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NATO RESTRICTED

NORTH ATLANTIC COUNCIL

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REGISTRY

~~COSMIC TOP SECRET~~
C-M(63)93
GREECE

1970

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INTERMEDIATE REVIEW 1963

CHAPTER ON GREECE

GIS 1964

I. Principal features of the Greek defence effort

1965 1969
1974 1975
1966 1976
1977
1967

Fully aware of the extent of her responsibilities within the Alliance, Greece informed her NATO partners in 1962 that unless she received sufficient external aid for 1963 and 1964, in order to fill the gap which NATO recognised existed between defence requirements and resources estimated available for that purpose, she would be obliged to reduce her force contribution for these two years.

1968

2. Following the resolutions adopted by the Council last December (C-M(62)154(Final)), several member countries agreed to extend a certain amount of aid to Greece for 1963. Implementation of the 1963 national plans (Project Athena - 1963) which were submitted to the NATO Military Authorities only last May, still depends on the effective provision of this NATO aid.

1971
1972

3. In the absence of any information on the aid which she may expect to receive from her allies, Greece had not been able to report her force plans for 1964. However, during the Examining Session, the Greek Authorities accepted as force goals for 1964 the minimum military requirements listed in SHAPE document 175/63, it being understood that their implementation depended on the receipt by Greece of external aid under various forms and notably of the aid foreseen for that year in Resolutions C-M(62)58 and C-M(62)154(Final). According to the Greek Authorities, the level of their forces would have to be substantially reduced in 1964, should Greece not receive assistance from her allies as in 1963. The NATO Military Authorities consider that such a reduction would seriously jeopardize the balance of forces in the Eastern sector of the Alliance, which has already been affected by the recent increase in Bulgaria's military potential.

1973

4. According to present plans, the Greek forces' contribution to NATO should, at end-1963, consist primarily of the following:

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Army

A total of 10 divisions, of which 5 M-Day divisions, 4 1st echelon divisions and one 2nd echelon division; in addition, two divisions and 9 light infantry divisions to be assigned to NATO in the event of mobilisation; 18 missile units (6 howitzer and two Honest John batteries).

Navy

In category A: two submarines and, under national command, 25 combat units (including 12 destroyers or escorts) and various amphibious craft.

regiments

Air Force

In total, 9 squadrons of 191 aircraft, of which 5 strike/reconnaissance squadrons, three air defence squadrons and one transport squadron; in addition, one high-altitude surface-to-air missile unit.

5. The total strength of the three Services (excluding security forces) should reach the level of about 157,000 men at end-1963, as against 154,000 at end-1962. Despite a slight improvement, the proportion of regulars to the total strength remains inadequate (17%). The length of military service is 24 months in the Army and 30 months in the Navy and Air Force.

6. Greece's present economic and financial resources and her industrial production capacity are such that she is still almost entirely dependent on external aid for arming and equipping her forces and for supplies of POL, spare parts, etc. The greater part of defence appropriations is devoted to the maintenance and operation of the Armed Forces.

7. Greece's defence expenditures remained at approximately the same level in 1961 and 1962 (about 5 milliard drachmae). About 11% was covered by counterpart funds of United States economic aid. It was thus possible to maintain the national budgetary effort at about 4.5 milliard, which represented about 4.5% of the gross national product. In 1963, it is estimated that Greece's own effort will amount to 4.8 milliard, i.e. 4.4% of the estimated gross national product.

8. Annex I shows the planned status of the Greek forces at end-1963, as set out during the 1962 Triennial Review and in the reply to the 1963 Intermediate Review Questionnaire and compares them with the NATO Military Authorities final programmes for end-1964. Annex II contains statistical data in graph form, showing trends in the Greek defence effort.

II. Defence finance

1962 financial year

9. During this financial year, Greece's defence expenditures amounted to 5,402 million drachmae, thus showing a slight increase (1.3%) over the 1961 figure. They were covered to the extent of 540 million drachmae by counterpart funds of United States economic aid (\$18 million); Greece's own effort was therefore limited to 4,562 million drachmae (equivalent to \$152 million).

1963 financial year

10. According to the reply to IRQ(63), defence expenditures this year should amount to 5,535 million drachmae. However, these forecasts will probably have to be revised since they assume that the equivalent amount in drachmae (705 million) of the total anticipated NATO aid (\$23.5 million) will be fully utilised.

11. On the basis of current forecasts, the defence effort financed from national resources should amount this year to 4,830 million drachmae (\$161 million), i.e. an increase of nearly 6% over the corresponding amount for 1962.

1964 financial year

12. No financial estimates have been provided for the next financial year. The amount of defence expenditures will depend on the budget decisions taken by the new Government following the general election in November 1963 and on the extent and nature of the assistance received by Greece from her allies.

III. Economic considerations

13. For several years, Greece's defence expenditures (financed from her own resources) have been increasing less rapidly than the national product and the proportion of the latter devoted to the military effort which was still 5% in 1960 fell to 4.5% in 1962, and in 1963, on the basis of present estimates, is unlikely to exceed 4.4%(1). However, though the share of budgetary receipts absorbed by defence has fallen, it still represents nearly a quarter of the total. Even allowing for certain foreign exchange receipts under the common infrastructure programme, the military effort entails a net expenditure abroad equivalent to roughly 3% of the balance of payments deficit. The Armed Forces account for a relatively high proportion of manpower (4.8%), but given the level of unemployment and under-employment this does not cause any undue strain on the labour market. There is, however, competition between the civilian sector and the Armed Forces for

(1) Including the "counterpart funds" of external aid, this percentage was 5.9% in 1960, 5.2% in 1961, roughly 5.1% in 1962 and will probably be of the same order of magnitude in 1963.

technicians and specialists. In order to improve this position, vocational training is now provided by the Ministry of Defence to a growing proportion of recruits.

14. The Greek Authorities are concerned by the scale of the economic tasks that will have to be tackled over the next few years and, in particular, by the need to devote considerable resources to investment in order to progressively raise the standard of living - still low - of the population, reduce unemployment and under-employment, and industrialise the economy which is still too dependent on agriculture. They have established an economic development plan which, for the period 1962-1964, provides for an average increase of 6% in the gross national product. In order not to jeopardize this plan and at the same time to enable them to remedy certain deficiencies in the Armed Forces which have been highlighted by the NATO Military Authorities, they have urged the need for support from their partners within the Alliance, both in the economic and defence fields.

15. In this latter connection, and in application of the Resolution adopted by the Athens ministerial meeting in May 1962 (C-M(62)58), a number of NATO countries have undertaken to supply aid to Greece in a total amount of \$23.5 million. For their part, the Greek Authorities had agreed to increase their military expenditures in 1963 by \$7 million over their original forecast (\$154.5 million). Expenditures for 1963 are, in fact, estimated at \$161 million, as against \$152 million actually spent in 1962. Only part of the \$23.5 million in aid has so far been supplied. Even when the remainder has been placed at the disposal of the Greek Government, as a result of bilateral negotiations which are still in hand, total available financial resources will still be below the requirements acknowledged to be necessary for 1963 and part of the resultant deficit will add to these for 1964, a year for which Greece has not stated the amount of additional resources she intends to devote to defence.

16. As a consequence largely of the importance of agriculture in Greece, the growth of the GNP varies appreciably from one year to another: it reached 12.4% in 1961 and, after dropping to 3.1% in 1962, is likely to rise to 7% in 1963, a year during which industrial and agricultural production has made substantial progress. The two sensitive points in the economy remain the budget and the balance of payments. However, it seems possible that the growing public investments planned in 1963 can be financed thanks to the surplus of State revenue over current expenditures, the counterpart funds of external aid and the domestic loans made possible by the expansion in savings. It is true that Greece continues to run a large external trade deficit, but, owing to the increase in invisible earnings, particularly from tourism, to the rise in private investment, to the advantages she derives from her association with the European Economic Community in the form of facilities for her exports and of possibilities of loans from the European Investment Bank (amounting to \$125 million for five years), and to the efforts made by the Consortium set up in application of

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the North Atlantic Council resolution C-M(62)57, under the aegis of the OECD, to co-ordinate and increase the assistance which remains essential, there is no fear of an external payments crisis in the immediate future. Gold and foreign exchange reserves have continued to rise in 1963 but indebtedness on account of import credits have increased by a roughly similar amount. Last July, the reserves amounted to \$283 million, i.e. nearly six months' imports.

17. On the whole, it would seem that, without slowing down her economic expansion, Greece should be in a position in 1964 to devote more resources to the common defence than in 1963. Taking account, on the one hand, of the urgent need to improve the effectiveness of the Greek Armed Forces and, on the other, of the favourable economic prospects, it would seem that an increase of the order of 5% (i.e. roughly \$8 million above the present estimated level of \$161 million for 1963) would not be beyond the country's capabilities. At the very most, this would probably mean that the share of the gross national product devoted by Greece to her defence effort could be kept at its present level.

IV. Summary progress report on the Greek defence effort

18. On the whole, the Greek military contribution in 1963 differs significantly from the reduced programmes accepted in 1962 by the NATO Military Authorities as a result of the proposals put forward by the Greek Authorities. These differences can be mainly ascribed to the fact that Greece does not this year have all the resources acknowledged to be necessary in order to give full effect to the NATO military programmes.

Army

19. Only one infantry division, instead of two, can be re-organized this year in compliance with the request of the NATO Military Authorities, owing to the lack of the necessary equipment, which is expected to be delivered under external aid. For the same reason, the Thrace division, although strengthened, is not up to the standards laid down for first echelon major units and the build-up of a third Honest John battalion cannot be undertaken. It has been possible to give a nuclear capability to two howitzer batteries. The number of non-organic support units remains quite inadequate.

20. For reasons of economy, the manning strength ceiling has been set this year at 117,000 men - as against 114,000 at end-1962 - whereas the implementation of NATO programmes would have required 125,000 men. The scheme to recruit 9,500 volunteers, envisaged in 1962 in order to fill the gaps resulting from the low birth rate years and to increase the proportion of regulars has had to be abandoned. In the circumstances, it has not been possible to bring the manning strength of first echelon units up to the intermediate standards (40% instead of the required 45%), while the proportion of regulars in the total manning strength remains low (12%).

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21. The equipment position is particularly disquieting since it seriously affects the tactical mobility of the Greek Army. There are critical deficiencies in the basic load of units, especially in combat or transport vehicles and anti-aircraft artillery. Moreover, some of the equipment in service is obsolete or in poor condition and should be renewed. Reserves of equipment are practically non-existent and the level of ammunition stocks in most cases inadequate.

Navy

22. Nearly all the ships of the Greek fleet are of World War II construction and to all intents and purposes obsolete. Moreover, there are shortfalls in category A in relation to the numbers required under the NATO programmes. Although they exceed in number the figure stipulated in the programmes, the amphibious craft have a limited ability to carry out their assigned mission of providing support for the Army. It is unlikely that any solution, other than a partial one, will be found to these difficulties in the near future, either nationally or with the present level of external aid. The proportion of regulars and the number of technicians are inadequate.

Air Force

23. The composition of the Greek Air Force has remained virtually unchanged in 1963. Owing to delays in the delivery of modern aircraft under external aid, there is a shortfall in national plans for this year of two squadrons (24 aircraft) out of a total of 11 squadrons (215 aircraft) stipulated in the NATO military programmes. Moreover, more than one third of the aircraft in service have a limited capability or are even obsolete.

24. Qualitatively, the Air Force is not entirely up to the interim NATO standards; in particular, the number of flying hours per pilot per month amounts to only 14 hours instead of 16. Although the position with regard to the supply of spare parts has improved, the level of combat readiness is still inadequate in one third of the squadrons. Operational reserves for air-to-air missiles are below the required level.

25. Little progress has been made with the effort to increase the survivability of the Air Force, owing to the shortage of funds.

V. Summary military appreciation of the Greek contribution to NATO and final recommendations of the NATO Military Authorities

26. The NATO Military Authorities appreciate the emphasis which Greece places both on deterrence of limited aggression along its borders and general war. The growing deficiencies in the combat capabilities of the Hellenic Forces are of grave concern and it is considered essential that necessary means be found to enable Greece to fulfil her agreed NATO commitments adequately. They note that the Hellenic Authorities have limited detailed information in their reply to 1963; because of this the NATO Military Authorities are unable to evaluate the capabilities of the Hellenic Forces in 1964.

Army

27. The growing deficiencies in the combat capability of the Hellenic Ground Forces when compared with the growing strength of the Soviet bloc forces who oppose them are matters of grave concern. Most critical deficiencies exist in Armoured Personnel Carriers (APCs), Medium Tanks and Wheeled Vehicles. The reorganization of the M-Day Divisions has been delayed owing to non-receipt of required equipment. Although the Hellenic Authorities have been able to meet almost all manning levels, including specialists, it is regretted that they will not be able to raise the manning level of 1st echelon units to the 45% required by end-1963. There are shortfalls in unit equipment and operational reserves of equipment. Communication equipment is either obsolescent or in short supply. The NATO Military Authorities therefore consider that during the period under review the Hellenic Army will have a limited operational capability to carry out its assigned mission as compared with a moderate operational capability last year.

Navy

28. The major problem which faces the Royal Hellenic Navy is the age of its ships; most vessels are over 20 years' old and obsolescent. There are shortfalls in category A Destroyers/Destroyer Escorts (DD/DEs), Submarines (SS/SSKs) and Fast Patrol Boats (FPBs). Furthermore, the 'over the beach' unloading capability required in support of the Hellenic Army is inadequate. The proportion of regular personnel is considered to be low and cannot be considered offset by the length of National Service which is 30 months. In addition, there are shortages in technicians, particularly in the communications and electronics field. For these reasons, during the period under review the Royal Hellenic Navy will have only a limited operational capability.

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29. It is apparent that the Royal Hellenic Air Force has made a determined effort to utilise available resources to maintain as effective a force as possible, particularly by improving the QRA Status. However, there are major deficiencies in the numbers and types of modern strike and reconnaissance aircraft and the Interceptor Day Fighters (IDFs) and All Weather Fighters (AWX) have limited capabilities. Pilot flying times are below the acceptable minimum. Squadrons and command and control systems are vulnerable to surprise attack. The NATO Military Authorities therefore consider that the Royal Hellenic Air Force will continue to have a moderate operational capability.

Recommendations of the NATO Military Authorities

30. While recognising the difficulties which beset Greece in providing the resources for defence and acknowledging that considerable help must be forthcoming from outside sources the NATO Military Authorities urge Greece to implement the following military recommendations. These recommendations are listed in order of urgency without regard to Service:

- (1) Provide the required combat and non-combat vehicles and other equipment for the Hellenic Army with priority to M-Day Units.
- (2) Procure new ships and modernise or replace obsolescent Naval Units.
- (3) Provide aircraft in the number, type and rôle required by the MNC Programme.
- (4) Take action to reach the required level of operational reserves of equipment and stocks of ammunition in the Army and provide adequate stock levels for the Navy.
- (5) Take every practical step to reduce the vulnerability of Royal Hellenic Air Force squadrons and their associated command and control system.
- (6) Increase the proportion of regulars, particularly technicians and communications/electronics personnel, in the Royal Hellenic Navy.
- (7) Increase pilot flying times to the agreed interim standard.
- (8) Improve the 'over beach' unloading capability in support of the Hellenic Army.

OTAN/NATO,
Paris, XVIe.

FORCES TABLES

The contribution to NATO for end-1963 and end-1964, as stated in the 1962 Triennial Review and in the Reply to ARQ(63) and the Major NATO Commanders' Final Proposed Programme as approved by the Standing Group are as follows: (For additional details covering all types of Army, Navy and Air Force Units, see Statistical Summary IR(63)GREECE-D/3.)

ARMY

	end-1963				end-1964				NMA Final Programme	
	TR(62) country plans		IR(63) country plans		TR(62) country plans		IR(63) country plans (c)			
MAJOR UNITS	Div	RCT/Bde	Div	RCT/Bde	Div	RCT/Bde	Div	RCT/Bde	Div	RCT/Bde
<u>ARMOURED</u>										
M-Day	1	-	1	-	1	-	1	-	1	-
<u>INFANTRY</u>										
M-Day	4	1(a)	4	-	4	1(a)	4	1	4	1
1st Echelon	4	-	4	-	4	-	4	-	4	-
2nd Echelon	1(b)	-(b)	1(b)	-(b)	1(b)	-(b)	1(b)	-(b)	1(b)	-(b)
<u>TOTAL</u>										
M-Day	5	1	5	-	5	1	5	1	5	1
1st Echelon	4	-	4	-	4	-	4	-	4	-
2nd Echelon	1	-	1	-	1	-	1	-	1	-
<u>NUCLEAR DELIVERY UNITS (M-Day)</u>	Bns	Btrys	Bns	Btrys	Bns	Btrys	Bns	Btrys	Bns	Btrys
<u>8" Howitzer Units</u>	-	4	-	6	-	5	-	5	-	5
<u>Rocket Units (Honest John)</u>	3	-	2	-	3	-	3	-	3	-

- (a) This RCT has been incorporated in the 1st Echelon Division in Thrace.
- (b) In addition, Greece maintains at 2nd echelon, 2 divisions and 9 light infantry regiments which are earmarked for assignment to NATO on mobilisation. It is planned to convert the 9 light infantry regiments by end-1964 into 2 RCT, 4 regiments and 2 light infantry regiments, all at 2nd echelon.
- (c) The Greek Authorities accept as force goals for 1964 the minimum military requirements of the Major NATO Commanders' programmes listed in SHAPE document 175/63, it being understood that their implementation depends on the receipt of external aid under various forms and notably of the aid foreseen for 1964 in the Resolutions C-M(62)58 and C-M(62)154(Final).

NAVY

(selected types only)

	C a t	end-1963		end-1964		
		TR(62) country plans(a)	IR(63) country plans(a)	TR(62) country plans(a)	IR(63) country plans(a)	NMA Final Programme
Destroyers and Ocean Escorts (DD/DE)	A	12	9	12	12	12
	B/C	-	3	-	-	(b)
Coastal Escorts (PC)	A	5	3	5	4	4
	B/C	-	2	-	1	(b)
Submarines (SS)	A	4	2	4	3	3
	B/C	-	-	-	-	(b)
Minelayers (CM)	A	2	1	2	1	1
	B/C	-	1	-	1	(b)
Fast Patrol Boats (FPB)	A	4	-	6	6	6
	B/C	-	-	-	-	(b)

- (a) All vessels except submarines are under national command.
- (b) SACEUR's requirements are for Category A only.
- (c) The Greek authorities accept as force goals for 1964 the minimum military requirements of the Major NATO Commanders' programmes listed in SHAPE document 175/63, it being understood that their implementation depends on the receipt of external aid under various forms and notably of the aid foreseen for 1964 in the Resolutions C-M(62)58 and C-M(62)154(Final).

AIR FORCE

	end-1963		end-1964		
	TR(62) country plans	IR(63) country plans	TR(62) country plans	IR(63) country plans(c)	NMA Final Programme
<u>SQUADRONS & AIRCRAFT</u>					
Light Bomber/Fighter Bomber Strike (LB/FB Strike)	3/75	2/50	3/75	3/68	3/68
Light Bomber/Fighter Bomber Attack (LB/FB Attack)	1/25	2/50	1/25	1/25	1/25
Reconnaissance (Recce)	2/29	1/18	2/29	2/36	2/36
Light-Weight Reconnaissance (LWSR) (R)	-	-	-	1/20	1/20
All-Weather Fighter (AWX)	2/32	2/32	3/48	3/48	3/48
Interceptor Day Fighter (IDF)	1/25	1/25	1/25	1/25	1/25
Transport (TC)	1/16	1/16	1/16	1/16	1/16
<u>MISSILE UNITS</u>					
SAM High Alt.	1	1	1	1	1
SAM Low Alt.(a)	1 (b)	1(b)	1	1	1

(a) Manned by the Army.

(b) ~~Equipment not yet available.~~

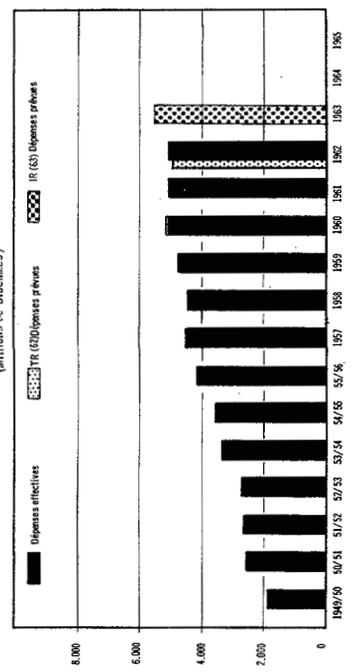
(c) The Greek authorities accept as force goals for 1964 the minimum military requirements of the Major NATO Commanders' programmes listed in SHAPE document 175/63, it being understood that their implementation depends on the receipt of external aid under various forms and notably of the aid foreseen for 1964 in the Resolutions C-M(62)58 and C-M(62)154(Final).

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NATO SECRET
ANNEXE II ou
C-M(63)93, GRECE

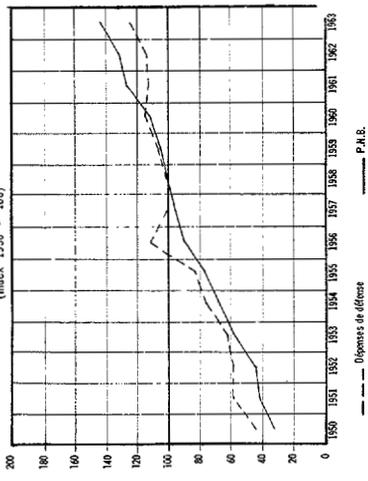
G R E C E

DEPENSES DE DEFENSE EFFECTIVES ET PREVUES
(Millions de Drachines)

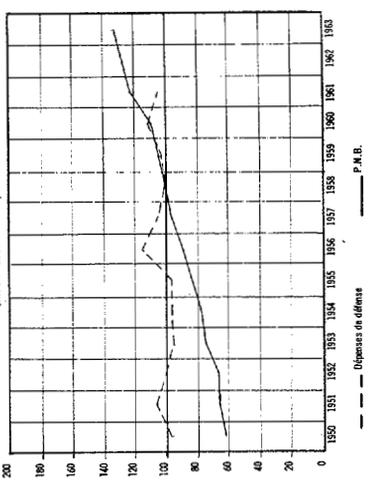


G R E C E

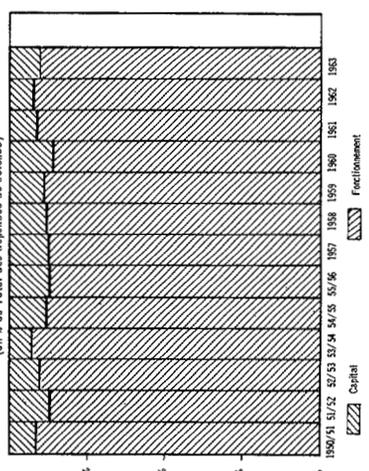
P.N.B. ET DEPENSES DE DEFENSE EN PRIX COURANTS
(Index 1958 = 100)



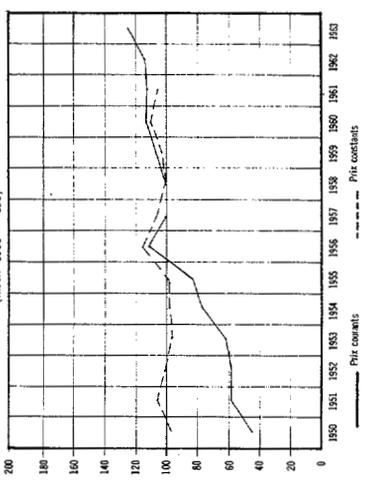
P.N.B. ET DEPENSES DE DEFENSE EN PRIX CONSTANTS
(Index 1958 = 100)



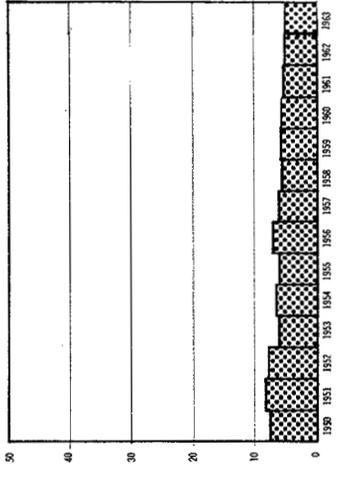
DEPENSES EN CAPITAL ET DEPENSES DE FONCTIONNEMENT
(en % du Total des dépenses de défense)



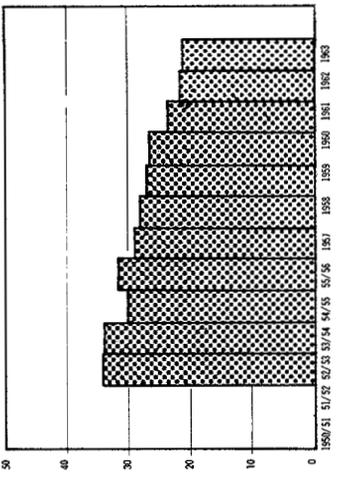
DEPENSES DE DEFENSE EN PRIX COURANTS ET PRIX CONSTANTS
(Index 1958 = 100)



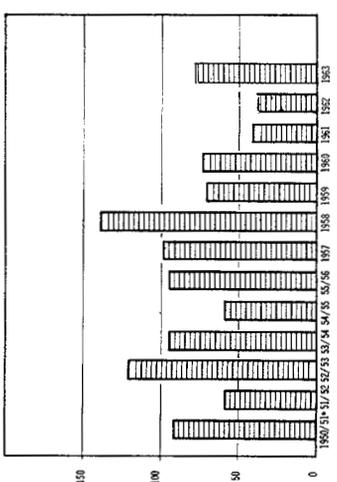
DEPENSES DE DEFENSE EN % DU P.N.B.



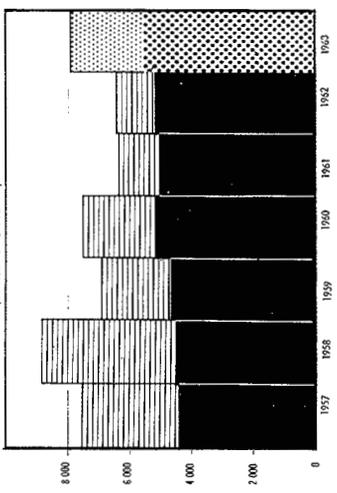
DEPENSES DE DEFENSE EN % DES DEPENSES BUDGETAIRES



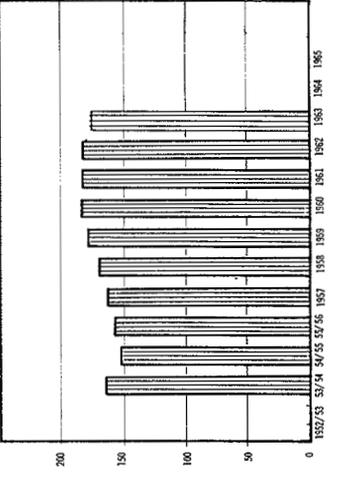
AIDE MILITAIRE DES ETATS-UNIS
(Millions de Dollars)



RESSOURCES TOTALES CONSACREES A LA DEFENSE
(Millions de Drachines)



FORCES ARMÉES - EFFECTIFS BUDGETAIRES
(en milliers d'hommes)



QUELQUES DONNEES GENERALES

Superficie	130.215 km ²
Population	8.451.000 (Jan 1970)
Taux d'accroissement annuel 1958-1982	0,9 %
Densité par km ²	63 h.
Nombre d'années	3.238.000 (1971)

* Un faible montant de ce total a été fourni en 1949/50.

NOTE SUR LES GRAPHIQUES PAR EXERCICE FINANCIER
A partir de 1957 l'exercice financier de la Grèce s'étend sur l'année civile. L'exercice financier 1955/56 (18 mois) a été ajusté sur une base annuelle.