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Memorandum for: RECORD

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The attached was prepared by [redacted]
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for Alan Lukens of INR for use in State
Department conversations about the US-Greek
Base Negotiations.

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Office of European Analysis

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MEMORANDUM

Greek Base Negotiations

Greek Firmness On Duration And Balance Issues

In our judgment, the duration question is secondary in the Greeks' view and not one over which they would risk the success of the negotiations. Athens' sudden resurrection of the duration issue in the last round of the talks probably is a bargaining plov. seen [redacted]

[redacted] as the best way to obtain firm US assurances on what for the Greeks is the far more important matter of preserving the military balance in the Aegean. [redacted]

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We believe Papandreou will be tough to deal with on the balance issue. Recent Greek governments have all placed great emphasis on obtaining a US commitment to preserve the military balance in the Aegean, and Papandreou would not want to be seen as less determined on this issue than his predecessors. While the Greeks are largely satisfied with the US-proposed language, we believe they intend to hold out for still firmer commitments. They probably will accept a further slackening in the pace of negotiations, given the possibility of Congressional action to codify the 7:10 ratio in US law. We believe the importance to Athens of the security-related factors is reflected in Papandreou's public remarks over the past week emphasizing the military and economic aid issues and ignoring the duration question.

Domestic Reactions

The government would be on firm ground with public opinion if the talks broke down over the balance issue. Greeks across the political spectrum, in our estimate, share the view that Greek approval of US access to military facilities in turn obligates Washington to give contractual assurances that it will render multi-year security assistance. Papandreou would face little opposition if he could convincingly demonstrate in breaking off the talks that Washington was unwilling to meet this requirement, or even move toward meeting it with some combination of current-year aid, promises of "best efforts" in seeking Congressional approval of aid in later years, and other "sweeteners."

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Papandreou probably would not receive much sympathy if he were to break off the talks simply because of the duration issue. Because this would imply a Socialist decision to limit military cooperation with Washington, reactions would be uniformly negative, except for those of the Communists and the radical left wing of Papandreou's party. New Democracy leader Averof has expressed support for most of the government's main objectives in the negotiations with Washington, but he has clearly stated his party's opposition to any actions that would jeopardize long-term US-Greek military ties. Many military officers would view such a development as a move on the part of the already-suspect Socialists to sever Greek links to the West. We would not anticipate any immediate political action by the military, but the small group of rightwing coup plotters would probably find active duty officers more receptive to their ideas.

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[REDACTED] The unenthusiastic public response to recent Socialist and Communist sponsored demonstrations on the base negotiations suggests that Papandreou's positions do not automatically generate mass support. Moreover, the President's concerns probably would lead him to put his formidable campaigning skills at the disposal of the opposition. At worst, a Papandreou miscalculation in the talks and conflict with Karamanlis could lead to a full-blown constitutional crisis and political instability.

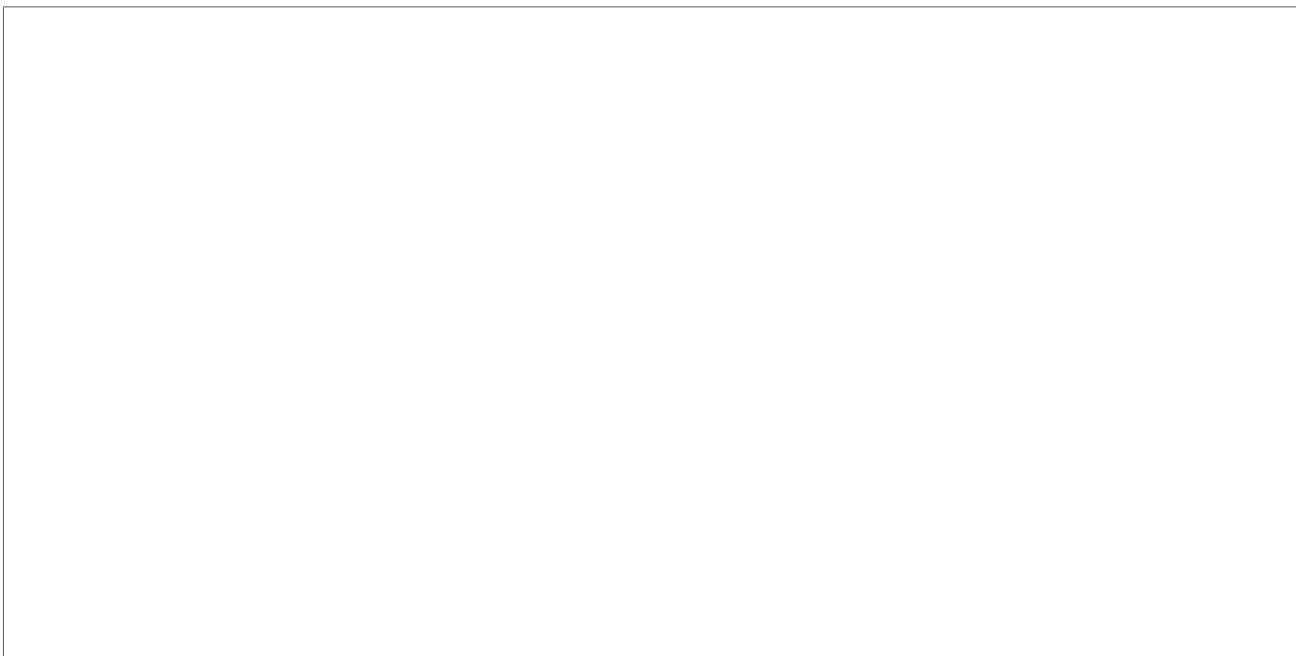
We believe that most Greeks would accept any agreement that met their perceived national security interests with regard to Turkey and offered some measure of oversight of US activities. Opinion polls indicate that at most a third of the people are opposed to the US military presence. Another third strongly support retention of the US bases, and the rest are ambivalent toward NATO and the US as long as the Alliance is responsive to Greek security concerns.

Papandreou's Response To A Stalemate

Papandreou probably would like bilateral defense relations to be settled before Greece assumes the EC presidency in July. The government could well begin to restrict US activities if there is no negotiating progress within the next month or so. Papandreou probably would do so, however, only if he believed that such actions could be defended domestically. We believe Papandreou would rather let the negotiations drag on than sign an unacceptable agreement -- one that looked worse than the 1981 draft accord.



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US Exploration Of Alternative Facilities

Few Greeks would view with comfort any US moves to relocate its Greek bases to other points in the eastern Mediterranean. The exploration of alternative sites in Turkey would create profound anguish in Greece, and if Papandreou were seen as having irresponsibly provoked a US departure from Greece, his government would become untenable. Only in the event that such moves were somehow seen to be a result of Washington's failure to satisfy legitimate Greek security interests would the public react harshly against the United States.

Other Issues

All of this said, we doubt that the duration or balance issues are the final points of contention for the Greeks. Just as Washington's efforts in March to satisfy Athens on the 7:10 issue led to the posing of new obstacles, in our estimate there is a strong possibility that, if the two sides work out mutually agreeable positions on duration and balance, the Greeks will then dig in on defense industrial cooperation and US assistance in the purchase of advanced fighter aircraft.