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OFFICE OF
NATIONAL ESTIMATES

MEMORANDUM

Greece, Europe, and the US

Secret

23 April 1970

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

23 April 1970

MEMORANDUM

SUBJECT: Greece, Europe, and the US*

SUMMARY

An authoritarian, anti-Communist military regime is likely to rule Greece for the next several years, though there are some fairly remote contingencies which could bring about its downfall. Athens' relations with some NATO countries, notably Holland, Denmark, and Norway, will remain strained and the US will incur some onus in these and other West European countries for any support it gives the Greek regime. But the alliance itself is not likely to be ruptured because of the Greek issue. The Greek regime will continue to value good relations with the US and will look to it for military supplies, but will be willing to turn for the latter to France and West Germany. Relations with the USSR will probably remain correct but distant.

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* This memorandum was prepared by the Office of National Estimates. It was discussed with representatives of the Office of Current Intelligence, Office of Economic Research, and the Clandestine Services, who are in general agreement with its judgment.

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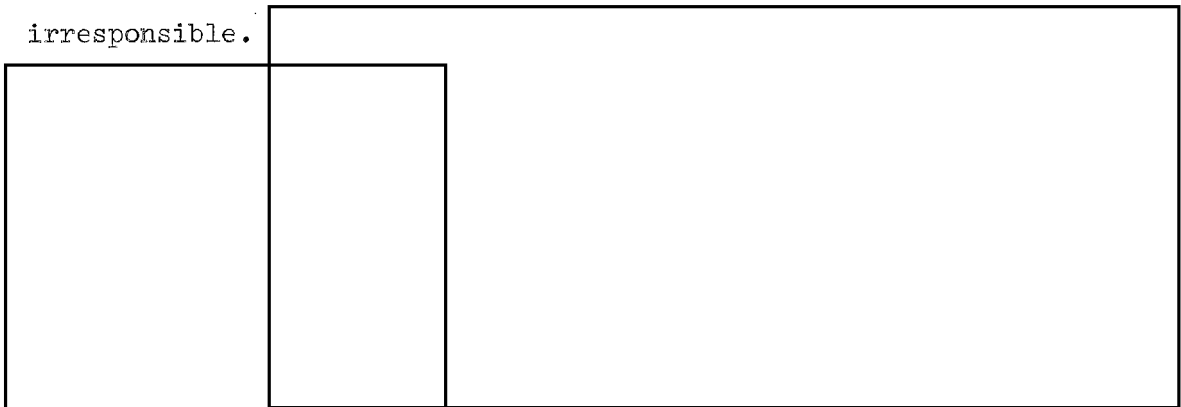
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Background

1. In the 140 years since Greece was freed from imperial Ottoman rule, it has never achieved a stable democratic governmental system. Rather, it has seen considerable domestic disruption, and periodically, a polarization of left and right wing forces with the growth of hatreds and political extremism on both sides and with moderate and centrist groups put on the defensive.

2. The military coup of April 21, 1967 came at a time when the Greek political system was in serious disarray. Intrigues and disputes between the King and party leaders had embittered the political atmosphere, weakened the already dwindling prestige of the monarchy, and brought discredit to parliamentary rule. Most governments were short-lived, indecisive, and corrupt; much of the press was venal and irresponsible.



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The New Regime

3. A coup did indeed occur, [REDACTED]

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[REDACTED] Its leaders, a group of colonels who had drawn up the coup plans as directed by their superiors, are now the rulers of Greece. They share many of the views of the King and the old ruling establishment; in particular, they are militantly anti-Communist and highly conservative in many respects. But they differ significantly in a number of ways. Unlike their predecessors, the colonels are almost all from the rural, lower middle class. They are relatively unimaginative, sternly moralistic, strongly committed to traditional Greek religious and ethical norms; they resent the political favoritism, the corruption, the weakness, and the toleration of leftists which characterized the regime they overthrew. Their rule can be described as a kind of authoritarian populism; i.e., a reluctance to share political power, combined with advocacy of old-fashioned morality and patriotism, and measures -- such as the cancellation of all farmers' debts and the provision of free textbooks to school children -- which benefit the group from which the colonels came.

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4. The principal figure in the present government is Prime Minister Papadopoulos, a leading conspirator from the start.

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Initially,

Papadopoulos appeared to be but one of a triumvirate of leaders of the Revolutionary Council, sharing supreme power with Deputy Prime Minister and Interior Minister Pattakos and Coordination Minister Makarezos. The latter two remain important figures, as is the new Commander in Chief of the armed forces, General Angelis.

5. But Papdopoulos has steadily exploited his position as coup leader, as Prime Minister, and as chief of the civil government to increase his influence and authority. He is far from an absolute ruler, however, and is unable to force his military colleagues to accept policies which they strongly oppose, such as any extensive liberalization of the regime or early restoration of democratic institutions. Most of the younger officers oppose such a step strongly -- both because they fear retribution for their military takeover and because

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they really believe that they have a mission to bring revolutionary reform to their country.

6. The regime has not ruled without challenges; the most serious of these was an unsuccessful attempt at a counter-coup in December 1967 by King Constantine and a group of senior army officers. Its failure led to the King's exile and to a major purge of the military. The new regime has received little support from the politicians of former governments, but nearly all those who have attempted to cooperate with it have been rebuffed. The present government appears to have its chief backing in the countryside rather than in the major cities. It is widely hated in intellectual and most politically conscious circles. Indeed, hostility to the regime represents about the only common ground of most of the old line Greek politicians. They do unite on that issue though there is little they can do about it.

7. Rigorous repression and the police have effectively stifled public dissent. The government has jailed the country's leading leftists and has to a considerable degree muzzled the press. It issues a considerable number of statements declaring that its objectives are revolutionary, but in practice it has not done much to change the existing social order. Some reforms in the church and the educational system

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have been pushed through, but for the most part the large gap between the regime's rhetoric and its political accomplishments remains.

8. It has adopted certain definite economic policies, which have thus far had positive effects on the internal scene. It has strictly enforced tax laws formerly ignored by many Greeks, and has greatly increased public revenues for expenditure on a variety of investment and public welfare projects. Under the direction of Coordination Minister Makarezos, the government has sought to promote private enterprise and private investment; its relations with private entrepreneurs have become excellent. The 1967 coup occurred in the midst of a mild recession, which has now ended thanks to new government fiscal policies, a good harvest in 1969, and a sharp upsurge in the tourism; thus in 1969 there was a growth of some eight percent in GNP* with no major pressure on prices. In addition, after laborious negotiations Makarezos finally reached agreement with the Onassis and Niarchos interests which have undertaken to invest some \$800 million in a number of new projects in Greece over the next several years.

* A figure claimed by the Greek Government and accepted by the US Embassy and the World Bank. Hostile critics, such as the Economist Quarterly, put the figure at 4-5 percent.

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9. But the regime's economic performance has come under heavy fire from its critics, who question the long range effects of present policies. Under the present government, the balance of payments situation has become even worse than it was in pre-coup days. Export earnings, though growing, are relatively small, especially when compared to expenditures for imports which are also growing; in absolute terms, the gap is increasing. Much of the trade gap is closed by receipts from shipping, tourism, and remittances from Greek workers in Western Europe. Even so, a sizable balance of payments deficit remains, and heavy imports of raw materials and capital goods -- intended to make Greece more nearly self-sufficient -- will be necessary for some years to come. Foreign exchange availability, therefore, will pose some very serious problems to the government in Athens.*

* According to the World Bank, the 1969 Greek balance of payments situation was as follows (million U.S. dollars):

Exports	\$ 525
Imports	1,414
Net Services and Income Transfer	555
Current Account Balance	-334

The Bank's experts further believe that the current deficit will, in the absence of policy changes, increase to a level of \$400-450 million annually in the next few years.

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10. It has so far met the challenge by medium and short term borrowing at high commercial rates. Since Greece has to date had a relatively light foreign debt service burden, the regime can probably continue doing this for several more years, though it will be saddling the country with increasingly onerous debt service obligations. To date, government leaders have shown relatively little concern about the problem, and their tangible attempts to do something about it have been limited in scope.

The Domestic Outlook

11. The Greek government leaders insist that theirs is merely a transitional rule, and that they seek to purge the body politic of corruption and then turn power over to democratically elected officials. As an earnest of their intent (and as a result of foreign pressure, principally American) a new constitution has been drawn up, submitted to the electorate, which overwhelmingly approved it in a referendum characterized by heavy-handed official coercion. Some sections of the constitution -- such as those forbidding arrests without a warrant and guaranteeing the right of habeas corpus -- have been put into force. Others -- such as free elections -- remain suspended, and the military rulers continue to govern autocratically.

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12. There are some contingencies which could lead to their downfall. Probably the gravest threat would be a serious split among the principal military figures in the government, or the development of a strong opposition within the army itself. There are no signs of such major disputes now, nor do they appear likely.* But we can speculate on how they might come about. There might, for example, be serious disagreement on instituting even a limited program of political liberalization, with some officers favoring a facade of a parliamentary government and others, bitterly opposed, trying forcibly to prevent such a move. Another potentially divisive issue is the return of the exiled King. Greece remains officially a monarchy and some government leaders say they favor the King's eventual return; others in the Revolutionary Council are strongly opposed. Finally, a disintegrating situation on Cyprus, if it developed into a shooting confrontation with Turkey, could lead to military disaster which would bring about the regime's demise.

* It should be noted that the appropriations for the Greek military and security services have increased by some 75 percent since 1966, raising its share of the gross national product from 4.3% to about 5.8%.

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13. On balance, we believe that the Papadopoulos government or another military-dominated regime will probably rule Greece for some years to come. There is no evidence to indicate that it is about to relinquish power. Further steps towards political liberalization and putting the constitution into effect are likely, but the military rulers are not likely voluntarily to surrender their ultimate control of the country. Any political change -- say the sudden departure of Papadopoulos -- is likely to entail a further swing to the right, with more conservative and younger officers taking charge.

14. A public uprising does not appear to be in the cards. The government has shown itself determined and efficient in repression of dissent; organized opposition is almost nonexistent; most if not all of the leaders of the old regime are discredited or exiled. The power and influence of traditional political forces in Greece is now very small, and they pose little threat to the colonels. Liberal and left wing groups are similarly weak. Sporadic bombings have occurred in Athens, and opposition manifestoes get underground circulation. However, these have posed no real challenge to the ruling authorities, and their instigators usually seem to be quickly caught. Most of the people will probably continue to remain silent, fearing the police and remembering the uncertainties of the immediate pre-coup period as well as the agonies of the 1945-1949 civil war.

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Greece and Europe

15. There have been widespread and well publicized allegations of brutality and torture by the Greek security services. Regardless of the truth of these charges, they are widely believed by important elements of West European opinion, and since the April 1967 coup there have been very adverse reactions in a number of Western European countries. These have entailed public demonstrations, active support for Greek exiles by prominent politicians, and demands in NATO and other European organizations that punitive measures be taken against the Greek Government until it retires in favor of a new freely elected one. These protests are loudest and strongest in Scandinavia and Holland. At least initially, this brought the loss of some tourist revenues, and perhaps some decline in European investment in Greece. To date, hostile European opinion has led to Greece's resignation from the Council of Europe -- to avoid its almost certain suspension. Most recently, fifteen council members have charged in a resolution that the Greek Government engaged in torture and other ill treatment of its political prisoners. The US will incur some onus in West Europe for any support it gives the Greek regime.

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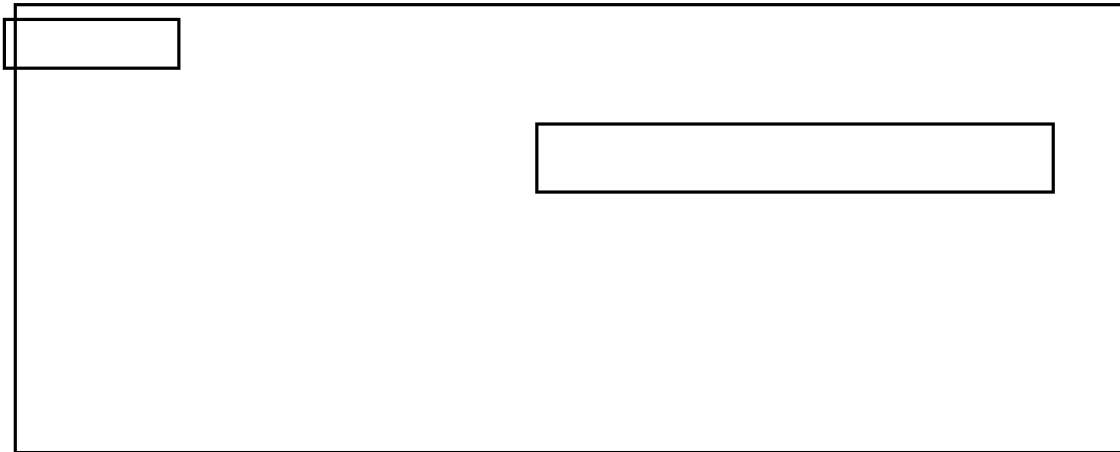
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18. Papadopoulos (perhaps more than his associates) sincerely wishes Greece to remain in NATO. But if expulsion or suspension seemed imminent, he would probably order withdrawal from the organization -- so long as he felt sure of close bilateral relations were secured with the US, particularly in the military supply field. A key factor of current Greek foreign policy is the continued receipt of arms and other materiel which the armed forces, the backbone of the regime, desire or deem necessary.

19. Greece's correct but cool relations with the USSR and Eastern Europe are not likely to change to any significant extent. The strong anti-leftist posture of the present Greek leaders, dating at least from their service in the civil war, will militate against close ties with the Communist countries, though for a number of reasons there has been very

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little open hostility displayed by either side towards the other. Indeed the Soviets and their allies have been careful to seek good bilateral relations with the present Greek regime and have restrained party members within Greece from attacking it. At the same time Communist propagandists have sought to weaken NATO by exploiting the widespread West European distaste for the Papadopoulos government, and Greek Communists exiled in Eastern Europe have bitterly attacked the regime in black radio broadcasts. When the Greeks deem it to their advantage, they will from time to time reach agreements, principally economic in nature, with the Soviets and East Europeans. If they feel the US is not forthcoming in arms supplies, they will suggest that they may seek Soviet military equipment and closer political ties. But even if there were a virtually complete rupture between Athens and Washington, Greece would more likely to continue to purchase military supplies from France and West Germany.

The Cyprus Question

20. The Papadopoulos regime has been far more restrained and less xenophobic than its predecessors on the Cyprus issue, that perennial irritant in Greek-Turkish relations. It permits no public advocacy of enosis (union of the island with Greece), though the cause remains a popular one; it has banned inflammatory anti-Turkish propaganda; in 1967, it quietly acceded

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to a Turkish ultimatum to withdraw Greek troops from Cyprus; and it is giving active encouragement to current negotiations between leaders of the Greek and Turkish communities on the island. At the same time, since the Papadopoulos government does not have to concern itself overmuch with Greek public opinion, it is in a position to make a deal with the Turks on Cyprus.*

21. But given the ever present possibility of a civil war there, and the evident willingness of the Turkish government to intervene militarily if it feels the Turkish Cypriots are receiving intolerable treatment, a confrontation cannot be ruled out. And if violence broke out between the Greek and Turkish communities on the island -- an ever present possibility -- relations between Greece and Turkey could deteriorate very fast.

Greece and The US

22. Ever since they came to power Papadopoulos and his colleagues place a high priority on maintaining good relations with the US, this is a very sensitive problem with them.

* Such as "double enosis" or partition of the island between Greece and Turkey. There are rumors that secret negotiations to this effect have taken place recently, but these are unconfirmed by any substantive evidence.

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In part, this is due to its heavy dependence on the US for arms supplies. In part, it is due to a desire to convince the Greek people that the colonels' regime has the backing of the US Government.

23. Greek-US relations have of course, had their ups and downs. The coup leaders were disappointed and probably not a little surprised at the distaste with which their seizure of power was regarded in many segments of American society. They were particularly chagrined at the US cut-off of new major military supplies -- planes, tanks and the like -- which followed the April 1967 coup. Greece's steps towards political liberalization probably have been taken chiefly as a result of US urgings.

24. But there are limits beyond which US pressures cease to be effective. In particular, though the ruling colonels are willing to allow some relaxation of official restraints -- such as de jure abolition of press censorship -- they will not surrender their control over Greek political life. Indeed, they probably calculate that the US itself sees a very real value in preserving the relationship. They are aware of the many factors which make the US consider that access to Greek soil and facilities is important: the rising

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Soviet naval presence in the Eastern Mediterranean, the loss of Wheelus Air Force Base in Libya, the rising current of anti-American sentiment in Turkey manifested in riots against Sixth Fleet visits and US installations, and the diminishing number of Mediterranean ports in which the Sixth Fleet and other military forces can be freely based, much less visit.

25. In these circumstances, the leaders of the Greek regime will at times seek to placate the US by taking steps towards implementing the Greek constitution, combined with offers to the US of naval, air and other privileges of a military type in Greece. But they will also suggest the possible denial of these privileges if, in their opinion, US policy towards them is punitive and unreasonable. Nor will they accede to US requests if they fear that these would run counter to their own interests, as by embroiling them with the Arabs over support for Israel. On the whole, however, they will seek to remain on good terms with the US, and failing that, with such major European powers as France and West Germany, while retaining a fairly consistent anti-Communist posture. In consequence, the US will face a familiar dilemma: that of being able to receive tangible strategic advantages at the price of supporting a government widely regarded as hostile to democracy and civil freedoms.

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MEMORANDUM FOR: **The Director**

*For info
memo
9/4/70*

The attached Memorandum was requested by
DIA, in lieu of an NIE.

ABBOT SMITH
Director
National Estimates

Attachment:

ONE Memorandum, dated 23 April 70
"Greece, Europe, and the US"

24 April 1970
(DATE)