



Foreign and Commonwealth Office

London SW1A 2AH

26 April 1990

Dear Charles,

Fine Minister
OAI 26/4.Dublin European Council, 28 April: New Greek Prime Minister

The new Greek Prime Minister, Constantine Mitsotakis, is hoping for a few words with the Prime Minister in Dublin (his first European Council, following his election victory on 8 April). If the opportunity arises, the Prime Minister might like to draw on the following points:

- We are keen to enhance bilateral links, especially in economic and security matters. Happy to place at Greek disposal our own experience on privatisation and de-regulation, and to cooperate more closely on counter-terrorism.
- We are grateful for cooperation received over the Iraqi gun. [If Mr Ashwell still in gaol] know that Greek authorities will do their best to process his case speedily.
- Ministers in London look forward to a thorough exchange of views on key EC issues with the new Greek Ministerial team.
- Attach importance to the next EDU meeting in Finland in next August.

Mr Mitsotakis' New Democracy Party scraped home in the Greek elections on 8 April, the third within a year. His party holds just half the seats in the Assembly, but an alliance with another centrist deputy gave him the overall majority he needed. This put an end to months of political uncertainty. But severe economic problems remain. The Greek public sector deficit is over 20 per cent of GDP. After years of drift, tough economic measures will be needed. This is a top priority for the Mitsotakis Government. As part of this process, they are likely to turn to the EC for a standby loan (possibly of some \$2 billion) to help them through. This will need careful consideration; the previous Greek Government did not stick to the conditions attached to the EC's 1985 \$1.7 billion loan. If raised by Mr Mitsotakis, we recommend that the Prime Minister should take note, but offer no commitment.

/Mr Mitsotakis

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/ Mr Mitsotakis is an admirer of the Prime Minister, whom he has met several times at EDU meetings; he is keen to increase Greek ties with the UK. A c.v. is enclosed.

Yours ever,

R. Howard

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

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NEW GREEK GOVERNMENT : LEADING PERSONALITIES

1. MITSOTAKIS, CONSTANTINE

PRIME MINISTER. LEADER OF NEW DEMOCRACY. ND DEPUTY FOR ATHENS B.

BORN 1918. LAWYER, RELATED TO THE VENIZELOS FAMILY ON HIS MOTHER'S SIDE. AFTER A DISTINGUISHED RECORD IN THE CRETAN RESISTANCE, ELECTED DEPUTY FOR HANIA IN 1946 UNDER THE WING OF SOPHOCLES VENIZELOS. UNDER-SECRETARY FOR FINANCE IN FEBRUARY 1951. JOINED GEORGE PAPANDREOU'S CENTRE UNION IN 1961. BECAME MINISTER OF FINANCE IN 1963 WHERE HE WAS A BITTER RIVAL OF ANDREAS PAPANDREOU. HE PLAYED A PROMINENT PART IN THE MAJOR POLITICAL CRISIS OF 1965 IN WHICH GEORGE PAPANDREOU AND THE KING CLASHED OVER CONTROL OF THE ARMED FORCES AND ANDREAS'S INVOLVEMENT IN THE ASPIDA AFFAIR. ALTHOUGH MITSOTAKIS WAS THE NATURAL SUCCESSOR TO GEORGE PAPANDREOU AS PARTY LEADER, HE WAS ONE OF 40 CENTRE UNION DEPUTIES WHO DEFECTED, THUS BRINGING ABOUT THE DEMISE OF THE GOVERNMENT. MITSOTAKIS SERVED IN SUBSEQUENT PRE-JUNTA GOVERNMENTS. MANY OLD CENTRE UNIONISTS HAVE EVER SINCE BRANDED HIM AN 'APOSTATE', REGARDING HIM WITH DEEP SUSPICION.

HE SPENT SEVERAL YEARS IN EXILE FOLLOWING THE 1967 COUP AND BECAME ONE OF THE MILITARY REGIME'S MOST VEHEMENT CRITICS. WAS NEVERTHELESS ALLOWED TO RETURN TO GREECE IN 1973. STOOD AS AN INDEPENDENT IN 1974 BUT WAS NOT ELECTED. FORMED THE NEW LIBERALS PARTY IN 1977 AND ELECTED TO PARLIAMENT THE SAME YEAR. JOINED NEW DEMOCRACY AND WAS APPOINTED MINISTER OF COORDINATION IN MAY 1978 BY KARAMANLIS IN ORDER TO STRENGTHEN THE GOVERNMENT'S APPEAL IN THE CENTRE AND TO BOOST ITS EXPERIENCE AND EXPERTISE. HE DOMINATED ECONOMIC POLICY. FOREIGN MINISTER IN 1980-81, AND WAS THE FIRST

FOREIGN MINISTER TO PAY OFFICIAL VISIT TO CYPRUS (1981).

ELECTED PARTY LEADER IN SEPTEMBER 1984, WHEN HE DECISIVELY DEFEATED STEFANOPOULOS. RE-ELECTED WITH INCREASED SUPPORT IN AUGUST 1985 (THERE WAS NO OTHER CANDIDATE) AFTER ND'S DEFEAT IN THE GENERAL ELECTION. HIS SUCCESS WAS DUE IN PART TO THE BELIEF THAT HE WAS THE ONLY POLITICIAN OF THE RIGHT WITH SUFFICIENT GUILF TO FACE UP TO PAPANDREOU. IN FACT HIS LEADERSHIP HAS OFTEN BEEN A DISAPPOINTMENT TO THE PARTY. HIS PUBLIC POPULARITY HAS FREQUENTLY BEEN BELOW THAT OF HIS PARTY, AND HIS RELATIONS WITH KARAMANLIS COOL. HE NEVERTHELESS LED ND TO VICTORY IN THE ELECTIONS OF JUNE 1989 (44%), NOVEMBER 1989 (46%) AND APRIL 1990 (47%), BUT WAS DENIED AN ABSOLUTE MAJORITY IN PARLIAMENT ON EACH OCCASION DUE TO THE ELECTORAL SYSTEM. AS LEADER OF THE LARGEST PARTY HE WAS THE MAIN FORCE BEHIND THE INTERIM TZANNETAKIS AND ZOLOTAS GOVERNMENTS. BECAME PRIME MINISTER IN APRIL 1990 WITH THE PARLIAMENTARY SUPPORT OF THE SINGLE ELECTED MP IN STEFANOPOULOS' BREAK-AWAY DEMOCRATIC RENEWAL PARTY.

A COMMANDING PHYSICAL PRESENCE IN PRIVATE, AND AN EFFECTIVE PARLIAMENTARY SPEAKER. ON DOMESTIC POLICY HE IS SOMETIMES SEEN TO LACK FIRM VIEWS OF HIS OWN - AND IS EXCESSIVELY INFLUENCED BY ADVISERS - BUT ON FOREIGN POLICY HE IS STRONGLY PRO-WESTERN.

HIS CRIPPLED (AS A RESULT OF POLIO) WIFE, MARIKA, IS A FORMIDABLE CRETAN LADY. GARRULOUS, INDISCREET BUT ENTERTAINING. A CLOSE-KNIT FAMILY (ONE SON AND THREE DAUGHTERS). HIS SON-IN-LAW PAVLOS BAKOYANNIS WAS ASSASSINATED BY THE INDIGENOUS NOVEMBER 17 TERRORIST ORGANISATION IN OCTOBER 1989. HIS WIDOW, DORA, NOW MP FOR EVRYTANIA, ACTS AS HER FATHER'S PERSONAL ASSISTANT. CALLED ON THE PRIME MINISTER IN LONDON IN FEBRUARY 1988, AND HAS MADE FUND-RAISING VISITS TO THE UK (INCLUDING TALKS WITH CONSERVATIVE MPS) SINCE. LIMITED ENGLISH.

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ATHENS TELNO 219 : DUBLIN EUROPEAN COUNCIL : PRIME MINISTER'S
MEETING WITH MITSOTAKIS

1. MITSOTAKIS HAS NOW MADE A REQUEST FOR OFFICIAL BRITISH
ASSISTANCE IN THE TRAINING OF HIS PERSONAL PROTECTION TEAM.

2. I RECOMMEND THAT THE PRIME MINISTER SHOULD MAKE A WELCOMING
REFERENCE TO THAT REQUEST.

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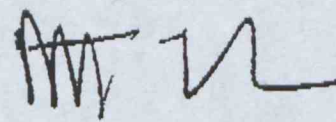
DATE: 23 April 1990

cc: C Powell Esq, No. 10
J Kerr Esq, FCO
S Wall Esq, FCO,
Private Office
Sir D Miers, British Embassy,
Athens

MEETING WITH GREEK P.M. IN DUBLIN

1. The Greek Permanent Representative told me in the margins of ECOFIN on 23 April that his Prime Minister would be asking for a short bilateral meeting with the Prime Minister in Dublin on 28 April. Lyberopoulos said he knew Mrs Thatcher was not going to be in Dublin over-night so spare time would be at a premium. He was sure that Mitsotakis would not expect more than a rather brief meeting on this occasion.

2. I said that no doubt this was being pursued bilaterally. Lyberopoulos said it was. But since the Greek Ambassador (Paparlias) was only taking up his new post in London today or tomorrow, he had been asked to make the point with me. I undertook to report.


D H A HANNAY

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MESSAGE CONTAINS ...2... PAGES INCLUDING THE LEADER SHEET

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: C. POWELL Esq 10 Downing St,
Sir D. Miers, BRITISH EMBASSY,
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