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RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE PRIME  
MINISTER OF GREECE, MR. GEORGE RALLIS, IN ATHENS ON 22 SEPTEMBER  
1980 AT 1800 HOURS

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Present:

Prime Minister	H.E. Mr. Rallis
H.E. Mr. Ian Sutherland	H.E. Mr. Lagakos
Mr. M.O'D.B. Alexander	

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Power Station

The Prime Minister said that she had just been discussing the present situation on the negotiations about the power station contract. She had given her people some extra authority on the basis of which they were trying to work out improvements in the British proposal. She hoped that it would be possible to go some way towards the Greek position on the question of the power station. Mr. Rallis said that he himself had looked into the problem very carefully. He had made a major effort to clear the difficulties out of the way before the Prime Minister's arrival. But there were still problems about the delivery of coal. He was concerned that the present proposals would lead his Government into major difficulties with the Opposition. His Government were trying to find a way out. It was not easy. He added that it would in any case be necessary for Greece's national power company to be left to decide on its own whether or not to accept the British proposal. The Government could not be seen publicly to interfere with their decision.

The European Community

The Prime Minister said that she had just returned from a Summit Meeting with President Giscard. She thought that more was achieved at bilateral meetings between European leaders than at the Summits of the Nine. The recent difficulties which the United Kingdom had been experiencing with France had grieved her. The French media handling of the Budget settlement had not been helpful to President Giscard and M. Barre. Although France had made considerable gains in that

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settlement, e.g., in getting agricultural prices fixed and in securing a sheepmeat agreement, and although the United Kingdom remained the second biggest contributor to the Community Budget, the outcome had been presented by the French Press as a defeat for the French Government. The Prime Minister said that she had gone to France determined that the two countries should put their recent difficulties behind them. She considered that considerable strides had been made in restoring amity. This was not, of course, intended to weaken existing Franco/German ties which she welcomed. Greece was going to join the Community in a more harmonious atmosphere than had prevailed recently.

Mr. Rallis said that Greece was joining the Community with great hopes. He attached importance to membership as much for political as for economic reasons. It would be a demonstration that Greece was accepted into the ranks of the Western democracy. The military dictatorship had left bitter feelings in Greece. People blamed the West for supporting the Colonels. No-one believed that the coup which had put the Colonels in power had been justified. The situation in Greece had been quite different from that which now prevailed in Turkey. Although the Soviet bloc had in fact done more business with the military dictatorship than the West, it was the West who were given the responsibility for keeping the Colonels in power. The Left in Greece still exploited the bitterness left over from the previous era.

The Turkish seizure of part of Cyprus had also left scars. The failure of the United States to intervene in 1974 was, no doubt, to be explained by the pre-occupation of the American Government with Watergate. But the Left accused the Americans of protecting the Turkish invaders. The present situation had lasted six years. It was to be hoped that the talks which had just begun in Cyprus would make some progress, but the chances were not high. Clearly no serious pressure could be exerted on the present Turkish Government because the West could not afford to weaken their position. If the military failed, the result would be chaos. The West had lost its best opportunity five years previously. They had then shown too much leniency to the Turks. They should have been much tougher in imposing conditions on the assistance they had given to the Turks. They should also have insisted on a coalition between Mr. Ecevit and Mr. Demirel rather than allowing them to alternate. There was now no civilian option left. Civil war or a Leftist takeover seemed to

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be the only alternatives to the ~~Generals~~.

Finally, the West had missed an opportunity to tell the Turks that unless they settled the question of Greece's membership of NATO, they would receive <sup>more</sup> no money.

Bilateral Relations

The Prime Minister invited Mr. Rallis to visit London soon. Mr. Rallis accepted the invitation.

The discussion ended at 1820.

*Ans*

23 September 1980

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