CONFIDENTIAL

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

MIPT: THE GREEK GENERAL ELECTION

The same of the sa

SUMMARY

1. PASOK WIN BY ANAEXPECTEDLY 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 IMPOADS 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 PAPADRECU'S CLAIMS THAT MITSOTAKIS WOULD IMPOSE "THATCHERITE AUSTERITY" ON THE COUNTRY:

341AZZA/

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 MD. 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.

and the second s

- 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.
- S. 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'.

LIMIMED

SED (E)

NEWS D

INFORMATION D
PLANNING STAFF
PUSD
PS
PS/LADY YOUNG
PS/MR RENTON
PS/PUS

MR DEREK THOMAS MR JENKINS COPIES TO

AS/NO 10 DOWNING ST