

Greek Premier Emerges From Predecessor's Shadow

By CELESTINE BOHLEN

ATHENS — For months after he resigned as Prime Minister in January, Andreas Papandreou continued to haunt Greek politics, even from his sickbed. It was not until his death last month that his successor, Costas Simitis, finally stepped from under the shadow of the man he had alternately challenged and revered.

Within days of Mr. Papandreou's state funeral, Mr. Simitis won the last political prize Mr. Papandreou had kept for himself, the leadership of the Panhellenic Socialist Party.

Mr. Simitis, once a dissident leader in Mr. Papandreou's party, captured the party leadership by a slim margin, 54 percent of the votes, at a crucial party congress, defeating Akis Tsochadzopoulos, the Minister of the Interior, who is considered a party stalwart.

That vote, and subsequent high ratings in popular opinion polls, have established the 59-year-old lawyer as a political leader in his own right, with a style and an agenda that set him apart from his predecessor.

The contrast could not be more stark. Mr. Papandreou was a flamboyant populist, who enjoyed playing provocateur in the international arena, while being the high-handed autocrat at home.

Known for the fixed smile on his face, Mr. Simitis has a cool, methodi-

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cal style, a conciliatory approach and a decidedly pro-European outlook, making him a prototype of a Maastricht-era politician.

His style is so subdued as to seem out of place in this Mediterranean setting.

According to an anecdote in a local paper, Mr. Simitis was recently chided for his stand-offish manner by a singer at an Athens restaurant. When he refused her invitation to dance, she reportedly retorted, "And how do you expect to be Prime Minister of Greece if you don't dance?"

Dimitris Reppas, the Greek Government spokesman, said, "Simitis arrived at the right time."

"We needed someone who would say less and do more, a person who is an ordinary Greek, who doesn't descend from on high, and who doesn't hide problems with endless myths."

But if Mr. Simitis is less Olympian in political stature than Mr. Papandreou, the problems he and Greece face are big and getting bigger. Greece, which last year had a public

deficit equal to 9.2 percent of its gross national product, is aiming for 7.4 percent this year, still a far cry from the 3 percent cap that would make Greece eligible to join the unified European currency.

Mr. Simitis and his Socialist Government have their sights firmly set on the European Union targets, even though they will require the kind of fiscal austerity that their left-leaning constituencies dread.

"We have to continue the belt-tightening efforts because it is the only way, but we don't want to see Greek social groups marginalized," said Mr. Reppas, who acknowledged that Greece has virtually no chance of meeting the targets by the first cutoff date in 1997.

With his downbeat style, Mr. Simitis has already created a different political climate in Greece, lowering expectations in a country that had grown used to extravagance in both its public and private spending.

"We have created consumer appetites that are greater than our production capabilities," Mr. Reppas said. "We understand there is a new reality. Globalization creates problems that we cannot avoid: either we are pushed to the margins or we try to remain competitive."

For the moment, Mr. Simitis, whose party now enjoys a healthy majority in Parliament, insists that

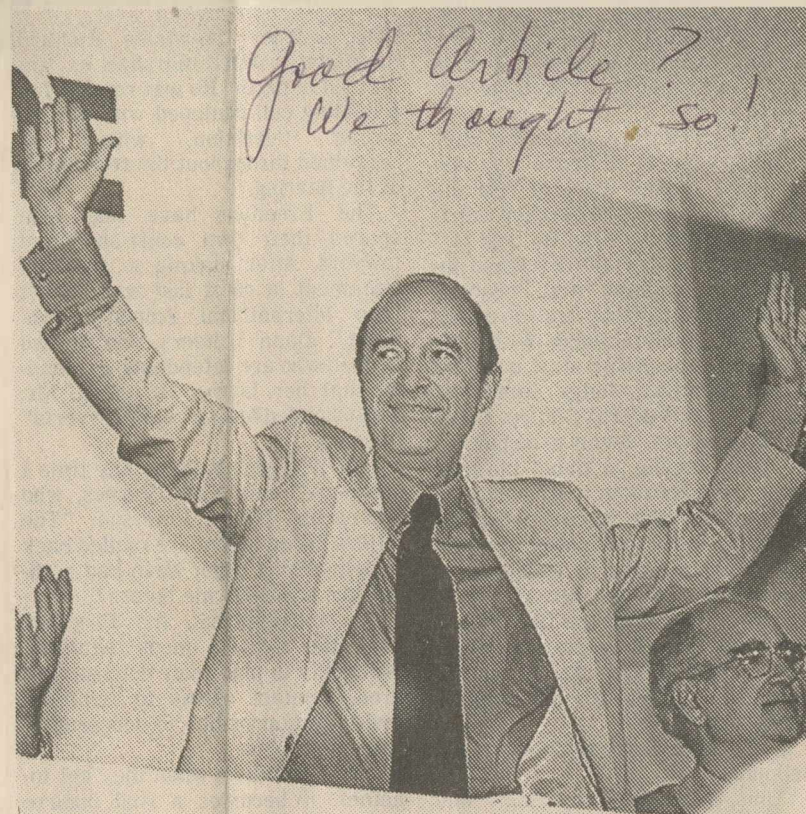
he will not move up the scheduled 1997 elections, resisting the advice of those who tell him to take advantage of his current popularity.

Already, there are signs of economic constrictions, as Greece this summer experiences a drop in tourism, which ranks with shipping as the top national industry, for the second year in a row. Early figures suggest that the number of visitors this year is down by as much as 15 percent, as northern Europeans, caught in an economic slowdown of their own, either stay home, or seek bargains elsewhere, like Turkey.

Mr. Simitis had been in office less than a month when the Greek-Turkish relations, never good, came dangerously close to war in a dispute over two islets in the Aegean Sea.

One side effect of the latest Greek-Turkish dispute has been a public discussion of a huge new military procurement program that would cost Greece \$10 billion over the next five years, a sum described by experts outside the Government as "disastrous" for the economy.

Greece, which for months has been blocking European Union funds designated for Turkey over the Aegean dispute, agreed this month to lift its veto on an economic development program for the entire Mediterranean basin. A separate Greek veto on European Union aid directed exclu-



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Prime Minister Costas Simitis in Athens after he was chosen to lead the governing party, a position his predecessor retained until his death.

sively to Turkey remains in place.

By lifting its veto of the \$4.9 billion Mediterranean program, the Simitis

Government showed it could afford to risk some political capital to resolve its disputes with Turkey.