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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

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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

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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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