

4 November 1983

Visit of Prime Minister of Greece

You should know that the Prime Minister raised with Mr. Papandreou over lunch the question of British property in Greek frontier areas. Mr. Papandreou replied to the effect that the issue was very complicated but that a decision was necessary and that an internal meeting would be held to consider it next week.

A J COLES

R.B. Bone, Esq.,
Foreign and Commonwealth Office.

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SUBJECT

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cc: Hunt
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10 DOWNING STREET

From the Private Secretary

4 November 1983

Dear Roger,

VISIT OF THE PRIME MINISTER OF GREECE

At the start of their talks today, the Prime Minister and the Prime Minister of Greece had a tête-à-tête discussion. The Greek Ambassador and I were also present. The conversation lasted for forty minutes.

After welcoming Mr. Papandreou the Prime Minister said that she was grateful for the support that he had given to the appointment of Lord Carrington as Secretary General of NATO. Mr. Papandreou said that Lord Carrington was clearly the best man for the job. They had been friends for some twenty years. Mr. Luns was no longer able to carry out the task effectively.

Turning to the European Council at Athens, the Prime Minister said that Heads of Government would not be able to engage in negotiation on detailed points. So the basic elements of the package must be clarified in prior negotiation. Mr. Papandreou agreed and said that it might be necessary to interrupt the formal session at Athens for informal conversation between the participants. All his contacts showed that the December meeting would be critical. The Prime Minister agreed. President Mitterrand had made it clear to her in their last meeting that the holding of the European Elections in June meant that at least some European Governments would not be able to make concessions in the months immediately preceding the Elections. The conclusion was that matters must be settled at Athens. There would be no possibility of this unless the main principles had been established before the European Council. We were talking about fundamental change. There could not be horse-trading between the Member countries.

Mr. Papandreou said that the Presidency would make every effort during November to ensure that the major options were put to the Summit. But the net result would have to be a package. It was not possible to settle the issues individually. The Presidency was now trying to develop the positions which would be proposed to the Council.

/ The Prime Minister

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The Prime Minister said that Member countries were rather far apart on the main issues. We should remain absolutely firm on certain matters including a Budget settlement based on a measurement of net contributions or fair burden sharing and on strict financial guidelines. She suggested that these matters be pursued further in the plenary session.

Mr. Papandreou said that he would see President Mitterrand on 23 November and Chancellor Kohl on 25 November. He had already met Signor Craxi and M. Mauroy. He had also discussed the issue of enlargement in Athens with the Prime Ministers of Spain and Portugal. Portugal felt that it should not be tied to the fate of Spain. The Prime Minister commented that it would be difficult to admit Portugal without Spain but we had to keep democracy alive in Portugal.

Mr. Papandreou said that Spain felt that a firm decision should be taken in Athens. Otherwise, France, because of the European Elections, would not be able to agree to a decision at any later stage. The Prime Minister said that she was rather surprised that President Mitterrand attached so much importance to the European Elections as a verdict on his Government. After all, there was some time to go even before his legislative Elections. Mr. Papandreou said that the Spanish view was that if Spain was to enter the Community the discussion of the CAP should take account of that prospect i.e. it should not be treated as a separate issue. Senor Gonzales had made it plain that if there was no basic decision on Spanish entry at Athens he would have to tell his people that Spain would not thereafter seek a relationship with the Community. This was not blackmail. The Prime Minister queried whether the agricultural issues could be settled in that timescale? Mr. Papandreou said that they could not be but what the Spaniards wanted was a decision of principle. There had been substantial progress in discussion of their problems at the level of Agriculture Ministers. There was talk of a ten-year transitional stage for Spain to adjust to the Community. This was what Mitterrand had in mind. The Prime Minister asked what precisely it was that Spain expected from the European Council? Mr. Papandreou said that they were looking for a communique which talked of Spanish entry within two years.

The Prime Minister asked what the position now was about a Spanish referendum on NATO membership? Mr. Papandreou said that the referendum had been postponed but Senor Gonzales linked membership of NATO with membership of the Community. All Spaniards, from the King to the Communist party, wanted membership of the Community. But NATO remained a divisive issue.

The Prime Minister said that the primary consideration was political. We had to keep Spain and Portugal as a democratic area. Mr. Papandreou said that his own party took the position that since the Spanish and Portuguese people wanted EC membership, this must be facilitated. But the main issue was agriculture,

The Prime Minister said that, with regard to EC discussion of the CAP, there were divergent positions at present on the meaning of a strict financial guideline. Mr. Papandreou agreed. The other problem was the British Budget problem. The Presidency would do what it could to develop a formula that was acceptable both to the United Kingdom and to the nine other Member States. The Prime Minister

said that this would be tricky. We should continue to base our position on the fundamental principles which we had made plain at Stuttgart. Mr. Papandreu commented that Stuttgart had solved nothing. The Prime Minister recalled Chancellor Kohl's forceful Chairmanship at Stuttgart and repeated that we could not compromise on our principles.

Turning to the Falklands resolution at the UN General Assembly the Prime Minister said that we did not ask Greece to vote with us but we hoped it would abstain. Mr. Papandreu replied that Greece would indeed abstain. He had supported our action over the Falklands because he was against one country trying to occupy another. Memories of Cyprus had played their part. True, Greece also supported the Argentine view that there should be a dialogue. But it would abstain on the UNGA resolution. He thought other EC countries would do the same. Italy might be the only exception but he did not know about Ireland.

The Prime Minister said that much was happening in the world. There was a considerable contrast between the amount of consultation among EC Member States and the amount of Trans-Atlantic consultation. Agreeing, Mr. Papandreu said that North America was a distant world.

The Prime Minister said that she believed that INF weapons would have to be deployed according to the agreed timetable. Parliament had debated this matter and the Government had obtained a bigger than normal majority for its position. We would therefore deploy. She did not know how Mr. Andropov would react. He had not been seen in public for two months. Mr. Papandreu said that the explanation might be the state of his health. But it was clear that the downing of the Korean airliner was a military not a political decision. The Prime Minister said that the incident revealed a bad command structure and poor rules of engagement. Mr. Papandreu observed that the aircraft had not been properly identified. The Russians were embarrassed. They had taken a long time (2½ hours) to react. The Prime Minister commented that the handling of the incident was very revealing. The only course properly open to the Soviet Union was to admit that it had made a dreadful mistake. Mr. Papandreu replied that the Russians had avoided admitting this because it would mean that someone had to pay. It would also have revealed an inadequate system of decision-making.

The Prime Minister repeated that we would proceed with deployment. It was possible that the Soviet Union might suspend negotiations but we should then strive to get them resumed. Contact with the Soviet Union was important.

Mr. Papandreu commented that Greece was a maverick on the deployment issue. Perhaps he should have done more to explain their position. He was convinced that the Soviet response to deployment would be multiple. They would install more missiles, perhaps the SS22. But they would also rapidly develop ICBMs so that the flight time to the United States was cut to ten minutes. They would either develop new weapons or change the structure of existing ones by reducing the payload and increasing the fuel capacity. These missiles would cease to be truly ballistic and would have a more horizontal trajectory.

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All this would be in response to the installation of Pershings with their short flight time to Moscow. Thus there would be considerable escalation. The Soviet Union would also try to harm relations between East and West Germany. These considerations had led him to propose a six month delay of any deployment. There was the counter argument that if the Russians were given more time they would not use the time to reach agreement. It was hard to know which policy was right.

The Prime Minister repeated that we would deploy. To falter now would be fatal. But deployment would be spread over five years. Mr. Papandreou said that when Mr. Tikhonov had visited Greece he had given the impression of an emotional reaction in the Soviet Union to the prospect of Pershing in Germany which brought back memories of the last war. The Prime Minister commented that there was quite a lot of weaponry in Germany already. Mr. Papandreou said that he found the situation frightening. As the flight time of missiles was reduced, the opportunity for political decisions would be lessened. The Prime Minister said that this was true but the whole purpose of our weapons was to deter. It was difficult to influence the Soviet Union because their system did not permit change. Mr. Papandreou agreed that the system was monolithic and ossified. Greece had certain contacts with the Russians. They had received Mr. Tikhonov. He himself had been to Moscow for Brezhnev's funeral. He also received the Soviet Ambassador though the latter was only capable of making routine speeches. Although he had no hard evidence, he felt that the military were playing an increasingly important role. Andropov's absence from the scene might be explained by ill health but it could be a question of tactics.

I am copying this letter and enclosure to John Kerr (HM Treasury), Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office). Its contents should be brought to the knowledge only of those who need to be aware of them for operational reasons.

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Roger Bone, Esq.,
Foreign and Commonwealth Office

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