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*L<sub>2</sub> Amt*  
*Bonnie Minister*

Foreign and Commonwealth Office

London SW1A 2AH

20 November 1981

*Amt - 20/11/81*

*Dear Michael*

Greece and the European Community

One of the briefs for the European Council on 26-27 November is on 'Greece and the European Community'. The Prime Minister may, however, find it useful to have a summary of the other major foreign policy issues which the new Greek Government are addressing in case she has occasion to discuss the broader questions with Mr Papandreou in the margins of the Council.

The new Greek Government's foreign policies are influenced by the belief that Greece is a developing country which should look to the Balkans and the Middle East, as well as to Europe, for a 'triangular relationship'; and by national fervour which reflects considerable anti-American and anti-Turkish feeling.

Greece and NATO

Mr Papandreou was sharply critical of Greece's re-integration into the military structure of NATO earlier this year. The implication of much of his election propaganda was that he would pull Greece out of the Alliance, get rid of all nuclear weapons from Greek soil and also terminate the US bases agreement. Recent pronouncements have been more cautious, implying that Greece would seek the dissolution of both NATO and the Warsaw Pact and meanwhile might stay in the former. Mr Papandreou has insisted on the need for a guarantee of Greece's frontiers from whatever direction, maintaining that NATO provides no protection against Turkish aggression in the Aegean. He may push that issue in relation both to Greece remaining in the military structure and to the future of the American bases.

Mr Papandreou is also his own Minister of Defence and is expected to attend the NATO DPC meeting in Brussels on 8 December.

Greece and Turkey

Mr Papandreou attacked his predecessors for making concessions to Turkey over the Aegean disputes: his line was nationalistic and tough. On taking office he declared that the threat to Greece came from the east, not the north, and that Greece must redeploy her armed forces accordingly. The apparent move towards confrontation with Turkey was in contrast to his cautious approach on other issues. But Mr

/Papandreou

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Papandreou has, since early November, taken a markedly more friendly line, exchanging 'olive branches' with the Turkish Prime Minister.

A number of disputes in the Aegean remain unresolved. They include air traffic control, which Greece exercises to within a few miles of the Turkish coast; territorial waters (Turkey has said that Greek extension to 12 miles would be a casus belli and evidently suspect Mr Papandreou of seeking guarantees in order to cover such a move); and the extent of the continental shelf. A flare up is a danger if extreme positions are adopted on any of these issues.

#### Cyprus

On taking office Mr Papandreou referred to Cyprus as 'part of Greece's national space'. He seemed likely to encourage intransigence by the Greek Cypriots in blocking any UN initiative at the intercommunal talks, insisting as a pre-requisite on the withdrawal of all foreign troops. He also said in public that the British Sovereign Base Areas should go (but withdrew when challenged by the British Ambassador). The threat of more active Greek intervention in Cyprus remains but so far the new Government does not seem to have tried actually to frustrate the intercommunal talks, though it has certainly not helped them.

I am sending a copy of this letter to David Wright (Cabinet Office).

A handwritten signature in dark ink, appearing to read 'B J P Fall', written in a cursive style.

(B J P Fall)  
Private Secretary

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