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MEMORANDUM OF CONVERSATION

DATE AND TIME: July 30, 1975, 1 p.m.
PLACE: Ambassador's Residence,
Helsinki, Finland

SUBJECT:

PARTICIPANTS: Greece:

Prime Minister Caramanlis
Foreign Minister Bitsios
Chef de Cabinet Molyviatos

U.S.:

The President
The Secretary of State
Mr. Arthur A. Hartman, Assistant Secretary
for European Affairs

DISTRIBUTION:

There was a brief discussion in the garden of the President's previous stops and then of his future travel plans including his plans to meet with the Japanese Prime Minister.

Caramanlis: I was in Romania a short time ago and I thought of inviting the Romanians to join us at the NATO Summit.

The Secretary: Yes, they and the Chinese are the best allies of NATO and the Common Market.

The President: Aren't the Albanians here?

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EX GDS 1



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E.O. 12958, Sec. 3.5
State Dept. Guidelines state review 3/10/04
By WZ, NARA, Date 5/24/04

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The Secretary: No and that's because they follow the Chinese line.

Bitsios: Yes, they think all of this is a conspiracy.

Caramanlis: I am going to be making separate visits to Bulgaria and Yugoslavia as well as Romania.

The President: I understand that Romania and particularly Bucharest was very lively in the pre-war period.

Bitsios: Yes, they called it the Paris of the East.

The Secretary: That's because it was decadent.

The President: Do they still have very much oil?

Caramanlis: I think about half of it is gone.

Molyviatos: We have very warm relations with Bulgaria now.

The Secretary: That was not true historically.

Caramanlis: Yes, this is the first time.

The Secretary: In times past the Bulgarians wanted an outlet to the Aegean and thought they should have a piece of Greece.

Bitsios: The Bulgarians are annoyed with the Yugoslavs because of the Macedonian minority question.

Caramanlis: We could have better relations with Bulgaria than Turkey. What we need is a new equilibrium.

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The President: What do you think is going to happen in Yugoslavia after Tito?

Caramanlis: I think it is going to be very difficult. There are three possibilities. The Russians may take control. It may split up. Or, because of the strength of the Army, it may remain unified and have the same independence. It is a big preoccupation for us. One of the reasons we want to restore good relations with Turkey is so that we will not have that problem when the transition occurs in Yugoslavia.

The Secretary: If the Turkish situation is improved then you feel you can play a helpful role in the Balkans.

The President: Who is the emerging leader in Yugoslavia?

Caramanlis: It is difficult to say but I think they have a 50-50 chance of maintaining their unity and independence.

The President: It would not be healthy if the Soviets move in.

Caramanlis: If the Russians move in, then Yugoslavia would cooperate with Bulgaria. That is why our relations with Turkey are important.

The Secretary: Yes.

Caramanlis: Our relations with Yugoslavia are good.

The Secretary: The reason that the civil war in Greece ended was because Yugoslavia closed the borders.

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Bitsios: Yes, that is true.

Caramanlis: There were two reasons--the Truman Doctrine and Tito closed the borders.

The President: We all owe Tito a lot. I can remember when I was in Congress some of my colleagues questioned giving military aid to Tito but it was the right thing to do because it helped in Greece and in the Mediterranean generally.

Bitsios: Are your relations with Yugoslavia good?

The President: Yes.

The Secretary: There are only occasional press attacks due to their non-aligned position.

The President: Who is the Foreign Minister?

The Secretary: Minic.

Bitsios: There are rumours that he may head the collective leadership after Tito.

The President: What do you think of Portugal today?

Caramanlis: I think it is hopeless.

The Secretary: That is my view.

The President: Do you think that they should stay in NATO if they are Communists?

Caramanlis: There may be a civil war there. It depends on the conservatives.

Bitsios: It is also bad for Spain.

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The President: I noted that the Workers' Associations in Spain have voted and they have chosen either liberal or Communist leadership.

The Secretary: Yes.

Caramanlis: The Portuguese situation has a dangerous effect in Spain and Italy. In my view when situations develop that are bad' they need immediate measures to correct them.

The Secretary: You're right. We have wasted a year on Portugal mainly because the West Europeans said there was no problem.

Caramanlis: In the case of Portugal, Cyprus and Arab oil, we now have a big problem which creates hostility but if these crises are dealt with quickly they usually can be solved and we can avoid confrontation.

The Secretary: It is a pity that we were not able to make progress on Cyprus in December. You were ready but then Ecevit's resignation and our own domestic problem delayed a solution plus the vested interests in Turkey.

Caramanlis: The situation is now worse than Brussels. You will recall that I expressed our position on Cyprus. The responsibility for lack of progress rests with Turkey. This is dangerous. We are realistic. If there is no progress there will be even greater danger and even outside the area of Cyprus.

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The Secretary: Have you seen that Demirel will see Brezhnev?

Caramanlis: Yes, they have given credits to Turkey.

The President: I think about \$500 million.

The Secretary: Our tragedy is that our influence has been reduced and we never had a chance to use it.

The President: I am sure you know, Mr. Prime Minister, that I am extremely disappointed by the vote in the Congress last week. I had personally put my prestige on the line. I saw 325 Members of the House. I was convinced and I am convinced that a continuation of the embargo is a handicap to a Cyprus solution, undermines NATO, is no help to Greece, and involves the closing of U.S. bases which are deeply connected with U.S. national security. We made a fair and proper presentation. But we lost. And I am afraid that all the circumstances I foresaw will take place. Our leverage is not zero; it is negative. The closing of the bases is extremely serious. If the Turks maintain their adamant attitude on Cyprus it will certainly delay a solution and also lead to problems in the Aegean. Frankly I must tell you, Mr. Prime Minister, there were people in your Embassy who were actively opposing my efforts to obtain House action. A letter was sent by your Embassy (the President shows the letter) saying that Administration statements were in error.

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The Secretary: Statements which I had not made.

The President: That letter was publicly distributed on the floor of the House and it was very damaging. Your Embassy bypassed established channels. If they thought that a statement of that kind had been made they should have asked the Secretary whether or not it was true before making any public comment. There were large numbers of people from your Embassy in the galleries who by their presence gave an unfavorable atmosphere. I can tell you what we have been trying to do--we want to help solve the problem but I must tell you in a friendly and firm way that I do not believe the activities of your Embassy were the proper way for your Government to act.

Caramanlis: As Prime Minister of the Greek Government I had knowledge of the statement. All during this time I have tried not to take a position although I have been under extreme pressure from the press in Athens to state publicly that the Greek Government is against lifting the embargo. In spite of this pressure I resisted but when I was informed by Members of your Congress that the impression was being given that the Greek Government favored lifting the embargo, I was obliged to issue a denial because if it was believed in Greece that I favored the lifting of the embargo there would be strong public opposition to me in Greece.

The Secretary: If you had come to us, we would have issued a public denial. Our case did not rest on Greek support and we never said that that was the position of your Government.

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- Caramanlis: A man by the name of George Christopher who was the Mayor of San Francisco mailed a letter in which he purported to quote me and I denied that this was a quotation from me.
- Hartman: Your Embassy said that no one had the right to speak for you but they did not really deny the quotation.
- The Secretary: It is clear but we never said that you favored the lifting of the embargo.
- The President: I have understood that the Greek Government was not going to take a stand. We have always said that we could be more effective in helping Greece and moving toward a peaceful settlement on Cyprus if the embargo were lifted.
- Caramanlis: You should not think that you will have more influence. But I don't want to connect these issues. It is up to you to decide on arms but in my view your leverage will not be increased by a lifting of the embargo because, after all, you have tried both--lifting the embargo and continuing arms shipments and both have failed. In my view the way to achieve progress is to discreetly get commitments from the Turks so that their pride is not involved and then lift the embargo contingent on their taking action later. I understand that they do not wish to make concessions under pressure and that is why you would have to get their discreet agreement.
- The Secretary: That is a reasonable solution but the trouble is it could not be kept secret because we would have to tell the

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Congress and they would make it public. This was the President's own personal position and he felt that there would be a moral obligation for the Turks to make progress and he told them in Brussels that if progress was not made it would lead to an enormous effect on Turkish-U.S. relations which we would initiate. In fact, I cautioned the President that he might be promising more than he could deliver.

Caramanlis:

It was not for me to say how you handled your Turkish relations. But whether we wish it or not those relations are linked with Cyprus. All the issues involved are linked and if a solution is not found, we will continue to have problems.

The President:

There is no question about that.

Caramanlis:

I have the impression that this situation has not been handled right. We all know how to arrive at a solution to this small problem and a solution exists--it is not like the Middle East--but all the same if a solution is found all the dangers will automatically disappear. After all it is a rather small question. I have adopted a position. I am willing to satisfy Turkish demands. I have accepted a geographic federation. I am prepared to accept two zones but on condition that enough territory is returned so that their percentage is roughly equivalent or in some relation to their population. It can be 1 or 2 or 3 percent more than the 18 percent

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of their position. This would facilitate the return of refugees. I am willing to give the Turks whatever federal powers they want. I can impose such a solution now. I am strong enough in Athens and I can control Makarios.

The Secretary: If you can, you are the only one.

Caramanlis: If the Turks do not move now in a few months it may not be possible. You must convince the Turks.

The President: We want your good Government to continue and to prosper. We favor very strongly the Caramanlis government in Greece and we are very apprehensive of the festering of this Cyprus problem and its potential effect on you. We want to help. Just this morning I received a message that the Congress is going to try for another bipartisan compromise and this has my full support. If it fails and they must act by Friday things will be much worse five weeks from now when Congress returns. We are going to try and outside parties could help to reverse the narrow defeat. After all, we only lost by a vote of 206 to 223. Until the last few seconds of the vote I thought we had won. But I must tell you that my dear friends in AHEPA have been very difficult. They have been misinformed. They are a fine people but they have to be told of the dire circumstances that will follow if this next effort fails. If we go through five weeks with nothing happening the situation will be worse.

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This is not a partisan effort. After the vote both Senators Scott and Mansfield condemned the House action. But we have a chance to rescue that situation and this is a last effort. You are a judge of what you can do but you must also know that you can never tell what kind of backlash there could be. If this situation deteriorates further, the American people will want to blame someone for the effects on our national security. You will have to decide what role you can play. Maybe none.

Caramanlis: My Government cannot help the American Government, and speak in favor of supporting the enemy. That would be political suicide.

The Secretary: Brademas and Sarbanes say that they have a way of clearing their statements with Bitsios but you know, Mr. Foreign Minister, that every proposal we have made we have cleared with you and that we have tried to use our pressure to obtain Turkish concessions. We think, Mr. Prime Minister, that you have exercised great statesmanship. But then the Greeks come to us and say that they hear that the State Department is anti-Greek. They say that we are not doing enough.

Bitsios: I will see to it that the word is spread that you are helping.

The Secretary: I am afraid that this has become a personal issue for some people. The Congressmen say that they have a source in the Prime Minister's office who says that we are not doing anything to help with the Turks and that in

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fact we might be colluding with the Turks in order to produce a stalemate.

Caramanlis: That is gossip and it is just not true. If I have to say something to the American Government I will do so directly. I don't wish to say anything about large States but it is absolutely essential for a small State that it speak sincerely and honestly.

The President: Mr. Prime Minister, you told me in Brussels that you were concerned about the Aegean and that you wanted to keep that situation quiet. I spoke very firmly to Demirel about this as you asked me to. If we are able to get the embargo lifted I asked him do I have your assurance that you will negotiate on Cyprus in a meaningful way. He gave me that assurance and we were firm with him. That is why I am personally disappointed. John Brademas is a friend of mine but he keeps saying that we are not pressing Turkey and he is doing things which, in my view, are totally undermining my ability to influence Turkey.

Bitsios: I have always praised the efforts of your Secretary of State. I have mentioned his trip to Ankara but it is the Turks who have been negative. I can deny categorically stories that you are not doing anything.

Caramanlis: I certainly do not agree with such statements.

The Secretary: We think that the Turks are shortsighted. We know that it is essential for the Turks to make significant

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concessions. The only thing which I see as a major obstacle is the percentage of territory required to negotiate a solution. And if I may say so--and I have tremendous admiration for the Prime Minister personally--all of your terms seem to be reasonable. Turkey had an opportunity to achieve a settlement and with the exception of some tactical errors we may have made last August each new negative factor was used by the Turks as another excuse to delay.

Caramanlis:

As you know, we have taken the initiative to try to deal with the Aegean problem. We did not think it was an issue but we agreed to refer the matter to the Court at The Hague. The Ministers agreed to meet in Rome to discuss such a referral but the Turks said that they were not ready. One or two months have passed and they say they may not be ready until September.

The Secretary:

They may want to wait until they get through their Senate elections in October.

Caramanlis:

Do you think in view of the fact that your Congress has acted the way it has this is the moment when perhaps the Europeans can take an initiative?

The President:

We would welcome a fresh approach and if the EC-Nine wish to do something, we would certainly welcome it and the sooner the better. We would have no objection.



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The Secretary: As a matter of fact, we told Prime Minister Wilson at breakfast this morning that if the Europeans wish to make an effort we considered it to be in our interests and we would support it.

Caramanlis: The Europeans do not have the same possibilities that you do.

The President: We have no pride of authorship. We want the problem solved.

The Secretary: The difficulty is that you have acted in a statesman-like way but the Turks have responded to domestic and local considerations. We thought that if we could give Demirel a victory by fall that he got aid restored when Ecevit had lost it that he could then be strong enough to make concessions. The President took a large domestic risk but as you may know the Greek-American community is not known for its dispassionate analysis. We all know that they expect more out of these negotiations than is possible.

Caramanlis: You have the same problem with the Jews.

The President: Yes, that is right. We have two problems.

The Secretary: To have both the Jews and the Greeks against you is really too much. But I can say that the Greeks are more charming.

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Caramanlis: All of this springs from a small question. Why can't we go to the heart of the matter?

The Secretary: Concretely I must say, Mr. President, that our influence has suffered to the detriment of Greece and of us. If the Turks move toward the Soviets it would be a strategic setback but I don't think that they will go very far in that direction.

Caramanlis: Not even if you push them.

The Secretary: But they can go toward the radical Arabs--Iraq and Libya--where the money is.

Caramanlis: Libya has invited me to come on a visit.

The Secretary: The central question is really up to the Turks. From what you have said it is clear that the refugee question depends on the percentage of area. You say that the percentage of territory should be roughly equivalent to the population.

Caramanlis: Slightly more.

The Secretary: In my view that is not possible and, therefore, let me get at the heart of matter. When we were in Ankara in March the Turks told us privately that they might come down to something like 33 percent from 40. I know that that is too high and what we must now do is to narrow the range. At some point couldn't we or the Europeans put forward a percentage which neither party could itself suggest but which both would accept. This percentage would be higher than 18 but much

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lower than 40. Then maybe both of you could accept it.

Caramanlis: A true solution to this problem must be honest and satisfactory. It cannot be imposed for long if it is not viable. Otherwise, you are just buying future troubles. The solution must be permanent and just.

The President: I can say with all honesty that the Secretary and I have spent as much time on this problem as we have on the Middle East and we are glad to make this effort. In fact, my efforts on Cyprus are harmful to me from a domestic political point of view. My AHEPA friends think that I have double-crossed them but I have continued to try to help even though this is a political liability. If the Europeans want to make an initiative I would welcome it.

Caramanlis: But they can't replace you Americans.

The President: We would welcome their leadership and we will continue to try to be helpful if the parties want us to be helpful.

The Secretary: Both sides have to want us to be helpful.

Caramanlis: The position I have adopted could greatly facilitate finding a solution to this problem. I adopted it in the full knowledge that I have a responsibility for peace, toward the West and toward the Alliance. The moment I adopted this position, others opposed it and it is indeed against my own popularity. You must understand that Greece feels humiliated and that many

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demand war. I have not responded to Turkish provocations. I have not spoken from a balcony saying that Americans should stop aid to Turkey but I have done all of this in the full knowledge that I wished to avoid dire consequences. If I were to try to do more I would have a problem in Greece itself. The position I have adopted could solve this problem for the future.

The President: We recognize that you represent the best Greek Government possible and we strongly support you. We want to work together constructively. If the parties want us to, we will help but we are stymied at the present time. We would welcome a European initiative and I will say so to my European colleagues. We will stay in the wings but remain willing to help. Maybe we will be fortunate this week in achieving a modified lifting of the embargo. If not, I can assure you that we will try even with our hands tied.

Caramanlis: You must take into consideration that Turkish policy is against their own best interests.

The President: And they seem to be getting help from the wrong people.

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