WITHIN THE COMMUNITY AND ALLIANCE.'
ENDS

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DEFENCE DEPT
PS
PS/LADY YOUNG
PS/MR RIFKIND
PS/PUS
MR DEREK THOMAS
MR RENWICK

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

24 September 1985

PAPANDREOU'S MESSAGE TO THE PRIME MINISTER

Thank you for your letter of 23 September enclosing a draft reply from the Prime Minister to Mr Papandreou's recent message.

The Prime Minister is content with the terms of the proposed draft reply which may now be despatched.

C D POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

23 September 1985

Prime Minister

Agree to message to Papandreou?

CDP 23/9

Dear Charles,

Papandreou's Message to the Prime Minister

I am enclosing, as requested in your telegram No 651 from Cairo a draft reply from the Prime Minister to Papandreou's message about Glyfada etc. It would be helpful if the Ambassador in Athens were instructed to deliver it.

This gesture by Papandreou is welcome if belated. It looks like a recognition on his part of the need to continue the fence mending he began with the Prime Minister in Milan.

We have already responded to the Glyfada bombing by seeking to strengthen our links with the Greek security service over anti-terrorist co-operation. They appear to be responding well. The Greek Minister responsible for public order (Tsouras) will we hope visit the UK later in the year to discuss anti-terrorist co-operation.

Papandreou's remarks about our bilateral and Community relations also appear to Sir Geoffrey Howe to merit a welcome. There will no doubt be many occasions when we need to remonstrate forcefully with the Greeks. But we feel equally inclined to accept an olive branch when proffered, so long as we take care in doing so not to make them think that the UK is moving towards the Greek position on EC and PoCo matters - where the divide between the two countries remains a wide one.

Yours ever,
Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

CONFIDENTIAL IMMEDIATE

ZCZC
CONFIDENTIAL

FM FCO
TO IMMEDIATE ATHENS
TELNO
OF

PAPANDREOU'S MESSAGE TO THE PRIME MINISTER: YOUR TEL NO 414

1. Please pass the following message to Papandreou from the Prime Minister:
Begins
"Dear Prime Minister,
Thank you for your kind message concerning the recent bombing in Glyfada. I greatly appreciated it. Our Ambassador has reported the many gestures of sympathy and kindness which the Greek people showed to the injured and how well the injured were looked after in hospital. For all of that I thank you.

As you know, I firmly believe that all civilised states must work together against the evil of terrorist violence which threatens us all. I therefore very much welcome the fact that your authorities are in close contact with our Embassy over how we can co-operate more closely. I particularly welcome the plan for Mr Tsouras to visit London later in the year to discuss these matters in detail at ministerial level.

B

I TOO

SED D M LAWRENCE 233-3847

RESTRICTED IMMEDIATE

<<<<

I too look forward to our meeting in Luxembourg in December. I warmly reciprocate your comments about the importance of our bilateral relations. I also believe there is much we can achieve together within the Community and Alliance."

Ends

HOWE

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DEFENCE DEPT
PS
PS/LADY YOUNG
PS/MR RIFKIND
PS/PUS
Mr Derek Thomas
Mr Renwick

NNNN

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Relo. 5/80

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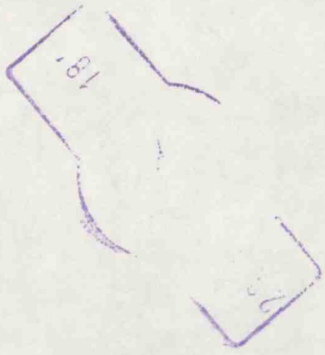

XY 42

File No. .....

Department .....
Drafted by
(Block Capitals) .....

Tel. Extn. .....

OUTWARD

TELEGRAM

Security Classification
RESTRICTED
Precedence
ROUTINE
DESKBY .....Z

FOR COMMS. DEPT. USE

Despatched *(Date)* .....
(Time) .....Z

POSTBY .....Z

PREAMBLE

(Time of Origin).....Z(G.M.T.)

(Security Class.).....RESTRICTED.....

(Codeword).....

(Restrictive Prefix).....
(Caveat/ Privacy marking).....

(Deskby).....Z

TO.....ROUTINE (precedence) .....FCO (post)..... *Tel. No.* .....*of*.....

AND TO (precedence/post).....

.....

.....

AND TO SAVING.....

INFO.....

.....

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INFO SAVING.....

Distribution:–

Copies to:–

[TEXT]

FOLLOWING FOR PRIVATE SECRETARY FROM PS/PM

Following is text of message from Papandreou to the Prime Minister received just as we were leaving London:

"Dear Prime Minister,

I would like to express to you my deepest sorrow and my personal sympathy for the British citizens who were victims of an attack and wounded in their hotels at Glyfada, a sea-resort near Athens. This unfortunate event has profoundly shocked the Greek people who always welcomed friendly British visitors in our country.

Dd 8200201 200M S&K 6/81

I can assure you that the Greek authorities, in close contact with the British Embassy in Athens, are doing their best to find and punish the perpetrators of this appalling act and to prevent any future attacks against innocent citizens.

I was very pleased indeed with out last friendly discussion at the European Summit in Milan and I will be happy to see you again in Luxembourg next December.

May I assure you, once again, of the strong desire of my Government to reinforce the bilateral relations between our two countries in all possible fields, worthy of the traditional friendship and bonds between our two peoples.

Looking forward to collaborating with you also on the European level.

Yours sincerely,

Andreas G. Papandreou"

Grateful for draft reply in due course. //

End

NOTHING TO BE WRITTEN IN THIS MARGIN

OO

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 165 B/85

SUBJECT
cc Master
ops.

CCPC

The Ambassador

Greek Embassy
London

Prime Minister

CDP.

16 September 1985

No.F.1009

Dear Prime Minister,

I have the honour to convey the following message from the Prime Minister of Greece.

"The Right Honourable
Margaret Thatcher M.P.,
Prime Minister
of Great Britain.

Athens, September 10,1985

Dear Prime Minister,

I would like to express to you my deepest sorrow and my personal sympathy for the British citizens who were victims of an attack and wounded in their hotels at Glyfada, a sea-resort near Athens. This unfortunate event has profoundly shocked the Greek people who always welcomed friendly British visitors in our country.

I can assure you that the Greek authorities, in close contact with the British Embassy in Athens, are doing their best to find and punish the perpetrators of this appaling act and to prevent any future attacks against innocent citizens.

I was very pleased indeed with our last friendly discussion at the European Summit in Milan and I will be happy to see you again in Luxembourg next December.

./.

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

17 June 1985

REMARKS BY THE GREEK PRIME MINISTER ABOUT BRITAIN

Thank you for your letter of 14 June enclosing a copy of a letter from the Greek Ambassador about Mr. Papandreou's remarks about Britain.

The Prime Minister agrees that it would not be right for her to send any sort of message to Mr. Papandreou in the light of his remarks but does not wish to pursue the matter further.

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

May I assure you, once again, of the strong desire of my Government to reinforce the bilateral relations between our two countries in all possible fields, worthy of the traditional friendship and bonds between our two peoples.

Looking forward to collaborating with you also on the European level.

Yours sincerely,

Andreas G. Papandreou "

Yours Sincerely

Nikos Kyriazides

The Rt. Hon. Margaret Thatcher M.P.,
Prime Minister,
10 Downing Street,
London S.W.I.

(2)

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

14 June 1985

Very inadequate excuse from Greeks: but nothing to be gained from a fuss. CDP. 14/6

Dear Charles,

Remarks by the Greek Prime Minister about Britain

You will recall that, following Mr Papandreou's remarks about Britain made on 31 May at the end of his election campaign, Lady Young summoned the Greek Ambassador on 6 June. I now enclose a copy of a letter from the Greek Ambassador, of 12 June, in reply to Lady Young's representations. The Ambassador encloses a statement made by the Government Spokesman in Athens on 11 June and asks that his letter be shown to the Prime Minister.

The Greek statement falls well short of a recantation, but the Foreign Secretary - who also expressed concern about Mr Papandreou's remarks to the Greek Foreign Minister at the EC Foreign Ministers' meeting at Stresa - feels that it is the best we are likely to get. He does not believe that in these circumstances even a low-key message of congratulation to Mr Papandreou on the formation of his new Government on 17 June would be appropriate. But the absence of a message from the Prime Minister has already been used by one Greek Ministry (with what justification we cannot say) as a reason why a UK firm has failed to land a confirmed contract and our commercial interests in Greece could suffer if we were to press the matter further. Sir Geoffrey Howe therefore proposes that we should make it clear in response to press enquiries that we have noted the Greek Spokesman's statement and do not intend to pursue the matter further. Our new Ambassador in Athens will be guided accordingly when he makes his initial calls on Mr Papandreou and other Greek Ministers next week.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

SED

The Ambassador

Greek Embassy

London

12 June 1985

Dear Minister of State,

I am enclosing herewith the text of a statement made by the Government Spokesman in Athens yesterday on the matter about which you expressed the grave concern of Her Britannic Majesty's Government during our meeting last Thursday.

I trust that this statement will dispel any misunderstanding that there may have been about the Prime Minister's reference to England in the course of his electoral speech in Athens on Friday, May 31st.

I would be grateful if you would bring this statement also to the attention of the Prime Minister and the Secretary of State.

Yours sincerely,

Nikos Kyriazides

The Rt.Hon.The Baroness Young,PC,
Minister of State for
Foreign and Commonwealth Affairs,
Foreign and Commonwealth Office,
King Charles Street,
London SWIA 2AH.

We believe that the British Government has fully understood that the controversial sentences did not refer to Britain nor were they intended as a comment on the policies followed in that country.

Their purpose was to describe the consequences and implications of such an economic program in Greece, with particular reference to past Greek experience from the implementation of a policy similar to that of the United Kingdom with which the leader of the opposition New Democracy Party Mr. Mitsotakis had identified himself.

On the contrary, we believe that our relations with Great Britain have always been excellent and will remain so despite any differences of outlook on economic programs. Moreover, differences in outlook notwithstanding, it is also well known that Mr. Papandreou maintains good personal relations with the British Prime Minister Mrs. Margaret Thatcher.

[To whom, I wonder!]

R 14/6.

Foreign and Commonwealth Office

London SW1A 2AH

6 June, 1985

Prime Minister
CDP
6/6

Dear Charles,

Mr Papandreou's Remarks

I enclose a copy of a telegram reporting Lady Young's meeting with the Greek Ambassador this morning which is being despatched to Athens this afternoon.

As he left the FCO Mr Kyriazides told the assembled press that he had offered Lady Young an explanation of Mr Papandreou's remarks, which he emphasised had not been intended as a slight to Britain. In answer to questions he confirmed that Lady Young had made a formal protest, which he would be transmitting to his Government.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

OUT TELEGRAM

		Classification and Caveats	Precedence/Deskby

ZCZC 1
GRS 2
CLASS 3
CAVEATS 4
DESKBY 5
FM FCO 6
PRE/ADD 7
TEL NO 8

YOUR TELNO 262: CRITICISM OF THE UK BY PAPANDREOU

1. Lady Young summoned the Greek Ambassador at 12.30 today.

2. Lady Young said our two countries had been friends and allies for a long time. We had fought together in the struggle against Fascism in the last War. Many Britons had lost their lives in that struggle. Against this background we had been particularly saddened to hear certain references made about Britain by Papandreou in a speech in Athens on 31 May.

3. We took particular exception to the reference to Britain as a police state. Lady Young asked the Ambassador to offer an explanation, and to make clear to his government that we took a very serious view of these misrepresentations.

4. The Ambassador replied that Papandreou had not intended to refer to England as a police state. His aim had been to show that the introduction of New Democracy's economic policy in Greece would bring about an autocratic state, a police

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Drafted by (Block capitals): C R BUDD		
Telephone number		
Authorised for despatch		
Comcen reference	Time of despatch	

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state and false trade union leaders - of all of which Greece had had recent experience. The Ambassador argued that the same policy could bring about different results in different countries, depending on their individual histories. The Ambassador emphasised that Papandreou's remarks concerned Greece and not Britain.

5. Lady Young said that a British audience would not place this interpretation on the remarks. If this was really what Papandreou had intended he should now use a suitable public opportunity, perhaps on television, to make clear to the Greek people that he had not meant to imply that Britain was a police state.

6. Lady Young asked the Ambassador to transmit her remarks to his Government. The Ambassador undertook to report fully, while reaffirming that it had not been Papandreau's intention to cast aspersions on Britain.

HOWE

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GR 330
RESTRICTED
FM ATHENS 042015Z JUN 85
TO IMMEDIATE FCO
TELEGRAM NUMBER 259 OF 4 JUNE 1985

Charles

We shall consult the Foreign Secy as soon as we can, & then come back to you. Colin 4/6

FOLLOWING FOR NEILSON, SED

CRITICISM OF THE UK BY PAPANDREOU

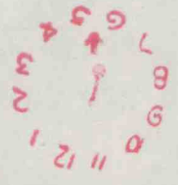
1. IN HIS SPEECH IN CENTRAL ATHENS ON FRIDAY, PAPANDREOU MADE A NUMBER OF DISOBLIGING REMARKS ABOUT CONSERVATIVE WESTERN GOVERNMENTS. IN PARTICULAR HE USED ''ENGLAND'' REPEATEDLY AS AN EXAMPLE OF AN EXPLOITATIVE CAPITALIST ECONOMY OF THE SORT TO WHICH HE CLAIMS NEW DEMOCRACY'S NEW-FOUND ''LIBERALISM'' ASPIRES. MOST OF THIS IS FAMILIAR PAPANDREOU DEMAGOGUERY AND CAN BE IGNORED. HOWEVER ONE PASSAGE WAS PARTICULARLY OFFENSIVE. AFTER CLAIMING THAT NEW DEMOCRACY AIMS AT THE ABOLITION OF THE WELFARE STATE AND THE IMPOVERISHMENT OF THE COUNTRYSIDE HE SAID THE FOLLOWING:-

''IT (I.E. NEW DEMOCRACY'S ECONOMIC POLICY) MEANS THE UNDERMINING OF THE PRODUCTIVE CAPACITY OF THE FARMING FAMILY. BUT FOR THIS TO COME ABOUT THERE HAS TO BE, AS IN ENGLAND, AN AUTOCRATIC STATE, A POLICE STATE, A STATE OF REPRESSION. ALSO LIMITATIONS ON COLLECTIVE AND INDIVIDUAL FREEDOMS AND THE FAKE TRADE UNION LEADERSHIPS OF THE PAST''. THESE REMARKS WERE HEARD BY THE MAJORITY OF THE GREEK POPLULATION, SINCE THEY WERE BROADCAST ON TELEVISION, AND WERE ALSO REPRODUCED IN THE PRESS THE FOLLOWING DAY. I FEEL THAT THE IMPLICATION THAT ''ENGLAND'' IS A POLICE STATE SHOULD NOT PASS WITHOUT COMMENT. IF YOU AGREE, I PROPOSE TO SEND A LETTER ALONG THE FOLLOWING LINES TO PAPANDREOU.

''IN YOUR SPEECH AT THE SYNTAGMA RALLY ON 31 MAY, I NOTED A NUMBER OF CRITICAL REFERENCES TO THE UNITED KINGDOM. AT ONE POINT YOU SUGGESTED THAT THE IMPLEMENTATION OF NEW DEMOCRACY'S ECONOMIC POLICY COULD NOT TAKE PLACE WITHOUT THE EXISTENCE OF AN AUTOCRATIC AND REPRESSIVE POLICE STATE 'AS IN ENGLAND'. THIS DESCRIPTION OF MY COUNTRY BEARS NO RELATIONSHIP WITH REALITY AND I WAS VERY SORRY TO HEAR IT. MY GOVERNMENT HAS NO DESIRE AT ALL TO BE INVOLVED IN INTERNAL GREEK AFFAIRS SEMI COLON THE REFERENCE TO CIRCUMSTANCES IN MY OWN COUNTRY THEREFORE SEEMS TO BE PARTICULARLY INAPPROPRIATE. MOREOVER IT SADDENS ME THAT YOU SHOULD FIND IT NECESSARY TO MAKE A REFERENCE OF THIS SORT TO A COUNTRY WHICH IS AN ALLY AND A FELLOW MEMBER OF THE EUROPEAN COMMUNITY, IN ADDITION TO BEING A FRIEND OF GREECE''.

HULSE

GREEK Relats.



510

RESTRICTED

Foreign and Commonwealth Office

London SW1A 2AH

4 June 1985

Nfa. CDP 7/6.

Dear Charles,

Greek Elections: Message of Congratulation

In the light of the results of the Greek elections which took place on 2 June, I attach a draft message from the Prime Minister to Mr Papandreou.

Subject to the Prime Minister's approval, we shall instruct our Embassy at Athens to deliver the message immediately.

Papandreou's PASOK party has been returned with a slightly reduced overall majority. New Democracy did well to increase their vote by 5%, but not well enough.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

RESTRICTED

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Prime Minister

DEPARTMENT: **TEL. NO:**

Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

TO:

President Papandreou

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

FCO text

SUBJECT:

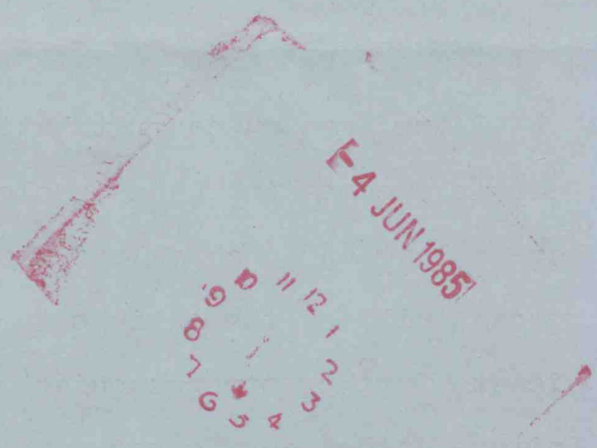
I send you ~~my~~ congratulations on your own and your Party's success in Sunday's elections. Our two countries have a long and much valued history of friendship. I hope we can build on those links during your second term with a view to further strengthening relations between the United Kingdom and Greece.

or

I send you congratulations upon your success in the recent elections with my ~~and~~ ~~look forward to~~ ~~continuing good sound relations~~ ~~e sound cooperation~~ ~~between the United Kingdom e Greece.~~ ~~and~~ hope that the United Kingdom e Greece can ~~continue~~ work effectively together in the European Community and the NATO Alliance.

CDP text (more restrained/less hypothetical.)

Enclosures—flag(s).....


4 JUN 1985

Prime Minister

~~President~~ Papandreou

I send you congratulations on your own and your Party's success in Sunday's elections. Our two countries have a long and much valued history of friendship. I hope we can build on those links during your second term with a view to further strengthening relations between the United Kingdom and Greece.

FCO

or

I send you congratulations upon your success in the recent elections with my hope that the United Kingdom and Greece ~~can~~ will work effectively together in the European Community and the NATO Alliance.

CDP.

CONFIDENTIAL

GR 800
CONFIDENTIAL
DESKBY 031000Z JUNE 85
FM ATHENS 030845Z JUNE 85
TO IMMEDIATE DESKBY FCO
TELEGRAM NUMBER 257 OF 3 JUNE 1985
INFO IMMEDIATE ANKARA, NICOSIA, WASHINGTON, UKDEL NATO, UKMIS
NEW YORK AND UKREP BRUSSELS
INFO PRIORITY OTHER EC POSTS

MIPT: THE GREEK GENERAL ELECTION

SUMMARY

1. PASOK WIN BY AN UNEXPECTEDLY LARGE MARGIN (5%), WITH COMMUNIST HELP. NEW DEMOCRACY HAS IMPROVED ON THE JUNE EUROPEAN ELECTION RESULT BUT FAILED TO MAKE A REAL INROAD INTO PASOK'S STRENGTH IN RURAL AREAS. PAPANDREOU WILL HAVE AN ADEQUATE PARLIAMENTARY MAJORITY TO CONTINUE EXISTING POLICIES. BUT HE WILL FACE INCREASING ECONOMIC PROBLEMS.

DETAIL

2. A PROPER ANALYSIS WILL HAVE TO WAIT UNTIL WE CAN ASSESS THE FULL RESULTS, BUT OUR INITIAL IMPRESSIONS ARE AS FOLLOWS.

3. PASOK HAS FOUGHT A SUCCESSFUL CAMPAIGN, LOSING ONLY 3% OF THE VOTE COMPARED WITH THE 1981 ELECTION (AND IS UP 4% ON THE EUROPEAN ELECTION OF JUNE 84). THE PARTY HAS REMAINED DOMINANT IN MOST RURAL AREAS, SUGGESTING THAT INFLATION AND UNEMPLOYMENT HAVE HAD RELATIVELY LITTLE IMPACT THERE. NEW DEMOCRACY HAVE GAINED 5% IN COMPARISON WITH 1981 AND IS 2% UP ON JUNE 84. THE PARTY DID WELL IN ATHENS AND SALONIKA. ALTHOUGH THEY INCREASED THEIR SHARE IN MANY RURAL AREAS, THEY FAILED TO MAKE SIGNIFICANT INROADS INTO PASOK'S STRENGTH THERE. THEY MAY HAVE BEEN ADVERSELY AFFECTED BY THE BRIEFNESS OF THE CAMPAIGN.

4. THE BIG SURPRISE WAS THE POOR RESULT FOR THE KKE (EXT), WHICH HAS DONE WELL IN RECENT POLLS. IT IS CLEAR THAT ABOUT 2% OF THOSE WHO VOTED COMMUNIST IN 1981 HAVE NOW SUPPORTED PASOK, ESPECIALLY IN ATHENS AND PIRAEUS. THEY APPEAR TO HAVE BEEN INFLUENCED BY PAPANDREOU'S SKILLFUL EXPLOITATION OF THE ''THREAT OF THE RIGHT''.

5. THE RESULT IS A MAJOR DISAPPOINTMENT TO NEW DEMOCRACY, WHICH MOUNTED A VIGOROUS AND GENERALLY IMPRESSIVE CAMPAIGN. BUT IT HAS FAILED TO LURE SIGNIFICANT NUMBERS OF MODERATE VOTERS AWAY FROM PASOK. IN PARTICULAR ITS ECONOMIC PROGRAMME SEEMS TO HAVE HAD LITTLE IMPACT, ESPECIALLY IN RURAL AREAS. MOREOVER MANY VOTERS MAY HAVE BEEN INFLUENCED BY PAPADREOU'S CLAIMS THAT MITSOTAKIS WOULD IMPOSE ''THATCHERITE AUSTERITY'' ON THE COUNTRY.

DESPITE THE INITIAL NEGATIVE RESPONSE TO THE SARTZETAKIS ELECTION, THIS ISSUE MAY ALSO HAVE WORKED TO NEW DEMOCRACY'S DISADVANTAGE, BECAUSE IT ENABLED PAPANDREOU TO PRESENT HIS OPPONENT AS A THREAT TO CONSTITUTIONAL ORDER. A LAST-MINUTE INTERVENTION BY KARAMANLIS (IN A STATEMENT ON FRIDAY NIGHT IN WHICH HE WARNED THE ELECTORATE AGAINST THE DANGER OF FURTHER SOCIALIST ADVENTURES) DID NOTHING TO HELP ND. PASOK'S DOMINATION AND UNSCRUPULOUS USE OF THE MEDIA, WHICH HAS MARKED THE CAMPAIGN THROUGHOUT, AND THE SMEAR CAMPAIGN AGAINST MITSOTAKIS, MAY HAVE INFLUENCED SOME VOTERS. IN A STATEMENT CONCEDING DEFEAT MITSOTAKIS COMPLAINED BITTERLY ABOUT THE USE OF ''PSYCHOLOGICAL VIOLENCE'' BY PASOK . FINALLY, THE ELECTORAL LAW, AS WAS INTENDED, WORKED STRONGLY TO THE ADVANTAGE OF THE LEADING PARTY.

6. IT IS IMPOSSIBLE TO PREDICT THE INTERNAL IMPACT WITHIN NEW DEMOCRACY, BUT ONE CANNOT EXCLUDE THE POSSIBILITY THAT THERE WILL BE A RE-EXAMINATION OF MITSOTAKIS' LEADERSHIP.

7. THE SIZE OF PASOK'S MAJORITY MEANS THAT IT HAS GOOD PROPSECTS OF COMPLETING A LARGE PART, IF NOT ALL, OF ITS FOUR-YEAR TERM OF OFFICE. THE PARTY IS PLEDGED TO CONTINUE WITH THE ''SOCIALIST TRANSFORMATION'' OF GREECE AND THERE ARE UNLIKELY TO BE MAJOR SHIFTS IN FOREIGN POLICY. HOWEVER PAPANDREOU WILL SOON FACE MAJOR PROBLEMS IN THE ECONOMIC FIELD. FIRM MEASURES TO DEAL WITH INFLATION AND EXCESSIVE PUBLIC EXPENDITURE ARE LIKELY TO BE STRONGLY OPPOSED BY THE KKE. IN A STATEMENT MADE LAST NIGHT EXPRESSING DISAPPOINTMENT WITH THE ELECTION RESULT, FLORAKIS (SECRETARY GENERAL OF THE KKE), SAID THAT THE REAL STRENGTH OF THE PARTY WOULD BE MADE APPARENT THROUGH THE PEOPLE. THIS IMPLIES THAT THE KKE WILL CONTINUE TO EXERT ITS INFLUENCE THROUGH THE LABOUR MOVEMENT.

8. ALTHOUGH THE SCENES OF VIOLENCE WHICH MARRED THE EUROPEAN ELECTION DID NOT MATERIALISE, THE ELECTION WAS BITTER AND DIVISIVE. FOR MANY ON BOTH THE LEFT AND THE RIGHT IT REPRESENTED A CLASH BETWEEN TWO IDEOLOGICAL WORLDS, AND UNLESS PAPANDREOU SHOWS WISDOM AND STATESMANSHIP THE DIVISION IN GREEK SOCIETY WILL CONTINUE. THE OUTLOOK IS NOT BRIGHT - IN A VICTORY STATEMENT LAST NIGHT PAPANDREOU DESCRIBED THE RESULT AS A DEFEAT FOR ''DOMESTIC AND FOREIGN REACTIONARY FORCES''.

LIMITED

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NEWS D
INFORMATION D
PLANNING STAFF
PUSD
PS
PS/LADY YOUNG
PS/MR RENTON
PS/PUS
MR DEREK THOMAS
MR JENKINS

COPIES TO

PS/NO 10 DOWNING ST

CONFIDENTIAL

File

SUBJECT
cc Master
Ops

MFJ

cc: FCO

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T59A/85

10 DOWNING STREET

THE PRIME MINISTER

2 April 1985

Dear Prime Minister,

I wrote to you in November in response to the kind invitation in your letter of 19 October to the inauguration ceremonies on 21 June of Athens as European City of Culture.

Unfortunately I shall not be able to come to Athens on 21 June. My Government will therefore be represented by Lord Gowrie, a member of my Cabinet and the United Kingdom representative at meetings of Community Ministers of Culture.

Yours sincerely,

Margaret Thatcher

His Excellency Mr Andreas Papandreou

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NOF
2/4.

GR 800

RESTRICTED

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RESTRICTED
FM ATHENS 011120Z APR 85
TO PRIORITY FCO
TELEGRAM NUMBER 188 OF 1 APRIL
INFO SAVING BONN, BRUSSELS, COPENHAGEN, THE HAGUE, LUXEMBOURG, PARIS, ROME, DUBLIN, UKREP BRUSSELS, UKDEL NATO, WASHINGTON, UKMIS NEW YORK, ANKARA, NICOSIA, LISBON AND MADRID.

WSE 014/2
- 2 APR 1985

MY TELEGRAM NO 183: GREEK POLITICS.

48

SUMMARY.

1. SARTZETAKIS WAS SWORN IN AS PRESIDENT ON 30TH MARCH. HE RECEIVED REPRESENTATIVES OF ALL MAJOR GREEK INSTITUTIONS AND FOREIGN AMBASSADORS ON 31 MARCH WHEN H HANDED OVER THE QUEEN'S MESSAGE. NEW DEMOCRACY WERE ABSENT FROM BOTH OCCASIONS.

2. PAPANDREOU HINTS AT EARLY ELECTIONS AND TAKES THE LINE THAT NEW DEMOCRACY ARE UNDERMINING THE INSTITUTIONS OF THE STATE BY THEIR BOYCOTT OF THE PRESIDENT. IMPOSSIBLE TO BE SURE OF THE EFFECT ON PUBLIC OPINION OF RECENT EVENTS AND IN PARTICULAR ON VOTERS OF THE CENTRE. PASOK MAY NOT HAVE LOST SUBSTANTIALLY. THE MORE LIKELY OPTION SEEMS EARLY ELECTIONS: BUT THESE COULD PROBABLY NOT BE HELD BEFORE 9 JUNE GIVEN PAPANDREOU'S INTENTION TO PUT THROUGH CONSTITUTIONAL AMENDMENTS.

DETAIL.

3. THE CEREMONY AT WHICH SARTZETAKIS WAS SWORN IN AT THE PARLIAMENT ON 30 MARCH WAS NOTABLE FOR THE ABSENCE OF MEMBERS OF NEW DEMOCRACY. PASOK, THE COMMUNISTS AND INDEPENDENTS WERE ALL PRESENT. FOREIGN AMBASSADORS WERE INVITED TO ATTEND. MOST (INCLUDING MYSELF) DID. THERE WAS A PASOK ORGANISED CROWD OUTSIDE THE PARLIAMENT TO CHEER SARTZETAKIS.

4. ON 31 MARCH SARTZETAKIS RECEIVED REPRESENTATIVES OF POLITICAL PARTIES (WITH THE EXCEPTION OF NEW DEMOCRACY) AND OTHER GREEK INSTITUTIONS AS WELL AS FOREIGN AMBASSADORS. IT WAS A BRISK CEREMONY. H HANDED OVER THE QUEEN'S MESSAGE TO SARTZETAKIS' DIPLOMATIC ADVISER WHO IMMEDIATELY TOLD THE PRESIDENT. WHEN H GREETED SARTZETAKIS HE SAID THAT HE HAD THE MESSAGE AND WOULD BE REPLYING. HE WAS OBVIOUSLY PLEASED TO HAVE RECEIVED IT. OF THE OTHER MESSAGES FROM HEADS OF STATE THAT FROM THE SUPREME SOVIET PRAESIDIM HAS BEEN GIVEN MUCH PUBLICITY AS HAVE THOSE FROM PRESIDENT KYPRIANOU OF CYPRUS AND A MESSAGE FROM ARAFAT. THE ONLY OTHER MESSAGE FROM A EUROPEAN COMMUNITY HEAD OF STATE SO FAR PUBLICISED IS THAT FROM THE PRESIDENT OF THE FEDERAL GERMAN REPUBLIC.

/5.

5. PAPANDREOU IN COMMENTS TO THE PRESS IN THE AEROPLANE RETURNING FROM THE BRUSSELS EC SUMMIT CRITICISED THE ATTITUDE OF NEW DEMOCRACY AS ''ANTI-NATIONAL''. HE REMINDED JOURNALISTS THAT, THOUGH PASOK VOTED NEITHER FOR PRESIDENTS TSATSOS NOR KARAMANLIS, THEY HAD NEVER CAST DOUBT ON THE LEGALITY OF THESE ELECTIONS. WHAT NEW DEMOCRACY WERE DOING WAS MORE APPROPRIATE TO A ''GROUP OF ANARCHISTS'' THAN A RESPONSIBLE POLITICAL PARTY.

6. HE WAS ASKED ABOUT HIS STATEMENT THAT THE VERDICT OF THE PEOPLE ON WHAT HAD BEEN DONE ''WOULD COME SOON''. HE SAID THAT THE PRESIDENT MUST TAKE ANY DECISION ON EARLY ELECTIONS. THE GOVERNMENT MUST FIRST PUT THROUGH THEIR PROPOSALS FOR CONSTITUTIONAL AMENDMENT AND SECONDLY EITHER THE LEADER OF THE OPPOSITION OR HE HIMSELF MUST PROPOSE ELECTIONS FOR ''NATIONAL REASONS''. HE ADDED THAT POSSIBLY HIS VIEWS AND THOSE OF MITSOTAKIS COULD COINCIDE IN THIS RESPECT: BUT ELECTIONS COULD NOT BE CALLED ON ANY OTHER GROUND THAN THOSE WHICH HE HAD CITED.

COMMENT.

7. THE FEELING IS GROWING THAT, BY THEIR BOYCOTT OF SARTZETAKIS, NEW DEMOCRACY MAY BE PAINTING THEMSELVES INTO A CORNER. THEIR MOTION OF NO CONFIDENCE IN THE CHAIRMANSHIP OF THE PARLIAMENT (PARAGRAPH 7 OF MY TELEGRAM 180) IS LIKELY TO BE A NON-EVENT GIVEN PASOK'S MAJORITY. THEIR INSISTENCE ON CONTINUING TO REFER TO ALEVRAS AS THE ACTING PRESIDENT OF THE REPUBLIC CUTS LITTLE ICE OUTSIDE THEIR OWN SUPPORTERS. IT IS POSSIBLE THAT THEY MAY TRY TO DISPUTE IN THE COURTS ACTIONS (E.G. SIGNATURE OF LEGISLATION) BY SARTZETAKIS. BUT THIS WOULD NOT BE LIKELY TO GET FAR: THE COURTS ARE IN ANY CASE UNDER POLITICAL INFLUENCE. PAPANDREOU, IN THE TONE OF THE MAGNANIMOUS VICTOR, HAS SAID THAT IT IS THE PERFECT RIGHT OF NEW DEMOCRACY TO CALL A DEMONSTRATION ON 5 APRIL: THE GOVERNMENT WILL ENSURE THAT THIS RECEIVES SUITABLE PUBLICITY. BUT, HE SAID, NEW DEMOCRACY MUST REALISE THAT THEIR ACTION IS ''POLITICAL SUICIDE''.

8. AGAINST THIS BACKGROUND AND GIVEN PASOK'S APPARENT RELISH OF ''VICTORY'', EARLY ELECTIONS SEEM LIKELY, THOUGH THE TIMETABLE FOR PARLIAMENTARY CONSIDERATION OF PAPANDREOU'S CONSTITUTIONAL PROPOSALS AND FOR THE EASTER HOLIDAYS SEEMS TO MAKE IT IMPOSSIBLE FOR THESE TO BE HELD BEFORE SUNDAY 9 JUNE. THERE ARE THOSE WHO ARGUE THAT PAPANDREOU WOULD PREFER TO HOLD ON UNTIL THE AUTUMN TO LET THE DUST SETTLE AND REDUCE HIS LIKELY LOSSES RESULTING FROM SHOCK OF CENTRE VOTERS AT RECENT EVENTS. RESENTMENT AT THE SPEED AND MANNER IN WHICH THINGS HAVE BEEN HANDLED CANNOT BE DISMISSED. SOME CENTRE VOTERS WILL WITHDRAW SUPPORT FROM PASOK. BUT WE CANNOT ASSESS THE LIKELY NUMBER: AND THE GENERAL GREEK ELECTORATE (EXCLUDING THE FEW

/MATURE

MATURE AND WELL-EDUCATED) DISPLAYS A HARDY CYNICISM TOWARS THE PROCEEDINGS OF THE PARLIAMENT. THEY DO NOT EXPECT POLITICS TO BE MUCH INFLUENCED BY MORAL PRINCIPLES.

9. FCO PLEASE PASS TO ALL SAVING ADDRESSEES.

R H O D E S

REPEATED AS REQUESTED

STANDARD(PALACE)
SED
ECD(I)
UND

GR 350 RESTRICTED

RESTRICTED
FRAME STRUCTURAL

FM ATHENS 010830Z APR 85
TO PRIORITY FCO
TELEGRAM NUMBER 185 OF 1 APRIL

INFO PRIORITY PARIS, BONN AND ROME.
INFO SAVING TO BRUSSELS, COPENHAGEN, THE HAGUE, LUXEMBOURG, DUBLIN, UKREP BRUSSELS, MADRID AND LISBON.

INTEGRATED MEDITERRANEAN PROGRAMMES (IMPS): GREEK REACTIONS.

SUMMARY

1. GREEK GOVERNMENT PRESENT IMPS SETTLEMENT AS A TRIUMPH FOR GREEK DIPLOMACY. THE OPPOSITION ATTACK PAPANDREOU FOR SETTLING FOR LESS THAN THE ORIGINAL COMMISSION PROPOSALS. THE PRESS DIVIDE ON PARTY LINES.

DETAIL

2. THE GREEK MINISTER FOR EC AFFAIRS, PANGALOS, SPEAKING TO JOURNALISTS ON HIS RETURN FROM BRUSSELS ON 31 MARCH, PRESENTED THE SETTLEMENT ON IMPS AS A DEAL WHICH WOULD GIVE GREECE A FIRM COMMITMENT TO RECEIVE AT LEAST 2 BILLION ECU OVER 7 YEARS AND AS REPRESENTING A TRIUMPH FOR GREEK DIPLOMACY AND PAPANDREOU PERSONALLY.

3. PANGALOS ALSO EMPHASISED THE SIGNIFICANCE OF THE SETTLEMENT AS REPRESENTING AN UNPRECEDENTED TRANSFER OF RESOURCES FROM THE NORTH TO THE SOUTH WITHIN THE COMMUNITY. THE GREEK GOVERNMENT REGARDED THE DEAL AS A FAIR SETTLEMENT TO OFFSET THE ECONOMIC AND FINANCIAL COSTS OF ENLARGEMENT, BUT THEY DID NOT REGARD IT AS A FINAL SETTLEMENT OF THE GREEK MEMORANDUM.

4. THE GREEK OPPOSITION LEADER, MITSOTAKIS, HAS ISSUED A STATEMENT CLAIMING THAT GREECE HAD COME OFF BADLY BY THE SETTLEMENT AND CHARGING PAPANDREOU WITH MISHANDLING THE WHOLE ISSUE. MITSOTAKIS ATTACKED PAPANDREOU FOR ACCEPTING A DEAL WORTH LESS THAN THE ORIGINAL DELORS PROPOSAL (I.E. A TOTAL OF 6.6 BILLION ECU AS OPPOSED TO 7.7 BILLION ECU) AND CLAIMED THAT GREECE'S REAL SHARE OF NEW MONEY (0.8 BILLION ECU) WAS SUBSTANTIALLY LESS THAN THE 2.5 BILLION ECU ENVISAGED UNDER THE ORIGINAL COMMISSION PROPOSALS.

5. THE GREEK PRESS HAVE DIVIDED ON PREDICTABLE PARTY LINES IN SUPPORT OF OR AGAINST THE DEAL.

COMMENT.

COMMENT

6. I WOULD JUDGE THAT PAPANDREOU IS WELL PLEASED WITH THE OVERALL DEAL WHICH LOOKS ELECTORALLY PRESENTABLE. MITSOTAKIS' ATTACK DOES NOT SEEM WELL FOUNDED. THIS ASSESSMENT WAS SUPPORTED, IN CONVERSATION WITH A MEMBER OF MY STAFF OVER THE WEEKEND, BY THE FOREIGN MINISTER'S PRIVATE SECRETARY WHO EXPRESSED RELIEF THAT THE ISSUE HAD BEEN SETTLED SO QUICKLY ON TERMS WHICH GREECE HAD HAD LITTLE DIFFICULTY IN ACCEPTING.

7. FCO PLEASE PASS TO ALL SAVING ADDRESSEES.

R H O D E S

FRAME STRUCTURAL

ECD (1)

CCPC

Foreign and Commonwealth Office

London SW1A 2AH

1 April 1985

Dear Charles,

European City of Culture: Athens 1985

You will recall that the Prime Minister sent a holding reply in November to an invitation from Mr Papandreou to the inauguration ceremonies on 21 June of Athens as European City of Culture. Holding replies also went to Ms Melina Mercouri, the Greek Culture Minister, who had sent invitations to Sir Geoffrey Howe, Lord Gowrie and Mr Rifkind. At that stage the idea of European City of Culture had not been formally agreed, and we had not had the opportunity to discover our partners' intentions on attendance at Athens.

EC Culture Ministers agreed on 22 November to nominate a European City of Culture each year, with Athens the first in 1985. Bilateral soundings of our partners reveal the following intentions for attendance in Athens on 21 June:

Culture Minister or equivalent	FRG, Ireland, Denmark
Culture Minister and junior Foreign Minister	Italy (the Presidency)
Head of State or Government	France (we heard on 22 February that President Mitterrand had accepted), Luxembourg (Prime Minister Werner had apparently accepted, but may change his mind in view of the proximity to the European Council)

FCO Ministers and Lord Gowrie feel that it is right that Lord Gowrie should go to this cultural event. As I said in my letter of 7 November, we would not wish to set an undesirable precedent which would make it difficult to decline subsequent requests from other partners; and there may in addition be a further risk of a de facto "cultural presidency" developing out of such high level gatherings, which quite apart from increased calls on Ministerial time and travel could open the way to considerable confusion or duplication within the Community.

/Now

Now that President Mitterrand has accepted, there is a danger that our partners might revise their intentions unless another Member State decides quickly to be represented by a Culture Minister. The Greeks should not interpret our sending Lord Gowrie as a rebuff; indeed their invitation to other Ministers may stem from a desire to maximise the domestic political benefits.

We therefore recommend that the Prime Minister should decline the invitation, while reminding Mr Papandreou that she will meet him a week later at the European Council. I enclose a draft.

I am copying this letter to Paul Thomas (Office of Arts and Libraries.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

Greece May 1980
Relations

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Prime Minister

DEPARTMENT: TEL. NO:

Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

TO:

Mr Andreas Papandreou
Prime Minister of the Hellenic Republic

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

I wrote to you in November in response to the kind invitation in your letter of 19 October to the inauguration ceremonies on 21 June of Athens as European City of Culture. ~~I understand that preparations for this prestigious festival are going well.~~

Unfortunately I shall not be able to come to Athens on 21 June. My Government will therefore be represented by ~~Grey~~ Lord Gowrie, a member of my Cabinet and the United Kingdom representative at meetings of Community Ministers of Culture. ~~I look forward, however, to seeing you a few days later at the European Council in Milan.~~ I shall

Enclosures—flag(s).....

GREECE
May 80
Relating

01 APR 1985

(43.)

GR 600 **CONFIDENTIAL** TOP COPY

CONFIDENTIAL

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GREEK PRESIDENTIAL ELECTION

SUMMARY

1. SARTZETAKIS WAS ELECTED BY 180 VOTES, THE MINIMUM REQUIRED AT THE THIRD BALLOT. THIS INCLUDED THE CONTROVERSIAL VOTE OF ALEVRAS, PRESIDENT OF THE PARLIAMENT AND ACTING PRESIDENT OF THE REPUBLIC FOLLOWING THE RESIGNATION OF KARAMANLIS. NEW DEMOCRACY, WHICH AGAIN DID NOT VOTE, DID NOT ACCEPT THAT A NEW PRESIDENT HAD BEEN LEGALLY ELECTED. MITSOTAKIS SAID THAT IT WAS NOW UP TO SARTZETAKIS TO DECIDE WHETHER TO ACCEPT THE PRESIDENCY IN SUCH CIRCUMSTANCES.

2. THE OUTCOME IS BOUND TO CAUSE WIDESPREAD CONTROVERSY AND INCREASE THE NERVOUSNESS AND UNCERTAINTY ALREADY FELT AFTER THE DEPARTURE OF KARAMANLIS. IT REMAINS TO BE SEEN WHETHER, IF SARTZETAKIS TAKES OFFICE, NEW DEMOCRACY GO TO THE LENGTH OF BOYCOTTING HIM.

DETAIL

3. IN A TENSE, SOMETIMES NOISY, BUT RELATIVELY ORDERLY PARLIAMENT THE VOTE FOR THE PRESIDENTIAL ELECTION TOOK PLACE THIS MORNING AFTER AN INTERVENTION BY MITSOTAKIS COMPLAINING AGAINST THE CONTINUED USE OF COLOURED BALLOT SHEETS TO DISTINGUISH BETWEEN POSITIVE AND NEGATIVE VOTES. AS BEFORE HE CLAIMED THAT THIS UNDERMINED THE SECRECY OF THE BALLOT AND STATED NEW DEMOCRACY'S READINESS TO JOIN IN THE VOTE IF THERE WERE NO DIFFERENCE IN COLOUR BETWEEN THE TWO SHEETS. PAPANDREOU REPLIED THAT THE USE OF COLOURED BALLOT SHEETS DID NOT CONTRAVENE THE CONSTITUTION OR THE RULES OF PARLIAMENT.

4. IN THE EVENT 186 VOTES WERE CAST. THERE WERE FOUR BLANK AND TWO INVALID. IT IS NOT POSSIBLE TO BE SURE OF THOSE WHO CAST THESE VOTES. THE FOUR BLANKS ARE PROBABLY ATTRIBUTABLE TO INDEPENDENTS. THE TWO INVALID COULD HAVE BEEN CAST BY PASOK DISSIDENTS. ALEVRAS VOTED AMID SHOUTS OF PROTEST FROM NEW DEMOCRACY: HE DID NOT REMAIN TO HEAR THE RESULT.

5. AFTER THE ANNOUNCEMENT OF THE VOTE MITSOTAKIS STATED THAT NEW DEMOCRACY DID NOT ACCEPT THAT A PRESIDENT HAD BEEN LEGALLY ELECTED. HE SAID THAT HIS PARTY HAD ALL ALONG MADE IT CLEAR THAT IF A VOTE BY ALEVRAS WERE INCLUDED IN THE NECESSARY MAJORITY THEY COULD NOT ACCEPT THE DECISION. IT WAS NOW UP TO SARTZETAKIS TO DECIDE WHETHER TO ACCEPT THE PRESIDENCY IN SUCH CIRCUMSTANCES. IF HE DID NOT TAKE OFFICE THE PEOPLE WOULD DECIDE THE ISSUE IN THE FORTHCOMING GENERAL ELECTION.

6. PAPANDREOU IN RESPONSE REFERRED TO THE MANY YEARS DURING WHICH PRESIDENTS OF THE REPUBLIC HAD BEEN ELECTED BY PARTIES OF THE RIGHT. IT WAS NOW THE TURN OF THE ''DEMOCRATIC SIDE''. HE CLAIMED THAT THE DECISION OF PARLIAMENT HAD MADE CLEAR THAT A VOTE BY ALEVRAS WAS VALID.

7. ON 1ST APRIL THERE IS TO BE A VOTE OF CENSURE AGAINST THE WAY IN WHICH THE ACTING PRESIDENT OF THE PARLIAMENT HANDLED THE OCCASION. THIS WILL BE ON A MOTION OF NO CONFIDENCE BY MITSOTAKIS.

COMMENT

8. THE OUTCOME CAN ONLY ADD TO THE EXISTING NERVOUSNESS AND UNCERTAINTY. IF SARTZETAKIS TAKES OFFICE, HE WILL BE BRANDED IN THE EYES OF MANY AS A CONTROVERSIAL PRESIDENT. IT IS HARD TO SAY HOW MUCH EFFECT THE OUTCOME WILL HAVE ON THE ELECTORAL PROSPECTS OF EITHER SIDE: BUT, IF NEW DEMOCRACY PLAY THEIR CARDS RIGHT, THERE SHOULD BE A POSSIBILITY OF EXPLOITING IT AS ANOTHER EXAMPLE OF PASOK'S APPARENT CONTEMPT FOR CONSTITUTIONAL PROPRIETY. IT WOULD ALSO BE ANOTHER REASON FOR PASOK TO POSTPONE A GENERAL ELECTION IN ORDER THAT THE DUST SHOULD SETTLE.

9. DESPITE THE CONTROVERSY OVER THE ELECTION I MUST STICK TO MY RECOMMENDATION OF A MESSAGE OF CONGRATULATION FOR SARTZETAKIS ONCE WE ARE SURE THAT HE HAS ACCEPTED THE PRESIDENCY AND AFTER THE SWEARING IN CEREMONY WHICH IS PLANNED FOR THE EVENING OF 30TH MARCH.

RHODES

STANDARD (PALACE)

SED
ECD(I)
UND

SUBJECT.
cc Master.

file BEN AGG

cc Sir P Cradock

10 DOWNING STREET

From the Private Secretary

6 December 1984

Dear Colin,

MEETING BETWEEN THE PRIME MINISTER AND THE LEADER OF THE GREEK OPPOSITION AT THE HOUSE OF COMMONS ON THURSDAY 6 DECEMBER AT 1545 HOURS

The Prime Minister received Mr. Constantine Mitsotakis, Leader of the Opposition in Greece, this afternoon.

Mr. Mitsotakis made clear his sharp disapproval of Mr. Papandreou and his policies. The situation in Greece had deteriorated and the economy would get worse still. Mr. Papandreou scarcely bothered with Parliament and pursued an erratic foreign policy. It was quite possible that he would bring forward elections so that they could be held before the worst effects of his economic policies became apparent. An early election would present problems for the Opposition, not least because they had no access to television and depended entirely upon meetings to get their views across.

The Prime Minister described the discussion which had taken place at the European Council on Integrated Mediterranean Programmes. Mr. Mitsotakis said that he did not believe that Mr. Papandreou would in practice block the enlargement negotiations. He had heard from Athens that Mr. Papandreou had already written to explain his behaviour to the Spanish and Portuguese Prime Ministers. In his own view, Mr. Papandreou had indulged in a bit of theatre to impress opinion in Greece.

Mr. Mitsotakis said he saw a good chance to move forward on Cyprus. He would do all he could to help. The Prime Minister welcomed this. She was very worried about Cyprus. Unless there were movement soon, the partition of Cyprus and the existence of an independent "State" in the North would become an established fact. Mr. Mitsotakis agreed that time was working against the Greek Cypriots. He understood that the Turks had made some important concessions which ought to enable progress to be made. The Prime Minister said that the basis for a settlement had to be concessions on the constitution in return for territory. Mr. Mitsotakis said that he thought that the idea of a solution on these lines had "matured" in the Cypriot people. But there would be difficulties in reaching a full settlement while Mr. Papandreou remained in power.

/Apart from

Apart from this, the conversation dealt with party matters.

Yours sincerely

Charles Powell

(C.D. Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office

Foreign and Commonwealth Office

London SW1A 2AH

5 December 1984

CDP.

Dear Charles,

Visit by Leader of the Greek Opposition: 5-7 December

I enclose a background brief (together with three copies for your use) for the Prime Minister's meeting with Mr Mitsotakis after Question Time on Thursday 6 December.

Since the meeting has been arranged on Party channels we have not offered any specific points to make. A brief on Papandreou's performance yesterday at the Dublin Summit will be sent across separately in case Mr Mitsotakis raises the matter.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CDD 6/Aii

PRIME MINISTER'S MEETING WITH LEADER OF THE GREEK OPPOSITION: 6 DECEMBER

INTRODUCTION

1. Mr Constantine Mitsotakis was elected leader of the New Democracy Party on 1 September, following the resignation of Mr Averoff. This visit is at his own request and has been arranged on Party channels. He will have been given dinner by the Conservative Party Group for Europe on 5 December, is meeting the Foreign Affairs Committee on the morning of 6 December and sees Sir G Howe at 5 pm. Mr Gummer is giving him dinner.

2. He visited the UK as an official guest of the Secretary of State for Trade in 1979.

3. Mitsotakis will probably concentrate on the situation in Greece and may look for Party to Party assistance in improving his party's organisation. General elections are due in Greece by October 1985 and will be preceded by Presidential elections in May. Mitsotakis will wish to make political capital out of the visit. He may be deliberately indiscreet with the Press. Whilst Mitsotakis' views are likely to be more attractive to HMG, Papandreou currently seems better placed to win the general elections.

INTERNAL SITUATION

4. PASOK's assumption of office in October 1981, ended seven years of New Democracy rule. As founder and ex-leader of New Democracy, President Karamanlis acts as a sort of 'constitutional balance' to Papandreou. Karamanlis has not yet announced whether he will stand again in the Presidential elections.

5. Papandreou remains conspicuously Greece's key figure. But his headline-catching international forays mask domestic problems, primarily economic (18% inflation; 10% and rising unemployment; low growth) and also internal security (a spate of bomb attacks including two bombs found near Mitsotakis on 1 December). This has

led to some public and internal dissatisfaction, although Papandreou's chances of winning the next election so far seem unaffected.

New Democracy (115 seats out of 300)

6. Mitsotakis is an old and bitter rival of Papandreou and is widely considered to be the only opponent capable of taking him on (they were members of the same party in the mid sixties). The long-delayed departure of Averoff came as a relief to many in the Party. But New Democracy still lacks unity and organisation and improvement of this will be a high priority for Mitsotakis.

7. New Democracy support the EC and NATO and wish Greece to play a more constructive role internationally. On Cyprus and relations with Turkey, Mitsotakis has said he wishes to promote a dialogue: but he is likely to share the generally held views in Greece that national interests over the range of Aegean disputes must be protected, vigorously if necessary.

PASOK (168 seats out of 300)

8. PASOK is Papandreou's own creation, a follow-on from a socialist-orientated resistance movement which Papandreou formed in exile during the rule of the Junta. He keeps the party on a tight rein and is ruthless with those who step out of line. He takes all important decisions himself.

9. Papandreou sees Greece as having an active international role and as a bridge between Europe and the Arab world (eg mediation between Mitterand and Qadhafi over Chad). He has visited Czechoslovakia, the GDR and Poland this year (he described Jaruzelski as a 'Patriot' and Solidarity as irrelevant to the development of Poland). His views on arms control and East/West relations generally abound with heresies from NATO doctrine. He strikes a popular chord in Greece by being publicly critical of the US: but he has not fulfilled his electoral promise to shut US military bases.

10. Relations with Turkey are bad and are apparently used for electoral purposes. Turkish tentative conciliatory noises have been

/brushed

brushed aside and diplomatic point-scoring has occurred in the Council of Europe, the European Community, European Parliament and NATO (most recently over Lemnos).

Communist Party (13 seats out of 300)

11. The Moscow-orientated Communist Party, KKE, is unlikely to capture more than 15% of the vote but has a disproportionate effect on PASOK who feel it necessary to protect their left flank: this probably accounts for much of Papandreou's anti-American posture.

European Community

12. Greece has done well out of Community membership. The Commission's response to the Greek Memorandum of 1982 was sympathetic, proposing to meet Greek demands for increased economic assistance under three headings; Integrated Mediterranean Programmes, existing channels (Social and Regional Funds etc) and special supplementary programmes. Estimated Greek benefits in 1983 were 924 mecu ($650m) putting them in second place behind Italy in the table of net beneficiaires. In the ad hoc committee on institutions (Dooge committee) the Greeks have opposed strengthening of political cooperation or reform of institutions and have used the committee to press for more funds for Greece.

Bilateral relations

13. Bilateral reltions are generally as good as Papandreou's idiosyncratic behaviour allows. Trade, at about £400m in toto remains stable (£100m in our favour). Greece is 36th in the UK's export league. About one million British tourists visit Greece each year. The Elgin marbles controversy has not so far affected the general run of bilateral relations.

Cyprus

14. The third round of the UN Secretary General's proximity talks are currently in recess in order to allow Kyprianou to consult in Nicosia. The Turkish Cypriots claim to be ready to make substantial concessions and have thus regained the high ground. The Secretary General is likely to arrange a High Level Meeting. Since these talks are Confidential, we should not go into details with Mitsotakis.

Personality Note

15. Born on Crete in 1918, Mitsotakis qualified as a lawyer. He entered politics in 1946 and has had wide Ministerial experience in several governments. Mitsotakis and Papandreou are bitter rivals of long standing having been members, and Ministers, of the same party in the mid sixties: since the party split up Papandreou has accused Mitsotakis of treachery. Mitsotakis went into exile after the 1967 coup and was a strong critic of the Junta. He joined New Democracy in 1978 and was Foreign Minister from 1980-81. He leans more to the centre than the right-wing of his party.

FACT SHEET

THE HELLENIC REPUBLIC (GREECE)

DEMOGRAPHY

Population:	9.7 million (1981)
Distribution:	Capital Area 31.1% Northern Greece 35.6% Central Greece and Evia 11.3% Peloponnese 10.4% Ionian and Aegean Islands 6.4% Crete 5.2%
Religion:	97% Greek Orthodox, 0.5% other Christians, 2% Muslim
Language:	Greek
Principal Political Parties:	(from Right to Left) Progressive Party, New Democracy (ND), Social Democratic (KODESO), Panhellenic Socialist Movement (PASOK), Communist (Interior) (KKE (Int)), Communist (Exterior) (KKE)
Parliamentary Composition (December 1984):	PASOK 168, ND 115, KKE 13, others 4
MEPs:	PASOK 10, ND 9, KKE 3, KKE (Int) 1, EPEN 1

GEOGRAPHY

Land area:	131,944 sq kilometres
Neighbours:	Albania, Yugoslavia, Bulgaria, Turkey
Capital:	ATHENS
Principal towns:	Salonica, Piraeus, Patras, Larissa, Heraklion (Crete)
Principal ports:	Piraeus, Salonica, Volos, Patras

ECONOMY

Basis	Mixed

GDP 1983 $ 34.5bn (UK US$ 449.2bn)

GDP per capita 1983 US$ 3520 (UKUS$ 8007)

Balance of Trade 1983 - (minus) US$ 4.3bn (UK US$ - 1.1bn)

Balance of Payments on current account 1983 - (minus) US$ 1.9
(UK US$ + 4.4bn)

Gross official (minus gold) reserves 1983 US$ 0.90bn
(UK US$ 11.34bn)

Real growth of GDP 1983 0.3% (UK 3.4%)

Budget deficit 1983 259.66bn DR; 8.5% of GDP

TRADE

Principal Exports:	Hand-manufactured goods, food and live animals, miscellaneious manufactures, fuels and lubricants, raw materials
Principal Imports:	Fuels and lubricants, machinery and transport equipment, semi-manufactured goods, food, beverages and tobacco, chemicals

TRADE WITH UK

Exports to UK	1981:	£163 million
	1982:	£151.7 million
	1983:	£165 million
Imports from UK:	1981:	£254 million
	1982:	£255.3 million
	1983:	£280.2 million

DEFENCE

Defence expenditure of 196 billion drachmas in 1982/3 represented 6.9% of GNP by NATO criteria. Major suppliers of military aid are the USA and FRG.

CONTINGENCY PRESS LINE

GREECE: CALL BY GREEK OPPOSITION LEADER ON PM AND SECRETARY OF STATE: 6 DECEMBER

1. Mr Constantine Mitsotakis, Leader of the Greek Opposition Party New Democracy, will meet the Prime Minister after Question Time and have private talks with the Secretary of State at 5pm today.

2. Mr Mitsotakis is on a private visit to the UK, from 5-7 December, arranged at his own request through Conservative Party Central Office.

CDP 6/XII

Foreign and Commonwealth Office

London SW1A 2AH

5 December, 1984

Dear Charles,

Visit by the Leader of the Greek Opposition: Integrated Mediterranean Programmes

I enclose a supplementary brief (4 copies) on IMPs for the Prime Minister's meeting tomorrow with Mr Mitsotakis.

I am copying this letter and enclosure to Richard Hatfield (Cabinet Office).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CDV 6/12/84

VISIT BY THE LEADER OF THE GREEK OPPOSITION:

5-7 DECEMBER

INTEGRATED MEDITERRANEAN PROGRAMMES

POINTS TO MAKE

1. Important for functioning of Community that Greece is able to play a full and positive part. UK Recognise that the Community needs to respond to the issues raised by the Greek Memorandum and to ensure that no serious difficulties are caused by enlargement. In this regard, we recognise the significance of IMPs to Greece.

2. This was why UK was willing to agree to provisions for IMPs recorded in Brussels European Council Conclusions. These provide the basis for IMPs. We are ready to meet our commitment and to get IMPs underway in 1985.

3. Agreed at Brussels European Council that IMPs should be of limited duration and financed through the existing structural funds. Moreover, the Community simply cannot find money which does not exist. Hence the European Council's decision that the structural funds would grow, having regard to IMPs, "within the limits of financing possibilities".

/4.

4. Unfortunately the Commission's proposals for IMPs aroused unrealistic expectations among IMPs beneficiaries. Their proposals bear no relation to reality and suggest absurdly high expenditure levels with no indication where the money is to come from.

5. At Dublin, UK was ready to agree to set aside money for IMPs to get underway in 1985 with finance for future years being agreed in the normal budgetary process. Much regret that Mr Papandreou was unable to accept what was on offer.

6. Question of IMPs will no doubt figure at the next European Council in March after further discussions at lower level. UK will continue to seek to implement the European Council decisions on IMPs. But very large additional sums will simply not be possible.

[As necessary]

7. Blocking enlargement would be very damaging to Greek interests, since it would entail blocking also the increase in own resources. The result would almost certainly be a reduction in the benefits Greece receives from the Community.

/BACKGROUND

BACKGROUND

1. Greece is a significant net beneficiary from its membership of the Community as befits its status as the poorest Member. In 1982 Greece's net receipts were 685 mecu. In 1983 they grew to 940 mecu. Greece is now the second largest net recipient of EC funds (after Italy) and the third largest recipient on a per capita basis (after Ireland and Luxembourg). Its receipts will probably continue to grow and will include a total of about 2,500 mecu over the next five years from the Regional and Social Funds.

2. The Greek Memorandum argued for special measures to enable Greece to benefit fully from the operations of the Community. The Community has already agreed:

(a) postponement of introduction of VAT (£140 m);

(b) special measures for vocational training (£70 m);

(c) extension of Greek agricultural development programme (£26 m).

3. The Brussels European Council agreed that IMPs would be launched in 1985; that they would be of limited duration; and that their aim would be to enable the southern regions to adjust to enlargement and to cover the problems raised by the Greek Memorandum. On financing

/IMPs

IMPs, the European Council agreed that "the financial resources allocated to aid from the funds, having regard to the IMPs, will be significantly increased in real terms within the limits of financing possibilities".

4. The Commission's proposals, providing for expenditure of 6,600 mecu over 6 years, have always been seen by ourselves and most other Member States as wildly unrealistic. The protection being offered to Mediterranean producers in the enlargement negotiations eg ten year transition period for Spanish fruit and vegetables with rigid surveillance arrangements makes them more so. Not surprisingly, the Greeks have latched on to the figure the Commission have put forward and adopted it as their target. The UK, supported by the Germans, French, Dutch and Danes, have sought to fulfil the commitments on IMPs while scaling down the Commission's proposals and avoiding agreeing to any measures which would lead to other expenditure eg by generating further agricultural surpluses. We have gone along with the decision in Budget Council to set aside 50 mecu for IMPs in 1985 pending a decision by the Council on IMPs.

FOREIGN AND COMMONWEALTH OFFICE

5 DECEMBER 1984

MAJOR SIR PATRICK WALL, MC, VRD, RM (RETD) MP

HOUSE OF COMMONS
LONDON SW1A 0AA

PHBW/B

30th November 1984

RY

Dear Prime Minister

I understand that the Leader of the Opposition in Greece, Mr. Constantine Mitsotakis, is coming to see you in the near future. As President of the North Atlantic Assembly I have recently met with the Governments of Turkey and Greece and I enclose reports of these meetings which you might be interested to read prior to your meeting with Mr. Mitsotakis.

I shall be sending you in the near future a full report on the activities of the British Delegation of the North Atlantic Assembly during 1984.

The recent Brussels meeting was a great success and I am glad to say I was re-elected President until October 1985, when we meet in San Francisco.

Yours sincerely

Patrick Wall

The Prime Minister,
The Rt. Hon. Mrs. Margaret Thatcher, MP
10 Downing Street,
LONDON SW1

REPORT ON THE PRESIDENTIAL VISIT TO THE TURKISH GOVERNMENT

30 OCTOBER - 1 NOVEMBER 1984

The Secretary-General was not able to accompany me so I met Job Dittberner, the Senior Director of Studies, in Frankfurt for the night of the 28th October.

We flew to Ankara on the 30th, arriving in the late afternoon. Were met by the Leader of the Turkish Delegation to the NAA, Mr.Ilter and taken to the Government Guest House where we had a quiet dinner.

Speaker of the Turkish Grand National Assembly Mr. Karaduman

On Wednesday, 31st October, we had our first meeting. He gave the impression of being a strong and able personality. I told him that we much valued the Turkish Delegation and that we hoped that they would appoint Turks to each of our Sub-Committees and each of the Military Tours, as this was where the real work of the Assembly was done. He agreed to this.

We then spoke about the Greek/Turkish problem. He said this was the creation of the Greek Government as the Greek and Turkish people were friendly with each other. It was only the Government that was hostile. The Turks had no aggressive intentions whatsoever against Greece as they realised that the real danger came from the USSR. He said that business contacts between Greece and Turkey were starting and he hoped that they might achieve a breakthrough on this level. However, the Greek Prime Minister was particularly difficult.

Chairman of the National Assembly Committee on Foreign Affairs, Mr. Celikbas

He had been a member of the Turkish Parliament for a very long time and was at present also a member of the

Council of Europe. He pointed out that the main danger from Greece was any increase of the territorial waters in the Aegean from 6 - 12 miles. A 12 mile increase would close off the Aegean completely to Turkish vessels and turn it into a Greek lake.

We asked him how their accession to the Common Market was proceeding but he said there were difficulties but they hoped to be full members in the not too distant future.

We then discussed the problems of the Middle East and the Iran/Iraq war. He said Turkey had Ambassadors in both countries (as she had in Israel) and were waiting for a chance to mediate between the two.

Head of the Turkish Delegation to the NAA and Chairman of the National Assembly Committee on Defence, Mr. Ilter.

He told us that conscription in Turkey was to be reduced from 20 months to 18 months. This he said would save money for better hardware and for modernisation of their weapon systems. He told us that two Turkish Armies were kept on the Soviet Frontier and that Ismir was only used for Training Units. It was, of course, at Ismir that the Greeks claimed that the Turks had 10,000 landing craft and a complete army ready for the invasion of Greece!

All the officers and NCOs in the Turkish Army were regulars. They needed a considerable amount of assistance from their Allies to modernise their weapon systems.

We then had lunch hosted by the Speaker of the Grand National Assembly.

The Prime Minister, Mr. Ozal

We met Mr. Ozal at his home after lunch. He spoke mainly about the dangers in the Aegean and showed us maps to show what would happen if the Greeks extended to 12

12 miles. He added, quite deliberately, that if they did this it would mean war.

We then discussed Cyprus in which he said he would be perfectly willing to agree to a Federal Government. He had offered to have a meeting with the Greek Prime Minister through business contacts but Mr. Papandreou had refused. He understood this as there would be an election in Greece next year. In order to help relations he had removed the requirement for the Greeks to have visas when they visited Turkey. As a result a very large number of Greeks had taken this opportunity. Greek visitors had now become so familiar in certain parts of Turkey that shopkeepers are prepared to give them extended credit.

He re-affirmed that Turkey had no ambitions or hostile intention whatever towards Greece and that Greek's hostility was based on a fallacy. The only exception being that if they extended their EEZ round the Greek Islands in the Aegean to 12 miles then it would turn the Aegean into a wholly Greek Sea, which would be quite unacceptable to Turkey.

Minister of Defence, Mr. Yavützur

With him we again discussed the Greek problem and he re-affirmed that the Turks had no hostile intent towards Greeks . He said they were growing increasingly worried about Syria as Turkish terrorists were being trained by the Syrians under Russian supervision and were then infiltrated back into Turkey.

As far as weapon systems are concerned, the M48 tanks were being updated with 105 mm. guns. They had also purchased Rapier and Milan. National Service was being decreased from 20 months to 18 months because of the

increase in population, which was a different reason than that given to us by the Chairman of the Defence Committee. New recruits were taken in four times a year.

The Acting Minister of Foreign Affairs, Mr. Yilmnaz

The Minister was abroad. Mr. Yilmnaz was also a very impressive character and re-affirmed that the Turks had no quarrel with Greece. The tension was being maintained by the Greek Prime Minister solely to attract Nationalist votes at the next General Election. The Turks were purchasing F16 Aircraft from America which were being assembled in Turkey. They had offered for Greece to share in the Assembly Plant but had had no reply. Unfortunately the liberals in Europe always seemed to blame Turkey for any trouble in the Aegean.

Turkey was taking increased interest in the Middle East and her trade there was expanding. The Iran/Iraq war was most regrettable and they hoped eventually to be able to mediate.

He asked whether the new idea of re-activating the WEU had much significance and we said we thought it was merely a gesture at the present time, as what really mattered was that the IEPG should get together and present sensible proposals to the USA.

He emphasised the importance of Turkey to NATO being on the flank of the Alliance and he said that they needed considerably more financial help from their Allies so they could modernise their weapon systems.

That evening the Counsellor of the British Embassy, Mr. Jeremy Varcoe, had a cocktail party for us at which we met a number of prominent Turks, politicians, businessmen and journalists. It was then we heard the news of Mrs. Ghandi's assassination.

The Ambassador was away meeting HMS Fearless in Istanbul.

We then returned to the Government Guest House and left for England early on the morning of the 1st November.

PHBW November 1984

PRESIDENTIAL VISIT TO TURKEY

Monday, 29 October

18:00 — Depart London (Sir Patrick will arrange for his own ticket)

20:25 — Arrive Frankfurt

Stay at City Hotel, Rüsselsheim, Marktstrasse 2-4, tel. (6142) 65051/2/3/4, telex : 4182187

Job Dittberner arrives at 19:30 (or 15:40 if no seats available on later flight).

Tuesday, 30 October

10:00 — Depart Frankfurt with Job, flight LH 322. (NAA will arrange for tickets)

16:35 — Arrive Ankara.

Accommodation during visit will be in State Visitors' Residence.

Evening reception at the British Embassy in Ankara (details to be confirmed).

Wednesday, 31 October

10:00 — meeting with Mr. Karaduman, Speaker of the Turkish Grand National Assembly.

10:45 — meeting with Mr. Celikbas, Chairman of the National Assembly Committee on Foreign Affairs

11:30 — meeting with Mr. Ilter, head of the Turkish delegation to the NAA and Chairman of the National Assembly Committee on Defence.

13:00 — lunch hosted by the Speaker of the Grand National Assembly.

15:00 — meeting with Mr. Yavüztur, Minister of Defence.

15:50 — meeting with Mr. Yilmnaz, acting Minister of Foreign Affairs (the Minister will be abroad at this time).

A meeting will also be held with Mr. Ozal, the Prime Minister, but the exact time will be confirmed upon arrival in Ankara.

Thursday, 1 November

08:30 — depart Ankara for London (via Istanbul). (NAA is arranging this ticket)

REPORT ON THE PRESIDENTIAL VISIT TO THE GREEK GOVERNMENT

25 - 28 NOVEMBER 1984

Accompanied by David Hobbs (Director, Scientific and Technical Committee) in the place of the Secretary-General who is about to enter hospital, I spent three days in Athens staying at the Grande Bretagne Hotel.

Admiral Zervos (Leader of the Greek Delegation) accompanied us throughout our visit, except during our meeting with the Leader of the National Democratic Party.

The Greek delegation, together with their wives, dined us on the 26th November and could not have been more friendly.

Meetings took place as follows -

Chairman of the Parliamentary Committee on National Defence, Mr. John Koutsoyannis

Rather firy, anti-American, emotional.
NATO supported the Colonels and their coup was a CIA plot; the US (and NATO) also helped the Turks over Cyprus by providing landing aircraft. NATO thinks Turkey is more important than Greece and gives her more arms (the 7:10 ratio).

The Greeks know the Turkish intentions are to take the Greek Islands on the eastern half of the Aegean and to divide that sea into two.

As far as NATO was concerned Greece was more important than Turkey for if Greece fell to the USSR Turkey would be isolated.

The Greeks were right to re-militarise Lemnos under the Treaty of Montreaux (1936) and had done so and this must be recognised in NATO exercises.

President of the Greek Chamber of Deputies
The Hon. John Alevas

A member of PASOK, over 80 and a much respected stateman. Greeted us kindly but critically.

A family should stay together - why then did not NATO stop the Turks in Cyprus? NATO should protect the Greeks against Turkey, both are allies but the Greeks fear that the main threat comes from the East and not from the North. There is no ill will between the people of Greece and Turkey but the Turkish Generals are aggressive.

Later Mr. Alevas sent me a magnificent book on the Greek Museums.

Chairman of the Parliamentary Committee on Foreign Affairs
Lady Amelia Fleming (wife of the discoverer of Penicillin

Lady Fleming originally came from Asia Minor and proved to be the bitterest of all those we talked to. Most were anti-American, but Lady Fleming was anti-British. She claimed that the British Constitution for Independent Cyprus was a trick, (but did not explain this). The Turks want to expand to the West encouraged by the USA and NATO does nothing to stop this, nor does Britain who has some responsibility for Cyprus. She claimed (wrongly) that it was Dr. Kutchuk who failed to make the Cyprus Constitution work.

The Turks were not democratic and human rights were being abused, but in spite of this the Greek and Turkish people were not hostile one to the other.

NATO needed defence in depth - the Dardenelles - Lemnos - Crete. I asked about the 12 mile limit and she said that though the Greeks had this right in international law they would not use it.

PASOK had brought about a much needed social revolution in Greece and would win the next General Election, which would probably take place in October 1985.

Leader of the Greek delegation to the North Atlantic Assembly Admiral Zervos

The Admiral accompanied us everywhere, except on our visit to the NDP. He met us at the Airport and arranged a dinner with the members of the delegation and their wives. His view was that though there was no immediate danger of aggression from Turkey, the Turks would move step by step to take over the Islands in the eastern Aegean following the example of their action in Cyprus. The Greeks must therefore stick to their rights, especially in Lemnos.

Alternate Minister for National Defence (General) Antonios Drosoyannis

Very friendly and said that the situation was now improving. He thought that the Lemnos dispute could be solved and got on well with Lord Carrington the new Secretary-General of NATO. Greece was a small country and could not afford to lose any territory. Turkey wanted to divide the Aegean into two on a north-south line which is why they objected to Lemnos being re-militarised. Under the Treaty of Montreaux the Turks could refortify Tenedos and Imvros and the Greeks Lemnos and Samothaki. This should in fact strengthen NATO.

The Turks wanted the Greek Islands in the eastern Aegean but they would not get them without a war in which the Greeks, though outnumbered, would fight to the last man.

The Turks were inciting the Moslem minority in Greece (only 3% of the population). The Turks were also holding amphibious warfare exercises near the Greek Islands instead of in the Black Sea.

He had recently discussed these matters with the Turkish Ambassador, whom he admired, but did not know if this had had any effect in Ankara.

The Turks had withdrawn visa requirements for the Greeks but the Greeks could not reciprocate because of the Moslem minority. In spite of this the Turks had just arrested 10 women - he didn't know why.

Turkey was still ruled by the Generals, the Prime Minister had no power. Phase I of their plan would be to help the Islands and the Turks had already offered electricity and water. Phase II was to obtain the de-militarisation when the Greek population would withdraw through fear, and Phase III would represent the takeover. The US never could understand Mediterranean politics. I suggested a non-aggression pact - he agreed and said how would it be guaranteed? NATO could do this but the Turks would not allow this to happen.

He then got rather heated over Cyprus - an example of Turkish aggression and no help from Greece's allies. NATOs bullets were used to shoot Greek soldiers. (There were both Greek and Turkish soldiers on the Island at the time). I suggested the Colonels were mainly responsible and he partly agreed.

Under-Secretary for Foreign Affairs, Mr. John Capsis

An ex-journalist, not an MP, very pro-British (his son was educated at the LSE and he fled to London when the Colonels took over). Impressively open to us.

Had just received a cable from Ankara that Lord Carrington's No. 2 had been very rudely received! Thought relations could improve over Lemnos with Carrington's diplomacy.

He explained the Treaty of Lausanne 1923 and Montreaux 1936 had authorised the de-militarisation and the re-militarisation of Lemnos and Samothaki (Greek) and Imvros and Tenedos (Turkish).

Prime Minister Papandreou was a genuine Greek Nationalist and did not bang the drum for party purposes (?). PASOK, in opposition, prevented the NDP signing the US bases agreement so there would be no change of policy even if the NDP should win the next election. Businessmen were getting together which might help relieve tension (the Turkish PM also told me that this was happening).

F16s were being purchased by both sides (co-production was not possible), and owing to different claims over air space in the Aegean a clash was always possible. The Greek Air Force was good and intercepted all planes entering their air space without their permission.

He also expressed the view that the US supported the Colonels. I suggested a non-aggression pact and he said this had been suggested to Turkey in February 1984 but there had been no reply.

He agreed that a Turkish attack would be pointless but said that they intended to expand to the West and that Greece could take no chances (cf. Cyprus). What Greece needed was a NATO guarantee.

We argued about the "Army of the Aegean" and he showed me a situation map showing that this was Turkey's largest army, 24,000 men and 149 landing craft. (The Turks had told me that this was a training unit based on Ismir). Our North Atlantic Assembly Sub-Committee flew over this area in a helicopter and could see no landing craft.

He claimed that Prime Minister Ozal was powerless and would not last long. The Generals were in charge and planned aggression. Oil is not now an issue as it was too deep. However, the Turkish threat which started in 1973 had continued ever since (Cyprus was invaded in July 1974). He than gave us a list of threats spoken by prominent Turks.

He agreed that the Turks could not gain by starting a war, but said that Greece had to be prepared. He said that the Turkish economy was in a mess and the Turkish Prime Minister had failed to cure this.

Leader of the Opposition National Democratic Party
Mr. Constantine Mitsotakis (an ex Foreign Minister)

Very friendly and optimistic. Would be seeing Mrs. Thatcher in London in a few days and also Lord Carrington in Brussels.

He agreed that the Turkish Prime Minister had little power and he himself kept in touch with the President and the Generals. He thought that there could be a breakthrough if only the Turks would make the first move on Lemnos, and possibly some adjustment in Cyprus followed by a non-aggression pact.

He was optimistic about the chances of the National Democratic Party in the General Election in October 1985, or perhaps earlier (perhaps too optimistic as PASOK had re-distributed much wealth).

NATO must move over Lemnos, the Turks would take this and it could become part of the package deal.

There was no chance of an extension of sea limits to 12 miles by Greece (they knew the consequences!) However, the Greek obsession over Turkey was not justified.

He considered Mr. Drosoyannis good but had no use for Mr. Capsis, who was a journalist rather than a minister!

His party HQ was very busy at 0900!!

CONCLUSIONS ON VISITS TO TURKEY AND GREECE

1. Both Governments re-affirm that they have no hostile intention towards each other, and both said that businessmen are in contact with each other to try and resolve economic problems.

2. The Greek fears are genuine and strongly held, even if they are grossly exaggerated.

3. There must be a stage by stage approach to lessen the present hostility.

4. The issue which could cause hostilities would be the extension round the Greek Islands from the present six mile to a twelve mile limit. This the Greeks say they have no intention of doing.

5. The Greek case over re-militarising Lemnos is a strong one and should be the starting point of reducing hostility if the Turks (whom I understand have re-militarised both Tenedos and Imvros) would agree - this I believe is a distinct possibility.

6. Talks over Cyprus in New York seem to be getting nowhere, but a slight rectification of the Turkish line, which I understand might be possible, would be interpreted in Athens as a gesture.

7. Both Governments say they want a Federal Constitution for Cyprus in the future.

8. The next stage might be some agreement over air space over the Aegean. This would be difficult to achieve but as the Greek airforce intercept all unidentified aircraft flying in their airspace and as Turkey and later Greece are acquiring F16s, an incident is more than possible and this could have very serious consequences.

9. Finally, as both governments say privately that they have no territorial ambitions against each other they should be persuaded to say so publicly in a non-aggression pact registered by the United Nations.

10. This programme would be difficult to achieve but I believe, given a reasonable amount of goodwill on both sides, that it is achievable as any alternative could have consequences that would be very serious to both countries and to NATO as a whole.

PHBW

November 1984

10 DOWNING STREET

THE PRIME MINISTER

PRIME MINISTER'S PERSONAL MESSAGE SERIAL No. T188/84

9 November 1984

cc MASTER OPS

Dear Prime Minister,

Thank you for the invitation in your letter of 19 October to attend the Inauguration Ceremonies, in June 1985, of Athens as European City of Culture. I understand that there may be an opportunity for Culture Ministers to discuss this further at their forthcoming meeting in Brussels on 22 November and I look forward to hearing after that discussion how plans are progressing for the Festival in Athens.

I look forward to seeing you at the European Council Meeting in Dublin.

With best wishes,

Yours sincerely

Margaret Thatcher

His Excellency Mr. Andreas Papandreou.

Embassy of Greece
1a, Holland Park,
London, W.11

No.F.3409.1

8 November 1984

Dear Private Secretary,

I have been requested by Mr.Andreas Papandreou, Prime Minister of Greece,to enclose a letter to the Prime Minister, the contents of which were conveyed by the Ambassador's letter of 22 October, 1984 , under reference F.2011.

Yours sincerely,

Christos Tsalikis
Charge d'Affaires a.i.

The Principal Private Secretary to
The Rt. Hon.Margaret Thatcher,MP.,
Prime Minister,
10 Downing Street,
London SW 1

RESTRICTED

C&PC

Foreign and Commonwealth Office

London SW1A 2AH

7 November 1984

Dear Charles,

European City of Culture: Athens 1985

Thank you for your letter of 22 October with which you enclosed a letter from Mr Papandreou inviting the Prime Minister to attend the inauguration ceremonies, in June 1985, of Athens' time as the European City of Culture.

The Greeks are getting out well ahead of their Community partners over this scheme, which has its origins in a Greek suggestion, made at the first informal meeting of Community Ministers of Culture in Athens last November, that each year a European city should be designated as European City of Culture, starting with Athens in 1984 (now 1985). Contrary to what the Greeks like to suggest, this idea has never been formally endorsed by EC Culture Ministers nor has it been substantively discussed by them.

At the October Foreign Affairs Council the Greek Minister Pangalos made a statement under other business inviting Foreign Ministers to attend the inauguration ceremonies. We consider that the precedent which would be set by attendance by the Prime Minister or Foreign Secretary on this first occasion would make it difficult to decline subsequent requests from other partners; and there may in addition be a further risk of a de facto parallel "cultural presidency" developing out of such high level gatherings, which quite apart from increased calls on Ministerial time and travel could open the way to considerable confusion or duplication within the Community.

We accordingly recommend that the Prime Minister should send a low key non-committal,reply. I enclose a draft. We intend to ask for discussion of this matter at the 22 November meeting of EC Culture Ministers, when Lord Gowrie might sound out his colleagues' attitudes to the Greek invitation.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

RESTRICTED

Greece May 80
Relating

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Prime Minister

DEPARTMENT: TEL. NO:

Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

TO:

Mr Andreas Papandreou

Prime Minister of the Hellenic Republic

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

Thank you for the invitation in your letter of 19 October to attend the Inauguration Ceremonies, in June 1985, of Athens as European City of Culture. I understand that there may be an opportunity for Culture Ministers to discuss this further at their forthcoming meeting in Brussels on 22 November and I look forward to hearing after that discussion how plans are progressing for the Festival in Athens. ~~I regret, however, that it is too early for me to say whether I shall be able to attend the ceremonies in June.~~

I look forward to seeing you at the European Council meeting in Dublin.

With best wishes.

Yours ever,

Enclosures—flag(s).....

Greece
May 80 Relations

10 DOWNING STREET

From the Private Secretary

22 October 1984

LETTER FROM MR. PAPANDREOU

I enclose a copy of a letter to the Prime Minister from Mr. Papandreou. I should be grateful for advice and a draft reply.

CHARLES POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office.

010

The Ambassador

Greek Embassy
London

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T175A/84 CC MASTER OPS

22 October 1984

No.F.2011

Dear Prime Minister,

I have the honour to convey the following message from the Prime Minister of Greece.

" The Right Honourable
Margaret Thatcher M.P.,
Prime Minister
of Great Britain.

19 October 1984

Dear Prime Minister,

As you will know, the Greek government gave an enthusiastic welcome to the proposal that each year one of the cities of Europe be declared European cultural capital. We were honoured that the first city to be so designated was Athens, and we appreciate the recognition that this embodies of the profound influence the Greek spirit has had on the development of European culture in general.

We are making every endeavour to do justice to the choice by ensuring that in the second six months of 1985 some of the finest products of European art are exhibited in Athens and that some of the best minds in Europe are assembled to direct their attention to the vital issues that face our common community. The progress already

./.

achieved promises, I am glad to say, to make this a properly impressive celebration of the European ideal.

I consider that your presence at the inauguration ceremonies on 21st June 1985 would further underline our dedication to that ideal. It is my particular hope that EEC Heads of State and Government should be able to gather together on this occasion and to demonstrate their concern for the cultural life and future of Europe.

Needless to say, Prime Minister, your own presence would also give me profound personal pleasure.

Andreas G. Papandreou "

Yours Sincerely,

Kyriazides

Nikos Kyriazides

The Rt. Hon. Margaret Thatcher M.P.,
Prime Minister,
10 Downing Street,
London S.W.I.

22 OCT 1984

THE PRIME MINISTER OF GREECE

Athens, October 18, 1984

entered under 22/10 in T's Box.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T175/84

The Right Honourable
Mrs. Margaret Thatcher, M.P.
Prime Minister of Great Britain

Dear Mrs. Thatcher,

As you will know, the Greek Government gave an enthusiastic welcome to the proposal that each year one of the cities of Europe be declared European cultural capital. We were honoured that the first city to be so designated was Athens, and we appreciate the recognition that this embodies of the profound influence the Greek spirit has had on the development of European culture in general.

We are making every endeavour to do justice to the choice by ensuring that in the second six months of 1985 some of the finest products of European art are exhibited in Athens and that some of the best minds in Europe are assembled to direct their attention to the vital issues that face our common Community. The progress already achieved promises, I am glad to say, to make this a properly impressive celebration of the European ideal.

I consider that your presence at the inauguration ceremonies on 21st June 1985 would further underline our dedication to that ideal. It is my particular hope that EEC heads of State and Government should be able to gather together on this occasion and to demonstrate their concern for the cultural life and future of Europe.

Needless to say, Mrs. Prime Minister, your own presence would also give me profound personal pleasure.

Sincerely Yours,

Andreas G. Papandreou

Greece May 80 Relations

GRS 90
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FM ATHENS 180850Z JUN 84
TO IMMEDIATE FCO
TELNO 312 OF 18 JUNE 84
INFO PRIORITY EC POSTS, WASHINGTON, UKDEL NATO, ANKARA, NICOSIA AND UKMIS NEW YORK.

MY TELNO 306: GREEK EUROPEAN ELECTIONS.

1. WITH 95% OF THE RESULTS ANNOUNCED, THE POSITION IS:

	1984 EUROPEAN ELECTIONS	1981 EUROPEAN ELECTIONS	1981 NATIONAL ELECTIONS
PASOK	41.62	40.12	48.07
ND	38.28	31.34	35.87
KKE	11.44	12.84	10.93
KKE (INT)	3.34	5.29	1.34
EPEN (EXTREME RIGHT)	2.32	-	-
KODISO	0.79	4.25	0.7
OTHERS	2.21	6.12	3.09

2. ON THIS BASIS THE EUROPEAN PARLIAMENT SEATS WILL BE DIVIDED:

PASOK	10
ND	9
KKE	3
KKE (INT)	1
EPEN	1.

RHODES

FRAME INSTITUTIONAL
ECD (I)
PS.
PS/LADY YOUNG
PS/MR RIFKIND
PS/MR LUCE
PS/MR WHITNEY
PS/MR RAISON
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RESIDENT CLERK

RECEIVED 3 APR 1984

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SIR R ARMSTRONG CABINET OFFICE
MR D COLVIN CABINET OFFICE

MR J PILLING F4 HOME OFFICE

DS5
DS6
DSC
} MOD

SECURITY SERVICES (2 copies via PUSD Rm E203)

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TO FLASH FCO.,
TEPNO 179 OF 3 APRIL 1984.,
REPEATED AS IMMEDIATE INFO TO WASHINGTON.

FLASH

ADVANCE COPY

ATTACK ON MEMBER OF JOINT UNITED STATES MILITARY ASSISTANCE GROUP (JUSMAG)

1. WE HAVE JUST HEARD FROM THE AMERICAN EMBASSY THAT A SERGEANT OF JUSMAG WAS SHOT IN THE BACK AND HAND AT 16.45 HOURS LOCAL TIME WHILE DRIVING HIS CAR NEAR ATHENS AIRPORT WHERE THERE IS AN AMERICAN BASE. THE SERGEANT INTENDED TO DELIVER SOME DOCUMENTS TO THE BASE ON HIS WAY HOME. MEMBERS OF JUSMAG DO NOT NORMALLY WEAR UNIFORM (SEMICOLON) HE WAS THEREFORE IN CIVILIAN CLOTHES, BUT HIS CAR HAD THE DISTINGUISHING NUMBER PLATES ALLOTTED TO SERVICE MEMBERS OF EMBASSIES AND SIMILAR ESTABLISHMENTS. THE CONDITION OF THE SERGEANT IS DESCRIBED AS STABLE. HE IS AT PRESENT UNDER-GOING OPERATIVE TREATMENT AT THE AMERICAN BASE. HE WAS ABLE TO CONTINUE DRIVING HIS CAR AFTER THE ATTACK.

2. THE SERGEANT WAS SHOT BY THE PASSENGER ON A MOTORCYCLE USING A POINT 45 PISTOL. THIS IS THE SAME METHOD (AND TYPE OF GUN) USED IN 1976 FOR THE MURDER OF WELSH, THE HEAD OF CIA AND FOR THE MURDER OF CAPTAIN TSANTES, ANOTHER MEMBER OF JUSMAG, LAST NOVEMBER. IN BOTH THESE CASES THE ''17 NOVEMBER OGRANISATION'' CLAIMED RESPONSIBILI H. THAT IS AN ANTI-AMERICAN GROUP USING AS A SLOGAN THE DATE OF THE SUPPRESSION BY THE JUNTA IN 1973 OF THE STUDENT PROTEST AT THE ATHENS POLYTECHNIC, DURING WHICH A NUMBER OF STUDENTS WERE KILLED.

STUDENT PROTEST AT THE ATHENS POLYTECHNIC DURING WHICH A NUMBER OF STUDENTS WERE KILLED.

3. THERE HAS NOT YET BEEN ANY CLAIM OF RESPONSIBILITY. BUT THE EVIDENCE SO FAR SUGGESTS THAT THIS IS A SIMILAR ATTACK TO THOSE OF 1976 AND LAST YEAR. THE TECHNIQUE IS COMPLETELY DIFFERENT FROM THAT USED FOR THE MURDER OF KENNETH WHITTY. IF, AS THE AMERICANS ARE AT PRESENT INCLINED TO BELIEVE, THE 17 NOVEMBER GROUP ARE RESPONSIBLE, THEY MAY HAVE DECIDED BOTH TO TAKE ADVANTAGE OF THE ATMOSPHERE FOLLOWING THE ASSASSINATION OF WHITTY AND ALSO TO MAKE THAT ATMOSPEHERE WORSE.

4. I AM STESSING TO ALL STAFF THE DIFFERENCE BETWEEN THIS INCIDENT AND THE MURDER OF WHITTY.

R H O D E S

NNNN

The National Archives

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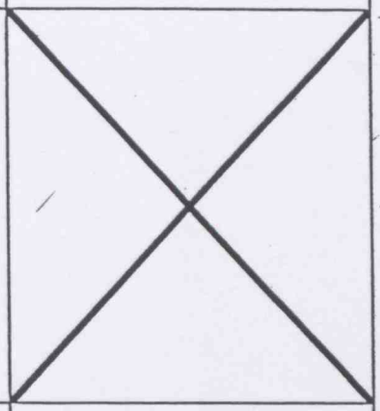
Extract details: TELEGRAM 855; DATED 29 MARCH 1984	
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SOUTHERN EUROPEAN
DEPARTMENT

FOREIGN AND COMMONWEALTH OFFICE
LONDON, SW1A 2AH

Repr.
DA 29/iii

WI8L 4 XXX 169

UNKNOWN GROUP CLAIMS SHOOTING OF BRITISH DIPLOMAT

BEIRUT, THURSDAY - A PREVIOUSLY UNKNOWN GROUP CALLING ITSELF ''THE REVOLUTIONARY ORGANISATION OF SOCIALIST MOSLEMS'' THIS AFTERNOON CLAIMED RESPONSIBILITY FOR SHOOTING BRITISH DIPLOMAT KENNETH WHITTY IN ATHENS YESTERDAY.

IN A TYPEWRITTEN STATEMENT DELIVERED TO AN INTERNATIONAL NEWS AGENCY OFFICE IN BEIRUT, THE GROUP SAID IT KILLED WHITTY IN RESPONSE TO WHAT IT CALLED BRITISH ATTEMPTS TO RESUME ITS FORMER COLONIAL ROLE IN THE WORLD BY SPREADING COLONIALIST CULTURE UNDER A NEW GUISE.

WHITTY, WHO RAN THE BRITISH COUNCIL IN ATHENS, WAS SHOT DEAD BY A GUNMAN IN THE CITY CENTRE. A GREEK LIBRARIAN AT THE COUNCIL WHO WAS ALSO HIT DIED THIS MORNING.

THE STATEMENT SAID THE KILLING WAS ALSO A PROTEST AGAINST ''THE (BRITISH) AUTHORITIES' CONTINUED DETENTION AND PERSECUTION OF OUR MOSLEM FIGHTERS IN BRITISH JAILS''.

THE GROUP SAID IT WOUD KEEP WORKING TO FREE ALL IT SMEMBERS IMPRISONED IN BRITAIN BUT IT DID NOT NAME THEM.

REUTER

291457 MAR 84

[redacted] ADVANCE COPIES 14

PS
PS/LADY YOUNG
PS/MR WHITNEY
PS/PUS
SIR J BULLARD
MR JENKINS
.....
.....
ED/SED
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PRESIDENT CLERK

PS/No.10 DOWNING STREET
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IMMEDIATE

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DESKBY 090800Z
FM ATHENS 082120Z MAR 84
TO IMMEDIATE FCO.,
TELNO 139 OF 8 MARCH 1984.,
AND TO IMMEDIATE UKDEL NATO.,
REPEATED AS IMMEDIATE INFO TO WASHINGTON AND ANKARA.,
REPEATED AS PRIORITY INFO TO OTHER NATO POSTS, NICOSIA, AND
UKMIS NEW YORK.

FOLLOWING FROM HULSE (IN AMBASSADOR'S ABSENCE IN SALONIKA).

TURKISH/GREEK INCIDENT

1. I WAS SUMMONED BY CAPSIS THIS EVENING, TOGETHER WITH REPRESENTATIVES FROM OTHER NATO EMBASSIES, TO BE BRIEFED ON WHAT HE DESCRIBED AS A ''VERY SERIOUS PROVOCATION'' BY TURKEY WHICH OCCURRED THIS AFTERNOON.

2. CAPSIS SAID THAT THE INCIDENT CONCERNED FIVE TURKISH WARSHIPS WHICH HAD BEEN ENGAGED IN AN ANTI-AIRCRAFT EXERCISE EARLIER TODAY, IN INTERNATIONAL WATERS OF KSIROS (PHONETIC), N.E. OF SAMOTHRACE. AT 1440 HOURS LOCAL TIME, TEN MINUTES AFTER THE END OF THE EXERCISE AND WHEN THE SHIPS WERE HEADING FOR THEIR HOME BASE AT CANAKKALE, THEY OPENED FIRE WITHOUT WARNING ON A GREEK DESTROYER ''THE PANTHIR''. THE LATTER WAS WITHIN GREEK TERRITORIAL WATERS AND 200 YARDS FROM A LIGHTHOUSE OFF THE SMALL ISLAND OF ZOURAFA.,
THE SHIPS WERE 8 MILES FROM THE DESTROYER AND THERE

~~THE SHIPS WERE 6 MILES FROM THE DESTROYER AND THERE~~
WAS GOOD VISIBILITY AT THE TIME. THE TURKISH SHIPS FIRED THREE SALVOS OF FIVE SHELLS EACH (SEMICOLON) THE FIRST OF WHICH PASSED WITHIN 200 YARDS OF THE DESTROYER, WHICH THEN TOOK RAPID EVASIVE ACTION. THE SECOND SALVO PASSED 800 YARDS FROM THE DESTROYER, AND THE THIRD EXPLODED VERY CLOSE TO A GROUP OF GREEK FISHING VESSELS CLOSE TO THE LIGHTHOUSE. AFTER THE INCIDENT THE TURKISH VESSELS STEAMED AT HIGH SPEED TOWARDS THE CANAKKALE STRAITS.

3. ON HEARING OF THE INCIDENT CAPSIS PHONED THE TURKISH AMBASSADOR TO ASK FOR FOR AN EXPLANATION. AFTER CONSULTING ANKARA, ALACAM REPLIED THAT THE TURKISH SHIPS HAD FIRED AWAY FROM AND NOT TOWARDS TSOURAPA. CAPSIS HAD SAID THAT THE EXPLANATION WAS QUITE UNACCAPTABLE.

4. A MEETING OF KYSEA, THE MINISTERIAL DEFENCE AND FOREIGN AFFAIRS COMMITTEE, WAS CALLED AT 1830 HOURS AND THE FOLLOWING DECISIONS WERE TAKEN:-

(I) THE GREEK AMBASSADOR IN ANKARA IS TO BE RECALLED FOR CONSULTATIONS. THE TURKISH AMBASSADOR IS TO BE ASKED TO LEAVE GREECE, ''PENDING A SATISFACTORY EXPLANATION FROM ANKARA''.

(II) THE US AMBASSADOR WAS TO BE SUMMONED AND TOLD THAT THE INCIDENT DEMOSTRATED THAT US MILITARY AND MORAL SUPPORT FOR TURKEY ONLY SERVED TO INCREASE THE LATTER'S INSOLENCE.

(III) CAPSIS WAS INSTRUCTED TO SUMMON NATO AMBASSADORS AND TO STRESS TO THEM THE SERIOUSNESS OF THE PROVOCATION, SAYING THAT IT WAS INCONCEIVABLE THAT A MEMBER OF A DEFENSIVE ALLIANCE SHOULD TAKE SUCH PROVOCATION ACTION AGAINST ANOTHER UEMBER. SUCH ACTION COULD JEOPARDISE THE INTERESTS AND UNITY OF THE ALLIANCE.

(IV) THE GREEK PERMANENT REPRESENTATIVE TO NATO IS TO BE INSTRUCTED TO MAKE A SIMILAR DEMARCHE TO THE NORTH ATLANTIC COUNCIL.

5. CAPSIS REQUESTED THAT HIS STATEMENT SHOULD BE REPORTED TO NATIONAL AUTHORITIES AS SOON AS POSSIBLE.

R H O D E S

NNNN

Repetition to REKJAVIK
referred for departmental decision.
repeated as requested to other posts.

Qz.03482

NOTE FOR THE RECORD

POSSIBLE VISIT BY MR PAPANICOLAOU, DIRECTOR OF THE ECONOMIC CABINET OF THE GREEK PRIME MINISTER

When the heads of government in the European Council were meeting at the Greek Prime Minister's house on 5 December and I was lurking helpfully in an antechamber, M. Yiannis Papanicolaou told me that he would shortly be visiting Paris and Bonn in order to inform himself about the organisation of economic business at Cabinet level in France and Germany. He hoped that it would also be possible for him at some time in the first quarter of 1984 to visit London. I expressed interest but made no commitment. If he wishes to follow this up, we shall no doubt hear through the Greek Embassy here.

If he does come, I would suggest that he might speak to Mr Gregson and myself in the Cabinet Office, possibly to Mr N Owen at 10 Downing Street and at an appropriate level in the Treasury and Foreign and Commonwealth Office.

D F Williamson

D F WILLIAMSON

9 December 1983

cc: Mr Coles) 10 Downing Street
Mr N Owen)
Mr Hannay, FCO
Mr Unwin, Treasury
H E P A Rhodes, Athens
Mr Gregson
Mr Stapleton

The National Archives

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eg. HO 405, J 82.

Enter the piece and item references, .
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Enter extract details if it is an extract rather than a whole piece.
This should be an indication of what the extract is,
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

cc WR

Foreign and Commonwealth Office

London SW1A 2AH

26 May 1983

W.R. 31/5

A.J.C. 27/5

Dear John,

British Property in Greece

Thank you for your letter of 19 May. Since I last wrote on 11 May we have kept up the pressure on the Greeks. When Mr Pattie raised the matter with Mr Kapsis, the Greek Deputy Foreign Minister, on 16 May, Mr Kapsis said that the Greek Government were working on 'concrete measures' to deal with the situation. We are pressing for more details.

I am afraid that it is too early to put forward any particular solution which we could press on the Greek Government. On the EC front we are finding out more about what the Commission is prepared to do. But it is not yet clear to what extent this would offer a solution. We suspect that it will be of help to only a few of the British owners. As to the rest, we have asked Frank Giles' Association of Foreign Property Owners in Greek Frontier Areas to provide us with a dossier on the various cases which it knows about and in particular those which already involve legal proceedings in the Greek courts. I attach a copy of Mr Synnott's letter of 19 May to Mr Giles. When we have this information we intend to sit down with the Association and its legal advisers to discuss possible ways and means of dealing with the problem. I will keep you in touch with developments.

Yours ever

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

Foreign and Commonwealth Office
London SW1A 2AH

Telephone 01-

RECEIVED
20 MAY 1983

Your reference

Our reference

Date 19 May 1983

Frank Giles Esq
Association of Foreign Property Owners
in Greek Frontier Areas
42 Blomfield Road
London W9

Dear Mr. Giles,

As you know from Lord Belstead's letter of 5 May, we are currently considering the possible implications of the judgment of the Greek Supreme Court in the Rothschild case and looking particularly at what might be done within the European Community. We have asked the European Commission to explore the possibility that some owners may be able to take advantage of the non-discrimination provisions of EC law in cases where economic activity may be involved. So far we have only had preliminary and informal views from certain parts of the Commission and I cannot give you any details which would be of any value. In the meantime, however, we are trying to build up a dossier on properties which might be affected by the judgment and, in doing so, we are very much reliant on information from those who are, or might be, affected. I should very much welcome the assistance of your Association in this task since I presume the members will by now have pooled a certain amount of information.

The first question is whether any other legal action over title is currently being taken against British owners in the Greek courts, or whether any such action is known to be imminent.

It would also be particularly useful to have individual case histories of the ownership of property in Greek frontier areas. These should ideally include dates of purchase and the exact manner in which the purchase was effected (eg by means of a Greek nominee with a lease to the British owner, or by the establishment of a Greek company). If a Greek company was formed we should like to know the present number of shareholders, their nationality and the size of their respective shareholdings (and in what respects these details differ from those at the time of purchase), the price paid and an estimate of present market value, including all improvements. In each case it would also be helpful to have a copy of all advice given by English or Greek lawyers and/or Greek officials at the time the property was purchased. We have already seen the Special Feature on Corfu published by the National Tourist Organisation on 1 July 1969.

I hope that the Association would be willing to provide such information on an informal basis in this way. (You may perhaps wish to include these questions in a questionnaire to the members of the Association.) The information would naturally be treated in confidence. You will,

/however

however, understand that this request in no way implies any commitment by the British Government to take up cases on behalf of the individuals concerned if action is taken against them in the Greek courts. But the information would greatly help us in considering further to what extent other owners may be affected by the Supreme Court judgment and give us a better idea of how their problems might best be handled.

Yours sincerely

Hilary Synnott

H N H Synnott
Southern European Department

bcc Chancery Athens
UKRep Brussels
ECD(I)
Legal Advisers

26 MAY 1983

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

19 May 1983

BRITISH OWNED PROPERTY IN GREECE

Thank you for your letter of 11 May.

The question of the possible loss of property by British citizens in Greece has not yet come to the Prime Minister's attention. We have had several hints from some of those affected that it may do so soon. It would therefore be helpful if you could continue to keep us closely informed.

I note that the matter has been raised with the Greeks at various levels. But I have as yet seen little to suggest that there is any real prospect of the British citizens concerned being able to retain their property. You say that we shall continue to press for appropriate action but suggest, at an earlier stage in your letter, that even if the Greek Government had the political will to introduce the necessary legislation there may be constitutional difficulties about doing so. I wonder whether you have in mind any particular solution which we should press upon the Greek Government.

A. J. COLES

R. B. Bone, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

11 May, 1983

Dear John,

British Owned Property in Greece

In your letter of 13 April you asked for a further note on action that may be open to us to protect the interests of British citizens who have bought property in Greek frontier areas once our Legal Advisers had an opportunity to study the text of the decision of the Greek Supreme Court.

Since my letter of 12 April the Ambassador at Athens has raised the matter with Mr Papandreou, the Greek Prime Minister, who has promised to look into it. He has also raised it with Mr Kapsis, the Greek Deputy Foreign Minister. Mr Hurd has mentioned it to Mr Haralambopoulos, the Greek Foreign Minister, and Lord Belstead has spoken to the Greek Ambassador. An 'Association of Foreign Property Owners in Greek Frontier Areas' has been formed under the chairmanship of Mr Frank Giles, the Editor of the Sunday Times. We are keeping in close touch with him.

The Supreme Court judgement has now been released and our Legal Advisers have studied a translation. It is clear that certain questions are still unresolved, even under Greek Law. Our Legal Advisers' preliminary views are that, in essence, the judgement decides that a non-Greek national (whether an individual or a company) may not acquire land in 'frontier areas' of Greece (as defined by 1927 legislation which included Corfu, amongst other islands, in this definition) by establishing or acquiring a Greek company controlled by him for the purposes of holding the land. Any purchase by such means is void ab initio. Although the judgement is only binding on the parties to the particular case on which the Supreme Court was asked to decide (involving property purchased by Mr Jacob Rothschild), the effect of the decision is to set a precedent which would be binding on the lower courts. However, the judgement leaves it unclear, even in the particular case in question, how and when repossession takes place or whether the 'new' owner has to pay the present value of the land including any improvements.

We are now considering, in conjunction with our Embassy's Greek Legal Adviser, how this judgement may affect other British owners. And we are pursuing with the EC Commission the possibility that some may be able to take advantage of the non-discrimination provisions of EC law, at least insofar as they may have bought property after Greek accession and in connection with an economic activity. Where this is not possible the defect in title can probably only be cured by legislation, although there may be constitutional difficulties even if the Greek Government

had the political will to introduce such legislation - which is by no means certain.

If a British owner were to lose his land and Greek law does not provide for full compensation, he may be able to take legal action against the Greek lawyer who advised him over the purchase. However, we believe there may be many cases where people bought after being told that they were running a risk.

If compensation is not adequate, it is doubtful whether any claim would lie against Greece under the European Convention on Human Rights unless either Greek law did not provide an adequate remedy for a lawyer's negligence or, possibly, it could be demonstrated that, even where people bought knowing the risk, the Greek Government knew what they were doing but turned a blind eye.

In short, our Legal Advisers have taken the preliminary view, subject to further advice on aspects of Greek law, that it is doubtful that an international claim could be made on behalf of owners. Owners may, of course, be able to seek local remedies and Mr Frank Giles's Association might help them in this. We can, however, exert political pressure on the Greek Government, both bilaterally and through the EC Commission, to take steps to safeguard the interests of British property owners. We have already expressed our concern at all levels in the Greek Government and have raised the question with the Commission. We shall continue to press for appropriate action.

Yours ever,

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

Greece: UK/Greek Relations

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File Bre

13 April 1983

British Owned Property in Greece

Thank you for your letter of 12 April.

I should be grateful if, when your legal advisers have had a chance to study the text of the decision of the Greek Supreme Court, you could let me have a further note on the action that may be open to us to protect the interests of the British citizens who are involved.

A. J. COLES

R.B. Bone, Esq.,
Foreign and Commonwealth Office

cc WR

Foreign and Commonwealth Office

London SW1A 2AH

12 April 1983

Dear John,

British Owned Property in Greece

You asked for a note on the Greek Supreme Court decision of 8 April, reported in the press on 10/11 April, about ownership of land in Greece.

Under the Greek Presidential Decree 22/24 of 1927 foreigners are prohibited from owning land in frontier areas of Greece. These include parts of northern Greece, the islands of Corfu, Crete, Rhodes, the Dodecanese and the islands of the Eastern Aegean. However, a number of British citizens have apparently in the past acquired property in frontier areas in the name of companies established in Greece.

The Embassy at Athens are now urgently obtaining a copy of the Supreme Court decision which will need to be studied by our legal advisers. Subject to this, it appears that the Supreme Court has now decided that a foreign controlled company operating in Greece may not buy property in a frontier area. This overturns the previous decision by the Court of Appeal that a purchase by the Rothschild company was valid.

We understand from the Embassy at Athens that the judgement appears to deal only with the principle. The relatives of the original vendor who have brought the case against the Rothschilds would have to take further legal action if they wanted to regain the property. The question of compensation to the Rothschilds remains to be settled in the courts.

There are many Britons who have set up similar companies to buy property in the affected areas (in particular in Corfu). We do not know exactly how many but the number may run into several hundreds. It is not yet clear how they will be affected since this is a judgement in just one case and the circumstances of others may be different. In particular, contrary to some press reports, it is not yet known whether the judgement means that all such property will have to be returned to the original owners and, if so, at what price. This aspect may become clearer once we have studied the text of the judgement.

/Nor is it

Nor is it known how strictly the Presidential Decree of 1927 has in fact been applied. It is possible, although perhaps unlikely, that there may be private individuals who have bought land in these areas without setting up companies. This would probably always have been illegal. The recent publicity may well lead to the law being enforced more strictly.

In considering this case in the past (we have kept in touch with the Rothschilds during the case), we have taken the view that the Greek legislation did not conflict with her obligations in the EC.

The Embassy at Athens and British Consular Staff in Corfu are keeping a close watch on local reactions to the Supreme Court's decision. Once we have been able to study the decision we must consider as necessary what action is open to us to take either nationally or in conjunction with countries whose citizens will have been similarly affected. Meanwhile, in response to press enquiries we are taking the line that we are unable to comment until we have examined the terms of the decision in detail.

Yours ever

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

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FM ATHENS 100930Z JAN 83

TO IMMEDIATE FCO TELNO 6 OF 10/1/83

INFO IMMEDIATE UKREP BRUSSELS

ROUTINE PARIS, BONN, ROME, THE HAGUE, BRUSSELS AND COPENHAGEN.

SAVING TO LUXEMBOURG, DUBLIN, MADRID, LISBON, UKDEL OECD,

WASHINGTON, ANKARA AND NICOSIA.

Michael
to see

DEVALUATION OF THE GREEK DRACHMA.

1. ON 9 JANUARY THE GREEK GOVERNMENT ANNOUNCED THE DEVALUATION OF THE DRACHMA BY 15.3%. THE DRACHMA WILL OPEN TODAY IN ATHENS AT 84 EQUALS ONE US DOLLAR COMPARED WITH 71 AT CLOSE ON 7 JANUARY. RATES AGAINST OTHER CURRENCIES WILL MOVE DOWN CORRESPONDINGLY.

2. THIS DEVALUATION SHOULD BE SEEN AS THE SECOND STEP IN THE GOVERNMENT'S EFFORT TO RESTORE GREECE'S INTERNATIONAL COMPETITIVENESS. (THE FIRST WAS THE INCOMES POLICY ANNOUNCED IN DECEMBER 1982). IN RECENT WEEKS THE GOVERNMENT HAVE EXPRESSED CONCERN, NOT ONLY AT THE LOSS OF EXPORT MARKETS (GREEK EXPORTS DECLINED BY 17% IN THE FIRST 8 MONTHS OF 1982) BUT AT THE INCREASING PENETRATION OF FOREIGN GOODS IN THE DOMESTIC MARKET.

3. AT THE SAME TIME AS HE ANNOUNCED THE DEVALUATION, ARSENIS, MINISTER OF NATIONAL ECONOMY, SAID THAT GREECE WOULD REQUEST THE APPROVAL OF THE EC COMMISSION FOR SAFEGUARD ACTION UNDER ARTICLE 130 OF THE GREEK TREATY OF ACCESSION IN THE FOLLOWING SECTORS: TEXTILES, SOME AGRICULTURAL MACHINERY, CERTAIN CATEGORIES OF BUILDING MATERIALS, HIDES AND SKINS, TOYS. THE GOVERNMENT'S INTENTION IS THAT IMPORTS OF THESE PRODUCTS IN 1983 SHOULD NOT EXCEED THE LEVEL OF IMPORTS IN 1980, THE LAST PRE-ACCESSION YEAR. HE SAID THAT THE FORM, EXTENT AND EXACT NATURE OF THE MEASURES TO BE TAKEN WOULD BE ANNOUNCED IN A FEW DAYS WHEN THE PROCEDURES ENVISAGED IN ARTICLE 130 HAD BEEN COMPLETED. MEANWHILE, HOWEVER, TO PREVENT SPECULATIVE ACTION, ADMINISTRATIVE CONTROLS ON IMPORTS OF THESE CATEGORIES OF GOODS WHOULD BE INTRODUCED.

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4. THE GOVERNMENT IS ALSO TAKING ACTION TO STRENGTHEN THE EXPORT EFFORT. BILLS ARE TO BE PUT TO PARLIAMENT CREATING A STRENGTHENED EXPORT PROMOTION ORGANISATION, SETTING UP AN EXPORT GUARANTEE ORGANISATION AND AN INSTITUTE OF PACKAGING AND STANDARDS.

5. ARSENIS ANNOUNCED THAT THE GREEN DRACHMA WOULD BE DEVALUED TO BRING IT INTO LINE WITH THE NEW RATE OF THE DRACHMA AGAINST THE ECU.

COMMENT

6. DEVALUATION OF THE DRACHMA HAD BEEN WIDELY EXPECTED, BOTH TO RESTORE GREECE'S INTERNATIONAL COMPETITIVENESS AND TO MAKE POSSIBLE A DEVALUATION OF THE GREEN DRACHMA THIS SPRING TO SAFEGUARD GREEK FARMERS INCOMES. BUT THE MANNER OF THE DEVALUATION COMES AS SOMETHING OF A SURPRISE. IN RECENT YEARS THE GREEK GOVERNMENT HAS PREFERRED TO ADJUST THE DRACHMA'S VALUE (WHICH IN SOME PERIODS HAS CHANGED FAIRLY FAST) BY QUIET MANIPULATION BY THE BANK OF GREECE. PRESUMABLY THE GOVERNMENT HAS CHOSEN A FORMAL DEVALUATION TO EMPHASIZE THE GRAVITY OF THE SITUATION SEMI-COLON AND PERHAPS IN THE HOPE OF PICKING UP AN INCREASED SHARE OF THE INTERNATIONAL TOURIST TRADE AT A PERIOD WHEN BOOKINGS ARE BEING MADE. DEVALUATION MAY ALSO HAVE A TONIC EFFECT ON WHAT THE GREEK GOVERNMENT CALLS '' AUTONOMOUS CAPITAL INFLOWS'', TRANSFERS OF FOREIGN CURRENCY TO GREECE BY THE GREEK COMMUNITIES IN THE UNITED STATES, AUSTRALIA, ETC., WHICH ARE GENERALLY USED TO PURCHASE PROPERTY.

7. A COMBINATION OF THE DEVALUATION AND IMPORT QUOTAS WILL HAVE SOME EFFECT ON BRITISH EXPORTS TO GREECE SEMI-COLON BUT IT IS DIFFICULTY TO QUANTIFY THIS UNTIL WE HAVE DETAILS OF THE TARIFF HEADINGS CONCERNED. BUT I TAKE SOME ENCOURAGEMENT FROM THIS FURTHER EVIDENCE THAT THE PASOK GOVERNMENT IS AT LAST GETTING TO GRIPS WITH THE ECONOMIC PROBLEMS FACING THIS COUNTRY.

8 FCO PLEASE ADVANCE COPIES WILSON/SED, SPRECKLEY/ECD, BULL/BANK OF ENGLAND, A J EDWARDS/TREASURY, LINK/ECGD, AND WISEMAN EED/DOT, MRS DRAGE WEG/DOT.

9. FCO PLEASE PASS SAVING ADDRESSEES.

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GPS 120
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FM BONN 281405Z JAN 82
TO PRIORITY FCO
TELEGRAM NUMBER 83 OF 28 JANUARY
AND TO PRIORITY WASHINGTON PARIS ATHENS UKDEL NATO UKREP BRUSSELS

VISIT TO BONN BY MR PAPANDREOU

1. VON DER GABLENTZ IN THE CHANCELLOR'S OFFICE TELEPHONED ME THIS MORNING AT THE CHANCELLOR'S REQUEST TO TELL US THE BACKGROUND TO THIS VISIT. HE IS SIMILARLY INFORMING THE US AND FRENCH EMBASSIES. PAPANDREOU'S VISIT ON 2 FEBRUARY IS INFORMAL. THE CHANCELLOR WISHED US TO KNOW THAT HE HAD CAREFULLY CONSIDERED WHETHER TO ALLOW THE VISIT TO TAKE PLACE IN ORDER TO BALANCE THE DANGER THAT THE PURPOSE OF THE VISIT AND OF HIS CONFIDENTIAL TALKS MIGHT BE MISUNDERSTOOD ON THE ONE HAND, AND THE DESIRABILITY OF USING THE VISIT TO EXPLORE THE POSSIBILITY OF INFLUENCING PAPANDREOU IN THE RIGHT DIRECTION OVER GREEK MEMBERSHIP OF THE ALLIANCE AND THE COMMUNITY ON THE OTHER. THE CHANCELLOR WANTED YOU TO KNOW THAT HIS SOLE PURPOSE IS TO TRY TO BE HELPFUL TO OUR COMMON INTERESTS IN NATO AND THE EUROPEAN COMMUNITY.

TAYLOR

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WED
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PS/LPS
PS/MR HURD
PS/PUS
MR WRIGHT
MR BULLARD
MR GILLMORE
MR GOODISON
MR HANNAY

[NOT ADVANCED]

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Greece
No 10 DSR.

D E D I P
CONFIDENTIAL
FM UKDEL NATO 111150Z DEC 81
TO IMMEDIATE FOREIGN AND COMMONWEALTH OFFICE,
TELEGRAM NUMBER 477 OF 11 DECEMBER 1981,
INFO PRIORITY (PERSONAL FOR AMBASSADOR) ANKARA, ATHENS,
INFO ROUTINE (PERSONAL FOR AMBASSADOR) BONN, PARIS, UKREP BRUSSELS.

FOLLOWING FROM PRIVATE SECRETARY.

BILATERAL BREAKFAST WITH HAIG ON 11 DECEMBER: GREECE/TURKEY.

1. LORD CARRINGTON SAID THAT WHEN HE HAD MET PAPANDREOU A FEW MONTHS AGO HE HAD FELT THAT MUCH OF HIS PUBLIC POSITION COULD BE PUT DOWN TO THE REQUIREMENTS OF THE ELECTORAL CAMPAIGN. HE WAS NOW LESS SURE. THE GREEKS WERE BEING VERY DIFFICULT AND THE UNANIMITY RULE MEANT THAT THEY COULD IN EFFECT BRING THE COMMUNITY TO A HALT. HAIG SAID THAT THE AMERICANS HAD DONE THEIR BEST TO AVOID TROUBLE AND TO TURN THE OTHER CHEEK, BUT IMPLIED THAT THERE WERE LIMITS.

2. ON TURKEY, LORD CARRINGTON EXPLAINED HOW DIFFICULTIES WHICH HAD ARISEN FIRST IN THE COUNCIL OF EUROPE WERE NOW SPREADING TO THE COMMUNITY. THE DANES, THE FRENCH AND TO SOME EXTENT THE GERMANS HAD A TENDENCY TO TAKE A PARTY POLITICAL VIEW. THERE WAS A DANGER THAT ACTION WOULD BE TAKEN WHICH WOULD IRRITATE THE TURKS AT A MOMENT WHEN, GIVEN OUR PROBLEMS WITH THE GREEKS, WE PARTICULARLY WANTED THEM TO BEHAVE REASONABLY. IT WOULD BE VERY HELPFUL IF THE TURKS COULD MAKE SOME EARLY ANNOUNCEMENT ON THEIR DOMESTIC POLITICAL SITUATION WHICH WOULD HAVE A POSITIVE IMPACT ON PUBLIC OPINION, BUT HE SUSPECTED FROM HIS CONVERSATION WITH TURKMEN THAT THE TURKS WOULD ANNOUNCE A LENGTHY TIMETABLE WHICH WOULD NOT BE HELPFUL.

3. LORD CARRINGTON CONCLUDED BY ASKING HAIG TO USE HIS INFLUENCE WITH EVREN. HAIG SAID THAT THE TURKS WOULD NO DOUBT BE EXPECTING SOMETHING OF THE SORT DURING HIS VISIT TO ANKARA, THAT OF WEINBERGER HAVING BEEN ALL SWEETNESS AND LIGHT FROM THE TURKISH POINT OF VIEW. HE WAS CONSCIOUS OF THE PROBLEM, WHICH COULD CAUSE TROUBLE IN CONGRESS TOO ALTHOUGH IT HAD NOT DONE SO YET. THE IMPRISONMENT OF ECEVIC HAD BEEN A SILLY MOVE. HAIG CONCLUDED THAT THE ONLY WAY TO INFLUENCE THE TURKISH GOVERNMENT WAS THROUGH THE GENERAL STAFF, AND HE AGREED THAT HIS RELATIONSHIP WITH EVREN WAS SUCH AS TO ENABLE HIM TO TALK FRANKLY.

ROSE.

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PS
PS/LPS
PS/PUS
SIR A ACLAND
MR BULLARD
MR FERGUSSON
MR GILLMORE

COPIES TO:

PS/NO 10 DOWNING ST

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GRS 1100

UNCLASSIFIED

FM ATHENS 231400 NOV 81

TO IMMEDIATE FCO
TEL NO 383 OF 23/11/81

RPTD PRIORITY INFO UKREP BRUSSELS WASHINGTON ANKARA NICOSIA UKDEL NATO PARIS.
AND SAVING TO OTHER EC POSTS UKMIS NEW YORK MOSCOW SOFIA MADRID LISBON BUCHAREST BELGRADE.

MY TEL 381.

PAPANDREOU'S POLICY STATEMENT OF 22 NOVEMBER:

DEFENCE AND FOREIGN POLICY ISSUES OTHER THAN THE EUROPEAN COMMUNITY.

DEFENCE.

1. PAPANDREOU PROMISED ABSOLUTE PRIORITY FOR DEFENCE EXPENDITURE, MODERNISATION OF EQUIPEMENT, AND THE PROGRESSIVE DIVERSIFICATION OF SOURCES OF SUPPLY, TO AVOID DEPENDENCE ON ANY SINGLE FOREIGN SOURCE. SPECIAL ATTENTION WLEFM BE GIVEN TO THE DEVELOPMENT OF GREECE'S DEFENCE INDUSTRIES. THE GOVERNMENT PROPOSED TO CREATE A STATE AGENCY FOR DEFENCE EXPORTS.

FOREIGN POLICY.

2. GENERAL

GREEK FOREIGN POLICY WAS ONE OF PEACE, REALISM AND SOLIDARITY WITH PEOPLES STRUGGLING FOR NATIONAL

INDEPENDENCE OR FOR AUTONOMOUS ECONOMIC DEVELOPMENT. POLICY WOULD BE RELATED TO THE FACT THAT GREECE BELONGED SIMULTANEOUSLY TO EUROPE, THE BALKANS AND THE MEDITERRANEAN AND THECYOVERNMENT AIMED TO DEVELOP FRIENDLY RELATIONS WITH THE PEOPLES OF ALL THREE AREAS. IN THE CONTEXT OF THE MEDITERRANEAN, PAPANDREOU MADE PARTICULAR REFERENCE TO THE ARAB NATION AS A ''DYNAMIC FACTOR IN CURRENT WORLD DEVELOPMENTS''.

/3.

3. TURKEY AND THE AEGEAN.

GREECE MUST MAKE CLEAR TO HER NEIGHBOURS AND TO THE ATLANTIC ALLIANCE THAT HER LAND, AIR AND SEA FRONTIERS, AND THE LIMITS OF THE GREEK AEGEAN CONTINENTAL SHELF, WERE NOT NEGOTIABLE. ''THEY ARE ASSURED BY INTERNATIONAL TREATIES AND CONVENTIONS AND BY INTERNATIONAL PRACTICE''.

4. PAPANDREOU HAD ALREADY CLEARLY TOLD ANKARA OF HIS DESIRE THAT THE TWO PEOPLES SHOULD LIVE IN PEACE AND FRIENDSHIP. AT SOME POINT TURKEY AND GREECE MUST THINK SERIOUSLY ABOUT ENDING EXPENSIVE ARMAMENTS PROGRAMMES AND USING THE RESOURCES FOR HEALTH, EDUCATION AND IMPROVEMENT OF LIVING STANDARDS. BUT GREECE WOULD NOT SURRENDER ONE INCH OF TERRITORY. ''THE DIALOGUE WITH TURKEY CAN BE FRUITFUL ONLY INSOFAR AS IT DOES NOT CONCERN CONCESSIONS OF NATIONAL SOVEREIGN RIGHTS OR OVER THE RESPONSIBILITIES WHICH HAVE BEEN ASSIGNED TO GREECE UNDER INTERNATIONAL AGREEMENTS.

CYPRUS

5. CYPRUS WAS PRIMARLILY AN ISSUE OF FOREIGN OCCUPATION, AND A VITAL NATIONAL ISSUE FOR GREECE. ''GREECE REMAINS A GUARANTOR POWER AND HAS A LEGAL RIGHT AND DUTY TO GIVE ACTIVE SUPPORT TO THE STRUGGLE OF THE CYPRIOT PEOPLE FOR THE DEPARTURE OF ALL FOREIGN TROOPS, FOR THE SAFEGUARDING OF FREE ESTABLISHMENT AND MOVEMENT ON THE ISLAND, AND FOR THE DEVELOPMENT OF A CONSTITUTION WHICH, WHILE ASSURING THE UNITY AND INDEPENDENCE OF THE CYPRIOT REPUBLIC, WILL PROVIDE EQUAL RIGHTS AND EQUAL OBLIGATIONS TO ALL ITS CITIZENS, GREEK CYPRIOT AND TURKISH CYPRIOT''. THE GREEK GOVERNMENT WOULD UNDERTAKE A CRUSADE TO MOBILISE WORLD OPINION ON BEHALF OF A JUST SOLUTION TO THE CYPRUS PROBLEM . IT WOULD ALSO OPEN THE ''CYPRUS FILE'' SO THAT THE GREEK AND CYPRIOT PEOPLES WOULD KNOW WHO WAS RESPONSIBLE FOR THE CYPRIOT TRAGEDY.

/NATO

NATO

6. GREECE'S STRATEGIC POSITION WAS TO FAVOUR THE DISSOLUTION OF NATO AND THE WARSAW PACT. THE GREEKS DID NOT FORGET THAT THE NATO ALLIANCE SUPPORTED THE 7YEAR MILITARY DICTATORSHIP AND HAD DONE NOTHING TO STOP THE TURKISH INVASION OF CYPRUS. ''IT MAKES NO SENSE TO BELONG TO THE MILITARY WING OF AN ALLIANCE WHICH DOES NOT GUARANTEE GREECE'S EASTERN FRONTIERS, AND WHICH SIMULTANEOUSLY, BY PROVIDING MILITARY AID TO TURKEY, TENDS TO UPSET THE BALANCE OF FORCES INTHE AEGEAN''.

7. THE ROGER AGREEMENT AS HITHERTO INTERPRETED PUT IN DOUBT THE LIMITS OF GREECE'S OPERATIONAL CONTROL IN THE AEGEAN. THIS WAS UNACCEPTABLE. ''IN OTHER WORDS, THE MILITARY STRUCTURE OF NATO DOES NOT SECURE OUR FRONTIERS WHILE THE ROGERS' AGREEMENT HARMS OUR NATIONAL INTERESTS''. PARLIAMENTS VOTE OF CONFIDENCE WOULD CONSTITUTE A MANDATE TO THE GOVERNMENT TO DO WHAT WAS NECESSARY TO SECURE GREECE'S FRONTIERS AND TO PROTECT THE NATIONAL INTEREST, AND ''WITHIN THIS FRAMEWORK IS INCLUDED THE PROCEDURE FOR WITHDRAWING FROM THE ROGERS ' AGREEMENT''.

THE US BASES

8. PAPNDREOU SAID THAT IN THE NEGOTIATIONS TO BE UNDERTAKEN IN THE FIRST MONTHS OF 1982, GREECE WOULD PUT CLEARLY A TIMETABLE FOR THEIR WITHDRAWAL''. UNTIL THEN THEY WOULD FUNCTION ON THE FOLLOWING BASIS:

(I) GREEK CONTROL AND SUPERVISION OF THEIR ACTIVITIES.
(II) POSSIBILITY OF ANNUAL REVIEW AND DENUNCIATION OF THE RELEVANT AGREEMENTS UNDER WHICH THEY FUNCTION.

(III) SUSPENSION OF THE ACTIVITIES OF THE BASES WHEN GREEK NATIONAL SECURITY INTERESTS WERE AT STAKE OR WHEN THEIR ACTIVITIES MIGHT HARM RELATIONS WITH FRIENDLY COUNTRIES IN THE REGION.

/9.

9. THE MEDITERRANEAN, ARAB COUNTRIES AND THE THIRD WORLD.

THE MEDITERRANEAN SHOULD BELONG TO THE PEOPLE OF MEDITERRANEAN COUNTRIES ''WITHOUT THE PRESENCE OF THE FLEETS OF THE SUPERPOWERS AND WITHOUT THE MILITARY EXERCISES WHICH POSE A DANGER TO PEACE IN SO SENSITIVE A REGION''. REFERRING TO ARAB COUNTRIES, PAPANDREOU SAID THAT HIS GOVERNMENT WOULD EXPAND RELATIONS IN ALL FIELDS AND THAT IT SUPPORTED FIRMLY ''THE STRUGGLE OF THE PALISTINIANS FOR SELF-DETERMINATION AND TO OBTAIN THEIR OWN HOMELAND AND FOR ALL THE REFUGEES TO RETURN TO THEIR HOMES''. HE ALSO SPOKE OF DEVELOPING STRONGER LINKS WITH THE THIRD WORLD AND THE NON-ALIGNED.

BALKANS

10. THE GOVERNMENT STOOD FOR COOPERATION BETWEEN THE BALKAN COUNTRIES, AND FAVOURED THE CREATION OF A ZONE OF PEACE SO THAT THE BALKANS MAY BECOME DENUCLEARISED AND DISENGAGED FROM POLITICO-MILITARY ALLIANCES. AS A FIRST STEP GREECE WOULD PROPOSE THE CREATION OF A BALKAN NUCLEAR-FREE ZONE. AFTER THE NECESSARY CONSULTATIONS, GREECE WOULD BE THE FIRST TO IMPLEMENT - AND SOON - THIS PRINCIPLE BY REMOVING NUCLEAR WARHEADS FROM HER TERRITORY.

FCO PSE PASS SAVING OTHER EC POSTS UKMIS NEW YORK MOSCOW SOFIA MADRID LISBON BUCHAREST AND BELGRADE

SUTHERLAND

[REPEATED AS REQUESTED]

FCO/WHITEHALL
SED

Greece

CONFIDENTIAL

CONFIDENTIAL
FROM FCO 221249Z OCT81
TO PRIORITY UKDEL CANCUN (FOR PS S OF S)
TELEGRAM NUMBER 44 OF 22 OCTOBER 81

FOLLOWING TELEGRAM NOW REPEATED TO YOU AT REQUEST OF DEPT WAS RECEIVED FROM ATHENS TELNO 273 OF 21 OCTOBER
BEGINS

MY TELNO 271: THE NEW GREEK GOVERNMENT.

1. THE COMPOSTION OF THE CABINET REFLECTS BOTH THE SCALE OF PASOK'S VICTORY AND PAPANDREOU'S PERSONAL PREDOMINANCE. ALL MINISTERS ARE PASOK MEMBERS, ALMOST ALL MPS. OF PASOK'S NINE-MAN EXECUTIVE BUREAU, SIX ARE IN THE GOVERNMENT THOUGH NOT ALL IN SENIOR POSTS. A SEVENTH, ALEVRAS, WILL BE PRESIDENT OF PARLIAMENT (SPEAKER) AND ONE OTHER HAS BEEN NAMED AS SPECIAL ADVISER TO THE PRIME MINISTER.NO POST HAS BEEN GIVEN TO GEORGE MAVROS, THE FORMER CENTRE LEADER WHO MOVED OVER TO PASOK FOUR WEEKS BEFOREQLHE ELECTION.

2.PAPANDREOU HIMSELF RETAINS PERSONAL CONTROL OF THE MINISTRY OF DEFENCE AND WILL CHAIR KEY MINISTERIAL COMMITTEES ON ECONOMIC, DEFENCE AND FOREIGN POLICY. HIS TENURE OF THE DEFENCE PORTFOLIO IS CALCULATED TO ENABLE HIM TO BOTH CONTROL AND REASSURE THE ARMED

FORCES. THE FOREIGN MINISTER, HARALAMBOPOULOS (FOR ASSESSMENT SEE MIFT) ENJOY'S PAPANDREOU'S TRUST,T IS LACKING IN EXPERIENCE OF FOREIGN AFFAIRS. HE IS LIKELY TO BE KEPT ON A SHORT LEASH.
3. PAPANDREOU'S APPOINTMENTS IN ADDITION TO HIS RETENTION OF THE MINSTRY OF DEFENCE INDICATE THE IMPORTANCE HE ATTACHES TO HAVING TRUSTED FIGURES IN POSTS RELEVANT TO INTERNAL SECURITY. YENNIMATAS, A HARD-LINER AND TRUSTED MEMBER OF THE EXECUTIVE BUREAU, GOES TO THE MINISTRY OF THE INTERIOR, WHICH CONTROLS PROVINCIAL GOVERNMENT AND WILL HAVE RESPONSIBLITY FOR PASOK'S PLANS FOR DEVOLUTION. AT THE MINISTRY TO THE PRIME MINISTER, KOUTSOGIORGAS IS AN MPSFROM PAPANDREOU'S HOME AREA WITH CLOSE PERSONAL LINKS TO PAPANDREOU. HE WAS THE DEFENCE LAWYER IN THE ASPIDA TRIAL. HE WAS ALSO IMRPISONED TWICE BY JUNTA AND TORTURED BY THE ESA.HIS APPOINTMENT AS THE MINISTER RESPONSIBLE FOR THE CENTRAL INTELLIGENCE SERVICE (K.Y.P.) IS THEREFORE SIGNIFICANT ONE. HE WILL ALSO BE RESPONSIBLE, THROUGH AN UNDER SECRETARY, FOR THE PRESS. FOR PUBLIC ORDER, PAPANDREOU HAS CHOSEN THE MODERATE SKOULARIKIS, WHO SHOULD HELP RETAIN CONFIDENCE AMONG THE POLICE AND GENDARMERIE.

4. IN THE ECONOMIC SECTOR, PROFESSOR LAZARIS, AN ACADEMIC, WILL BE MINISTER OF COORDINATION PENDING THE CREATION OF AN ENLARGED MINISTRY OF THE NATIONAL ECONOMY, WHICH HE IS EXPECTED TO TAKE OVER ONCE THE LEGISLATION NECSSARY FOR ITS ESTABLISHMENT HAS BEEN PASSED. OUR FREQUENT CONTACTS WITH HIM SUGGEST THAT, THOUGH A CONVINCED BELIEVER IN CENTRAL PLANNING, HE IS SENSITIVE TO THE NEED TO REASSURE GREEK AND FOREIGN ECONOMIC CIRCLES, AND PRAGMATIC ABOUT THE PACE AND CONTENT OF PASOK'S PROGRAMME OF 'SOCIALISATION' OF KEY SECTORS OF THE ECONOMY. AS CHAIRMAN OF PASOK'S PLANNING COMMITTEE IN OPPOSITION, HE TOO IS CLOSE TO PAPANDREOU. HIS APPOINTMENT HAS BEEN WELL RECEIVED. HE GIVES THE APPEARANCE OF A BACKROOM TECHNICIAN RATHER THAN A PERSONALITY CAPABLE OF DOMINATION OTHER ECONOMIC MINISTERS AND OF STANDING UP TO PAPANDREOU. DRETTAKIS, AT FINANCE, IS A LSE GRAFUATE WITH GOOD ENGLISH, WHO RENOUNCED HIS DUAL BRITISH NATIONALITY ON 21 OCTOBER IMMEDIATELY BEFORE ASSUMING OFFICE. PROFESSOR SIMITIS, MINISTER OF AGRICULTURE AND WELL KNOW TO THIS EMBASSY WAS PASOK'S LEADING THEORETICIAN UNTIL HE FELL OUT OF FAVOUR WITH PAPANDREOU IN1979. PEPONIS, MINISTER OF INDUSTRY AND ENERGY, A CAPABLE LAWYER, WAS ONE OF PASOK'S NOMINATED MEPS.

5. PAPANDREOU'S SUCCESS IN THE ELECTIONS WAS I BELIEVE LARGELY BASED ON HIS CALL FOR SOCIAL AND ECONOMIC CHANGE AND HIS PROMISE OF RADICAL IMPROVEMENTS IN EDUCATION, SOCIAL WELFARE AND HEALTH. IT IS SIGNIFICANT THAT IN THE MINISTRIES OF SOCIAL SERVICES AND EDUCATION HE HAS PLACED MEMBERS OF THE PARTY'S EXECUTIVE BUREAU AS MINISTER (SOCIAL SERVICES) AND JUNIOR MINISTER (EDUCATION). PASOK'S EMPHASIS ON EQUAL RIGHTS FOR WOMEN DURING THE CAMPAIGN IS REFLECTED IN THE APPOINTMENT OF ONE MINISTER (THE ACTRESS MELINA MERCOURI AT CULTURE) AND TWO WOMEN UNDER SECRETARIES.

6. IT IS NOT POSSIBLE TO CHARACTERISE THE NEW GOVERNMENT FROM THE PERSONALITIES IT CONTAINS AS MODERATE OR HARD-LINE IT CONTAINS BOTH LIBERAL AND MORE DOCTRINAIRE ELEMENTS. IN MAKING HIS APPOINTMENTS PAPANDREOU HAS CHOSEN TO GIVE PREFERMENT TO PARTY COLLEAGUES WHO HAVE SHARED THE LONG PERIOD OF OPPOSITION AND THE HEAT OF THE CAMPAIGN. THERE ARE AS YET NO OUTSIDE TECHNOCRATS. THIS ADDS TO THE IMPRESSION OF AN EXECUTIVE FAMILY STAMPED WITH PARANDREOU'S IMPRINT AND SUBJECT, AT LEALA IN THE EARLY STAGES, TO THE SAME TIGHT CONTROL THAT PAPANDREOU EXERCISED OVER THE PARTY IN OPPOSITION.

7. PERSONALITY NOTES ON 14 MEMBERS OF THE NEW GQVERNMENT WERE INCLUDED WITH LLEWELLYN SMITH 'S LETTER TO DAUNT OF 12 OCTOBER. FURTHER BIOGRAPHICAL MATERIAL AND NOTES ON THE REMAINING PERSONALITIES WILL FOLLOW BY BAG.
ENDS

CARRINGTON

CONFIDENTIAL

NNNN

With the compliments of

FOREIGN AND COMMONWEALTH OFFICE

LONDON, SW1A 2AH

Greece

for.

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GRS 107
RESTRICTED
FM FCO 201753Z OCT 81
TO IMMEDIATE ATHENS
TELEGRAM NUMBER 211 OF 20 OCTOBER

NEW GREEK GOVERNMENT

1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO MR PAPANDREOU.

BEGINS. PLEASE ACCEPT MY CONGRATULATIONS ON YOUR PARTY'S VICTORY IN SUNDAY'S ELECTIONS AND YOUR APPOINTMENT AS PRIME MINISTER. GREECE IS AN OLD AND VALUED FRIEND OF THE UNITED KINGDOM AND I AM CONFIDENT THAT THE PRESENT EXCELLENT RELATIONS WILL CONTINUE BETWEEN OUR TWO COUNTRIES. REMEMBERING WITH PLEASURE OUR TWO MEETINGS LAST YEAR, I LOOK FORWARD TO WORKING CLOSELY WITH YOU AND TO WELCOMING YOU HERE AT NEXT MONTH'S MEETING OF THE EUROPEAN COUNCIL.

CARRINGTON

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Foreign and Commonwealth Office

London SW1A 2AH

20 October 1981

As amended.

FCO informed.

Dear Michael,

The Greek elections have been won by the Panhellenic Socialist Movement (PASOK) led by Mr Andreas Papandreou. We are sending you separately advice on the line which the Prime Minister might take if questioned in the House tomorrow, together with a short background note.

A message of congratulations is necessary, unwelcome as many of Mr Papandreou's policies promise to be. I enclose a draft telegram to Athens, which should be sent without delay.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing St

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OUT TELEGRAM

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FM FCO Z OCT 81
TO IMMEDIATE ATHENS
TELEGRAM NUMBER
NEW GREEK GOVERNMENT
1. Please pass the following message from the Prime Minister to Mr Papandreou.

Begins. Please accept my congratulations on your party's ~~impressive~~ victory in Sunday's elections and your appointment as Prime Minister. Greece is an old and valued friend of the United Kingdom & I am confident that the present excellent relations will continue between our two countries. ~~I myself look forward to working closely with you.~~ Remembering with pleasure our two meetings last year, ~~Ends.~~ I look forward to ~~seeing you here at next~~ another working closely with you & to welcoming you here at next June's meeting of the European Council.

CARRINGTON
NNNN

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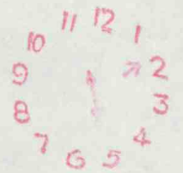
NNNN ends telegram	BLANK	Catchword
File number	Dept: S/S DEPT	Distribution: Limited — SED, ECD(E), ECD(I), News Dept, PS, PS/LPS, PS/PUS, Mr Bullard, Lord Bridges, Mr Fergusson, Mr Hannay
Drafted by (Block capitals): F N RICHARDS		copy to: PS/10 Downing St
Telephone number: 233 4831		
Authorised for despatch		
Comcen reference	Time of despatch	

20 OCT 1981



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MADRID
AND MOSCOW.

MY TEL 259 : THE GREEK ELECTIONS

1. THE RESULT OF THE NATIONAL ELECTION IS A TRIUMPH FOR ANDREAS PAPANDREOU AND A DISASTER FOR NEW DEMOCRACY. PASOK WILL HAVE A COMFORTABLE WORKING MAJORITY IN THE NEW PARLIAMENT. PAPANDREOU HAS SUCCEEDED IN REDUCING THE CONSERVATIVE NEW DEMOCRACY TO ITS BEDROCK SUPPORT OF JUST OVER 35% OF THE ELECTORATE, AT THE SAME TIME HOLDING DOWN THE COMMUNIST KKE TO AROUND 11%, ONLY SLIGHTLY MORE THAN ITS STRENGTH IN THE PREVIOUS PARLIAMENT.

2. THE RESULTS SHOW THAT THE PLARISATION IN GREEK POLITICS TO WHICH I DREW ATTENTION IN MY TELEGRAM NO 252 WAS SHARPER THAN EXPECTED. THE SMALL PARTIES OF THE CENTRE, EUROCOMMUNIST LEFT AND EXTREME RIGHT, HAVE BEEN VIRTUALLY WIPED OUT. THEY WILL HAVE NO SEAT IN THE NEW PARLIAMENT.

3. ANALYSIS OF THE CONSTITUENCY RESULTS SUGGESTS THAT THE NEW DEMOCRACY PICKED UP THE MAJORITY OF THE VOTES FROM THE FAR RIGHT THAT WENT IN 1977 TO THE ROYALIST NATINAL RALLY. BUT PASOK SUCCEEDED IN WINNING NOT ONLY THE LION'S SHARE OF THE VOTES FROM THE OLD VENIZELIST AND LIBERAL CENTRE BUT ALSO OF A CONSIDERABLE NUMBER-PERHAPS 10% - OF DISGRUNTLED VOTES FROM NEW DEMOCRACY. PASOK WON THE CRUCIAL BATTLE FOR THE GROUND IN THE CENTRE AND CENTRE-RIGHT. THE PARTY'S MOST STRIKING WINS ARE IN CRETE WHERE THEY HAVE TAKEN 13 SEATS TO NEW DEMOCRACY'S 4. OVER THE COUNTRY AS A WHOLE, THE PASOK VOTE WAS FAIRLY EVENLY SPREAD OVER URBAN AND AGRICULTURAL AREAS. NEW DEMOCRACY HAS DONE RATHER BETTER IN THE COUNTRY-SIDE THAN IN THE TOWNS : FOR THE KKE(EXTERNAL) THE REVERSE.

4. PASOK OWES ITS VICTORY, I BELIEVE, TO THE WIDESPREAD APPEAL OF PAPANDREOU'S PROMISE OF CHANGE IN PEOPLE AND POLICIES, BACKED BY HIS OWN PERSONALITY AND AN EFFECTIVE PARTY ORGANISATION THAT HAS WORKED SYSTEMATICALLY OVER A LONG PERIOD TO CULTIVATE GRASS-ROOTS OPINION AND, DURING THE CAMPAIGN, TO MOBILISE AND DISPLAY EFFECTIVELY ON TELEVISION THE ENTHUSIASM OF AN EMOTIONAL ELECTORATE. WHETHER OR NOT THEY ARE COMMITTED TO PAPANDREOU'S STATED POLICIES, THE MAJORITY HAS CHOSEN THAT PARTY WHICH THEY PERCEIVE AS AN INSTRUMENT OF CHANGE. FEW VOTES WERE WASTED. NEW DEMOCRACY ALSO CONDUCTED AN INTENSIVE CAMPAIGN AND THEIR RALLIES WERE ALSO WELL ATTENDED, BUT RALLIS LAID COMPARITIVELY LITTLE EMPHASIS ON POLICIES FOR THE FUTURE. HIS TACTIC OF PRESENTING PAPANDREOU AS AN IRRESPONSIBLE BOGEYMAN DID NOT PAY OFF.

5. THE EXTENT OF PASOK'S VICTORY, BUT NOT THE VICTORY ITSELF, HAS TAKEN VIRTUALLY EVERYBODY INCLUDING PASOK POLITICIANS BY SURPRISE. PAPANDREOU'S REFERENCE IN THE STATEMENT REPORTED IN PARAGRAPH 3 OF MY T.U.R., TO MAKING CHANGE TANGIBLE, QUICKLY AND DIRECTLY, AND IMPLEMENTING HIS PROGRAMME TO THE LETTER CERTAINLY FORESHADOW EARLY MEASURES IN THE ECONOMIC AND SOCIAL FIELDS. WHETHER THEY MEAN THAT PAPANDREOU WILL MOVE QUICKLY IN REDEFEINING GREECE'S RELATIONSHIP WITH THE EC AND NATO IS NOT YET CERTAIN, THOUGH THE REFERENCE AT HIS PRESS CONFERENCE TO 'NEGOTIATION AFTER DISCUSSION' WITH THE COMMUNITY AND HIS HOPE TO MEET THE COMMISSIONERS DOES NOT SUGGEST HASTE.

6. ONE POSITIVE FEATURE OF THE RESULT IS THAT THE KKE, ARE LEFT ON THE SIDELINES. THEIR STRENGTH IN THE NEW PARLIAMENT WILL BE ONLY MARGINALLY INCREASED AND PAPANDREOU WILL HAVE NO NEED OF THEIR SUPPORT. I REGARD THE PRESENT RESULT AS IN THIS IMPORTANT RESPECT A BETTER ONE FOR GREECE, AND FOR WESTERN INTERESTS IN THE LONGER TERMN THAN A HUNG ELECTION WITH PAPANDREOU TEMPTED TO RELY ON THE COMMUNISTS. THERE MAY BE SOME ADVANTAGE ALSO, FOR ALL THE PROBLEMS THAT A PASOK GOVERNMENT WILL POSE FOR THE ALLIANCE AND THE COMMUNITY IN HAVING A CLEAR-CUT RESULT, SO THAT THE ELECTORATE NEXT TIME CAN JUDGE PAPANDREOU ON HIS RECORD AND HE WILL HAVE NO-ONE TO BLAME IF THIS IS JUDGED WANTING.

7. INFORMATION HAS NOT YET BEEN RELEASED ABOUT THE RESULTS OF PREFERENTIAL VOTING, SO IT IS NOT KNOWN WHICH, IF ANY, MEMBERS OF THE FORMER NEW DEMOCRACY GOVERNMENT MAY HAVE LOST THEIR SEATS.

8. THE RESULTS SO FAR AAILABLE IN THE DIRECT ELECTIONS TO THE EUROPEAN PARLIAMENT ARE, AS I EXPECTED, MORE FAVOURABLE TO THE PRO-EUROPEAN SMALL PARTIES KODESO(SOCIAL DEMOCRAT) AND KKE INTERIOR(EUROCOMMUNISTS) THAN THOSE OF THE NATIONAL ELECTIONS. THE ELECTION OF THE PARTY LEADRES PESMAZOGLOU (KODESO) AND KYROS(KKE INTERIOR) APPEAR TO BE ASSURED. A FAIR NUMBER OF THE ELECTORATE HAS TAKEN THE VIEW THAT IT MAKES SENSE TO BE REPRESENTED IN THE EUROPEAN PARLIAMENT BY POLITICIANS WHO BELIEVE IN EUROPE. NEVERTHELESS, OF THE 24 SEATS IN THE EUROPEAN PARLIAXENT IT LOOKS AS IF MORE THAN HALF ARE GOING TO PARTIES WHICH OPPOSE GREECE'S MEMBERSHIP (10 TO PASOK AND 3 TO THE KKE).

SUTHERLAND

FCO WH
SEI

Willie Rickett / Mrs Alexander cc

WM 22/10

With the compliments of

THE PRIVATE SECRETARY

(not yet seen by Ministers here: but Michael Alexander may care to see on return)

22/X

FOREIGN AND COMMONWEALTH OFFICE
SW1A 2AH

Private Secretary

For NOTO too?

20/10

Vs PS/LPS

/Mr. Hurd.

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Mr Fergusson

19/10

PASOK VICTORY IN THE GREEK ELECTIONS.

1. Although the definitive results will not be known until later today, the Socialist Party (PASOK) of Mr Andreas Papandreou has won a comfortable overall majority. These preliminary thoughts on the implications, and the attached paper on PASOK's foreign policy at Annex A, have been prepared jointly by Planning Staff and SED on the basis of reporting from our Embassy in Athens. The paper dwells in particular on the important issues of Greek membership of the EC and NATO, of relations with Turkey and of Cyprus.

2. In accordance with the constitution, President Karamanlis will formally call on Mr Papandreou to form a government, which he may do in the course of today. Prime Minister and Government are sworn immediately. They must submit to a vote of confidence within 15 days.

3. PASOK is very much the creation of Papandreou. His record over the years does not inspire any confidence that Greek domestic or foreign policy will take a coherent and predictable form. His erratic behaviour was a major factor in the fall of his father's Government in 1965 and contributed to the constitutional crisis prior to the coup of April 1967. His populist slogans are based on a simplistic attitude to international affairs. His long years of exile in the United States created a paradoxical loathing of his country of adoption and his nationalism takes an extreme form with regard to the Turks and anything Turkish.

4. None of Papandreou's associates have had the opportunity of making much of an impact in Greece or abroad. However we can expect the names Alevras, Haralambopoulos, Tsohatzopoulos, Yennimatas and Lazaris to feature in any government list. It has also been widely suggested that Mr George Mavros may be rewarded for his decision shortly before the elections to join PASOK, and some expect him to become Foreign Minister. As a centrist with basically pro-Western leanings, Mavros's influence would on balance be beneficial to our interests, though his reputation for determination and decisiveness is not good. (Personality notes on Papandreou, Alevras and Mavros, and career details of others are at Annex B).

5. The parallel with Mitterrand's victory earlier this summer is obvious. As in the case of France, one can argue that the interests of democracy and long term stability in Greece required that there should at some stage be a shift of power bringing a left wing party into government through peaceful means. Many Greeks hope that a change of government will have a salutary effect on a corrupt and burdensome bureaucracy. The continuing presence of Karamanlis as President and his restraining influence undoubtedly led some voters to opt for the attractive prospect of 'change with continuity'. But it is the new Parliament which will elect the next President in 1985 (or before if Karamanlis' health deteriorates further).

6. Papandreou's domestic platform also bears some similarity to that of President Mitterrand, though, given the low rate of unemployment in Greece, his policy declarations have been directed more at insulating the population from the effects of inflation by such means as wage indexation and price controls. We can expect the government's programme

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to include a wide range of measures designed to 'socialise' various sectors of the economy and Papandreou is likely to be less ready than Mitterrand to exempt foreign owned concerns, though his expressed desire to retain and even encourage certain forms of foreign investment should prevent any nationalisation campaign causing too much damage to foreign interests. Another of the basic aims of PASOK is the decentralisation of power so that decisions are taken at the lowest local level appropriate.

7. The next few years will show whether the relative stability of the New Democracy period (1974-81) was merely a short lull in the stormy history of Greek politics. Reversion to the Greek norm - political instability- is a real danger. Nor can the risk of a coup be discounted in the medium term if Papandreou goes too far for the military's liking. The entire relationship of Greece with the West may be put to the test. It will be important to watch the extent to which Papandreou now trims his policies to accomodate the basic exigencies of membership of the EC and NATO, the extent to which the reforms and changes he introduces turn out to be compatible with such membership, and the reactions of people in Greece and beyond who will be affected by his policies. These are the factors which will determine whether Papandreou's view of a Greece that has more in common with the developing non-aligned world carries the day against the vision of Karamanlis and his successors of a Greece which, despite a lower level of economic and social development, is and should be an integral part of the Western world.

8. If the experiment of Greek membership of the EC fails, doubt could be cast on the Mediterranean enlargement as such, (though the situations of Spain and Portugal are very different from that of Greece). The strains within NATO that the election result is inevitably going to provoke may lead to an irremediable weakening of the Southern flank, but if after all Greece should not withdraw from NATO's military structure, this could lead eventually to an accomodation enabling both Greece and Turkey to feel reasonably at home in the Alliance. And forthcoming events may not be without their influence even on British internal politics. If Papandreou follows the logic of his policy pronouncements and pulls Greece out of NATO and the EC, or changes her status to one of mere association, then the Labour party's plans to do much the same for Britain will to some extent appear more plausible. Anti-NATO feelings elsewhere, especially in the Iberian peninsula, might also be exacerbated by contagion.

9. The attached paper discusses the main lines of PASOK's foreign policies. There remains considerable doubt as to what Papandreou will do. But his foreign policy objectives in many fields vitally important to Western interests, as well as his unpredictability, make it clear that we are in for a period of strain. While PASOK's policies towards NATO and the EC have so far attracted most publicity, the greatest danger may well arise eventually in the complex of disputes with Turkey, including the Cyprus problem: a confrontation is not to be excluded.

R D Wilkinson

19 October 1981

R D Wilkinson
Planning Staff
K109 233 5551

/cc:

cc: PS/PUS
All DUSs
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Mr Braithwaite
Mr Evans
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ANNEX A

PASOK'S FOREIGN POLICY

1. Pasok's foreign policy is not based on any clear theoretical framework. Rather, it has evolved in response to changing tactical requirements, with more than an occasional glance at what is likely to have broad popular appeal. Despite its professed high-mindedness - strengthening of peace, peaceful solution of disputes etc - the approach to foreign policy of Pasok and its leader Papandreou is really based on two principles. The first is that the real threat to Greek interests and Greek security comes not from the North but from the East: from Turkey and not from the Warsaw Pact. The second is that, despite Greece's close cultural links with Europe and the West, she is socially and economically a developing country.

2. These principles account for Pasok's deep suspicion of NATO and in particular of the US. NATO and the US are believed consistently to have subordinated Greece's national interests to those of the Alliance. Greece has been forced to direct her defence efforts towards a threat that in practice has not materialised and is unlikely to do so. At the same time Greece has been prevented from offering Turkey the degree of resistance that her interests demand, while the importance of Turkey has made the alliance and the US reluctant to restrain her in her activities prejudicial to Greece.

3. Likewise the view that Greece's status is that of a developing country means that EC membership is inappropriate to her requirements. The rules and regulations of the EC are designed for sophisticated economies at a high level of development. They impose free market rules which are injurious to a country whose industrialisation is still fledgling. Greece requires a degree of protectionism and her voice should be on the side of the South in international economic questions and on the side of non-alignment politically.

4. Pasok's attitude on individual foreign policy issues follows fairly logically from Papandreou's general interpretation of Greece's position. The problem is to deduce from the policy declarations what exactly will be done in practice when Pasok holds power. Some of the extremism has already been watered down in the course of the electoral campaign. It may be that fears of provoking the armed forces, combined with the natural difficulty of implementing radical policies in a field like foreign policy where the options are in practice limited, may lead to further dilution of Pasok's somewhat headier draughts. But it would be dangerous to assume that.

European Community

5. Papandreou's declared intention is to ask the President for a referendum on the issue of membership and to advise withdrawal. In practice, however, he knows that Karamanlis will not agree to a referendum. In that case Papandreou will attempt to renegotiate some of the terms under which Greece was admitted. He has also warned that he will not apply EC regulations which conflict with Pasok's economic and social programme.

6. The French experience so far is that EC membership is not incompatible with the introduction of a fairly thorough Socialist

/programme

programme. Papandreou may find the same, and his hostility to the EC may consequently be modified. He may be satisfied with some fairly minor adjustment that could in practice be presented to the electorate as a substantial modification in Greece's favour.

7. The effects on the restructuring debate are harder to assess. The need to take account of a more querulous Greece determined to have her pound of flesh may complicate the negotiations. The benefits that Greece gets from the Common Agricultural Policy may incline her to resist any serious attempt at reform. Against that, as one of the poorest members of the Ten Greece is likely to support financial mechanisms designed to ensure that no country pays a contribution badly out of proportion with its relative wealth, and is also likely to support policies devised to have a re-distributive effect and to assist convergence. But this may be small compensation for our partners who will be despondent at what they will see as a further source of Community discord. Considerable forebearance will be required in the face of provocation and obstructiveness if Greece is to become reconciled once more to Community membership.

NATO and the US

8. Pasok's hostility is both to NATO and to the existence of military alliances in Europe. Pasok feels, with considerable justification, that Greek cultural & historical links are at least as close to Eastern as to Western Europe. However, more recently Papandreou has let it be understood that he might be prepared for Greece to remain in NATO until the day that both alliances can be dissolved simultaneously.

9. Distrust and dislike of NATO stem in large part from Papandreou's deep-rooted hatred of the United States and a tendency to see the United States' hand in any and all of Greece's misfortunes. NATO is seen to further US aims at the expense of Greece. Pasok wishes to have full freedom to organise Greece's security to prevent what it sees as the immediate threat from Turkey. It is likely that Pasok will seek the withdrawal of nuclear weapons from Greece, the closure of American bases and the withdrawal of Greece from the integrated command structure. However, the speed and vigour with which Pasok pursues this policy will be constrained by the need to maintain national defence and keep the armed forces supplied with up-to-date weaponry.

Turkey

10. Pasok is opposed to the last government's policy of improving relations with Turkey. Papandreou has criticised the 'concessions' made to the Turks, particularly in the slow-moving discussions over the Aegean disputes, and insisted that Greek interests should be rigorously safeguarded. The clear implication is that he would take a vigorous stand over such issues as the continental shelf and the extent of the territorial sea in the Aegean. Recently Papandreou has not ruled out negotiations with Turkey. But his general approach, allied to his obsession with the 'Turkish threat', promises to be confrontational. It is unlikely that the regular meetings for discussion of the Aegean disputes will survive the change of style. And Turkish antipathy towards Papandreou will not lead the Turkish Government to exert themselves to maintain the improvement in relations achieved in recent

/years.

years. The danger is that, with the emphasis on the Greek side shifting to military preparedness in the Aegean and the full exercise of Greece's sovereign rights, a confrontation with Turkey could occur. There were in the past sharp tensions over drilling for oil; Turkey has long made it clear that a unilateral move by Greece to extend territorial waters would be regarded as a casus belli; air force exercises lead frequently to high speed interceptions. The scope for conflict over such issues would be considerable were the general atmosphere to deteriorate in the way which seems likely as a result of Papandreou's victory.

Cyprus

11. The Pasok victory will almost certainly have a negative impact on the intercommunal talks. Papandreou's line on Cyprus to date has been simplistic and tough: Greece, which since 1974 has distanced herself from the Cyprus problem should now return to an active role, and lead a crusade for international support: the intercommunal talks can be fruitful only after the withdrawal of foreign troops. In the short term at least Kyprianou will be well-pleased if, as likely, Papandreou take this line (though Kyprianou may in time come to chafe at a bigger fish playing an active role in his own small pond). He has recently shown his own intransigence by impeding early presentation of the 'UN's evaluation as a basis for negotiation with the Turks. He may use Papandreou's victory to play for more time, in the first instance by making a show of consulting him. The position of hardliners in Cyprus like Lyssarides - the Leader of the Greek Cypriot non-Communist left - will be strengthened and that of the moderates, like Clerides, weakened. The chances of the UN 'evaluation' ever reaching the table accordingly looks even more remote: and the chance that the present round of talks will very soon run into the sands has increased. The recriminations will further muddy relations between Athens and Ankara. The Turkish Cypriots may be tempted by UDI and the Turkish Government may no longer see an overriding need to veto such a move. In the longer term, the tendency for the Turkish part of the island to move towards closer integration with the mainlands would be strengthened. In that case the idea of Enosis, or double Enosis, might revive.

12. Papandreou's victory has implications for our own policy on Cyprus. We will probably have to adjust to a perpetuation of the present unstable division of the island. With the UN's 'window of opportunity' closed there will be pressures for a 'British initiative'. But the scope for any useful action is likely to be nil. Meanwhile, Papandreou's hostility to foreign bases, which specifically includes the Sovereign Base Areas, could rub off on Greek Cypriot opinion, with disturbing consequences for our major defence interests there.

Soviet Union and Eastern Europe

13. Papandreou does not share President Mitterrand's robust attitude towards Soviet pretensions. His party's victory will undoubtedly be welcome in Moscow. However, Papandreou's opposition to Soviet hegemony over Eastern Europe is genuine, and in the case of Balkan countries based on some strategic logic. If relations with Yugoslavia improve further, and Balkan co-operation develops, then it is not impossible that the position of Yugoslavia and Romania might be

strengthened, and Bulgaria's submissiveness to the USSR come to seem even more anomalous. Over Poland Papandreou's remarks have been consistently robust and in line with Western views.

Middle East

14. Pasok's view of Greece as a country with more in common with the developing third world than with the developed West naturally encourages it to support national liberation movements and to be more in sympathy with radical than with 'moderate' third world regimes. Pasok firmly supports the Palestinian cause and can be expected to cultivate closer relations with Arab regimes, partly in the hope of reciprocal support over Cyprus. If Greece remains in the EC, then it may be difficult in political co-operation to reconcile Greece's active support of the PLO with the more measured approach, building on Camp David, favoured by the EC as a whole.

North/South

15. A similar contradiction may become apparent in Greece's dealings with the Third World. Her membership of the EC will naturally put her on the side of the North; however, she will not have the possibilities open to richer countries such as the Netherlands and Denmark of salving her conscience by a generous aid programme. Community solidarity is likely to be harder to achieve if it has to accommodate a Greece vociferously supporting some of the less acceptable third world demands connected with the New International Economic Order and other developmental questions.

Planning Staff

OCTOBER 1981

PAPANDREOU, ANDREAS

Leader of the Opposition and leader of PASOK. Deputy for Achaia.

Born Chios 1919. Son of the former Prime Minister George Papandreou. Shortly after leaving Athens College, he fell foul of the Metaxas regime and left Greece for the US where he served in the US forces and was an academic economist at Berkeley, California and other American universities from 1942-60. In 1961, during a visit to Greece on a Fulbright scholarship he formed, on the invitation of Karamanlis, a new economic research centre in Athens, of which he became head. In 1964 renounced his American citizenship (which he tries hard to live down) and stood successfully for Parliament. Was immediately appointed Minister to the Prime Minister by his father and subsequently Deputy Minister of Coordination. In November 1964 obliged to resign over the award of a contract to the husband of a woman friend. In April 1965 re-appointed as Deputy Minister of Coordination.

Arrested on the night of the 1967 coup. Detained until Christmas 1967 when he was granted an amnesty. After allegedly giving an undertaking not to engage in political activity abroad, (and, according to his detractors, making other discreditable "arrangements" with the dictatorship) he was, in January 1968, allowed to leave Greece with his wife and family. Went to Paris and London, where he immediately began a campaign against the regime. In 1968, accepted the offer by the Swedish Government of a Visiting Professorship at the University of Stockholm.

PASOK, the radical socialist party he formed in 1974, lost badly in that year's elections but doubled its share of the vote in 1977 to become the main opposition party. He considers himself a Marxist, but not a Leninist, and advocates a domestic policy of decentralisation and cooperatives similar to the Yugoslav model: and a non-aligned foreign policy based on hostility to America and a rejection of Greece's alignment with the West, on support for a Mediterranean socialist grouping and on closer links with the Balkans, the Arabs and the Third World generally. Committed to withdrawal from NATO, expulsion of the US bases and to recommend a "no" vote in the referendum he proposes on EEC membership. Takes a hard and sometimes inflammatory line on relations with Turkey.

His brand of demagogic "knocking" oratory has appeal particularly among the young and less privileged elements in Greece. But from time to time evidence surfaces of resentment in his party against his autocratic leadership style.

Has an American wife, Margaret, and has sent two of his children to study in Britain. His private life has at various stages appeared to be tempestuous. Considerably more rational in private than his histrionic public appearances would suggest, cultivating a reasoned, academic air. An ambitious opportunist with a strong belief in his own interited destiny. His health has been in some doubt in the past two years.

ALEVRAS, IOANNIS

Parliamentary spokesman for PASOK and Deputy for Athens 'A'.

Born 1912 in Messinia in the Southern Peleponnese. After a secondary school education he became a bank employee. Elected Deputy for Athens for the Centre Union in 1963 and for PASOK in 1974 and 1977.

A close friend and associate of Andreas Papandreou in the 1960s, he shared a prison cell with the latter for some time after the Junta take-over in 1967. His close friendship with Papandreou and the fact that he is seven years his elder probably explain why he has been chosen as de facto deputy.

Unmarried.

MAVROS, GEORGE

Ex-leader of the Union of Democratic Centre Party (EDiK), formerly the Centre Union/New Forces Party. A member of Parliament for Athens. Former Foreign Minister in the National Unity Government under Mr Karamanlis, July 1974.

Born in Kastellorizo in the Dodecanese in 1909; studied law in Athens and Berlin. First elected to Parliament in 1946 and held his seat until 1964 (with one break when he lost his seat in 1952). 1949: Minister of National Economy; 1959: Minister of Finance; 1952: Under-Secretary for Defence. Joined the Centre Union and was elected on their ticket in 1961 and in 1963 was appointed Minister of Co-ordination, where he stayed until June 1964, when he resigned from Parliament to become Governor of the National Bank. Resigned from the Bank in Summer 1966 to re-enter politics, again for the Centre Union, but was forestalled by the coup in 1967 before he could become re-elected to Parliament.

Under house arrest for a short while in 1973, he was arrested and deported to the prison island of Yaros in March 1974 for two months, for his endorsement of HMG's decision to cancel a naval visit to Greece. Foreign Minister in Mr Karamanlis's Government from July 1974 until he resigned to fight the elections in November 1974. Following EDiK's disastrous decline in the 1977 elections, he resigned as leader.

A respected public figure. As Governor of the Bank of Greece, had the reputation of being a sound financier. But during the Cyprus talks in 1974, at which he represented Greece, he appeared indecisive and over-emotional and as Leader of the main opposition party, EDiK, he failed to differentiate his policies convincingly from those of the government and failed to hold the party together. Although able and agreeable he has a tendency to vacillate and lacks the touch necessary to a successful politician in Greece.

Yiannis Haralambopoulos

Born Messinia 1919
Army Engineer Officer 1946-61
Woolwich Polytechnic 1946-50
1963-64 Centre Union MP for Messinia
Arrested and imprisoned three times during dictatorship
1974-81 PASOK MP for Athens 'B' region.
Leader of PASOK's group of nominated MEPs but is not standing for the European Parliament in Direct Elections.
Speaks English: Married.

Akis Tsohatzopoulos

Born Athens 1939.
Studied Economics and civil engineering at Munich.
Active in organising opposition to the military dictatorship (as member of PAK), outside Greece, where he worked closely with Andreas Papandreou.
Returned to Greece in 1974. Founder member of PASOK and member of Executive Bureau with responsibilities for party organisation.
German wife. Speaks German and some English.
Close to Andreas.

Giorgos Yennimatas

Born Athens 1939
Civil Engineer
Member of Centre Union youth movement
Trade Union experience
President of the Association of Greek Civil Engineers 1974-78
Founder member of PASOK
Wife an active member of the Union of Greek Women
Despite his pre-dictatorship liberal background, has a reputation as a hard-liner.
Party responsibilities for planning (party programme) and local government/devolution. No English.

Professor Apostolos Lazaris

Born Levkada 1921. Married
Economist
Studied at Universities of Athens, Manchester and Rome
Professor at Higher Industrial School Piraeus since 1962.
Has been economic adviser to Bank of Greece (1956-68), to the Ministry of Industry (1965-67) and from 1972-75 he was Director of UN Economic Development Programme in Zambia
Chairman of PASOK Planning Committee which drafted electoral manifesto.
'Pragmatic' approach to timing of PASOK's economic measures, eg Socialisation, but an old-fashioned believer in central planning.
A pleasant, unassuming man who does not look the part of senior minister. Good English.

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TO PRIORITY FCO
TELNO 252 OF 14/10/81

RPTD FOR INFO ROUTINE ANKARA NICOSIA WASHINGTON
AND SAVING TO OTHER NATO POSTS, MADRID, MOSCOW AND DUBLIN.

MY TEL 243: THE GREEK ELECTIONS.

1. GREECE GOES TO THE POLLS ON SUNDAY 18 OCTOBER. THE CAMPAIGN WILL END IN TRADITIONAL FASHION WITH MASS RALLIES ADDRESSED BY PAPANDREOU ON THE 15TH AND RALLIS ON THE 16TH.

2. THE CAMPAIGN THUS FAR HAS BEEN INTENSE - THE GREEKS ENJOY ELECTIONS - AND FOR THE MOST PART PEACEFUL . BUT THERE HAVE BEEN ONE OR TWO VIOLENT INCIDENTS OF RECENT DAYS INCLUDING A ROUGH-HOUSE INSTIGATED BY PASOK SUPPORTERS AT RALLIS' SPEECH IN HERAKLION ON 11 OCTOBER. PAPANDREOU HAS DISASSOCIATED THE PARTY FROM THE 'IRRESPONSIBLE' ELEMENTS INVOLVED. THE 'MILD POLITICAL CLIMATE' OF TOLERANCE WIHICH RALLIS WAS CULTIVATING BEFORE THE CAMPAIGN GOT UNDER WEIGH HAS BEEN CAST ASIDE AND NEW DEMOCRACY HAS RELIED INCREASINGLY ON SCARE-MONGERING, SUGGESTING, FOR INSTANCE, THAT IF PASOK WINS THESE WOULD BE GREECE'S LAST ELECTIONS. PAPANDREOU FOR HIS PART HAS USED STRONG AND SOMETIMES INSULTING LANGUAGE, ACCUSING RALLIS OF LYING. THE PRESENCE OF THE FRENCH MINISTER OF CULTURE, OF FELIPE GONZALES, AND OF OLAF PALME (DUE THIS WEEKEND)ON PASOK PLATFORMS HAS PROVOKED A PARTICULARLY STRONG REACTION BY AVEROFF AGAINST FOREIGN INTERFERENCE.

3.THERE HAS BEEN MUCH TALK ABOUT 'POLARISATION' WHICH IS ACCENTUATED BY AN ELECTORAL SYSTEM WHICH REWARDS THE LARGE PARTIES AND PENALISES THOSE RECEIVING LESS THAN 17 PER CENT OF THE NATIONAL VOTE. POLARISATION IS A FACT. NEW DEMOCRACY HAVE SUNK THEIR DIFFERENCES WITH POLITICIANS ON THE FAR RIGHT WITH WHOM THEY WOULD FORMERLY HAVE HAD NO TRUCK.

THE SYMBOL OF THIS 'OPENING TO THE RIGHT' IS THE PRESENCE OF THEOTOKIS, LEADER OF THE NATIONAL RALLY,

ON THE PARTY'S STATE LIST OF CANDIDATES.NEW DEMOCRACY'S CALCULATION IS THAT, WHILE THIS OPENING TO THE RIGHT MAY OFFEND SOME MODERATE VOTERS, ENOUGH OF THE MODERATES WILL BE SUFFICIENTLY FRIGHTENED OF PASOK TO GIVE THEM THEIR RELUCTANT SUPPORT.

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4. FOR HIS PART, PAPANDREOU HAS ENCOURAGED.

POLARISATION BY ENCOURAGING EVERYONE IN FAVOUR OF CHANGE TO VOTE PASOK. HE HAS , AS NOTED IN MY PREVIOUS REPORTS, CLEARLY HAD SOME SUCCESS IN THE CENTRE. BUT THE MOSCOW-LINE KKE STANDS AS AN IMPEDIMENT TO THIS TACTIC. FLORAKIS' SPEECH AT HIS FINAL RALLY IN ATHENS ON 13 OCTOBER WAS AN UNCOMPROMISING CALL FOR SUPPORT FOR THE KKE AS THE ONLY GUARANTEE THAT THE CHANGES PROMISED BY PASOK (E.G THE REMOVAL OF US BASES AND NUCLEAR WEAPONS AND EXIT FROM NATO) WILL BE

IMPLEMENTED . HIS LINE IS THAT THE NEXT GOVERNMENT SHOULD BE BASED NOT UPON A SINGLE PARTY BUT ON'THE WHOLE SPECTRUM OF THE FORCES OF CHANGE' - I.E. THAT HE WOULD WISH TO JOIN A PASOK COALITION, GIVEN A COMMON POLICY PLATFORM. THE KKE WILL, I BELIEVE, TAKE MORE OF THE VOTE THAN THE 9% WON IN 1977 BUT IS VERY UNLIKELY (THE SOVIET AMBASSADOR HAS TOLD ME HE SHARES THIS VIEW)TO GET THE 17% REQUIRED TO TAKE PART IN THE SECOND DISTRIBUTION OF SEATS AND THEREFORE SUBSTANTIALLY INCREASE ITS PARLIAMENTARY REPRESENTATION. THE EXTREME PARTIES ON THE LEFT (MAINLY MAOISTS AND TROTSKYISTS) HAVE FIELDED A REMARKABLY LARGE NUMBER OF CANDIDATES BUT ARE NOT A SERIOUS ELECTORAL FACTOR.

5. THE NATURE OF THE CAMPAIGN, WITH THE THEATRICAL ATMOSPHERE IF ITS NUMEROUS MASS MEETINGS AND PAPANDREOU'S BROAD-BRUSH, SOMETHING-FOR-EVERYONE APPROACH, HAS NOT BEEN CALCULATED TO CLARIFY WHAT EITHER OF THE MAIN PARTIES WOULD

DO IF RETURNED TO POWER. BUT SOME NEW POINTS HAVE EMERGED. ON RELATIONS WITH THE UNITED STATES, PAPANDREOU HAS SAID THAT HE WOULD START TALKS ON THE FUTURE OF THE BASES NEXT MARCH, PENDING WHICH, THEIR USE WOULD BE CONTROLLED BY THE GOVERNMENT AND ALL NUCLEAR WARHEADS WOULD HAVE TO BE REMOVED FROM GREECE. ON RELATIONS WITH TURKEY, HE HAS

DENOUNCED THE NEW DEMOCRACY GOVERNMENT'S 'GOODWILL GESTURES' AND CONDMNED THE CONTRADICTORY NATURE OF THEIR

CYPRUS POLICY. ON THE EUROPEAN COMMUNITY, AS REPORTED IN MY TELEGRAM NO 250 ON THE ELECTIONS FOR THE EUROPEAN PARLIAMENT WHICH WILL ALSO TAKE PLACE ON 18 OCTOBER, PAPANDREIOU HAS SAID FIRMLY THAT HE WILL NOT ABANDON THOSE ELEMENTS IN ITS SOCIAL AND ECONOMIC PROGRAMME WHICH CONFLICT WITH COMMUNITY REGULATIONS, AND ADDED IN AN INTERVIEW WITH DE SPIEGEL THAT IF PRESIDENT KARAMANLIS REFUSES PASOK'S REQUEST FOR A REFERENDUM GREECE WOULD WARN ITS EC PARTNERS THAT SHE IS IN NO POSITION TO APPLY THE ACCESSION AGREEMENT.

/IN THE

IN THE ECONOMIC FIELD PAPANDREOU HAS OUTLINED SOME OF THE EARLY MEASURES HE WOULD TAKE TO STIMULATE THE ECONOMY AND CONTROL INFLATION, INCLUDING THE INTRODUCTION OF PRICE CONTROLS ON BASIC GOODS AND THE INDEXATION OF WAGES AND PENSIONS. NEW DEMORCRACY HAVE BEEN MORE INTENT ON DEFENDING THEIR PAST RECORD THAN ON SAYING WHAT THEY WOULD DO AFTER THE ELECTIONS. BUT THERE HAVE BEEN HINTS FROM CIRCLES CLOSE TO RALLIS THAT HE WOULD, GIVEN THE OPPORTUNITY, EMBARK ON MARKEDLY MORE LIBERAL FREE-MARKET POLICIES.

6. AT THE START OF THE ELECTORAL CAMPAIGN MY JUDGEMENT WAS THAT PASOK WERE AHEAD OF NEW DEMOCRACY IN POLULAR SUPPORT. AS THE CAMPAIGN HAS PROGRESSED NEW DEMOCRACY HAS UNDOUBTEDLY MADE GROUND. RALLIS AND SOME OTHER LEADERS ARE NOW, I BELIEVE, GENUINELY CONVINCED NOT ONLY THAT THEY WILL COME OUT AS THE LARGEST PARTY BUT THAT AN ABSOLUTE MAJORITY IS ATTAINABLE. SOURCES WITHIN THE PARTY REFER TO EVIDENCE FROM THEIR PRIVATE OPINION POLLS AND TO REPORTS FROM PROVINCIAL CONSTITUENCIES THAT, LARGELY BECAUSE PREVIOUSLY UNDECIDED VOTERS HAVE COME DOWN IN THEIR FAVOUR, NEW DEMOCRACY IS ON A RISING TREND WHICH SHOULD TAKE THEM IN FRONT OF PASOK. THIS TREND WAS CONFIRMED IN AN INDEPENDENT POLL IN THE GREATER-ATHENS AREA CONDUCTED ON 9 OCTOBER, WHICH NEVERTHELESS SHOWS PASOK STILL AHEAD. PAPANDREOU AND PASOK CANDIDATES EXPRESS CONFIDENCE BOTH IN PRIVATE AND PUBLIC THAT THEY WILL WIN.

7. THE KEY TO THE RESULT REMAINS HOW THE UNDECIDED FORMER CENTRISTS AND DISSATISFIED FORMER NEW DEMOCRACY VOTERS WILL REACT AT THE POLLING BOOTHS. OUR CALCULATIONS STILL POINT TO A VERY CLOSE RESULT. I WOULD EXPECT TO SEE THE TWO LARGE PARTIES SHARE APPROXIMATELY 80% OF THE VOTE WITH THE KKE GETTING ABOUT HALF THE REMAINING 20% AND THE REMAINDER SHARED AMONGST THE SMALL PARTIES. THE MAJORITY OF INDEPENDENT OBSERVERS TO WHOM I HAVE SPOKEN, INCLUDING MY US AND SOVIET COLLEAGUES, NOW PUT NEW DEMOCRACY IN FRONT. BUT, BASING MYSELF ON A PRETTY WIDE SAMPLING OF OPINION ACROSS THE COUNTRY OVER THE PAST WEEKS AND ON CALCULATIONS OF THE PROSPECTS IN INDIVIDUAL CONSTITUENCES, I HOLD TO THE VIEW THAT THE MOST LIKELY RESULT IS A MAJORITY BUT NOT AN OVERALL MAJORITY FOR PASOK.

FCO PLEASE PASS SAVING TO OTHER NATO POSTS: MADRID: MOSCOW: AND DUBLIN.

SUTHERLAND

[REPEATED AS REQUESTED]
[THIS TELEGRAM WAS NOT ADVANCED]

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FM F.C.O. 051316Z OCT 81
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TELEGRAM NUMBER 184 OF 5 OCTOBER.

FOR P.S. TO S.O.S.F.C.A.

FOLLOWING TELEGRAM NOW REPEATED TO YOU AT REQUEST OF PRIVATE OFFICE
WAS RECEIVED FROM ATHENS TELEGRAM NUMBER 243 OF 2 OCTOBER
INFO ANKARA, NICOSIA, WASHINGTON,
AND SAVING TO OTHER NATO POSTS, MADRID, MOSCOW, UKREP BRUSSELS,
AND DUBLIN.

MY TEL 222: THE GREEK ELECTION CAMPAIGN.

1. WITH TWO WEEKS TO GO BEFORE THE ELECTIONS, THE TWO MAIN PARTIES, NEW DEMOCRACY AND PASOK, APPEAR TO BE CONSOLIDATION THEIR DOMINANCE OVER ALL THE SMALLER PARTIES EXCEPT THE MOSCOW-LINE COMMUNIST PARTY (KKE), WHOSE SUPPORT REMAINS STEADY AT AROUND 1/8TH OF THE ELECTORATE.

2. BOTH MAIN PARTIES HAVE HAD SUCCESSES, IN NEW DEMOCRACY'S CASE SUBSTANTIAL, IN EXTENDING THEIR ELECTORAL BASE. NEW DEMOCRACY'S LISTS OF CANDIDATES DRAW BOTH ON FORMER MEMBERS OF THE CENTRE PARTY, EDIK, AND ON MEMBERS OF THE RIGHT-WING NATIONAL RALLY. THEY INCLUDE THE RALLY'S LEADER THEOTOKIS, WHO ANNOUNCED ON 23 SEPTEMBER THAT THE RALLY WOULD, IN THE INTERESTS OF UNITY OF CONSERVATIVE FORCES AGAINST PASOK, NOT STAND SEPARATELY IN THE ELECTIONS. PASOK'S STATE LIST IS HEADED BY THE VETERAN CENTRE POLITICIAN GEORGE MAVROS, WHO IS THUS ASSURED OF A SEAT IN PARLIAMENT. AND MIGHT BE FOREIGN OR DEFENCE MINISTER IN A PASOK GOVERNMENT.

THE SMALL FORMER COMMUNIST FRON PARTY (EDA) HAS COME OUT IN SUPPORT OF PASOK AND ITS SECRETARY

GENERAL, GLEZOS, A POPULAR HERO OF THE

GENERAL, GLEZOS, A POPULAR HERO OF THE RESISTANCE, BEEN ADOPTED AS A PASOK CANDIDATE.

3. NEW DEMOCRACY AND RALLIS PERSONALLY IN HIS CAMPAINGN SPEECHES ARE SEEKING TO DIRECT ATTENTION AWAY FROM DOMESTIC ISSUES AND FOCUS IT MORE ON FOREIGN POLICY, ATTACKING THE AMBIGUITY OF PAPANDREOUS'S STATEMENTS AND THE DANGER OF THIS ANTI-NATO AND ANTI-EC POLICIES. BUT THE ELECTORATE SEEMS LESS INTERESTED IN FOREIGN POLICY THAN IN THE DOMESTIC ECONOMY. RALLIS' WAS NOT HELPED BY REMARKS OF JESEPH LUNS, IN AN INTERVIEW CARRIED BY AFP ON 25 SEPTEMBER WHICH APPEARED TO QUESTION GREEK SOVEREIGNTY OVER THE AEGEAN ISLANDS AND PROVIDED MATERIAL FOR EXPLOITATION BY PAPANDREOU. BUT THE MAIN THRUST OF PAPANDREOUS'S SPEECHES REMAINS THE NEED FOR FUNDAMENTAL CHANGE IN GREEK SOCIETY AND POLITICS.

4. THE CAMPAING IS STARKLY FOCUSING ATTENTION ON PAPANDREOU HIMSELF . WHEREAS RALLIS CAN SPREAD THE LOAD OF PERSONAL APPEARANCES WITH AVEROFF AND OTHERS NO PASOK POLITICIAN OTHER THAN PAPANDREOU IS ALLOWED TO PLAY A NATIONAL ROLE. THIS IS A WEAKNESS WHICH NEW DEMOCRACY ARE TRYING TO EXPLOIT BY, FOR INSTANCE, MAKING A TELEVISED DEBATE BETWEEN RALLIS AND PAPANDREOU CONDITIONAL ON THE PARTICIPATION OF TWO OTHER PARTY SPOKESMEN FROM EACH SIDE. THE CONDITION HAS BEE REJECTED BY PASOK. OF FOREIGN SOCIALIST LEADERS INVITED TO GREECE IN SUPPORT OF PASOK'S CAMPAINGN. BRANDT AND PALME HAVE REPORTEDLY DECLINED.

5. THIS ELECTION CAMPAING IS LIVELY, NOISEY BUT SO FAR WELL-ORDERED AND PEACEFUL. IT IS INTENSELY HARD WORK FOR THE CANDIDATES FOR WHOM PERSONAL CONTACT WITH ELECTORS IS STILL AS IMPORTANT AS POLICY COMMITMENTS. MASS MEETINGS, EFFECTIVELY ORGANISED BY BOTH MAIN PARTIES, STILL PLAY A SIGNIFICANT IF SYMBOLIC ROLE IN UPLIFTING PARTY MORALE. AND THE TELEVISING OF A SELECTION OF THEM WIHT EQUAL TIME FOR THE TWO MAIN PARTIES-BRINGS THEM INTO MOST GREEK HOMES. BUT IT IS THOUSANDS OF SMALLER MEETINGS IN PRIVATE HOUSES AND OFFICES THAT INFLUENCE MOST OF THE VOTES. NEW DEMOCRACY STILL HAS BETTER TOOLS FOR PATRONAGE POLITICS THAN PASOK. WHICH INDEED REJECTS THEM AS CORRUPT AND OLD-FASHIONED. BUT INCREASED PROSPERITY, MIGRATION TO THE TOWNS AED MASS COMMUNICATIONS TEND TO WEAKEN THE VOTER'S OLD DEPENDENCE ON HIS

PROSPERITY, MIGRATION TO THE TOWNS AED MASS COMMUNICATIONS TEND TO WEAKEN THE VOTER'S OLD DEPENDENCE ON HIS DEPUTY, AND HAVE CORRESPONDINGLY HAVE ERODED NEW DEMOCRACY'S OLD STRENGTH IN THE COUNTRYSIDE.

6. HOWEVER, NEW DEMOCRACY POLITICIANS ARE NOW MORE CONFIDENT THAT THEY WERE SOME WEEKS AGO THAT THE PARTY CAN PULL OFF A VICTORY. THEY MAINTAIN THAT THE PARTY'S RECENT RALLIES EXPECIALLY AT SALONIKA ON 20 SEPTEMBER PROVIDED A STIMULUS AND WERE PERSONAL SUCCESSES FOR RALLIS. RALLIS PERSONALLY - A SHREWD JUDGE - IS NOW SAYING HE IS CONFIDENT OF WINNING AN OVERALL MAJORITY. HIS CONFIDENCE IS BASED ON PROFESSIONS OF SUPPORT FROM PREVIOUSLY DISSATISFIED VOTERS, ON THE SIZE OF THE MASS MEETINGS , AND ON SOME PLAUSIBLE ELECTORAL ARITHMETIC. THE WITHDRAWAL OF THE NATIONAL RALLY LEAVES ONLY THE TINY PROGRESSIVE PARTY OF MARKEZINIS IN THE FIELD TO THE RIGHT OF NEW DEMOCRACY. NEW DEMOCRACY CAN THUS EXPECT TO WIN THE GREAT MAJORITY OF THE 7 PERCENT OF THE VOTE WON BY THE RALLY IN 1977. RALLIS EXPECTS ALSO TO WIN SOME 3 PERCENT OF THE 1977 CENTRIST VOTE. HE BELIEVES THESE ACCRETIONS OF SUPPORT WILL COMPENSATE FOR THE LOSSES THE PARTY HAS SUUFERED FROM NATURAL WASTAGE FROM THE 42 PERCENT OF THE VOTE IT WON IN 1977.

7. IN SUPPORT OF THIS LOGIC, THERE ARE SIGNS THAT NEW DEMOCRACY IS RECOVERING A LITTLE GROUND IN THE COUNTRYSIDE WHERE PAPANDROU'S APPEAL FOR CHANGE IS VIEWED MORE SCEPTICALLY BY THE FARMING COMMUNITIES. HOWEVER, THE STRENGTH OF THE PASOK PARTY IS STILL EVIDENT FROM RECENT PROVICIAL TOURS BY MEMBERS OF THE EMBASSY AND I WOULD NOT AT PRESENTZALTER THE ASSESSMENT IN MY TUR NO PARTY ENJOYING AN OVERALL MAJORITY, BUT WITH PASOK PROBABLY HAVEING THE EDGE OVER THE NEW DEMOCRACY.

FCO PSE PASS SAVING TO OTHER NATO POSTS, MADRID, MOSCOW, UKREP BRUSSELS, AND DUBLIN.

CARRINGTON

COME OUT IN SUPPORT OF PASOK AND ITS SECRETARY

Greece

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FM ATHENS 211000Z SEP 81

TO IMMEDIATE FCO TEL NO 222 OF 21 SEP 1981
DESKBY 211400Z

RPTD IMMEDIATE DESKBY 211400Z TO UKMIS NEW YORK
(FOR PRIVATE SECRETARY)

AND ROUTINE INFO TO ANKARA, NICOSIA AND WASHINGTON.

SAVING TO NATO POSTS, MADRID, MOSCOW, UKREP BRUSSELS AND DUBLIN.

MS

THE GREEK ELECTIONS AND AFTER.

1. ATHENS TEL 215 PROVIDED A RECENT ACCOUNT OF THE PROSPECTS FOR THE ELECTIONS DUE ON 18 OCTOBER. I ENDORSE FAIRWEATHER'S ANALYSIS OF THE RANGE OF POSSIBILITIES AND HIS CONCLUSIONS. I OFFER THE FOLLOWING TENTATIVE LONGER-TERM FORECAST, ON MY RETURN AFTER FOUR WEEKS' ABSENCE, AS BACKGROUND TO MEETINGS THIS WEEK IN NEW YORK AND (SUPPLEMENTING ATHENS TEL 216) FOR THE ASSESSMENTS STAFF PAPER ON THE IMPLICATIONS OF A PASOK VICTORY.

2. I STILL THINK THAT, GIVEN THE PECULIARLY VOLATILE NATURE OF THE GREEK ELECTORATE AND THE FACT THAT A FAIR BODY OF VOTERS HAS CLEARLY NOT YET MADE UP ITS MIND, IT IS UNREALISTIC FOR ANYONE TO MAKE FIRM PREDICTIONS. BUT THE LATEST, NATION-WIDE (NIELSEN) POLL PUBLISHED ON 16 SEPTEMBER SHOWS PASOK LEADING NEW DEMOCRACY BY 40% AGAINST 34% OF THOSE WHO SAID THEY HAD DECIDED. TRANSLATED INTO SEATS, THIS WOULD GIVE PASOK A RELATIVE BUT NOT ABSOLUTE MAJORITY - THE OUTCOME CONSIDERED MOST PROBABLE IN OUR ASSESSMENT OF 15 SEPTEMBER. THIS OUTCOME COULD LEAVE THE MOSCOW-LINE COMMUNISTS HOLDING THE BALANCE IN THE NEW PARLIAMENT. I DO NOT SEE PAPANDREOU BRINGING THE KKE INTO HIS GOVERNMENT. BUT I DO NOT EXCLUDE A PASOK MINORITY GOVERNMENT DEPENDENT ON COMMUNIST SUPPORT OR TOLERANCE - THE WORST-CASE OUTCOME FOR BOTH INTERNAL STABILITY AND WESTERN INTERESTS.

3. MORE PROBABLY PAPANDREOU WOULD, IN THIS CONTINGENCY, CALL FOR NEW ELECTIONS AND, ALTHOUGH ANOTHER EARLY ELECTION COULD BE CHALLENGED AS UNCONSTITUTIONAL, THE PRESIDENT MIGHT AGREE. KARAMANLIS HAS HOWEVER, BEEN SAYING IN PRIVATE THAT HE WOULD LIKE TO SEE A GOVERNMENT RESTING ON THE COMMON SUPPORT OF ELEMENTS FROM NEW DEMOCRACY AND PASOK. IF KARAMANLIS STEPPED IN TO ACHIEVE THIS OBJECTIVE RATHER THAN CALLING NEW ELECTIONS THERE WOULD BE A PERIOD OF GREAT POLITICAL UNCERTAINTY, PERHAPS PROLONGED. BUT PASOK'S MORE EXTREME DOMESTIC AND FOREIGN POLICIES COULD BE CURBED, AND IN THE MEDIUM TERM SUCH AN OUTCOME SHOULD BE MORE FAVOURABLE TO OUR INTERESTS. THERE ARE HOWEVER MANY ''IFS'' IN THIS SEQUENCE.

4. A CLEAR OVERALL MAJORITY FOR NEW DEMOCRACY IS POSSIBLE BUT NOT I THINK VERY LIKELY. A MORE LIKELY SCENARIO IS A SLENDER NEW DEMOCRACY MAJORITY OVER PASOK WITH A MINORITY GOVERNMENT WHICH WOULD BE WEAK AND SUBJECT TO DEFECTIONS. IT IS TRUE THAT RALLIS AND MOST OF HIS MINISTERS ARE IN A MORE CONFIDENT MOOD THAN A MONTH AGO. BUT PAPANDREOU'S CALL FOR '' THE GREAT CHANGE'' AND HIS TAUNTS OF INEFFECTIVE GOVERNMENT HAVE A BROADER APPEAL. THE DECISION ANNOUNCED ON 17 SEPTEMBER OF THE VETERAN CENTRE POLITICIAN GEORGE MAVROS TO JOIN PASOK IS ANOTHER STRAW IN THE WIND. NOR HAS THE GOVERNMENT PARTY BEEN HELPED BY THE ECONOMIC SITUATION, WHICH IS A DOMINANT ISSUE IN THE CAMPAIGN. THE LEAK OF A REPORT ON THE DEPRESSED STATE OF THE COUNTRY'S FINANCES BY AVEROFF IN HIS RECENTLY ASSUMED CAPACITY OF ECONOMIC OVER-LORD HAS BEEN A MAJOR EMBARRASSMENT.

5. WHATEVER GOVERNMENT EMERGES WILL FACE A DIFFICULT ECONOMIC SITUATION. BUSINESS CONFIDENCE IS LOW. PRIVATE INVESTMENT HASN PENDING THE ELECTIONS, BEEN AT A STANDSTILL FOR SOME TIME, AND THERE IS SOME EVIDENCE OF A FLIGHT FROM THE DRACHMAE. ALTHOUGH THE RATE OF INFLATION HAS FALLEN SLIGHTLY TO ABOUT 20%, THE PROJECTED PUBLIC SECTOR DEFICIT FOR 1981 IS NOW MUCH HIGHER THAN FORECAST AND FURTHER INFLATION IS THEREFORE IN THE PIPELINE. TOOTVKBEE IT, ONLY A STRONG NEW DEMOCRACY GOVERNMENT ENJOYING INTERNATIONAL CONFIDENCE WOULD BE IN A POSITION TO TACKLE THESE ISSUES EFFECTIVELY.

6. PAPANDREOU HAS SAID THAT A PASOK GOVERNMENT WOULD TREAT THE ECONOMIC SITUATION AS ITS FIRST PRIORITY. THIS WOULD MEAN ACTION TO BRING INFLATION UNDER CONTROL. THE POLICIES ADOPTED WOULD PROBABLY INCLUDE PRICE CONTROLS AND PERHAPS IMPORT CONTROLS. THIS COULD GIVE RISETO INVOCATION OF THE SAFEGUARD CLAUSE IN THE TREATY OF ACCESSION. BUT AT THE SAME TIME, PARTICULARLY IF FACED WITH NEW ELECTIONS, A PASOK GOVERNMENT WOULD HAVE TO DO SOMETHING TO REDEEM PROMISES TO THE ELECTORATE : AND THIS ACTION, ESPECIALLY SOCIALISATION AND INDEXATION OF WAGES, WOULD COMPOUND EXISTING ECONOMIC DIFFICULTIES. ONE COULD EXPECT PRESSURE ON THE DRACHMA AND A WORSENING OF THE BALANCE OF PAYMENTS, DEPENDENT AS IT IS ON THE INFLOW OF AUTONOMOUS CAPITAL.

7. WHATEVER THE OITCOME OF THE ELECTIONS, I ANTICIPATE THAT GREECE WILL REMAIN IN THE COMMUNITY. BUT AN OUTRIGHT PASOK VICTORY OR A PASOK MINORITY GOVERNMENT WILL MEAN DIFFICULTIES ACROSS THE BOARD IN THAT AREA AS WELL AS WITH NATO (THE THREAT TO WITHDRAW AGAIN FROM THE INTEGRATED MILITARY STRUCTURE AND PERHAPS, EVENTUAL WITHDRAWAL FROM THE ALLIANCE) AND WITH THE AMERICANS (DIFFICULT NEGOTIATIONS ON THE US BASES WHICH COULD LEAD TO THEIR REMOVAL). ATTITUDES TOWARDS TURKEY ARE LIKELY TO BE PRICKLIER, NOT ONLY UNDER PASOK IN ANY STRENGTH BUT IF WE HAVE A WEAK NEW DEMOCRACY GOVERNMENT. THE SAME EQUATION APPLIES TO CYPRUS. EVEN IF PAPANDREOU ACHIEVES A LARGE MAJORITY,

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/1 DO

I DO NOT SEE HIM EVER ASPIRING TO BE THE ARCHITECT OF A NEW RECONCILIATION WITH ANKARA AND IT IS HARD TO SEE HIM PUSHING THE GREEK CYPRIOTS IN ANY DIRECTION THEY DO NOT WISH, EVEN IF HE ACCEPTS THE INTERCOMMUNAL TALKS. I AGREE (PARAGRAPH 1 OF YOUR TEL 207 TO NICOSIA) THAT HE WOULD BE LESS LIABLE TO DISRUPT A UN INITIATIVE STARTED BEFORE THE ELECTIONS. PASOK'S LINKS WITH THE RADICAL ARAB STATES, THE PARTY'S ANTI-NUCLEAR STANCE AND THEIR WOOLY VIEW OF EAST-WEST RELATIONS WOULD COMPLICATE POLITICAL COOPERATION. PAPANDREOU HAS, HOWEVER, STRONG VIEWS ON RUSSIAN INTERVENTION IN POLAND, WHICH ARE NOT PREDICATED ONLY ON THE THOUGHT THAT IF THEY DO INVADE HIS ELECTORAL PROSPECTS WOULD BE MUCH REDUCED.

8. MY GENERAL CONCLUSION IS THAT THE FORTHCOMING ELECTIONS MAY WELL SIGNAL THE END OF THE PERIOD OF POLITICAL STABILITY ENJOYED BY GREECE SINCE 1974, EXCEPT IN THE UNLIKELY EVENT OF NEW DEMOCRACY BEING RETURNED AGAIN WITH A SUBSTANTIAL OVER-ALL MAJORITY. A NEW AND SATISFACTORY EQUILIBRIUM MIGHT EVENTUALLY BE ATTAINED THROUGH THE KIND OF COALITION ENVISAGED IN MY PARAGRAPH 4 : BUT SUCH A COALITION WOULD MORE PROBABLY BE A PROVISIONAL AFFAIR, WITH A MINUMUM PROGRAMME, LEADING TO NEW ELECTIONS BEFORE LONG. A PASOK GOVERNMENT WITH AN OVER-ALL MAJORITY AND THE STRENGTH TO GOVERN COULD MELLOW IN OFFICE AND ALSO SUCCEED, AFTER A PHASE OF DIFFICULT ECONOMIC ADJUSTMENT, IN ESTABLISHING ANOTHER KIND OF DOMESTIC BALANCE. BUT IT IS AT LEAST AS LIKELY THAT OFFICE WOULD BRING OUT THE LATENT STRUGGLE BETWEEN MODERATES AND HARDLINERS IN PASOK, AND THAT THE COMBINATION OF DOCTRINAIRE POLICIES, INEXPERIENCE IN GOVERNMENT, AND SHAKE-UP IN THE PUBLIC SERVICES WILL BE A RECIPE FOR CONTINUING POLITICAL AS WELL AS ECONOMIC UNCERTAINTY. PAPANDREOU IS NOT MITTERAND AND ANY PASOK GOVERMENT WILL BE A DIFFICULT PARTNER IN THE COMMUNITY AND AN UNCERTAIN MEMBER OF THE ALLIANCE F C O PLEASE COPY CABINET OFFICE FOR ASSESSMENTS STAFF.

SUTHERLAND

(REPEATED AS REQUESTED)

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TELNO 215 OF 15/9/81

RPD FOR INFO ROUTINE ANKARA

AND SAVING TO EC POSTS - OTHER NATO POSTS - MOSCOW - MADRID AND NICOSIA.

THE GREEK ELECTIONS.

1. HUNT'S TELELETTER OF 8 SEPTEMBER TO LLEWELLYN SMITH ASKED FOR AN UPDATED ASSESSMENT OF THE ELECTORAL PROPECTS OF THE THREE MAJOR PARTIES, NEW DEMOCRACY (ND), PASOK AND THE MOSCOW-LINE KKE. OTHER PARTIES INCLUDING THOSE OF THE CENTRE ARE UNLIKELY TO WIN MORE THAN A HANDFUL OF SEATS AT THE ELECTION ON 18 OCTOBER.

2. SINCE THE LAST ELECTIONS, AT WHICH ND WON 42% OF THE VOTE,

PASOK 25% AND THE KKE 9%, NEW DEMOCRACY HAS LOST GROUND TO PASOK AND THE KKE HAS MADE SOME GAINS. WE HAVE HITHERTO ASSESSED THAT THE TWO MAIN PARTIES ARE RUNNING EACH OTHER CLOSE - PROBABLY TOO CLOSE FOR EITHER TO OUTDISTANCE THE OTHER BY THE 10% REQUIRED FOR AN ABSOLUTE MAJORITY IN PARLIAMENT.

NEW DOMOCRACY

3. AFTER LOSING GROUND CONTINUOUSLY EARLIER THIS YEAR, ND SEEMED TO STEADY AFTER THE PARTY CONGRESS IN JUNE. MINISTERS, MPS AND PARTY WORKERS ARE NOW TELLING US THAT ND IS PULLING BACK AND THAT THEY EXPECT TO WIN. BUT THEY SAY IT WILL BE A HARD STRUGGLE, AND HARDLY ANY OF THEM EXPECTS MORE THAN A PAPER-THIN OVERALL MAJORITY, IF THAT. THEY RECOGNISE THAT THERE IS WIDESPREAD DISSATISFACTION WITH THE PERFORMANCE OF THE GOVERNMENT AND DISIRE FOR CHANGE.

PASOK

4. MEANWHILE PASOK ARE CONFIDENT THAT THEY WILL BE THE LARGEST PARTY IN THE NEW PARLIAMENT AND MANY PASOK WORKERS BELIEVE THAT THEY WILL WIN AN ABSOLUTE MAJORITY,

DESPITE THE MAJOR SWING THAT WOULD BE REQUIRED TO ACHIEVE THIS.

KKE

5. THE KKE IS SET TO BE THE THIRD PARTY, WITH PERHAPS 12-14% OF THE VOTE, WHICH COULD GIVE THEM SOME 15-20 SEATS OUT OF 300. THEY ARE UNLIKELY TO REACH THE 17% OF THE VOTE NECESSARY TO QUALIFY FOR THE SECOND DISTRIBUTION OF SEATS, WHICH WOULD ENSURE THEM A SIGNIFICANTLY GREATER STRENGTH THAN THIS. BUT IF NEITHER MAJOR PARTY WINS AN OVERALL MAJORITY, THE KKE ARE LIKELY TO HOLD THE BALANCE.

6. POLLS, FOR WHAT THEY ARE WORTH, HAVE FOR SOME TIME GIVEN PASOK A LEAD OVER ND. A RECENT POLL OF THE GREATER ATHENS AREA, THE FIRST SINCE THE SUMMER BREAK, SHOWS A 15 POINT GAP BETWEEN THE PARTIES, ENOUGH TO GIVE PASOK A SUBSTANTIAL OVERALL MAJORITY. ALTHOUGH THIS FIGURE MAY NOT BE VALID FOR THE COUNTRY AS A WHOLE - THE POLLSTER HIMSELF ADMITS A TENDENCY TO UNDERESTIMATE THE GOVERNING PARTY'S STRENGTHE- THE BROAD CONCLUSION THAT A MAJORITY OF THOSE WHO HAVE ALREADY MADE UP THEIR MIND SUPPORT PASOK, CANNOT BE IGNORED.

7. BUT THE ONE THING EVERYONE HERE AGREES ON IS THE LARGE NUMBER OF UNDECIDED VOTERS - 16% IN THIS POLL AND PROBABLY MORE THAN 20% NATIONWIDE. THE OUTCOME DEPENDS ON HOW THEY VOTE ON 18 OCTOBER. NEW DEMOCRACY'S CONFIDENCE IS BASED ON THE JUDGEMENT THAT THE GREAT MAJORITY OF THESE WILL VOTE AGAINST CHANGE DESPITE THEIR PRESENT GRUMBLING AT THE GOVERNMENT'S PERFORMANCE. THAT MAY BE RIGHT. THE UNDECIDED ARE MAINLY DISSATISFIED GOVERNMENT SUPPORTERS AND CENTRISTS, AND THE FORMER ARE LIKELY TO RETURN TO THEIR NATURAL HOME, NEW DEMOCRACY. BUT IS SEEMS QUITE PROBABLE THAT SUFFICIENT OF THE CENTRISTS WILL VOTE FOR PASOK TO ENSURE IT A MAJORITY.

CONCLUSION

8. OF THE RANGE OF POSSIBILITIES IE:

(A) NEW DEMOCRACY OVERALL MAJORITY

/ (B) NEITHER

(B) NEITHER PARTY WIN OVERALL MAJORITY

(C) PASOK OVERALL MAJORITY

(A) IS POSSIBLE BUT LOOKS LESS LIKELY THAN IT DID.

(B) IS AT THIS STAGE THE MOST PROBABLE OUTCOME, WITH PASOK MORE LIKELY THAN NEW DEMOCRACY TO BE THE LARGEST PARTY.

(KARAMANLIS WE BELIEVE SHARES THIS VIEW). BUT

THE DISTURBING POSSIBILITY OF AN ABSOLUTE MAJORITY FOR PASOK CERTAINLY CANNOT BE EXCLUDED.

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TO PRIORITY FCO

TEL NO 204 OF 25/8/81

RPTD SAVING EEC POSTS: OTHER NATO POSTS: MOSCOW: NICOSIA.

GREEK GENERAL ELECTION

1. THE GENERAL ELECTION IN GREECE WILL BE ON SUNDAY 18 OCTOBER.

2. ON 24 AUGUST PRESIDENT KARAMANLIS INFORMED RALLIS IN WRITING THAT HE ACCEPTED THE PRIME MINISTER'S RECOMMENDATION THAT

PARLIAMENT SHOULD BE DISSOLVED AND ELECTIONS HELD PREMANTURELY ON 18 OCTOBER. HE ACCEPTED THE REASONS PUT FORWARD BY RALLIS AND SUPPORTED BY OTHER PARTIES INCLUDING PASOK, NAMELY DIFFICULT WEATHER CONDITIONS LATER IN THE YEAR AND THE NEED TO AVOID A PROLONGED PERIOD OF UNCERTAINLY AND DAMAGE TO COMMERCIAL ACTIVITY IN THE PRE-CHRISTMAS PERIOD.

3. THE PRESIDENT'S LETTER MAKES CLEAR THAT RALLIS WILL SUBMIT HIS GOVERNMENT'S RESIGNATION BY 15 SEPTEMBER AND THEN BE GIVEN A MANDATE TO FORM A CARETAKER GOVERNMENT TO HOLD ELECTIONS. HE IS

LIKELY TO REPLACE HIS MINISTERS OF THE INTERIOR, JUSTICE AND PUBLIC ORDER AND THE UNDER SECRETARY FOR THE PRESS BY CANDIDATES

ACCEPTABLE TO THE MAIN PARTIES.
THE PRESIDENTIAL DECREE DISSOLVING PARLIAMENT AND PROCLAIMING ELECTIONS IS EXPECTED BETWEEN 19 AND 21 SEPTEMBER.

4. ROUSSOS (MFA SECRETARY GENERAL) TOLD ME ON 24 AUGUST THAT

THE ANNOUNCEMENT WOULD NOT AFFECT MITSOTAKIS'S PLANS TO ATTEND THE INFORMAL MEETING OF EC FOREIGN MINISTERS AT BROCKET HALL.

MITSOTAKIS WOULD HOWEVER POSSIBLY MISS THE 14/15 SEPTEMBER FOREIGN AFFAIRS COUNCIL, IN WHICH CASE THEODOROPOULOS WOULD

PROBABLY TAKE HIS PLACE.

5. AT PRESENT THE TWO MAIN PARTIES APPEAR TO BE RUNNING EACH OTHER CLOSE, WITH MANY VOTERS STILL UNDECIDED. A SURVEY IN A WEEKLY PERIODICAL, ADMITTEDLY UNSCIENTIFIC BUT REFLECTING GENERAL EXPECTATIONS, GIVES PASOK 28 PERCENT OF THE VOTE, NEW DEMOCRACY 26.5 PERCENT, THE MOSCOW-LINE KKE 12 PER CENT, UNDECIDED 24 PERCENT AND ABOUT 10 PERCENT TO THE SMALL PARTIES.

LLEWELLYN SMITH

STANDARD
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(4)

BY BAG

FROM ATHENS

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TO FCO TEL NO 3 SAVING OF 22 MAY 1981

AND SAVING TO: ANKARA: NICOSIA: BELGRADE: SOFIA: WASHINGTON: EC POSTS: MADRID: UKDEL NATO: OTHER NATO POSTS: MOSCOW.

GREECE: THE POLITICAL SCENE

1. Greek minds are beginning to concentrate on the forthcoming general elections. The current parliamentary term expires on 19 November, and elections have to take place within 30 days of that. I do not expect the date to be earlier than October. But between now and then the Greek attitude to almost all issues, international and domestic, will be influenced by electoral considerations.

2. These elections, important for Western interests, will be close fought. Since 1974 Karamanlis' prestige, and relief for the stability he provided after the shocks of military dictatorship have guaranteed ample majorities for his party New Democracy. The question now is whether after a long period of stability the Greek electorate is bored and ready for the "great change" which Andreas Papandreou promises. Mitterand's victory has encouraged those who think that it is.

3. The elections will be a fight between two forces, New Democracy and Papandreou's PASOK. New Democracy got 42% of the vote in 1977 (currently 177 seats in the Parliament of 300) and PASOK 25% (94 seats). This shows how far PASOK has to go to win. The Moscow-line KKE won 9% (11 seats). None of the other parties (Centre, Social Democrat, far right National party, Euro-communist KKE of the Interior) has more than 3 seats in Parliament. The virtual destruction of the Centre has left the middle ground to be fought over by New Democracy and PASOK.

4. All agree that since 1977 PASOK has gained much ground from New Democracy. The two parties are probably now roughly level. Many voters, perhaps as many as 15-20%, are undecided.

5. New Democracy

Support for the governing party has been eroded by severe economic problems including 3 years of high inflation (currently 25%), by Karamanlis' move to the Presidency, and by the wear and tear suffered by a government in power for 7 years. The Government's main handicap is the feeling, skilfully exploited by Papandreou, that it is responsible for all the ills of the economy and for the inefficiencies of the state machine. Except in foreign policy and national

/defence

defence questions, the Government under Rallis has seemed recently to have lost direction. His low-key style of leadership and lack of rhetoric is an electoral handicap as is the impression that he has difficulty controlling his Ministers. Morale in the party, affected by a damaging internal dispute over the electoral law, is not at present good. But an opportunity exists to rediscover direction at a special party congress in late June. And Averoff, Rallis' main potential rival, told me on 21 May that in the further handling of the electoral law dispute he will have party unity in mind. It now seems certain that, reversing their earlier decision, the Government will amend the law so as to increase the permitted number of candidates in each constituency, thus letting in new blood to the party lists.

6. PASOK

PASOK maintains cohesion as it enters the election period. Papandreou's campaign is nicely judged to appeal to the left and the radical young without alienating the liberal Centre. To this end he has to some degree moderated PASOK's policy on the EC and NATO, but he still says Greece would be better off outside both organisations. Papandreou, a socialist with populist skills and a keen sense of what is practicable, is not going to turn into a social democrat. And the Marxist wing of his party is unlikely to accept easily too great compromises with socialist doctrine or with the fundamentally anti-American direction of PASOK foreign policy. He is most vulnerable to the fear of Marxism and the charge of wild economic recipes ("socialisation" of industries) but, because of internal differences over their response, the Government have not yet exploited these effectively.

7. The Communist Left

The KKE, subservient to Moscow, can rely on 10% of the national vote and may well do better but is unlikely to reach the 17% required under the present electoral system to make it a proportionately substantial parliamentary force. However it will again be the third largest party in the new parliament and may hold the balance if neither New Democracy nor PASOK win a working majority. This gives importance to PASOK's attitude to cooperation with the KKE. Though some conservatives believe that Papandreou would do a deal with the communists, he discourages such thoughts knowing the damage that they could do to his prospects, and the risk of provoking military intervention against him. If the issue were whether to assume power or dissolve, the temptation to rely on Communist support without entering into a coalition could be considerable. In his statements Papandreou does not exclude some forms of coalition with the centrists, but says that if PASOK were the largest party in the new parliament but without an absolute majority his preferred course would be to ask for a dissolution and new elections.

8. Other Parties

The old Centre, of Papandreou's father, broke up after its electoral disaster in 1977. Virtually no-one believes in it as an effective political force any more, and this being so very few will vote for the various Centre parties. Divided they will certainly fall. United (and there is no sign of this at present) they are still unlikely to make much impact. Nor is the extreme right National party, which has fragmented, nor the Euro-communist KKE (Int).

9. Conclusions

With over 4 months still to go until the elections there are many imponderables. One is the effect of EC accession on the voters. The beneficial economic effects publicised by the Government, such as funding for projects from the Regional and Social funds, do not seem to be sufficient to counter the effects of PASOK's campaign in the countryside. Papandreou believes, I think rightly, that he continues to gain support there. The results of the agricultural price-fixing exercise, disappointing for the Greeks who had opened their mouths very wide in expectation, gave him a stick with which to beat the Government.

10. New Democracy are relying on the natural conservatism of the Greek electorate to bring waverers back through fear of the "change" promised by PASOK. But, as Rallis observed when I took Lord Caccia to call on 21 May the Greeks are a volatile and contrary people. Many, including himself, had accepted that it might be good for democracy in this country if the opposition could at long last be given an innings. However it was Greece's misfortune that at this juncture the leader of the opposition was a man whose policies could in his view be disastrous for her best interests and her Western orientation in that he was incapable of saying "no" to the extremists within PASOK - or indeed, Rallis added, to anybody.

11. For their part PASOK are convinced the tide is running for them to win at least a relative majority, and recent polls encourage them in this. It would be foolish at this stage to predict the result of the elections. But for the reasons I have set out in greater detail in my letter 014/2 of 12 May to the Head of the Southern European Department I assess that a number of factors are now working in Papandreou's favour. What is certain is that Western governments should take the PASOK phenomenon seriously, as do the Greek Government themselves, and be prepared for the possibility of a PASOK-dominated Government after the elections. This would lead to strains in Greece's relations with Western countries, NATO and the EC. If the elections result in parliamentary deadlock, as is quite possible, the excesses of Papandreou's programme would be avoided; it is possible that a coalition of the left of New Democracy and the moderates in PASOK could emerge, and there is some evidence that Karamanlis has been considering this contingency. But even so, Greece would enter a period of potentially dangerous political instability.

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Greece

FROM ATHENS 090909Z FEB
TO IMMEDIATE FCO
TELNO 28 OF 9 FEB 81
AND TO IMMEDIATE MADRID

DEATH OF FORMER QUEEN FREDERIKA

1. THE ANNOUNCEMENT ON 7 FEBRUARY BY THE GREEK GOVERNMENT THAT THEY HAD ACCEPTED A REQUEST BY THE FORMER QUEEN'S FAMILY TO BURY HER AT THE FAMILY GRAVEYARD AT THE TATOI PALACE OUTSIDE ATHENS GAVE RISE TO SHARP EXCHANGES WITH OPPOSITION PARTY LEADERS. THE ISSUE RECEIVED WIDE PUBLICITY IN THE WEEMEND PRESS AND RADIO UNTIL ECLIPSED BY THE TRAGEDY AT THE PIRAEUS FOOTBALL STADIUM ON SUNDAY EVENING AT WHICH ABOUT 20 PERSONS WERE KILLED.

2. ANNOUNCING PASOK'S OPPOSITION TO THE GOVERNMENT'S DECISION, PAPANDREOU SPOKE OF FREDERIKA'S ASSOCIATION WITH ''SAD MEMORIES OF POLITICAL ADVENTURES AND DISRUPTIONS IN THE COUNTRY'' AND DECLARED IT A SERIOUS POLITICAL MISTAKE TO REVIVE PAST CONFRONTATIONS WHEN BOTH THE COUNTRY AND DEMOCRACY NEEDED QUIET. PAPANDREOU LATER ADDED THAT THE MAJORITY OF GREEKS BELIEVED THE FORMER DYNASTY, PARTICULARLY FREDERIKA, RESPONSIBLE FOR POLITICAL ACTIONS WHICH UNDERMINED POPULAR SOVEREIGNTY AND LED TO THE DICTATORSHIP. BOTH THE EXTERIOR AND INTERIOR COMMUNIST PARTIES PREICTABLY CONDEMNED THE DECISION LESS EXPECTEDLY, LEADERS OF THE CENTRE PARTIES, INCLUDING MAVROS AND PESMAZOGLOU, HAVE SPOKEN AGAINST IT ON THE GROUNDS THAT IT REVIVED PAST ANTAGONISMS AND RISKED POLITICAL DISTURBANCE.

3. RALLIS HAS DEFENDED THE GOVERNMENT'S DECISION WITH DIGNITY ON HUMANITARIAN GROUNDS. GOVERNMENT SOUCRES HAVE ALSO TAKEN THE LINE THAT IT IS THE RIGHT OF EVERY GREEK CITIZEN TO BE BURIED IN HIS COUNTRY AND THAT THE GOVERNMENT COULD NOT HAVE REFUSED PERMISSION.

4. BOTH RALLIS AND PRESIDENT KARAMANLIS ARE REPORTED TO HAVE SENT CONDOLENCES TO FREDERIKA'S FAMILY.

5. THE SPANISH E MBASSY HAVE TOLD US THAT FREDERIKA'S BODY WILL BE FLOWN TO GREECE ON 11 FEBRUARY, ACCOMPANIED BY QUEEN SOFIA AND THAT KING JUAN CARLOS WILL TRAVEL TO GREECE ON 12 FEBRUARY. THEY EXPECT THE FUNERAL TO BE HELD ON 12 FEBRUARY, BUT NEITHER THE EMBASSY NOR THE GREEK M.F.A. HAVE YET BEEN ABLE TO CONFIRM THIS. ACCORDING TO PRESS REPORTS, THE FUNERAL WILL BE A PRIVATE FAMILY OCCASION AND THE MILITARY AIRFIED AT DEKELIA NEAR TATOI WILL BE USED BY VISITING MEBERS OF THE FORMER QUEEN'S FAMILY.

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SUBJECT.

MAY 16 15 00 '80

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 111 C/80

cc. Mart at sec
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Prime Minister
& fa. Mark

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P.O. INTERNATIONAL
TELEGRAPHS LONDON
16 MAY 1980
EC3/SW1 AREA OFFICE

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ETAT

THE RIGHT HONOURABLE MARGARET THATCHER MP PRIME MINISTER

LONDONSW1

I THANK YOU VERY MUCH FOR THE KIND MESSAGE OF CONGRATULATIONS THAT YOU SENT ME ON THE OCCASION OF MY APPOINTMENT AS PRIME MINISTER OF GREECE CONVINCED THAT THE CORDIAL RELATIONS AND CLOSE COOPERATION EXISTING BETWEEN OUR TWO COUNTRIES WILL

P2/37

BE FURTHER STRENGTHENED AND DEVELOPED IN THE BEST INTEREST OF OUR TWO NATIONS AS WELL AS OF EUROPE I WISH TO EXTEND TO YOU MY BEST WISHES FOR YOUR PERSONAL HEALTH AND HAPPINESS

GEORGE RALLIS PRIME MINISTER

To send Telegrams—CONSULT TELEPHONE DIRECTORY OR TELEX DIALLING CARD INTERNATIONAL POST OFFICE TELEGRAPHS

SUBJECT

No. 10

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FM F C O 091356Z MAY 80
TO IMMEDIATE ATHENS
TELEGRAM NUMBER 072 OF 9 MAY
INFO SAVING ANKARA AND NICOSIA

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T110/80

YOUR TELNOS 129 AND 130: NEW GREEK GOVERNMENT: MESSAGES OF CONGRATULATION.

1. PLEASE DELIVER FOLLOWING MESSAGE FROM ME TO RALLIS AS SOON AS CONVENIENT.

MESSAGE BEGINS:

I KNOW MY PRIME MINISTER HAS WRITTEN TO CONGRATULATE YOU ON YOUR NEW APPOINTMENT. I RECALL WITH PLEASURE OUR MEETINGS LAST YEAR, AND WOULD LIKE TO ECHO HER IN SENDING YOU MY VERY BEST WISHES FOR THE FUTURE.

MESSAGE ENDS.

2. PLEASE ALSO DELIVER FOLLOWING MESSAGE TO NEW FOREIGN MINISTER WHEN APPOINTED UNLESS, IN THE LIGHT OF THE INDIVIDUAL NAMED, YOU WISH TO PROPOSE ADDITIONS OR AMENDMENTS.

MESSAGE BEGINS:

PLEASE ACCEPT MY WARM CONGRATULATIONS ON YOUR APPOINTMENT AS FOREIGN MINISTER. NEEDLESS TO SAY, GREEK ACCESSION TO THE COMMUNITY IS A HISTORIC DEVELOPMENT ENTIRELY WELCOME TO MY GOVERNMENT, AND I AM SURE THAT THE TRADITIONAL FRIENDLY TIES BETWEEN OUR TWO COUNTRIES WILL DEVELOP EVEN MORE CLOSELY WITHIN THE EUROPEAN FRAMEWORK.

3. AS PARTNERS IN THE WESTERN ALLIANCE I ALSO LOOK FORWARD TO WORKING CLOSELY WITH YOU OVER THE SERIES OF PROBLEMS CURRENTLY CONFRONTING US, AND IN PARTICULAR THE DIFFICULT DECISIONS WE HAVE TO TAKE ARISING FROM THE CRISES IN SOUTH WEST ASIA.

4. I HOPE WE CAN MEET BEFORE LONG.

MESSAGE ENDS.

5. PLEASE ALSO DELIVER THE FOLLOWING MESSAGE TO RALLIS FROM THE PRIME MINISTER.

/MESSAGE BEGINS

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MESSAGE BEGINS:

PLEASE ACCEPT MY WARMEST CONGRATULATIONS AND BEST WISHES ON YOUR APPOINTMENT AS PRIME MINISTER. I LOOK FORWARD TO WORKING CLOSELY WITH YOU, AS PARTNERS BOTH IN THE COMMUNITY AND IN THE ALLIANCE. I AM CONFIDENT THAT THE CLOSE AND FRIENDLY RELATIONS BETWEEN OUR TWO COUNTRIES WILL CONTINUE AND INTENSIFY IN THE COMING YEARS.

MESSAGE ENDS.

CARRINGTON

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MR FERGUSSON

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Greece

Message from Prime Minister to Mr Rallis.

Please accept my warmest congratulations and best wishes on your appointment as Prime Minister. I look forward to working closely with you, as partners both in the Community and in the Alliance. I am confident that the close and friendly relations between our two countries will continue and intensify in the coming years.

Yrs.

- 9/5

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Foreign and Commonwealth Office

London SW1A 2AH

Despatched.

9 May 1980

Dear Michael,

New Greek Prime Minister: Message of Congratulation

You will have seen from Athens telegram number 130 that Foreign Minister Rallis has been elected as Leader of the New Democracy Party and is likely to succeed Prime Minister Karamanlis in the Premiership with effect from today.

I accordingly enclose a draft telegram to Athens containing a message which the Prime Minister may wish to send to Mr Rallis.

Lord Carrington is also sending a brief message to Mr Rallis, whom he knows, as well as to the new Foreign Minister when appointed.

Yours ever

Paul

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Department SED

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TELEGRAM

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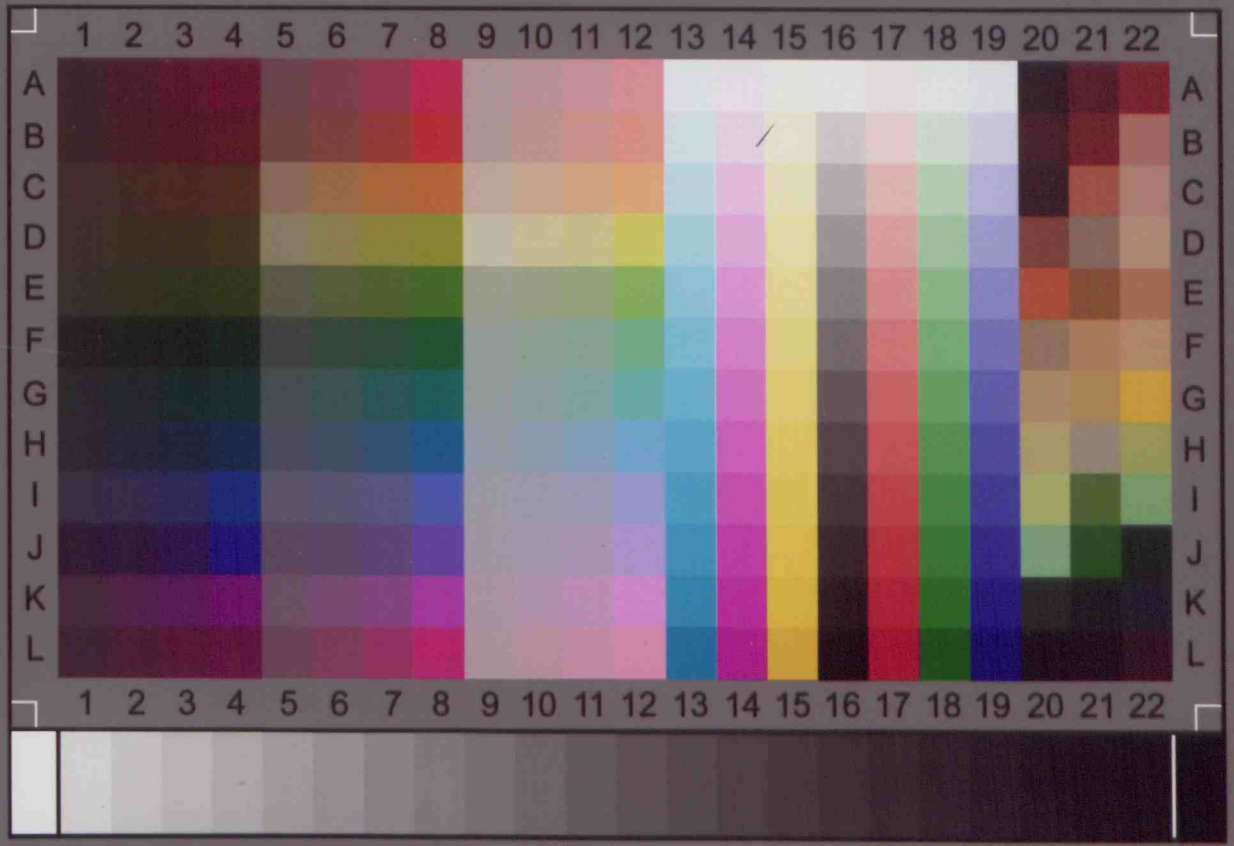
YOUR TELNO 130: MESSAGE TO RALLIS FROM PRIME MINISTER

1. As soon as Rallis assumes office, please transmit following message from Prime Minister.

Begins:

Please accept my warmest congratulations and best wishes on your appointment as Prime Minister. I look forward to working closely with you, as partners both in the Community and in the Alliance, ~~in the difficult period through which the world is passing at present.~~ I am ~~entirely~~ confident that the close and friendly relations between our two countries will continue and intensify in the coming years. Ends.

MT.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