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BRIEFING FOR HM AMBASSADOR DESIGNATE, WASHINGTON

GREECE

British Policy

1. a) To support Greek entry to the EEC and encourage Greece to become a stable member of the Western community to which it is bound by membership of NATO and association with the EEC.
- b) To encourage Greece to return to the integrated military structure of NATO and to resolve her disputes with Turkey in the Aegean.
- c) To improve our share of the Greek import market (in 1976 UK exports to Greece totalled approximately £150 million), and to take a share of new industrial developments.

Internal Situation

2. Greece has a history of chronic political instability. Seven years of military rule arrested the development of Greece's relations with the EEC and strained her links with Western Europe, the US and NATO. A breakdown in the restored democracy could lead to a repeat of these conditions. For the moment, the Prime Minister, Mr Karamanlis, dominates the political scene and is the best hope for political stability. But he is 70 years old and no prospective successor is likely to be able to command a similar degree of national support.

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Greece/EEC

3. (a) Negotiations for Greek accession began in July 1976. The Greek government want to be able to claim a political success over these negotiations before November 1978 when elections are due. All the governments of the member states have expressed support for Greek membership, for political reasons (the desirability of encouraging the growth of Greek democracy within a European framework). But economic difficulties (especially over agriculture) and organisational difficulties of a Community of Twelve have caused some Member States, especially France, to have second thoughts at least about the speed of the process, if not the final outcome.

Cyprus

(b) Greek leverage on Cyprus is limited although they have told us they are doing what they can discreetly to persuade Archbishop Makarios to adopt a positive approach to the negotiations.

The Aegean

(c) There are disputes between Greece and Turkey over the Continental Shelf, the Flight Information Region, territorial waters and air space, the militarisation of Aegean islands and national minorities. Of these the Continental Shelf dispute is by far the most important. The dispute centres around the Greek Aegean islands, many of which lie close to the Turkish mainland. The main difference between the two sides is that the Greeks claim that all islands generate their own Continental Shelf as laid down in the 1958 Geneva Convention (which Greece has ratified).

/Turkey

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Turkey is not a party to the Convention and argues that most of the eastern half of the Aegean Shelf, including the islands, is geologically part of the Anatolian Plateau and therefore Turkish. Procedurally the Greeks wish to base a solution on the practice of other states and the principles of international law; the Turks prefer to stress the notion of equity as opposed to legal precedents. In short, the Greeks want a legal settlement and the Turks want a political one. The Americans have suggested that there might be a case for the Nine to try to resolve the procedural impasse. However the UK view has been that these disputes are bilateral matters which must be settled by bilateral negotiations. The British Government's view of the Continental Shelf issues is much closer to the Greek than the Turkish view (in particular Britain supports the entitlement of islands to have a Continental Shelf). However we do not wish to prejudice our position in our own Continental Shelf disputes with France and Ireland and have avoided getting involved in the substance of the Greek/Turkish disputes, confining ourselves to encouraging moderation on both sides.

Relations with the US

(d) As a result of the Cyprus crisis in 1974, Greece felt betrayed by the West; and when an agreement was reached subject to the approval of Congress for a US/Turkish Defence Cooperation Agreement, the Greeks complained that this would upset the balance of power in the Aegean and was a reward for Turkish aggression. Subsequently agreement in principle was reached for a US/Greek Defence Agreement the details of which are still being negotiated.

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Greece and NATO

(e) Greece left the integrated military structure of NATO after the Turkish invasion of Cyprus in 1974. Discussions about the form of the future military relationship between Greece and NATO are at an advanced stage, but full integration is unlikely until Greek/Turkish relations improve.

Southern European Department
30 May 1977

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