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THE WHITE HOUSE
WASHINGTON

TAB 1

July 16, 1982

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MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Bilateral Defense Cooperation Negotiations

Given the importance of military facilities and operating rights in foreign countries to our worldwide military capabilities, I believe it would be very helpful if the Foreign Policy SIG would take stock of where we are and where we are going with respect to bilateral defense cooperation negotiations. Therefore, I would appreciate it if the SIG would undertake the following efforts:

- (1) Conduct an analysis of base negotiations in recent years, and determine lessons learned relevant to future base negotiations. This analysis should include, inter alia, an assessment of:
 - The precedent-setting effects of an agreement with one country upon subsequent negotiations with other countries.
 - Whether U.S. negotiating objectives have been fully met.
 - As it pertains to quids, a negotiating strategy based on "best efforts" to provide security assistance rather than on specific commitments.
 - The effect of legislative restrictions on negotiating flexibility.
 - Trends in maintaining operational flexibility in the use of foreign bases.
 - The relative merits of using a special U.S. negotiator instead of a sitting U.S. Ambassador.

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Review July 16 1988

NSC review completed.

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- (2) Identify base negotiations expected in the foreseeable future, both new and recurring, and taking into account the lessons learned from earlier negotiations, project:
- Guidelines for a preferred general strategy for these negotiations, to include the identification of broad U.S. negotiating objectives.
 - Potential effects of one negotiation upon another.
 - Procedures reflecting interagency relationships, coordination and instructions for the negotiator.
 - Special requirements, such as legislation, which may be needed, in order to ensure that negotiating objectives can be met.

It would be useful to complete this task by early September.

FOR THE PRESIDENT:


William P. Clark

cc: The Secretary of Defense

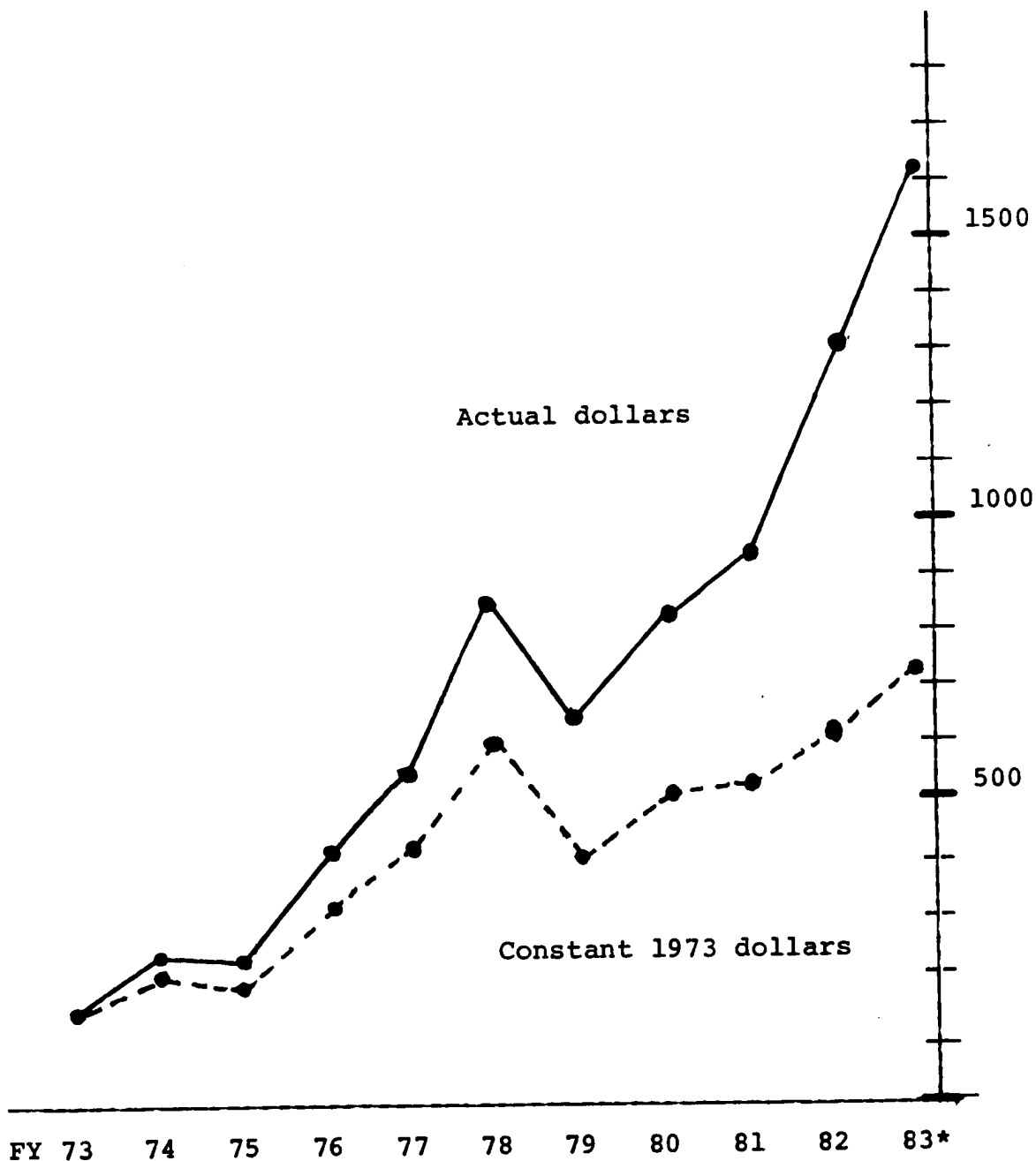
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SECURITY ASSISTANCE TO FIVE BASE HOST COUNTRIES:
GREECE, PHILIPPINES, PORTUGAL, SPAIN, AND TURKEY

(in \$ millions)

FY 73 - FY 83

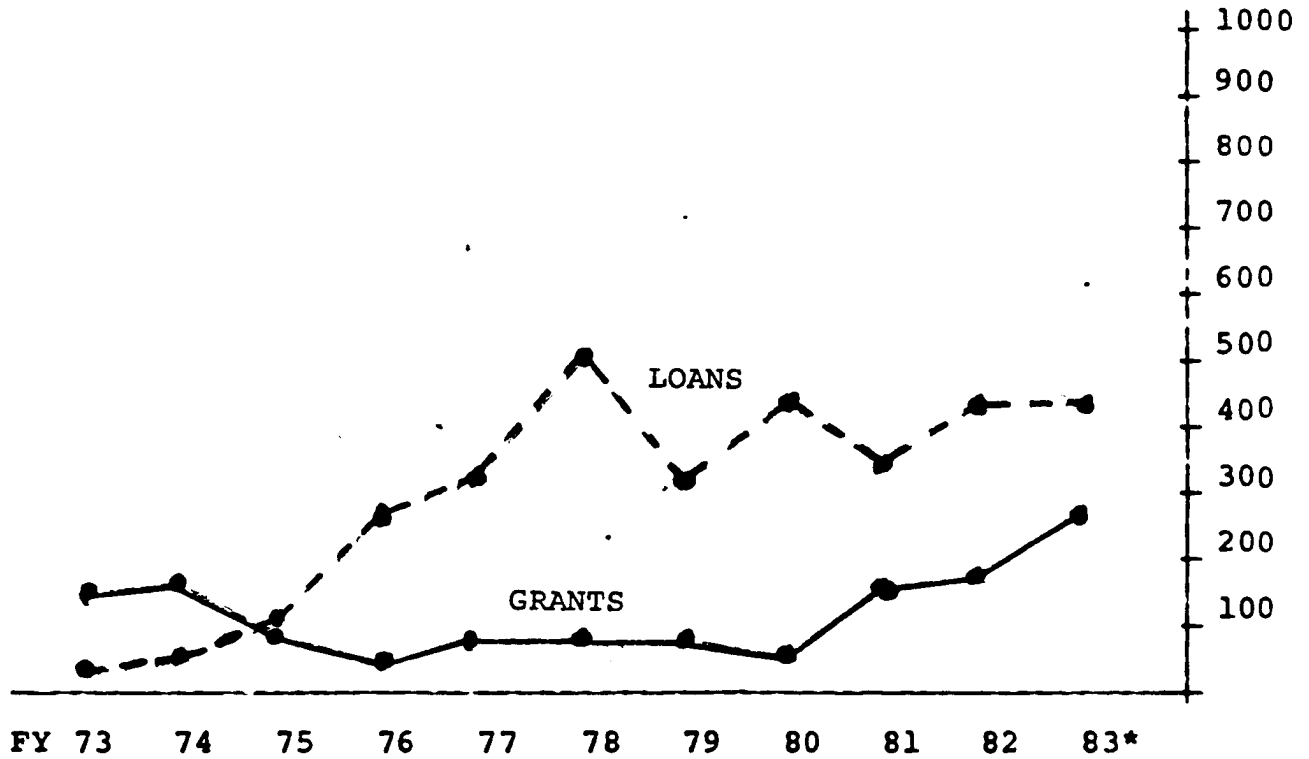


* proposed

Note: Includes FMS, MAP, ESF, and IMET.

SECURITY ASSISTANCE TO FIVE BASE HOST COUNTRIES:
GREECE, PHILIPPINES, PORTUGAL, SPAIN, AND TURKEY
IN LOANS AND GRANTS FY 73 - FY 83

(in constant 1973 \$ millions)

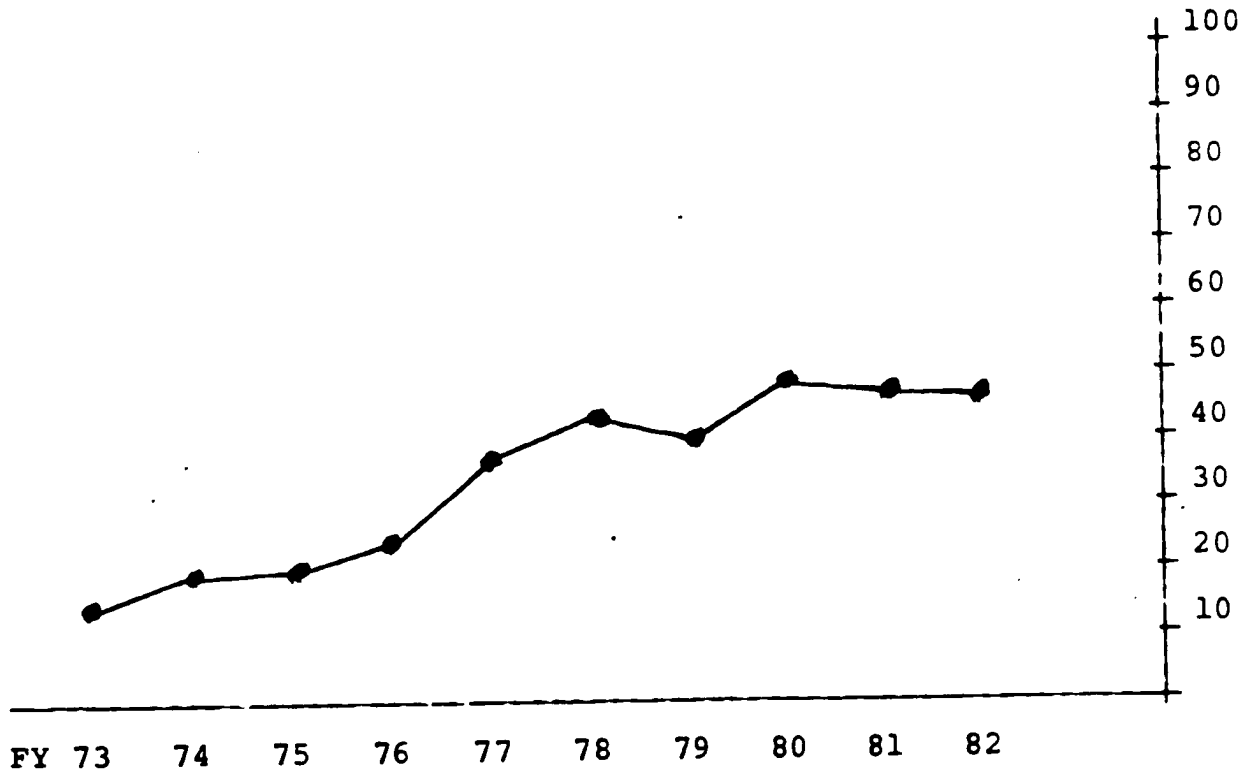


* proposed

Note: Includes FMS, MAP, ESF, and IMET.

Graph 3

SECURITY ASSISTANCE TO FIVE BASE HOST COUNTRIES:
GREECE, PHILIPPINES, PORTUGAL, SPAIN, AND TURKEY
AS A PERCENTAGE OF ALL SECURITY ASSISTANCE (EXCEPT
ISRAEL AND EGYPT)

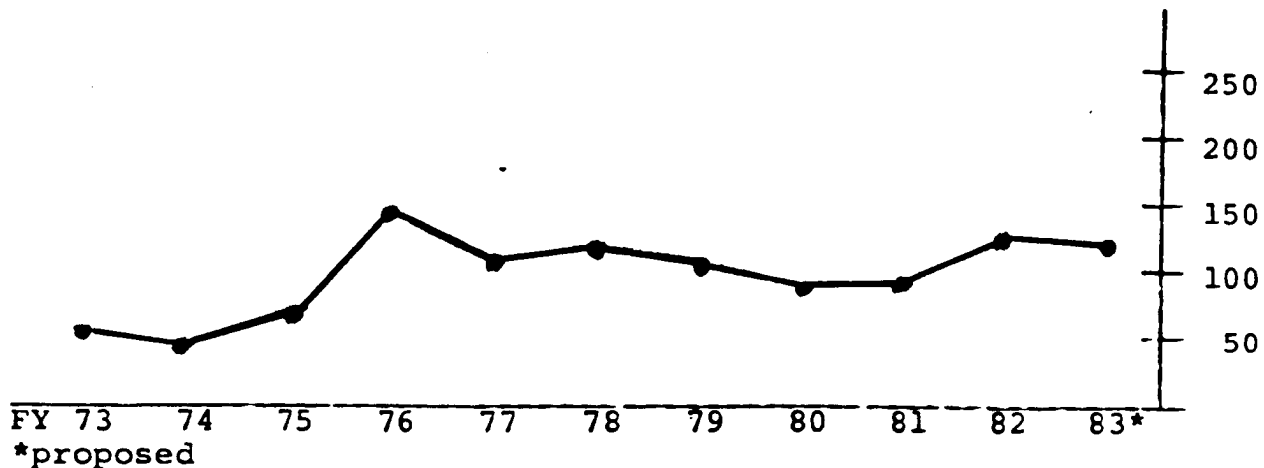


Note: Includes FMS, MAP, ESF, and IMET.

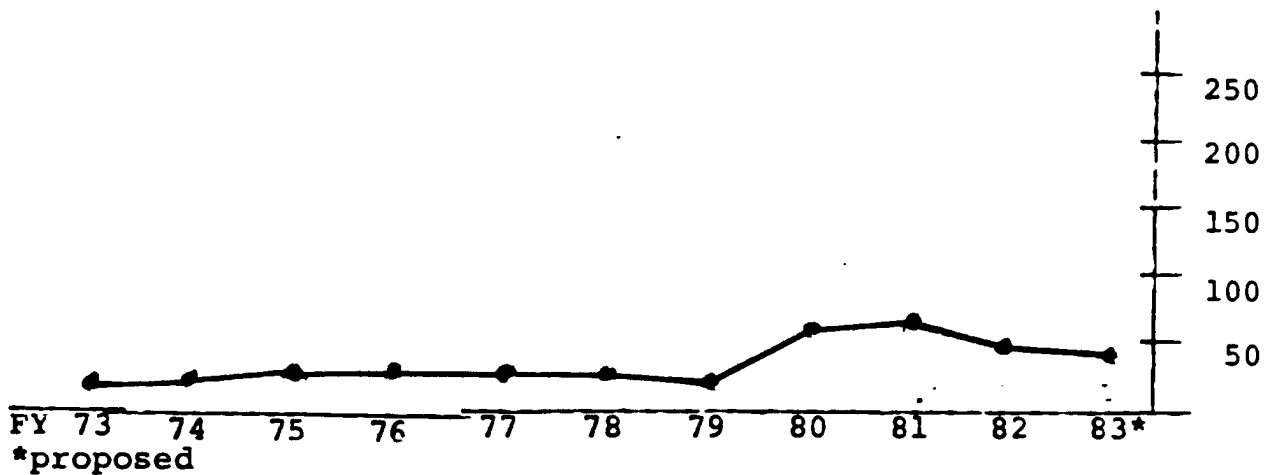
SECURITY ASSISTANCE TO FIVE BASE HOST COUNTRIES

(in constant 1973 \$ millions)

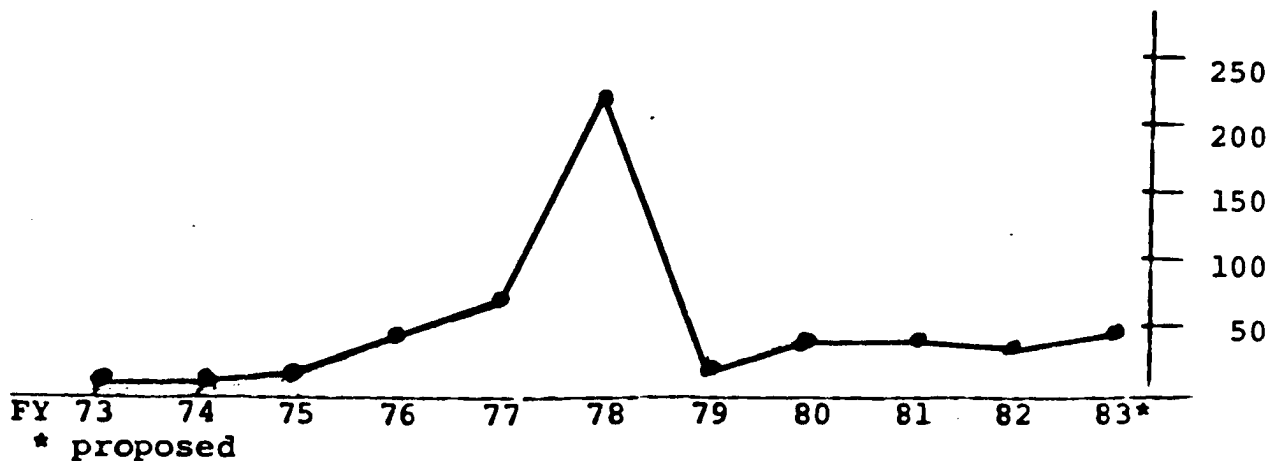
GREECE



PHILIPPINES

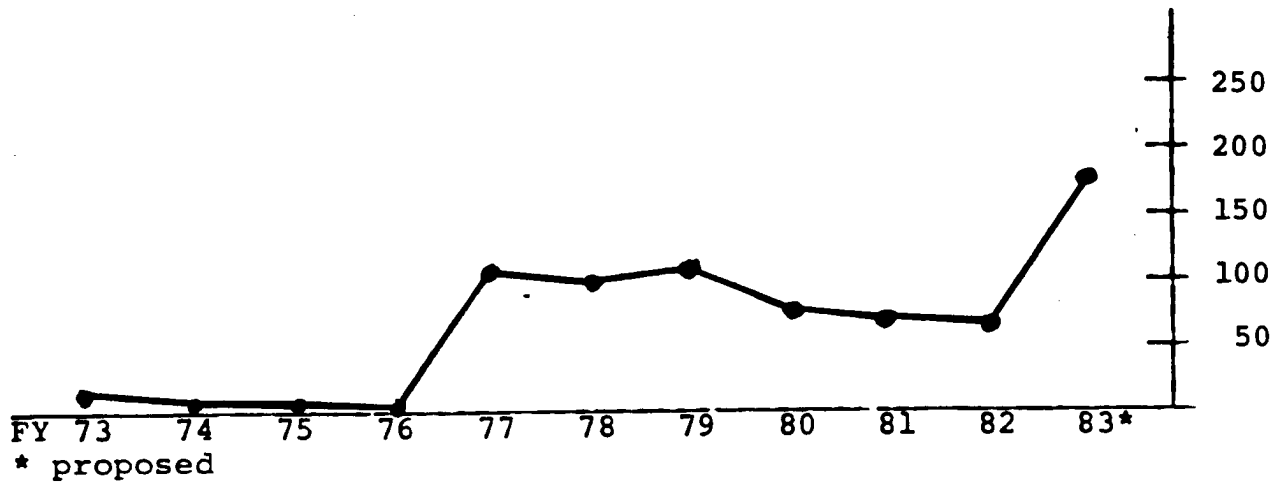


PORTUGAL

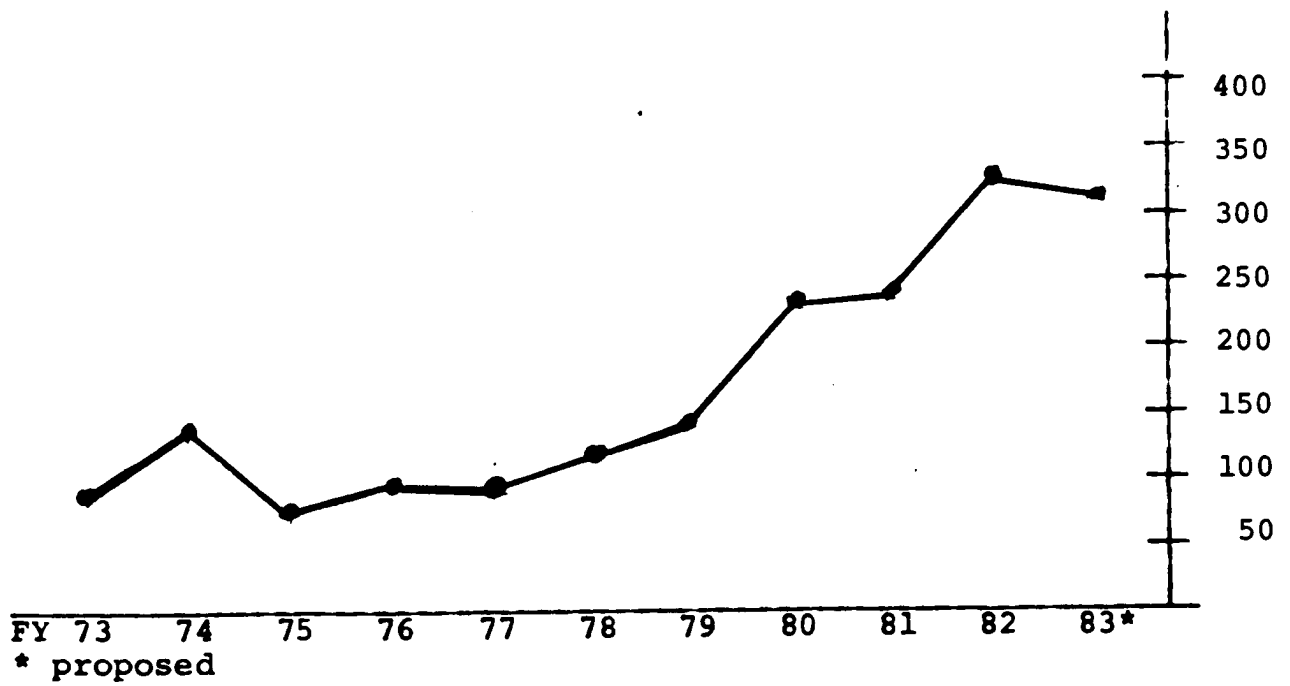


Note: Includes FMS, MAP, ESF, and IMET for each country.

SPAIN



TURKEY



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TAB 3

QUIDS

Assistance provided under the current basing agreements includes the following:

Greece

In the negotiations suspended in June 1981, the US had promised its best efforts with no specific levels or ratios mentioned. Provisions for defense industrial cooperation were also included. The 1953 agreement, still in effect, did not mention specific levels of security assistance. (The 1977 DCA, which never entered into force, promised \$140 million grant MAP and \$560 million FMS credits over four years.)

Philippines

As an adjunct to the 1979 MBA amendment, the United States agreed in a letter to make its best efforts to provide \$250 million in FMS credits, \$200 million in ESF, and \$50 million in grant MAP during FY 80-84.

Portugal

Under the 1979 arrangements, the United States promised to provide \$80 million in ESF during FY 80-83, to be used for development assistance in the Azores.

Spain

In the 1982 agreement, the United States promised only its best efforts to provide security assistance to Spain, with no specific amounts mentioned. The agreement also included an annex on defense industrial cooperation. (Under the 1976 treaty with Spain, the United States agreed to provide \$600 million in FMS credits, \$75 million in grant MAP, and \$35 million in ESF during FY 77-81.)

Turkey

In the 1980 DECA, the United States promised only its best efforts to provide security assistance to Turkey with no specific amounts mentioned. A defense industrial cooperation annex was also included. (The 1976 DCA that never entered into force had specified \$1 billion over four years.)

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TAB 4

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Negotiating Environment. Following Turkey's occupation in 1974 of the northern part of Cyprus in reaction to the Greek-instigated coup on the island, Congress suspended military assistance and sales to Turkey. In response, Turkey renounced the bilateral Defense Cooperation Agreement (DCA) and suspended all US military activities not directly related to NATO.

General Objectives. Our minimum objective--which we attained--was to preserve our basic security relationship, of which our facilities were a central but not necessarily essential element. Although the agreement did not enter into force, it gained us the time necessary for mending the bilateral relationship, fortuitously aided by the succession of another government better able to compromise with us. Our secondary objective, which we were unable to achieve, was a return to the operating conditions of the status quo ante.

Facility Rights. The Turks insisted on increased control over our activities, including a change from what were effectively US bases under US command to US facilities on Turkish bases under Turkish control. The Turks were serious in their intent to limit our activities to NATO-related operations, although in practice this affected only aircraft operations.

Operating Rights. Transits and overflights were largely subsidiary issues since they were to be addressed in an annex to be negotiated later. Following our major use of Turkish facilities for the resupply of Israel during the Six-Day War, Turkey has insisted upon considerable restrictions on US transits, especially those to areas of conflict (e.g., Middle East). The 1976 agreement continued these restrictions on transits.

Quids. The US agreed to provide Turkey \$1 billion in security assistance over the the planned four-year life of the agreement. By 1978-79, Turkey was in such straits that other Western nations had to mount a large rescue effort to enable it to avoid an economic collapse, a rescue necessary to preserve Turkey both as a NATO ally and as a westward-looking modernizing country. Consequently, continuing economic aid became imperative on its own merits, whether or not connected with a defense agreement. Political quids were Turkish command over the facilities--we nonetheless retained command and control of the US forces and their assets--and more restrictive language throughout the agreement.

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SOFA. Turkish efforts to gain rigid control over US imports were a greater problem than attacks on the NATO SOFA as such. Dealing with narcotics offenses by US military personnel was extremely troublesome due to the severity of Turkey's narcotics laws. The overall Turkish goal, with which we cooperated, was to increase markedly the bases' contribution to the local economies. We achieved our minimum objective of retaining control over the living standard of American personnel but the actual implementation of the importation procedures outlined in the DCA would have been far more cumbersome than those under the old DCA.

General Comment. Experience with the old DCA, however, indicated that the state of our bilateral relations had greater impact on actual practice than did restrictive language in the agreement itself, which was frequently stretched even before the Cyprus problem.

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