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(Second Part)

Western Europe's policy towards Mediterranean problems

REPORT

**submitted on behalf of the General Affairs Committee
by Mr. Burckel, Rapporteur**

ASSEMBLY OF WESTERN EUROPEAN UNION
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1. Adopted in Committee by 13 votes to 0 with 1 abstention.

2. *Members of the Committee: Mr. Sieglerschmidt (Chairman); Sir John Rodgers (Vice-Chairman); MM. Abens, Amrehn, Sir Frederic Bennett, Mrs. von Bothmer (Substitute: Schwencke), MM. Brugnol, Cermolacce, Fioret,*

Mrs. Godinache-Lambert (Substitute: de Bruyne), MM. Grangier (Substitute: Burckel), Leynen, Mende, Mendelson, Minnoci, Nessler, de Niet, Peijnenburg, Périquier, Porthéine, Preti, Quilleri (Substitute: Treu), Schmidt, Steel, Urwin, Van Hoeylandt.

N. B. *The names of Representatives who took part in the vote are printed in italics.*

Draft Recommendation
on Western Europe's policy towards Mediterranean problems

The Assembly,

Considering the defence of the Eastern Mediterranean to be an essential part of European security ;

Recalling that WEU is the only European organisation with responsibilities in defence matters ;

Welcoming the opening of negotiations for the early accession of Greece to the EEC ;

Recalling that the agreement of association between Turkey and the EEC provides for the accession of Turkey after a period of adaptation ;

Considering it essential to associate Greece and Turkey here and now with examination of matters affecting the security and the building of Europe ;

Recalling that paragraph 10 of the decision of the WEU Council of 7th May 1955 setting up a Standing Armaments Committee provided that the undertakings of that Committee "would remain open to participation by other countries of the North Atlantic Treaty Organisation" ;

Gratified that the three member countries represented in the Security Council have acted jointly to encourage Greece and Turkey to seek together a solution to the points at issue between them ;

Deploing the wait-and-see policy pursued by the United Nations towards the Lebanese tragedy and the increasingly systematic deviation of worldwide organisations from their original tasks,

RECOMMENDS THAT THE COUNCIL

1. Draw up a programme forthwith to strengthen Europe's share in the joint defence of the Eastern Mediterranean ;
2. Invite the Greek and Turkish Governments to be associated with the work of the Standing Armaments Committee, including the study on European armaments industries ;
3. Make every effort for Greece and Turkey to be associated ever more closely with the building of Europe ;
4. Continue its work towards settling issues between Greece and Turkey ;
5. Co-ordinate the efforts of member countries with a view to finding a fair solution to the Lebanese conflict ;
6. Invite member States in the United Nations and other worldwide organisations to adhere firmly to the commitments they entered into on joining, particularly as regards the Middle East conflict and the situation in the Mediterranean.

Explanatory Memorandum

(submitted by Mr. Burckel, Rapporteur)

I. Introduction

1. Your Rapporteur was asked to prepare only the section on the Eastern Mediterranean of a more extensive report on Western Europe's policy towards Mediterranean problems. For various reasons, only the present document will be submitted at this session of the Assembly and the General Affairs Committee intends to prepare a second report, dealing mainly with the Western Mediterranean, for the next session.

2. This report owes much to the information obtained by the General Affairs Committee during its visit to Greece and Turkey from 6th to 13th October 1976. Your Rapporteur wishes to express his deepest gratitude to the Greek and Turkish governmental representatives and members of parliament who expressed their views with the utmost clarity and replied in great detail to the questions put to them. He realises that he will not have satisfied all concerned but hopes he has done his best to define the lines of a Western European policy which both these countries are likely to accept and which should help to draw them closer together, this being essential for the common security and if they are both to take part in the effort to unite Europe, where there is every reason for them to find a place in the near future.

3. Here, your Rapporteur will merely recall the problems of the Western Mediterranean for the record, the principal one now being the progressive re-establishment of a democratic régime in Spain. It is quite obvious that, if confirmed, this trend will lead in the years ahead to a complete reassessment of relations between Spain and the rest of Western Europe, and the General Affairs Committee must consider the implications of this reassessment as soon as circumstances allow. It is not possible to do so now.

II. The Eastern Mediterranean and European security

4. Although geographically the Mediterranean may be considered as a whole, it is quite evident that politically the problems which arise differ widely from north to south. Greece and Turkey — and probably soon Spain — are mainly concerned with the development of institutionalised

relations between each other and with the rest of Western Europe, whereas the southern part is mainly Arab and has only concluded co-operation agreements with the European Economic Community of limited political effect. However, in 1972 the Common Market countries decided to implement an "overall Mediterranean policy". In this connection, it is evident that any action the Community takes in the Mediterranean must be *adapted to the different levels of development of the States concerned and their various requirements.*

5. *Second-generation countries* (the Mashrek countries) seem to be seeking technical, industrial and financial co-operation agreements and oil agreements. It is no longer a question merely of commercial promotion but of establishing lasting and organised co-operation with these States on an equal footing. For States with oil surpluses, the aim of co-operation might be wider than the mere short-term acceptance of orders and capital. Europe might propose long-term technological and industrial co-operation with them, which would provide a lasting guarantee of energy supplies.

6. *First-generation countries, particularly Greece and Turkey,* have problems in terms of agricultural concessions — which are probably necessary — and also economic integration. Candidate countries must therefore make a very great effort. Greece in particular seems aware of this since it has launched a vigorous reorganisation of its economy in the framework of a five-year plan.

7. These are the lines along which the Community's Mediterranean policy should be conducted. At the moment, however, this policy is highly diversified and contradictory. Regarding the countries which have applied for membership, for instance, Greece is on the way towards integration, but the association agreement with Turkey no longer corresponds to reality today and a reappraisal is urgent. Only ambitious concrete proposals can re-establish a balance between the two States and avoid Turkey drifting away from Europe and the West¹. In general,

¹ Similarly, it is gratifying that Malta has recently been able to catch up in implementing its association agreement with the EEC which opens the way for accession.

Community action is over-cautious, due perhaps to the lack of a common approach towards foreign policy in the Mediterranean area.

8. The Western European countries now no longer play a leading rôle in the military balance in the Eastern Mediterranean where mainly American and Soviet air and naval forces are stationed. The result is that whereas in economic matters Greece and Turkey are striving to strengthen their links with the EEC, their defence, even more than other European countries, is still almost wholly dependent on the American military guarantee. Thus, the outcome of Greece's decision to withdraw its armed forces from NATO following the Cypriot crisis in July 1974, although in some ways reminiscent of the decision taken by France in 1966, is not the same. Greece has also taken the initiative of renegotiating the terms governing the facilities granted to American forces using Greek installations and the conditions in which it will participate in the common defence in the event of emergency. In the defence field, Greece is thus in an unusual position, and attention should be paid to the extent to which a European union including Greece can take account of this. Similarly, the United States Congress embargo on deliveries of weapons to Turkey in 1974 had serious repercussions for the whole western defence system in Turkey. This is another fact which Western Europe can neither overlook nor neglect.

9. The two great powers' naval forces in this sector have been strengthened considerably in the last ten years and may increase as Soviet naval strength develops. Whereas the Americans have permanent naval bases around the Eastern Mediterranean the bases established by the Soviets for their sizable fleet in these waters have proved rather precarious, particularly in Syria and Egypt. According to recent information in the 1976-77 edition of Jane's Fighting Ships, one of the weak points of the Soviet fleet is its logistic infrastructure.

10. These considerations probably explain why the Soviet Union wished to develop a naval air arm. The first 35,000-ton ship with an aircraft-carrying capability, the Kiev, was built in the Black Sea, passed through the Straits on 18th July 1976 and for some time joined the Soviet Mediterranean fleet before moving on to the Baltic. A second ship of this class, the Minsk, is navigating in the Black Sea and will probably soon be brought in to strengthen the Soviet

Mediterranean fleet. Two others are reportedly being built¹.

11. A moot point is how far the passage of these ships through the Straits, although not officially termed aircraft-carriers but "anti-submarine cruisers", infringes the Montreux Convention governing the passage of warships through the Straits and banning the passage of aircraft-carriers. The United States, which has not signed the Montreux Convention, is hardly in a position to approach the signatories to invite them to insist on the convention being respected, since the matter is a delicate one in which everything depends on the various parties' definition of Kiev-class ships, which are not ordinary aircraft-carriers but cruisers equipped for the transport and launching of very short take-off and landing aircraft. The signatories of the Montreux Convention should agree on an interpretation of the text where the points now at issue are concerned so that an agreement which is as important for the security of the Soviet Union as for the Mediterranean does not become a dead letter. In any event, Turkey cannot be expected to insist on a restrictive application of the Montreux Convention at the present juncture. It could perhaps do so if the solution of its problems with Greece allowed its allies to give it the guarantees which it requires.

12. In fact, as the General Affairs Committee well realises, the security of Turkey, Greece and the whole of Western Europe has the same basis. Should Soviet forces become preponderant in the Mediterranean, the whole of Europe would be threatened, particularly because of its oil supplies. But if the balance were upset anywhere at all in Central or Southern Europe this would also have disastrous effects on the security of Greece or Turkey which cannot, without enormous risk, consider breaking up this solidarity. On the contrary, the present report will be devoted to considering ways in which it might be strengthened.

13. To determine the wherewithal, the Western European countries must improve the co-ordination of their defence policies in the Mediterranean at European level.

14. Although co-operation so far carried out in the framework of the Atlantic Alliance has made an essential contribution to Europe's security in

1. Cf. *Voici le Kiev*, Defence Magazine, September 1976, pages 67-70.

the Eastern Mediterranean, it has proved inadequate in certain respects. The NATO integrated military structure is now relatively weak and most allied forces — e.g. the United States Sixth Fleet — are not included. There are threats to Britain's installations in Malta, and soon it may also have to reduce its military strength in Cyprus. All this indicates that Europe's security in the Eastern Mediterranean should be based at one and the same time on continued Atlantic co-operation, stronger united action by the European countries and closer links between Western Europe and the States in that region.

15. Indeed, the progressive economic integration, at different speeds, of Mediterranean and Western European States can develop only if based on a common defence policy. Europe's active economic presence in the Eastern Mediterranean would ultimately be jeopardised if it continued to occupy a back seat in diplomatic and military matters.

III. Political instability in the Eastern Mediterranean

16. The economic and strategic importance of the Eastern Mediterranean and its position on the main oil route from the Middle East to the West and on the route through the Straits which throughout the year gives the Soviet Union access to the sea are sufficient reason for the presence of Soviet and American fleets and the active policy pursued by the two great powers in this area in the last twenty years. It would certainly be exaggerated to attribute to either of these powers responsibility for the crises which have occurred in the Eastern Mediterranean countries in recent years. In almost every case, these conflicts have been of local origin but, because of the interest shown by the two great powers in the area, they have assumed such proportions that at times, particularly in the case of the three main wars between Israel and some of its Arab neighbours, it was feared that world peace might be threatened.

17. The Western European countries cannot therefore tackle Eastern Mediterranean problems without taking into account the two factors of uncertainty constituted by the instability of several territories on the one hand and the Soviet military presence on the other. These two elements force them to act with the utmost caution and do nothing which might inflame differences or make the situation worse. Conversely, Europe's

interest in the Eastern Mediterranean is linked with détente and the solution of local conflicts.

18. In recent years, three serious crises have shaken the stability of the Middle East :

19. (i) *A crisis in relations between Greece and Turkey*, which has become considerably worse since summer 1974.

20. (a) *Over Cyprus*, where it has never been possible to apply satisfactorily the 1959 and 1960 London and Zurich Agreements. Cyprus, governed by a Greek Cypriot Government, had more than four hundred Turkish enclaves scattered throughout the territory in continual conflict with the Greek majority. Only the presence of a United Nations force prevented them from coming to grips.

21. However, when in July 1974 the Greek Government — then the colonels' junta — tried to terminate this situation by a *coup d'Etat* against Archbishop Makarios, Turkey reacted by sending armed forces which took up positions in the north-east of the island in order to protect the Turkish minority. Despite the collapse of the colonels' régime in Athens and orders from the Security Council, Turkish forces again took the offensive on 14th August and extended their control to almost 40 % of the island, regrouping the Turkish Cypriot population in the richest part. After bitter fighting, the Greek element, representing more than 80 % of the population of Cyprus, was relegated to 60 to 65 % of the island in the south-west, a mountainous and poor area.

22. United Nations intervention allowed a provisional cease-fire line to be determined. Almost all Turkish Cypriots have been evacuated from the southern part of the island and there are hardly more than 6,000 Greek Cypriots in the north. According to *Le Monde* of 3rd and 4th September 1976 the Turkish authorities are bringing Turkish citizens from Anatolia to replace them. There are believed to be about 125,000 Turks living in this part of the island at present. Finally, it should be noted that Mr. Waldheim, United Nations Secretary-General, looked for a settlement through new inter-community talks, but this initiative encountered difficulties which it has not yet been possible to overcome.

23. It is not for your Rapporteur to take stock of the rights claimed by one or other party. He felt that both sides were prepared to open negotiations and had abandoned their extreme posi-

tions. Enosis is no longer Greece's political aim and Turkey is no longer calling for partition of the island; everything thus seems to be leading towards the reconstitution of a Cypriot State federalising the two communities, but on a different territorial basis from 1960. It is logical that Greece should stress the problem of the demarcation line and that Turkey, since it has secured a major territorial gain, should refuse to negotiate the matter unless both parties manage to open parallel negotiations on the status of the island in the framework of inter-community negotiations.

24. The elections held in May 1976 in the Turkish-occupied sector and on 5th September 1976 in the Greek sector allowed the two communities to appoint their representatives. These two elections were not acts of appeasement and those in favour of a compromise did not win. The Turkish intervention in 1974 left deep scars and Turkey apparently feels that Archbishop Makarios, who won the elections in the Greek sector of the island, is not likely to offer the Turkish community the guarantees which it expects from the constitutional status of Cyprus. In short, there is a risk that suspicion and strong feelings may make the negotiations long and difficult, although the outcome is fairly clear: independence for the island, a federal constitution guaranteeing protection of the two communities and a change in the demarcation line in favour of the Greek majority.

25. (b) *Over the continental shelf in the Aegean Sea.* Under the 1923 Lausanne Treaty and the 1947 peace treaty with Italy, Greece obtained sovereignty over virtually all of the some three thousand islands in the Aegean and the Dodecanese, only 354 of which are inhabited, the vast majority of the population being Greek.

26. However, several of these islands are just off the coast of Turkey. For instance, Rhodes, Chios and Lesbos are less than fifteen kilometres from the Turkish coast, Samos less than two kilometres and other islands even closer.

27. The Greek Government therefore considers that as each Aegean island has a continental shelf the Greek continental shelf in fact covers a very vast part of the Aegean. The Turkish Government for its part considers that the Aegean is a case apart which should not be covered by the usual law. This point of view was underlined by Mr. Demirel, the Prime Minister, on 22nd August 1976 in a speech in which he stated that

the Aegean islands should not be called Greek but Aegean so as to indicate their special status.

28. The conflict assumed new dimensions in recent years:

(1) Greece has acceded to the Geneva Convention on continental shelves of 29th April 1958 but Turkey has refused to do so. Greece contends that this convention, which merely codifies current international law, is also binding on non-signatory countries, but Turkey, arguing the special nature of the Aegean, calls for the continental shelf to be divided in such a way as to take account of its position as an Aegean power.

(2) Turkey criticised Greece for not respecting the 1923 and 1947¹ treaties on demilitarising the Aegean islands and uses this as an argument for the treaties to be interpreted in accordance with its views. Greece, for its part, considers that the measures it has taken are purely security ones imposed by necessity and underlines that the Lausanne Treaty provides for the demilitarisation of Lesbos, Chios, Samos and Nikaria only in order to maintain peace, which would not prevent it ensuring their defence if they were threatened.

(3) In 1974, Turkey formed an "Aegean army" opposite the Greek islands well equipped with landing craft. This army does not come under NATO command.

(4) During the crisis in summer 1974, when Turkey insisted on taking over air traffic control from the half-way line in the Aegean, air traffic between Greece and Turkey came to a halt.

(5) Geological formations favourable for oil prospecting have been found in the Aegean and in 1974 Turkey launched a succession of prospecting campaigns. In summer 1976 further campaigns were carried out in the eastern half of the Aegean with the ocean research ship Sismik I. Turkey has already granted prospecting licences for the eastern half of the Aegean seabed.

(6) The Greek Government appealed to the Security Council and on 10th August called upon the International Court of Justice in The Hague to set the limits of sovereignty over the continental shelf and insist that Turkey cease its prospecting campaign in the meantime. The International Court of Justice subsequently

1. Turkey has not signed the 1947 Paris Treaty on the demilitarisation of the Dodecanese.

refused to take provisional measures although reserving the right to consider its competence on the substance of the matter. Greece wants the matter to be solved by the Court whereas Turkey wants prior bilateral negotiations. But the matter is further complicated by the fact that the law of the sea is at present the subject of negotiations at world level seeking to lay down principles meeting present-day economic requirements, which leaves scope for speculation, particularly about the rôle of islands in determining under-water prospecting areas.

(7) In the United Nations, the four members of the Atlantic Alliance which are on the Security Council — the United States, the United Kingdom, France and Italy — tried to obtain the agreement of the two parties to a draft resolution asking them to avoid hostile action, to do nothing which might aggravate the situation and to settle their differences by negotiations, underlining that the International Court of Justice should consider the matter only from a purely legal standpoint. This resolution was adopted by consensus of the Security Council on 25th August 1976. It led the Greek and Turkish Governments to consider step-by-step negotiations on the various aspects of their dispute. On 2nd November, negotiations at the level of experts were started in Paris on air space and in Bern on the continental shelf. Your Rapporteur is gratified that the two parties have managed to agree to start these negotiations.

(8) Finally, the present tendency to extend territorial waters from six to twelve miles would mean a very large part of the territorial waters of the Aegean would become Greek. This too is making Turkey call for the special situation of the Aegean to be taken into account and oppose any extension of Greek territorial waters in the area.

29. There can be no question of the WEU Assembly taking sides in two such delicate matters as those of Cyprus and the Aegean. But it cannot overlook the gravity of these problems for Greece and Turkey, nor, consequently, the need to solve them with an eye to safeguarding the legitimate interests of the two sides. Even if account is taken of the tension necessarily created by the prospect of early negotiations, it would appear that fears and suspicion on both sides far surpass what is really at stake in the two affairs.

30. In the case of Cyprus, the Greek side remembers above all the Turkish intervention of

July 1974 whose violence brought about a *fait accompli*, and there is fear of further action of this kind in Cyprus or elsewhere. The fact that following the intervention on 20th July the Turkish forces took the offensive again on 14th August 1974 is interpreted in Greece as proof of a Turkish desire for conquest, and it believes that Turkey prepared the Cyprus intervention a long time beforehand. The Greek view is that Turkish actions in the Aegean and in Cyprus are breaches of international law and call in question the treaties on which the country's sovereignty and security are based. The Greeks are inclined to think that, over and above the problem of the seabed, there is a Turkish threat to Greek sovereignty over the Aegean islands.

31. In Turkey, it is feared that renunciation of Enosis in Cyprus may be merely a tactical move and that Greece may isolate Turkey from its western partners through its control of the Aegean. This is not without consequences even for Turkey's relations with Western Europe since it appears afraid that once Greece has joined the EEC it may keep the doors firmly closed to Turkey.

32. Thus, it is the underlying reservations of both sides which are involved, and this may make the negotiations most difficult. At first sight, the starting positions are clear and should allow agreement to be reached on the main points at issue. But there seems to be so much reciprocal mistrust that it may be wondered whether such agreement can really be reached in the near future. An open dialogue, away from inter-governmental negotiations, in the framework *inter alia* of the European parliamentary assemblies, should help to dispel such mistrust and ulterior motives.

33. (ii) *The Lebanese affair* started with the arrival of some 300,000 Palestinian refugees, whose presence tipped in favour of the Moslem element the delicate and already threatened religious and political balance on which the Lebanese constitution and political customs were based, and its sovereignty was seriously jeopardised.

34. It would be pointless to try to attribute prime responsibility for the fighting which has become particularly bitter since the summer of 1975. But the fact that the Lebanese people, often Christian, had to endure reprisals by Israeli forces against Palestinian armed elements which had settled in Fatah Land in the south of Lebanon, whence they carried out deadly raids on Israeli territory (Maalot, Qiryat-Shemona,

etc.), made the presence of Palestinian forces over which the Lebanese Government had no control increasingly intolerable for a large part of the population. In Beirut itself or in the southern mountains, many bloody incidents occurred between Christian Phalangists and Palestinian guerrillas. The presence of armed Palestinians became an increasing source of division between Christians and Moslems, left and right, and confrontations led to the outright massacre of inhabitants of Christian villages, Moslem areas of Beirut and Palestinian refugee camps.

35. When all offers of mediation from outside the Arab world proved fruitless and the Arab States themselves, united against such mediation, failed to agree on joint action, Syria took military action in June 1976. But although the Syrian forces have reversed the situation they have not yet managed to stop the fighting and it has been thought that the war would end only if there were a *de facto* partition of the territory between Christians and Moslems. The Israeli authorities, for their part, announced a long time ago that they would not tolerate the establishment of a Palestinian State in Fatah Land, on Israel's frontiers, but have pursued an open-frontier policy with Southern Lebanon in order to assist, in Israel itself, the thousands of Lebanese refugees seeking hospital treatment or merely employment, thus creating a unique situation demonstrating the possibilities of trans-frontier understanding. It is quite obviously in Europe's interests for the Israeli-Arab conflict to be contained and brought to an end through direct negotiations and probably too for the territorial integrity of Lebanon to be maintained, even at the price of a federal status.

36. Where Lebanon is concerned, it is impossible at present to foresee the possible outcome of the peace plan proposed by the Arab League and even less the grand scheme for a federation of Jordan, Syria and Lebanon. There is apparently little chance of this being agreed to by the Palestinians or by the Lebanese Christians and the Israelis will probably do their utmost to avoid what they might call encirclement. Similarly, Soviet warnings to Syria arouse fears that if the Lebanese affair is not settled quickly it may escalate to international level which would make it difficult for the West to remain on the sidelines.

37. While the Lebanese tragedy is unfolding before the eyes of a powerless United Nations, certain groups of countries are systematically diverting this organisation and its specialised

agencies from their statutory tasks although much store had been set by them initially. This is illustrated by the unilateral approach to the problem of international terrorism and racism which the western community can but condemn and fight.

38. (iii) There has been a marked deterioration in *relations between Egypt and Libya* since the death of President Nasser and particularly since the 1973 war and the subsequent improvement in relations between Egypt and Israel. The situation became even worse in August 1976 when Egypt said Libya was implicated in the hijacking of an aircraft on an internal Egyptian flight and had organised or encouraged a series of attempts on the life of President Sadat.

39. Colonel Kadhafi said the Egyptian Government was trying to stir up trouble in Libya, and at the beginning of September 1976 it was announced that the forces of both countries were being mobilised.

40. It is still difficult to assess what is really at stake here and foresee the consequences since Libya is one of the few Eastern Mediterranean powers to be on good terms with the Soviet Union on which it would be compelled to rely in the event of hostilities with Egypt.

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41. It is evident that Western Europe has every interest in peace being restored in the Eastern Mediterranean because, although the great powers were not responsible for the latest confrontations, they cannot remain indefinitely on the sidelines. For instance, through an article in Pravda at the end of August 1976, the Soviet Government informed the Syrian Government that it should stop supporting the Lebanese Christians. Similarly, the Soviet Union has publicly promised assistance to Colonel Kadhafi in his dispute with Egypt.

42. Western Europe imports a large proportion of its oil requirements from the Eastern Mediterranean area. It has a direct interest in maintaining a Lebanese State which is an essential centre for its trade with the Arab world. Finally, it is interested to the highest degree in maintaining the cohesion of the Atlantic Alliance, which has been constantly threatened since July 1974 by differences between Greece and Turkey.

43. However, Western Europe must take full account of the constantly expressed desire of the

Arab world as a whole to settle matters concerning Arab countries among themselves. Any European intervention in the internal affairs of Arab countries or in confrontations between them might be viewed by a world opinion as neo-colonialism and should consequently be avoided as long as all concerned have not clearly expressed their desire to seek European mediation.

44. Furthermore, in differences such as exist between Greece and Turkey, it is extremely difficult for Western European countries to rally one way or the other because of the danger of diverting one of these countries towards internal revolution or a foreign policy which would take it away from the Atlantic Alliance and Europe. The policy defined by Britain, the United States, France and Italy in August 1976 is to encourage those concerned to agree among themselves. This policy seems far more in the interests of Europe and the West than any attempt to bring useless pressure to bear, particularly through embargos on weapons, which might break up the Atlantic Alliance in the Eastern Mediterranean, as was to be feared when the United States took measures against Turkey in February 1975. At the same time, the development of political and economic links between Western Europe and Greece and Turkey can but help to convince these countries that they should settle their differences by direct negotiations.

IV. Greece and Western Europe

45. On 9th July 1961, Greece concluded an association agreement with the EEC which came into force on 1st November 1962. Based on Article 238 of the Rome Treaty, this agreement provided for reciprocal rights and obligations between the contracting parties, economic co-ordination in fields covered by the association agreement and the creation of special organs, separate from those of the Community, to run the association.

46. The association agreement implied that improved economic relations between the EEC and Greece and the rising standard of living and level of employment in Greece would lead the Community to consider the possibility of Greece becoming a member of the EEC. An Association Council and a Joint Parliamentary Committee were set up to administer the association.

47. However, following the *coup d'Etat* on 21st April 1967, the European Community decided to freeze its relations with Greece, i.e. to limit

application of the association agreement to current transactions, until a democratic régime was re-established. Harmonisation of agricultural and financial policies was abandoned and the negotiations on harmonising economic policies were not even started. Loans from the European Investment Bank were suspended.

48. The last twenty years were a period of remarkable expansion in the Greek economy, bringing it closer to that of the EEC countries, although this was accompanied by an extremely high rate of inflation which made it more difficult for Greece to take its place in a European monetary system.

49. However, on 22nd August 1974, almost a month after the fall of the military régime and the restoration of democracy, the Greek Government sent an aide-mémoire to the President of the EEC Council requesting the reactivation of the association. This was followed by a request for exceptional aid of \$800 million. On a proposal by the Commission, the Council decided on 17th September 1974 to revive the process of association and on 25th June 1975, after the Greek elections, the EEC-Greece Parliamentary Committee resumed its activities. But the new Greek Government had already informed the Commission that it intended to request accelerated integration of Greece into the Community.

50. The Greek Government probably had several reasons for this :

(a) In the economic field, the increase from six to nine members of the European Community meant that the EEC was more than ever Greece's principal trading partner. In 1973, 55 % of Greece's exports were to the EEC and 50 % of its imports from the EEC.

(b) The development of Greece's economy and particularly its industry now made it a possible partner for the EEC.

(c) Insofar as membership of the European Communities was still its aim, the Greek Government felt it was in its interests to play an early rôle in the process leading to the establishment of the future European union.

(d) The Greek Government had no objection of principle to Turkey joining the European Community and thought the integration of both countries in the Community would help to solve their differences. Your Rapporteur learnt from the Greek authorities that the Greek Prime Minister and Minister for Economic Co-ordina-

tion had frequently said that Greece would raise no objections to Turkey's accession to the European Communities when the question arose. Greece had no reason to impede Turkey's economic and social progress. Not a full EEC member itself, Greece was not in a position to determine the positions of member States of the Community towards Turkey and had never presumed to influence them in any way whatsoever.

(e) The fact that NATO had not managed to prevent Turkish military action in Cyprus therefore led Greece to seek a framework more likely to shield it from Turkey's military strength.

(f) Finally, the democratic parties considered that accession to the European Communities would help to strengthen democracy in Greece itself.

51. The request for accession was made in Brussels on 12th June 1975, when Mr. Karamanlis, the Prime Minister, said that :

"The Greek Government believes that the membership agreement should foresee a five-year adaptation period, proportional to that foreseen for the accession of Great Britain and Ireland."

He added :

"I wish to stress, however, that Greece does not desire to become a member of the EEC solely for economic reasons. She mainly desires so for reasons which are political and concern the stabilisation of democracy and the future of the nation. The Greeks believe in the destiny of Europe, whose fulfilment presupposes the acceleration of the procedure for unification at present under development. Greece believes she can contribute to these procedures of the unification of Europe."

52. On 29th January 1976, the Commission adopted a recommendation which was in favour of the Greek application but advocating a transitional period of unspecified duration during which Greece would participate in the various Community bodies and bring its economic system into line with that of the Community. But the Council of Ministers did not endorse the Commission's reservations about the Greek proposal and asked the permanent representatives to prepare to start negotiations as soon as possible in a positive spirit. These negotiations have just begun and since the essential political decisions

have been taken the problem of Greece's accession to the Communities can now only be a question of time.

53. In economic terms, the gross national product per capita in Greece is almost the same as in Ireland, but the annual increase is far greater in Greece than in the EEC member countries. For the Nine as a whole, the average increase in the gross national product between 1963 and 1972 was 4.5% per year compared with 7.4% in Greece. In 1974, the gross national product per capita was \$4,486 for the EEC as a whole and \$2,140 for Greece.

54. Moreover, a comparison of the various sectors in Greece shows a considerable increase in the industrial sector, which employed only 18.4% of the labour force in 1961 compared with 25.7% in 1974. It represented 14% of the gross national product in 1961 and 21.4% in 1974. Manufactured products accounted for 3.4% of Greece's exports in 1961 and 53.2% in 1974. In less than fifteen years, Greece has therefore become a highly industrialised country and is apparently well on the way to catching up with the EEC countries.

55. However, there are still some weak points in the Greek economy which call for early action.

56. The first stems from unemployment. The rate was particularly high in 1974 but improved considerably in 1975.

57. The second is the trade balance, which is in constant deficit. In 1974, exports represented only \$1,774 million, whereas imports amounted to \$4,659 million, i.e. a deficit of \$2,885 million. There is nothing abnormal about this situation in a country in the process of equipping itself and in fact capital goods accounted for 33.7% of imports in 1974. Moreover, large invisible resources left only a small deficit of \$87 million in the balance of payments in 1974, account being taken of net imports of capital to the sum of \$1,151 million.

58. Finally, the problem of the extremely high rate of inflation seems to have been more or less solved since estimates for 1976 give a figure of between 10 and 12%, equivalent to that of several EEC member countries, whereas in 1974 it was 26.9%.

59. Thus, although Greece's application for membership of the EEC raises problems, they are limited and now seem to be in the process

of being solved. The Nine and Greece are certainly intent on finding a solution and the prospect of Greece's accession to the EEC can be viewed with optimism.

60. Greece's application also raises political problems which must not be taken lightly.

61. Greece can naturally not consider mobilising its European partners against Turkey; it has confirmed that two considerations carried weight:

(1) Turkish territory is an essential part of the western defence system in which the Turkish army plays an important rôle. Greece's security is very largely ensured by Turkey's participation in the system. It must therefore aim not at disarming Turkey but at finding a solution to its problems with that country and ensuring its long-term security with regard to Turkey. Attempts made *inter alia* by Mr. Max van der Stoep, Netherlands Minister for Foreign Affairs, President of the EEC Council, at the beginning of September 1976 to reconcile Greek and Turkish views therefore received a warm welcome in Athens. However, considering that for its security Turkey also needs Greece to take part in the western defence system, the Greek Government wishes to be reassured that Turkey's military efforts cannot be directed against Greece.

(2) The best guarantee for Greece would obviously be for Turkey to join the European Community too. If only because of its size and geographical position, the defence of Turkey goes hand in hand with that of Greece. Even if accession were to be delayed for economic reasons, it would probably be in Greece's interest for Turkey to take part in building the European union, particularly in foreign policy and defence matters.

62. However, although Greece's special position towards NATO does not raise any economic problems, it will nevertheless have to say what part it intends to play in a European union whose activities will one day include foreign policy and defence matters. Greece's decision to review its relations with NATO stemmed from the Turkish intervention of 14th August 1974 against Greek forces stationed in Cyprus: the Greek Government considered this to be an attack on a member of NATO by another member, armed by NATO. Greece noted that NATO had been unable to handle the situation and decided, while remaining a member of the

Alliance's political organisation, to resume full command of its national forces in peacetime and hold negotiations on means of changing over from this peacetime situation to a wartime situation, when Greek forces would be assigned to NATO commands. These negotiations seem to be progressing satisfactorily.

63. But apparently this in no way implies that Greece intends to remain outside a European defence policy, particularly in the field of armaments. The Greek Ministers who addressed the General Affairs Committee showed they were anxious to tighten links between Greece and WEU, particularly by appointing a permanent Greek delegation of observers to the WEU Assembly, and stressed their interest in the enquiry undertaken by the Standing Armaments Committee on European armaments industries from the point of view of developing joint production. Your Rapporteur considers that it is of the utmost importance for the WEU Assembly and Council to consider these openings.

64. Furthermore, the Greek Government attaches great importance to possibilities of Balkan co-operation which it has been endeavouring to develop since the return to democracy. Yugoslavia, Turkey, Romania and Bulgaria have responded favourably to the Greek proposals, and experts from the five countries met in Athens in 1976 to work out a series of specific points for co-operation. Moreover, this can but improve the application of the final act signed in Helsinki.

65. This step, far from separating Greece from Western Europe, can on the contrary only increase the latter's interest in having Greece take part in its work in the foreign policy field, since it aims at consolidating détente, associating neutral and eastern countries with Europe's economic organisation and — an essential aspect — bringing Greece and Turkey closer together.

66. In view of the essential position of the Eastern Mediterranean in the European security system and the leading rôle played by Greece — and Turkey — your Rapporteur considers it essential that Greek — and Turkish — parliamentarians be invited to participate regularly in the Assembly's debates. He therefore submitted a draft resolution to the General Affairs Committee calling on the Assembly to ask the Greek and Turkish parliaments each to appoint a delegation of observers with a statutory place in the Assembly.

V. Turkey and the EEC

67. Relations between Turkey and the EEC have largely run parallel to those with Greece. However, although relations with Turkey have not encountered such ups and downs as the Greek *coup d'Etat*, the economic gap is far wider than in the case of Greece.

68. An association agreement between the EEC and Turkey was signed on 12th September 1963 and came into force on 1st December 1964. The implications of the agreement were similar to those of the agreement with Greece. But provision was not made in the treaty for every aspect of the harmonisation of economic policies and it was left to the association institutions to work them out during the transitional period. Association with Turkey is therefore still at the development stage with many difficulties standing in the way of accession which could only take place after a particularly long transitional period of adaptation.

69. Turkey has at one and the same time good reasons for wishing to draw closer to the EEC and special problems which slow down this process. Favourable factors include :

70. (a) The policy deliberately adopted by Kemal Ataturk and constantly followed by all subsequent Heads of the Turkish State, which aims at making Turkey a western-type national State as opposed to the theocratic cosmopolitanism of the Ottoman Empire.

71. (b) Turkey's special position with about 500 km. of frontiers with the Soviet Union and about the same with Iran in areas where the ethnic division of the population on either side of the frontier is far from clear and unchallenged. Turkey is therefore obliged to give priority to ensuring its security with regard to these two powers, the latter now being in the process of building up a first-class military force, mainly thanks to large-scale arms deliveries recently agreed to by the United States. Although Turkey has so far sought security solely in close association with the West in the framework of NATO, it is still afraid of its links with the West being cut off.

72. There appear to be three reasons for this fear :

(1) Because of the independence of Cyprus and developments in the law of the sea, Turkey is afraid its links with the rest of the western

world may be controlled by Greece. This is probably the main reason for its claims on air traffic control in the Aegean and exploitation of the seabed, its absolute refusal to allow Greece to extend its territorial waters round the Aegean islands to twelve miles and its intervention in Cyprus in 1974. From this point of view, Greece's accession to the EEC, if not accompanied by measures to reassure Turkey, may make the latter afraid that it will be isolated on the edge of the western world by a power whose hostility it fears.

(2) The evolution of public opinion in the United States since the Vietnam war and the improvement in American-Soviet relations make Turkey fear a weakening in the American guarantee and encourage it to seek other means of ensuring its security.

(3) The embargo on deliveries of arms to Turkey imposed by the United States Congress in February 1975 and the halt to American military assistance have been attributed to the strength of the "Greek lobby" in the United States. They gave rise to the decision to open talks with the United States on co-operation in the defence field, place American bases in Turkey under Turkish control and make air traffic movements subject to prior authorisation. On 26th March 1976, the talks led to an agreement providing for the embargo to be lifted, bases to be reactivated and military assistance to be resumed, but relations between Turkey and the United States definitely suffered a setback from the crisis.

73. These considerations led Turkey to envisage a policy of continuing loyalty to the Atlantic Alliance but greater independence of the United States, particularly where arms were concerned. Mr. Kosygin's visit enabled Turkey to improve its relations with its Soviet neighbour. It has taken part in Balkan co-operative projects which, in themselves, are not liable to call in question Turkey's wish to prepare for accession to the EEC. However, it would appear essential for the members of the European Community to reassure Turkey, particularly about the possible consequences of Greece's accession, and strengthen their links with a country which has not always had cause to be satisfied with its relations with Western Europe.

74. (c) In the economic field, Turkey can hardly hope to develop its trade and industry outside the EEC, which accounts for 45 % of its exports and 50 % of its imports, employs 1,500,000 Tur-

kish workers and provides about 50 % of the investments made in Turkey.

75. There has certainly been a large increase in Turkey's gross national product in recent years and at a time when all the western countries are facing a serious crisis resulting in an overall drop of 1.75 % in the gross national product of the OECD countries, Turkey's gross national product is increasing at an ever-faster rate: 7.9 % in 1975. Despite an average annual increase of 10 % in its industrial production since 1970, Turkey is still an essentially agricultural country. Moreover, a very high birth rate (25 per thousand), high unemployment and a constantly rising trade deficit mean that this remarkable increase in the gross national product has not had the effect that might have been hoped. In 1975, the per capita GNP was still only about \$875.

76. In 1975, exports amounted to only \$1,600 million compared with \$4,600 million for imports, i.e. a trade deficit of \$3,000 million (of which \$1,720 million in trade with the EEC), which means that only 30.4 % of imports were covered by exports. Turkey does not have such high invisible resources as Greece. The main one is its manpower, for which there are not enough jobs in Turkey, and in principle there were 1,500,000 unemployed in 1975, although the figure in fact is probably over 2,000,000. Furthermore, Turkish workers abroad repatriated \$1,476 million in 1976, i.e. almost half the deficit in the balance of trade. For the Turkish authorities, it is therefore essential to retain and improve outlets for Turkish workers in the EEC countries and from this point of view Turkey's association should provide guaranteed employment and satisfactory conditions of work for Turkish workers. But the economic crisis which has been rife in European countries since 1973 has led to a reduction in the number of jobs open to Turkish workers and quotas for the number who may be employed, particularly in the Federal Republic. Turkey, associated with the EEC, is claiming treatment in this respect on at least an equal footing with countries which do not have associate status, and this seems perfectly justified.

77. It is not therefore surprising that Mr. Çağlayangil, Turkish Minister for Foreign Affairs, should have been dissatisfied with the way Turkey's association with the EEC was working in September 1976. The development of a global approach by the EEC to Mediter-

anean matters has led to a marked reduction in imports of Turkish agricultural products in favour of products from other Mediterranean countries, particularly Israel. This has increased Turkey's deficit in the balance of trade, which was intensified because at the same time openings for Turkish workers were closing, particularly in Germany and the Netherlands, the main employer countries. There is every reason to take seriously Turkey's threat to review its links with the EEC if its European partners do not show more good will towards it.

78. In view of the difficulties which the crisis might stir up in Turkey, the EEC Commission recently suggested new methods of industrial and technological co-operation involving greater freedom of investment for foreign capital in Turkey to induce the EEC countries to export capital rather than import manpower. They would be encouraged by the proximity of the Middle East oilfields, the fact that the industrial population in Western Europe is reaching an often intolerable degree of density and diminishing possibilities of profitable investment in Western Europe, compared with widespread and particularly profitable possibilities in Turkey.

79. These proposals and all the work done since Turkey became associated with the European Community are being discussed in Turkey. A subject of discussion is the fear that Turkey might be colonised by foreign capital integrating it into an economic system in which the Turkish State would have no part in the decision-taking procedure. Both Mr. Demirel's government majority and the opposition are divided over this matter.

80. It is therefore particularly regrettable that the Council of Association between the EEC and Turkey should have had to postpone its July meeting and subsequently the one which should have been held on 16th October 1976. These decisions taken by the Nine appear to show unwillingness to give serious consideration to the progressive establishment of a customs union with Turkey, a necessary basis for Turkey's accession to the EEC. Such last-minute postponements can but strengthen the position of those in Turkey who are in favour of changing the country's external policy, which would be neither in the interests of the West nor of Turkey, the country of Atatürk.

81. But apart from fears of an economic nature there are major political reactions against Turkey joining the European Communities which

have been exacerbated since July 1974. Turkey found there was a lack of understanding and support from its western partners in its differences with Greece and is afraid they may bring pressure to bear for it to abandon its very firm stand over Cyprus and in respect of the situation on the Aegean continental shelf.

82. Here again, the situation must be viewed as a whole : in the long run, differences between Greece and Turkey are about matters on which a compromise might be found if both sides really wished, as now seems to be the case. Insofar as Turkey fears being isolated from the West, it may be tempted to use force or seek support elsewhere. It is therefore essential for Greece's accession to the EEC not to be considered as support or the beginning of future support for the Greek cause, which implies that if Turkey so wishes it must be associated, at the same time as Greece, with those elements of the future European union in which it is possible for it to participate and particularly in foreign policy and defence matters. This leads your Rapporteur to propose that the Assembly approach Turkish observers, parallel with the course proposed for Greek observers, and that in general Turkey be associated as soon as possible and to the same extent as Greece with European foreign policy and defence consultations, even if Turkey's accession to the EEC cannot be achieved as quickly as that of Greece.

83. Similarly, your Rapporteur considers that Turkey can and should, on the same basis as Greece, be invited to take part in any of WEU's activities which might interest it, particularly those relating to the joint production of armaments.

VI. Conclusions

84. Although WEU is not the appropriate framework in which to consider matters dividing Greece and Turkey or to study the evolution of economic relations between the EEC and these two countries, it seemed essential to mention these matters in the better interests of Europe.

85. The state of Greek-Turkish relations at present prevents either of these countries acceding to the modified Brussels Treaty because the WEU countries cannot take the risk implied by

Article V of the Treaty as regards possible disturbances between Greece and Turkey. On the other hand, a settlement of such matters by means which could be accepted by both countries would open up new prospects.

86. At the present juncture, it is essential to endeavour to develop relations between Western Europe and Greece and Turkey in parallel and on an equal basis. Although the two countries' economic positions do not allow them to advance at the same rate, there is nothing to prevent them doing so in the foreign policy and defence fields. It would in any event be extremely dangerous for all concerned and for western defence as a whole to associate one of the two partners with a joint policy but not the other.

87. Finally, since any real progress depends closely on the re-establishment of confidence in relations between Greece and Turkey, it seems necessary not only to encourage both countries to find a way of agreeing on the points at issue but also to promote an atmosphere of understanding, as far as circumstances allow, by associating one with the other and both with the creation of a European union in which differences would lose most of their substance.

88. For all these reasons, your Rapporteur concludes that, where WEU is concerned, an immediate attempt should be made to associate Greece and Turkey with those activities of WEU which do not imply accession to the modified Brussels Treaty, i.e. those aiming at the joint production of armaments, and with the work of the Assembly.

89. If consideration is now given to the Eastern Mediterranean as a whole, it is evident that for military reasons Western Europe's position must be relatively reserved. But the foreseeable accession of Greece and Turkey to the EEC and the future European union will not allow it to maintain this attitude indefinitely and it will have to envisage playing a larger part in the defence of the Eastern Mediterranean in the future. This would imply directing its military effort — particularly where air forces and navies are concerned — along lines which would allow it to assist its allies effectively if need be. This also means that Western European countries must consider the requirements of such a policy in terms of forces and armaments here and now.

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