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ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

SECRETARY OF DEFENSE



INTERNATIONAL  
SECURITY POLICY

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Date: AUG 27 2010

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In reply refer to  
I-20482/83

Greece

MEMORANDUM FOR THE SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY

8 APR 1983  
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SUBJECT: Greek DECA Negotiations - INFORMATION MEMORANDUM (U)

(S) In the round that just ended, the Greeks showed considerable movement toward a Defense and Economic Cooperation Agreement (DECA). During the same period, however, Papandreou also reminded us of his capacity for brash action. In this case, the action was suspension of the talks and threatened interference with current operations until we indicated the amount of security assistance we had in mind upon conclusion of a DECA.

(S) The Greek negotiator, Deputy Foreign Minister Kapsis, was obviously relieved when Reggie Bartholomew told him we were considering an increase of up to \$220 Million in FMS credits with a satisfactory DECA. Kapsis complained feebly about the amount and type of assistance, but immediately reopened the talks and turned to serious negotiation.

(S) As a result, we can see for the first time a possibility of satisfactory agreement in a relatively short period. At the same time, a few difficult issues remain to be settled -- any one of which could delay or prevent agreement. Moreover, from past experience, we should expect the Greeks to reopen old issues. In fact, in the last meetings, Kapsis sprinkled a number of problems throughout the DECA text despite earlier agreement. His manner did not suggest he would insist, but that he felt he needed levers for the endgame. Further suggesting a shift to endgame tactics is the change in Greek press play. The GOG has now begun releasing optimistic and relatively realistic statements concerning potential agreement.

(S) There are now only three significant disputed issues in the DECA itself. Those are: (1) preservation of "balance" in the region, (2) Greece's rights to take restrictive measures in a national emergency, and (3) a "verification" role for the Greek Representative at US facilities. The last two points may be troublesome, but we believe they can be worked out to our satisfaction. Only the balance question presents a fundamental obstacle.

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(S) The GOG is flexible on how the balance issue is treated, but some treatment is a sine qua non for their agreement. Their proposal calls for the following statement in the lead article: "The balance of forces in the region, both quantitatively and qualitatively, shall be preserved." This formulation is unacceptable. First, the Greeks' public use of the expression has come to signify the maintenance of the 7:10 ratio with Turkey. Second, the statement, without reference to US law on the subject, suggests a bilateral agreement with Greece against Turkey. Finally, placement in the lead article puts the statement among the principal purposes of the agreement.

(S) We have not suggested an alternative. In 1981, we offered to say that we would be "guided by the principle set forth in US law that calls for preserving the balance of military strength in the region." In the end, we will probably try a similar statement. However, we will want to bury it in the article dealing with defense support or elsewhere. The 1981 Government rejected the offer, but it would seem to be the most we can ever say.

(S) Aside from the DECA text, there will be inevitable problems with side understandings on defense industrial cooperation, future defense support (they will want an understanding that FY 84 security assistance will be a floor for following years), and all the shoes have yet to drop in the form of equipment wish lists and other lesser requests.

(S) Finally, there are a number of related issues that could cause difficulties. An example is a recent ruling by Greek courts awarding a large pay hike to the Greek labor force at US bases. Our compliance with that ruling will be a test of the existing Status of Forces Agreement (SOFA) and will affect SOFA arrangements in the agreement under negotiation. Under normal circumstances, we might comply routinely. However, general irritation with the Greek Government makes that a bitter pill, and the Air Force Secretariat has raised objections. Nevertheless, most are convinced we will have to comply finally with the legal ruling. In any event, our compliance could be used by Bartholomew as a quid in the base negotiations.

(S) The next round begins 11 April. Kapsis is optimistic that the agreement can be concluded in April and very much wants to see that happen. Nevertheless, we expect hard going. While we do not share fully Kapsis' optimism, we can begin to see the possibility of concluding an agreement. In that connection, Bartholomew plans to carry a note of optimism to Greek supporters on the Hill who are pessimistic about agreement, and who hope to protect the 7:10 ratio by cutting back on our proposals for Turkey in FY 84.

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