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STATUS REPORT ON GREEK PARLIAMENTARY ELECTION AND US BASES IN GREECE

The Election

The outcome of the Greek parliamentary election this fall could have profound consequences for Greece's polity and for US and Western interests.

- If George Rallis' moderately conservative New Democracy party is returned to power, Greece would remain stable and its Western ties would be consolidated.
- Should Andreas Papandreou's Panhellenic Socialist Movement win, Greece would likely experience domestic turmoil, and it would become an unreliable and troublesome partner for the US and Western Europe.

Because Greece has a strong presidential form of government, however, conservative President Karamanlis would be in a position in his remaining four years in office to curb Papandreou's more radical policies and keep the military out of politics.

All indications are that the election, which must take place by November, will be close and that neither party will win a parliamentary majority. Although New Democracy trails in the polls, it cannot be counted out.

- Greece is still largely a nation of conservative farmers and small shopkeepers and Greeks are aware that they have fared generally well under New Democracy rule.
- When faced with the prospect of a Socialist government that might substantially alter Greece's domestic and foreign policy course, many Greeks who currently support Papandreou to protest New Democracy's shortcomings may have second thoughts in the voting booth.

Nonetheless, there is a slightly better than even chance that the Socialists will edge out New Democracy and secure a parliamentary plurality.

- Papandreou's flamboyant personality, his ability to beguile the electorate with populist and demagogic rhetoric, and the modern party machine he has forged will work to his advantage.
- Moreover, the very real problems facing the country--inflation, deterioration in the quality of life, disputes with Turkey in which the US is perceived to be tilting toward Ankara--along with the apparent desire of many Greeks for change and widespread confidence that Karamanlis would curb Papandreou's excesses, could persuade voters to give the Socialists a try.

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If neither party wins a majority, both would look first to the small centrist parties for coalition partners.

- If New Democracy failed to forge a centrist coalition, it would not be averse to cooperating with the far right.
- Papandreou, however, would call for new elections in lieu of joining forces with the Communists.
- The Greek Communists are militantly pro-Soviet.
- The Greek military--nervous enough about a Socialist government--would probably not tolerate Communist participation.

The closeness of the contest, the inordinate importance of foreign policy in Greek elections, and the Greek perception that the US plays a major role in Greek affairs suggests that Washington could influence the election outcome by its policies toward Greece over the next few months.

- US political, economic, and diplomatic support for Greece would redound to New Democracy's advantage; perceived US indifference would help the Socialists.
- Any US largesse or tilt toward Greece by Washington, however, would have to be balanced against the possible damage to US relations with Turkey.

#### The US Bases

The Greek government suspended bilateral defense negotiations on 17 June because the US would not:

- Make available at concessionary prices a wide range of military equipment, particularly advanced fighter aircraft.
- Consent to Greek demands for the right to halt unilaterally US operations from Greek bases and to exercise greater command of base operations.

Behind the scene, the decision was heavily influenced by domestic political considerations and fear of a US tilt toward Turkey.

- An accord would have been more of an election liability than a benefit given the final US position and the surge in Papandreou's popularity.
- The Greek government could not afford to accept an agreement that did not clearly ensure the military balance with Turkey.

In the meantime, the four principal US military facilities\* continue to operate normally.

The government would reopen negotiations if it were returned to power in the fall and an accord would likely be reached. A victory by Andreas Papandreou and his Panhellenic Socialist Movement, on the other hand, would preclude a new agreement and place the future of some base activities in jeopardy. Although Papandreou would not be inclined to close the bases, lest he antagonize the military and President Karamanlis, he could:

-- Selectively restrict base operations.

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-- Demand substantial quantities of US military equipment as the price for the continued presence of US facilities.

-- Draw up a timetable for gradual withdrawal of US military personnel and the closure of the bases.

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