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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
 Amb. Jack B. Kubisch, U. S. Ambassador
 to Greece
 Dr. Henry A. Kissinger, Secretary of State
 and Assistant to the President
 for National Security Affairs
 Lt. General Brent Scowcroft, Deputy Assistant
 to the President for National Security Affairs

 DATE AND TIME: Friday, October 17, 1975
 10:25 - 10:47 a. m.

 PLACE: The Oval Office
 The Oval Office
 The White House

The President: It is good to see you again. How are things in Greece?

<u>Kubisch</u>: Much better than a year ago. We have a good government now. Karamanlis asked me to bring this letter. [He hands the President the letter, Tab A.] It is warm and friendly, but you can see how touchy and proud the Greeks are. He misunderstood one point about linking aid with going back into NATO. We have straightened it out.

The President: How are we doing on the aid negotiations?

<u>Kissinger</u>: Okay. We have offered a \$30 million development loan. He wanted 100. We have now raised it to \$65 million.

The President: Agriculture came in and asked for -- how much?

Scowcroft: \$250 million in economic aid.

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DECLASSIFIED E.O. 12958, SEC. 3.5 NSC MEMO, 11/24/96, STATE DEPT. GANDELINES State Pro: 20-20/11/04 BY______, MARA, DATE 6/4/04

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Kissinger: Our total now come s to \$225.

<u>Scowcroft</u>: But that is not on the same basis.

<u>Kissinger</u>: True. There is no way we can give them that much. They are really not entitled to economic aid.

[Discussion of aid budget submission].

<u>The President:</u> You know what a problem we had getting the embargo lifted. Do you think the Greeks will negotiate?

<u>Kubisch</u>: By all means. They just want to get it out of the way. Cyprus is 500 miles away and is solely an emotional problem. They want it out of the way and will concede any reasonable terms. If there is no settlement, the prospect of a war in the Aegean is high, and the Greeks can't afford that.

The President: How about the refugees?

<u>Kissinger</u>: Solving the territorial issue will solve most of that. The big problem will be Makarios and the weak central government. The best would be to get Makarios to sign it.

<u>Kubisch:</u> That is right. Unless Makarios blesses it, the Greeks won't accept it. Karamanlis thinks if we can do something within 60 days or so, he has enough leverage to force him to agree.

The President: Give the Prime Minister my best wishes.

<u>Kubisch</u>: If Cyprus is settled and the bilateral things get settled, it would be good to cap it with a Karamanlis visit here.

The President: It would be good politics here also. Maybe next summer.

Kissinger: All it takes is good will. There is little to settle.

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Dear Mr President,

Thank you ever so much for your message of 3rd October 1975.

I very carefully read your views on the course that would best serve our efforts to solve the problem of Cyprus and I noted especially your assurance that you shall soon undertake a major effort to break the deadlock in the negotiations and to try to persuade the Turkish government to show understanding and flexibility in particular on the issue of territorial arrangements. This is indeed the key to the whole problem.

I would like to hope that, this time, your intervention in Ankara shall prove effective since the reason that, as you explained to me in Helsinki, was impairing the efficacy of your action on Cyprus has now been set aside. If the Turkish government should once again fail to respond, we shall be heading towards a further deterioration of the situation, which we have a common duty to prevent.

His Excellency Gerald Ford, President of the United States, Washington D.C.

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Turning now to the question of economic and military assistance to my country, I shall not try to conceal, Mr President, my surprise at your linking it to the return of Greece to the military organization of the North Atlantic Treaty and to our negotiations on American bases in Greece.

You are well aware from my letter of 28th August 1974, of the very serious reasons which compelled me to take the decision of our leaving the military branch of NATO. Nothing, absolutely nothing, has happened since then to justify a reappraisal of the Greek position. The tragedy of Cyprus is still with us, while Turkey advances inadmissible claims on the Aegean. The concern shown by our Allies in NATO for these questions of vital importance to us was up to now if not marginal at least totally ineffective.

I would like to add, however, that with regard to both NATO and the negotiations on American bases, my government has acted and still acts cautiously and responsibly, on the basis of the criterion of our national interest.

As is known, Greece does not withdraw from the Atlantic Alliance. She only seeks a reajustment - imposed by circumstances - of her position within the military branch • of NATO. Moreover, as I stated in the Greek Parliament, Greece belongs and wishes to belong to the West.

Therefore, you will understand that I cannot accept that these questions be connected with the economic and

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military assistance that you intend to approve for Greece. Greek - American relations are going through a very delicate phase and it is precisely because I believe in the necessity of the links between our two countries, that I think that instead of giving Greek public opinion further cause of resentment we ought to work rather towards restoring its former warm feelings for the United States. You have at your disposal both the means and the ways of contributing decisively to this goal, and I would like you to rest assured that as far as I am concerned everything possible has been and shall be done in this respect.

You are not unaware, Mr President, of the fact that this country faces great and very acute problems emerging as it does from a seven-year dictatorship and from the nightmare of the Cyprus tragedy. To cope with them, it needs the understanding and assistance of all those who have a stake in the stabilization of its democratic institutions, only recently restored.

In this sense, Mr President, I would like to thank you warmly for the interest that you express in your letter towards my country - an interest which corresponds to the traditional friendship between our two peoples who have fought together twice in defense of our common ideals.

With warmest regards,

Her: thepequent

Constantine Karamanlis





Department of State

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STRIVING TO ACHIEVE THE SAME GOAL, NAMELY A JUST AND LASTING SETTLEMENT OF THE CYPRUS PROBLEM. IT IS MY CON-VICTION THAT THE UNITED STATES WILL BE IN A BETTER POSITION TO INFLUENCE THE TURKISH GOVERNMENT ON CYPRUS NOW THAT THE EMBARGO HAS BEEN PARTIALLY LIFTED, AND I CAN ASSURE YOU THAT WE SHALL SHORTLY BEGIN A MAJOR EFFORT TO TRY TO BREAK THE CURRENT IMPASSE IN THE NEGOTIATIONS.

4. IN THIS ENDEAVOR, WE WILL BE GUIDED BY THE PRINCIPLES THAT SECRETARY KISSINGER ENUNCIATED IN HIS SEPTEMBER 22 ADDRESS TO THE UN GENERAL ASSEMBLY, INCLUDING THE PRINCIPLES THAT THE PRESENT DIVIDING LINES CANNOT BE PERMANENT, SINCE THE TERRITORIAL ARRANGEMENTS ON THE ISLAND ARE A KEY ISSUE IN ANY SETTLEMENT, WE SHALL SEEK SPECIFICALLY TO PERSUADE THE TURKISH GOVERNMENT TO SHOW UNDERSTANDING AND FLEXIBILITY ON THIS QUESTION.

5. IT WOULD BE OUR HOPE THAT THE DEVELOPMENT OF SPECIFIC PROPOSALS ON TERRITORY BY TURKEY WILL PROVIDE A BASIS FOR AN EARLY RESUMPTION OF THE INTERCOMMUNAL TALKS BETWEEN MR. CLERIDES AND MR. DENKTASH AND THAT THESE TALKS, ONCE RESTARTED, CAN PROCEED TO ADDRESS ALL THE OUTSTANDING ISSUE IN A SYSTEMATIC AND SUSTAINED MANNER. THE NEGOTIATIONS WILL NOT BE EASY, BUT YOU CAN BE SURE THAT THE UNITED STATES IS READY TO ASSIST THE PARTIES IN EVERY WAY POSSI-BLE TO ACHIEVE PROGRESS. LET ME ALSO ASSURE YOU THAT WE ARE WILLING TO DO WHATEVER WE CAN TO FACILITATE A RESOLUTION OF THE GREEK-TURKISH PROBLEMS OVER THE AEGEAN AND THAT I FIRMLY BELIEVE THESE PROBLEMS MUST BE SOLVED THROUGH PEACEFUL MEANS.

6. WE ALSO WISH TO MEET, AS QUICKLY AND SYMPATHETICALLY AS POSSIBLE, GREECE'S REQUEST FOR ECONOMIC AND MILITARY ASSURANCE. IT IS IN OUR COMMON INTEREST THAT OUR LONG-STANDING ALLIANCE RELATIONSHIP BE RESTORED AND STRENGTHEN-ED.IN THIS CONNECTION, LET ME EMPHASIZE THE IMPORTANCE TO BOTH OF OUR GOVERNMENTS AS WELL AS TO DUR MUTUAL ALLIES, DF A RESUMPTION BY GREECE OF A FULL ROLE IN NATO. AT THE SAME TIME, I HOPE THAT YOUR GOVERNMENT WILL CONTINUE TO SHOW APPRECIATION OF THE IMPORTANCE OF US MILITARY FACILI-TIES, WHOSE PRESENCE IN GREECE, I BELIEVE, SERVES THE SECU-

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RITY INTERESTS OF BOTH COUNTRIES AND OF THE NATO ALLIANCE AS A WHOLE. I THINK IT IMPORTANT THAT WE REACH AN EARLY AGREEMENT ON THE SIZE AND SCOPE OF OUR MILITARY ASSIS-TANCE PROGRAM.

7. FINALLY, LET ME NOTE THAT OUR CRITICS-WILL INEVITABLY PORTRAY THE CONGRESSIONAL ACTION TO LIFT THE EMBARGO AS CONDONING THE TURKISH MILITARY ACTION ON CYPRUS LAST YEAR. I WANT YOU TO KNOW THAT WE DO NOT CONDONE THE TURKISHTACTION, NOR DO WE CONDONE THE LACK OF PROGRESS TOWARDS A CYPRUS SETTLEMENT OVER THE PAST YEAR. AS I HAVE EMPHASIZED, THE LIFTING OF THE EMBARGO WILL ENABLE THE UNITED STATES TO PLAY A POSITIVE ROLE IN TRYING TO ACHIEVE A FAIR AND LASTING SETTLEMENT OF THE CYPRUS PROBLEM, AND I HOPE THAT THE PEOPLE OF GREECE WILL COME TO VIEW THIS WEEK'S CONGRESSIONAL ACTION IN THAT LIGHT.

SINCERELY, GERALD R. FORD. END TEXT. KISSINGER

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