

# CONFIDENTIAL

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF GREECE AT THE MINISTRY OF FOREIGN AFFAIRS IN ATHENS ON TUESDAY, 23 SEPTEMBER 1980 AT 0950

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Present:

Prime Minister	Mr. G. Rallis
H.E. Mr. I.J.M. Sutherland	Mr. A. Averoff
Mr. E.A.J. Fergusson	Mr. C. Mitsotakis
Mr. M.O'D.B. Alexander	Mr. B. Theodoropoulos
Mr. B. Ingham	Mr. S. Roussos
Mr. T.L.A. Daunt	Mr. E. Lagakos
Mr. M.J. Llewellyn Smith	Mr. A. Sekeris
Mr. N.J. Sanders	Mr. D. Papaioannou
Mr. D.J.M. Dain	Mr. Spyridakis
	Mr. S. Adamopoulos
	Mr. G. Helmis

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East/West Relations

The Prime Minister said that, although there might be rough parity between the United States and the Soviet Union over ICBMs, the latter had a clear advantage in medium-range missiles and conventional forces. It was essential to maintain the military strength of NATO. But, even if this was done, the Soviet Union was getting under NATO's guard in South East Asia, the Middle East, Africa and the Caribbean. Constant vigilance was required. Both at the Madrid Conference and more generally, it must be brought home to the Soviet Union that the continued occupation of Afghanistan was unacceptable and that normal relationships would not be resumed whilst the occupation continued. Although a major uncertainty existed over the attitudes likely to be adopted by the next generation of leaders in the Soviet Union, the West had a considerable advantage through the fact that events in Afghanistan had brought it home to the non-aligned that it was only the West which willingly recognised the right of the developing world to choose its own destiny.

/ Mr. Rallis

Mr. Rallis, agreeing with the Prime Minister's general analysis, said that President Karamanlis had made it clear to Mr. Kosygin that the demand that NATO should abandon TNF modernisation was inadmissible. The West must be resolute on that point. But, in the context of the Madrid meeting, it was not realistic to insist on full implementation of Basket 3; the implication of full implementation involved undermining the Communist regimes. This was the dilemma which President Carter had faced. The answer might lie in private organisations taking on the responsibility, without Western Governments being obliged to make compromises of principle. Mr. Averoff said that he thought it essential that those Western countries which had the resources to do so should analyse motives on the Soviet side. The major effort in the defence field was not accidental; there must be an underlying plan. His own feeling was that the Soviet Union might be preparing for a new Yalta, which would be concerned with raw materials rather than territory. The military strength of the Soviet Union would enable it to impose its will.

The Prime Minister said that she had never doubted that the long-term objective was world domination by one means or another. A crisis of confidence might, however, be approaching on the Soviet side since the doctrines of Marxism were seen to have turned out to be morally and politically bankrupt as well as economically unsuccessful.

#### Balkans

Mr. Rallis referred to Greek attempts to establish a closer relationship with the other countries of the Balkans, saying that Bulgaria had used delaying tactics on Soviet instructions. Considerable success had nonetheless been achieved in establishing a close relationship with Yugoslavia. This included consultations on defence matters at both the Ministerial and the general staff levels. The Yugoslavs knew that if they were attacked any help they got would have to come via Greece. They were consequently interested in the firm attachment of Greece to the Western defensive system.

The Prime Minister interjected that she understood that the Greek Government were concerned about the possible implications of her visit to Skopje. The visit was being made solely because she

wished to make a visit outside Belgrade and there was a particular British connection with Skopje following the aid given after the earthquake disaster. Mr. Rallis said that he had no doubt of the intentions of the British Government but had good reason to have doubts about those of the Yugoslavs. There was an evident intention to use distinguished foreign visitors to create the impression that there was a Macedonian people, rather than a mere geographic entity, parts of which were in Greece, Yugoslavia and Bulgaria. The fact that the Socialist Republic of Macedonia was one of seven Yugoslav republics, and was the poorest amongst them, could lead to complications.

#### Greece/Turkey

Mr. Mitsotakis detailed the history of Greece's departure from the military structure of NATO in 1974 and the domestic political background in Greece. The Greek Government wished to rejoin despite the fact that Turkish occupation of Cyprus, the reason for which Greece had left, continued. Following the Greek application to rejoin in 1977, the basic agreement had been drawn up between Generals Haig and Davos. But Turkey had vetoed the arrangement. Greece wished to return to the state of affairs which had obtained in 1974; she could not be expected to pay a price and the suggestion was indeed politically unacceptable in Greece. Any change to the previous arrangements would necessitate ratification by the Greek Parliament, involving a vote by "reinforced majority". The Government did not command such a majority in Parliament. It was regrettable that, at a time when the NATO allies had been saving the Turkish economy from bankruptcy, Turkey had been permitted to damage NATO by blocking Greek re-entry. With the change of regime in Turkey, it remained to be seen what progress could be made. The Greek Government had made it clear that they were prepared to continue the dialogue which he himself had opened during the NATO meeting in Ankara in June. It would be helpful if the NATO allies signalled to the new Turkish Government that they expected to see an early settlement. On such a settlement depended the future of the United States bases in Greece. If such a settlement was not obtained, the Greek Government would be obliged to withdraw their request for re-integration and proceed to the closure of U.S. bases in Greece; the implications were clearly serious. Mr. Averoff said that the

existence of U.S. bases in Greece depended directly on Greek re-integration into NATO.

The Prime Minister said that she regarded Greek re-integration as of first importance to the defence of the West. Greece was vital to the Alliance, as was Turkey. She was not familiar with the details of the exchanges with SACEUR but nonetheless supported his efforts fully. Mr. Rallis said that, unlike the Turkish action over the U.S. arms embargo, Greece had never attempted to blackmail her allies. But, ahead of elections next year, the problem of re-integration into the military structure of NATO had to be settled within a very few months. National pride was closely engaged. There was a real danger that the Opposition would exploit the situation. And no agreement over U.S. bases other than a NATO one was acceptable. Financial help to Turkey should be conditional on a flexible policy over Greek re-integration.

Mr. Averoff said that it would only be honest to admit that Greek attitudes stemmed in part from the deep conviction of many Greeks that the underlying Turkish ambition was to assert sovereignty over half the Aegean and annex those Greek islands which lay near the Turkish mainland. The evidence of such ambition was substantial. Answering a question, he said that, in all the exchanges with General Haig and General Rogers, no real progress had been made. There had been presentational advances but no real progress. Indeed, the course of the negotiations had revealed Turkey's long-term ambitions in the Aegean. With such matters involved, there was very little margin for manoeuvre on the Greek side.

The Prime Minister said that she fully understood the political and Parliamentary difficulties, as well as the fact that Greek national pride was engaged. But abandonment of the Greek Government's present policies would be a major victory for their opponents on the Left and would weaken NATO disastrously. That should not be allowed. She was grateful to have had a full explanation of Greek views. It was very important that the temperature of discussion should be kept down whilst the new Turkish Government formulated its policies. This should be borne in mind in the context of the NATO exercises planned for the next few months. And Greece's real interests should not be lost sight of. Mr. Rallis said that he agreed. But the dangers of a backlash amongst Greek opinion against NATO and the West

in general should not be underestimated. His Government had already accepted a formula proposed by General Rogers which would lay them open to damaging attack by the Greek Opposition. But even that formula was not acceptable to the Turkish side.

### Cyprus

Mr. Rallis said that he thought that the Cyprus problem was less difficult to solve than the problems of the Aegean. He had hopes that the first phase of an agreement might be reached through a deal involving the return of Varosha to the Greek Cypriots in return for the lifting of the economic blockade on the Turkish Cypriots. All would depend on the instructions given by the new Turkish regime to Mr. Denktash. Although the Greek Government could do no more than advise the Cyprus Government, Mr. Denktash's regime took its orders from Ankara. The Prime Minister agreed that hopes should be pinned on the inter-communal talks.

### Commercial Relations

The Prime Minister said that she wished to assure Mr. Rallis that she had taken a close personal interest in the efforts being made to conclude an agreement for a coal-fired power station. She had ensured that the best possible terms were available to Greece. Mr. Rallis said that he too wished to reach a conclusion satisfactory both to Britain and to Greece. He had given appropriate instructions to the Minister for Co-ordination. The decision was not however for the Greek Government, although they would do all they could to influence it.

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23 September 1980