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Greece/Turkey
PRM 5



OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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MEMORANDUM FOR THE DEPUTY ASSISTANT TO THE PRESIDENT
FOR NATIONAL SECURITY AFFAIRS

SUBJECT: Presidential Review Memorandum/NSC-5, Cyprus/Aegean

We recommend the attached changes be made to the draft response to PRM/
NSC-5 which was provided to this office by NSC Memorandum, 3 February
1977.

Attachment
a/s

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Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: JUL 13 2016

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 13 Jul 2016 Authority: EO 13526 + 5 u.s. § 552
Declassify: _____ Deny in Full: _____
Declassify in Part: X
Reason: 3.3(1)(1)(5),(6)
MDR: 15 -M- 0272

~~Director, Foreign Policy~~
~~Director, Central Intelligence Agency~~
~~Director, Arms and Air Force~~
~~Director, Defense Intelligence Agency~~

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330-80-0017, box 66, Cyprus 1977

15-M-0272

Brief summaries of the current status of the Turkish and Greek Defense Cooperation Agreements and the current relationship of both to NATO follow:

A. U.S.-Turkish Defense Cooperation Agreement

The U.S. and Turkey, after five months of intensive negotiations, completed and signed a new Defense Cooperation Agreement in March 1976. The new agreement will replace a 1969 agreement which the Turks "suspended" following Congressional reaffirmation in July 1975 of its earlier decision to impose a ban on U.S. arms sales and shipments to Turkey.

The Turks insisted that the new agreement specify the level of military assistance Turkey is to receive over the four year life of the agreement, a figure which was set at \$1 billion in the form of grants, FMS credits and loan guarantees. The assistance itself was designed to enable Turkey, which has one of NATO's largest armed forces, to fulfill its Alliance obligations.



(An inter-agency assessment of the impact of the loss of these facilities over the past 18 months is in preparation and will be completed in early February.) Turkey has made clear that only with the coming into effect of the agreement will they permit the U.S. to resume these operations.

The Turks have made Congressional approval of the agreement the litmus test of U.S. intentions toward Turkey and an essential precondition to the restoration of close U.S.-Turkish security relations. They have made this position abundantly clear both publicly and in recent private presentations to the Vice President and the Secretary of State.

The U.S.-Turkish Defense Cooperation Agreement legislation was submitted to Congress in June 1976. A single hearing was held by the Senate Foreign Relations Committee in September, but Congress took no further action. The Defense Cooperation Agreement legislation was resubmitted on

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JS 3.3(b)(1),(5),(6)

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January 18, 1977, but the Congress understands that this Administration does not feel any action is necessary until a complete review is made of the related problems involving Turkey, Greece and Cyprus.

B. U.S.-Greek Defense Cooperation Agreement

Parallel negotiations have been in progress with Greece since February 1975. What began only as an effort by Greece to reduce the visibility and magnitude of the U.S. presence in Greece turned in April 1976 into an attempt to negotiate a document modeled after the U.S.-Turkish Defense Cooperation Agreement signed the previous month.

Accord was quickly reached on a set of principles to achieve this similarity which included the promise of \$700 million in U.S. military assistance over the four-year duration of the agreement. Negotiations on the text of the agreement began immediately thereafter and proceeded almost continuously until early October 1976. Negotiators have virtually completed a draft Defense Cooperation Agreement, a new Status of Forces Agreement, and a Command and Control Appendix which assures the "Hellenization" of U.S. facilities in Greece. Considerable progress was also made on appendices covering each of the four largest facilities which we maintain in Greece. The Greeks have, however, insisted on finishing each of these appendices as well as at least a dozen other annexes and supplementary documents before signing anything.

A number of issues remain to be settled, but all are susceptible to early resolution if decisions are taken in both Washington and Athens that an early U.S.-Greek base agreement is desired. If both parties want an agreement, one could be achieved within three to six weeks. U.S. agency negotiating positions are for the most part reconciled or reconcilable, and a U.S. negotiating team could be dispatched to Athens with approved positions on short notice although some further give in U.S. negotiating positions or some additional incentives might have to be provided to seal an early agreement.

C. Southeastern Flank of NATO

U.S. security interests in Greece and Turkey are directly linked to our interest in maintaining a strong NATO. Our military assistance programs to both countries are designed to assist them to carry out NATO commitments. U.S. military

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facilities in both countries have NATO or NATO-related missions, but also help to support a U.S. presence in the Mediterranean.

Greece withdrew from NATO's military side in August 1974 following the Cyprus crisis. In October 1976 Greece in effect partially returned to the integrated NATO military command structure. In addition, Greece has recently shown some willingness to move back toward full NATO participation as internal political conditions and progress on Cyprus and the Aegean issues permit. However, the definition of the future Greek military relationship with NATO remains to be clarified. Turkey remains a full member of NATO but discontent is growing at the inability of the European allies to fill the gap created by U.S. arms sales restrictions. Completion and approval of U.S. Defense Cooperation Agreements with Greece and Turkey would strengthen the ties between both countries and NATO and could lead to some resumption of Greek-Turkish cooperation. Conversely, failure to conclude new security relationships would inevitably lead to increased bitterness between Greece and Turkey and further serious deterioration of NATO defenses in the southeastern Mediterranean.

VII. Conclusion

The preceding sections have sought to describe our current difficulties in the Eastern Mediterranean and strategies by which they might be overcome. The problems are complex and interrelated, yet each in some way relates back directly to the summer of 1974. Tensions in the Aegean, difficulties in our defense cooperation arrangements with Turkey and Greece, and the general deterioration in our relations with both NATO allies are the by-products of the Cyprus problem, the most recent expression of centuries-old Greek and Turkish antipathies.

Just as our problems began with Cyprus, so too the process of solving them must begin on that troubled island. For more than two years, the U.S. has sought to encourage a negotiating process that would lead to some equitable solution. Our success has been meager, and we look to the future tempered by caution and the prudent awareness that in all things Greek and Turkish, history is not on the side of reconciliation.

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Nonetheless, the thrust of this paper is to suggest that a new attempt be made to resolve the Cyprus problem. This is based on a recognition that the longer it takes to begin real movement, the harder it will be to reach a settlement. Opportunities for progress were missed in 1974 and 1975 and indeed often in the years since 1960. Attitudes on the ground harden with each month that passes. The Greek and Turkish Cypriot communities will increasingly move further apart. Prospects of either making the necessary concessions to reunite the island will grow even dimmer.

There are, however, some encouraging signs on the horizon which permit an assessment that there is at least the possibility of progress in the relatively brief future. The Turkish government may have come to see that it is in its national interest to show flexibility on Cyprus. Makarios and the Greek government look to the new U.S. Administration as the means toward an improved set of relationships in the area and movement toward a Cyprus settlement. Faced with a Turkish election campaign beginning in the late spring, it should be possible to determine quickly whether present hopeful prospects can be brought to fruition.

Combined with a major early effort on Cyprus, we think it tactically prudent to hold up for the next few weeks on endorsing the Turkish DCA in Congress while making clear to the Turks that we want to restore a satisfactory defense relationship. This delay would enable us to determine whether Turkey can act or commit itself to act in the future on Cyprus. We should, however, press forward to conclude our negotiations for a companion Greek Defense Cooperation Agreement, so that at an early date, in association with concrete progress on Cyprus, the Congressional approval of both documents can be sought. These steps should be combined with a U.S. posture of continuing to encourage a Greek-Turkish dialogue on the Aegean.

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