

Greek Chief Vows Economic Rigor

Simitis's Goal: Climb EU Ladder

Reuters

ATHENS — The triumphant Socialist prime minister, Costas Simitis, vowed Monday to change the face of Greece and bring the European Union's poorest member in line with its partners.

Bolstered by a strong election victory Sunday, Mr. Simitis will name a cabinet in a few days to take on Greece's chronic economic problems by carrying out disciplined, pro-European policies.

He received a mandate Monday from President Costis Stephanopoulos to form a government within three days.

With his hands freed by a new four-year term, Mr. Simitis is expected to ignore in-party politicking and name a fresh and more efficient cabinet bearing his personal stamp.

Mr. Simitis has made it clear that he wants to reinvent Greece's image, changing it from that of an indebted Balkan backwater to a modern European country with a competitive economy.

"My partners and I have the huge responsibility of leading Greece into the 21st century," he said after winning the election Sunday. "Today's victory belongs to all those lively and creative forces who believe in the competitiveness of the Greek economy."

In stark contrast to his predecessor and mentor, Andreas Papandreou, who scored three landslide Socialist election victories on populist, free-spending pledges, Mr. Simitis, who succeeded Mr. Papandreou after his death in June, promised diligent, hard work.

"He is methodical and has a step-by-step approach," a Western diplomat said. "He has done an exceptional job in his first eight months by reknitting tattered relations with the European Union and the United States."

Socialist Party sources said the prime minister would like to retain his economic ministers to signal stability to the financial markets, which welcomed the victory.

National Economy Minister Yannis Papandoniou, who sharply cut chronic double-digit inflation to 8.5 percent in August, was expected to continue to work toward Greece's EU targets.

Next year, he must curb public hiring and cut spending by \$1.2 billion to trim the public debt.

Mr. Simitis also wants to keep Finance Minister Alexandros Papadopoulos, who proved an effective tax collector and must work to trim a big deficit in next year's budget. But the prime minister may not be able to persuade him to remain at the ministry, one of Greece's toughest.

Education Minister George Papandreou, son of the late Socialist leader, is a possible replacement for Foreign Minister Theodoros Pangalos, who is notorious for offending Greece's allies with his frank comments.

With almost all votes counted Monday, the Socialists had 41.5 percent of the vote and 162 deputies in the 300-seat Parliament; the New Democracy conservatives won 38.17 percent of the vote and 108 deputies.

The New Democracy leader, Miltiadis Evert, resigned after his defeat. The succession battle in his party is sure to weaken opposition to Mr. Simitis's policies.