YAK-505

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Combined Monthly Intelligence Review

GREECE

HENLEY

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DATE 2007

For month of JUN 1946

Copy No 17

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Box 284

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HQ Land Forces GREECE

COMBINED MONTHLY INTELLIGENCE REVIEW No.10.

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PART I

GENERAL

June was an uneventful month in all aspects of Greek affairs except that of law and order. No improvement was noted on the bad record of May despite more widespread action by the Gendarmerie, assisted, on a small scale, by the Greek Army. Attacks on Gendarmerie stations continued, and armed band activity showed an increase in THESSALY. The peaceful atmosphere of the PELOPONNESE has been most noticeable and must be attributed, at least in part, to the arrest of the Right-wing bandit chief, MANGANAS, on 22 May. The activity of autonomist bands in Western MACEDONIA has been watched with interest as the degree of liaison between them and KKE became clearer. Interrogation of captured bandits has revealed in greater detail the degree of direction exercised on autonomist bands from MONASTIR and SKOPLJE, and secret pronouncements by the Secretary General of the Greek Communist Party, ZACHARIADES, have shown that KKE is now in agreement with KKM, the Communist Party of MACEDONIA, at least over the policy to be followed in order to create the greatest possible state of disorder in Western MACEDONIA.

Elsewhere in GREECE, with the exception of THESSALY, KKE considers the time not yet ripe for an all-out bandit offensive against the Greek State authorities. That action has been decided on in THESSALY is, however, fully apparent. There is no prospect of any improvement in the general state of law and order during the next few weeks, except in so far as military measures initiated by the Government, and the application of the special security measures passed in the Assembly on 18 June, prove successful.

The return of the DODECANESE to GREECE was naturally an occasion for rejoicing, although at the same time it gave rise to renewed talk on the subject of CYPRUS. On 30 June a delegation to put forward GREECE's national claims left for LONDON and PARIS, headed by TSALDARIS himself.

There is little to report on economic matters. Labour dissatisfaction, despite Communist attempts to stir it up by calling a political general strike on 18 June, a strike which failed, has not been unduly apparent. The likeliest effect of the strike in question will be to strengthen MAKRIS' nationalist labour group. Meanwhile KKE has begun endeavours to engineer a strike of Civil Servants in protest against the Government's intention to reduce the strength of that body.

The Plebiscite has, naturally, been a topic of interest throughout the month. Attention has been focussed on the formula to be adopted at the polls. The Government has strongly maintained that the vote should be for or against the return of King George II while the opposition desires the alternatives to be Monarchy or Republic.

June was notable for the quantity of reports received from all four of GREECE's immediate neighbours on the activity of Soviet troops in the Southern BALKANS. It was reported, and indeed confirmed, that much movement had been taking place in BULGARIA and the net result has been a further reduction in Soviet armed strength. What was in fact a phase in the withdrawal of Russian troops from that country was completed by 21 June, and it is unlikely that more than 100,000 men now remain there. The principal concentration areas are now SOFIA and PLOVDIV. Reports of movement in Southern JUGOSLAVIA and in ALBANIA were, however, greatly exaggerated. The arrival of small numbers of men to assist in, it is believed, the

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delivery of Russian war material to the Jugoslav and Albanian armies, and of specialist personnel to assist in the re-organisation of the Albanian, and the training of the 5th Jugoslav Army, gave rise to the impression that the Russians were entering both countries in strength. It does seem that Russian AFVs have been delivered to the Jugoslav 5 Army, and it may be that 2 Armd Division which lost its tank brigade to VENEZIA GIULIA in February is forming another to replace it. 5 Army as a whole has been undergoing a period of active training. The re-organisation of the Albanian Army has resulted in a reduction of the number of divisions to, it is believed, three, plus an internal security division (DMP). Summing up the operational position it can be said that while there are no signs of aggressive intentions anywhere along GREECE's frontiers, it is on the other hand clear both from military and political indications that ALBANIA will not cede Northern EPIRUS to GREECE without much opposition, and that she will not be unsupported in her struggle.

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PART II

OPERATIONAL INTELLIGENCE.

(a) ALBANIA

There has been little fresh news from ALBANIA during the month. What little information has been received appears to strengthen if anything the theory put foreward in CMIRG No.9 concerning the new lay out and organisation of the Albanian army. Recent information though still vague indicates that three divisions, not four, will be the future establishment of the army. A further identification that 2 Division is in the KORCE area has been obtained from a deserter who stated among other things that 1 Regiment was part of the division and was also in the KORCE area. The identification of 1 Regiment tends to confirm information obtained from a deserter in May that all brigades were being disbanded and being replaced by freshly constituted regiments. The deserter gave the following organisation for an average infantry company; two rifle platoons, one MG platoon and one sub-MG platoon. Training within the division is being carried out on Russian lines.

ALBANIA did not escape mention in the recent spate of rumours concerning Russian troop movements in the Balkans. Several sources have reported the presence of Russian troops in varying numbers in the KORCE and ARGYROKASTRON areas. There has, almost undoubtedly it is thought, been an increase in the speed with which Russian war material is being supplied to the Albanian army and it would appear that the Russians are taking a more active interest in the creation of a small but efficient field army. Consequently, it is felt that the Russian troops in the KORCE area are connected either with the training of Albanian formations in that area or the delivery and maintainance of Russian equipment arriving via JUGOSLAVIA. More than one source has reported the presence of Soviet troops in KORCE but making the usual allowances for exaggeration it is not thought that the numbers involved at the moment exceed 150 all ranks. No reliable confirmation has been received concerning the presence or strength of any Soviet forces in the ARGYROKASTRON area.

(b) JUGOSLAVIA

News from JUGOSLAVIA has been more confirmatory than original in character. A recent tour of the 5 Army area by a reliable British source revealed that the order of battle and locations as previously accepted are still substantially correct. 41 Division which was held at KOUMANOVO is now reported to be in the VELES area, there is not, however, any information as to whether its brigade locations have changed also. A report has been received that 22 Division was still located in the PRISTINA area in mid-May. This information, however, does little to clear up the obscurity which surrounds this formation at present since it is at variance with all other information that has been received in the last two months. Since nearly all recent reports concerning 22 Division have conflicted in a lesser or greater degree it is quite possible that the division is still in the PRISTINA area and not in the SKOPLJE area nor in the process of disbandment as other reports have indicated. 2 KNOJ Brigade which was formerly located at

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STIP has been firmly identified at KICEVO. In view of this move it would appear unlikely that 3 KNOJ Brigade is still at OCHRID since this would mean that two brigades would be covering virtually the same area. With no additional information to go on, however, it is not possible at present to speculate on an alternative location for 3 KNOJ Brigade.

It seems that formations of 5 Army are indulging in intensive training and it is reported that, in general, the troops are better disciplined and are of a higher grade than those in other areas with the exception presumably of those in Zone 'B' (VENEZIA GIULIA). Efforts are also being made to speed up the re-equipping of these formations on a standardised basis. In this connection, small quantities of Russian heavy equipment, lorries and ammunition have arrived recently in the SKOPLJE and MONASTIR areas. Some of this material is believed to have been destined for ALBANIA but how much is not known.

The HQ of 2 Tank Division has recently been confirmed at SKOPLJE with brigades reported at TETOVO, DEVDELIJA and SKOPLJE. Since 2 Tank Brigade left the division in Feb 46, it was believed that only 11 Motorised and the divisional artillery brigades remained under 5 Army. The report of a third brigade and the arrival of some T34 tanks amongst the material mentioned above may indicate that a new tank brigade is being formed.

During late May and early June Jugoslav MACEDONIA played a star part in what can only be described as a Russian flap. The arrival of a small body of Russian troops in the MONASTIR area was reported in CMIRG No.9. This report was followed by others which stated that Russian heavy equipment had arrived in MONASTIR and SKOPLJE from BULGARIA via STRUMICA in the SOUTH and NIS in the NORTH. It was also stated that preparations were being made to billet large numbers of Russian troops in the MONASTIR area. With the withdrawal of large numbers of Russian troops from BULGARIA continuing throughout May and June and the fact that the final destination of these troops, though believed to be RUSSIA, was by no means certain, it appeared to be feasible at any rate that some of these troops might have found their way into JUGOSLAVIA. There is at the moment, however, no reliable information that this has in fact happened. As has already been stated, intensive training of Jugoslav units in MACEDONIA is being carried out, considerable activity has also been noted in the way of improvement of all types of communications especially in the Albanian and Greek frontier areas and some quantities of RUSSIAN equipment have been arriving in Southern JUGOSLAVIA. It is thought that the presence of Russian troops in MACEDONIA is far more likely to be connected with these activities than others of a wider operational significance. In any event, there are, at present, no grounds for believing that any regular Soviet formations have arrived in JUGOSLAVIA.

(c) BULGARIA

A questionnaire was recently submitted to the Soviet element of the ACC by the British authorities requesting details concerning the strength, organisation and locations of the Bulgarian army. According to the Soviet reply the total strength of the armed forces was, on 1 May, 98,900 all ranks. The breakdown of this figure was given as follows:

Fighting units	- 73,937
Non-fighting units	- 17,336
Frontier units	- 7,635
	98,908

The breakdown for fighting units was given as follows:

8 Inf divs	- 40,000
1 Cav div	- 3,000
2 Armd Bdes	- 4,000
Army units	- 10,000
General service army units	- 4,000
Airforce	- 10,000
Navy	- 3,000

The term non-fighting unit is presumed to consist largely if not wholly of labour corps units. If this is true, it would appear that the figure given is an understatement. Other estimates place the figure for these units in the region of 25,000. The term general service army units is not clear and clarification has been requested from the Soviet authorities. The Soviet reply on the question of locations was unsatisfactory as no actual locations of any formations or units were given. This, it is thought, was due to the Soviet attitude that the ACC's brief is to supervise the reduction of the army to a peace time footing only and not to answer questions which usually fall within the competence of a military attaché. On the question of the strength and organisation of the National Militia the Soviet reply was not only unsatisfactory but definitely wrong. It was stated that the Militia amounted to approximately 13,000 men whose armament was so old and so various that it was hardly worthy of consideration. On the other hand good sources have estimated that the uniformed section of the Militia alone amounts to over 30,000. It would, therefore, appear that the Soviet authorities are trying to conceal as far as possible the real strength of this communist controlled force on which the Bulgarian communist party and more indirectly the Russians depend to maintain their control over the country.

Russian forces in BULGARIA

The reduction of the Soviet garrison which was mentioned in CMIRG No.9 has been continued during the period under review. It is now thought that the total forces involved do not amount to more than 100,000 and probably less. The main trend of movement appears to be towards VARNA from where, presumably, the troops are forwarded to RUSSIA. It is not possible to state at this juncture which formations have left BULGARIA but both armoured and infantry units have been involved. The reduction in numbers of the Soviet garrison has necessarily had the effect of thinning out the troops on the ground in several places. YAMBOL which previously held large numbers of Russian troops was reported to be empty on 7 June and very few troops were seen at STARA ZAGORA. Another source states that barracks have been derequisitioned in the towns of LOVECH, KOSTENETZ, RADOMIR, PAZARDZHICK, PESHTERA and possibly in part of PLOVDIV. Simultaneously with this withdrawal of troops, reports indicate that some regrouping of the remaining forces is also taking place. It is, however, too early to make even a tentative appreciation as to the future lay-out of the remaining Soviet garrison. Reports that some of the troops leaving BULGARIA were destined for JUGOSLAVIA have not been borne out

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by information received from that country.(see para c above). It is not, however, improbable that some if not all of the Russian equipment that has recently arrived in Jugoslav MACEDONIA originated from Russian units in BULGARIA.

PART III

MILITARY SECURITY AND COUNTER-INTELLIGENCE

(a) General

(i) In spite of constant FS checks of military installations in the ATHENS area, security of material received a severe shock during the month under review when the ammunition depot was raided by thieves. Two major thefts in quick succession resulted in the loss of 360 unprimed and condemned mines and 160 grenades, whilst three minor thefts accounted for the loss of other ammunition. The case is under investigation by SIB to discover to what extent the British guards were involved, three members of the unit providing guards for this depot having been caught in the act of selling igniters to civilians.

These thefts may constitute the first major instance of the implementation of KKE policy to obtain all available arms and munitions from British sources. No thieves having yet been caught it is, however, impossible to elaborate on this theory. All units have already been warned to take stricter precautions in order to combat this KKE policy.

After a lapse of three months, fire arms were again used by thieves at 140 ORD RVP when a guard, attempting to apprehend a civilian was shot in the hand on 1 July. Revision of procedure for guards is now under consideration, and CMP guard dogs have arrived in GREECE.

Thefts this month have not only been confined to installations as four successful attempts have been made on officers messes in ATHENS.

(ii) No direct attacks have been made on British troops, despite the KKE threat to this effect if alleged misconduct on the part of troops did not stop. KKE inspired anti-British propaganda is still working at full pressure on the same lines as reported previously and exaggerations in the SALONIKA Left-wing press have not abated. A pamphlet was handed to one of the guards of 53 BSD during the month, signed "GREEK DEMOCRATS" which though milder in tone harps on the same theme as others, to wit the speedy withdrawal of British Troops from GREECE. This time, the author quoted the three British Labour MP's who were in GREECE two months ago, and pointed out that the British Government desired the withdrawal of British troops, whereas the British army continued its Fascist Activities.

In general, however, relationships between British troops and civilians have not altered, and the recent decisions re the DODECANESE will in all probability promote even better friendship.

(b) German Intelligence Services

(i) Arthur SEITZ

As a result of a change in treatment meted out to him

by the interrogating staff of the Deuxieme Bureau of the Greek General Staff, Arthur SEITZ has become more communicative. The reason for his change of mind he states is due to the knowledge that senior officers of German Intelligence have imparted to the Allied Military Authorities all they knew of their organisations. In view of this fact SEITZ no longer feels himself bound by the oath to secrecy taken by him prior to his employment by the Abwehr. In spite of his willingness to talk he still insists that the real reason for his arrival in GREECE was mainly to escape the hardships of life in GERMANY and to return to a country which held for him pleasant memories of the past. He denies most vigorously the suggestion that he arrived in GREECE with the intention of starting up a pro-German and anti-Allied subversive movement. This may perhaps be borne out by the fact that he is a staunch Catholic who has never been an ardent Nazi sympathiser. His own story will be thoroughly checked up before a final verdict is passed. He does, however, throw some very interesting light on certain persons who are of Counter-Intelligence interest. The Greek General Staff intend to make full use of him on the checking up of persons whose cases are still considered vague by them.

(e) Collaborators

(i) Collaborators' "Union"

The Greek Public view with disgust the release of certain well known collaborators who are being released from terms of imprisonment to which they have recently been sentenced. Such release is obtained through the "Council of Grace", and the general impression is that these people are simply buying their way out of gaol.

The latest report, of unknown reliability, is that these collaborators have formed themselves into a 'union' for propaganda purposes: they wish to persuade public opinion that they have been unjustly treated. The monthly contribution to this 'union' is Drs 50,000: and it is understood that Drs 1,000,000 were paid to the newspaper "Ellinikon Mellon" for the inclusion of an article on 16 May 46. An amount of the same order is said to have been paid to "Estia" for the printing of a short 'open letter'. If publication along these lines continues, it will presumably indicate that the Collaborators' 'Union' is large and wealthy. There can be no doubt that this sort of thing has a really damaging effect on public morale.

(ii) HADJINICOLAOU, Apostolos @ HEERING stay-behind espionage organisation

The under-mentioned seven agents who were recruited by the German KIRSTEN @ ALT and the Albanian Peter GOGOS to act as stay-behind agents for NBO Dienststelle were tried during the month of June by the 1st Greek Permanent Court-Martial in ATHENS, on a charge of espionage. The Court passed the following sentences on the accused:

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HADJINICOLAOU, A @ HEERING	- Life imprisonment.
SAKALIINS, E @ KALBJAU, W/T Operator	- Life imprisonment.
APOSTOLIDES, A	- 20 years imprisonment.
PAPALIAKOS, D @ OCTAPUS, W/T Operator	- 10 years imprisonment.
IMDRAIMOGLOU, M @ STOI	- 10 years imprisonment.
KOUMARIANOS, G and KARAVITIS, I @ KREPPS	- acquited.

(iii) DAMIANOFF, Christos Alexief @ Theodore NICOLAOU
@ Panayiotis SKOULIS
@ Christos NICOLAOU
@ Christos ALEXIOU.

The trial of the above-named enemy agent was opened on the 15th June 46. DAMIANOFF is being tried by the 1st Greek Permanent Court-Martial in ATHENS, on a charge of having worked from 1941-44 in CHIOS, ALEXANDROUPOLIS, and ATHENS against the security of the Greek State. The Court was adjourned on the same day owing to the absence of the chief witnesses for the Prosecution.

(iv) Ioannis AIVADOGLOU @ BASIL @ Jean POTIE.

Further to CMIRG for the month of May 46.

It has been learned that the above-named who, on the 15 May 46 was sentenced to death by the 1st Permanent Court-Martial in ATHENS, has lodged an appeal and a new trial has been fixed for the 16 July 46.

(v) KOUTSO - VLACH Organisation

On 22 to 27 Feb 46 thirty six RUMANO-VLACHS were tried at VERROIA by the Collaborators Court on charges of collaboration with the enemy.

One of the accused, HADJIGOGOS, Dimosthenis, was known to British Intelligence as the leader of the KOUTSO-VLACH organisation in VERROIA.

Five of the accused were tried by the Court in absentia. Seven received sentences and the remainder were acquitted.

The above-mentioned HADJIGOGOS was sentenced to 6 years imprisonment.

(d) War Criminals

(i) Trial of KALTSEFF and RAVALI

Further to CMIRG for the month of May 46.

On the 11 June 46 both the above-named were sentenced by the War Criminals Court to life imprisonment. Greek public opinion maintains that both KALTSEFF and RAVALI were most fortunate in avoiding the death penalty. In the case of RAVALI it was thanks to the timely intervention of the present Italian Government which supplied the Court with documents proving that the responsibility of the RAVALI's alleged crimes rested with the Fascist Government. Following these

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verdicts it has been learned that a Deputy from MACEDONIA requested in Parliament that the verdict of the above-named be revised to a death sentence.

(ii) Walter DETER

Further to CMIRG for the months of Sept and Oct 45.

Above-named has now been arrested by the Greek Authorities and is to be tried as a War Criminal, on the charge of being responsible for the execution by Germans of eight workers of the "Kalikopoion" - the "POUDRERIE ET CARTOUCHERIE HELLENIQUE", operated by BODOSAKIS - DETER is at present being interrogated by the Greek Authorities in connection with the above accusations.

(e) KKE Intelligence Activities

(i) From various sources of information received by HQ BPM WEST MACEDONIA it is apparent that the KKE Party in this Gendarmerie Comand is endeavouring to obtain the following particulars:

1. Strength of Government Forces in the area.
2. Names of COs and their Political views.
3. Number and types of arms in possession of Government Forces.
4. Number of officers and men from the "Security Battalions" now serving in Government Forces.
5. Number of persons for whom warrants of arrest are held by the Gendarmerie.
6. Number of VEN-ites and Boy Scouts in each village.

The information when received is forwarded to MONASTIR.

(ii) A KOSSA agent at ELEUSIS appears to be passing regularly information on the activities of both the British and Greek Armies to the Secretary of the ELEUSIS Achtis for transmission to AGIT-PROP.

The following is the type of information which he transmits:

1. Greek and British Army units: nochange.
2. The American W/T set which was at the airfield has left for Nea Smyrni.
3. The units expected at the Thriasian airfield (Eleusis) have not yet arrived, except for the 13th Squadron.
4. A movement of British troops towards the PELOPONNESE is reported.

(iii) KOTSARIS, Vassilios

Above-named was arrested at ALIVERI E6791 on 5 June 46 and sentenced to four months' imprisonment for unlawfully collecting funds for KKE. He has also been sentenced by the Security Committee to 1 years exile to ANAFI for collecting information about the Police in EUBOIA.

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According to the Greek Police, KOTSARIS was travelling about EUBOIA collecting the following information: strength of police at each station; regularity and times of patrols etc; what arms and ammunition they have.

KOTSARIS will be sent into banishment on the termination of his prison sentence.

(f) NOF Espionage activities in GREECE

On 2nd June 46, near the village of MESSONIGION-FLORINA, a clash took place between men of the FLORINA Gendarmerie and an Autonomist band. This led to the 4 men of the band being killed and the leader, a woman Sofia ZIGOMANI, being wounded and captured. The Gendarmerie had no casualties. Subsequent search of the dead revealed a number of documents which showed that the band had entered GREECE on an espionage mission. The documents are not fully translated as yet, but one gives very detailed instructions concerning the information required, i.e. Full military details of strength, arms, food, equipment and morale of British, Greek and American Forces in GREECE. There appears to be little doubt that this band was trained and organised by NOF, and that the Yugoslav authorities were directly interested in the activities of the band. This latter conclusion is drawn from the contents of the documents which clearly show that arms would be supplied by the Yugoslav Frontier Forces and that the State Authorities had been requested to assist the band in every way possible.

The case is being investigated by the Gendarmerie in FLORINA and SALONIKA.

(g) Albanian Espionage Net

Reference CMIRG No.7 part III para (iv), further information on this case has now been received.

Latest information gives nine names of persons implicated in this net:

1. Minos PANAGIOTOU son of Constantinos.
2. Constantinos DHIETRIADOU.
3. Timoleon VLACHIOTIS.
4. Thomas ELEFTHERIOU.
5. Georgios RAPTIS.
6. Nicolaos LYOUSIA.
7. Vassilios MENTI.
8. Leonidas RAPTIS.
9. Vassilios STAVRIDIS.

With the exception of PANAGIOTOU, who has been arrested by Greek Authorities, all the above are thought to have escaped into Albania.

The Michael MATSAS mentioned in CMIRG No.7 has escaped from IOANNINA prison. The IOANNINA Authorities have arrested two men, Christos FETAS and Christos GONIS, for assisting in the MATSAS escape. A third, Evangelos RAMMAS, is still being sought.

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(h) Yugoslav and Bulgarian Espionage Activities in GREECE

The following report on espionage and suspected espionage activities in Northern GREECE has been received from Aliens General Centre, MACEDONIA and THRACE. It is an extract from their Intelligence Bulletin for Mar 46.

(i) ELLINIADIS, Ioannis and TSILOGLOU, Stavros

Were arrested by Gendarmerie MOURIES (QJ8012) and sent to HMC CM on charges of espionage. Preliminary investigations have established that the above-named went to MOURIES with the intention of crossing into YUGOSLAVIA with Military, political and economic information of GREECE, and that they were under orders from the Yugoslav authorities. They destroyed their information reports prior to arrest.

(ii) PAPADOPOULOS, Michael

Was arrested by Gendarmerie MOURIES and sent to HMC CM with a file of charges. His interrogation revealed that:

1. He served with ELAS during the occupation. After VARKIZA he escaped to BULGARIA and thence to YUGOSLAVIA.

2. Subsequently he entered GREECE armed and was engaged in collecting information on Greek military, political and economic conditions. He used to cross back into YUGOSLAVIA and deliver in person this information to the Yugoslav authorities.

(iii) TSIKOUTAS, Athanassios (son of Thysseos).
MAKROPOULOS, Konstantinos (son of Nikolaos).
AVRAMIDES, Hristos (son of Demitrios).
TSILIS, Theodoros (son of Athanassios).

Were arrested by Gendarmerie at KATO KLINAI (QN6076) on 7 Feb and sent to HMC CM at KOZANI.

The above-named were intending to cross into YUGOSLAVIA with espionage reports on GREECE.

(iv) IOANNIDES, Evangelos. MIHAILIDES, Vasilios

Were arrested by 116 Bn National Guard and handed over to FLORINA Security Section.

The result of the investigation was that the former was the village postman at PYXOS, who together with the latter, had been opening letters sent through the post by the National Guard platoon of that locality and were passing on to the Yugoslav Authorities all the information thus obtained.

(v) TRIANDAFYLLIDIS, Triandafyllos @ DIKOS @ DIMADIS

Served with ELAS during the occupation and escaped to BULGARIA after VARKIZA. In Dec 46 he returned to ORMENION with the obvious intention of carrying out espionage for BULGARIA. He disappeared towards the end of Feb 46 and is believed to have crossed back to BULGARIA carrying Intelligence reports.

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(vi) ARNAOUTOF, Adim Hadji Mehmet

Was arrested near the frontier on suspicions of carrying out espionage.

HMC TEM at XANTHI and Aliens Centre KOMOTINI are carrying out a joint investigation.

(vii) VAMPIROF

Is suspected of having entered GREECE to carry out espionage. The PORROIA Gendarmerie are investigating this mans activities.

(viii) KIOUTSOUKOS, Petros

On the night 5/6 Feb 46 the above-named resident of VALTERON (QK2401) together with his wife and two children, left secretly for BULGARIA where his eldest son is at present residing. The latter was serving in the Bulgarian Army and returned with it back to that country.

(ix) SAMARAS, Theodoros. KARINIS, Theodoros

Returned from BULGARIA on 26 Feb 46 stating that they escaped to that country at the end of July 45 through fear of persecution by the National Guard.

Both are considered suspects and have been placed under the surveillance of the MANDRAKI Gendarmerie.

(i) Port Security - PIRAEUS

A check by FS revealed that the new Guard supplied by the 11th Field Regiment RA were completely ignorant of their duties. Although not acquainted with FS the latter were allowed free access to and exit from the Military Dock Area without being checked. The Adjutant 11th Field Regiment RA was contacted and requested to issue Guard Orders and to arrange for the JSO to give a security lecture to the Guard. There is now a decided improvement in the efficiency of the Guard.

From another snap check, FS learned that many Military personnel employed in the Dock area were either in possession of invalid Dock Passes or had no adequate pass. Units concerned were contacted and requested to comply with Port Security Regulations, to submit nominal rolls of personnel without passes and to return all invalid passes for renewal. The Lock Guard has been instructed to refuse entry to all persons not in possession of a correct and current Pass.

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PART IV

CIVIL SECURITY

(a) General

There was no material change in the state of law and order during June, and, unless the present unsatisfactory state of affairs is remedied, the Government is likely to meet with increasing embarrassment at home and abroad. To a certain extent the disorders are seasonal and of purely local importance, but at the same time the large-scale plans of the Communist parties of GREECE and Jugoslav MACEDONIA are being developed along the lines suggested in the preceding numbers of this Review. These activities are clearly co-ordinated and organised in some detail, though operational control of individual bands does not yet appear to be much more than a loose direction of policy. The same general areas as in the past are affected by this Left-wing banditry, namely, the mountain ridges running SOUTH from the Jugoslav frontier, but there has also been a noticeable extension into all the mountain areas surrounding the plain of THESSALY. The Gendarmerie have received some assistance from the Army in attempts to clear up the mountains, but the sweeping operations have thus far not been very successful. Most Gendarmerie posts are inadequately manned and for this reason there is a serious danger of a lowering of morale, especially in isolated posts which continue to be targets for planned attacks by bandits. On the other hand it appears that the Gendarmerie are acquiring greater confidence in the local administrative and judicial officials, owing to the swing of the political pendulum to the Right and so feel able to resort to more extreme remedies. This is noticeable in the application of the Deportation Law which is a harsh measure very much open to abuse in the hands of local authorities. Moreover the Government's new Security Laws passed on 17 June ordering the death sentence for banditry and other forms of "anti-national" activity, and heavy penalties for assisting bandits, are aimed specifically against the Greek Communist and Autonomist movements in MACEDONIA. When these laws are fully put into effect there will be the danger of a "police state" in embryo emerging, though, given adequate forces, the authorities may achieve some success in suppressing banditry. The imponderable element in the situation is the degree of assistance which the bandits can count on from JUGOSLAVIA. Consequently a radical improvement in public security in MACEDONIA is only likely to come with an improvement in international relations. Further requests have been made by some provincial authorities for permission to arm local Nationalists, but the Government has not yet committed itself on this point though there is evidence that considerable numbers of Nationalists are in fact in possession of arms. Meanwhile the incidence of murders and other individual acts of lawlessness remains high throughout the country: where a political motive is traceable the responsibility can be allotted at rather more than two, on the Left, against one on the Right. The remedy for this state of affairs can only lie in a more impartial exercise of justice and much more effective local administration by the Government. Civilian morale in the outlying districts is low and the economic prosperity of the country cannot but be adversely affected.

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(b) Armed Bands

The PELOPONNESE has been noticeably quieter during the past month: the arrest of MANGANAS in May and later of other Right-wing bandits has had a subduing effect on Right-wing terrorism in general. The Left-wing band in MESSINIA under STAVROPOULOS has also suffered losses in clashes with the Gendarmerie, though some small Left-wing bands are still operating in the SPARTA VJ15 and YITHION VJ21 areas, from bases in Mount TAIYETOS. Vendetta is endemic in the Southern provinces and small-scale banditry will probably continue in the more isolated districts without, however, constituting a serious threat to public security as a whole.

In Central GREECE there has been a general increase in banditry by both sides in all the mountains surrounding the plain of THESSALY, with rather more limited activity on Mount PARNASSUS QY42. The Left-wing bands have continued attacks on Gendarmerie posts: minor attacks were made on three village detachments in the LARISSA QT33 area and one near KALABAKA QS74, while in a serious clash WEST of LAMIA QY35 on 27 June, casualties amounted to nine Gendarmes and three bandits killed. The well-known Right-wing bandits KALAMBALIKIS, SOURLAS and VOURLAKIS are active in the PELION QT80, FARSALA QY39 and DHOMOKOS QY28 areas respectively: they engage mainly in terrorisation of Left-wing villagers though SOURLAS also had a small battle with a rival Left-wing band. In Northern EUBOEIA the Left-wing bandit PAPAS was killed in an abortive attack on a Gendarmerie patrol.

Mount OLYMPUS and its foothills stretching WEST to KAMVOUNIA QS98, SOUTH of the ALIAKMON, was the most troubled area in GREECE during June. A reliable source estimates that about 15 groups of Left-wing bandits totalling possibly 200-250 men are based on OLYMPUS itself whence they descend on the surrounding villages. The worst incident took place on 24 June when a large band attacked the village of POROI QT5372: they killed four members of the Right-wing, took 13 as hostages, set fire to 19 houses, and retired laden with loot and livestock. But not without a battle, for though no Gendarmes were stationed in the village, it is reported that 5 bandits were killed and three wounded. A Gendarmerie patrol was sent in pursuit and procured the release of the hostages at the cost of one Gendarme wounded. This incident was on a larger scale than any previously reported and apparently had a wider purpose than the earlier limited attacks on the authorities. It is also an instance of Right-wing civilians being armed, no doubt with the approval of the Gendarmerie, for self-protection. Several attacks were also made on Gendarmerie posts and patrols in the same area and a minor battle took place near DHESKATI QS87 in KAMVOUNIA on 11 June. Sweeping operations have been carried out on Mount PIERIA Q020 but with little success. There is no doubt that the disturbances in this area are linked politically with those further NORTH in Western MACEDONIA and there is probably a loose operational liaison also.

In MACEDONIA the temporary lull in banditry on VERMION Q004 was broken on 19 June when a Left-wing band, believed to be under the well-known BAROUTAS, murdered six Nationalists in an isolated village. Several incidents were also reported from the mountains round ARDHEA Q018, the villages between KILKIS Q088 and LAKE DOIRAN QJ70, and the area of NIGRITA QP36.

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The appearance of two small Left-wing bands in the province of EVROS, near SOUFLION RM79, is the first disturbance reported for several months in the normally tranquil Governorates-General of Eastern MACEDONIA and THRACE. In Western MACEDONIA Mount VITSI QN55 continues to form one of the main bases for Autonomist bands, and in the mountain range extending SOUTH to SINIATSIKON QN62 and VOURINOS QN70 the Communist bandit YPSILANTIS is active with about 25 - 30 men and considerable local support in the hill villages. In the foothills of the PINDUS, North-West of GREVENA QS58, banditry is seasonal as the shepherds return to the high pastures, but there is evidence that several small groups of armed men have come over from ALBANIA, near Mount GRAMMOS QN02, to exploit the summer season. Their extent of operations is limited and it is as yet impossible to judge whether they are sent over by an external agency, perhaps in KORITSA QN05, in the same way as the bands on VITSI are controlled from MONASTIR QN59. The KOUTSOVLACH minority around SAMARINA QS29 is reported to be unusually quiet through fear of possible oppressive action by the Right-wing Government. In EPIRUS there has been some bandit activity NORTH of IOANNINA QS05, especially in the frontier region where again small bands appear to have entered GREECE from ALBANIA. In general the internal security situation in Northern GREECE is not beyond the power of the authorities to control if prompt and energetic measures are taken though these would necessitate the use of considerable military forces. But the sine qua non is the prevention of liaison and reinforcement from across the frontiers, which in the mountain areas is virtually impossible. The problem is in fact largely international.

(c) Autonomist Activities.

The activities of NOF/KKM continue on the general lines already noted, namely intensive propaganda among the Slav-speaking villages in Greek MACEDONIA and armed action in the hills directed primarily against the Greek authorities. Further proof is to hand from documents and interrogations of the movement of reinforcements and "enlighteners" into GREECE from JUGOSLAVIA towards the main bases of the KKM bands on VITSI QN55 and KAIMAKCHALAN QN98. One apparently well-informed prisoner stated emphatically that the men sent over from JUGOSLAVIA come unarmed and collect their arms from local resources. That the bandits have considerable stores of arms hidden away is not in doubt, and has recently been amply corroborated by the discovery of large dumps near VEVI QN76 and PTOLEMAIS QN83, but reports are also received from time to time of the import of arms from the NORTH and this channel of supply could presumably be put into operation in an emergency. GOTSI, the Military Commander at the head-quarters of NOF/KKM in MONASTIR, was reported to have entered GREECE by way of KAIMAKCHALAN in the last days of May and to have held a conference in the mountains urging an intensification of recruitment for the movement. The connection of KKE with KKM is still troubling the leaders of KKE in view of its adverse propaganda value among the great majority of Greeks. The latest indication was a speech by ZACHARIADES in which he alleged that the Autonomist movement in Western MACEDONIA was deliberately fostered by British agents in order to perpetuate unrest in the Balkans. Meanwhile all the circumstantial evidence points to continued co-operation between KKE and KKM on the ground, with the very aim alleged by KKE to be that of the British as their own immediate objective.

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(d) Left-wing Activities

(i) KKE Reorganisation

The Political Bureau of KKE has found it necessary to reorganise the party in so far as it affects country districts. The Party is to operate under AKE (Agrarian Party of GREECE) cover. For this purpose KOBs in all villages have been dissolved and AKE is absorbing all KOB and Achtidas officials.

In ATHENS and town districts emergency plans have been set in operation and, following the party purge initiated in April, which should have been completed by 30 June 46, the most stringent security measures have been introduced. An all out effort to procure arms, military equipment and clothing has been launched under cover of the welfare organisation EA (see below). At the same time, the Political Bureau is encouraging such members as are known to be wanted by the authorities, to leave ATHENS and settle in the provinces, all expenses of move and maintainance being offered through EA. The latest party security measures include. (27.5.46).

a. Maintainance of the general stand to.
b. Changing of Residence.
c. The establishing of new times and places of rendezvous.
d. The setting up of special contacts between the city committees and the ACHTIDAS.
e. The acquisition by each achtis of a printing machine.
f. The arming of all OA members (see OA below).
g. The employment of "SALTADORI" (specialists in jumping lorries etc, who were so successful against the Germans).
h. Completion of plan for escape to the provinces of all members of the party with exception of stay behind groups.
i. Activities of all members of KOB and OA leaders to be closely watched by OPK (see below).

An added reason for this close supervision is, of course, the recent split between ZACHARIADES and the PETZOPOULOS group which has already occasioned a serious number of defections.

(ii) MLAs and OAs

According to reliable reports there has been little, if any increase in the strength of OAs since last month. Progress has, however, been made in the organisation of MLAs, particularly in THESSALY and the NORTH. Some estimates of the strength of these expanding groups was given last month. Despite the active roles allotted to OAs and MLAs in the 24 hour general strike organised on the 18th, comparative order was maintained and public utilities continued to function, in some cases on a reduced scale. One minor incident occurred when police fired several rounds to disperse a crowd of strikers who had gathered to hand in a protest to the Government.

(iii) OPK (Security Groups).

It is now reliably reported that every Achtis in KOA has an OPK group attached and every KOB a security officer. (reference last months Summary). Saturation by this new form of POLITOFILAKI now appears to have been achieved.

(iv) ELAS

The development of ELAS groups side by side with OAs and MLAs in the ATTIKA BOEOTIA area was reported early in the month.

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(viii) KKE Finances

Figures of KKE Finance position for May 46, as reported at a meeting of the Central Financial Committee of KKE on 16 June 46, reveal a total revenue from all disclosed sources of 184,737,000 Drs, representing a decrease on the previous month of some 12½ million Drs. This was attributed to a falling off in special contributions and gifts and a decrease in receipts from KKE and satellite organisations abroad. Subscriptions from KKE country members were now going to AKE.

A suggestion to improve the parties finances was made by SIANTOS who pointed out that had the party played the gold exchange market (EGYPT) in the past through RHAF personnel it could have tripled its income with little effort.

(e) Right-wing Activities. EKX (X org).

'X' organisation still remains in a fluid state. From the few reports available it would appear that the organisation still receives financial support on a reduced scale from extreme monarchist sources but whether as a political or as a purely anti-Communist and monarchist para military group is not known. The SALONIKA Branch has come out under the leadership of VOUDOURIS in opposition to GERIVAS whose intention to retain the leadership of the organisation as a purely political body was reported last month.

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KKE general policy since the defection of the PETZOPOULOS faction is to foster the growth of new Andartes groups in this area so as to have supporters in any district where ORESTES (opposition) Groups are likely to appear.

(v) KOSSA Organisation - MACEDONIA

The system for recruiting members for KOSSA in MACEDONIA is reported as follows:

KKE responsibles are required to vet likely recruits in each call up. Approved recruits then receive 14 days training at special training schools. From each group of ten graduates, the leading three form the first triple in their unit and start functioning as soon as they are embodied. The triadic system is then developed on familiar lines. Ex-ELAS capetanioi (AGITATORI) preside over unit KOSSA meetings at which each triple is represented by a 'secretary'.

It is reported that KOSSA members in the RHAF are to be employed as 'smugglers' to facilitate KKE currency operations between EGYPT and GREECE.

(vi) Fraternization and Anti-British Propaganda.

A new KKE campaign of Fraternization with members of all political parties has recently been launched and may in time have interesting developments should the directive be enlarged to include British Troops. It would appear that there has been a falling off in anti-British propaganda since, at a meeting of the Political Bureau of KKE on 12/13 June, ZACHARIADES found it necessary to draw attention to this shortcoming and urge all KKE members to increase their efforts in this respect. There have been two cases of distribution of anti-British propaganda leaflets (in English) among British Troops. In the latest pamphlet seen the quality of English used has been greatly improved and the arguments are subtle and well presented.

(vii) EA

This organisation, the available details of which were published at the time as an appendix to BCIS CI Summary for June 1945, is now assuming considerable importance as being a likely KKE "stay behind" organisation which, on its purely welfare side, might be allowed to stand above ground. It is already functioning as a collecting agency for funds, military clothing and equipment and as AQ Branch for KKE fugitives.

It is reported that instructions have been issued to the KKE fraction in the CC of EA to make suggestions that official EA branches should be established in CYPRUS.

At a recent meeting of 300 representitives of EA the Chief Cashier revealed that 4,786,000,000 Drs. had passed through his hands during year ended 1st May 46. The money had been applied to:

Necessitous persons	Dr. 3,500,000,000.
Children	Dr. 286,000,000.
Medical relief	Dr. 1,000,000,000.

EA employed 617 doctors and 554 lawyers.

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PART V

POLITICAL INTELLIGENCE

(a) The Government

There have been no changes in the Government during the month. On 30 June M. TSALDARIS, the Prime Minister, left GREECE for PARIS. In his absence M. GONATAS, the leader of the National Liberal party, has assumed the post of deputy prime minister and M.S. STEPHANOPOULOS, Minister of Co-ordination, has been appointed temporary Foreign Minister.

(b) The Assembly

During the period under review, the chief business before the house has been the conclusion of the debate on the Government's army policy, the debate on the 'extraordinary measures against persons plotting against public order and the integrity of the country', the plebiscite issues and a draft law for the purging of the civil service. M. MAVROMICHALIS, the War Minister, at the conclusion of the debate on the measures he had taken with regard to the re-organisation of the Army, defended the steps he had taken and stated that he was not prepared to make any substantial alterations to them. He emphasised that it had not been his intention to ignore the Assembly by putting his measures into operation without it being consulted but he felt that at that time speed was the essence.

On 18 June after an all-night session the Government's 'Extraordinary measures' bill was passed as a whole without division though a vote was taken on one article. This was passed by 134 votes to 28. In view of the powers which the Bill endowed the Government it was anticipated that the opposition to these measures would be vigorous. However, the opposition confined themselves to expressing the opinion that the Government should have been able to restore a good standard of public security with the existing legal means and to criticising the clauses which dealt with restrictions on the right to strike in Public utilities and essential industries and the granting of the right to house-search. The law as finally voted contained slight modifications to both these clauses and it was generally accepted that the Government had acted wisely. The Opposition's co-operative attitude towards this Bill drew on them from the Left-wing vituperous allegations of double dealing. The Left-wing, as was only to be expected, condemned the new security measures outright as fascist in the extreme and reminiscent of the worst days of the METAXAS regime.

On 14 June M. TSALDARIS submitted to the Assembly a draft resolution concerning the proclamation of the Plebiscite regarding the return of H.M. King GEORGE II. The resolution allowed for the holding of the plebiscite by secret ballot on 1 September. The words King GEORGE were to be written on the ballot sheet if the voter wished for the King's return whereas the ballot sheet was to be left blank if the voter wished to express a contrary desire. The draft was put before a competent parliamentary committee and was passed. On 20 June the draft resolution was introduced into the Assembly for debate. The plebiscite issues have been a subject of discussion in the press almost continually since the opening of the Assembly and the opposition's views on

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them were already known. Consequently, vigorous Republican opposition was expected; the conciliatory attitude adopted by M. TSALDARIS, however, came as rather a surprise. The main points to which the opposition objected were the plebiscite formula, the speed up of the date and the present state of the electoral roles. The Republicans contended that the fact that the plebiscite was to decide on the return of King GEORGE as opposed to the actual question of regime would not automatically decide the future constitution of the country if the vote went against the King. It was also alleged that the state of public order militated against the holding of a fair plebiscite on 1 September and that the restoration of economic stability, the progress of reconstruction and the satisfaction of national claims were of more national importance than the settling of the constitutional question. While the followers of PAPANDREOU, KANELLOPOULOS and VENIZELOS were firmly opposed to the resolution, the SOFOULIS Liberals threatened to go further and stated that they would withdraw from the Assembly when the vote was taken if the Government insisted on pushing the resolution through in the form in which it was presented, and even went so far as to say that they might consider abstaining from the Plebiscite altogether. The debate was resumed on 22 June when M. TSALDARIS announced that the Government was prepared to make three concessions. Briefly, these concessions were as follows:

(a) Although the voters had shown their explicit desire to hold the Plebiscite as soon as possible, if international events made a short postponement advisable this would be given due consideration.

(b) The opposition parties were invited to participate in the Government in order to ensure that the Plebiscite was fairly held.

(c) It was stated that a majority vote in favour of the King's return would be taken as a vote in favour of Monarchy while a contrary vote, it was agreed, would precipitate a constitutional crisis and the Government would immediately resign. In addition, those voters who wished to vote against the return of King GEORGE could write on the blank ballot slips the type of regime they would prefer and these slips would still be valid.

The opposition leaders were given two days to consider these proposals and on 24 June the debate was continued. It was evident at the outset that no agreement had been reached between the Government and the Opposition parties although M. TSALDARIS had met the Opposition leaders. The Republicans wished the Government to state explicitly that the Right would accept a Republic if the vote went against the King and insisted that the ballot slips should decide specifically between the return of the King and a Republic. The debate dragged on through two night-sessions without either side making any headway towards agreement on these two rather academic points and the resolution was passed in the early hours of 26 June after the SOFOULIS Liberals had walked out of the Assembly in protest. M. TSALDARIS announced later that the decree in to which the draft resolution would be embodied would not be published until his return from abroad. Consequently, there is still scope for minor amendment. The Plebiscite issues stirred up considerable political mud.

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mainly on those Populists who show promise for the future and on the various para-military Royalist organisations. His plan is to build up a sound vigorous nucleus within the Royalist movement which when led by an astute and prominent personality would be capable of taking over the reins if and when the present Populist party framework collapses; an eventuality which M. MARKEZINIS considers is not unlikely since he feels that the present leadership of the Populist party is inept and moribund. The obvious 'prominent personality' who would suit M. MARKEZINIS' book is M. MAVROMIHALIS who, it is reported, has already been approached on the subject and is not unaware of what is going on. Although it is felt that M. MAVROMIHALIS is by no means averse to watching M. MARKEZINIS' attempts to undermine the authority of M. TSALDARIS, it is doubtful whether he will associate himself openly with them at this juncture since a break with M. TSALDARIS now might lose him the support of a lot of his own followers.

On M. TSALDARIS' side it would appear that some sort of rapprochement with M. VENIZELOS is being attempted. M. VENIZELOS, himself, is quoted as saying that he had been offered the Ministry of the Interior. On the otherhand when he accepted the offer to accompany M. TSALDARIS to the PARIS conference he stated to the press that his participation in the Greek claims delegation did not mean that he saw eye to eye with the Government on domestic issues. If these attempts to include M. VENIZELOS in the Government are successful, a useful counter balance to General GONATAS would be created and at the same time the hand of the moderate TSALDARIS group in the Populist party would be considerably strengthened.

The most intersting news from the Republican camp is a report to the effect that having steadfastly refused to be drawn into the KKE inspired Pan-democratic Front, the Republicans intend to start one of their own. The source states that the SOFOULIS Liberals, the Progressive Liberals (KAFANDARIS), MYLONAS' Agrarian party, ELD and the supporters of PLASTIRAS will be the main constituents of the coalition while some socialist elements at the moment in EAM may also co-operate. The policy of this new democratic front will be firstly republican secondly anti-Right-wing dictatorship and thirdly anti-Left-wing dictatorship. The question whether this new movement will develop into a cohesive political weapon or whether it will merely be a loose coalition for fighting the plebiscite can not be answered until the movement is properly under way.

M. PAPANDREOU left GREECE for SWITZERLAND on 14 June on private business. M. MANOUILIDES has been representing him in the Assembly. M. PAPANDREOU however, soon made an appearance in PARIS; an action which has been eyed with suspicion in some quarters since it was considered that, with his reputation as a political dark horse, he may have been indulging in a spot of international lobbying.

The extreme Left have, in the main, been preoccupied with their own security measures since it is considered that the Government is only a few steps away from declaring KKE an illegal organisation. Considerable attention is being paid to covering up KKE in the provinces by enrolling provincial members into AKE the Agrarian Party of GREECE. KKE organisations will in future only be found in the larger provincial towns and areas where industrial workers, as opposed to peasants, are in

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The Populists' willingness to meet the Republicans, if not half way at least a quarter off the way, was offset by the intransigent legal quibbling in which the latter indulged. At the height of the debate, political tension was more evident probably than at any other time since the elections. The British Ambassador's name, too, was brought into the political bickering. It was alleged both by the Liberal and Left-wing press that the Populist insistance on the plebiscite formula was instigated by H.M. Ambassador who was alleged to consider that the question of the regime had already been decided by the elections and that, therefore, only the specific question of the return of King GEORGE remained. It was further alleged that M. TSALDARIS' concessions were also made on the initiative of the Ambassador. The tension in the Assembly eased considerably when the debate had been concluded.

On 28 June a draft law dealing with the purge of the civil service was introduced in to the the Assembly. It was stated that this had become necessary owing to the absence of any parliamentary machinery for ten years, and the national dislocation caused by the occupation and the December revolution. All state employees including those in public institutions and the three principal banks but excluding all members of the armed forces and such civil servants as had been appointed since 31 March were liable to dismissal. Grounds for dismissal were wide and couched in fairly general terms. These included conduct incompatible with the position the employee held, collaboration with the enemy, participation in the December revolution, any type of activity aimed at the security of the state after the revolution, general inefficiency and moral deficiency. Dismissal was to take place within 45 days of the bill becoming law in some cases and within four months in others. Opposition reaction to this law was vigorous and it was described as a blatant weapon of political blackmail aimed at the elimination of the Government's enemies. Strong opposition was also forthcoming from the Federation of Civil servants and KKE is expected to use this measure, if and when the bill is approved, as a means of starting a strike of Civil servants.

(c) Internal Politics

Although on the surface the Royalists appear to be united enough, the undercurrents of intrigue show no signs of abating. On the one hand, it is believed that General GONATAS is exerting a pressure on the Government which M. TSALDARIS is finding a trifle embarrassing while on the other, M. MARKEZINIS and M. MAVROMICHALIS are believed to be continuing their manoeuvres to form an opposition bloc to M. TSALDARIS within the Populist party. It is thought that GONATAS is agitating for a greater degree of representation and control within the Government for the National Liberal party. Although the National Liberals show no signs of defection at present, their departure from the Government would place the Populists, parliamentarily speaking, in a potentially sticky position. While the appointment of General GONATAS as deputy Prime Minister may serve temporarily as a political sop, it has not improved the antipathy growing between M. TSALDARIS and M. MAVROMIHALIS. According to reports the latter considered that he, himself, should have been appointed deputy Prime Minister instead of being fobbed off with the acting leadership of the Populist party. M. MARKEZINIS' interests are focussed

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mainly on those Populists who show promise for the future and on the various para-military Royalist organisations. His plan is to build up a sound vigorous nucleus within the Royalist movement which when led by an astute and prominent personality would be capable of taking over the reins if and when the present Populist party framework collapses; an eventuality which M. MARKEZINIS considers is not unlikely since he feels that the present leadership of the Populist party is inept and moribund. The obvious 'prominent personality' who would suit M. MARKEZINIS' book is M. MAVROMIHALIS who, it is reported, has already been approached on the subject and is not unaware of what is going on. Although it is felt that M. MAVROMIHALIS is by no means averse to watching M. MARKEZINIS' attempts to undermine the authority of M. TSALDARIS, it is doubtful whether he will associate himself openly with them at this juncture since a break with M. TSALDARIS now might lose him the support of a lot of his own followers.

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the majority. KKE propaganda against every Government move has continued to be vitriolic, incessant, monotonous and almost entirely lacking in results. The political bureau of KKE has issued a stream of directives stressing the importance of the 'battle for democracy' and urging the party to make every effort to bring all the forces of true democracy into the plebiscite campaign and to neutralise the repressive terrorist methods of the Government. The effectiveness of the present KKE political policy does little but support PETZOPOULOS' statement, reported in CMIRG No.9, that the attitude adopted by the present leaders of the party is one of empty threats and daily directives. In the field of political strikes, a favourite weapon of KKE, the party received a notable set back when the much publicised general strike on 18 June in protest against the Government's security measures, turned out a failure. The crisis within the party precipitated by PETZOPOULOS' outspoken criticism of the party policy (see CMIRG No.9) appears more or less to have blown over. Some dismissals and isolations have taken place and ZACHARIADES seems to have been successful in reasserting his authority.

ZACHARIADES made a tour of MACEDONIA in mid-June, conducted in the best Philips OPPENHEIM tradition. He initiated his tour with one of his now all too familiar anti-British speeches in SALONIKA. After which he promptly disappeared and, while the Greek security authorities were still searching for him in the more unsavoury quarters of SALONIKA, he appeared at VOLOS by caique. According to a reliable source he attended a full session of the Regional committee of THRACE and MACEDONIA at which he discussed the formation of new ELAS units for bandit operations. Later he is reported to have held a meeting with NOF (National Freedom Front) representatives at which a basis for common action by NOF and KKE was arrived at.

(d) Economic Intelligence

The only strike of importance during the month was a general strike called by the General Confederation of Greek Workers on 18 June in protest against the Governments new security measures which, among other things, remove the right to strike in public utilities and essential industries unless three days warning is given to competent authorities. This strike, taken on a countrywide basis, can only be described as a failure; a failure which demonstrated that KKE's strike machinery when operating from purely political motives is none too sound. Though the political bureau of KKE expressed its satisfaction with the strike results, it is thought that this was due to the necessity for boosting morale within the party since at the same time an inquiry was instituted to find out why the strike was not a '100% success'. In fact the strike probably did more good to MAKRIS' Reformist Labour group than it did to KKE or ERGAS. MAKRIS attacked the strike from the outset as a purely political manoeuvre aimed at the state as opposed to a strike for the betterment of the workers. Consequently, the failure of the strike which was due not only to the non-participation of the Nationalist workers but also of a number of those who owed allegiance to the GSEE, reflected credit on MAKRIS and supported at a very opportune moment his claim that GSEE (in which MAKRIS' Reformist Labour group, EREP, is not a participant) does not fairly represent the Greek working classes. KKE has issued a directive that if and when the Government's bill for the purging of Civil Service is put into

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neither is represented in the GSEE. With the GSEE under ERGAS dominance and therefore irreconcilably opposed to the Government, it is obviously to the Government's advantage to see the creation of a strong nationalist tradesunion coalition to counter balance the influence of ERGAS. It has, in fact, been reported that M. TSALDARIS is in favour of such a development. MAKRIS' EREP is at the moment chiefly confined to the SOUTH of GREECE. It is reported, however, that negotiations have been successfully completed to include the ASP (Independent Syndicalist Front) within the framework of EREP. ASP is a Liberal syndicalist group in SALONIKA whose general secretary is THEODOROU. Efforts are also being made to include EME, too, in EREP. Should MAKRIS succeed in creating a really strong nationalist tradesunion coalition, he would not only be a leading light in the labour world enjoying, as he probably would, full Government support but would also have in his hands considerable political bargaining power.

The price of gold in the open market showed a marked tendency to rise at the beginning of the month and was only brought down after the Bank of GREECE had sold heavily in the open market at open market prices. By the end of the month the open market price was again at its usual level around 135,500 drs. The demand for gold both through the Bank of GREECE and through the open market showed a very sharp decline at the end of the month which was little short of amazing and for which no satisfactory explanation is as yet available. Commodity prices have remained, in general, steady though some goods have shown upward and downward tendencies.

The Greek Commercial Corporation whose stormy reception was mentioned in CMIRG No.9 has been amended slightly to remove all grounds for the previous allegations that the Corporation would be a trade monopoly tying Greek economy to British interests.

(c) Foreign Relations

The main interest in this sphere has been concentrated on the questions of national claims. M. DRAGOUMIS left for PARIS on 17 June to attend the Foreign Ministers conference. On 28 June M. TSALDARIS announced that the DODECANESE would be ceded to GREECE. This announcement was naturally greeted with enthusiasm by all sections of the public. The Opposition and Left-wing press, however, were quick to switch their attention to the fate of CYPRUS which is a suitable stick with which to beat the Government who have repeatedly stated that this question is one for private negotiation between the British and Greek Governments. M. TSALDARIS at the head of the national claims delegation left for PARIS on 30 June. The delegation consisted of M. VENIZELOS, M. KHELMIS, Minister of Finance, M. AILIANOS, Under-secretary for Co-ordination, M. BAMALBASIS, Venizelist deputy, M. KYROU and M. PHRANZES of the Ministry of Foreign Affairs and M. DROSSOS, the secretary of the Assembly.

It was announced on 24 June that diplomatic contact had been resumed with ITALY. Full diplomatic relations will be resumed after the signing of the peace treaty. This step was welcomed by all parties in the Assembly.

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PART VI

MISCELLANEOUS

Location of FS Sections

5 FSS	HQ	PSYCHICO	(ATHENS)
	Det	VOLOS	(QT70)
		LARISSA	(QT33)
		LAMIA	(QY35)
		KHALKIS	(VE29)
		PHALERON	(VE34)
24 FSS	HQ	ATHENS	
	Det	ATHENS	
94 FSS	HQ	CORINTH	(VD64)
	Det	PATRAS	(VD68)
		TRIPOLIS	(VD10)
		PIRAEUS PORT	
268 FSS	HQ	KAVALLA	(RL16)
	Det	DRAMA	(QP99)
		XANTHI	(RL58)
		KOMOTINI	(RL98)
		ALEXANDROUPOLIS	(RM35)
290 FSS	HQ	SALONICA	
	Det	KILKIS	(QO88)
		VERROIA	(QO23)
		NAOUSSA	(QO14)
		FLORINA	(QN66)