

WANTED: A MIRACLE IN GREECE

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TODAY an almost forgotten American mission has got to perform a miracle—or fail in its job. The miracle is to save Greece from economic disintegration and the inroads of Communism.

The fight to save Greece is just beginning. The announcement of plans is not enough. What will go on in Greece this month and next is infinitely more important than are the debates which commanded the headlines last March and April.

Last January, I went to Greece as head of a mission charged with reporting on the economic situation and with determining what outside assistance would be necessary for the survival of the Greek nation. I know at firsthand the complicated and discouraging conditions which today are confronting Dwight Griswold and the American Mission for Aid to Greece. And I feel strongly that the American people should know precisely what these conditions are.

During a trip through the lovely Greek countryside, a peasant I talked with typified the Greek national psychosis. He was a weary and discouraged man, prematurely old, his face lined and wrinkled, his hands upturned in a gesture of mute despair.

“Four times in my lifetime my home has been destroyed,” he said, “—by the Turks, the Bulgars, the Nazis and the guerrillas. Why should I build it up again?”

This hopelessness is typical. The whole country, from top to bottom, is in the grip of a gray, unrelieved, profound lack of faith in the future—a lack of faith which produces simple inertia for the present. From the large textile manufacturers in Athens to the small shopkeepers and fanners in the northernmost part of Ma-

cedonia, people are paralyzed by uncertainty and fear.

Businessmen will not invest. Store-keepers will not lay in supplies. Peasants will not repair their ruined houses. One official told me that 150,000 homes had been totally destroyed in Greece and that only 1,300 had been rebuilt in 1946.

My most depressing experience in Greece was a visit to Kalavryta, the Lidice of Greece. This was the village high up a narrow gorge near the Gulf of Corinth where, in December, 1943, a small band of Greek resistance forces ambushed a squadron of Nazi occupation troops. The German reprisal was an unbelievable act of horror and brutality. The 1,200 men of the village were herded into an open field, where from the vantage point of higher ground, they were forced to watch their homes and shops burned from the incendiary volleys fired simultaneously into each structure. When the conflagration reached its height and the Greeks sought to break away from their Nazi guards, machine guns from concealed emplacements massacred the helpless lot of them.

Meantime, the women, old men and children were concentrated in the largest building—a school. It was the last to be ignited. Legend has it that the screams of the women and children were too much for an Austrian officer and he shot the lock off the door. Liberated from the blazing school, the survivors fled to the hills and returned later that night to recover the bodies of their men on the hillside, and buried them in the village cemetery.

The despair in Greece today is crucial, because our whole program of aid is based on the assumption that the people will be able to snap out of the prevailing inertia. We are not step-

ping up the amount of outside assistance enough to make the future much different from the past. During 1946, Greece got about \$330,000,000 from UNRRA and the British; our aid of \$350,000,000 barely exceeds this. And, at the same time, we are banking on the ability of the Greeks to more than double their exports. So, far from having too liberal an amount of money for use in Greece, we are operating on an exceedingly narrow margin. Indeed it may soon become apparent that estimates of \$350,000,000 which my group made are too conservative, and that additional funds may be necessary. Mr. Griswold will find that conditions have rapidly worsened since the first mission went out last January. There has since been a widespread drought which has substantially reduced local grain production. The military activity has been stepped up. And our own price level has risen to shade the value of the dollars Congress has made available. The \$350,000,000 loan will not go as far as we had hoped and planned. At best, we will get up to the minimum reconstruction level. At worst, we may have trouble maintaining a level of decent subsistence.

If the American mission is to end this deep sense of national hopelessness, it must resolve two controversial situations—the civil war and the present government.

One winter day in Macedonia, as I was standing on a riverbank, hundreds of low-flying geese suddenly appeared out of the clouds, flying in formation and honking wildly as they came. I remarked casually to a Greek standing with me that they must have fine shooting in Macedonia.

“Men have been so busy shooting one another in this part of the world,” he answered sadly, “that they have had no time for the geese.”

So long as this state of mind continues, the prospects for economic reconstruction are dim. You cannot devote your full energies to repairing docks, building bridges and maintaining roads when you are likely to be shot in the back any moment. The greatest obstacle to the reconstruction of Greece is the continuance of the civil war. There can be no permanent solution of Greece’s economic future until the present military burden is reduced—until money and men are released for productive purposes. There can be no permanent solution of Greece’s psychological paralysis until the menace of external aggression is removed.

I am convinced that the Russians know this even better than we do. The Communists know that the revival of guerrilla warfare will put us badly on the spot in Greece—so they are working overtime to revive it. That is why, it seems to me, Russia’s U.N. delegate Andrei Gromyko vetoed the U.S. proposal to establish a semipermanent frontier commission in the Balkans. The plain fact appears to be that the

All that the U.S. mission to Greece has to do is end a civil war, eliminate corruption in government ranks, rebuild the economy of a nation and revive hope in a people sunk in despair. There’s a chance they’ll do it

U.S.S.R. does not want a pacification of frontier conditions in the Balkans. For such pacification will be an almost indispensable condition for American success in helping bring

about Greek economic recovery.

This brings up the question of the Greek government. The present regime obviously must constitute the set of tools through which we work. We cannot kick off by naming a new team. Adoption of these means would contradict the ultimate ends we wish to accomplish in Greece and elsewhere; furthermore, blatant intervention of this kind would supply potent ammunition to Soviet propaganda about American imperialism. But we can—and must—do something to sharpen these tools.

Chief among these tools is the Greek civil service. The late King George of Greece, in my first talk with him, referred to many government employees as “camp followers” and “coffeehouse politicians” and described the whole civil service as a kind of pension system for political hacks. These were harsh words, but not unwarranted. The civil service is overexpanded, underpaid and demoralized. The low salaries have been augmented by a completely baffling system of extra allowances by which a few civil servants probably get as much as four times their base pay.

At the same time the bulk of them do not get a living wage. Many of them are forced to supplement their government pay by taking outside jobs. Imagine the effects in Washington if officials in government departments worked part time for local lawyers or lobbyists or industrialists. The curiously short working week—usually 33 hours, consisting of mornings only for 6 days a week—facilitates the economic double life which so many government workers lead.

The result is complete disorganization. I have never seen an administrative structure which, for sheer incompetence and ineffectiveness, was so appalling. The civil service simply cannot be relied upon to carry out the simplest functions of government—the collection of taxes, the enforcement of economic regulations, the repair of roads.

Thus the drastic reform of the civil service is an indispensable condition to getting anything else done in Greece. But the civil service is just the beginning. There is the far more intricate and explosive question of the political leadership of the country. Candor will compel me to make some frank statements about this government, but what would you have America do? Would you have prayed with Henry Wallace for the defeat of the Greek aid bill so that you could exchange the present inefficient, right-wing regime for a police state on the Tito model?

I rather doubt it. Because whatever it is, the present Greek government is not a totalitarian dictatorship, and besides, it does not seem to me that the nature of the government is relevant to the question of external aggression. We can't take the position that it is all right to commit acts of aggression against governments we do not like, and only bad to commit such acts against governments we approve.

There is within Greece a vigorous and critical political opposition. There is a free press. The Communist paper is published daily in Athens, and each morning in my mailbox I received an English translation of the mimeographed bulletin of the EAM bitterly denouncing the present regime. It is not at all a liberty-loving regime in the American sense, but it is paradise next to its neighbors of the north and their much vaunted “new democracy.” Obviously the existence of freedom of expression is no excuse for other governmental delinquencies. But it does signal the possibility of peaceful and democratic change.

On the other hand, the fact remains that this present government has not, on the record, shown any affirmative philosophy or any inclination to do the things necessary to end their nation's travail. On my first day in Greece, I had a talk with General J. G. W. Clark, the intelligent and somewhat sardonic head of the British Economic Mission.

“When visitors on arriving in a new country,” he began by saying, “run into a sandstorm or a hurricane, they are always told how unusual the weather is. But the situation you are running into here in Athens—the monetary crisis, the possible civil service strike, the pending fall of the government—is the normal postwar political climate of Greece.”

So far as I could see, the Greek government had no effective policy except to plead for foreign aid to keep itself in power, loudly citing Greece's wartime sacrifices and its own king-size anti-Communism as reasons for granting the foreign aid in unlimited quantities. It in-

tends, in my judgment, to use foreign aid as a way of perpetuating the privileges of a small banking and commercial clique which constitutes the invisible power in Greece.

The reaction to President Truman's speech of March 12th, calling for aid to Greece, was characteristic. In January and February of 1946, desperation had produced a spate of good intentions and noble resolutions within the Greek government; but the instant effect of the assurance of American aid was not to stimulate the government to further efforts, but to give it the relaxed feeling that it was delivered from the necessity of having to do anything at all. So it declared a national holiday; there was dancing in the streets. And at the same time it shelved a plan for the immediate export of surplus olive oil—a plan which had stepped on the toes of some private traders.

Demetrios Maximos, the present Prime Minister, is a kindly, well-intentioned old man, with, I think, an earnest desire to help his suffering people. He is very small and frail, with a mustache and a goatee, carefully dressed and wearing old-fashioned button shoes. He speaks English with precision and is something of a scholar. But, though a man of good will, Maximos is a prisoner of the errors of his predecessors and of more forceful men in his own cabinet

The Influential Tsaldaris

Pre-eminent among these is the Vice-Premier and Foreign Minister. Constantin Tsaldaris. A Greek politician of long standing, Tsaldaris has avowedly embraced the principles of a generous amnesty policy toward the guerrillas, has constantly urged the fullest participation by the United Nations in Greece's border difficulties, and in general has been a persistent pleader abroad for the Greek cause. Yet his conduct of internal affairs when he was Prime Minister was not such as to advance Greek recovery significantly. His administration was characterized by the abandonment of measures of domestic economic policy which

might have been of some real benefit to the masses of Greek people. But even Tsaldaris advocates another election in Greece when and if the border is stabilized. He professes to recognize that the Greek people are weary of the game of political musical chairs, where the same personalities merely shift their positions when a cabinet crisis develops. There have been seven changes in the Greek government since liberation, but Tsaldaris and his Populist (extreme right) cohorts remain dominant.

An even more controversial figure is General Napoleon Zervas, the Minister of Public Order. During the war Zervas ran a small "resistance" group around whose activities hangs the smell of Nazi collaboration. Today Zervas is foremost among those who want to exploit the present situation, not only to eliminate Communist-inspired aggression from across the borders, but apparently to rub out everyone in Greece who is critical of the present government. He is undoubtedly the figure behind the recent wave of arrests which took in not just Communists, but, according to informed observers in Athens, anti-Communist liberals as well.

I was told in Washington recently by a well-informed Greek friendly to the present regime that these after-dark roundups of Zervas' were not the repressive tactics of a police state, but only legitimate precautions of self-preservation. Of the 1,600 arrested in this last raid, more than 500 were subsequently released, he told me with great pride, because there was no basis for the charges against them.

Then, behind the government, is a small mercantile and banking cabal, headed by Pesmazoglu, governor of the National Bank of Greece and a shrewd and effective operator. This cabal is determined above all to protect its financial prerogatives, at whatever expense to the economic health of the country. Its members wish to retain a tax system rigged fantastically in their favor. They oppose exchange controls, because these might prevent them from sailing away their profits in banks

in Cairo or Argentina. They would never dream of investing these profits in their country's recovery.

The shipping interests are in a particularly scandalous position. Today the Greek merchant marine is enjoying a boom, and the shipowners are raking in the profits. But the bankrupt Greek government is benefiting almost not at all from this prosperity. Seamen's earnings continue to come into Greece, but owners' profits for the most part are locked away elsewhere.

Any enterprise should be expected to pay a fair amount of taxes to the government under whose protection it operates—and particularly in this case, where the Greek shipowners are making most of their profits out of Liberty ships sold to them by the U. S. Maritime Commission after the Greek government had guaranteed the mortgages. The yearly earnings of a Greek-owned Liberty ship will probably run between \$200,000 and \$250,000. Of this, only the ridiculously small amount of \$8,000 goes to the government in taxes. Foreign experts have urged the government to raise the tax requirements to about \$30,000. But the political strength of the shipowners has prevented any effective action.

It will be the job of our mission to get action out of this government. In their efforts, the members of the mission can expect that the book will be thrown at them. They will receive every conceivable excuse and will be held up by every conceivable form of bureaucratic obstructionism and incompetence. General Zervas will cry that the big thing is to fight the Communists by arresting every liberal, and the Communists will help him by spurring on the civil war.

And another, more insidious, form of pressure will be brought against the members of the mission. The social lobby—the smart international set, with its headquarters at Cannes, St. Moritz and the Kolonaki Square of Athens— will begin to operate. Many of them

are charming people, speaking excellent English, who will be genuinely anxious to be of service to the American mission, but who, above all, will seek to convert the mission into another means of safeguarding their own prerogatives.

I still remember one ornate dinner when a leading banker entertained me in his luxurious Athens apartment. There were three liveried butlers, several magnificent wines, astoundingly good food. One guest during dinner became rhapsodical over the beauties of marine life and the high sport of spear-fishing under water with goggles. The contrast between the superb feast in the apartment and the starving children in the streets was simply too pat and cruel.

These are the obstacles which the American mission faces in Greece. Can we succeed in achieving our objectives?

Such a prophecy depends on how we measure success, and will require a great deal of elaboration of what really constitutes our objectives. We cannot evaluate progress in Greece by usual Western standards. There will be no quick or easy solution of the many social or economic maladjustments. My own brief experience in Greece convinces me that the American people will be greatly in the debt of Mr. Griswold and his colleagues if an atmosphere can be created and maintained wherein the Greek people have an opportunity in the near future for free political choices.

This raises the delicate problem of the intervention by one nation in the internal affairs of another. We have to face that question frankly. British officials freely admitted to me that the British Economic Mission served no useful purpose because its functions were merely advisory and it had no sanctions with which to enforce its recommendations. "Our fatal error," said one official, "was to condone incompetence because of political considerations." Yet obviously we cannot treat Greece as if it

were a colonial possession or a conquered country.

My own answer to that question is provisional and pragmatic. I feel that the Greek state, in having requested assistance and supervision, is to that extent setting a limitation on its own sovereignty. If we are to make a heavy investment in Greek recovery, it is common sense to suppose that this implies the means to make the recovery effective. These actualities have been recognized by the Greek government and embodied in the Greek note of June 15th to the United States and the US-Greek aid agreement of June 20th.

The note and the agreement spell out specific objectives of reform and reconstruction. It will be the legitimate business of the American mission to take all the steps necessary to secure compliance with the terms of the contract. To get down to cases, if a Greek minister resists or obstructs measures necessary for Greek recovery, or perverts American aid to antidemocratic purposes, I cannot believe that our mission would stand by impotent.

“The mission should make sure that the Greek people are kept fully informed of American aims and efforts and of the nature of the difficulties encountered,” one of the wisest of living Greeks said to me. “If the practice followed up to now is continued—that of shielding the incompetence and unwillingness to cooperate of Greek ministers behind a veil of secrecy—the mission may lose the initiative in Greece. The mission must establish direct contact with the Greek people from the very beginning and appeal to public opinion for active support. I see no other means of exerting pressure for necessary measures that are bound to be strongly resisted by the present Greek regime.”

The first step, of course, is to bring an end to the present internal warfare and to refute the Soviet propaganda line that the U.S. is financing a civil war in Greece. The best available means of doing this is to have a real amnesty.

The Maximos cabinet was finally prevailed upon to adopt an amnesty program which looked plausible on paper; but, as a member of the Greek cabinet told me, the appointment of General Zervas as Minister of Public Order completely destroyed anyone’s inclination to take the programs seriously. The amnesty must have enough safeguards to bring out of the hills everyone who is not an outright Communist agent.

Then we must follow through on the program of economic reconstruction. The American mission will supervise closely the money spent for this.

Then, over a longer period, will come political democratization. A program of political reconstruction and reform cannot, in its nature, be put into effect overnight. It is dependent on the restoration of economic stability, and so must be a step-by-step process. Once the economic program begins to roll, we can do our best to foster and develop elements of the center and the non-Communist left.

There are democratic resources in Greece which have not yet been fully tapped. Damaskinos, the archbishop of Greece, a man with a massive, disinterested wisdom on political conditions, carries great moral force in all camps.

Sophoulis, the head of the Liberal party, though past the prime of his active political life, also has great moral stature in the country. Varvaressos, the Greek representative in the International Bank, is a man of conspicuous ability; and some of the younger politicians, like Kanellopoulos and the younger Venizelos show promise.

These Elements Inspire Hope

There are forces of real democratic vitality in the country at large. The agricultural cooperative movement seemed to me an unusually robust and promising movement. The student movement has vigor; and, if Clinton Golden, formerly of the C.I.O. and now on

Dwight Griswold's staff, can free the trade-union movement from the grip, on the one hand, of government stooges, and, on the other, of Communists, that may well develop into a bulwark of democracy.

We are facing a situation unprecedented in our history; and we will simply have to develop a new and American means of coping with it. The British formula in such cases was always collaboration with the native ruling classes —buying their support by confirming them in their power to exploit the masses, and relying upon them to hold the people down with gendarmery and whips.

This formula is not only repugnant to American traditions. It is also impractical. No system would deliver the Greek people more speedily into the arms of the Russians. We must work out a formula for starting from the bottom and working up—not starting from the top and working down.

Russia is standing patiently by, hoping to get into Greece by a base on balls. It is confident that Greek incompetence and Greek reaction,

combined with American inexperience and American gullibility, will doom the efforts of the American mission. We will soon be so frustrated by inefficiency, vacillation and simple knavery, Russia hopes, that we will grow disgusted and indifferent and finally walk out. Then guess who will walk in!

I think Americans have enough resourcefulness and perseverance to lick the problem. If we are defeated in Greece, it will be a crushing moral and strategic blow to our new international-role solar plexus. But, if we can leave Greece in a state of economic and political health, we will have brought new hope and new faith to freedom-loving people everywhere in the world.

THE END

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