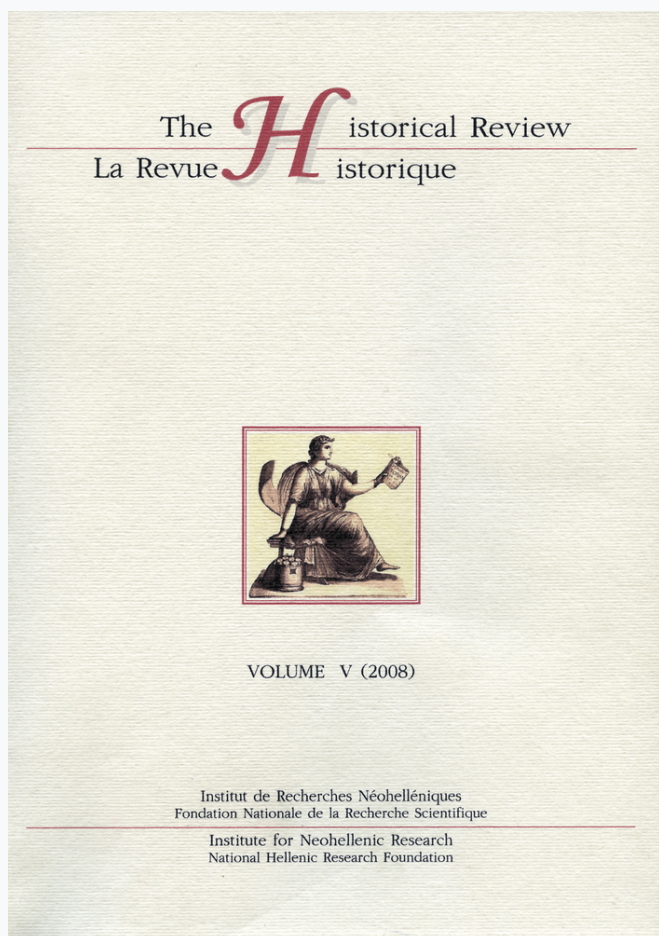


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UNITED STATES FOREIGN POLICY AND THE LIBERAL AWAKENING IN GREECE, 1958-1967

Stan Draenos

ABSTRACT: This paper traces the evolution and outcome of the US opening to the Greek Center triggered by the May 1958 parliamentary elections. It focuses on the role which that opening played in the liberal awakening that took shape under the banner of the Center Union (CU) party, founded in September 1961. After John F. Kennedy assumed the US presidency (January 1961), New Frontier liberals, including Andreas Papandreou, son of CU leader George Papandreou, pushed more aggressively for this opening, which was validated by the Center Union's rise to power in November 1963, the same month as the Kennedy assassination. During the Johnson Administration, US liberal policies in Greece were tested and found wanting, as Cold War fears trumped the US embrace of reform and change in Greece. The American retreat drove US policies towards bankruptcy, culminating in an uneasy acceptance of the 1967 Greek military dictatorship, wreaking permanent damage on Greek-US relations.

The US enunciation of the Truman Doctrine on March 12, 1947 was a defining moment for the two countries most directly involved: the United States and Greece. For the US, intervention to defeat the Greek Left in the Civil War (1946-1949) marked the advent of its Cold War rivalry with the Soviet Union. For Greece, it marked the beginning of a deep and complicated dependency relationship with the global super power that had replaced Great Britain as the protector of Western interests in the Eastern Mediterranean.¹

As President Dwight D. Eisenhower's presidency entered its final years at the end of the 1950s, Cold War tensions were on the rise, stoked by the nuclear arms race, the cementing of the East-West divide in Europe, and American fears of Communist takeover in the post-war struggles for national independence among former European colonies, as well as Latin American revolutionary movements. Soviet technological advances, symbolised by the launching of *Sputnik* in 1957, fed American anxieties that the country was

Acknowledgements: Thanks are due to the Woodrow Wilson International Center for Scholars in Washington, DC, for its support of this project. Additional support was provided by the Kokkalis Foundation in Athens.

¹ Cf. Lawrence S. Wittner, *US Intervention in Greece, 1943-49*, New York: Columbia University Press, 1982, which remains an irreplaceable narrative and analysis of US policies in this period.

“falling behind”. Within an atmosphere of growing American insecurity, Greece emerged once more as the scene of unsettling political developments.

On May 11, 1958 Greeks went to the polls to elect a new parliament. The results showed a startling resurgence of popular support for the Communist Left. Despite the American-backed defeat of Communist-led forces in the 1946-1949 Civil War and restrictions on civil liberties in order to contain the “internal Communist enemy”, the Communist-front EDA (United Democratic Left) party won nearly a quarter of the votes to become the official parliamentary opposition. To be sure, Konstantine Karamanlis’ right-wing ERE (National Radical Union) received 41% of the popular vote, enough to give it a comfortable 56% majority of seats in parliament. But the KF (Liberal Party), co-chaired by George Papandreou and Sophocles Venizelos, trailed in third place, further demoralising Greece’s splintered Centrist forces.

The resurgence of the Communist Left was a seismic event in Greek politics, whose shockwaves were felt in the United States. The Communist resurgence threatened to undo Greece’s emergence under the Truman Doctrine as a functioning, pro-Western parliamentary democracy, and frontline ally in the Cold War with the Soviet Union. Resurgent Communism in Greece raised urgent questions for US policymakers, occasioning a review of Greek affairs. A milestone in that review was a lengthy report prepared by the political section of the US Embassy in Athens called “The Greek Political Scene: Prospects for the Future”, which the Embassy dispatched to Washington on September 22, 1958.² The report was a response to a request for input from the Embassy as a National Security Council working group on Greece prepared to develop a revised Operations Plan for Greece.³ No routine filing, the Embassy’s report

² The 17-page report was classified secret and co-authored by J. E. Horner, S. G. Gebelt, W. Dizard and M. Stearns of the Embassy political section. “The Greek Political Scene: Prospects for the Future”, September 22, 1958. Foreign Service dispatch no. 226, National Archives and Record Administration of the United States [hereafter NARA], College Park, MD, Record Group 59, Country Files, Greece, Pol. Then a young diplomat, Monteagle Stearns was a political officer who would later serve as ambassador during Andreas Papandreou’s first term of office from 1981-1985.

³ National Security Council, Operations Coordinating Board, “Increased Communist Strength in the May 1958 Elections and Embassy Athens Views on Possible U.S. Actions”, August 29, 1958, NARA, Record Group 273, National Security Files. The National Security Council was established in 1947 under President Truman in order to give focus to US management of its new post-war “global responsibilities”. Chaired by the president, its key members were the secretaries of State and Defense, as well as the director of Central Intelligence. Under Eisenhower, the Operations Coordination Board was in charge of

marked a revived American interest in strengthening Greece's splintered Centrist forces, laying the basis for a US opening to the Center that would have a decisive impact on Greece's domestic politics during the Kennedy Administration.⁴

The Embassy's prescient analysis focuses on those aspects that helped shape what the report called a "plan of action to deal with the problem of attempting to reduce communist strength, and thereby to keep Greece a firm source of strength within the NATO alliance". To this end, the report identifies five trends, "none of which can provide much comfort to American policymakers", that had emerged following the Greek Left's disturbing electoral gains:

1. The "growing discussion of the desirability or inevitability of some form of dictatorship".
2. The search "to find some formula" for creating a "multi-party nationalist government" to displace Karamanlis.
3. The "strivings for the establishment of a 'new' center party, or center coalition which would provide a nationalist haven for those opposed both to ERE and EDA".
4. The Greek government's "belated effort...to take measures to curb the growing power of the neo-communists, *perhaps to the point of straining the fabric of democratic legality*". [my italics]
5. The "growing awareness...that the phenomenal American-promoted economic growth of the post-war period may be replaced by serious economic problems" – problems reflecting "endemic" weaknesses of Greece's economy.

These trends, taken together, had important implications for US policy objectives in Greece – objectives that originated in the Truman Doctrine and

implementing NSC policies. Within the Eisenhower Administration, the strongest advocate for the policy of support for the Non-Communist Left was Allen Dulles, brother to the hawkish Secretary of State, John Foster Dulles. Allen Dulles, also a close friend of Greece's Queen Frederika, was director of the CIA and member of the OCB. The OCB was abolished under Kennedy Administration reforms of the national security apparatus and replaced by a more flexible arrangement, relying on *ad hoc* groups to carry out policies. Cf. "History of the National Security Council, 1947-1997", published by the Office of the Historian, US Department of State, 1997, <http://www.whitehouse.gov/nsc/history.html>.

⁴ Cf. Yiannis Stefanidis, *Από τον Εμφύλιο στον Ψυχρό Πόλεμο. Η Ελλάδα και ο Συμ-μαχικός παράγοντας (1949-52)* [From the Civil War to the Cold War: Greece and the Allied factor (1949-52)], Athens: Proskinio, 1999, p. 123. Stefanidis notes that the US' support for Greece's liberal forces effectively ended when the outbreak of the Korean War in 1950 led to a "shift in the priorities of US foreign and security policies".

its aftermath. The report succinctly summarises these continuing objectives as the:

[...] maintenance of a democratic, economically-viable nation aligned with the United States, NATO, and other free nations of the world. Expressed negatively, our major objective is to ensure that Greece does not, through outside aggression, internal subversion, or *by electoral processes* [my italics], associate herself with or become a dependency [sic] on the Soviet Union. We also assume that Greek tendencies towards authoritarianism, *even if Western-oriented* [my italics], would [also] be inimical to our overall objectives.

According to the report, the resurgence of the Left indicated that “the period of post-war progress, which found successive, and generally conservative, governments moving ahead in a democratic, Free World direction has begun to lose momentum, if indeed it has not already done so”. Turning to the policy implications of this situation, the report calls for a new approach. The uncertainties of the current scene, it warns, could lead to “a fatal weakening of the Karamanlis Government”. And while there exists “no real short-term alternative to continued United States support of ERE...the United States must be prepared to act quickly should that Government fall”. The report then articulates a new departure: “This means, among other things, that we must keep lines open to other nationalist individuals and groupings, bearing in mind that any successor to the present Government *might well be less overtly pro-Western* [my italics] in outlook and pronouncement.” Hence, the report recommends combining continued support of Karamanlis and ERE with the “cultivation on a cautious and selective basis of certain nationalist elements and individuals not now in the Government which, upon analysis, we might consider [to] have the capability of developing into or contributing to a *non-communist alternative to ERE* [my italics]”.

The “cautious and selective” approach the report recommends reflects the authors’ scepticism regarding the ongoing attempts of Greece’s fractious liberals, whom the US had supported during the Civil War, to create such an alternative. The report points to “recent endeavors by aging ex-Prime Minister Papandreou to set up a ‘new’ center political party” which “it is argued, would provide a nationalist alternative to ERE, and would thus avoid the dangers of polarization”. But it then characterises Papandreou’s effort as another example of the “facile tendency” of Karamanlis’ nationalist opponents to focus on political manoeuvring rather, the report implies, than on advancing a substantive reform programme to address social and economic discontent. Even if Papandreou’s manoeuvring succeeded in engineering a majority, what

it “could offer the country is clouded in obscurity, and, in terms of American objectives, such a government would seem less attractive than the present one”.

The report’s advocacy of a “cautious and selective” approach, however, also reflects the hawkish Cold War institutional environment in which its authors were operating. In fact, with hard-line Cold Warrior Ellis Briggs as ambassador, the Embassy largely dismissed Greece’s hapless liberals as politically irrelevant and ignored them in favour of maintaining warm relations with the ruling conservatives. But for the Embassy’s political section, at least, alarm in Washington over the resurgence of the Communist Left provided the opportunity to revive interest in a policy concept that had fallen out of favour with the intensification of the Cold War: support for the Non-Communist Left.

The rationale for the policy concept of supporting the Non-Communist Left was co-optation of the Communist Left’s voting base. For its advocates, American support for the Non-Communist Left was intended to foster the emergence of an effective, democratic alternative political party that would attract those who had turned to the Communist Left to express their economic and social discontent. In Greece, the possibilities for the emergence of such a party lay with anti-Communist liberals like George Papandreou, even if efforts among such leaders to date had been deficient. Interestingly, the report cites with favour the view “of some Greek leaders” that “one of the basic causes of the present incertitudes goes back to the large numbers of Greek patriots who were closely associated with the communists in EAM...and after siding with the nationalists during the Bandit War, either have no place to go or have chosen through design or apathy to move into the EDA columns”. If the resurgence of the Communist Left reflected the political marginalisation of Non-Communist, patriotically oriented Leftists and Liberals, then a potential constituency existed for a party that would provide them with a home.

The concept of supporting the Non-Communist Left was not new among US policymakers. It had its roots in the origins of US Cold War policies. Within the bi-partisan coalition of Democratic and Republican internationalists that had joined forces around the Truman Doctrine, support of the Non-Communist Left represented the stress on what would later be called “soft power” approaches favoured by liberals as opposed to the more military-oriented “hard power” approaches favoured by conservatives.⁵ The soft power orientation of liberals had found its main articulator in Harvard historian Arthur Schlesinger, Jr, beginning with his 1948 article in the *New York Times*,

⁵ The terms were popularised by Joseph E. Steiglitz, *Globalization and its Discontents*, New York: W. W. Norton & Co., 2002.

which was the basis for his book *The Vital Center*.⁶ At the origins of the Cold War, this approach found champions among influential figures within the policy-making establishment, including the patrician statesman Averill Harriman, as well as the CIA director Allen Dulles, but had largely gone underground in the wake of the military emphasis that the 1950-1953 Korean War gave to US Cold War policies. It, nonetheless, remained the basis for the CIA's soft power programmes to fund liberal organisations like the Congress for Cultural Freedom and European labour unions, in addition to its hard power organisation of covert military operations like the 1953 coup against Mossadegh in Iran or the abortive Bay of Pigs invasion in 1961. In 1966 leading members of the American liberal establishment, in whose ranks Andreas Papandreou was a rising member during the 1950s, would find themselves seriously embarrassed by revelations of covert CIA funding.⁷

Embracing the key recommendation of the Embassy's September 1958 report, the National Security Council's Operations Coordinating Board (OCB) revised its Operations Plan for Greece to provide a foothold for those promoting Schlesinger's concept of support for the Non-Communist Left – an approach that Schlesinger would aggressively promote when he was special assistant to President John Kennedy from 1961 to 1963. The revision was a matter of no small moment within the policymaking bureaucracy; the OCB was an interagency policymaking body in whose meetings the US president himself participated and included high-ranking officials from the State Department, the CIA and the Pentagon. The Operations Plans it developed for various countries within the sphere of the US post-war "global responsibilities" were intended to supervise implementation of American policies throughout the government. The Operations Plan for Greece thus represented the most comprehensive, operative policy document within the Eisenhower-era National Security bureaucracy.⁸

On January 8, 1959 the OCB working group on Greece presented to President Eisenhower and the other high-ranking members of the OCB a December 19,

⁶ "Not Left, Not Right, but a Vital Center", *New York Times* (April 4, 1948). Schlesinger's book, *The Vital Center: The Politics of Freedom*, was originally published in Boston in 1949.

⁷ Cf. Frances Stonor Saunders' authoritative study of the CIA's role in the Congress for Cultural Freedom, *Who Paid the Piper*, London: Granta Books, 1999.

⁸ In sending the new Operations Plan for Greece to the US Embassy in Athens, OCB chairman Christian Herter noted that "the OCB Working Group found particularly valuable...recent despatches from the Embassy on the Greek political scene, especially 226 of September 22, 1958". Letter to Berger from Herter, January 9, 1959, NARA, Record Group 273, National Security Files.

1958 report with its conclusions regarding the “unsatisfactory trends” in Greek politics after the 1958 elections.⁹ “Although the Greek government remains firmly in the hands of pro-Western conservative leaders,” the working group observed in its presentation of the report, “the Communist-front United Democratic Left (EDA) won an impressive 25% of the popular vote in the May 1958 elections. The present political trend is toward a polarization between the right and the extreme left at the expense of the center and moderate left groups, which tend to splinter as well as lose strength.” The group then explained: “We are making efforts to identify the US as effectively as possible with the aspirations of the Greeks for improved economic and social conditions and are considering the role which the US might play in rebuilding the center and moderate left groups and in developing a non-Communist alternative should the present Karamanlis government fail.”¹⁰

The redacted portions of the report as later published create a documentary gap, but possibly articulated recommendations for achieving the objective of “rebuilding center and moderate left groups”. However that may be, a key element to attaining that objective was enshrined in the new OCB “Operations Plan for Greece” that was published on December 23, 1958, four days after the report, and revised on June 24, 1959.¹¹ Based on the December 19 report, the new plan significantly expanded and revised the directives on “Relations to Political Parties” found in its earlier plan. The earlier Operations Plan had limited itself to the cautionary directive that US officials should “avoid over-identification with any one political party or figure”. Now, some significant new language was added. Bemoaning the “splintering of the moderate opposition parties” and “the absence of effective leadership” that would offer

⁹ The draft presentation, “OCB Report on Greece”, dated January 8, 1959, is available electronically online through the Declassified Documents Reference System.

¹⁰ The report itself, “Operations Coordinating Board Report on Greece (NSC5718/1)”, has been published, with redactions, in *Foreign Relations of the United States, 1958-60*, Vol. X: *Greece*, Document 251, Washington, DC, 1994, pp. 643-649. The verbal presentation, quoted above, uses much of the language from the report itself, as published in the *FRUS*. However, 8½ lines of the published report were redacted following the phrase “improved economic and social conditions”. The oral presentation continues from this point (although for less than 8½ lines) as follows: “[we] are considering the role which the US might play in rebuilding the center and moderate left groups and in developing a non-Communist alternative should the present Karamanlis government fail.”

¹¹ “Operations Plan for Greece”, Operations Coordinating Board, Washington, DC, December 23, 1958, Revised June 24, 1959, NARA, Record Group 273, National Security Files.

hope for “an effective alternative” to the Karamanlis government, the new directive continues: “Economic and social grievances in Greece are extensive enough so that in the absence of a modest and sustained economic growth in Greece benefiting all population groups there could be political pressures which could conceivably cause a serious weakening of the Karamanlis Government.”

The new directive thus advanced the proposition that the resurgence of the Greek Left reflected growing discontent that threatened the hold of Greek conservatives. It then drew the appropriate conclusions: “Consideration should, therefore, be given to ways in which the US might help insure an effective non-Communist opposition in Greece, as well as to insure the continued existence in being of a strong political alignment in the moderately conservative area of Greek politics now controlled by the Karamanlis party.”

The new Operations Plan for Greece thus laid the conceptual basis within the National Security bureaucracy for American efforts to foster the emergence of “an effective non-Communist opposition”, without undermining the “strong alignment” of “moderately conservative forces” then in power under Karamanlis. Implicitly, of course, this meant support for Non-Communist liberal forces that would advance a programme for “modest and sustained economic growth in Greece benefiting all population groups”.

Into this picture stepped Andreas Papandreou. In June 1959 Papandreou returned to Greece on sabbatical from the University of California at Berkeley. His return followed a highly successful career in American academia that began in 1940 when, only a few months after emigrating from Greece, he entered Harvard to pursue a Ph.D. in economics. The ostensible purpose of his 1959-1960 sabbatical was to study obstacles to Greece’s economic development. But it also gave Papandreou an opportunity to revive the long-distance relationship he had maintained with a leading figure in Greek Centrist circles – his father, George Papandreou.

To avoid misunderstanding, Andreas Papandreou’s return to Greece in 1959 was by no means a direct result of the OCB’s search for new leadership to consolidate Greece’s splintered and demoralised Centrist forces. Nonetheless, Papandreou’s interest in studying obstacles to Greece’s economic development was clearly in harmony with the OCB’s concern over “the absence of a modest and sustained economic growth in Greece benefiting all population groups”. Hence, the renewed and urgent interest of US policymakers in promoting Greek economic development created a climate hospitable to Andreas Papandreou’s professional interests as an economist and nascent ambitions as a politician. To the degree that he drew the attention of US foreign policy élites for his potential as a future Greek political leader, Andreas Papandreou was, for

a number of reasons, a remote prospect. First and foremost was the fact that, despite his eminent father, he had no independent political standing within Greek politics at all. Equally important were his profound reservations, after nearly two decades in the United States, about becoming involved in Greece's tangled, and, in many respects, unpromising political scene. The introduction of Andreas Papandreou into the narrative at this juncture courts the danger of exaggerating his, in fact, negligible political impact at the time.¹² The justification for paying close attention to Andreas Papandreou in this period is analytical rather than historical. The aftermath of the 1958 elections created the conditions that ultimately led to his meteoric political rise. Remarkably enough, by 1965, Andreas Papandreou would become a pivotal figure in political developments, much to the disdain, by then, of US officials. If Andreas Papandreou played at best a tangential role in the immediate aftermath of the 1958 elections, their impact on Greek politics and American policies was essential to his capturing the potentials of the liberal awakening that those elections made manifest. As Andreas Papandreou would later write, "When I arrived in Greece [in 1959], the main, all-consuming issue was the surprising comeback of the Left in the elections of 1958."¹³ That much said, when he first re-engaged in Greek affairs in 1959, the chances that he might play a significant political role were still slim.

Of far greater and immediate interest to American officials in 1959 was Andreas' father, George Papandreou. In the context of the Embassy's new and officially sanctioned policy of establishing relations with select figures of the Non-Communist Left, George Papandreou loomed large. Having been selected by the British to preside as prime minister over Greece's liberation in 1944, he had firmly established credentials as a pro-Western, anti-Communist, but liberally inclined Centrist.¹⁴ Embassy political officer Monteagle Stearns, one of the drafters of the Embassy's September 1958 report, proceeded to cultivate contacts with the veteran liberal leader, as well as with other political figures with the potential for forging a Non-Communist, socially more progressive alternative to the ruling Right. In this, Stearns was acting in conformity with

¹² Thanks are due to Professor Yiannis Stefanidis of the University of Thessaloniki for alerting me to this danger.

¹³ *Democracy at Gunpoint: The Greek Front*, New York: Doubleday & Co., 1970, p. 102.

¹⁴ In an article in the July 1951 issue of *Foreign Affairs*, George Papandreou sought to strengthen those credentials with the US foreign policy establishment as an anti-Communist liberal. "The Bonds of Freedom", *Foreign Affairs* 29/4 (1951), pp. 513 ff.

the new policy focus he had contributed to. Beginning in 1959, and lasting into 1960, a heterogeneous array of Non-Communist opponents of Karamanlis made a series of abortive efforts to form an effective Centrist opposition party.¹⁵ The failure of their efforts apparently led Stearns to pick a favourite. On August 23, 1960, Stearns, on the basis of discussions with George Papandreou, evaluated for the State Department Papandreou's "prospects for returning to power". His evaluation concluded with a strong endorsement:

From the standpoint of the United States, and our interest in seeing the development of a responsible, pro-Western opposition in Greece, Papandreou deserves discreet encouragement as a counter-weight to politicians...who seek to strengthen their political position by weakening their ties with the West. However slim are Papandreou's prospects of again heading a Government, the opportunities for wise leadership of the opposition have never been greater.¹⁶

As Stearns met with George Papandreou in August 1960, Andreas Papandreou was preparing to depart for the United States following the end of his Greek sabbatical. Arriving in Berkeley in the Autumn of 1960, the younger Papandreou carried in his pocket an invitation from Prime Minister Konstantine Karamanlis to return to Athens to set up an economic research institute. The purpose of the institute would be to introduce Western methods and expertise into Greece for the sake of advancing the country's economic development efforts. Karamanlis' invitation was the result of a number of converging interests. After the discontent expressed by the electorate in the 1958 elections, Karamanlis was under intensified pressure from US officials to improve his government's economic performance. That need was given added urgency by Karamanlis' desire to associate Greece with the newly formed Common Market, a free trade association based on the alliance of French agriculture and West German industry. George Papandreou, who longed for his son's return, was aware of Karamanlis' needs and used them as an opportunity to prompt Karamanlis' invitation. Using Xenophon Zolotas, Governor of the Bank of Greece, as his

¹⁵ Omitted from this narrative are the attempts, on the one hand, by Sophocles Venizelos and guerrilla hero George Grivas, and on the other, by a clutch of mainly liberal figures, including George Papandreou, Konstantine Mitsotakis, Panagiotis Papaligouras and George Rallis, to form a Centrist opposition. While the complete story of the emergence of the Center Union would need to include this important period of political turmoil, the main importance of these efforts, as far as US policymakers were concerned, is that they led nowhere.

¹⁶ "The Prospects of George Papandreou", August 23, 1960. Foreign Service dispatch no. 180, NARA, Record Group 59, Country Files, Greece, Pol.

intermediary, George Papandreou raised the possibility of his son contributing to the Karamanlis government's economic development efforts.¹⁷

The final factor in generating Karamanlis' invitation was Andreas Papandreou himself. Having put in a stellar performance as chairman of the University of California at Berkeley's economics department, Papandreou was attracted to the prospects of taking on new challenges. During his sabbatical year in Athens, he had spent substantial time with an old Harvard colleague, Carl Kaysen, who also was in Greece that year on a Ford Foundation grant to study the impact of Marshall Plan funding of Greek electrification and telecommunications infrastructure projects. Over the year, the two men had come up with the proposal for the economic research institute, a proposal which Andreas Papandreou left with Karamanlis before departing Greece.¹⁸ Arriving in the United States, Papandreou went in pursuit of funding from the Ford and Rockefeller foundations to finance the project, drawing on Carl Kaysen's ties with these foundations for help.¹⁹

The Ford and Rockefeller foundations put Papandreou's project proposal on a fast track. By January 1961 funding for the institute had been approved to the tune of \$500,000 over a five-year period. Notably, the two foundations backing him were bastions of the North-East internationalist corporate liberalism that, at the time, played an important role in both the Democratic and Republican parties. In their international programmes, they regarded themselves as handmaidens of US foreign policies aimed at winning the Cold War through the promotion of economic development, education and public health in developing countries. Such programmes were exercises in public diplomacy, exemplary uses of private American wealth to relieve the social and economic discontents abroad that gave the Communist Left the basis for recruiting a popular following. The executive leadership of these foundations also provided a pool of talent from which the Kennedy Administration would draw heavily to fill important positions within the foreign policy bureaucracy. Exemplifying this personnel interchange between the government and these private

¹⁷ For evidence of George Papandreou's leading role in engineering Karamanlis' invitation to Andreas Papandreou, cf. in particular George Papandreou's letter to his son of September 26, 1960, originally printed in *Εστία* (July 11, 1987), reprinted in Potis Paraskevopoulos, *Ανδρέας Παπανδρέου. Πολιτικό πορτρέτο* [Andreas Papandreou: political portrait], Athens 1998, pp. 14-15. Monteagle Stearns confirmed George Papandreou's central role in an interview with me on October 17, 2002.

¹⁸ Memorandum from Andreas Papandreou to Prime Minister Karamanlis, July 5, 1960. Archives of the Bank of Greece.

¹⁹ Author interview with Carl Kaysen, Cambridge, MA, October 16, 2002.

foundations was the fact that Papandreou's proposal for an economic research institute was the last to receive the approval of Rockefeller Foundation president Dean Rusk before he assumed his new duties as John F. Kennedy's Secretary of State.

As a rising member of the US liberal academic establishment, Andreas Papandreou was by no means innocent of the political context of his proposal to establish the Center of Economic Research in Athens. In a confidential report written to clinch foundation financing, he couched his rationale for the Center in terms of American fears that, lacking "economic growth in Greece benefiting all population groups", as the OCB Operations Plan had put it, the right-left political polarisation in Greece would intensify. In a confidential December 12, 1960 report, Papandreou made his final pitch for foundation support in terms that played to the alarm in policymaking circles over the advances shown by Greece's Communist Left in the 1958 elections. Arguing that "the time for basic changes in Greece has arrived", he continued:

Indeed, unless these changes are undertaken by people and forces sympathetic to the West, they will be surely undertaken by the pro-Soviet forces whose numerical strength is being enhanced by the failures of the present leadership. Greece's recent economic record is not impressive, particularly when compared with that of her neighbors (Yugoslavia, Bulgaria). And there is growing discontent and mounting pressure for economic and social change.²⁰

In these words, Papandreou was anticipating the theme that, immediately following Kennedy's November election, served as a guiding concept in the new Administration's emphasis on soft power. This emphasis is exemplified in the core proposition of a Kennedy policy paper written a few months later, whereby:

[T]he main thrust of U.S. aid in the next decade should be directed toward repelling the more likely Soviet threat of indirect aggression by furthering economic development and national building. It is increasingly apparent that neither the capability nor the will to resist communist aggression and subversion can exist in the absence of satisfactory rates of economic and social development.²¹

²⁰ December 12, 1960 report to R. A. Gordon, "Confidential Report on the Center of Economic Research of the Academy of Athens...", Ford Foundation Archives, New York. A copy can also be found in the Rockefeller Foundation Archives.

²¹ Memorandum from the Deputy Assistant Secretary of State for Politico-Military Affairs (Kitchen) to Secretary of State Rusk and Secretary of Defense McNamara, December

Closing his appeal for the funding of his economic institute, Papandreou avers that "In many ways, it is the best kind of offer the West can make to Greece during these critical years."

Only a few days before Kennedy's inauguration as President in January 1961, Andreas Papandreou arrived in Athens to set up the Center of Economic Research (KOE) in Athens. Kennedy's ascent to power was serendipitous for the younger Papandreou. The Kennedy Presidency raised to unprecedented positions of power and influence the same forces of North-East American liberalism that had backed the founding of KOE in Greece. And when, a few years later, Papandreou entered Greek politics, his ties with key figures from the Kennedy Administration imbued him with the aura of progressive American know-how that worked strongly to his benefit with the Greek public. Andreas Papandreou's elite connections with both Greek liberals (through his father) and American liberals (through his Harvard pedigree, Democratic Party involvements while at the University of Minnesota, and his UC Berkeley chairmanship) uniquely positioned him to serve as the bridge between the rising expectations in Greece and the tentative opening to Non-Communist Centrist and Leftist forces abroad that marked the more generous intentions of Kennedy's New Frontier.²²

In the meantime, Andreas Papandreou's father was at the center of Greek political developments. Stearns' endorsement of the elder Papandreou proved justified a year later when the latter finally managed, a few months before the October 1961 Greek elections, to achieve what American policymakers had long been hoping for. He brought together the country's diverse Non-Communist opponents of Karamanlis into a union of the Center by creating the Center Union Party. George Papandreou thus brought to fruition the trend which the Embassy had identified in its September 1958 report of "strivings for the establishment of a 'new' center party, or center coalition which would provide a nationalist haven for those opposed both to ERE and EDA".

The degree to which any "discreet encouragement" by the United States helped George Papandreou to become the leader of united Centrist forces is

12, 1961, Washington, DC, 1995. Document 128 in *Foreign Relations of the United States, 1961-63*, Vol. IX: *Foreign Economic Policy*.

²² Kennedy's embrace of reform movements abroad as a Cold War strategy, most emphatically manifest in the Latin American "Alliance for Progress", was accompanied by an increased interest in military counter-insurgency. For an early, but classic treatment of the problematic combination of these two Cold War approaches, cf. Bruce Miroff, *Pragmatic Illusions: The Presidential Politics of John F. Kennedy*, New York 1976, in particular the chapter on "Global Liberalism", pp. 110-166.

unclear. Jean Meynaud, in his classic work on *Political Forces in Greece*, suggests that a senior State Department official, George McGhee, was dispatched to Athens in June and July 1961 to facilitate negotiations amongst Centrist forces.²³ But Kennedy's election itself helped foster in Greece a political climate within the Greek electorate conducive to the Center's rising political fortunes. John F. Kennedy's assumption of the Presidency in January 1961, after winning the November 1960 elections, turned out to be a watershed event in US post-war political and social history. In his famous inaugural speech, Kennedy cast himself in the role of spokesman for a generational changing of the guard – a shift from those who had led the country during economic depression and war to those whose youths had been stamped by these experiences. Kennedy liberals were anxious to dispel any suggestion that their progressive social agenda made them “soft on Communism”. They took pride in being “tough-minded” realists, reflected in Kennedy's campaign emphasis on armament because of a putative “missile gap” with the Soviet Union. Still, after eight long years of austere conservative rule with war hero Dwight Eisenhower at the helm, the liberal hour had finally arrived. In Greece and other countries, as well as in the United States, the young leader of the Free World was an iconic figure in whom people invested their hopes for change and renewal.

But Kennedy's election also served George Papandreou's political interests in more practical ways. Among the Harvard-based liberal intellectuals that Kennedy drew on as he took office was Carl Kaysen, who became a special assistant to Kennedy's powerful national security adviser, McGeorge Bundy. As Andreas Papandreou arrived in Athens to advance an agenda for socially progressive economic development, he also provided his father with powerful connections to assertive liberal elements within the Kennedy Administration, most directly Kaysen. Like McGeorge Bundy and Papandreou mentor, Harvard economist John Kenneth Galbraith, Kaysen was among those liberal voices in the Kennedy Administration who were strongly at odds with the institutionally conservative bias of the State Department bureaucracy. At the National Security Council, Kaysen allied himself with Administration officials promoting US support for the Non-Communist Left in Europe, Asia and Latin America. A key figure in mobilising within the Administration to turn US policies in this direction was the man who had been the original articulator of the concept, Harvard historian Arthur Schlesinger, Jr, Kennedy's special assistant. During the course of 1961, Schlesinger scored a success in Italy by

²³ Jean Meynaud, *Πολιτικές δυνάμεις στην Ελλάδα*, Athens 1974, pp. 107-108. Cf. also Contantine Tsoucalas, *The Greek Tragedy*, Middlesex 1969, p. 171.

working around the State Department bureaucracy to achieve Kennedy support for an “opening to the Left” (*apertura a sinistra*), an important policy shift in which the US dropped its post-war opposition to the participation of Italians socialists in government coalitions.²⁴ Greece was also in the sights of these liberal proponents of “democracy as a fighting faith”, in the felicitous language of Schlesinger’s 1948 article on the Vital Center.

Indicative of Kaysen’s stance in support of a Greek opening to the Left was a memo he wrote for Kennedy on the occasion of Karamanlis’ April 1961 official visit to Washington, the first Greek prime minister to be so recognised since World War II. The official State Department briefings for Kennedy touted Karamanlis as a critical American ally and asserted categorically that “We see no acceptable alternative to Mr. Karamanlis on the Greek political scene.”²⁵ Sharing Schlesinger’s liberal perspective, Carl Kaysen offered a sharp counter-point to the State Department’s unqualified endorsement of the conservative Karamanlis.

In advance of the Greek leader’s visit, he wrote a memo for Kennedy in which he cast doubts on Karamanlis’ reputation as a guarantor of political stability in Greece. While acknowledging that “his regime has been one of prosperity”, that prosperity had been “very unequally distributed” while “nothing has been done to attack the fundamental problems of urban unemployment and rural under-employment”. Kaysen then turns to the “political consequences” of Karamanlis’ reign. Noting the burgeoning voting support for the “frankly fellow-traveling” EDA, he continues:

The “democratic” opposition is pulverized and feeble, so that voting for EDA seems the only effective way to express opposition to the present government, and many do so who are in no sense communists or pro-Soviet. The weakness of the Center is the product of many factors, including the irresponsibility of many of its leaders, but we have made a significant contribution to it by our warm support of Karamanlis.

Kaysen then urged Kennedy to adopt a more neutral stance towards Karamanlis in view of the impact his US visit could have on Greek elections expected in the Autumn of 1961. “From the viewpoint of the long-term interests of both [the] US and Greece, we should do what we can to minimize

²⁴ Schlesinger’s role is narrated in Alan A. Platt and Robert Leonardi, “American Foreign Policy and the Postwar Italian Left”, *Political Science Quarterly* 93/2 (Summer 1978), cf. pp. 203-209.

²⁵ “Karamanlis Visit, Washington, April 17-20, 1961, Scope Paper”, National Security Files, Countries, Greece, General 1961, John F. Kennedy Library, University of Massachusetts, Boston.

the appearance of Presidential support for Karamanlis, the politician.” He went on to propose that this perhaps “could best be accomplished by bringing a suitable collection of Center opposition leaders to the US on a State Department-sponsored visit in the month or six weeks after Karamanlis’ visit, and arranging a meeting with the President for them”.²⁶

While not adopted, Kaysen’s proposal reflects the attempt to steer US policies towards a policy more supportive of Greek liberals. At the same time, the Karamanlis government itself betrayed its sensitivity to growing American interest in the creation of an effective Non-Communist opposition as a means of undercutting the influence of the Communist Left. As a prelude to Karamanlis’ April 1961 visit, the Greek political world was occupied with intense discussions on the all-important issue of the electoral law under which the Autumn elections would be conducted. Reflecting the continuing importance that Greek political élites placed on the approval of its trans-Atlantic patron, the US Embassy was an active party to these discussions. On February 28, 1961 Greek foreign minister Evangelos Averoff met with Ambassador Ellis Briggs and Deputy Chief of Mission Sam Berger.²⁷ While the Embassy ended up rejecting Averoff’s proposed electoral law, Berger nonetheless praised Averoff’s interest in resolving “a problem which has plagued Greece ever since the end of the war, i.e. how to obtain stable one-party majorities, offer the country a choice between two nationalist parties, and reduce the communists to a minor role”. Critical to the Karamanlis government’s interest in the emergence of the Center as an effective opposition force, however, was that the Center remain an effective *opposition*, not the government.

In the meantime, George Papandreou’s unification of the country’s diverse Non-Communist, anti-Karamanlis political factions into the Center Union Party was not the only trend noted in the Embassy’s 1958 report to bear fruit. Also evident in the run-up to the 1961 elections were “measures to curb the growing power of the neo-communists, perhaps to the point of straining the fabric of democratic legality”, as the 1958 report had put it, adding presciently that “calls for extra-legal action against the communists...once under way could well be strained to embrace ‘leftists’ of all types”.²⁸ These fears were realised during the 1961 parliamentary election campaign when the right-wing

²⁶ “Memorandum on the Present Greek Government”, National Security Files, Countries, Greece, General 1961, Kennedy Library.

²⁷ “Memorandum of Conversation”, March 6, 1961, NARA, Record Group 59, Country Files, Greece, Pol.

²⁸ “The Greek Political Scene: Prospects for the Future”.

Royalist service government appointed to conduct the elections oversaw the use of the state machinery, security forces and army in a coordinated programme to use “extra-legal action against the communists”. These extra-legal actions were, in fact, directed against “leftists’ of all types”, including the liberal forces represented by the Center Union. As later documented more fully when “Operation Pericles” was made public, widespread “fraud and violence” was used in the 1961 elections, not only to reduce the voting strength of the Communist Left, but also of the Center Union.²⁹ Notably, the spillover of extra-legal means to suppress Centrist forces was itself encouraged by the threat posed by George Papandreou’s success in uniting Centrist forces into the Center Union. The Right was determined that the Center fulfill its designated role as the nationalist, anti-Communist *opposition*.

The threat from the Center was not the only problem facing Karamanlis in the run-up to the 1961 elections. He was also threatened by another Kennedy Administration foreign policy shift. In light of the success of American aid in rebuilding Greece’s devastated economic infrastructure and military capabilities, the United States’ nation-building role in Greece was nearing completion. Reflecting a broader global revision of US Cold War policies, policymakers felt it was time for the United States to disengage itself from playing a direct protectorate role in Cold War dependencies like Greece.³⁰

This US interest in disengaging itself from direct involvement in Greece’s internal affairs was not principally the product of the New Frontier’s idealistic commitment to the principles of national sovereignty and non-intervention that are supposed to govern international relations in a world of nation-states. Instead, it was driven by a pragmatic desire to disburden the United States of the onerous costs and complications of managing the global “responsibilities” which the country had inherited following the collapse of the old European empires in the wake of World War II. In Greece, which New Frontier economic

²⁹ Documentation of Operation Pericles had been left behind in the Defense Ministry when George Papandreou finally assumed power, decisively in February 1964, and tabled in Parliament starting on February 23, 1965. Cf. *Ελευθερία* (February 24, 1965). Cf. Michalis Papaconstantinou, *Η ταραγμένη εξεστία (1961-1967)* [The turbulent six years (1961-1967)], Vol. II, Athens: Proskinio, 1997, pp. 259-269. He was the Undersecretary of Defense who conveyed the disclosures directly to Prime Minister George Papandreou.

³⁰ “Our objective is to work towards an absence of need for US aid”, wrote Secretary of State Dean Rusk in a memorandum of November 1, 1961 entitled “The New Aid Criteria and U.S. Foreign Economic Programs”, Document 125, *Foreign Relations of the United States, 1961-63*, Vol. IX. Economic and military aid was the basis and justification for American involvement in Greece’s domestic politics.

theorists, like Walt Rostow, felt was nearing “take-off” into “self-sustaining economic growth”, US economic aid could safely be reduced, they reasoned, without creating the social discontents that might feed the resurgent Communist Left.

As it turned out, the Greek dependency on the US that the triumphant Truman Doctrine had fostered was entangling in ways that advocates of these new policies had not anticipated. With the October 1961 elections approaching, the word in Greek diplomatic circles was that the Kennedy Administration would soon announce discontinuation of economic aid to offset the burdens of Greece’s defense budget.³¹ The news shook the Karamanlis government, which expressed its dismay to the new Deputy Chief of Mission William Tapley Bennett. Siding with Karamanlis, Bennett stressed to the State Department that “this [is the] worst possible timing in view of imminent elections, would have incalculable effect on voting, would be played with maximum emphasis to Greek people by Communists as confirmation of their worst charges against the US et cetera”.³² Bennett noted that, “This comes at a time which will ensure maximum unfavourable publicity and harmful effects for us locally.” He concluded with an argument Kennedy reformers were to hear in a number of variants from US missions around the world: “I realize demands on the US are pressing everywhere”, Bennett wrote, “but do we want to rock the Greek boat before it is tight enough to weather rough seas on its own?”

Fortunately for Karamanlis, the announcement of cuts was postponed until after the elections, but the issue suggested to Greek political and military élites that Karamanlis no longer enjoyed the unqualified support of the United States. In the meantime, the Greek officials argued to their American counterparts that US plans to cut aid involved a contradiction. For Greece to devote more of its own resources to defense spending (in order to maintain its NATO commitments) would mean denying funds to its economic development efforts. Greece was being pressured to accomplish the impossible task of delivering on both fronts at the same time.³³ Beginning in 1962, the United States responded by seeking “greater participation by NATO countries in the

³¹ For an in-depth analysis of changes in US aid policies under Kennedy, cf. Sotiris Rizas, *Η Ελλάδα, οι Ηνωμένες Πολιτείες και η Ευρώπη, 1961-1964* [Greece, the United States and Europe, 1961-1964], Athens: Patakis, 2001, pp. 35-66.

³² Tapley Bennett telegram to State, October 19, 1961, telegram no. 524, NARA, Record Group 59, Country Files, Greece, Pol.

³³ Regarding the broader meaning and context of Western European aid for Greece, cf. Mogens Pelt, *Tying Greece to the West: US–West Germany–Greece*, University of Copenhagen: Museum Tusculanum Press, 2006. Cf. also Rizas, *Ελλάδα*, pp. 67-90. On the issue of

financing of the additional defense and economic burden which the Greek economy cannot yet support".³⁴

While the military and economic aid debate strained Greek–American relations, the domestic fallout from election irregularities perturbed Greece's domestic scene. While it is unclear whether "Operation Pericles" gave Karamanlis his 1961 election victory, it unquestionably reinforced it, yielding, for instance, a 79% vote for ERE among voters in the military and the public sector (who voted separately from the general public). Moreover, ERE increased its overall popular vote to 51% from the 41% it had earned in 1958. The newly formed Center Union received 34%, while the Communist Left's voting support dropped from 24 to 15%.³⁵ Outrage over the tactics of the Right amongst voters of the Center (as well as the Left) led George Papandreou to declare that the Center Union would not recognise the legitimacy of the newly elected Karamanlis government. He launched, instead, an "unyielding fight" [Ανένδοτος Αγώνας], calling for new elections. With this, the liberal awakening in Greece began to take on serious proportions. While the prospects of the Center Union's "unyielding fight" were initially uncertain, it had, by the Spring of 1962, picked up significant public support, exemplified in a mass rally in April 1962 that was attacked by police, sharpening the divisions between the Right and the Center.

From his position as director of the Center for Economic Research, Andreas Papandreou remained a vicarious participant in his father's protest campaign. In relation to US officials, however, his participation was real rather than virtual. Shortly after the elections, he visited Washington to register his protest over the US Embassy's endorsement of the Greek electoral process and the legitimacy of its outcome. Included in his criticism was Laughlin Campbell, the CIA station chief in Athens, whom Andreas had come into conflict with during Embassy efforts, in the Spring of 1961, to enlist George Papandreou's support

American military versus economic aid, cf. Evanthis Hatzivassiliou, *Greece and the Cold War*, London: Routledge, 2006, pp. 88–89.

³⁴ The quote is from Kay Bracken's contribution to a briefing packet prepared by the State Department for Ambassador Labouisse's visit to Washington for consultations in January 1963. Her one-page contribution is entitled "United States–Greek Relations", January 25, 1963, National Security files, Robert Komer, White House Memoranda, 1961–1963, Kennedy Library. Kay Bracken was with the State Department's Bureau of Near Eastern and South Asian Affairs under which Greece, Turkey and Iran fell.

³⁵ Cf. the careful analysis of Elias Nikolakopoulos in his *Η καχεκτική δημοκρατία. Κόμματα και εκλογές, 1946–1967* [The stunted democracy: parties and elections, 1946–1967], Athens: Patakis, 2000, pp. 264–292.

for an electoral law designed to isolate EDA in the upcoming elections.³⁶ Predictably, Andreas Papandreou's meetings were arranged by Carl Kaysen.

In January 1962 Ellis Briggs ended his tenure as Ambassador to Greece. His ambassadorship had largely held in check those in the foreign policy apparatus seeking to distance the US from unqualified support of Karamanlis. He was replaced, however, by the more liberal Kennedy appointee Henri Labouisse. During this transition at the US Embassy, George Papandreou's "unyielding fight" began to attract a substantial public following. It was becoming the focal point for the liberal awakening whose nascent beginnings lay in the 1958 protest vote for EDA. Andreas Papandreou, however, had already impulsively decided to leave Greece, planning to return to Berkeley in the Autumn of 1962. As he watched the public gather under the banner of his father's "unyielding fight", he began to feel growing excitement, as well as regret over his plans to leave that Autumn. In a May 19, 1962 letter to Shepard Stone, his key backer at the Ford Foundation, he described how his father's "unyielding fight" was beginning to take flight.³⁷ The letter also manifests Andreas Papandreou's belief that, with the new Ambassador in place, the interest of US policymakers in supporting the Non-Communist alternatives to the Right was also beginning to take hold seriously: "The Embassy itself feels that Greece is in a state of transition and it is eager to see social reforms take place before the situation tightens into a Right vs. Left struggle. It recognizes now that the Center opposition (my Father's party) in taking up the cudgel against election malpractices and corruption in government has acted as a barrier to the expected development."

But George Papandreou's "unyielding fight" was matched by Karamanlis' unyielding determination not to accede to the Center Union's demands. In Brigg's farewell visit to Karamanlis a few months before, the prime minister expressed anger at the "continuing paralytic effects of opposition behavior" and "once more" recalled "his efforts to promote the formation of non-Communist opposition...[W]here else in the world but Greece could such opposition, having doubled its Parliamentary representation, spend three solid months after the elections kicking and screaming and shouting about the iniquity of it all."³⁸

George Papandreou's "unyielding fight" did not lead directly to Karamanlis' fall from power, but it helped create the conditions that led to it. Faced with

³⁶ Cf. Papandreou, *Democracy at Gunpoint*, pp. 108-109.

³⁷ Papandreou letter to Shepard Stone, May 19, 1962, Ford Foundation Archives, New York.

³⁸ Telegram, Ellis Briggs to Secretary of State, January 30, 1962, NARA, Record Group 59, Country Files, Greece, Pol.

the increasing public unrest manifest in the “unyielding fight” and attracted to Gaullist models of parliamentary government, Karamanlis began to advocate constitutional changes that would invest greater executive power in the prime minister. The move aroused the ire of the Greek monarchy, another critical player in the tri-polar structure of power that had emerged in the aftermath of the Civil War. The three poles were the popularly elected government, the anti-Communist army and the monarchy. With the army under the protection of the king and the parliamentary government under the control of the Right, this tri-polar structure had remained largely in alignment as the guarantor for Greece’s anti-Communist orientation towards the West. But each pole was also protective of its own turf. Karamanlis’ bid for greater executive power drew the hostility of the monarchy. In 1955 Karamanlis, in fact, had been the beneficiary of royal interventionism when he had been selected by King Paul over the heads of the leaders of the Greek Rally, Stephanos Stephanopoulos and Panayiotis Kanellopoulos, to form a new government following the death of Prime Minister Papagos. Now irred, however, by Karamanlis’ efforts to restrict the palace’s political activism, the palace began to seek ways to cut him down to size, culminating in a dispute over the royal family’s plans to visit the United Kingdom. The dispute provided the excuse for forcing Karamanlis’ resignation on June 11, 1963, an objective Queen Frederika, in particular, had for some time been pursuing.

Already by early April 1963, however, Greek army leaders had become aware that trouble was brewing between Karamanlis and the monarchy. Fearing that a split in the forces of the Right would open the way to George Papandreou’s Center Union coming to power, alarmed right-wing officers approached the US Embassy through the US army attaché to appeal for American backing of a *coup d’état*. The negative response the Greek officers received from US officials further clarified the US position regarding support for a Centrist alternative to the Right.

That clarification came from Assistant Secretary of State Philips Talbot’s response to Ambassador Labouisse, who had rebuffed the approach of the Greek officers, but had also written to Talbot seeking further guidance. Providing Labouisse with arguments for explaining the negative US response, Talbot’s reply indicates that the Center Union had gained credibility in American policymaking circles as a viable alternative to the Right:

Obviously it is impossible for Karamanlis to remain in power indefinitely and we are prepared to cooperate with another government, should it come to power through constitutional means. We would not be diffident concerning the possibility of working with such a

government as long as the turnover did not involve Communists or find them represented in the cabinet [my italics].

While qualifying US acceptance of a Centrist alternative with the proviso that it remained anti-Communist in orientation, Talbot also indicates a wide margin of tolerance for the Center Union's dissident tactics:

We are aware of the dilemma caused by the Center Union's "inexorable" struggle [viz. unyielding fight] and realize that perhaps this causes anxiety and frustration among various circles in Greece...[Nonetheless], we are not unduly concerned about the Center campaign [my italics], although we would obviously prefer the Center to focus its energy on Greece's real problem areas, rather than its present activities, including accusing the United States of meddling in Greek affairs.³⁹

Talbot's willingness to accept the Greek Center was paralleled by discreet American support for a key demand from George Papandreou. In the run-up to the 1963 elections, Papandreou threatened to abstain from the contest unless the king replaced ERE figure Panagiotis Pipinelis, appointed prime minister after Karamanlis' resignation. His argument was that the presence of a prime minister under Karamanlis' control sharply tilted the political playing field against the Center Union. Urged privately by the US Embassy to accept Papandreou's demand, King Paul replaced Karamanlis loyalist Pipinelis on September 27 with a neutral service government headed by a respected jurist.⁴⁰ A more general perspective on changes in US policy is provided by an experienced Greek diplomat, Rodis Roufos, who noted that "President Kennedy...gave a more liberal character to American policy", shifting the US away from the hard-line conservatism of the Eisenhower years.⁴¹ Implying that the US used the palace as an agent of influence in Greece, Roufos continued: "One assumes that it was no mere coincidence that from 1961 onwards there

³⁹ *Foreign Relations of the United States, 1961-63*, Vol. XVI: *Turkey, Greece, Cyprus*, Document 344, Washington, DC, 1994. Letter from the Assistant Secretary of State for Near Eastern and South Asian Affairs (Talbot) to the Ambassador to Greece (Labouisse), Washington, April 22, 1963, top secret.

⁴⁰ Margaret Papandreou, *Nightmare in Athens*, Englewood Cliffs, NJ: Prentice-Hall, 1970, p. 66. Given her privileged access to such information through her participation in the Kastro political environment, Margaret Papandreou can be considered a reliable source regarding the Embassy's role on this issue.

⁴¹ *Inside the Colonels' Greece*, New York: W. W. Norton & Co., 1972, p. 68. Published during the junta period (1967-1974), Roufos published the book under the pseudonym "Athenian".

was a distinct cooling off in the Greek court's attitude towards Karamanlis, and a willingness to flirt with the Centre Union..."

Support for the Non-Communist Left also had a positive synergy with the Kennedy Administration's pragmatic interest in fostering Greece's transition to non-dependency. For without the solidification of a parliamentary system that, as Berger put it, produced "stable one-party majorities" offering "a choice between two nationalist parties" and "reduce[d] the communists to a minor role",⁴² Greece's status as the great American Cold War success story remained in doubt.

Karamanlis' resignation in June 1963 led to the setting of new elections for November 3. Operating under more favourable conditions after the king's September dismissal of Pipinelis, the Center Union surprised political professionals by surpassing ERE to win a plurality of the popular vote, although only a minority of seats in parliament. Given the mandate to form a government by the king, Papandreou manoeuvred deftly to garner support from the palace. He assured the king that he would not interfere with the monarchy's control over the leadership of the army. He declined EDA's offer to support the Center Union in a vote of confidence, thereby giving it a parliamentary majority. This refusal assured the Americans, for whom isolation of the Communists was a condition for US support. It also helped convince the king to accede to his request for new elections. For his part, Karamanlis, unwilling to accept the role of opposition leader, went into self-exile in Paris. New elections were held on February 16, 1964. Having initiated a number of popular reforms and shattered ERE's image of invincibility, the Center Union won a stunning 53% of the vote and a comfortable majority in parliament.

Within the US foreign policymaking circles, the Center Union victory was a validation of those who advocated a policy of cultivating the development of a Non-Communist alternative to the Right. More broadly, American liberals celebrated the Center Union victory as a vindication of their support for the Truman Doctrine. It was evidence that America's 15-year nation-building mission had finally succeeded in fostering the emergence of a viable, two-party democracy. In reality, matters were not so simple. The military remained an obstacle to the consolidation of the country's parliamentary democracy. Among other things, the military's anti-Communist leadership was deeply suspicious that, in order to secure its grip on power, the Centrists would be drawn into a "popular front" with the Communist Left. Still, against the threat of military intervention, George Papandreou was defended, not only by his agreement with

⁴² "Memorandum of Conversation".

the king to leave royal control of the military untouched, but also by the backing of the US Embassy, which stood by the Talbot directives of the previous Spring in opposing putschist appeals from the military and affirming its willingness to work with a Centrist government. Just before the February elections, the Embassy even alerted George Papandreou to a military coup in the making. The vehicle for this alert was his son, Andreas Papandreou, who in June of 1963 had returned to Greece with the intention of entering the political arena.⁴³

Liberal prospects in Greece were again strengthened by the new global atmospherics created by the Kennedy Administration. Andreas Papandreou's return to Greece in June 1963 coincided with Kennedy's launch of the policy of détente, inaugurating a welcome thaw in the Cold War. The previous October, the world had held its breath as the United States and the Soviet Union edged to the brink of nuclear confrontation over Soviet moves to install nuclear missiles in Cuba. The crisis passed when, swallowing his pride, Khrushchev relented, agreeing to withdraw Soviet missiles from Cuba in exchange for secret assurances given by Kennedy to dismantle US missiles based in Turkey, on the Soviet Union's southern border.

Traumatized by their close encounter with nuclear disaster, the superpowers discovered a mutual interest in establishing rules to regulate their global competition. In a vivid symbolic gesture, they established a hotline between the White House and the Kremlin. On June 10, President Kennedy gave a major foreign policy speech at American University that heralded an era of peaceful coexistence with the Soviet Union. Kennedy's dramatic pronouncements cleared the way for a landmark nuclear test ban treaty among the US, the USSR and the UK.

The immediate impact of these developments in frontline states like Greece was to diminish politically paralysing Cold War fears and strengthen the public's willingness to entertain the risks of political change. The beginnings of détente fostered a climate of new possibilities and a disposition towards change that strengthened the Center Union's appeal to Greek voters at the same moment that the US, as reflected in the Talbot directives, manifested its embrace of the Center Union as a viable alternative to Karamanlis.

For his part, Andreas Papandreou also received encouragement for his hopes of American support for progressive reform in Greece during his 1962-1963 return to Berkeley. He became affiliated with an élite International Study Group on Democratic Development that had been organised by Arthur Schlesinger with the ambition of eventually creating a Democratic International of parties

⁴³ Papandreou, *Democracy at Gunpoint*, p. 121.

identified with the Non-Communist Left. To support his initiative, Schlesinger had created an informal network of highly placed liberals within the Kennedy Administration.⁴⁴ One of the objectives of this liberal network was to promote new leadership that would challenge autocratic conservative forces in countries around the world. In an instance of perverse serendipity, the elections in Greece took place in the same month as Kennedy's assassination. With Lyndon Johnson's assumption of the presidency, Schlesinger's days in Washington were numbered. Just as the Non-Communist Left, or at least the nearest thing to it in Greece, took power in Greece, its support network within the American executive branch began to dissolve. The power of North-East liberal élites receded as the roughneck Texan president became increasingly focused on the deepening American involvement in Vietnam.

In Greece, however, the horses, so to speak, had already left the stable. Popular expectations for change that had been raised at the beginning of the brief Kennedy era continued to exert pressure on established structures of power and privilege. Divisions within the ruling conservative establishment surfaced when, on June 11, 1963, Prime Minister Karamanlis resigned in a dispute with the monarchy. In new elections scheduled for November 3, 1963 the Center Union gained the most votes, but lacking a parliamentary majority, received the king's backing for new elections. Executing his decision to enter the political arena, Andreas Papandreou ran for parliament in February 1964, won a seat in Achaia and was subsequently appointed by his father as Minister to the Prime Minister. Having assumed the self-chosen role as a change agent, Andreas Papandreou increasingly became the focus of clashes between the government, on the one hand, and the monarchy and right-wing military élite, on the other. At the US Embassy, embrace of the Center Union's reform orientation gave way to alarm that it was permitting change to get out of hand. The argument that the Center Union deserved US support as a means of reducing the influence of the Communist Left found few advocates. The prevailing argument was that the Center Union's permissive policies were giving free rein to latent anti-American feelings, particularly over Cyprus, and a drift to the Left, opening the door to Greek neutralism or worse. In addition, Andreas was held responsible by American officials for the Center Union

⁴⁴ The primary documentary evidence of Andreas Papandreou's involvement in this initiative is Arthur Schlesinger's memo to National Security Council staff member Robert W. Komer of September 10, 1963, which attaches two letters from Andreas Papandreou, Papers of President Kennedy, National Security Files, Robert W. Komer, Box 417, Kennedy Library.

government's failure to accept an American-backed plan for resolving the Cyprus issue – a resolution that would have required Athens to carry off a military coup to topple Cypriot president Archbishop Makarios.

The complex story of the US role in the subsequent period of political instability that led to the April 1967 coup is beyond the scope of this paper. Suffice it to note that, unable to find a way to reconcile itself with the forces of change that the Kennedy administration had, in multiple ways, encouraged, the US ended up backing the increasingly beleaguered forces of the Right, leaving the US with no meaningful political options, which is to say no way to effectively leverage Greece's domestic political dynamics to advance American interests. On July 15, 1965, the king manoeuvred George Papandreou into resigning as prime minister, resulting in massive public protests and calls for new elections. Fearing that new elections would result in a repudiation of the monarchy, the king refused to grant them, and instead engineered a new government out of the existing parliament through the opposition ERE party's support of a breakaway group of Center Union deputies. Weakly disguised threats to use the army to impose a royal dictatorship further exacerbated the political crisis, which came to a head in the Spring of 1967. The king finally agreed to elections, but continued to make plans for a coup. On April 14, 1967, Philips Talbot, now the US Ambassador, reported that:

[...] instability endemic since July 1965 has deteriorated into [the] imminent danger of a first-class mess leading [Greece] to [a] brutal choice between dictatorship and Andreas Papandreou-led attacks on [the] monarch and probably Greece's foreign alignment [...]

With [the] King and one party (ERE) now aligned against [the] rest of the political field, traditional instruments of power – [the] Palace, armed forces, conservative political and economic interests – find themselves ranged against all centrist as well as leftist elements, undoubtedly representing [the] majority of the population, who in turn act increasingly frustrated, angry, anti-monarchical and probably anti-Alliance.⁴⁵

The crisis left the Embassy and State Department in the position of tacitly accepting Greece's dictatorship option; for to oppose a dictatorship would be to support forces that were allegedly hostile to US interests, an assessment that trumped American recognition that these same forces were supported by the majority of Greek voters. Faced with a popular rejection of the country's

⁴⁵ Talbot to State Department, April 14, 1967, Document 271, *Foreign Relations of the United States, 1964-68*, Vol. XVI: *Cyprus; Greece; Turkey*, Washington, DC, 2002.

traditional instruments of power and a questioning of its NATO orientation, the US soon found itself in the uneasy, but irresistible embrace of a dictatorship – an embrace that would wreak permanent damage on its relationship with Greece.

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NO. A-118, November 24, 1958,

SUBJECT: The Greek Political Scene

TO: The American Embassy, Athens

The Department found the Embassy's Despatch No. 226, September 22 prepared by Messrs. Horner, Gebelt, Dizard, and Stearns extremely interesting and useful. This thoughtful, penetrating analysis of the significant factors and trends in the current Greek political scene will be of great value both from the standpoint of policy planning and intelligence estimating.

The Department would appreciate any further views the Embassy might have on the following points covered in the above despatch:

- 1) The Orthodox Church's loss of vitality.
- 2) Growing EDA influence in the municipalities-ways of combatting this.
- 3) "Social" resentment over and above economic and political factors as a factor in EDA's strength;
- 4) The effectiveness of an "austerity" policy in reducing the appeal of EDA.

An important development in Greece's foreign affairs with domestic implications, which occurred subsequent to the preparation of the reference despatch was Greece's rejection of a conference on the Cyprus question under the terms proposed in the NATO Council. While full details regarding the circumstances surrounding the Greek Government's decision to reject a conference on Cyprus at this time are not known, it appears that Archbishop Makarios exerted considerable influence in this decision, which was opposed by Foreign Minister Averof. Makarios' apparent influence in this decision is in variance with previous indications that the Government, in its handling of the Cyprus issue, was prepared to take a line of greater independence from Makarios. In this connection, the Department would be interested in having the Embassy's estimate of Makarios' present influence in Greece's Cyprus policy and the implications of this in Greek domestic politics; and 2) The weight of domestic considerations in current decisions facing the Greek Government on the Cyprus question-e.g. did the Government decide to reject a Cyprus conference under NATO aegis partly because of a weak domestic position in the face of likely popular opposition to such a conference?

DULLES

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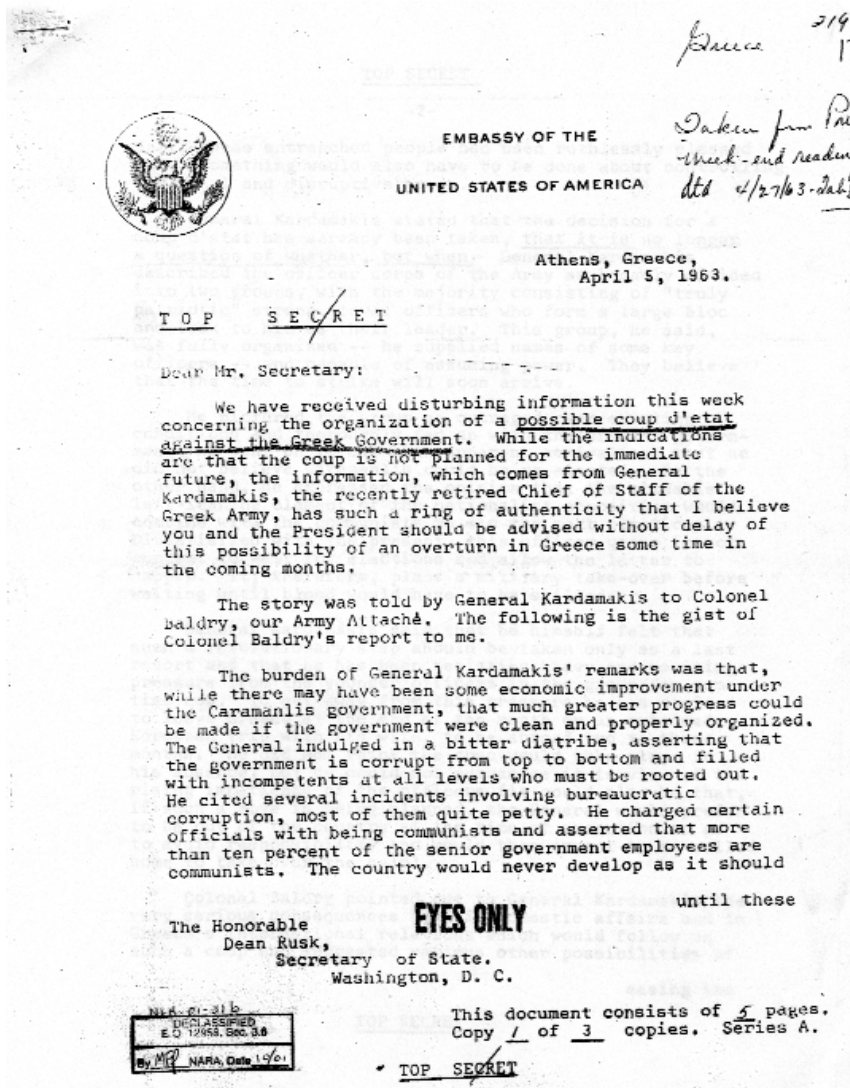
ICD - Mr. Paolozzi

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"The Greek Political Scene", Secretary of State John Foster Dulles
to the American Embassy in Athens, November 24, 1958 (Confidential).



"... Possible Coup d' Etat", American Embassy in Athens to the Secretary of State Dean Rusk, April 5, 1963 (Top Secret/Eyes Only, document taken from President John F. Kennedy's weekend reading of April. 27, 1963).