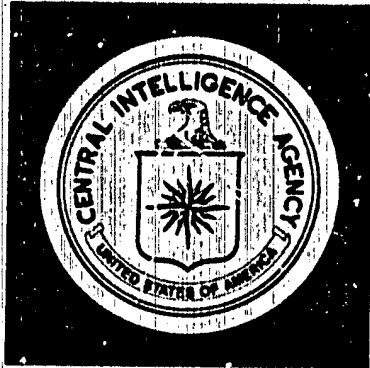


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Weekly Summary Special Report

Greece: Implications of the Coup

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GREECE

IMPLICATIONS OF THE COUP



Papadopoulos had pretty well used up his credit when he was overthrown by a group of hard liners from his own junta. Though the new rulers erected a facade of civilian government, power is in the hands of the military police chief, Brigadier General Dimitrios Ioannidis, and his military cohorts. They are intensely suspicious of the old civilian politicians and show no sign of interest in an early return to democratic institutions.

The new rulers face the same constellation of political, economic, and diplomatic problems that confronted the Papadopoulos government: student and labor unrest, opposition from the old civilian politicians, runaway inflation, and hostility from European allies. To meet the challenge, however, they command less talent than did the Papadopoulos regime. In their efforts to satisfy radical younger officers who pose the greatest threat to the regime, the present junta is likely to adopt a more nationalistic stance toward the US, although it does not want to damage ties in any significant way.

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Why Papadopoulos Was Pushed

The military coup on 25 November ended a long period of dissatisfaction with Papadopoulos on the part of some army officers. The immediate catalyst was the student disorders of mid-November which, in the officers' view, Papadopoulos mishandled by waiting so long to take decisive action that substantial bloodshed resulted.

But this group had long been suspicious of Papadopoulos' efforts to secure his primacy. They were also concerned by his moves to clothe the Greek regime in civilian garb through elections scheduled for 1974, and his tentative gestures to relax pressure on the Communists and the extreme left. At the same time, Papadopoulos, aware of the plotting against him, had compounded their fears by appointing a civilian prime minister identified with the old political world and by trying to transfer military police chief Ioannidis away from Athens.

Papadopoulos had, in effect, destroyed his constituency in the army without building a new one. His efforts to form a civilian government under Spiros Markezinis and to woo the adherents of the old political parties had not dissipated fears that the elections would be a farce. Few significant political figures were willing to associate themselves with the Papadopoulos government; indeed, he had found it necessary only a few days before the coup to place three moderate political leaders under house arrest. Thus, by the time he was ousted, Papadopoulos could count on few supporters in the Greek power structure.

The New Regime

The military group installed General Phaidon Gizikis, formerly commander of the First Army, as president. Gizikis had been slated for retirement last summer, but managed to avoid being forced out. Not well-known, he was given his post because he was the highest ranking officer on

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whose loyalty the new junta could count and because the support of the First Army was crucial to the coup's success. He is not a force in his own right, however, and seems unlikely to be able to use the power of his office to dominate the regime.

The military conspirators want to present a civilian face to the outside world. As prime minister they brought in Professor Adanandios Androutsopoulos, the longest serving minister in Papadopoulos' governments, having been minister of finance between 1967-71 and minister of interior from 1971 to April of this year. A lawyer and economist, he has spent nearly 15 years in the US. Although he had left the Papadopoulos government, his reputation suffers from rumors that he had been involved in corruption during his service in the cabinet, and his tough tax policies have alienated business circles.

The cabinet is composed of civilians, three with military backgrounds, all undistinguished. Two ministers were members of the National Radical Union, the party that ran Greece for more than a decade, primarily under former prime minister Constantine Karamanlis. Their presence in the government, however, does not imply party support for the regime. They are only minor figures and, like other cabinet members, were hastily recruited without much time for consultation. Neither they nor the Prime Minister seems likely to wield much power on their own.

Brigadier General Ioannidis, a key figure in the old regime, is clearly the architect of the new. Papadopoulos had been afraid of his growing power and had tried unsuccessfully to ease him out of his key post, where he had been responsible for some of the old regime's harsher security measures. It was Ioannidis who advised Papadopoulos that the recent student demonstrations must be halted, by force if necessary—though it was the police and army acting together that actually put down the disorders, killing 13 civilians in the process.

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Of the hard liners in the earlier junta, Ioannidis and his group are probably the most apprehensive about a return to democratic institutions. Extremely cynical about elections, Ioannidis believes that Greeks are not yet ready for democracy. Although he claims to accept the need for eventual elections, he believes that economic problems take priority. Some months ago, he said that the Papadopoulos junta had been in power too short a time to experiment with democracy; he stated that it needed "20 years, or at least 10" to carry out its program of cleansing the Greek political scene of the stains from the old parliamentary system. There is no indication that the coup has fundamentally altered his timetable for a return to democratic institutions.

Problems Facing the Regime

Most of the problems that plagued Papadopoulos remain to confront Ioannidis and his government. The students and workers, whose demonstrations led directly to Papadopoulos' downfall, are not likely to be any happier with the present regime. Most of those arrested as a result of the mid-November demonstrations are being released by Ioannidis, and he has opened the universities. Nevertheless, the students and their labor supporters who joined in the demonstrations are unlikely to accept with good grace the tight restrictions under which they must operate. Their success in toppling Papadopoulos may embolden them to risk another confrontation

Special Report

- 4 -

7 December 1973

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with the authorities, once they see that Ioannidis will not give them the kind of government they had been demanding.

Relations with political figures from the old parties are also likely to be troublesome. Ioannidis has little respect for civilian politicians, though he would like at least the acquiescence of most conservatives. He has released leaders detained by Papadopoulos, but he would not countenance anything smacking of an opening to the left.

Prime Minister Androutsopoulos has announced plans to draw up a new constitution in which the broad presidential powers of the 1968 constitution are curbed. Constitution-making has not proved easy in Greece in the past, however, and it is unlikely that the new regime will be interested in producing a draft that even attempts to satisfy the diverse interests of the civilian politicians. In any event, the old political world in Greece is wary of the new rulers and will probably require deeds, not words, before putting its trust in the government. Already, leading figures in the Center Union and the National Radical Union have criticized the new regime. Resentment is likely to rise rapidly as the rulers show a tougher face.

So far, the government has been offering posts to distinguished individuals like ex-foreign minister Palamas (who refused) and other lesser lights, but has stayed away from the nominal heads of the old political groups. It appears that Ioannidis will refrain from overtures to either former prime minister Constantine Karamanlis, whom Ioannidis thinks has been too long out of touch with Greek affairs, or to King Constantine, who was formally deposed by plebiscite last summer. Thus far, neither the King nor Karamanlis has taken a public stand on the coup. While neither they nor other exiles like Andreas Papandreou have much potential to cause trouble within Greece, Karamanlis still enjoys the aura of elder statesman and could provide an important cachet of acceptance if he and the new rulers could come to terms.

Greece's economic problems would try the capacity of any government. The country faces a runaway inflation after a number of years of stable progress. During 1973, and especially since September, the balance of payments position deteriorated at a rapid rate. Wholesale prices have increased at an annual rate in excess of 25 percent, and rising prices have cut sharply into workers' real wages. These problems have been aggravated by the depreciation of the drachma, which until recently was tied to the US dollar. Greece must import the major portion of its machinery and raw materials for industry as well as all of its petroleum. This demand for imports is inelastic and must continue despite world-wide inflation and currency fluctuations. As a result, Greece's import bill has soared and there is no short way out of the dilemma.

The coup has added to these difficulties. Political instability is likely to discourage investment, both domestic and foreign. Tourism may also be hurt to some extent, though the new regime will have time to reassure potential visitors before the main tourist season begins. And if Europeans become convinced of the unwillingness of the new rulers to go even as far as Papadopoulos in restoring democratic institutions, economic relations with Western Europe will continue to suffer. Moreover, efforts by the new government to deal with price rises by increasing wages would bring Greek labor costs closer to

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those elsewhere in Western Europe at a time when the country's trade deficit is already mounting sharply. With its available talent apparently even less than that of the Papadopoulos government, the new regime is not likely to be able to make early progress in overcoming these economic challenges.

Tentative Assessment of Prospects

The new regime is still in the process of settling in. Relations between those in the background and the figureheads in office are undoubtedly quite fluid. Ioannidis probably was encouraged to carry out his coup by strong pressures from within the military, and he evidently has the support of the younger officers. He has already

acknowledged, in fact, that his coup came from the lower ranks of the officer corps, not the top. Fragmentary information indicates that these junior officers may be more extreme in their wish to purge suspected leftists and root out politicians of the old regime than Ioannidis himself would be. They may also be more insistent on rapid action. Thus, it will probably be some time before his relationship with these younger officers finally jells.

Ferment within the armed forces poses a continuing threat. The greatest danger probably comes from impatient younger officers who will be carefully watching the regime's actions. At the same time, senior officers in the army and air force, who were forced out because of the coup,

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may still have sympathizers in the armed forces who at a later date might be tempted to move against the government. It will not be easy for the new rulers to eliminate the danger of further military coups.

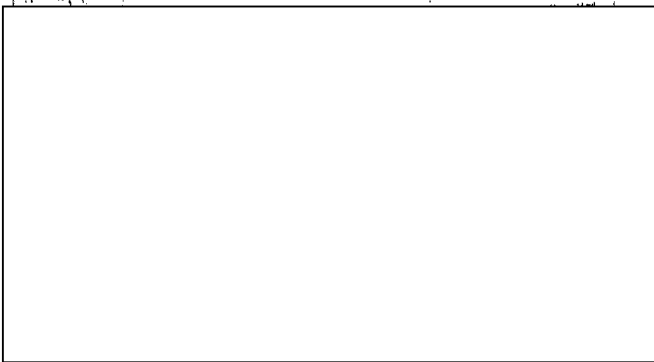
Relations with the Outside World

The advent of the new government will not ease the strains in Athen's relations with foreign states, nor will it help reduce its sense of isolation. The Soviets, the East Europeans, and the West Europeans already have less hope in the new government than the little they had in the old. The Greeks thus face a continuing cold shoulder in NATO and the European Communities. There is little prospect that the Council of Europe would re-admit them without some appearance of movement toward democratic procedures. Countries like the UK, France, and Italy may try to take a more noncommittal approach than the Scandinavian and Benelux countries, but they too will feel pressure from liberal elements to speak out against the latest coup in Athens.

The change in government may also have a bad effect on relations with Cyprus. Apprehensive of the strong left-wing element on the island, Ioannidis and his colleagues may favor a hard line toward President Makarios. For his part, Makarios may fear that the new Athens regime is likely to support the Grivas dissidents on the island (who favor enosis, union with Greece) whom he has only recently brought under control after several months of serious violence. Many of the officers in the new junta have served on Cyprus, some have seen duty under Makarios' arch-rival General Grivas. Makarios apparently would like to put some distance between himself and the new regime in Athens as he fears it will drag Greece deeper into a political morass.

Relations with the US

Although Ioannidis and others in the new regime are personally well disposed toward Washington, their advent probably will complicate US-Greek relations over the short term. The Greek leaders are well aware that US policy has urged an

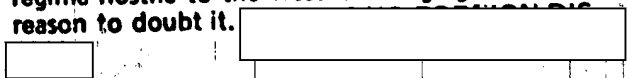


orderly return to parliamentary life and that this has been put forward in the strongest terms during the last six months. Consequently, reminders of the US interest in developing representative government can be expected to get a cold reception.

The new regime will probably make some minor adjustments after reassessing its relationship with the US. Athens may want, for instance, to set up new ground rules for bilateral cooperation during crisis times in the Middle East, especially in such matters as offers of safe haven for US personnel. They could also make new material demands, if the Greeks are to meet their NATO commitment.

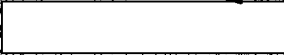
At the same time, however, the new leaders almost certainly do not want to damage ties with the US in any significant way. The strong ties between the US and Greece, with their foundation in cultural, economic, and military affairs, would make a radical shift in relations difficult. Yet, to demonstrate its independence, the regime may want to put its brand on important bilateral arrangements.

Greece might be forced to move closer to France, for instance, if the new regime felt the US were exerting undue pressure. The government probably hopes, however, that such a turn of events will not come about. In sum, there will be certain new difficulties in dealing with the present government, but there is no reason to believe that a regime hostile to the West is emerging and strong reason to doubt it.



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