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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

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Chief, Records & Declass Div, WHS
Date: AUG 27 2018

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MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: State Department's Proposed Security Assistance Pledge for Greece

(S) It would not, in my view, be advisable now to offer the Papandreou government the proposed security assistance program profile.

(S) Such an offer would commit the USG to provide \$2.5 billion to the GoG over the next five years. It would greatly diminish both our resources and our flexibility in the security assistance field. It would moreover preclude the Administration from even attempting to make the Greece aid figure an issue in our annual give-and-take with Congress regarding security assistance.

(S) Thus, the costs of the proposed offer are high, while the benefits to the USG are unclear. The GoG has not yet made a major issue of the program profile. It cannot at this juncture be said that the \$2.5 billion pledge is the key to successful completion of the base negotiations. It may never be. In any event, enough other important issues still require resolution to justify deferring a decision on the program profile.

(S) In urging deferral of our decision, I am not ignoring the likelihood that Greece will in any case over the next five years receive from us at least as much security assistance as we are allocating for it this year (i.e., \$500 million, assuming conclusion of the base agreement). There is a difference between recognizing that we will probably do something and committing ourselves to do it.

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✓) The effects of such a pledge on our immensely important relationship with Turkey need also be considered. The multiyear profile we discussed with the GoT has a baseline of \$465 million. The proposed baseline for Greece is \$500 million. Consequently, State proposes raising Turkey's baseline. But there is a problem in attempting to balance such commitments: Given political realities on the Hill, a pledge to Greece is money in the bank while a pledge to Turkey, to say the least, is not. Turkey, by the way, did not insist on (and did not receive) a multi-year aid pledge before signing the Turkish-US defense agreement in 1980.

✓) If the decision is taken not to defer the matter but to authorize the pledge to the GoG, I believe it would be best to qualify that pledge in writing as follows:

The actual amounts of security assistance that the USG will provide to the GoG will of course depend on international strategic developments, NATO developments, the requirements of the Greek Armed Forces, and the willingness of the US Congress to fund security assistance requests.

It is especially important that we affirm the principle that security assistance levels remain tied to actual military requirements. It is also important that the GoG understand that we cannot commit ourselves to \$500 million annually in aid to Greece if Congress does violence to our other security assistance requests.

✓) If the pledge to the GoG is authorized, I would concur in transmitting to Turkish President Evren the letter drafted by the State Department, as amended.

✓) In sum, I recommend that we defer deciding on the security assistance pledge for the GoG until the other major issues in the base negotiations are resolved and we can effectively weigh the actual costs and benefits to the USG of the pledge. If the pledge, however, is to be authorized now, I recommend that it be qualified as set forth above and that the President sign the proposed letter to President Evren, as amended.

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