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Part IV

Balkan Dilemmas in 1970s and 1980s and the ‘Significant Other’ – the EEC
The only game in town? EEC, Southern Europe and the Greek crisis of the 1970s

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Introduction

On 28 May 1979, Greece - against all odds and five years ahead of Spain and Portugal - signed the Treaty of Accession to the EEC in Athens. It was a culmination of an effort that had commenced in the late 1950s when Greece had become the first country to be granted association status on 9 July 1961. In 1975, the then Prime Minister Konstantinos Karamanlis who oversaw Greece’s transition to democracy, applied for EEC membership as a long-lasting measure to protect the country’s nascent democratic institutions, secure its social cohesion and economic modernization, and ultimately guarantee enduring integration in the West. Greece had experienced a dictatorship since 1967, a period that abruptly ended in 1974 with a Greek-sponsored coup d’état against the President of Cyprus, Archbishop Makarios and the subsequent Turkish invasion of Cyprus. This was neither the first nor the last time since the inception of the Greek state that the political and intellectual elites turned to Europe. Greece had a tradition of participation in numerous alliances
throughout its modern history because of its small size, economic backwardness, and unstable geopolitical neighborhood. Such alliances had enabled Greece to strengthen its national security and advance its economic development. Often, however, such a reliance on external allies subjected Greece’s domestic politics and policies to foreign influence and in lack of Greek ownership allowed several political elites and their followers to view these alliances, including EEC membership, either as a panacea that would cure all the country’s problems or as a plague to be blamed for the country’s ills.  

Not surprisingly therefore, the second enlargement, namely, the accession first of Greece and then of Spain and Portugal, has been revisited by historians and political scientists alike recently, especially following the opening of the state/Community archives of the 1970s and early 1980s. The bulk of the historical work on the enlargement of the Community, however, has a rather introspective character. Research on Greece and the EEC, albeit limited, tends to adopt a national approach, examining the contributing role of domestic economic, political and social factors. Such an approach highlights the interaction between domestic forces and the development of the applicant’s European policy. Nonetheless, it fails to capture the transformative impact of enlargement on the EEC itself, the importance of the effects of negotiations on its institutional structures and its political cohesion, and finally, on the way the Community as an organization debates and responds to the pressures and demands of applicants.

This chapter, in adopting a multi-level and multi-archival analysis, will focus on Greece, which was the first out of the three Southern European countries to dive into
the fray of enlargement, and secondly will concentrate on the internal deliberations amongst the nine EC-member states in the critical period between Athens’ formal application in June 1975 and the Community’s decision to open up entry talks with Greece in February 1976. Although the period under examination precedes the formal negotiations between Greece and the EEC that commenced at the end of 1976, it is extremely telling of the Nine’s thinking in their political decision to say ‘yes’ to Greece and of the Community’s ultimate motivation to expand southwards in the 1970s.

The Greek entry to the EEC constituted a landmark in the Community’s enlargement history and its evolution for two reasons. It constituted a genuine challenge to the Nine who had to deal with the changing nature of applicants - from long established democratic and market economies to recently democratised and economically less developed states. Secondly and linked to these countries domestic volatile situation and the evolving international system of détente, it was a round of accession where the importance of Cold War calculations for the stability of Europe’s southern flank, were pronounced.8

**Greece’s nascent democracy is knocking on EEC’s door**

As soon as the dictatorship fell, the EEC was seen as the only appropriate forum where Greece could restore its confidence and support the country’s democratization process. The freezing of the Athens Association Agreement of 1961 after the coup, coupled with the forced withdrawal from the Council of Europe in 1969, had contributed to the symbolic association of Europe with democracy in Greek eyes. In marked contrast to the perceived American stance of indifference and even tolerance
towards the Colonels’ rule, the EEC’s use of political and economic sanctions had helped undermine the legitimacy of the military dictatorship.\textsuperscript{9} Whilst Washington remained essential to Greek national security\textsuperscript{10}, within Karamanlis’ small circle one clear conclusion was drawn. Greece needed to reduce over-dependence on the USA and achieve multilateral diplomacy without questioning the vital premises of the post-1945 Greek foreign policy of belonging to the West. The newly pursued multilateralism included policies unthinkable to pre-1974 conservatives. Karamanlis took personal interest in expanding the web of political but mainly economic relations with the Balkan states.\textsuperscript{11} However such policies, despite their symbolic importance, produced limited practical results. Conversely, EEC membership seemed to offer a viable solution to the Greek domestic predicament and accelerated progress towards membership became a top priority on the government’s agenda. Europe offered the Greeks an alternative model for democratic growth untarnished by the real and alleged sins of the United States.\textsuperscript{12}

The surprising arrival of the Greek application for membership, however, rocked the EEC boat with a series of economic, institutional and political problems. The Athens government could have hardly chosen a worse moment to apply. The 1973 oil shock that plunged the industrialized West in recession put the Community model under duress. Indeed, several Community policies had suffered substantive setbacks that made the member states unease at the prospect of a fresh widening, only two years since the previous enlargement and whilst Britain was renegotiating its own membership.\textsuperscript{13} The situation was made all the more critical by the presence of a geopolitical dimension that had been absent during the first enlargement. Security came to the fore suddenly, when Greece decided to withdraw from NATO’s military
command on 14 August 1974 in the wake of the second Turkish invasion of Cyprus.
The simultaneous fall of the other two southern European dictatorships of Portugal and Spain coupled with the political and financial turmoil that beset Italy during the same period, exacerbated fears of potential destabilization of the Western position throughout Southern Europe. Worries about the Western system’s balance were compounded by the prospect of accepting Greece, whose relations with its largest neighbor and the strategically pivotal state along NATO’s southern flank, Turkey, could only be described as hostile. Admitting Greece would inevitably entail the risk of getting the Community entangled in the Greek-Turkish dispute and, as a result, disturb the equal distance the Community sought to maintain between the two countries – bearing in mind that Turkey was not only a key NATO member but also an associate EEC member.

Alongside the geopolitical concerns, the economic dimension was setting off alarm bells in Brussels. Greece’s depressed economy and inefficient civil administration would further test the Community’s institutions. If the Greek state were to enter the EEC, it would have to undergo substantial structural changes for which the Community would most probably bear the financial brunt in the form of transfers of resources. Crucially, Greece was never examined on its own merits but rather seen as a forerunner of the other two emerging Southern European democracies: a ‘Yes’ to Greece would make it much harder to say ‘No’ to Spain and Portugal. The prospect of a Mediterranean enlargement in turn, would provide unwelcome competition and further strain the Common Agricultural Policy (CAP). Ultimately, it would oblige the Community to proceed to a full-scale reform of the CAP in order to ease Italian and
French concerns about Greek and much more importantly, Spanish competition in Mediterranean agricultural produce.

Arguments on both the Community and the Greek side were familiar to the Commission. It shared the need not to snub the Greeks in their precarious political climate of transition but as a guardian of the Treaties felt it bore the responsibility to point out the challenges that possible entry would pose on the institutional and political development of the EEC. Moreover, the Commission assumed that Greece, as one of its official put it ‘had been fed a rather heavy diet of positive commentary about Greek membership from the very highest levels of governments in member states’ and thus failed to recognize the needs for a preparatory period of economic aid that would enable it to overcome its structural weaknesses and adapt more easily to the Community’s mechanism and policies. The Commission’s Opinion, finally submitted to the Council of Ministers on 28 January 1976, was considered to be a lukewarm statement which on one hand recognised fully the democratic obligation in accepting Greece’s bid for membership but on the other considered the upcoming enlargement as an opportune time to deepen the process of European integration. The suggestion for an affirmative reply to Greece but with a 10-year pre-accession period would address these conflicting anxieties. In an unprecedented act in the enlargement’s history and following Athens’ strong reaction and heavy handed lobbying of the Nine, the Council defied the Commission by unanimously rejecting its Opinion merely two weeks after its submission. There was no dispute that the Greek application involved an economically and politically fragile country whose possible inclusion in the Community could bring closer to home the Greco-Turkish dispute at a time of perceived Euro sclerosis. However, such anxieties gave way to the
overwhelming imperative of finding a new international role for the EEC by aiding the nascent Greek democracy with the ultimate aim of stabilizing the country within western institutions and thus preventing a possible knock on effect on neighboring Spain, Portugal and Italy in the precarious geopolitical climate of Southern Europe.

**How did enlargement become a foreign policy tool?**

The collapse of right-wing authoritarianism in Greece, Spain and Portugal was an undisputed conclusion by 1975, and the question was how both sides of the Atlantic were willing to deal with it. The unanticipated toppling of the Portuguese dictatorship on 25 April 1974 that sunk the country into political turmoil caught the West off guard. The new military-dominated regime in Portugal was undecided as to the direction in which to take the country and whether or not to hand over power to a democratically elected government. There were concerns that the country might slide towards a kind of Euro-Communism and undermine Portugal’s membership of NATO. Such concerns were strongly voiced in Washington. For Kissinger, it was essential to isolate Portugal, as the country had been allegedly ‘lost’ to Communism. Europeans were equally troubled about Portugal’s uncertain future with Harold Wilson, the then British Prime Minister declaring Portugal a ‘test of détente’.

However, the Nine progressively adopted a more confident view, putting emphasis on strengthening the hand of the democratic forces in Portugal, which had a foothold in the new government in the form of Mario Soares, a democratic socialist who had long lived in exile and who was Foreign Minister.

Only four months after the Carnation revolution, the Greek dictatorship instigated a coup against Makarios that ultimately led to the Turkish invasion of Cyprus. The
Cyprus issue per se was not as essential to the strategy and contingency military planning of the United States and NATO. The American interest in Cyprus was essentially a preventive one: to keep its political problems from boiling over and throwing wrenches into the Greco-Turkish relationship.\footnote{As a State department briefing paper of early August 1974 declared that ‘the US does not have fundamental interests in Cyprus itself but we do have a major interest in the effect of the Cyprus problem on fundamental US interests in Greece, Turkey and the Eastern Mediterranean’. Consequently, the paper concluded that ‘our strategy is directed toward removing Cyprus as a bone of contention between Greece and Turkey’.} Kissinger was eager to cooperate with the British on the Cyprus front especially since America’s latitude had been restricted by the strong and influential presence of the Greek lobby in Congress. Moreover Britain, as signatory to the 1960 Treaty of Guarantee of the Cypriot state was thrust into a position of responsibility. However, the British lacked the power to take effective action as they suffered from what James Callaghan, the Foreign Secretary described as ‘responsibility without power’. Since 1964, successive British governments had adopted a policy of ‘impartiality and non-involvement’ with their priority remaining the retention and safety of their military facilities on the island while giving the Americans the first say. The main nexus of such policy was that no unilateral military action could be taken without American co-operation.\footnote{In fact, in 1975, London had wished for a complete British military withdrawal from Cyprus but fretted the negative impact of such an act on its special relationship with the USA ‘given the global importance of working closely with the Americans’.} It was not only Britain though that was at dismay. Generally speaking, it is true that the handling of the Cyprus crisis was not a success for any of the actors
involved. The Economist declared that ‘the Turks have had their way in Cyprus. For everyone else concerned there is only failure to report.’

The newly installed government in Athens, confronted with a rapidly growing popular anti-Americanism and the humiliating consequences of the recent double Turkish invasion in Cyprus, was under pressure to act. The Prime Minister, Konstantinos Karamanlis concluded that war against Turkey would be a highly dangerous option, as the seven years of the junta had left the country’s defenses in a precarious state. In a private meeting of political leaders, it was concluded that the Greek armed forces ‘were unprepared, inadequately equipped and in no position to declare war on Turkey’. Instead of war, Karamanlis announced the country’s withdrawal from NATO’s integrated military structure and requested the US to enter into renegotiations on the future of US bases on Greek soil.

The threat to NATO’s southern flank in the aftermath of Greece’s withdrawal from its military command and the country’s unstable domestic political situation during transition to democracy loomed large. Although Karamanlis was firmly attached to the West and his government had made it clear that the withdrawal from NATO was the least damaging course that had been open to it and the only acceptable policy to the public at the time, fears over Greece’s future policy orientation remained and abetted by the rise of the left in domestic politics. The newly formed Panhellenic Socialist Movement (PASOK) under Andreas Papandreou, despite coming third in the 1974 legislative elections, was becoming a progressively popular party campaigning on an anti-American and anti-EEC platform. An illustration of this line of thinking was evident during Chancellor Schmidt’s visit to Athens in May 1975. Karamanlis
went on to explain to the Chancellor that, although his parliamentary control was complete and the country’s NATO withdrawal had reached its limits in political gain, it would be a mistake to assume that he could or would pursue policies which were unacceptable to either to his opponents or Greek public opinion. The Nine knew that failure to grant Karamanlis a success on the EEC application front would undermine his position, jeopardize the country’s smooth democratization process and in turn, its foreign policy direction.

All of these fears over Greece were exacerbated by its potential spillover effect on the neighboring countries in the Southern European region. Indeed, in the mid-1970s the Western system in southern Europe seemed increasingly under threat. Besides the Greco-Turkish conflict, the Cyprus issue and the Portuguese question, Spain Franco’s dictatorship seemed to be nearing the end in 1975 with the 1953 base agreement with the USA in the air. Western leaders were equally concerned about Italy’s domestic instability, and economic crisis. Anxiety heightened even more with compromesso storico, and the probability of the Italian Communist Party coming to power. All of these helped exacerbate the already dismal strategic outlook in the Mediterranean region. In contrast to the first postwar decades when the American fleet dominated the Mediterranean, the 1970s witnessed a growing Soviet infiltration of the southern coast states. In the face of deep economic malaise, Britain had already undertaken the defence review that had led to a phasing out of its Mediterranean defence. The Americans expressed their fears about British withdrawal warning that ‘the impact on the Southern region would be very serious, …and the reductions in UK air forces stationed in Malta and Cyprus would be grave’. These fast paced developments played out against the transformative environment of superpower détente.
its conservative character of stabilizing the status quo, détente between the two superpowers had unintended consequences in the volatile environment of Southern Europe where the relaxation of the once constraining framework of the Cold War further fostered domestic instability. \(^{37}\) Romano and Romero rightly point out that: “a far more complex and lasting pattern of intra-European détente has thus emerged. Focus and emphasis have shifted from the conservative intent of détente policies pursued by the two superpowers with the aim of consolidating bipolarity, to the transformative and destabilizing effects unleashed across the Iron curtain’\(^{38}\). In the minds of the political elites on both sides of the Atlantic therefore, Greece’s geopolitical and internal unstable order became part and parcel of this changing setting of crisis in Southern Europe.\(^{39}\)

The United States felt it was in decline to act on its own. The tide of anti-Americanism with its ebbs and flows had swept Southern Europe with limited room for maneuver. To make matters worse, the trauma of Vietnam and Watergate had paralyzed the presidency with Congress becoming more assertive. The Ford administration no longer enjoyed the same flexibility in foreign affairs, a development that would add an unexpected layer of complexity in the conduct of US foreign policy\(^{40}\). The Turkish embargo and the halting of aid to Vietnam represented the victory of Congress over a weak president.\(^{41}\) Especially, the US embargo on arms for Turkey was an illustration of how the US ‘could be paralyzed to the disadvantage of NATO’.\(^{42}\) German Foreign Minister Hans-Dietrich Genscher talking with Italian Prime Minister Aldo Moro about Turkey ‘found it grotesque, that after NATO has guaranteed our security for over 25 years, we find ourselves in internal disarray due to our inability to handle our own problems’.\(^{43}\)
In an effort to overcome such constraints, the Americans looked -not immediately in the case of Portugal but quite forcefully over Greece- to their Europeans allies for help. A paper on the transatlantic cooperation, highlighted the importance they placed on the EEC’s regional stability role: ‘During the past year the EC-nine have gradually refined a common approach to problems in the Mediterranean’s northern ties, based on a desire to promote stability and political moderation and using the joint instruments of trade concessions, financial assistance, and ultimate closer association with or without membership in Europe. The Nine’s approach reflects a growing sense of responsibility, based on self-interests. There is a major US interest involved in accepting and encouraging the sharing of the Mediterranean burden with the Nine’.44

Echoing a similar sentiment on the other side of the Atlantic, the Germans understood Karamanlis’ predicament and noted that ‘although his own position on NATO and on the US presence in Greece was well known, we should not expect him to alienate public support at this stage by pro-American gestures or by a conspicuous return to NATO’.45 The Germans, like the rest of the Nine, came to support Greece’s wish to join the Community knowing very well that the Community’s unequivocal support would find approval with Greek public opinion and buttress the new social order, if only because the Greek government had oversold membership as being key to protecting democracy. Similarly, Paris concluded that ‘we must concern ourselves with not leaving this country on its own before the appeals of neutralism or the Soviet Bloc. There is therefore a certain urgency to consolidate a government born in adversity and with new setbacks threatening its existence. The tools at the Nine’s disposal to help Greece are political and economic’.46 The British shared the need for
the EEC to offer the solution as by their own admission ‘We are too poor to do much ourselves. Logically, we should leave it to others to make the running...We should therefore be ready to encourage our allies to help. The Germans and the French are the key’. It was therefore within the EEC context that Britain chose to act and though this medium to consult with the Americans. The policy of enlargement, however, for the Europeans did not seek to reduce the role of the United States in Greece. Europeans had the diplomatic and political means of influence that complemented those of the United States.

Even the French did not desire to antagonise or undermine the United States’ relationship to Greece. On the contrary, the French thought: ‘far from encouraging Greece to move even further away from the Atlantic alliance, the specific action of the Nine could redirect this country away from such danger’. The offer of full membership to the EEC would assist the Greek government’s democratisation effort and in turn keep the country aligned to the Western system, as ‘Greece needs now more than anything the moral support of its Western friends’. As Max Van der Stoel, the Dutch Foreign Minister, underlined when commenting on the anti-Americanism dominating Greece, ‘Today Greece feels the need to establish closer relations with Europe. But this must not imply antagonism with the United States’.

The overwhelming events forced the USA and EEC to confront the Greek and more generally the southern Europe problem in a coordinated manner. Utilizing new, more effective multilateral Euro-Atlantic fora-already in place in order to address the darkening economic outlook- Western powers co-operated in tackling the Greek crisis. During this intense consultation phase, the major members of the European
Community in agreement with the United States concluded that in order to ensure stabilization in Southern Europe they should anchor these countries firmly to the EEC either through closer association or full membership, even at the cost of the US losing direct political influence and its economic interests suffering.\textsuperscript{54}

**Conclusions**

The question of Southern Europe, and in particular Greece’s EEC membership was to be framed primarily, in Cold War terms. The Community was at the same time defensive and assertive in facing up to the Greek challenge. It was wary of the possible diluting effects of a Greek and in turn a Southern European enlargement on the institutions and of the financial costs involved, but at the same time it was eager to respond to the applicants’ call for the need for stabilization in the form of democratization, social cohesion, and economic modernization. Accepting Greece was the only policy the Nine could successfully follow in order to mitigate and to dispel anti-Western feelings in the country and facilitate the Greek government’s efforts to keep the country within the Western fold. Therefore, the Greek accession talks constituted a key episode in the course of which the Community discovered its power as a stabilizing factor in a Cold War crisis. In accepting Greece’s bid for membership, the Nine set out on a path that would eventually lead to far-reaching changes in the whole nature of the Community and its role as an international actor.\textsuperscript{55} By utilizing its newly found soft power – centered on the promise of enlargement – the European Community redefined itself as a civilian power and differentiated -- most of the times in a complementary way -- its role within the Atlantic world, offering a European solution to the European crisis of the South in the 1970s.\textsuperscript{56}
NOTES

1 The Athens Agreement was signed on 9 July 1961 and came into force on 1 November 1962 under the Article 238 of the Treaty of Rome. The Association provides among other things, the establishment of a customs union, harmonization of Greek and Community policies over an array of topics such as agriculture and transfer of resources to Greece for the advancement of its economic development with the ultimate aim of full membership.

* This chapter draws on argument and some textual material formulated in my book: Eirini Karamouzi, Greece, the EEC and the Cold War, 1974-1979: The Second Enlargement (Basingstoke: Palgrave Macmillan, 2014).


In the last decade, however, increasing efforts have been made for a multinational approach to the analysis of European integration in the fields of both history and political science, see: Wolfram Kaiser and Jürgen Elvert (eds.), European Union Enlargement: A Comparative History (London: Routledge, 2004). Equally pioneering was Ludlow’s monograph on the first British application: N. Piers Ludlow, Dealing with Britain: The Six and the First UK application to the EEC (Cambridge: Cambridge University Press, 1997); Luc Brunet (ed.), The Crisis of EU Enlargement, LSE IDEAS Special Report (London, 2013).


14 Washington DC, National Archives and Records Administration (hereafter NARA), Central Foreign Policy Files 1973-1977 (hereafter CFCP) Morris (Brussels) to State Department, 3 February 1976.


17 Paul Preston & Denis Smyth, Spain, the EEC and NATO, Chatham House Papers 22 (London: Routledge, 1984), 66.


21 David Hannay, Britain’s Quest for a Role: A Diplomatic Memoir from Europe to UN (London and New York: I.B.Tauris, 2012), 76.


23 Quoted in Claude Nicolet, United States Policy towards Cyprus, 1954-1974: Removing the Greek-Turkish Bone of Contention (Manheim: Bibliopolis, 2001), 418.

24 Andreas Constandinos, America, Britain and the Cyprus Crisis of 1974: Calculated Conspiracy or Foreign Policy Failure (Milton Keynes: Author House, 2009), 382; James Ker-Lindsay, Britain and the Cyprus Crisis, 1963-64 (Peleus: Bibliopolis, 2004).


26 The Economist, 16 August 1974.


30 Berlin, Akten zur Auswärtigen Politik des Bundesperublik Deutschland (hereafter AAPD) 1975, Meeting between Karamanlis and Schmidt, Bonn, 16 May 1975, Doc 120, 534-41.

31 Eirini Karamouzi, Greece, the EEC and the Cold War, 35-63.


34 NARA, CFSF, 1973-1976, Bruce (NATO) to State Department, 6 March 1975.

35 NARA, CFSF, 1973-1976, Bruce (NATO) to State Department, 8 February 1975.


42 NARA, CFSF, 1973-1976, Bruce (NATO) to State Department, 29 May 1975.


45 AAPD, Doc 120, 1975, Meeting between Karamanlis and Schmidt, Bonn, 16 May 1975, 534-41.


49 Geir Ludnestad, The United States and Western Europe since 1945: from ‘Empire’ by Invitation to Transatlantic Rift (Oxford: Oxford University, 2003).

50 AMAE, d/p, 3316, Note by F. Puaux, Paris, 16 September 1974.

52 AMAE, d/p, 3314, Note by H. Giacobbi, Hague, 2 September 1974.


55 For more recent work on the appeal of the EEC to Eastern Europe and Yugoslavia, see Federico Romero and Angela Romano (guest eds.), ‘European Socialist Regimes Facing Globalisation and European Co-operation: Dilemmas and Responses’, special issue of the European Review of History 21, no. 2 (2014); Benedetto Zaccaria, ‘The European Community and Yugoslavia in the Late Cold War Years, 1976-1989’ in Disintegration and Integration in East-Central Europe, eds. Wilfried Loth and Nicolae Paun (Baden-Baden: Nomos, 2014), pp. 264-83