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TELNO 611

OF 301255Z NOVEMBER 88

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GREECE: PAPANDREOU ON THE EVE OF RHODES

1. WHEN THE PRIME MINISTER AND YOU MEET PAPANDREOU IN RHODES (AND WE MUST NOW ASSUME THAT HE WILL BE THERE) YOU WILL FIND HIM IN POOR PHYSICAL AND POLITICAL SHAPE.

2. AFTER HIS MEDICAL CHECK-UP ON 21 NOVEMBER HE SAID HE WAS FEELING FINE AND HIS DOCTORS REPORTED HIS AORTIC VALVE WAS FUNCTIONING NORMALLY. BUT FEW PEOPLE IN GREECE BELIEVE EITHER STATEMENT. HE LOOKS STRONGER NOW THAN A MONTH AGO. BUT WE HEAR THAT HE TIRES EASILY AND CAN ONLY DO ABOUT 2 HOURS WORK A DAY. HIS ENTOURAGE ARE PROTECTING HIM AS MUCH AS THEY CAN. BUT THE PERSONAL AND POLITICAL STRESSES ON HIM SINCE HIS RETURN TO GREECE MUST HAVE BEEN SEVERE. AND THERE MUST BE DOUBT ABOUT WHETHER HE WILL BE ABLE TO COPE AT THE SUMMIT.

3. EVEN MORE UNCERTAIN IS WHETHER HE CAN COPE WITH THE CRISIS HIS GOVERNMENT IS NOW FACING. THE KOSKOTAS (BANK OF CRETE) SCANDAL IS ONLY ONE SYMPTOM OF THE GENERAL CORRUPTION OF PAPANDREOU'S GOVERNMENT. THIS CORRUPTION, AND THE ARROGANCE WITH WHICH PASOK HAS ABUSED ITS POWER, HAS NOW CAUGHT UP WITH THEM. IF KOSKOTAS COMES BACK TO GREECE TO STAND TRIAL, HE IS LIKELY TO NAME PROMINENT POLITICAL FIGURES INVOLVED IN HIS FINANCIAL OPERATIONS. THIS COULD BRING THE GOVERNMENT DOWN.

4. PAPANDREOU HAD WANTED, EARLIER THIS MONTH, TO GIVE HIS GOVERNMENT A FRESH LOOK. BUT THE MOUSE OF A SHUFFLE ANNOUNCED ON 16 NOVEMBER WAS A TACIT ADMISSION THAT HE COULD NOT SACK THOSE OF HIS COLLEAGUES WHO WERE MOST CLOSELY INVOLVED WITH KOSKOTAS. SIMITIS, THE FORMER MINISTER OF NATIONAL ECONOMY, HAD INSISTED ON A CLEAN-UP AS THE CONDITION FOR HIS OWN RETURN TO THE ADMINISTRATION. BUT PAPANDREOU WAS UNABLE, OR UNWILLING, TO DELIVER. SO THE OLD GANG JUST CHANGED PLACES. THE FORMER DEPUTY PRIME MINISTER, KOUTSOGIORGAS, WIDELY BELIEVED TO BE AT THE HEART OF THE SCANDAL, IS STILL MANAGING MUCH

OF THE DAY-TO-DAY BUSINESS OF THE GOVERNMENT. DRIFT AND INDECISION ARE THE ORDER OF THE DAY.

5. WHAT IS REMARKABLE IS THE WAY PASOK SUPPORTERS AND NEWSPAPERS, MINISTERS AND ADVISERS ARE NOW OPENLY CRITICAL OF THE WAY THE GOVERNMENT IS BEING RUN. THE PRIME MINISTER'S ECONOMIC ADVISER WAS HEARD TO DESCRIBE HIS MINISTERS, LAST WEEK, AS A QUOTE BUNCH OF CROOKS UNQUOTE. PAPANDREOU CAN NO LONGER COUNT ON THE SUPPORT OF THE MEDIA. HIS ASSOCIATION WITH MRS LIANI HAS LOST HIM POPULARITY, PARTICULARLY IN THE COUNTRYSIDE, AND HAS PROVOKED THE CRITICISM OF SOME OF HIS SENIOR COLLEAGUES. THEY SAY PAPANDREOU WILL BE TAKING HER TO RHODES.

6. THE LATEST POLL REFLECTS THE GOVERNMENT'S LOSS OF POPULARITY IN THE ATHENS AREA: NEW DEMOCRACY 37 PERCENT, PASOK 20 PERCENT, WITH COMMUNISTS (KKE) AND UNDECIDED BOTH 17 PERCENT.

7. MITSOTAKIS HAS DECLARED PASOK INCAPABLE OF GOVERNMENT. HE AND THE OTHER OPPOSITION LEADERS ARE ALL CALLING FOR EARLY ELECTIONS. HIS MAIN CONCERN IS THAT PAPANDREOU MAY MANIPULATE THE ELECTORAL LAW TO TRY TO KEEP PASOK IN POWER. THERE IS ALSO MUCH TALK OF VARIOUS ELECTORAL COMBINATIONS BETWEEN THE PARTIES.

8. THE FACT IS THAT ANYTHING COULD HAPPEN, EVEN IN THE NEXT FEW DAYS: PAPANDREOU COULD RESIGN AFTER RHODES BECAUSE OF HIS HEALTH OR BECAUSE OF KOSKOTAS. PASOK WOULD THEN PROBABLY SPLIT UP, EITHER BEFORE OR AFTER EARLY ELECTIONS WHICH NEW DEMOCRACY WOULD PROBABLY WIN. AN ALTERNATIVE SCENARIO IS THAT PAPANDREOU WILL TRY TO HANG ON TO OFFICE, WITH PASOK HUDDLING AROUND HIM, AND PLAY FOR TIME, HOPING FOR BETTER DAYS IN THE SPRING. BUT ALMOST EVERY PROSPECT MUST LOOK BLEAK TO HIM, AND I DO NOT SEE HOW THE PRESENT SHAMBLES CAN LONG CONTINUE.

9. SO PAPANDREOU WILL BE ON THE DEFENSIVE AT RHODES. HE WANTS A CALM SUMMIT, WHERE HE CAN POSE AS THE WORLD LEADER. (HENCE THE GREEK ANXIETY TO AVOID A CONTROVERSIAL AGENDA.) HE DOES NOT HAVE MUCH TO BOAST ABOUT IN THE GREEK PRESIDENCY, THOUGH IT IS NOT AS BAD AS IT WOULD HAVE BEEN IF PAPANDREOU HAD BEEN WELL ENOUGH TO FLY SOLO IN SOCIAL SPACE OR EASTERN EUROPE. BUT WE SHOULD BE PREPARED FOR A PRETTY NAUSEATING PRESS CONFERENCE, IN WHICH HE CLAIMS TO HAVE LED THE COMMUNITY INTO A NEW, PASOK-INSPIRED, SOCIAL DIMENSION. EVEN HIS ADVISERS, I SUSPECT, ARE AFRAID HE MAY PROVE AN EMBARRASSMENT IN THE CHAIR. IN THE PAST FEW DAYS HE HAS GIVEN SOME REMARKABLE DISPLAYS OF POOR JUDGEMENT. BUT, WITH LUCK, BY THE END OF THE COUNCIL HE MAY NOT

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HAVE MUCH ENERGY LEFT. HE WILL, OF COURSE, HOST THE PROCEEDINGS WITH  
HIS USUAL, FACILE, CHARM.

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